



CEKD BERHAD

[Registration No. 201801023077 (1285096-M)]



ANNUAL REPORT
2024

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OUR VISION, MISSION & MOTTO

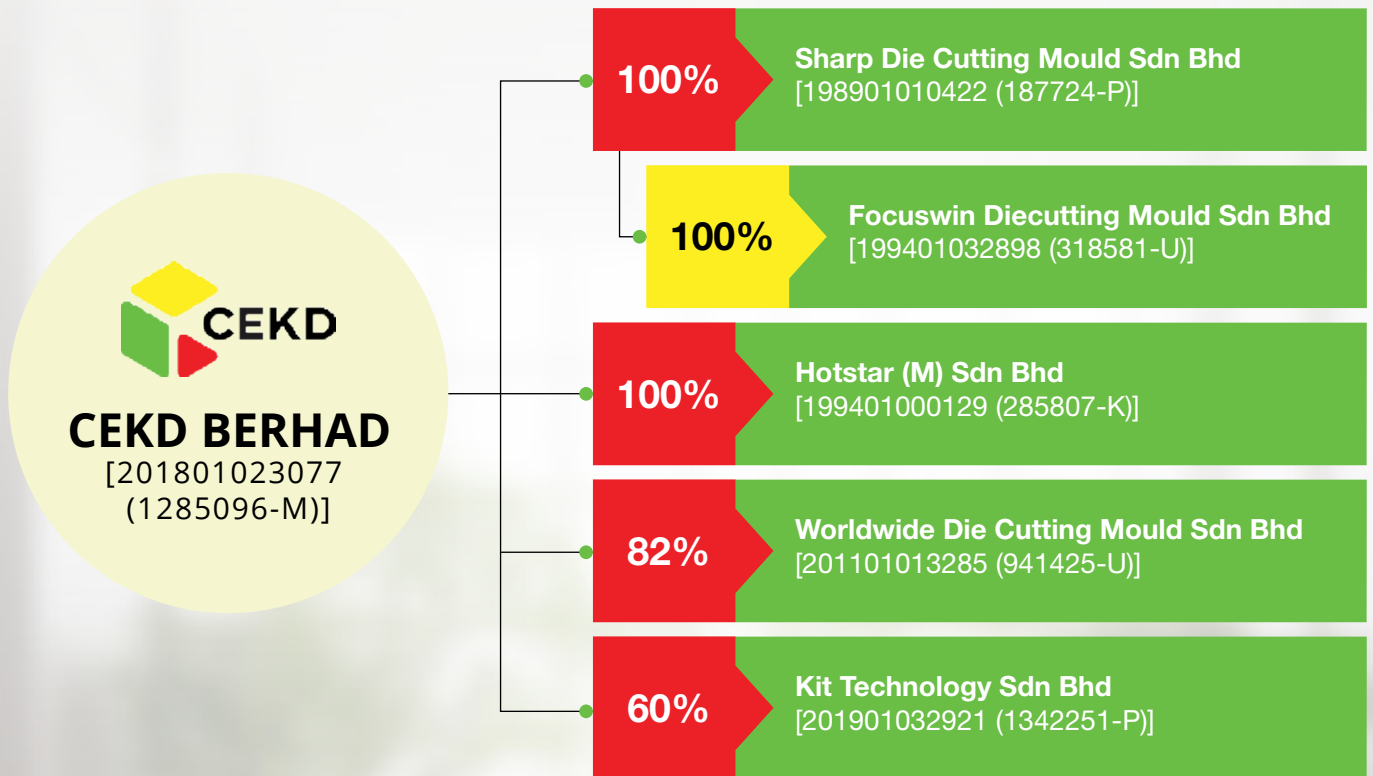
Since our inception in 1989, CEKD Berhad (“CEKD” or “the Company”) and its subsidiaries (“CEKD Group” or “the Group”) have grown to be one of the leading die-cutting solutions providers in Malaysia, dedicated to delivering high-quality manufacturing and trading of die-cutting moulds, tools and accessories, as well as providing customisation services.

We take pride in our leadership within the industry by consistently prioritising the standards and quality of our products and services. With five (5) state-of-the-art operating factories across Kuala Lumpur, Penang and Johor, we are positioned to meet a diverse range of customer needs across multiple industries, including paper printing and packaging, electronics, automotive, plastic packaging and textiles. Our unwavering commitment to quality is underscored by our ISO 9001:2015 certification, reflecting our dedication to maintaining exceptional standards and solidifying our position as the industry benchmark.

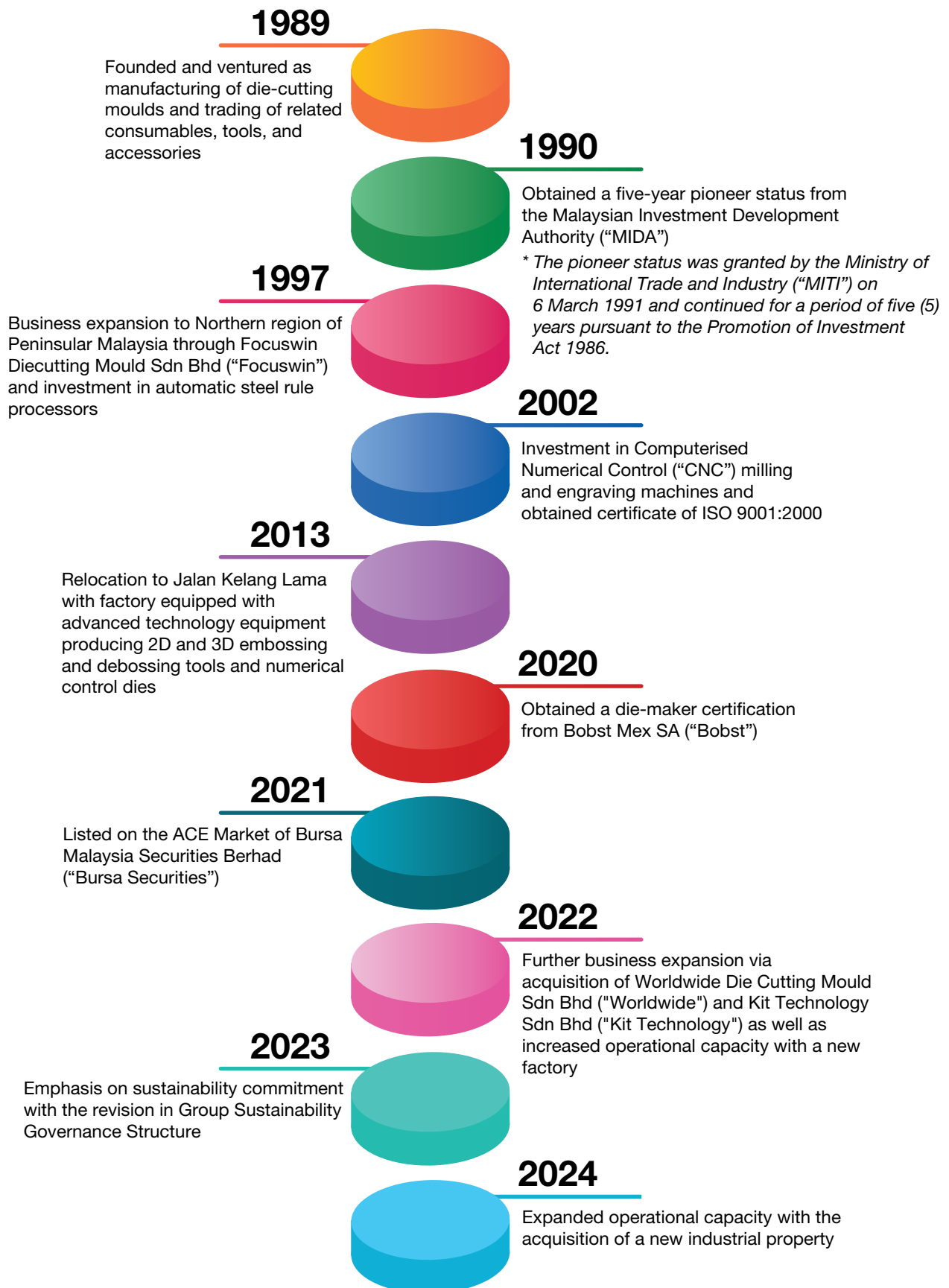
Today, CEKD stands as a trusted partner to customers across industries, providing customised die-cutting solutions tailored to meet diverse customer requirements. Looking forward, we remain focused on leveraging the latest technology and our expanded capabilities to drive further growth, with the ambition of becoming the best die-cutting solutions provider in Asia Pacific.



GROUP STRUCTURE



OUR MILESTONE



CORPORATE INFORMATION

BOARD OF DIRECTORS

<p>Dato' Zulkifli Bin Adnan <i>Independent Non-Executive Chairman</i></p> <p>Yap Kai Min <i>Executive Director/ Chief Operation Officer</i></p> <p>Datuk Mak Foo Wei <i>Independent Non-Executive Director</i></p>	<p>Yap Tian Tion <i>Deputy Executive Chairman</i></p> <p>Choo Yem Kuen <i>Independent Non-Executive Director</i></p>	<p>Yap Kai Ning <i>Managing Director</i></p> <p>Chong Chin Look <i>Independent Non-Executive Director</i></p>
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BOARD COMMITTEES

CORPORATE INFORMATION

AUDIT COMMITTEE

Chairman
Chong Chin Look

Member
Choo Yem Kuen
Datuk Mak Foo Wei

NOMINATING COMMITTEE

Chairperson
Choo Yem Kuen

Member
Datuk Mak Foo Wei
Chong Chin Look

REMUNERATION COMMITTEE

Chairman
Datuk Mak Foo Wei

Member
Choo Yem Kuen
Chong Chin Look

SUSTAINABILITY AND RISK MANAGEMENT COMMITTEE

Chairman
Chong Chin Look

Member
Dato' Zulkifli Bin Adnan
Datuk Mak Foo Wei
Yap Kai Ning
Choo Yem Kuen

HEAD OFFICE

10, Jalan 1/137B
Resource Industrial Centre
Batu 5, Jalan Kelang Lama
58200 Kuala Lumpur
Tel: +6017-988 6450 / 2329

REGISTERED OFFICE

No. D-09-02
Level 9, EXSIM Tower
Millerz Square @ Old Klang Road
Megan Legasi
No. 357, Jalan Kelang Lama
58000 Kuala Lumpur
Tel: +603-7971 8080
Fax: +603-7972 8585
Email: info@amerits.com.my

COMPANY SECRETARIES

Teo Soon Mei
(MAICSA 7018590)
(SSM PC 201908000235)

Lim Jia Huey
(MAICSA 7073258)
(SSM PC 201908000929)

AUDITORS

TGS TW PLT
[202106000004 (LLP0026851-LCA) &
AF002345]
Chartered Accountants
Unit E-16-2B, Level 16
ICON Tower (East)
No. 1, Jalan 1/68F
Jalan Tun Razak
50400 Kuala Lumpur
Tel: +603 9771 4326
Fax: +603 9771 4327

PRINCIPAL BANKERS

CIMB Bank Berhad
Alliance Bank Malaysia Berhad

SPONSOR

M & A Securities Sdn Bhd
[197301001503 (15017-H)]
Level 3 and 7, No. 45-47,
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Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel: +603-2284 2911

SHARE REGISTRAR

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Jalan 51/205
46050 Petaling Jaya, Selangor
Tel: +603-7784 3922
Fax: +603-7784 1988
Email: binawin@binamg168.com

BOARD OF DIRECTORS' PROFILE



DATO' ZULKIFLI BIN ADNAN
Malaysian | Male | 66
Independent Non-Executive Chairman

Dato' Zulkifli Bin Adnan was appointed to the Board of Directors ("Board") as the Independent Non-Executive Chairman on 7 February 2020. He is also a member of the Sustainability and Risk Management Committee ("SRMC").

Dato' Zulkifli graduated with a Bachelor of Science in Resource Economics from Universiti Pertanian Malaysia (now known as Universiti Putra Malaysia) in 1981. In the following year, he obtained a Diploma in Public Management from the National Institute of Public Administration, Kuala Lumpur. Subsequently in 1991, he completed his education journey with a Master of Arts in Law & Diplomacy from The Fletcher School of Law & Diplomacy, Tufts University, Boston, USA.

He began his career as a trainee bank officer at Malayan Banking Berhad, Kajang in 1981. He then served in the public service by joining the Malaysian Foreign Service in 1983. During his tenure there, Dato' Zulkifli has served in various capacities in Malaysian diplomatic missions overseas in Colombo, New York and The Hague, with notable highlight of being appointed as an Ambassador to Sarajevo, Berlin and Singapore prior to his retirement from the Foreign Service in 2018.

In recognition of his dedicated services to the country, he was honoured with the Ahli Mangku Negara (A.M.N.), Kesatria Mangku Negara (K.M.N.) and Dato' Paduka Cura Si Manja Kini (D.P.C.M., Perak).

He does not hold directorships in any other public companies and listed issuers. He does not have any family relationship with any Director and/or major shareholder of the Company.

He has attended five (5) out of five (5) Board meetings held during financial year ended 31 August 2024 ("FYE 2024").

BOARD OF DIRECTORS' PROFILE (CONT'D)

YAP TIAN TION

Malaysian | Male | 68
Deputy Executive Chairman

Yap Tian Tion is our Deputy Executive Chairman. He was appointed to the Board on 7 February 2020. In his capacity, he oversees the overall strategy and business direction of the Group, including all major investments, business strategies, major capital expenditure as well as financing proposals.

After completing his secondary education at Sekolah Menengah Kebangsaan Tuanku Abdul Rahman, Gemas, Negeri Sembilan in 1976, Mr. Yap furthered his studies through the Federal Evening Class programme at St. John Institution, Kuala Lumpur in 1977 and subsequently obtained his Higher School Certificate in 1978. He was involved in the trading of fruits and car accessories from 1976 to 1984.

In 1984, he and his business partners co-founded Shenway Sdn Bhd ("Shenway"), a company engaged in the manufacture and services of die-cutting tools and die-making supplies for garment, shoe and automotive industry. In view of his extensive expertise in manufacturing various types of die-cutting moulds, he was invited by the shareholders of Sharp Die Cutting Mould Sdn Bhd ("Sharp DCM") to participate as a shareholder of the company in 1994. By accepting the offer, he then became a shareholder of Sharp DCM and joined the company as an Executive Director in the same year.

Upon joining Sharp DCM, he gradually transferred the manufacturing activities of Shenway to Sharp DCM as part of Sharp DCM's strategic expansion plan into the customised die-cutting mould business. Over the years, he played a key role in our Group's sustainable growth and success by broadening our target market to include the paper printing and packaging as well as electrical and electronic industries.

He does not hold directorships in any other public companies and listed issuers.

He is the husband of Lim Bee Eng and the father of Yap Kai Ning, Yap Kai Min and Yap Kai Jie, all are major shareholders of the Company. Yap Kai Ning and Yap Kai Min are also our Managing Director and Executive Director/Chief Operation Officer respectively. Saved as disclosed, he has no family relationship with other Director and/or major shareholder of the Company.

He has attended five (5) out of five (5) Board meetings held during FYE 2024.

YAP KAI NING

Malaysian | Female | 40
Managing Director

Yap Kai Ning was appointed to the Board as the Managing Director on 7 February 2020. She is responsible to oversee the Group's daily operations. She is also a member of the SRMC.

Ms. Yap graduated with a double degree in Commerce and Arts from the Australian National University, Australia in 2006. In the subsequent year, she also completed a Diamond Grading Course from the Gemological Institute of America. In 2014, she obtained her Masters of Business Administration from the University of Southern Queensland in Malaysia.

Her journey with Sharp DCM began in 2008 where she underwent rotations across various departments, including sales and marketing, production, human resources and administration. She was exposed to a full spectrum of operations from such experience. In 2011, she was appointed as a Director in Sharp DCM and took full responsibility on human resource matters as well as assisting in the company's daily operations. In 2015, she was promoted to her current position as the Managing Director of Sharp DCM.

She does not hold directorships in any other public companies and listed issuers.

Ms. Yap is the daughter of Yap Tian Tion and Lim Bee Eng and the sister of Yap Kai Min and Yap Kai Jie, all are major shareholders of the Company. Yap Tian Tion and Yap Kai Min are also our Deputy Executive Chairman and Executive Director/Chief Operation Officer respectively. Saved as disclosed, she has no family relationship with other Directors and/or major shareholders of the Company.

She has attended five (5) out of five (5) Board meetings held during FYE 2024.

BOARD OF DIRECTORS' PROFILE (CONT'D)

YAP KAI MIN

Malaysian | Female | 35
Executive Director/
Chief Operation Officer

Yap Kai Min was appointed to the Board as an Executive Director on 25 October 2022. Bringing over nine (9) years of experience in sales, procurement and operations, she is tasked with overseeing the Group's daily operations in her role.

She graduated with a Bachelors of Commerce and Science, majoring in Management and Psychology from the University of Western Australia, Australia in 2012. In the same year, she embarked on her career path as a management trainee at Allianz Life Insurance Malaysia Berhad. During her tenure there, she gained valuable experience in general management and insurance business.

Ms. Yap joined Sharp DCM as a sales and marketing executive in 2014 and was responsible for liaising with existing and potential customers. In 2016, she was promoted as the supply chain manager of Sharp DCM where she was responsible to oversee the supply chain management of the company.

Additionally, she has completed the ISO 9001:2008 and ISO 9001:2015 internal quality auditor trainings in 2014 and 2017 respectively. This demonstrates her commitment in ensuring the continuous integration and implementation of ISO-compliant quality management system within the Group.

In 2020, she was promoted as the Chief Operation Officer of the Group. In the following year, she was then appointed as the Alternate Director to the Deputy Executive Chairman, Yap Tian Tion. In 2022, she ceased her role as Alternate Director to Yap Tian Tion upon her appointment as the Executive Director of the Company.

She does not hold directorships in any other public companies and listed issuers.

She is the daughter of Yap Tian Tion and Lim Bee Eng and the sister of Yap Kai Ning and Yap Kai Jie, all are major shareholders of the Company. Yap Tian Tion and Yap Kai Ning are also our Deputy Executive Chairman and Managing Director respectively. Saved as disclosed, she has no family relationship with other Director and/or major shareholder of the Company.

She has attended four (4) out of five (5) Board meetings held during FYE 2024.

DATUK MAK FOO WEI

Malaysian | Male | 59
Independent Non-Executive Director

Datuk Mak Foo Wei was appointed to our Board as the Independent Non-Executive Director on 7 February 2020. He is also the Chairman of our Remuneration Committee ("RC") and a member of the Audit Committee ("AC"), Nominating Committee ("NC") and SRMC.

He graduated with a Bachelor of Laws (Honours) from University of Birmingham, UK in 1990. He was then qualified as a Barrister-at-Law at Lincoln's Inn London, England in 1991 and was subsequently called to the Malaysian Bar in 1992.

Datuk Mak began his career by practicing as an advocate and solicitor at Manjit Singh Sachdev, Mohammad Radzi & Partners in 1992. In 1994, he left the firm and established his own practice, Mak & Company (now known as Mak Farid & Company) which specialises in corporate and conveyancing matters. Since 2018, he has also been serving as the Executive Councillor for a non-profit organisation, Malaysia Crime Prevention Foundation.

He also holds executive directorship in several companies with businesses involved in property development of both industrial and residential projects, notably Riverville Residences, Metro Cheras, Balakong Jaya Industrial Park I and II as well as Alam Damai Industrial Park. Currently, he also holds directorship in several private limited companies but he does not hold directorships in any other public companies and listed issuers.

He has no family relationship with any Director and/or major shareholder of the Company.

He has attended five (5) out of five (5) Board meetings held during FYE 2024.

BOARD OF DIRECTORS' PROFILE (CONT'D)

CHONG CHIN LOOK

Malaysian | Male | 61

Independent Non-Executive Director

Chong Chin Look was appointed to the Board as an Independent Non-Executive Director on 7 February 2020. He is also the Chairman for both our AC and SRMC and a member of the RC and NC.

Mr. Chong graduated with a Bachelor of Economics degree with a major in Business Administration from the University of Malaya in 1987. In addition, he is a member of the Malaysian Institute of Certified Public Accountants ("MICPA") and a Chartered Accountant with the Malaysian Institute of Accountants ("MIA").

In 1987, he began his career as an audit assistant at KPMG Peat Marwick (now known as KPMG) and gained valuable experience in auditing, accounting, taxation and management consultancy during his tenure. From 1994 to June 2022, he served as the Group Finance Director of Bonia Corporation Berhad ("Bonia"), where he was responsible to oversee the overall effectiveness and efficiency of financial and corporate functions within the Bonia Group.

Currently, he holds directorships in several private companies. He is also an Independent Non-Executive Director of TSA Group Berhad and Lysaght Galvanized Steel Berhad.

He has no family relationship with any other Director and/or major shareholder of the Company.

He has attended five (5) out of five (5) Board meetings held during FYE 2024.

CHOO YEM KUEN

Malaysian | Female | 63

Independent Non-Executive Director

Choo Yem Kuen was appointed to the Board as an Independent Non-Executive Director on 16 December 2021. She is also the Chairperson for our NC and a member of the AC, RC and SRMC.

Ms. Choo graduated with a Bachelor of Law (Honours) from the University of North Staffordshire, England in 1984. She has then completed her professional Certificate in Legal Practice ("CLP") in 1985 and was called to the Malaysian Bar in 1986.

She is a practicing lawyer with more than 35 years of experience in the legal industry. Since 2016, she has been serving as a consultant with the firm, Messrs. Tee Bee Kim & Partners. Prior to this position, she was a partner of the firm. Her main scope of work covers corporate and civil law, including family law. She has extensive experience in corporate advisory work and is a strong advocate of transparency and good corporate governance.

Ms. Choo currently holds a directorship in a private limited company. However, she does not hold directorships in any other public companies and listed issuers.

She has no family relationship with any Director and/or major shareholder of the Company.

She has attended five (5) out of five (5) Board meetings held during FYE 2024.

Notes: -

1. None of the Directors has conflict of interest ("COI") or potential COI, including the interest in any competing business with the Company and/or its subsidiaries.
2. None of the Directors:
 - (a) has been convicted of any offences within the past five (5) years other than traffic offences, if any.
 - (b) was publicly sanctioned or imposed with penalty by the relevant regulatory bodies during FYE 2024.

KEY SENIOR MANAGEMENT'S PROFILE

PEARLY HIEW PEI LI
Malaysian | Female | 39
Chief Financial Officer

Pearly Hiew Pei Li was appointed as our Chief Financial Officer (“CFO”) on 7 December 2020. In her role, she oversees the overall financial matters of the Group.

She has resigned as CFO of the Company on 6 December 2024.

She obtained her professional accounting qualification, the Association of Chartered Certified Accountants (“ACCA”) from Sunway College in 2006. She is a registered member of the MIA and a member of ACCA since 2011.

Ms. Pearly has accumulated more than 18 years combined working experience in the field of audit and accounting. She embarked on her professional career as an audit assistant at Lee & Associates in 2006 and was subsequently promoted to semi senior in 2010. During her tenure, she gained experience in independent statutory financial audit works.

In 2010, she left to join Johnson Controls (M) Sdn Bhd as a finance executive, responsible for receivables functions and involved in the migration of the finance department to a Shared Service Centre, Singapore. In 2012, she joined Axisjaya Sdn Bhd where she managed to complete six (6) years of backdated accounts and subsequently migrated to a new accounting system. Her next career move in 2016 led her to Demak Marketing Sdn Bhd, where she served as an accountant and was responsible for operational matters at the Kuala Lumpur branch. In 2018, she then joined the Group as an accountant and subsequently being promoted to her current position in 2020.

As of 30 November 2024, she has direct interest of 100,000 ordinary shares in the Company.

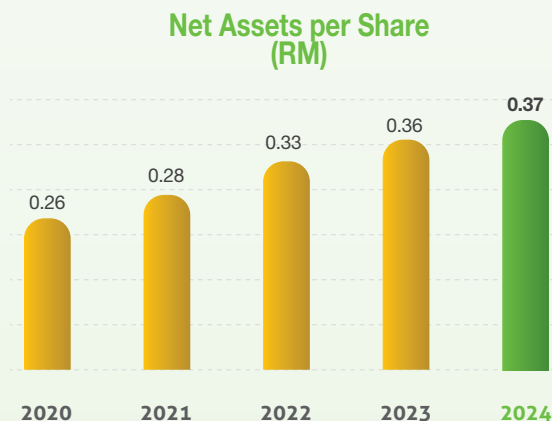
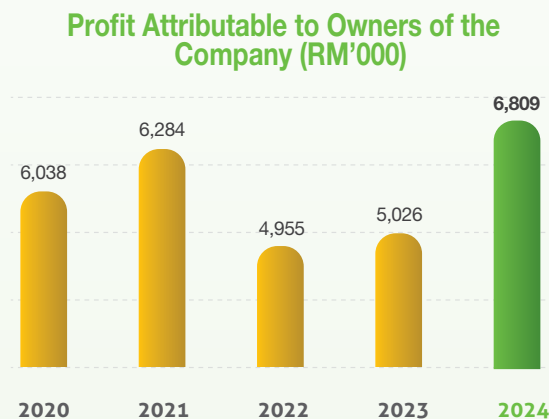
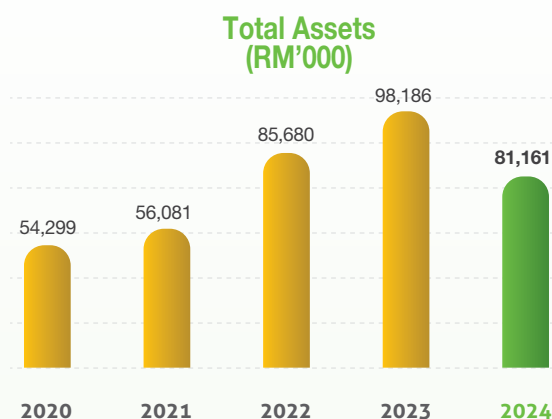
She does not hold directorships in any public companies and listed issuers. She has also no family relationships with any Director and/or major shareholder of the Company. Thus, she has no COI or potential COI, including the interest in any competing business with the Company and/or its subsidiaries.

She has not been convicted of any offenses within the past five (5) years other than traffic offences, if any, and she had not faced any public sanctions or penalties imposed by relevant regulatory bodies during FYE 2024.

FINANCIAL HIGHLIGHTS

Financial Year Ended 31 August		2020	2021	2022	2023	2024
Revenue	RM'000	26,355	28,227	30,453	32,550	36,249
Profit Attributable to Owners of the Company	RM'000	6,038	6,284	4,955	5,026	6,809
Basic Earnings per Share ("EPS")	sen	4.19	4.36	2.62	2.58	3.50
Total Assets	RM'000	54,299	56,081	85,680	98,186	81,161
Total Equity	RM'000	37,505	40,459	64,956	69,244	72,357
Net Assets per Share	RM	0.26	0.28	⁽¹⁾ 0.33	0.36	0.37
Weighted Average Number of Shares	'000	143,983	143,983	188,976	194,573	194,573

Note: ⁽¹⁾ Calculated based on the Company's share capital of 194,573,000 as at 31 August 2022.



CHAIRMAN'S STATEMENT



Dear Valued Shareholders,

Reflecting on the FYE 2024, we have observed encouraging signs of stabilisation in both the domestic and global economic landscape, with inflation levels normalising as compared to previous years. Despite navigating some geopolitical uncertainties and currency fluctuations, I am pleased to report that we have achieved record highs in both revenue and profit this year.

This remarkable performance reflects the effectiveness of our growth strategy and our strong commitment to business sustainability, positioning us well for continued success in the years ahead.

Dato' Zulkifli Bin Adnan
Independent Non-Executive Chairman

ECONOMIC OUTLOOK AND OPERATIONAL HIGHLIGHTS

FYE 2024 marked a year of gradual stabilisation for our Group, supported by a healthy economic landscape both domestically and internationally. According to the International Monetary Fund ("IMF"), economies in emerging Asia, such as Malaysia, the Philippines and Vietnam, demonstrated robust growth, driven by strong private demand, easing inflation and accommodative monetary policies across the region. For CEKD, these favourable conditions were translated into stronger sales as we continued to deliver high-quality die-cutting solutions both locally and internationally, while focusing our efforts in expanding our presence in Southeast Asia.

We have continued to reap the benefits of our strategic acquisition of Worldwide since financial year ended 31 August 2023 ("FYE 2023"), as the company has consistently delivered strong financial performance for our Group, while Kit Technology demonstrated notable improvements in its profitability under our management. By leveraging the synergies and networks gained from these acquisitions, we have strengthened our market position and successfully capitalised on the region's favourable economic growth.

To further support this momentum to meet the growing demand, we have further expanded our production capacity through the acquisition of a 1½-storey light industrial shophouse in Seri Kembangan, Selangor. With our increased production capacity, we believe that we are well positioned to seize future opportunities as well as to meet the evolving needs of our customers.

FINANCIAL HIGHLIGHTS

I am delighted to report that our revenue surged to an all-time high of RM36.25 million in FYE 2024, marking an impressive 11.4% increase from RM32.55 million in FYE 2023. The growth in revenue was primarily driven by increase in sales to overseas customers as we concentrate our efforts on engaging both existing and potential international customers, while also maintaining a strong focus on product quality and after-sales service.

The increase in overseas revenue has also positively contributed to our Group's profitability as we were able to command better selling prices in overseas markets, resulting in the overall increase in our Gross Profit ("GP") margin by 3.8% to 51.0% in FYE 2024. Along with the interest saving arising from our decision to settle most of our loans and borrowings during the financial year, our Group recorded an impressive 39.0% increase in Profit After Tax ("PAT") from RM5.17 million in FYE 2023 to RM7.18 million in FYE 2024.

As at 31 August 2024, our Group's net assets per share stood at RM0.37, indicating a marginal increase of RM0.01 or 2.8% from RM0.36 as at 31 August 2023.

For a more detailed overview of our financial performance, please refer to the Management Discussion and Analysis section within this Annual Report.

CHAIRMAN'S STATEMENT (CONT'D)

FOCUSING ON SOUND GOVERNANCE PRACTICES

Sound corporate governance remains the bedrock of our Group's resilience and reputation. We continue to uphold transparency, accountability and integrity in every aspect of our operations, fostering trust and confidence among our shareholders and stakeholders.

During FYE 2024, we have adopted two (2) additional policies, namely the Succession Planning Policy and Gender Diversity Policy, to further promote our business sustainability through effective leadership and inclusivity across the Group. We have also reviewed the Whistleblowing Policy during the financial year to ensure that the policy remains current and relevant with the latest business and regulatory environment.

For further insights into our measures in upholding corporate governance, please refer to the Corporate Governance Overview Statement ("CG Statement") within this Annual Report and our Corporate Governance Report ("CG Report").

PROMOTING SUSTAINABILITY AND COMMUNITY CONNECTIONS

This year, we have placed greater emphasis on strengthening our social pillars as part of our commitment to our overall sustainability planning. Internally, we enhanced our engagement with our employees through various company activities and events aimed at fostering team bonding and team spirit. Externally, we also supported the local community through increased donations and strategic collaboration with Kolej Vokasional Tengku Ampuan Afzan, Pahang to provide industrial training for the students, supporting the industry skill development and workforce readiness.

For more detailed information about our sustainability initiatives to mitigate Economic, Environmental, Social and Governance ("EESG") risks and opportunities, please refer to the Sustainability Statement within this Annual Report.

FUTURE PROSPECTS

As we look forward, we are optimistic about our Group's prospects in the coming years. According to the Economic Outlook 2025 by the Ministry of Finance Malaysia, Malaysia's Gross Domestic Product ("GDP") is projected to grow within the range of 4.5% to 5.5% in 2025. The manufacturing industry is expected to grow further, mainly supported by improved global trade dynamics..

On an international front, the IMF projected that growth for the Association of Southeast Asian Nations ("ASEAN") is expected to grow at 4.7% in 2025. This growth will be primarily underpinned by strong domestic demand and exports across the member countries specifically, Indonesia, the Philippines and Vietnam which are all expected to grow robustly, while economic activity in Thailand is projected to remain more subdued.

Our strategy for the future remains grounded in the fundamentals of operational efficiency through stringent cost management and internal efficiencies optimisation. As we continue to focus our efforts to expand our footing in other ASEAN countries, we remain committed to expanding our product offerings to meet the evolving market demands.

At the core of our approach is a steadfast commitment to quality and innovation. By embracing advanced technologies, strengthening research and development efforts and building collaborative ecosystems, we aim to remain agile and competitive in a dynamic and competitive industry. Recognising customer satisfaction as our key business strategy, we will also continue to enhance our customers' trust and loyalty through reliable after-sales services.

Additionally, we are exploring opportunities to collaborate with potential industry professionals. By leveraging their networks, we aim to enhance our brand value and unlock business opportunities beyond our current capabilities.

REWARDING OUR SHAREHOLDERS

In an effort to reward our shareholders for their unwavering confidence and support in our Group, we have declared the following dividends for FYE 2024: -

- a) An interim single tier dividend of RM0.0050 per ordinary share amounting to approximately RM0.97 million, paid on 15 December 2023;
- b) An interim single tier dividend of RM0.0075 per ordinary share amounting to approximately RM1.46 million, paid on 4 March 2024; and
- c) An interim single tier dividend of RM0.0075 per ordinary share amounting to approximately RM1.46 million, paid on 27 September 2024.

Future dividends declared by our Group will be dependent on several factors, including but not limited to financial performance, capital expenditure requirements and cash flow position.

APPRECIATION

On behalf of the Board and the Group, I would like to express my sincere appreciation to all our shareholders for their unwavering support and trust in CEKD Group. To our Board members, I am grateful for your invaluable guidance and wisdom, and to our Management, I extend my gratitude for your steadfast leadership. I would also like to thank every employee for their hard work and dedication, which has been instrumental in driving our Group's success.

Together, we are poised to build on our achievements, facing the future with a shared vision of growth and sustainability. We look forward to another year of progress and success as we continue our journey as a leader in die-cutting mould manufacturing industry.

Thank you.

Dato' Zulkifli Bin Adnan
Independent Non-Executive Chairman

2 December 2024

MANAGEMENT DISCUSSION AND ANALYSIS

1. BUSINESS OVERVIEW

CEKD is one (1) of the leading die-cutting solutions providers, specialising in the manufacturing of die-cutting moulds for a diverse range of customers across industries such as paper printing and packaging, electrical and electronics, automotive, plastic packaging and textile. We also supply a wide range of related consumables, tools and accessories to support our customers' needs for efficient die-cutting operations.

Currently, we are operating from five (5) operating factories located in Kuala Lumpur, Penang and Johor. During FYE 2024, we expanded our operational footprint by acquiring a 1½-storey light industrial shoplot in Seri Kembangan, Selangor, with a built-up area of 2,745 sq. ft. This acquisition brings our total operating capacity to 104,159 sq. ft. as at 31 August 2024.

During the financial year, we have also invested in new machineries to enhance our manufacturing capacity and meet the evolving demands of our diverse customer base. As a result, driven by the favourable economic conditions and industry growth, these strategic expansions and investments have supported our Group to achieve new heights in our financial performance this year.

2. FINANCIAL REVIEW

	FYE 2024	FYE 2023	Variance	
	RM'000	RM'000	RM'000	%
FINANCIAL RESULTS				
Financial Indicators				
Revenue	36,249	32,550	3,699	11.4
GP	18,490	15,369	3,121	20.3
Profit before tax ("PBT")	9,500	6,808	2,692	39.5
PAT	7,185	5,170	2,015	39.0
Financial Ratios				
GP margin (%)	51.0	47.2		3.8
PBT margin (%)	26.2	20.9		5.3
PAT margin (%)	19.8	15.9		3.9
FINANCIAL POSITION				
Financial Indicators				
Total assets	81,161	98,186	(17,025)	(17.3)
Total liabilities	8,804	28,942	(20,138)	(69.6)
Net assets	72,357	69,244	3,113	4.5
Cash and bank balances	10,579	41,869	(31,290)	(74.7)
Financial Ratios				
Current ratio (times)	6.50	8.65	(2.15)	(24.9)
Gearing ratio (times)	0.03	0.34	(0.31)	(91.2)
Net assets per share (RM)	0.37	0.36	0.01	2.8

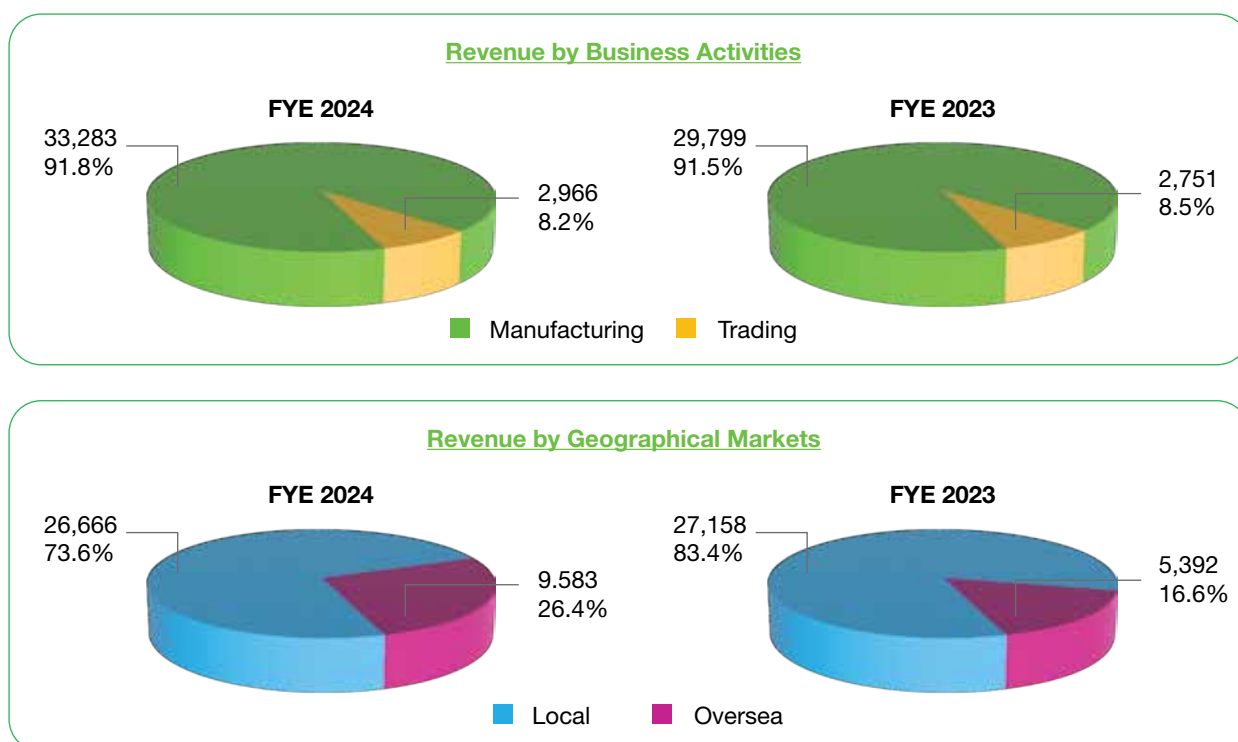
MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

2. FINANCIAL REVIEW (CONT'D)

2.1 Financial Performance Review

Supported by growth in the manufacturing industry and increasing demand from our diverse customer base, FYE 2024 was an amazing year for our Group as we achieved a record-high financial performance in terms of our revenue and profitability.

Our revenue segmentation by business activities and geographical markets for both FYE 2024 and FYE 2023 is illustrated as follows: -



Revenue generated from our manufacturing segment remained as our primary contributor in FYE 2024, contributing RM33.28 million or 91.8% of our total revenue. This represents an increase of RM3.48 million or 11.7% as compared to FYE 2023. Meanwhile, revenue from our trading segment also saw modest growth, increasing slightly by RM0.22 million or 8.0% from RM2.75 million in FYE 2023 to RM2.97 million in FYE 2024.

Overall, our revenue increased by RM3.70 million or 11.4% from RM32.55 million in FYE 2023 to RM36.25 million in FYE 2024, mainly driven by a 77.7% increase in our export sales. We achieved growth in overseas revenue by concentrating our efforts on engaging both existing and potential international customers, while also maintaining a strong focus on product quality and after-sales service.

In line with the increase in revenue, our Group's GP has significantly increased by RM3.12 million or 20.3% from RM15.37 million in FYE 2023 to RM18.49 million in FYE 2024. Our Group also achieved a higher GP margin of 51.0% in FYE 2024 as compared to 47.2% in FYE 2023 as we were able to command better selling prices from our export sales. Additionally, as majority of our raw materials are sourced from overseas, the strengthening of MYR has reduced our purchasing and logistics costs, which further improve our GP and GP margin.

Our Group's PBT increased by RM2.69 million or 39.5% from RM6.81 million in FYE 2023 to RM9.50 million in FYE 2024 in tandem with the overall growth in our GP as well as lower finance costs following the settlement of most of our loans and borrowings during the financial year.

Net of taxation, our Group recorded an improved PAT of RM7.18 million in FYE 2024, representing an increase of RM2.01 million or 39.0% as compared to RM5.17 million in FYE 2023. Accordingly, our overall PBT and PAT margins improved by 5.3% and 3.9% respectively in FYE 2024.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

2. FINANCIAL REVIEW (CONT'D)

2.2 Financial Position Review

Our Group recorded an overall increase in net asset by RM3.11 million or 4.5% from RM69.24 million as at 31 August 2023 to RM72.35 million as at 31 August 2024. The overall decrease in our total assets by RM17.03 million or 17.3% from RM98.19 million as at 31 August 2023 to RM81.16 million as at 31 August 2024 were mainly attributed to the reduction of cash and bank balances by RM31.29 million which was mainly utilised for the early settlement of certain term loans.

Correspondingly, resulting from the settlement of term loans, our total liabilities also decreased significantly by RM20.14 million or 69.6% from RM28.94 million as at 31 August 2023 to RM8.80 million as at 31 August 2024. As at 31 August 2024, our Group's net assets per share stood at RM0.37, indicating a marginal increase of RM0.01 or 2.8% from RM0.36 as at 31 August 2023.

Following these repayments, our Group recorded a lower current ratio at 6.50 times as at 31 August 2024 as compared to 8.65 times as at 31 August 2023. Nevertheless, our gearing ratio improved significantly from 0.34 times as at 31 August 2023 to 0.03 times as at 31 August 2024, demonstrating a stronger financial position with a lower level of debt reliance.

2.3 Statement of Cash Flows Review

	FYE 2024	FYE 2023	Variance	
	RM'000	RM'000	RM'000	%
Net cash generated from operating activities	9,682	8,728	954	10.9
Net cash used in investing activities	(14,989)	(3,298)	(11,691)	354.5
Net cash (used in)/generated from financing activities	(25,807)	3,868	(29,675)	(767.2)
Net (decrease)/increase in cash and cash equivalents	(31,114)	9,298	(40,412)	(434.6)
Effect of exchange rate changes	(176)	71		
Cash and cash equivalents at the beginning of financial year	41,869	32,500		
Cash and cash equivalents at the end of financial year	10,579	41,869	(31,290)	(74.7)

As at 31 August 2024, our Group generated a positive net operating cash flow of RM9.68 million, recording an increase of RM0.95 million or 10.9% from the positive net operating cash flow of RM8.73 million generated in FYE 2023. This improvement was mainly driven by the increase in our PBT, which was partially offset by the cash outflows for inventory purchases and extended collection periods.

Net cash used in investing activities was reported higher at RM14.99 million as at 31 August 2024. This was mainly attributable to higher placement in money market funds and the purchase of property, plant and equipment during the financial year.

As at 31 August 2024, we recorded a net cash used in financing activities of RM25.81 million in contrast to a net cash generated from financing activities of RM3.87 million as at 31 August 2023, mainly due to the repayment of term loans.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

3. KEY RISKS RELATING TO OUR BUSINESS

In today's dynamic business environment, our Group is exposed to a range of risks that may impact our business operations, financial performance and position, as well as liquidity. To address these risks, we are guided by our Enterprise Risk Management ("ERM") Framework which incorporates processes and policies designed to address and manage risks while supporting our sustainable growth and resilience.

Exposure to fluctuation in the foreign currency exchange rate

Our Group is exposed to foreign exchange risk due to our overseas sales and purchases, which are both mainly denominated in USD and EUR. Hence, any major fluctuation in currency exchange rate may impact our profitability. To manage this, we have adopted a natural hedge strategy instead of using any financial derivative instruments as our net exposure is not significant. Additionally, the Management continuously monitors currency movements to ensure that our exposure to foreign exchange risks is effectively managed within acceptable thresholds.

Competitive Pressures from Foreign Market Entrants

Malaysia, renowned for its welcoming stance toward foreign investment, stands out as an attractive destination for global businesses. Its strategic location, skilled workforce and supportive government policies foster a dynamic environment for growth and innovation. However, the evolving global economic landscape presents both opportunities and challenges.

Malaysia is well-positioned to benefit from shifting supply chains and growing demand for alternative markets. However, it faces increasing competition from other emerging economies, which aim to attract foreign investment by offering lower-priced products. While this strategy can sometimes involve compromises in quality, it creates challenges for Malaysia's local manufacturing ecosystem. Sustained competition of this nature could strain Malaysian small and medium enterprises, impacting not only individual businesses but also the broader economic ecosystem that relies on their contributions.

Additionally, while local manufacturers invest in training and upskilling Malaysian citizens, foreign competitors often bring in expatriates without facilitating technology and know-how transfer to the local workforce. This will result in disparity in the development of local talent, affecting local companies' ability to compete in the increasingly dynamic and competitive global market.

4. FUTURE PROSPECT AND OUTLOOK

Looking ahead, we remain optimistic about our Group's prospects, buoyed by a favourable combination of domestic and global factors. According to the Economic Outlook 2025 by the Ministry of Finance Malaysia, Malaysia's economic outlook remains promising as it managed to sustain its growth momentum in 2024, despite persistent external challenges such as geopolitical uncertainties. For 2025, GDP is projected to grow at the range of 4.5% and 5.5%, driven by a resilient external sector, strengthening global trade as well as rising demand for Electrical and Electronics ("E&E") goods in line with the expanding global semiconductor supply chain.

On the supply side, manufacturing industry continues to be a cornerstone of Malaysia's economy. This industry is expected to benefit from improving global trade dynamics. On the demand side, private sector expenditure continues to serve as the primary driver of domestic economic growth, backed by favourable labour market conditions, income growth amid manageable inflation level. In this regard, we anticipate to benefit from the growing demand in consumer sector, where an increase demand for packaging products, in turn, drive opportunities for our business growth.

Globally, the economic outlook for 2025 is projected to remain stable with growth in most major economies expected to be stabilised and international trade expected to strengthen despite the ongoing trade tensions and policy uncertainties. Within the ASEAN region, the IMF forecasted an economic growth of 4.7% in 2025, supported by robust domestic demand and exports across the member countries. Specifically, Indonesia, Philippines and Vietnam are expected to post strong growth, while economic activity in Thailand is projected to remain more subdued. Overall, the region's prospects remain positive, offering more opportunities for our Group further strengthen our footing in these countries.

In response to the evolving market dynamics, we strategically leverage on our robust manufacturing foundation, excelling in die-cutting technology, to expand into new markets. Our group of companies operates as a cohesive unit, fostering synergy across production and customer engagement. Through strategic acquisitions, we continue to deepen our expertise and deliver tailored solutions that empower us to provide superior service and value to our customers. We also remain focused on adopting stringent cost management and optimising internal efficiencies across all aspects of our business, whenever viable.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

4. FUTURE PROSPECT AND OUTLOOK (CONT'D)

Malaysia's manufacturing industry is poised for substantial growth, driven by a steadfast commitment to quality and innovation. By embracing quality as a core value, our Group will not only improve product standards but also strengthen our competitive edge in the global market. Innovation will continue to be our key growth driver, enabling us to adapt to emerging trends and technological advancements. Moreover, enhancing customer satisfaction will remain as our priority, with a focus on providing reliable after-sales services that build trust and long-term relationships. The adoption of advanced technologies, coupled with increased investments in research and development as well as new machineries, will empower us to stay ahead of the curve while fostering collaborative ecosystems that drive efficiency and innovation.

Additionally, to strengthen our market presence, we are expanding our distribution network and enhancing synergy through marketing and production with the acquisitions of Worldwide and Kit Technology. These initiatives not only enhance our operational cohesion but also position us to achieve greater market reach. Furthermore, we are implementing initiatives to enhance our brand value such as engaging with potential industry professionals to explore business opportunities beyond our current networks and capabilities. Together, these strategies will enable us to thrive in a dynamic and increasingly competitive industry landscape.

5. CAPITAL STRUCTURE, RESOURCES AND EXPENDITURE

As at 31 August 2024, the Company's share capital amounts to RM57.70 million, comprising of 194,573,000 ordinary shares. Barring any unforeseen circumstances, we have adequate working capital to meet our budgeted requirements after taking into consideration our cash and cash equivalents of RM10.58 million and current ratio of 6.50 times as at 31 August 2024.

During FYE 2024, the Group has allocated a total of RM4.93 million for capital expenditure, mainly related to the purchase of freehold buildings, plant and machinery as well as leasehold building.

As at 31 August 2024, the Group does not have any capital commitments.

6. DIVIDEND

Our Group does not have a formal dividend policy. Any declaration of dividends is at the discretion of the Board, subject to the requirements of the Companies Act 2016 ("CA 2016") and various factors, such as operating cash flow, capital expenditure requirements, financial performance and commitments.

In FYE 2024, the Board declared three (3) interim single-tier dividends, totalling RM0.02 per ordinary share and RM3.89 million of total payout. The three (3) dividends paid by CEKD are tabled below: -

	Declaration Date	Dividend per Share (Sen)	Payment Date	Total Dividend Paid (RM'000)
1 st interim	15 Nov 2023	0.50	15 Dec 2023	973
2 nd interim	30 Jan 2024	0.75	4 Mar 2024	1,459
3 rd interim	24 Jul 2024	0.75	27 Sep 2024	1,459
Total		2.00		3,891

SUSTAINABILITY STATEMENT

Dear Valued Stakeholders,

In an industry where precision and durability are paramount, our dedication to sustainability drives us to innovate with both purpose and responsibility. At CEKD, we are committed to fostering resilience and driving innovation by serving as responsible stewards of the economy, environment and society.

Our journey towards sustainability is built on the belief that even the smallest adjustments in our operations can make a meaningful impact on our surrounding environment and community. From material selection to final design and production, every step offers an opportunity for us to optimise resource efficiency while upholding the highest standards of product quality. As a result, each mould we produce stands as a testament to our commitment to both superior product quality and environmental stewardship, reinforcing our dedication to responsible manufacturing.

The Board is pleased to present the Company's 4th Sustainability Statement ("Statement") for the FYE 2024. This Statement highlights our commitment and strategic approach in addressing the Group's sustainability risks and opportunities within the context of EESG.



SCOPE OF THIS STATEMENT

This Statement outlines CEKD Group's sustainability efforts and achievements across the key sustainability pillars of EESG for the period from 1 September 2023 to 31 August 2024, unless otherwise specified.



BASIS OF THIS STATEMENT

This Statement was prepared based on all available internal information in compliance with Bursa Securities' ACE Market Listing Requirements ("AMLR") relating to Sustainability Statement and its Sustainability Guide 3rd Edition. We have also considered and identified areas where we can contribute to the United Nations Sustainable Development Goals ("UNSDGs") by mapping our material sustainability matters and sustainability strategies to the relevant UNSDGs.



MATERIAL MATTERS ASSESSMENT

During FYE 2024, we have reassessed the Group's material sustainability matters, covering both sustainability risks and opportunities which are most relevant to our Group and various stakeholders within the EESG contexts. Kindly refer to our Material Matters Matrix within this Statement for further details.



FEEDBACK

CEKD welcomes all stakeholders' feedbacks, suggestions and comments on this Statement or any relevant matters concerned to continuously improve our sustainability measures and reporting standards. Relevant feedbacks and comments can be directed to our email at ir@cekd.com.my.

SUSTAINABILITY STATEMENT (CONT'D)

OUR SUSTAINABILITY GOVERNANCE STRUCTURE

As businesses today face complex environmental, social and ethical challenges, we recognise that a strong sustainability governance structure is essential to navigate these issues and drive sustainable growth.

Here in CEKD, we have adopted a “tone from the top” approach for sustainability governance, ensuring that sustainable management is deeply integrated into our Group and throughout our decision-making process. The Board, at the forefront of our governance structure, holds the ultimate responsibility for setting the Group’s strategic direction and overseeing all sustainability matters.

To ensure an effective discharge of responsibility, the SRMC has been delegated with the responsibility to oversee the Group’s sustainability management. To this end, the SRMC reviews the Group’s material sustainability risks and opportunities as part of the Group’s overall risk management strategy, and monitors the implementation of sustainability strategies and priorities approved by the Board. During FYE 2024, the SRMC also reviewed and adopted several sustainability-related policies, such as Gender Diversity Policy and Succession Planning Policy, to strengthen our sustainability practices. Further details on SRMC’s responsibilities can be found in its Terms of Reference at <http://www.cekd.com.my/policy-disclosures>.

To ensure an effective execution of sustainability strategies at the operational level, our Executive Director/Chief Operation Officer, Ms. Yap Kai Min, is empowered to lead the implementation of sustainability initiatives and daily management across the Group. To this end, the Executive Director/Chief Operation Officer may work together with the Managing Director, Ms. Yap Kai Ning, to establish clear implementation plans and measurable sustainability targets for the Group’s sustainability matters. On a semi-annual basis, the Executive Director/Chief Operation Officer shall report the following areas to the SRMC: -

- The Group’s overall sustainability risks and opportunities; and
- The status of the implementation of sustainability strategies, along with any recommendations for the revision in sustainability strategy for continuous improvement.

Under the leadership of the Executive Director/Chief Operation Officer, the Group Sustainability Oversight Unit plays an integral role in executing the Group’s sustainability agenda. Composed of various head of departments across the Group, the Unit is tasked to perform sustainability risk assessments, assess overall sustainability matters and monitor the implementation of sustainability initiatives within the respective head of department’s areas of responsibility. They shall then report to the Executive Director/Chief Operation Officer on a regular basis. This decentralised approach to sustainability governance allows CEKD to embed sustainability into the fabric of its operations, ensuring that sustainability is not just a top-down directive but a collective responsibility shared across the Group.

Furthermore, to underscore the importance of sustainability within our governance framework, the Board, through the NC, has integrated sustainability consideration as one of the criteria in the annual performance evaluation of the Board and SRMC. Further details of the sustainability-related trainings and performance evaluation are delineated in the Company’s CG Report as well as the CG Statement within this Annual Report.










SUSTAINABILITY STATEMENT (CONT'D)

STAKEHOLDER ENGAGEMENT

In today's dynamic business environment, fostering strong and trusting relationships with the stakeholders is essential for long-term value creation. In this regard, we believe that active listening and ongoing communication enable us to gain valuable insights into our stakeholders' perspectives, needs, concerns and expectations. These insights, in turn, enrich our decision-making process, allowing us to align our actions with a shared vision for a sustainable future.

During FYE 2024, we have engaged with our various stakeholders via the following approaches: -

Stakeholders	Areas of Interest or Concern	Engagement Approaches
Shareholders/ Investors 	<ul style="list-style-type: none"> Business sustainability and profitability Investment risks and returns Financial and operational performance Corporate governance 	<ul style="list-style-type: none"> Quarterly financial results Annual report General meetings Company website Bursa announcements
Employees 	<ul style="list-style-type: none"> Career progression Competitive remuneration and benefit packages Occupational health and safety Talent management 	<ul style="list-style-type: none"> Performance appraisal Internal meetings Engagement with Management Training and development programme Company activities and events
Customers 	<ul style="list-style-type: none"> Quality of products and services Competitive pricing On-time delivery 	<ul style="list-style-type: none"> Site visit Customer feedback survey Company website
Suppliers 	<ul style="list-style-type: none"> Long-term business relationship Transparent procurement practices Suppliers' selection and evaluation Credit terms and timely payments 	<ul style="list-style-type: none"> Email communication Face-to-face communication Supplier evaluation
Government/ Regulators 	<ul style="list-style-type: none"> Legal compliance Corporate governance Occupational health and safety Timely and transparent disclosures 	<ul style="list-style-type: none"> Compliance audit Bursa announcements
Community 	<ul style="list-style-type: none"> Employment creation Local economy support Community wellbeing Environmental impact from business operations 	<ul style="list-style-type: none"> Company website Community outreach
Analyst/ Media 	<ul style="list-style-type: none"> Share price performance Financial and operational performance Business expansion plan Corporate governance 	<ul style="list-style-type: none"> Quarterly financial results Annual report General meetings Company website Bursa announcements

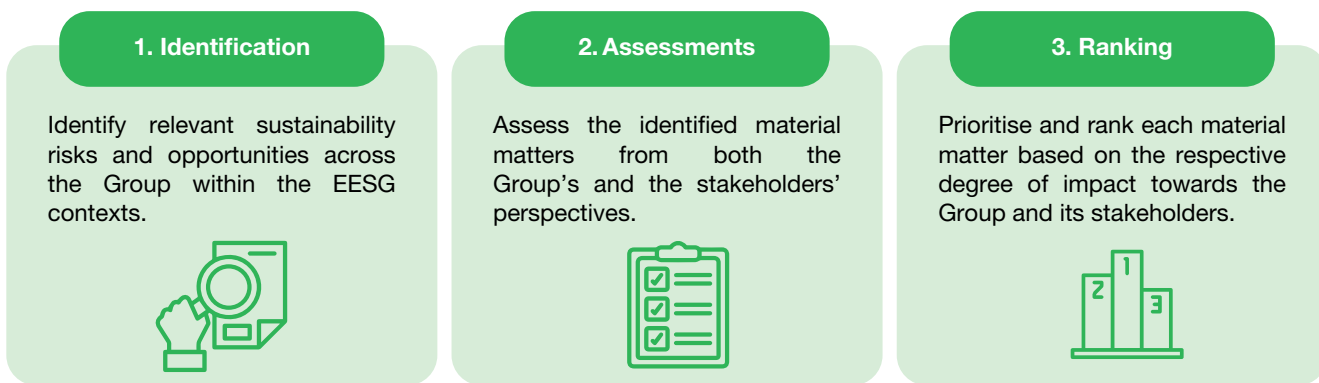
SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL MATTERS ASSESSMENT AND SUSTAINABILITY STRATEGIES

Material Matters Assessment Process

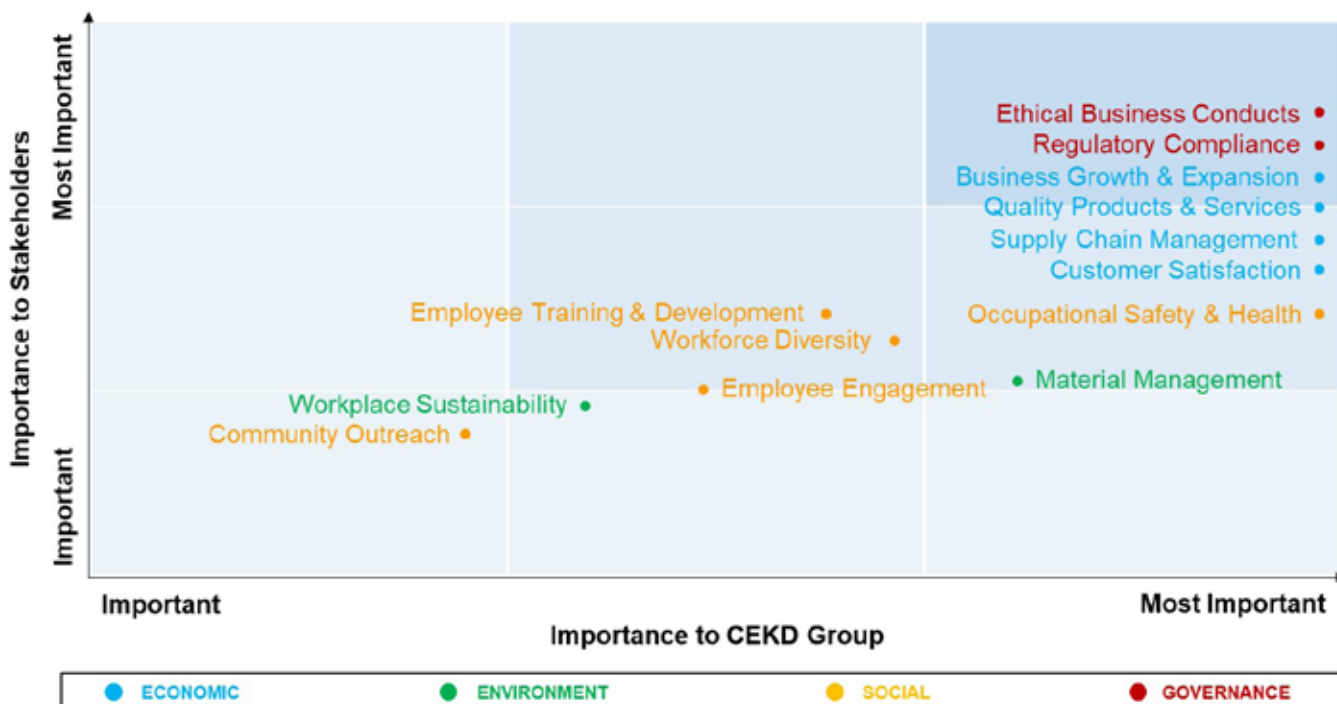
In the pursuit of sustainable development, we acknowledge the importance of aligning strategic decision-making with the expectations of our stakeholders to drive the Group’s long-term value creation and remain competitive in the market. To achieve this, a thorough materiality assessment is essential to identify and prioritise the key EESG matters most relevant to our business and stakeholders. By gaining a deeper understanding of our stakeholders’ needs, preferences and concerns, we can focus on the issues that matter the most, guiding our strategies and decisions to ensure alignment with both stakeholder expectations and market dynamics.

During FYE 2024, we conducted our annual material matters assessment using the same approach as outlined below: -



Material Matters Matrix

After conducting the material matters assessment for FYE 2024, we reviewed the sustainability matters identified in the previous year and concluded that they continue to be highly relevant and important to both our Group and various stakeholders. As a result, we have retained the same thirteen (13) material matters this year, scaling from “Important” to “Most Important”, as illustrated in the Material Matters Matrix below: -










SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL MATTERS ASSESSMENT AND SUSTAINABILITY STRATEGIES (CONT'D)

Sustainability Strategies and Mapping of UNSDGs

In advancing our sustainability commitment, we aim to align our initiatives with the global framework set by the UNSDGs. With the material matters identified earlier, we have developed several sustainability strategies to address our Group's sustainability risks and opportunities, and have mapped them into five (5) UNSDGs, tabled as below: -

	Material Matters	Sustainability Strategies	UNSDG
ECONOMIC	<ul style="list-style-type: none"> Business Growth & Expansion Quality Products & Services Supply Chain Management Customer Satisfaction 	<ul style="list-style-type: none"> Emphasising on business expansion and operational efficiencies to ensure sustainable business growth. Adopting digital marketing to promote both business and environmental sustainability. Continuous engagement with suppliers to ensure efficient supply chain while supporting local economy. Understanding customers' needs and expectations via customer satisfaction survey for continuous improvements 	 
ENVIRONMENT	<ul style="list-style-type: none"> Material Management Workplace Sustainability 	<ul style="list-style-type: none"> Selection of sustainable raw materials to reduce negative environmental impact. Encouraging green initiatives in office and factory to preserve the environment. 	
SOCIAL	<ul style="list-style-type: none"> Occupational Safety & Health Workforce Diversity Employee Training & Development Employee Engagement Community Outreach 	<ul style="list-style-type: none"> Maintaining a safe, conducive and inclusive workplace to motivate and retain the right talent. Conducting training programmes to enhance our employees' skills and knowledge. Organising company activities and events to foster bonding amongst employees and the Group. Contributing to the enrichment and wellbeing of our local community. 	  
GOVERNANCE	<ul style="list-style-type: none"> Regulatory Compliance Ethical Business Practices 	<ul style="list-style-type: none"> Adhering to policies and procedures to uphold sound and robust corporate governance. 	

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC

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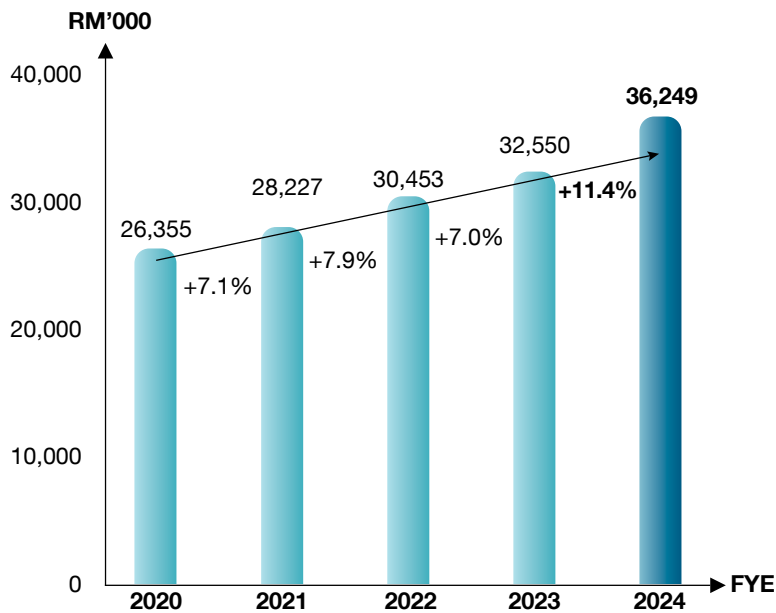
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BUSINESS GROWTH & EXPANSION

Objective: To achieve continuous business growth

Revenue



Revenue in FYE 2024

RM36.25 mil

↑ 11.4%

Overseas Revenue in FYE 2024

RM9.58 mil

↑ 77.7%

PAT in FYE 2024

RM7.18 mil

↑ 39.0%

In a world where business resilience and sustainability go hand in hand, we are proud to report an exceptional progress this year. We have achieved a new high in our financial performance with an impressive 11.4% revenue increase, from RM32.55 million in FYE 2023 to RM36.25 million in FYE 2024. This achievement not only reflects our commitment to sustainable business growth but also underscores the resilience and effectiveness of our business strategies.

Our financial achievement this year was driven by several key business strategies focused on strengthening our market position and promoting sustainable growth. With SDG Target 8.1 in mind, these initiatives are built on a proactive approach to both innovation and expansion, allowing us to seize opportunities in emerging markets and enhance our operational capabilities. The following initiatives highlight our focus on strengthening overseas market presence, advancing operational capabilities and adhering to environmentally responsible practices: -

1. Strengthening Global Presence with Trust

Driven by our vision to be the best die-cutting solution provider in Asia Pacific, we have continued to expand our market footprint in Southeast Asia this year. Amidst the region's rapidly growing economies and rising consumer demand, we achieved a remarkable 77.7% growth in our export sales for FYE 2024 as compared to FYE 2023.

Expanding into overseas markets goes beyond simply delivering products. It is about building trust and long-term relationships with customers. Our success in boosting export sales this year reflects our commitment to these principles. To this end, we regularly visit both existing and potential customers abroad to stay connected with them and gain a better understanding on their evolving needs and expectations, ensuring that we continue to deliver products and services that aligns with their requirements.



SUSTAINABILITY STATEMENT
(CONT'D)

ECONOMIC

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BUSINESS GROWTH & EXPANSION (CONT'D)

Objective: To achieve continuous business growth

2. Strategic Investments in Technology and Capacity

As we continue to expand our operations to meet the growing demand for precision die-cutting solutions, we remain focused on making strategic investments that enhance both our business capacity and operational efficiency. These investments are vital to maintain our competitive edge and ensure our sustainable business growth and development.

In FYE 2024, we have expanded our operational capacity by acquiring a 1½-storey light industrial shoplot in Seri Kembangan, Selangor. This addition increased our manufacturing space in Seri Kembangan, Selangor by 53.7% from 5,110 sq. ft. to 7,855 sq. ft., enabling us to better meet the growing production demands.

Alongside our physical expansion, we have invested in advanced machineries to elevate our production capabilities. These new machineries allow us to improve the speed and precision of our manufacturing processes, enabling us to stay competitive and responsive to market needs.

To stay at the forefront of the die-cutting industry, our Directors and key Management actively participate in exhibitions, seminars and training programmes. These events provide invaluable opportunities to gain insights into the latest technological developments, explore new business opportunities and connect with industry peers. By equipping our leadership team with the latest knowledge and insights, we are better positioned to make informed decisions, drive innovation and respond proactively to the evolving needs of our customers. Attending these events also allows us to build relationships with other industry leaders, fostering collaboration and knowledge-sharing that drives growth and innovation.

3. Wider Reach with Smaller Environmental Footprint

In today’s business landscape, where companies are increasingly expected to balance profitability with purpose, we recognise that sustainable growth goes beyond financial metrics. In this aspect, we have integrated sustainability into our advertising and marketing strategies by replacing traditional printed brochures with digital solutions. This includes the distribution of e-newsletters and advertising through social media platforms. This digital transition not only allows us to connect with a broader audience but also reduces our reliance on traditional paper-based materials, thereby lowering our carbon footprint and contributing to SDG Target 12.2.



QUALITY PRODUCT & SERVICES

*Objectives: - To deliver quality products and services consistently
- To maintain ISO and Bobst certifications continuously*

In our pursuit of providing industry-leading die-cutting solutions, we strive to deliver high-quality products and services consistently. Each product we deliver reflects our commitment to precision, durability and sustainability, supported by our robust quality management processes and industry certifications.

To maintain our quality standards, we have continued to uphold our quality assurance management policy, which directs all employees to conduct stringent quality checks throughout our operations. This fosters a strong culture of quality and accountability across the organisation.

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC

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03

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QUALITY PRODUCT & SERVICES (CONT'D)

*Objectives: - To deliver quality products and services consistently
- To maintain ISO and Bobst certifications continuously*

Our three (3) main quality assurance processes are illustrated as follows: -

Incoming Quality	Before accepting incoming raw materials, our production supervisors are tasked to perform sampling checks on the raw materials to ensure that their condition and quality meet to our standards and expectations.
In-Process Quality	During production, random quality checks are carried out to verify the use of correct raw materials as well as the accuracy of rule joints and size of cut-out shapes in order to ensure that the product quality is consistently monitored and controlled within the required standards.
Outgoing Quality	Final quality checks are conducted before delivering the finished goods to customers, ensuring that both the products and their packaging condition meet to our required quality standards and criteria.

To reinforce our commitment to quality, our quality management system has been certified with ISO 9001:2015 since 2006, under the scope of “manufacture of die cut mould, tool and die excluding design and development”.

Additionally, we are proud to be the only die-maker in Southeast Asia certified by Bobst, a globally renowned Switzerland-based die-cutting manufacturer with a large global presence over a century of industry experience. This recognition underscores our dedication to excellence and positions us as a market leader in the die-cutting industry.



ISO 9001:2015



Bobst Certification

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC

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SUPPLY CHAIN MANAGEMENT

- Objectives: - To source from suppliers that meet our stringent requirements
- To support local purchases, where viable

In today's dynamic business landscape, effective supply chain management is crucial for ensuring operational efficiency and sustainable business. A resilient and high-quality supply chain not only allows us to consistently deliver quality products to our customers but also supports our commitment to operate responsibly within our community and beyond.

Recognising that the quality of our products begins with the quality of our materials and services, we work closely with trusted suppliers who meet our stringent quality standards and ISO 9001:2015 requirements. In this regard, we conduct annual evaluation on our suppliers based on multiple criteria, including the quality/workmanship, cost and delivery time. Any suppliers who are unable to meet our standards and requirements will either be ruled out or re-evaluated in the following year or before the next purchase to assess and determine whether their improvements have aligned to our requirements. For the FYE 2024, we are pleased to report that all our suppliers have met our stringent standards and requirements, demonstrating the strength of our supplier network and the effectiveness of our supply chain quality control.

In addition to quality considerations, we will also prioritise the selection of suppliers who demonstrate sustainability practices, aligning with our commitment to sustainability. Moving forward, we aim to source from suppliers who are committed to ethical labour practices, environmentally friendly operations and robust governance frameworks, whenever feasible. By fostering a supply chain aligned with sustainability principles, we aim to achieve the following objectives: -



Enhance Environmental Stewardship

Work with suppliers focused on reducing carbon emissions, minimising waste and adopting sustainable production methods.



Promote Social Responsibility

Ensure fair labour practices and equitable treatment across our supply chain, contributing to community development and diversity.



Uphold Governance Standards

Collaborate with suppliers that operate transparently, comply with legal standards and maintain ethical business practices.

Meanwhile, in line with our commitment to SDG Target 8.1, we strive to source raw materials and services locally to promote sustainable economic growth within our community. However, due to the diverse customer requirements, certain raw materials have to be sourced internationally due to the limited availability in Malaysia. Nevertheless, for raw materials which are widely available locally, we are committed to source from our local suppliers, wherever possible.

Thanks to our rigorous supply chain management, we are pleased to report that our supply chain remained stable and free from disruption in FYE 2024. This stability underscores our commitment to operational efficiency and reliability, enabling us to consistently meet customer demands and uphold the high-quality standards that our customers expect.



SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC

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CUSTOMER SATISFACTION

Objectives: To meet various Quality Objectives with a minimum score of 3.0 respectively

Customer satisfaction is not just a metric, it is the lifeblood of our long-term success and resilience. In an era where consumer preferences can shift rapidly and competition is just a click away, we truly understand that customer satisfaction is closely tied to customer loyalty, which in turn supports our business sustainability.

As at 31 August 2024, we take great pride in having served over 1,740 customers, some of whom have been with us for more than ten (10) years. This customer loyalty is a testament to the trust and confidence that our customers have in us. It reflects not only the quality of our products and services but also our unwavering commitment to understanding and meeting their evolving needs.

Served more than

1,740 customers

As at 31 August 2024

During FYE 2024, we have continued to implement the following strategies to support and improve our customers' experience: -



Direct Distribution Strategy

Our direct distribution strategy enables us to sell products directly to customers without the involvement of intermediaries such as distributors, agents and/or dealers.

This approach enables us to connect directly with our customers, thereby gaining better understanding of their needs and expectations. This direct engagement also allows us to respond promptly and effectively to their requirements, inquiries and feedback.



Technical Support

Our technical sales team provides technical support through regular site visits and after-sales services, including customised upgrade and modification, product training, as well as repair and maintenance services.

We believe that this proactive approach is effective in supporting our customers to adopt our products effectively and efficiently.

In addition, we strongly believe that timely and effective communication is fundamental to customer satisfaction. As such, all customers' enquiries, feedbacks and comments shall be addressed and responded within a target of two (2) working days. At CEKD, regardless of positive or negative responses, we take all feedbacks and comments constructively for our continuous improvements.

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC

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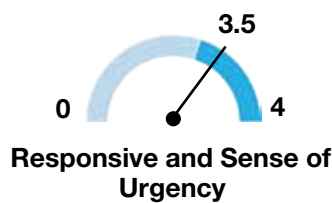
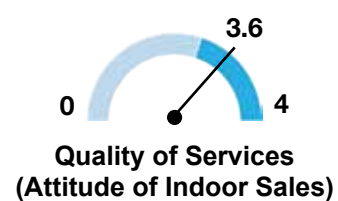
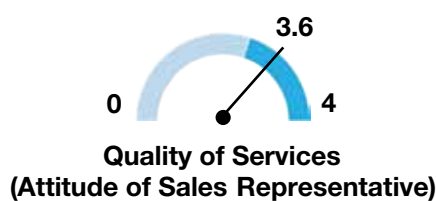
CUSTOMER SATISFACTION (CONT'D)

Objectives: To meet various Quality Objectives with a minimum score of 3.0 respectively

To ensure our customer satisfaction strategies remain effective, we conduct customer survey annually to assess our customers' satisfaction level, keep track of the quality of our products and services as well as to identify any areas of improvement. Our customer survey is conducted with a rating approach, covering several quality objectives such as quality of products and services, delivery speed, responsiveness and sense of urgency, as well as product variety. In the survey, customers are required to rate their satisfaction level against our products and services by marking at the "Excellent, Good, Fair or Poor" column respectively. By regularly gathering insights on these key performance areas, we can pinpoint both our strengths and weaknesses, allowing us to enhance customer experience and elevate our overall business performance.

In FYE 2024, we have revised our rating target from the range of 80% to 90% benchmark to a consistent score of 3.0 across all quality objectives. Based on a total of 105 customer surveys completed in FYE 2024, we are pleased to report that we have met all our quality objectives, with strong performance recorded across all key areas, as shown below: -

Annual Customer Survey (Quality Objective Achievement in FYE 2024)



SUSTAINABILITY STATEMENT (CONT'D)

ENVIRONMENT

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MATERIAL MANAGEMENT

Objectives: - To ensure the raw materials used in our production processes are safe, reliable and meet the relevant regulatory standards
- To minimise the waste produced

In our pursuit of sustainable operations, responsible material management plays a pivotal role in reducing our environmental footprint and maximising resource efficiency. In line with SDG Target 12.2, we prioritise the responsible sourcing of materials as well as the efficient use of resources to contribute to a more sustainable and circular economy.

One (1) of our core sustainability efforts include placing great priority on the quality, safety and environmental friendliness of our raw materials. In this regard, our raw materials, including wood, steel rules and ejectors were sent to Eurofins NM Laboratory Sdn Bhd and Société Générale de Surveillance (“SGS”) for testing on a sampling basis. The said testing is to ensure that our raw materials are environmentally friendly, safe, reliable and comply to all applicable regulatory standards, ensuring that our manufacturing inputs support our sustainability objectives.

Aside from responsible sourcing, our sustainability commitment extends into our manufacturing process. For every die-cutting design, we adopt innovative design and take precise measurements to promote efficient production, thereby minimising surplus and offcuts. Any usable offcuts and remaining materials are then recycled or reused within our manufacturing cycle to maximise resource utilisation and minimise waste.

In addition to our efforts in manufacturing, we ensure that all recyclable waste is properly recycled to maximise resource recovery. For non-recyclable waste, such as hydraulic oil and waste acid, we take all necessary precautions by safely storing and disposing them through licensed scheduled waste contractors in compliance with the Environmental Quality (Scheduled Wastes) Regulations 2005. During FYE 2024, we are pleased to report that we have not received any fines or non-monetary sanctions related to non-compliance with environmental laws and regulations.



WORKPLACE SUSTAINABILITY

Objective: To promote environmental sustainability within workplace

In addition to responsible material management, we have extended our sustainability efforts to all aspects of our workplace. Here in CEKD, we believe that every small action contributes to a greater impact, which is why we have integrated eco-friendly practices into our daily operations to support a greener future. During FYE 2024, we have continued to implement the following green initiatives aimed at minimising our ecological footprint and promote a more sustainable work environment: -

- Switch off electronical appliances and lights when not in use to conserve energy;
- Install light switch timers in common office areas to improve energy efficiency;
- Utilise battery-powered forklifts in factories to eliminate the use of fossil fuel and the generation of harmful gas emissions;
- Actively encourage employees to carpool and use public transport for business travel, and opt for virtual meetings whenever possible to reduce carbon footprint; and
- Practice 3Rs (Reduce, Reuse, Recycle) in both office and factory in alignment with SDG Target 12.5. For example, leftover materials are repurposed into office furniture such as tables and whiteboard stand for our own office use.



SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL

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OCCUPATIONAL SAFETY AND HEALTH (“OSH”)

Objective: To maintain a safe working environment

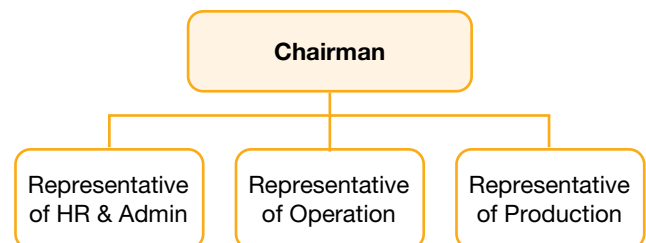
We recognise that a safe and healthy work environment is fundamental to our long-term success. As such, we strive to uphold the highest standards of OSH management across our business operations, ensuring that the safety and well-being of our employees are prioritised.

With SDG Target 8.8 in mind, we continue to abide to our Health, Safety and Environmental (“HSE”) Policy, which serves as the foundation of our OSH initiatives. The HSE Policy outlines the measures and practices to be adopted by our people across the Group to promote a safe and healthy working environment, as follows: -

HSE POLICY	
<ul style="list-style-type: none"> • Provide and maintain a clean and safe working environment for our employees; • Provide training to our employees to perform their jobs safely; • Report to the Management for any unhealthy or unsafe working conditions that may affect the employees or the environment, and take the relevant corrective measures promptly; • Plan, evaluate and implement actions that are appropriate to minimise the business operations’ impact towards the environment; and • All employees must adhere to HSE Policy at all times. 	



To facilitate an effective HSE management, we have established a Health and Safety Committee, chaired by our Executive Director/ Chief Operation Officer, Ms. Yap Kai Min. This committee is empowered to oversee the implementation of HSE Policy, the Group’s OSH compliance and addressing all OSH-related matters.



The committee comprises representatives from key departments, including human resources & administration department, operation department and production department, fostering a collaborative approach to workplace safety. By drawing on diverse perspectives, the committee is well-positioned to identify risks, improve safety practices and strengthen our ongoing commitment to a safe, healthy and sustainable workplace.

For FYE 2024, we are proud to highlight that we have achieved another year of a zero-injury workplace, reflecting the effectiveness of our stringent OSH management and the vigilance of each employee in maintaining a safe workplace. Furthermore, we are pleased to report that we have not received any fines or non-monetary sanctions in relation to non-compliance of OSH laws and regulations.

Workplace Injury
0 case reported
 In FYE 2024

Continuous training and education are key components of our OSH strategy. During FYE 2024, we conducted several OSH-related trainings to equip our employees with the necessary knowledge and skills to work safely, address potential workplace hazards, use safety equipment properly and respond to emergencies effectively. These trainings not only strengthen our safety culture but also empower employees to take ownership of workplace safety, thereby contributing to a safer and more resilient working environment.

OSH Trainings Conducted During FYE 2024	
09 & 12/10/2023	JKKP – OSH coordinator
12/10/2023	How to use Personal Protective Equipment (“PPE”) & Emergency Training
10 & 11/06/2024	Better Health, Better Life
11/06/2024	Clinically Proven Stress Relievers for Work

SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL

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OCCUPATIONAL SAFETY AND HEALTH ("OSH") (CONT'D)

Objective: To maintain a safe working environment

On 16 May 2024, we also organised a medical check-up for all employees to support their health and wellbeing, thereby creating a supportive and caring workplace.



How To Use PPE & Emergency Training



Better Health, Better Life



Clinically Proven Stress Relievers for Work



Medical Check-Up

SUSTAINABILITY STATEMENT
(CONT'D)

SOCIAL

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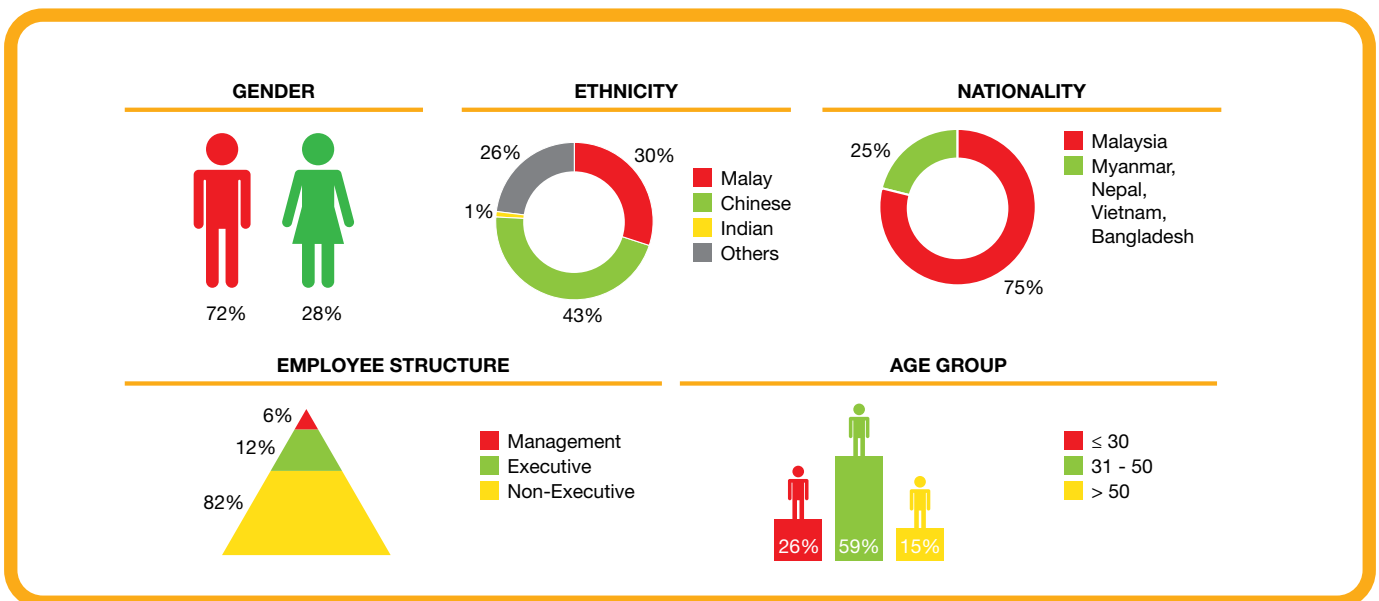


WORKFORCE DIVERSITY

Objective: To manage employee turnover rate within 20%

Building a diverse workforce is key to achieve excellence in every aspect of our business. By bringing together individuals with varied experiences, perspectives and skills, we cultivate an inclusive workplace where everyone can thrive and contribute their unique perspectives and ideas without fear of prejudice. We believe such inclusive environment is able to drive collaboration, encourage innovation and enhance productivity across the Group.

As at 31 August 2024, our workforce consists of 206 employees from diverse backgrounds, analysed as below: -



Our commitment to workforce diversity extends to SDG Target 10.3 where the Board has officially adopted a Gender Diversity Policy on 23 October 2023. This policy reinforces our dedication to create an inclusive and equitable work environment, with a focus on promoting gender balance, supporting the advancement of women and ensuring that all employees have equal opportunities to thrive and contribute to our collective success. The said policy is published on the Company’s website at <http://www.cekd.com.my/policy-disclosures>.

In alignment with SDG Target 5.5, we are also proud to highlight that as at 31 August 2024, women represent 43% of our Board, underscoring our strong commitment to gender diversity at the highest level of our Group. Beyond the Board, we are equally proud that our key managerial roles, including Managing Director, Executive Director/Chief Operation Officer and CFO, are all held by women.

Furthermore, recognising the challenges posed by Malaysia’s aging population, we acknowledge our social responsibility by actively offering job opportunities to retirees. As at 31 August 2024, 4% of our total workforce was made up of individuals aged 60 and above. This age diversity contributes to a more balanced and enriched organisational culture by promoting an exchange of ideas across generations, ultimately strengthening our decision-making and team collaboration.

Building on our commitment to diversity and inclusivity, we also place a strong emphasis on employee retention to foster long-term business sustainability. For FYE 2024, we are pleased to report that we recorded an improved employee turnover rate of 13.2%, keeping up to our target turnover rate of within 20%. As we continue to grow, we remain committed to cultivating a workforce that is not only diverse in background but also united in purpose.

TARGET 10-3	TARGET 5-5
ENSURE EQUAL OPPORTUNITIES AND END DISCRIMINATION	ENSURE FULL PARTICIPATION IN LEADERSHIP AND DECISION-MAKING

SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL

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EMPLOYEE TRAINING & DEVELOPMENT

Objective: To have at least 5% of the total employees to attend training annually

Guided by our mission of continuous improvement, we invest in the development of our workforce through various in-house and external training programmes. These initiatives equip them with the necessary skills and knowledge to thrive in their careers. We firmly believe that investing in our people is investing in the future of our Group. Hence, this initiative not only fosters individual growth but also strengthens our collective ability to drive the Group's success.

During FYE 2024, our employees have attended the following training and development programmes: -

Trainings Programmes Attended During FYE 2024	
09 & 12/10/2023	JKKP - OSH Coordinator
18/12/2023	On Board Training - Company Introduction
22 & 23/01/2024	Navigating Employment Termination and Conduct Issues in the Workplace

In line with our dedication to sustainability and corporate responsibility, this commitment extends to every level of our Group, including our Board, who lead by example by actively participating in sustainability-focused training programme, namely the Mandatory Accreditation Programme Part II: Leading for Impact (LIP). This training programme is essential in equipping them with the knowledge to drive our Group's sustainability agenda moving forward.

For FYE 2024, we invested approximately RM0.02 million in our training and development initiatives. This investment was further supported by funding from the Human Resources Development Fund ("HRDF"), enabling us to broaden our training opportunities to a greater number of employees. We are also pleased to report that we have successfully met our target, with at least 5% of our total workforce participating in training and development programmes during FYE 2024.

Meanwhile, we value on-the-job training as a core component of our development approach. In this aspect, our junior employees are guided and mentored by their respective senior or supervisor, fostering a culture of knowledge-sharing and skill transfer within the Group.

SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL

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EMPLOYEE ENGAGEMENT

Objective: To build a conducive work environment

At CEKD, we strive to build an inclusive and dynamic work environment that encourages collaboration, values each employees' contributions and nurtures a shared sense of purpose. We recognise that motivated employees and supportive workplace are the foundation of our Group's success. In this respect, we organise company activities and events that bring our team together to strengthen team spirit and enhance our teamwork and collective success.

During FYE 2024, we have carried out the following events and activities within our Group: -



Company Annual Dinner

Our Company's annual dinner, held on 3 February 2024, at Sinchoiwah Restaurant in Bandar Menjalara, Kuala Lumpur, was a highlight of the year. This event brought together our employees from across departments to celebrate achievements, recognise contributions and enjoy an evening of camaraderie. The energy and enthusiasm at the event reflected the strength of our team spirit and set a positive tone for the year ahead.

Buka Puasa

In the spirit of Ramadan, we gathered for a "Buka Puasa" event at the Gardens Hotel in Mid Valley to celebrate this special month. The evening provided a meaningful opportunity to come together, share in tradition and enjoy a delicious meal. This event also highlighted our dedication to inclusivity and respect for cultural practices, while connecting our team in a warm and welcoming environment.



Celebration of Honourable Retirements

On 25 March 2024 and 15 May 2024, we held heartfelt farewell gatherings to honour two (2) of our long-serving and valued employees as they transitioned into retirement. These events celebrated their years of dedication and lasting contributions, with colleagues sharing memories, expressing gratitude and wishing them well on their new chapter of their lives.

SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL

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COMMUNITY OUTREACH

Objective: To enrich the community

As a responsible corporate entity, we believe that true sustainability extends beyond business success. It is also important for us to make a positive impact on the communities we serve. Through our community outreach initiatives, we strive to support the wellbeing of our local communities to build trust and meaningful connections that contribute to their long-term development and prosperity.

In FYE 2024, we have invested approximately RM0.02 million to support the local communities through the following events: -

Contribution to Strengthen Industry Ties

As a key player in the die-cutting solutions industry, we donated a total of RM3,000 to the Malaysian Corrugated Carton Manufacturers' Association for their 32nd Annual Dinner. This event serves as a major occasion for the association, fostering friendship and collaboration among industry members. By contributing to this event, we support a platform that encourages industry collaboration, knowledge sharing as well as the strengthening of relationships that benefit not only our industry but also the broader economic landscape.



Empowering the Future of Education

We are also proud to highlight our contribution to local education through a donation of RM5,000 to SJK(C) La Salle for their 70th anniversary celebration and fundraising campaign. The funds raised are channelled to support the installation of smart boards in classrooms, promoting modern and interactive learning environments that align with the school's commitment to enhance Chinese education. This contribution reflects our ongoing commitment to empowering the next generation by supporting their educational journeys.

Making a Difference to Local Welfare

Recognising the importance of supporting those in need and assisting organisations that provide essential services to the community, we contributed RM3,000 to Selangor and Federal Territory Association for the Mentally Handicapped to help fund the purchase of a new school van. Additionally, we donated RM3,000 to Sunteck Handicapped Welfare Home, which provides care and support for individuals with disabilities.



Supporting Young Sports

During the FYE 2024, we also sponsored RM1,000 to Youngster Basketball Team for their participation in the Major Basketball League 2023. This event provided an exciting platform for the young athletes to showcase their skills and foster teamwork, while promoting sportsmanship and community engagement.

Caring for Homeless Animals

We donated RM100 to Bworth Fur Kids Home to support the welfare of homeless animals. This contribution reflects our commitment to compassionate care for all members of the community, including our furry friends. All funds raised by the organisation will be used to provide food and medication for the animals at the no-kill shelter.



Bridging Education and Industry

On 15 July 2024, we strengthen our dedication to skills development by signing a Memorandum of Understanding with Kolej Vokasional Tengku Ampuan Afzan, Pahang. This partnership focuses on areas such as industry machine technology, electronic technology and electric technology, enabling vocational students to gain relevant industry-specific skills and knowledge to help them excel in their careers. By supporting the vocational training, we aim to bridge the gap between education and industry needs, ensuring a skilled workforce for the future.

SUSTAINABILITY STATEMENT
(CONT'D)

GOVERNANCE

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REGULATORY COMPLIANCE

Objective: To comply with all applicable laws and regulations

In an increasingly complex regulatory environment, compliance with local laws and regulations is not only a legal obligation but also an ethical standard of accountability and transparency towards our stakeholders. To uphold these standards, we have implemented various Standard Operating Procedures (“SOPs”) to guide all employees in performing their duties and responsibilities in a proper and professional manner.

Our commitment to regulatory compliance covers a wide range of areas, including environmental regulations, labour laws and other statutory requirements relevant to our industry. The key laws and regulations governing our business operations include: -

- Environment Quality (Scheduled Wastes) Regulations 2005;
- Factories and Machinery Act 1967;
- Employment Act 1955;
- Minimum Wages Order 2022; and
- Occupational Safety and Health Act 1994.

Regulatory Non-compliance
0 case reported
In FYE 2024

For FYE 2024, we are pleased to report that no fines or penalties were imposed on our Group by any regulatory authorities in relation to the violations of relevant laws and regulations.



ETHICAL BUSINESS CONDUCTS

Objective: To instil ethical business dealings and conducts

Recognising the importance of integrity and transparency in building trust and accountability with our customers, employees and stakeholders, we are committed to fostering a culture of ethical business conducts to drive the Group’s long-term growth and success. We believe that conducting business with integrity and professionalism is essential to building trust, fostering long-term partnerships and contributing to a fair and transparent business environment.

To uphold the highest standards of integrity, we have implemented a comprehensive Code of Conduct and Ethics (“the Code”), which outlines clear expectations for ethical behaviour in all aspects of our business. The Code provides guidance to all our employees on maintaining professionalism, acting with integrity and making ethical decision that align with our vision, mission and motto.

In alignment with SDG Target 16.5 and in compliance with the Section 17A of the Malaysian Anti-Corruption Commission (“MACC”) Act 2009, we demonstrate a strong zero-tolerance stance against all forms of bribery and corruption through our Anti-Bribery and Anti-Corruption Policy (“ABC Policy”). This ABC Policy outlines adequate measures in addressing various potential bribery and/or corruption situation while indicating the consequences for violation of the said policy.

TARGET 16-5

SUBSTANTIALLY REDUCE CORRUPTION AND BRIBERY

To support the effective implementation of the ABC Policy, we have also established a Whistleblowing Policy which provides an avenue for all employees and stakeholders to report any suspected or known wrongdoing, malpractices or misconducts across the Group. This policy ensures that all reports are handled seriously and confidentially, while also protecting whistleblowers from retaliation under the Whistleblower Protection Act 2010. Upon receiving a whistleblowing report, an independent investigation will be conducted and appropriate disciplinary actions will be taken thereafter. This shall foster a culture of transparency and accountability across our Group.

All the Code, ABC Policy and the Whistleblowing Policy are made available on the Company’s website at <http://www.cekd.com.my/policy-disclosures> for public’s reference.

During FYE 2024, we have not received any whistleblowing report. We are also pleased to report that, no employees had been disciplined or dismissed, nor any public cases been brought against the Group and its employee due to non-compliance with the applicable laws and regulations. Hence, no fines or penalties were imposed to the Group during the FYE 2024.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board remains committed to upholding strong corporate governance and ethical business practices throughout the Group, adhering to the recommended best practices outlined in the Malaysian Code on Corporate Governance (“MCCG”). The Board believes that these practices are critical for achieving the Group’s long-term success, enhancing shareholders’ value and protecting stakeholders’ interests.

The Board is pleased to present this CG Statement, which outlines its initiatives and commitment to fostering good governance across the Group during the FYE 2024. This CG Statement has been prepared in accordance with Rule 15.25(1) and Guidance Note 11 of the AMLR, with reference to the following three (3) core corporate governance principles as guided by the MCCG: -

- (i) Principle A: Board Leadership and Effectiveness;
- (ii) Principle B: Effective Audit and Risk Management; and
- (iii) Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

This CG statement should be read in conjunction with the Company’s CG Report 2024, which provides further details and explanations on the application of corporate governance practices. The CG Report is available on the Company’s website at <http://www.cekd.com.my/annual-reports> and can also be accessed via Bursa Securities’ website at <https://www.bursamalaysia.com/>.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

PART I – BOARD RESPONSIBILITIES

1 Board Stewardship

The Board collectively has set clear functions and responsibilities by the Board and Management in the Charter for Board of Directors (“Board Charter”). The Board is collectively responsible to oversee the Group’s strategic directions, planning and objectives, managing key risks and determining resources allocation to ensure the Group’s sustainable development and long-term growth. With the interests of shareholders and stakeholders in focus, the Board has articulated the Group’s vision, mission and motto, as follows: -

VISION	MISSION	MOTTO
The Best Die Cutting Solution Provider in Asia Pacific	√ Create Value for Customers √ Continuous Improvement	Drive Towards Excellence

In line with its commitment to promoting the Group’s sustainable growth and resilience, the Board has introduced additional sustainability-focused policies, including Gender Diversity Policy and Succession Planning Policy during FYE 2024. These initiatives underscore the Board’s dedication to create a responsible and forward-looking business framework that aligns with its long-term strategic objectives. The effectiveness of these policies is regularly assessed to ensure they remain aligned with the Group’s goals and sustainability development.

To enhance the effectiveness of the Board in discharging its fiduciary duties and responsibilities, the Board has assigned specific duties and authorities to its four (4) Board Committees, namely the AC, NC, RC and SRMC. Each Board Committee fulfils its obligations within the scopes and functions outlined in their respective Terms of Reference, which can be accessed on the Company’s website at <http://www.cekd.com.my/policy-disclosures>.

The Board is led by Dato’ Zulkifli Bin Adnan, who serves as the Independent Non-Executive Chairman. He is responsible for overseeing the Board’s overall effectiveness and promoting strong corporate governance practices. The Board Chairman is also responsible to chair and facilitate the Board meetings, encouraging all Directors to engage in discussions and ensuring that all agenda items are comprehensively reviewed and deliberated.

The Board is committed to ensure a balance of power and authority within the Company to instil the highest standard of accountability and integrity in governance control. To achieve this, the roles of Board Chairman, Deputy Executive Chairman and Managing Director are held by three (3) distinct individuals with a clear segregation of duties. The Board Chairman, Dato’ Zulkifli Bin Adnan, is primarily responsible for overseeing the Board’s overall performance and promoting sound corporate governance. The Deputy Executive Chairman, Mr. Yap Tian Tion, focuses on developing the Group’s overall business strategy and direction. Meanwhile, the Managing Director, Ms. Yap Kai Ning, is tasked with the responsibility to manage the implementation of the Group’s strategic plans and policies in daily operations.

In addition, the Board Chairman is not a member of AC, NC and RC. This shall ensure a check and balance control and objective assessments of feedback from the Board Committees as recommended under Practice 1.4 of the MCCG. This structure also safeguards the independence and objectivity during Board and Board Committees’ meetings.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART I – BOARD RESPONSIBILITIES (CONT'D)

1 Board Stewardship (Cont'd)

During FYE 2024, the Board was effectively supported by two (2) suitably and experienced company secretaries, Ms. Teo Soon Mei and Ms. Lim Jia Huey, both of whom are members of the Malaysian Institute of Chartered Secretaries and Administrators (“MAICSA”). They are primarily responsible to advice and support the Board, particularly on corporate administrative matters, corporate governance best practices, regulatory compliance and meetings proceedings. The company secretaries were present at all Board and Board Committees’ meetings during the FYE 2024.

The Board shall meet at least four (4) times annually, with additional meetings convened as needed in accordance with the Board Charter. During FYE 2024, the Board convened a total of five (5) Board meetings, with the attendance of each Director detailed as below: -

Director	Number of Meetings Held During Director’s Tenure of Office	Meeting Attendance	Percentage of Attendance
Dato’ Zulkifli Bin Adnan	5	5	100%
Yap Tian Tion	5	5	100%
Yap Kai Ning	5	5	100%
Yap Kai Min	5	4	80%
Datuk Mak Foo Wei	5	5	100%
Chong Chin Look	5	5	100%
Choo Yem Kuen	5	5	100%

All Directors committed their time and attended the Board Meetings held during the FYE 2024. All Directors have fulfilled the attendance requirement set forth in Rule 15.05 of the AMLR.

In facilitating the meetings of Board and Board Committees, the notices of meetings, together with the agenda, minutes of previous meetings and relevant meeting papers are circulated to the Directors at least seven (7) days before the scheduled meetings. This practice ensures that all Directors are given sufficient time to review and thoughtfully consider the topics scheduled for discussion and, if necessary, to request and obtain additional information to make informed decisions during the meeting.

Furthermore, all Directors have full and unrestricted access to all information concerning the Group’s business and affairs. At the Board’s discretion, the Directors may also invite Senior Management or external parties to assist in their decision-making process, thereby ensuring the effective discharge of their duties and responsibilities.

2 Delegation of Responsibilities

In line with the practices outlined in the MCCG, the Board has adopted a Board Charter that serves as a guide for Directors in fulfilling and discharging their responsibilities effectively. The Board Charter articulates the structure of the Board and clearly delineates the roles and duties of the Board, Board Committees and Company Secretary, as well as those of the Chairman/Deputy Chairman, Executive Director and Independent Non-Executive Directors. This clarity enhances the understanding of authority and establishes well-defined segregation of duties.

The Board Charter is reviewed periodically by the Board and as needed, to ensure consistency with its objectives, responsibilities and any new regulations or changes that may impact the discharge of the Board’s responsibilities. The Board Charter is published and available on the Company’s website at <http://www.cekd.com.my/policy-disclosures>.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART I – BOARD RESPONSIBILITIES (CONT'D)

3 Ethics and Integrity

3.1 The Code

The Group is dedicated to conduct its business dealings fairly, impartially and in full compliance with all applicable laws and regulations. To this end, the Board has adopted the Code to address COI and prevent the abuse of power, corruption, insider trading, money laundering and violations of laws, rules and regulations. The Code serves as a guideline for employees at all levels regarding their conduct and business practices, thereby upholding the Group's commitment to professionalism, honesty and integrity at all times.

3.2 ABC Policy

In accordance with Section 17A of the MACC Act, the Board has adopted an ABC Policy to uphold integrity, honesty and transparency in its business operations. The Group is firmly committed to a zero-tolerance stance against all forms of bribery and corruption. The ABC policy serves as essential guidance for Directors and employees to effectively address bribery and other corrupt activities that may arise in the course of business.

3.3 Whistleblowing Policy

The Whistleblowing Policy is essential for fostering a safe and transparent work environment. It encourages all Directors, employees, external parties and stakeholders to report unethical behaviour, violations of company policies or illegal activities without fear of retaliation. Reports can be submitted to the Chairman of the AC via post or e-mail as detailed in the Whistleblowing Policy. The Whistleblowing Policy ensures that whistleblowers who report in good faith will be protected by handling all information with a high level of confidentiality.

3.4 Directors' Fit and Proper Policy

The Board has adopted the Directors' Fit and Proper Policy to establish the criteria for appointing and re-appointing Directors within the Group, focusing on character, experience, integrity, competence and time commitment. This policy serves as a valuable guide for the NC, RC and the Board in reviewing and evaluating candidates for appointment, as well as for Directors seeking re-appointment. By adhering to these standards, the Board aims to maintain high governance levels and ensure that all Directors are well-equipped to discharge their responsibilities effectively.

The Code, ABC Policy and Directors' Fit and Proper Policy were last reviewed by the Board on 29 January 2024, while the Whistleblowing Policy was last being reviewed on 21 October 2024. These reviews ensure that the policies remain relevant and compliant with all applicable laws and regulations. All policies are accessible for public reference on the Company's website at <http://www.cekd.com.my/policy-disclosures>.

The Board is pleased to report that the Company has not received any whistleblower reports concerning breaches of the Company's policies or applicable laws and regulations during the FYE 2024.

4 Sustainability Governance

The Board recognises the increasing significance of sustainability in business management and holds primary responsibility for overseeing and managing the Group's sustainability initiatives, which encompass the establishment and supervision of sustainability strategies, priorities and objectives.

To effectively manage the Group's sustainability risks and opportunities, the Board conducts a thorough assessment of material matters. This assessment serves to identify and prioritise EESG related risks and opportunities. Based on the findings and results of assessment, the Board has then developed the corresponding sustainable strategies to address the identified EESG matters. The Board has also made reference to the UNSDGs to align the Group's sustainability efforts with the global sustainability development agenda. For more detailed information on the Group's sustainability management, please refer to the Sustainability Statement within this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART I – BOARD RESPONSIBILITIES (CONT'D)

4 Sustainability Governance (Cont'd)

During FYE 2024, the Board is supported by the SRMC to oversee the implementation and integration of sustainability initiatives and strategies across the Group. Through the SRMC, the Board established a Group Sustainability Oversight Unit, led by the Executive Director/Chief Operation Officer, to assist the SRMC in fulfilling its duties and responsibilities. The Group Sustainability Oversight Unit is responsible for monitoring sustainability performance and regularly reporting to the SRMC on the overall operational management of sustainability initiatives.

The Board also ensures that both internal and external stakeholders are well-informed about the Group's sustainability strategies, priorities, targets and performance through the detailed information provided in the Sustainability Statement within this Annual Report.

To keep pace with the evolving landscape of sustainability, the Board is dedicated to participating in relevant training programmes, ensuring that Directors are equipped with the knowledge and skills necessary to engage in meaningful discussions during Board meetings and stay informed about the latest sustainability issues. As at the date of this Annual Report, all Directors have attended and completed the Mandatory Accreditation Programme Part II: Leading for Impact (LIP), which provided an in-depth exploration of key focus areas to help Directors navigate both existing and emerging sustainability challenges.

Furthermore, the Board is committed to maintain its accountability for the Group's sustainability management. To this end, the NC has included sustainability consideration into the annual performance evaluation of the Board, focusing on the integration of sustainability strategies within EESG, development of sustainability programmes, monitoring progress on UNSDGs as well as knowledge on sustainability risks and opportunities. Further, each individual Director has submitted their evaluations regarding the Board's duties and responsibilities in managing the Group's sustainability affairs for the FYE 2024. Additionally, the NC has assessed the performance of the SRMC in discharging its functions related to sustainability management.

PART II – BOARD COMPOSITION

5 Board Diversity and Objectivity

Presently, the Board comprises seven (7) members, including four (4) Independent Non-Executive Directors and three (3) Executive Directors, as indicated below: -

Name	Directorship
Dato' Zulkifli Bin Adnan	Independent Non-Executive Chairman
Yap Tian Tion	Deputy Executive Chairman
Yap Kai Ning	Managing Director
Yap Kai Min	Executive Director/Chief Operation Officer
Datuk Mak Foo Wei	Independent Non-Executive Director
Chong Chin Look	Independent Non-Executive Director
Choo Yem Kuen	Independent Non-Executive Director

Based on the current Board structure, the majority of its members are Independent Directors, aligning with the prescribed requirements of Rule 15.02 of the AMLR and Practice 5.2 of the MCCG. This composition is designed to enhance transparency and objectivity in Board decisions, with Independent Directors playing a crucial role in providing unbiased perspectives. Their involvement is essential to foster a balanced and impartial decision-making process during boardroom discussions, ensuring that the interests of shareholders and stakeholders are safeguarded. The details of the qualification and experience of each Director are provided in the Board of Directors' Profile within this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART II – BOARD COMPOSITION (CONT'D)

5 Board Diversity and Objectivity (Cont'd)

The Board values diversity, recognising that a blend of skills, experience, age, gender, cultural background and ethnicity is essential for fostering diverse perspectives that contribute to the Group's sustainable growth. Currently, the Board comprises a diverse pool of talent from various fields, including experienced senior public service professionals, manufacturing experts and individuals with accounting and legal backgrounds. To support this commitment, the Board has adopted the Directors' Fit and Proper Policy and the Gender Diversity Policy, both of which establish clear criteria to promote boardroom diversity in the appointment of new Directors and the re-appointment of existing Directors. These policies are intended to guide the NC and the Board in selecting suitably qualified Director candidates, ensuring the Board is well-equipped to respond to challenges and effectively contribute to the Company's success. The policies are accessible on the Company's website at <http://www.cekd.com.my/policy-disclosures>.

In terms of gender diversity, the current Board has successfully achieved 43% representation of female Directors, exceeding the recommended minimum of 30% female Directors as advised by the MCCG. This accomplishment reflects the Board's commitment to fostering an inclusive and balanced governance structure, recognising the value that diverse perspectives bring to decision-making processes. Nonetheless, gender is not regarded as a prerequisite for directorships or managerial positions within the Company or the Group. Instead, appointments are based on objective criteria and merit, ensuring that the most qualified candidates are selected for these roles, regardless of gender.

As at the date of this Annual Report, none of the Independent Directors has served on the Company's Board for more than nine (9) years. Based on the Company's Board Charter, the tenure of the Independent Directors shall not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the Directors' re-designation as Non-Independent Director. Nonetheless, should the Board wish to retain such Director as Independent Director, the Board must justify its decision and seek annual shareholders' approval through a two-tier voting process at the Annual General Meeting ("AGM") as recommended by Practice 5.3 of the MCCG.

Pursuant to Clause 84 of the Company's Constitution, one-third (1/3) of the Directors for the time being shall retire from office at each AGM and be eligible for re-election. All Directors must retire from office at least once every three (3) years and a retiring Director shall retain office until the close of the meeting at which he retires. The following Directors who retire by rotation in accordance with the Company's Constitution and being eligible, have offered themselves for re-election at the forthcoming Seventh ("7th") AGM: -

- (a) Mr. Yap Tian Tion; and
- (b) Datuk Mak Foo Wei.

The NC, after evaluating and being satisfied with the overall performance and contributions of the abovementioned retiring Directors, has recommended their re-election to the Board for further recommendation to the shareholders of the Company for consideration and approval at the forthcoming 7th AGM.

In CEKD, the NC is responsible for overseeing the selection, appointment and re-appointment of Directors, while also conducting continuous assessments of their performance. To uphold impartiality in decision making, the NC consists exclusively of Independent Non-Executive Directors, as follows: -

Designation	Director	Directorship
Chairperson	Choo Yem Kuen	Independent Non-Executive Director
Member	Datuk Mak Foo Wei	Independent Non-Executive Director
Member	Chong Chin Look	Independent Non-Executive Director

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART II – BOARD COMPOSITION (CONT'D)

5 Board Diversity and Objectivity (Cont'd)

The roles and responsibilities of the NC are outlined in its Terms of Reference, which is available on the Company's website at <http://www.cekd.com.my/policy-disclosures>. The NC has effectively carried out its functions and obligations during the FYE 2024, summarised as follows: -

- (i) Reviewed the Board's composition and made recommendations to the Board for changes in compliance with the best practices in the MCCG;
- (ii) Evaluated the performance and effectiveness of individual Directors, the Board and Board Committees;
- (iii) Reviewed the terms of office and the effectiveness of the AC and each of its members;
- (iv) Reviewed the length of service and independence of each Independent Non-Executive Director;
- (v) Reviewed the tenure of each Director and recommended the re-election of retiring Directors at the forthcoming AGM;
- (vi) Reviewed the Gender Diversity Policy and Succession Planning Policy and recommended them to the Board for adoption;
- (vii) Reviewed the meeting attendance of the Board and Board Committees, as well as the adequacy of time commitment to fulfilling their roles and responsibilities within the Company; and
- (viii) Reviewed the training programmes attended by the Directors for the financial year.

Other than Board composition and diversity, all Directors are required to attend various training programmes to further promote the Board's effectiveness in discharging their duties. The Directors have attended the following training programmes during the FYE 2024 and up to the date of this Annual Report: -

Director	Date	Training Programme/Seminar
Dato' Zulkifli Bin Adnan	10/6/2024	Better Health, Better Life
	25/9/2024 & 26/9/2024	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Yap Tian Tion	6/8/2024 & 7/8/2024	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Yap Kai Ning	14/12/2023	Malaysian Budget 2024 Advanced: Advanced Annual Tax Planning
	6/8/2024 & 7/8/2024	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Yap Kai Min	6/5/2024	FMM Webinar: Is Your Business Ready For E-Invoicing?
	22/5/2024 & 25/5/2024	Vision In Action
	26/8/2024 & 27/8/2024	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Datuk Mak Foo Wei	26/8/2024 & 27/8/2024	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Chong Chin Look	20/5/2024 & 21/5/2024	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Choo Yem Kuen	26/8/2024 & 27/8/2024	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART II – BOARD COMPOSITION (CONT'D)

6 Overall Effectiveness of The Board

The NC is entrusted to carry out an annual evaluation to assess the overall performance and effectiveness of the Board, Board Committees and each individual Director, while overseeing the entire process and methodology. The evaluation, facilitated by the company secretaries, is conducted through Directors' self-assessments and peer reviews, utilising digital assessment forms distributed to all Board members. The details of the performance evaluation criteria considered are presented in the CG Report.

Based on the assessment results for the FYE 2024, the NC and the Board ascertained that the Board, Board Committees and individual Directors have effectively and satisfactorily fulfilled their duties and responsibilities throughout the year. Additionally, the overall composition of the Board and the Board Committees is deemed well-balanced and appropriate based on their current size, skills mix, core competencies and experience.

PART III – REMUNERATION

7 Remuneration Framework

In line with Practice 7.1 of the MCCG, the Board has adopted and implemented a Remuneration Framework which is designed to guide the determination of remuneration packages for Directors and Senior Management. This framework aims to create a competitive and equitable remuneration structure in the marketplace, thereby attracting, retaining, motivating and rewarding the Executive Directors and Senior Management effectively.

The Remuneration Framework indicates that the level of remuneration for Non-Executive Directors is based on their experience, competence, level of responsibility and time commitment to the Company. In contrast, the remuneration structure for Executive Directors and Senior Management is intricately linked to the Group's overall performance and the achievement of their individual annual key performance indicators.

The Board has established the RC to assist in developing and administering the remuneration policies and procedures for Directors and Senior Management. The RC consists exclusively of Independent Non-Executive Directors with the current composition as follows: -

Designation	Director	Directorship
Chairman	Datuk Mak Foo Wei	Independent Non-Executive Director
Member	Chong Chin Look	Independent Non-Executive Director
Member	Choo Yem Kuen	Independent Non-Executive Director

The RC is responsible for reviewing, recommending and ensuring that remuneration packages for Directors and Senior Management are fair and competitive, as guided by the Remuneration Framework. The RC will also periodically review the Remuneration Framework to ensure its continued relevance and effectiveness. The roles and responsibilities of the RC are defined in its Terms of Reference, which is available on the Company's website at <http://www.cekd.com.my/policy-disclosures>.

The RC is scheduled to meet at least once a year to discuss the Group's remuneration-related matters. To uphold fairness and transparency, all Directors shall abstain and excuse themselves from participating in discussions and voting on matters concerning their own remuneration.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART III – REMUNERATION (CONT'D)

8 Remuneration of Directors and Senior Management

The details of the remuneration of all the Directors for the FYE 2024 are disclosed as follows: -

Director	Company		Group						
	Fees (RM'000)	Meeting Allowance (RM'000)	Fees (RM'000)	Meeting Allowance (RM'000)	Salary (RM'000)	Bonus (RM'000)	Company Contributions (RM'000)	Other Emoluments (RM'000)	Benefits-in-Kind (RM'000)
Dato' Zulkifli Bin Adnan	60.0	3.0	60.0	3.0	-	-	-	-	-
Yap Tian Tion	-	-	-	-	151.2	187.0	51.6	-	-
Yap Kai Ning	-	-	-	-	151.2	211.2	60.6	-	-
Yap Kai Min	-	-	-	-	164.2	249.8	55.2	-	-
Datuk Mak Foo Wei	42.0	2.5	42.0	2.5	-	-	-	-	-
Chong Chin Look	42.0	3.0	42.0	3.0	-	-	-	-	-
Choo Yem Kuen	42.0	3.0	42.0	3.0	-	-	-	-	-
Total	186.0	11.5	186.0	11.5	466.6	648.0	167.4	-	-

Other than recommending the remuneration packages for the Directors, the RC also reviewed the remuneration for Senior Management (who are not the Directors of the Company) and recommended for the Board's consideration. When determining the remuneration packages for Senior Management, factors such as responsibilities, skills, knowledge and contributions to the Group's performance will also be reviewed and considered.

Furthermore, the RC will ensure that the rewards to Senior Management are aligned with the following key objectives: -

- (i) The compensation package is sufficiently competitive in the marketplace to secure and retain highly experienced and talented individuals;
- (ii) The incentives offered are effectively motivate Senior Management to consistently achieve their highest level of performance; and
- (iii) The remuneration package is in line with shareholders' value while establishing a compelling loyalty rewards system for long-term retention.

The Board believes that disclosing the top five (5) Senior Management's remuneration on a named basis may not be in the Company's best interest, as it could potentially affect talent retention in the highly competitive industry. Therefore, the Board has decided that providing remuneration disclosure in bands of RM50,000 on an unnamed basis is sufficient to comply with the MCGG. The RC will ensure that the remuneration packages remain competitive to attract, retain and motivate Senior Management, with annual increments and bonuses tied to performance outcomes.

For the FYE 2024, the Senior Management's total remuneration and benefits in bands of RM50,000 are tabled as below: -

Range of Remuneration	Number of Senior Management
RM50,000 to RM100,000	-
RM100,001 to RM150,000	-
RM150,001 to RM200,000	1

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I – AUDIT COMMITTEE

9 Effectiveness of Audit Committee

Currently, the AC consists of three (3) members, all of whom are Independent Non-Executive Directors, as listed below: -

Designation	Name	Directorship
Chairman	Chong Chin Look	Independent Non-Executive Director
Member	Datuk Mak Foo Wei	Independent Non-Executive Director
Member	Choo Yem Kuen	Independent Non-Executive Director

The AC is entrusted with the responsibility to oversee the integrity of the Group's corporate accounting and financial reporting. To ensure independence and objectivity, the roles of Board Chairman and the AC Chairman are distinctly separated, with each position held by two (2) different individuals. The Board Chairman of the Company is Dato' Zulkifli Bin Adnan, while the AC is chaired by Mr. Chong Chin Look, both of whom are Independent Non-Executive Directors.

To safeguard the independence of the AC, the AC's Terms of Reference stipulate that a former key audit partner of the Group must observe a cooling-off period of at least three (3) years before being eligible for appointment as a member of the AC. As of today, none of the current AC members are former audit partners involved in the Group's auditing processes.

In accordance with the MCCG, the AC members are required to demonstrate financial literacy, competence and able to understand the Group's financial information and reporting processes. Mr. Chong Chin Look, the AC Chairman, holds membership in both the MICPA and MIA. Datuk Mak Foo Wei brings over 27 years of experience in the legal sector, while Ms. Choo Yem Kuen, a practicing lawyer, contributes more than 35 years of specialised expertise in corporate advisory work. While only one-third (1/3) of the AC members are affiliated with a professional accounting body, all AC members exhibit a strong financial acumen and actively engage in continuous professional development. This commitment ensures they remain well-informed about the latest accounting and auditing standards, thereby enhancing the overall effectiveness of the AC.

In accordance with its Terms of Reference, the AC shall conduct annual evaluations on the external auditor's suitability, objectivity and independence, as well as their quality for the provision of audit and non-audit services. These evaluations take into account the following key factors: -

- (i) the independence of the external audit firm;
- (ii) the adequacy, suitability, competency, experience and overall quality of the external auditors;
- (iii) the external auditors' capacity and resources, along with their ability to meet deadlines and address issues promptly, as outlined in the Audit Planning Memorandum; and
- (iv) the nature and extent of the non-audit services provided by the external auditors and the associated fees for such services.

During the audit engagement for the FYE 2024, the external auditors confirmed their independence to the Board. Following a comprehensive evaluation and review, the AC expressed satisfaction with the auditors' independence and suitability. Hence, the re-appointment of Messrs. TGS TW PLT as the Group's external auditors for financial year ending 31 August 2025 will be recommended to shareholders for their consideration and approval at the upcoming 7th AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

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

10 Adequate Risk Management and Internal Control

The Board is dedicated to maintain a robust system of risk management and internal control. To achieve this commitment, the Board has adopted an ERM Framework to serve as a guideline in managing risks. The ERM Framework outlines the procedures for identifying and addressing potential risks or emerging structural weaknesses that could impede the Group's progress towards its business objectives.

To ensure the effectiveness of the risk management framework and policies, the SRMC has been tasked to oversee the Group's risks assessment system and procedures. The composition of the SRMC comprises a majority of Independent Non-Executive Directors, as tabled below: -

Designation	Name	Directorship
Chairman	Chong Chin Look	Independent Non-Executive Director
Member	Dato' Zulkifli Bin Adnan	Independent Non-Executive Chairman
Member	Datuk Mak Foo Wei	Independent Non-Executive Director
Member	Choo Yem Kuen	Independent Non-Executive Director
Member	Yap Kai Ning	Managing Director

The key roles and responsibilities of the SRMC are as follows: -

- (i) oversee the management of principal business risks and significant or material Environmental, Social and Governance ("ESG") risks and implement of sustainability-related policies, measures and actions in achieving the Company's sustainability milestones and goals;
- (ii) integrate the sustainability risks and opportunities into the risk management framework of the Company;
- (iii) approve disclosure statements relating to management of sustainability matters of the Group;
- (iv) implement the risk management framework, policy and process approved by the Board and oversight of risk management practice on Group wide basis respectively; and
- (v) oversee and monitor the implementation of sustainability strategies as approved by the Board as well as the execution and management of the risk management policy and process while the Board takes on a supervisory role in respect of the Group's risk management policy and process.

The full duties and responsibilities of the SRMC are defined in its Terms of Reference, which can be accessed on the Company's website at <http://www.cekd.com.my/policy-disclosures>.

The SRMC is assisted by the Group's ERM Working Committee to facilitate the implementation of the ERM Framework. The committee identifies and monitors the key risks, reporting them to the SRMC and the Board for discussions concerning risk mitigation strategies and necessary improvement actions. In addition to the ERM Framework, various SOPs have been adopted by the Board. These SOPs encompass all critical operational areas, with controls seamlessly integrated into daily operations to ensure the smooth functioning of the Group's internal control system.

In addition, the Company has established the Group Sustainability Oversight Unit, which is led by Ms. Yap Kai Min, the Executive Director/Chief Operation Officer, to support the responsibilities of the SRMC. The Group Sustainability Oversight Unit plays a crucial role in identifying key sustainability risks and opportunities, as well as implementing corresponding mitigation strategies within their purview. To ensure effective management of sustainability matters, the Group Sustainability Oversight Unit provides regular updates to the SRMC and the Board.

A comprehensive overview of the risk management and internal control in place within the Group is presented in the Statement on Risk Management and Internal Control within this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

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

11 Effective Internal Audit Function

To ensure the competence, effectiveness and efficiency of the Group's risk management and internal control, the Board has engaged an independent professional firm, Eco Asia Governance Advisory Sdn Bhd ("Eco Asia"), to support the Group's internal audit function. The internal auditors are appointed to carry out an independent evaluation and provide objective assurance to the AC and the Board regarding the overall effectiveness of the Group's internal control system. During FYE 2024, the internal auditors remain independent and free from any relationships or COI within the Group.

The internal audit engagement team is led by Ms. Janeeta Salim, the Head of Internal Audit Department in Eco Asia. She is an associate member of the Institute of Internal Auditors ("IIA") Malaysia. She has vast experience and exposure in the internal audit field. During FYE 2024, she was supported by a Manager, an Assistant Manager, a Senior Consultant and a Junior Consultant in conducting internal audit reviews for the Group in accordance with the International Professional Practices Framework ("IPPF").

Throughout the internal audit engagement, the internal auditors are authorised to report directly to the AC. With unrestricted access to all information and resources within the Group, the AC is responsible for ensuring that the internal auditors are equipped with the necessary information and resources to facilitate the smooth internal audit process. During FYE 2024, the internal auditors conducted the internal audit reviews in accordance with the internal audit plan approved by the AC.

Upon completion of each internal audit review, the internal auditors will present the audit findings, along with the relevant root-cause analysis, potential risks and consequences, as well as recommended corrective actions to the AC during the scheduled meetings. The Management will then implement the recommended corrective actions within a specified timeframe. The internal auditors will subsequently conduct a follow-up review to ensure the effective implementation of these corrective measures.

Further details regarding the Group's internal audit function are provided in the Statement on Risk Management and Internal Control in this Annual Report.

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

PART I – ENGAGEMENT WITH STAKEHOLDERS

12 Stakeholders Communication

The Board recognises the importance of clear communication and proactive engagement in building trust with stakeholders. Aligned with the MCCG principles, the Board is committed to maintain transparent and regular interactions with the various stakeholders. To ensure effective communication, the Group adopts the following channels and platforms: -

- (i) E-mail and face-to-face communications;
- (ii) Company's website;
- (iii) Corporate announcements made to Bursa Securities;
- (iv) Annual Report; and
- (v) AGM.

Additionally, the general public may reach out to the Company through the "Contact Us" section on the Company's website at <http://www.cekd.com.my/contact-us> to submit enquiries, suggest improvements or provide feedbacks.

By utilising these communication channels and platforms, the Board is able to maintain effective, transparent and regular communication with stakeholders, fostering mutual understanding of objectives and expectations.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART I – ENGAGEMENT WITH STAKEHOLDERS (CONT'D)

13 Effective General Meeting

The AGM serves as the key platform for engaging with the shareholders annually. Shareholders are encouraged to actively participate in the AGM, by exercising their rights and make informed voting decisions at the AGM.

In recognition of the importance of general meetings, the notice for the AGM is circulated at least twenty-eight (28) days prior to the scheduled AGM, in line with the best practices recommended by the MCCG. This ensures that shareholders have ample time to review the Company's Annual Report and consider the resolutions to be discussed and voted on during the AGM. The notice of the Sixth ("6th") AGM of the Company was issued and circulated to the shareholders on 28 December 2023, exceeding the required 28 days' notice period ahead of the 6th AGM held on 28 February 2024.

The 6th AGM was conducted fully virtual through the online meeting platform at <https://www.binamanagement.com.my>. All Directors, along with the external auditors, company secretary and advisor, have attended the 6th AGM to address shareholders' enquiries as needed. The Group utilised the Remote Participation and Voting ("RPV") facilities via the platform to facilitate the AGM. With these facilities, the shareholders and proxies were given the opportunity to attend and participate in the meeting virtually, submit questions in real time and exercise their voting rights. The Board ensured the questions raised were visible to all meeting participants and addressed during the Question and Answer ("Q&A") session or, if time is limited, responded to the shareholders or proxies via e-mail.

For the 6th AGM, the Board engaged Bina Management (M) Sdn Bhd as the poll administrator and Symphony Corporate Services Sdn Bhd as the independent scrutineer. The poll administrator implemented a robust cybersecurity strategy, including end-to-end encryption ("E2EE"), comprehensive application reviews, web application security assessments and the installation of a data protection firewall and antivirus software to minimise the potential risk of data exposure. In summary, the measures taken by the poll administrator were deemed adequate and satisfactory, contributing to strong cyber hygiene practices.

The poll administrator was also responsible for compiling the polling votes which were then verified by the independent scrutineer. The Board Chairman then announced the verified poll results before the end of meeting. The minutes of 6th AGM is made available on the Company's website at <http://www.cekd.com.my/shareholders-meeting> on 20 March 2024, within thirty (30) business days after the conclusion of the 6th AGM.

COMPLIANCE STATEMENT

The Board is of the view that the Company has complied with the key principles and applied most of the practices of the MCCG throughout FYE 2024, except for the below where explanations on the departure are disclosed in the CG Report for the FYE 2024: -

Practice 8.2: The Board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.00.

The Board is committed to maintain the highest possible standards by adhering to the principles and best practices outlined in the MCCG, as well as relevant laws and regulations, where applicable and appropriate. The Board will continually strive to enhance and elevate its procedures.

The CG Statement was reviewed and approved by the Board on 2 December 2024.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board is pleased to present the Statement on Risk Management and Internal Control for the FYE 2024, which has been prepared pursuant to Rule 15.26(b) of the AMLR and in accordance with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, as well as Practices 10.1 and 10.2 of the MCGG. This statement outlines the scope and features of the risk management and internal control system in place within the Group for the financial year under review.

BOARD RESPONSIBILITIES

The Board acknowledges that a robust and effective risk management and internal control system plays a pivotal role in driving the Group's long-term success. In this context, the Board is committed to maintaining a sound, effective and efficient risk management and internal control system to safeguard shareholders' investments, stakeholders' interests and the Group's assets.

To fulfil its oversight responsibility, the Board, through delegation to both the AC and the SRMC, regularly reviews the adequacy, effectiveness and integrity of the Group's risk management and internal control system. Due to the inherent limitations in any risk management and internal control system, such system is designed to manage risks within an acceptable risk appetite rather than to eliminate all risks that may hinder the Group from achieving its business goals and objectives. As such, the system can only provide reasonable but not absolute assurance against any material financial misstatement, loss, fraud or unforeseen circumstances.

The Board is satisfied that the Group's risk management and internal control system has been implemented and operating effectively to safeguard shareholders' investments, stakeholders' interests and the Group's assets during the FYE 2024.

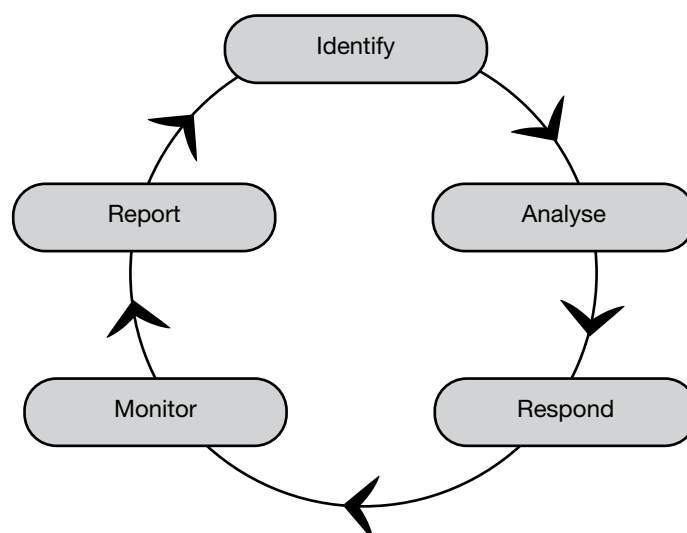
RISK MANAGEMENT

The Board regards risk management as an integral part of all business operations within the Group. While the Board is ultimately responsible for the Group's overall risk management, the SRMC is delegated with the responsibility to identify, evaluate and manage the Group's significant risks by overseeing the Group's risk management framework, policies and procedures on an ongoing basis.

The main features of the Group's risk management system include: -

- **Adoption of ERM Framework**

The Group has adopted a 5-step ERM Framework, encompassing the identification, analysis, response, monitoring and reporting of any potential risk or structural weakness that could impact the Group in achieving its objectives. The ERM Framework serves as a guidance to the Board, Management and employees of the Group in managing risks. To ensure its effectiveness, the ERM Framework covers several core elements such as objective setting, risk assessment as well as the development of action plans for implementation across the Group.



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

RISK MANAGEMENT (CONT'D)

- **Establishment of ERM Working Committee**

The execution of the ERM Framework is supported by the Group's ERM Working Committee, which acts as an accountable point of contact for an enterprise risk at the departmental level. The ERM Working Committee, comprising members from various departments and functions within the Group, is responsible to implement the risk mitigation strategies within their purview. In addition, they are also tasked to assess the existing and any emerging risks within their respective areas of supervision and control, and report the same to the Managing Director. This shall ensure that diverse perspectives are considered and incorporated, thereby ensuring the fairness and comprehensiveness of the Group's risk management system.

- **Maintenance of Risk Management Plan and Report**

The Group maintains a Risk Management Plan and Report as an official record, detailing the identified risks along with the corresponding risks rating and mitigation plans. The Risk Management Plan and Report is reviewed regularly by the SRMC to ensure that it remains current and relevant with the latest business and regulatory environment.

- **Conduct of SRMC Meetings**

During FYE 2024, the SRMC has conducted two (2) meetings to review the Group's Risk Management Plan and Report as well as to assess the adequacy, effectiveness and integrity of the Group's risk management system. The Management also provided the SRMC with updates on the progress of the management action plan implemented. The discussion outcomes of the SRMC meetings were then brought to the Board meeting for the Board's notation and further deliberation.

In conjunction with the redesignation of Risk Management Committee to SRMC, the SRMC is also entrusted to review the Group's material sustainability risks and opportunities so as to oversee the status of the integration of sustainability management into the Group's business processes on a regular basis.

INTERNAL CONTROL

The Board acknowledges that robust internal controls are the backbone of an effective risk management system. While the SRMC monitors the Group's overall risk management framework, the AC is responsible to oversee the Group's internal control policies, systems and procedures. To this end, the Management is held accountable for the implementation of internal control practices across the Group.

Amongst others, the Group's key internal controls in place include: -

- Clear lines of roles, responsibilities and reporting structure that promote appropriate segregation of duties and effective delegation of authority for planning, executing, controlling and monitoring;
- Well-defined corporate governance policies and procedures, including the Code, ABC Policy, Whistleblowing Policy as well as Directors' Fit and Proper Policy to promote integrity and ethical behaviour so as to prohibit acts of bribery and/or corruption;
- Adoption of Succession Planning Policy and Gender Diversity Policy during FYE 2024;
- Formalised and documented SOPs across various operational areas to achieve consistency in internal procedures in alignment with the Group's business objectives;
- Active participation and involvement by both the Managing Director and Executive Director in the Group's daily operations and regular discussion with Senior Management in regards to operational issues;
- Internal audit function carried out by the independent outsourced internal auditors who have adequate resources, capabilities and relevant experience to assess and review the adequacy and effectiveness of internal control within the Group;
- Review and deliberation on internal audit reports and findings by the AC and the Board to ensure that necessary steps are taken to address the identified internal control deficiencies within the Group; and
- Adequate financial reporting procedures in place including the review of quarterly unaudited financial results, annual audited financial statements, Related Party Transactions ("RPT") and COI by the AC and report the same to the Board for subsequent approval.

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

INTERNAL AUDIT FUNCTION

During FYE 2024, the Board, through the AC, appointed Eco Asia to provide outsourced internal audit services. The internal auditors are tasked to provide an independent and risk-based assessment on the adequacy, efficiency and effectiveness of the Group's internal control and risk management system in accordance with the IPPF.

According to the internal audit plan duly approved by the AC, the internal auditors have conducted two (2) internal audit reviews, focusing on (i) purchase management and (ii) sales to collection review during FYE 2024. Upon conclusion of the audit engagement, the internal auditors presented the internal audit findings noted during the audit review, together with the corresponding root-cause analysis and recommendations to the AC for their perusal and deliberation. The Management is then responsible to implement the necessary corrective actions in order to rectify and address the internal control weaknesses identified. During FYE 2024, the internal auditors also performed follow-up reviews of the previous findings to ensure that all recommendations and appropriate actions were implemented within the stipulated timeframe.

Based on the internal audit reviews carried out by the internal auditors during the financial year, none of the weaknesses noted has resulted in any material losses, contingencies or uncertainties that would require separate disclosure in this report.

The professional fee incurred for the outsourced internal audit function for FYE 2024 was RM24,000.00.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to Rule 15.23 of AMLR, for inclusion in the Annual Report of the Company for the FYE 2024.

The review was performed in accordance with the Audit and Assurance Practice Guide ("AAPG") 3: Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in Annual Report issued by the MIA. AAPG 3 does not require the external auditor to form an opinion on the adequacy and effectiveness of the risk management and internal control system of the Group.

Based on the said review, nothing has come to the external auditors' attention that would cause them to believe that this statement is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

MANAGEMENT'S ASSURANCE

The Deputy Executive Chairman and Managing Director, representing the Management, have given reasonable assurance to the Board that the Group's risk management and internal control system is operating adequately and effectively in all material aspects. With the assurance from the Management, the Board is satisfied that nothing has come to their attention which may render the financial results presented and information provided to be false and misleading in any material aspect.

CONCLUSION

The Board believes that the current risk management and internal control system is well-aligned with the Group's business objectives and that the risks undertaken are at an acceptable level within the context of the Group's business environment. Therefore, the Group's risk management and internal control system is deemed sufficient and adequate to safeguard shareholders' investments, stakeholders' interests and the Group's assets.

Nevertheless, the Board recognises that continuous monitoring and enhancement of the risk management and internal control system are necessary to adapt to the evolving business environment.

This Statement on Risk Management and Internal Control was approved by the Board on 2 December 2024.

AUDIT COMMITTEE REPORT

In compliance with Rule 15.15 of the AMLR, the Board is pleased to present the Audit Committee Report, which provides insights into the manner in which the AC discharged its duties and responsibilities for the Company during FYE 2024.

The primary objective of the AC is to assist the Board in effectively discharging its fiduciary duties pertaining to financial reporting, corporate governance as well as risk management and internal control system. The AC is also responsible for overseeing the independence of external auditors, assessing the effectiveness of the Group's internal audit function, supervising regulatory compliance and observing proper codes of conduct across the Group.

1. COMPOSITION OF THE AUDIT COMMITTEE

With reference to Rule 15.09(1)(a) and (b) of the AMLR and Practice 9.4 of the MCCG, the AC comprises three (3) Independent Non-Executive Directors, outlined as follows: -

Designation	Name	Directorship
Chairman	Chong Chin Look	Independent Non-Executive Director
Member	Datuk Mak Foo Wei	Independent Non-Executive Director
Member	Choo Yem Kuen	Independent Non-Executive Director

In accordance with Rule 15.10 of the AMLR and Practice 9.1 of the MCCG, the Chairman of the AC, Mr. Chong Chin Look does not serve as the Chairman of the Board. This segregation of duties promotes objectivity and integrity of the Company's financial reporting and audit processes. Furthermore, pursuant to Rule 15.09(1)(c) of the AMLR, Mr. Chong is competent to lead the AC in view of his memberships in the MICPA and MIA. The other AC members also contribute a diverse range of skills and knowledge, demonstrating the overall financial literacy of the AC through their extensive experience and ongoing training and development programmes.

The Company also complies with Rule 15.09(2) of the AMLR as there is no alternate director appointed as a member of the AC.

2. TERMS OF REFERENCE

To ensure an effective discharge of roles and responsibilities, the AC is guided by its Terms of Reference, detailing its composition, authority, duties and responsibilities. The said Terms of Reference is published on the Company's website at <http://www.cekd.com.my/policy-disclosures>.

3. MEETING AND ATTENDANCE

As guided by the Term of Reference, the AC should meet at least four (4) times a year to discuss the Group's corporate accounting, financial reporting and internal control affairs. In FYE 2024, the AC convened five (5) meetings, with the attendance details as follows: -

Name	Number of Meetings Held	Number of Meetings Attended
Chong Chin Look	5	5
Datuk Mak Foo Wei	5	5
Choo Yem Kuen	5	5

During FYE 2024, the Group's Managing Director, Ms. Yap Kai Ning, and CFO, Ms. Pearly Hiew Pei Li, were invited to all AC meetings to provide additional information on operations, financials and audit-related matters, thereby facilitating the smooth conduct of the meetings. Other Board members as well as designated representatives from the Senior Management, external auditors and internal auditors, when necessary, were also invited to the AC meeting to deliberate on matters within their purview.

To support thorough and informed deliberations, meeting agendas and materials were distributed to all AC members in advance, ensuring that they had sufficient time to peruse the relevant documents before the scheduled meetings. During FYE 2024, the company secretaries attended all AC meetings to record the meeting proceedings. All meeting minutes were then tabled at the subsequent AC meeting for confirmation and presented to the Board for notation thereafter.

AUDIT COMMITTEE REPORT (CONT'D)

4. SUMMARY OF ACTIVITIES OF THE AC

During FYE 2024, the AC has discharged its duties and responsibilities by undertaking the following activities: -

Financial Reporting

- Reviewed and ensured that the Group's financial reporting and disclosure complied with the applicable MFRS, International Financial Reporting Standards ("IFRS"), CA 2016 and AMLR;
- Reviewed the quarterly unaudited financial results presented by the CFO before recommending for the Board's approval and subsequent release to Bursa Securities; and
- Reviewed the annual audited financial statements in the presence of external auditors, focusing particularly on the adoption of appropriate accounting policies, significant audit adjustments and issues, significant judgements made by the Management, significant and unusual events, going concern assumptions as well as compliance with applicable accounting standards and other legal requirements before recommending for the Board's approval and subsequent release to Bursa Securities.

External Audit

- Reviewed the Audit Planning Memorandum presented by the external auditors and deliberated on matters including reporting requirements, audit approach, audit materiality, key audit areas as well as proposed reporting schedules and audit fees prior to recommending for the Board's approval;
- Conducted one (1) private meeting with the external auditors on 24 July 2024 without the presence of Executive Directors and Management to obtain feedback from the external auditors on the audit process and conduct;
- Reviewed the Audit Review Memorandum presented by the external auditors and deliberated on matters including audit status, potential key audit matters, audit independence as well as compliance with relevant laws and regulations, prior to recommending for the Board's approval;
- Reviewed the Independent Auditors' Report for FYE 2023, detailing the external auditors' professional opinion on financial statements, key audit matters and a Management letter concerning the improvement measures related to internal control weaknesses for AC's consideration, and subsequently recommended to the Board for approval; and
- Assessed and evaluated the effectiveness and performance of external auditors by considering their independence, suitability, objectivity, competency and resources, and subsequently recommended to the Board for their reappointment.

Internal Audit

- Reviewed and approved the internal audit plan presented by internal auditors, outlining details such as the scope, timeframe and proposed fees of the internal audit services;
- Reviewed and deliberated on the internal audit reports, covering the audit findings, root-cause analysis, corresponding recommendations and Management's responses for the implementation of corrective actions with target timelines and responsible person. The internal auditors also provided updates on the status of previous audit findings to ensure that identified deficiencies were addressed appropriately. The AC then presented the same and highlighted on certain salient points to the Board for their attention; and
- Assessed and evaluated the independence, qualifications, resources and overall performance of the internal auditors with the adoption of an evaluation form based on the Corporate Governance Guide issued by Bursa Securities.

AUDIT COMMITTEE REPORT (CONT'D)

4. SUMMARY OF ACTIVITIES OF THE AC (CONT'D)

During FYE 2024, the AC has discharged its duties and responsibilities by undertaking the following activities: - (Cont'd)

Risk Management and Internal Control

- Reviewed the Group's risk management and internal control system to ensure that it is effective, adequate and being regularly monitored; and
- Made recommendations to the Board regarding measures to enhance the Group's risk management and internal control system. These recommendations were made by taking into account the findings and recommendations provided by both the internal and external auditors, along with the Management's responses in mitigating such identified control deficiencies.

RPT and COI and/or Potential COI

- Reviewed all RPT and Recurrent Related Party Transactions ("RRPT") entered into by the Group and ensured that all the transactions were deemed as fair and on arm's length basis under normal commercial terms. All RPT and/or RRPT were closely monitored and reviewed on a quarterly basis by taking into consideration that such transactions should be reasonable and in the best interest of the Company; and
- Reviewed the COI and/or potential COI situations that may arise or persist with the Board by reviewing all Directors' confirmation and declaration on their COI and/or potential COI via Letter of Declaration on a quarterly basis. As at FYE 2024, the AC concluded that none of the Director has any COI and/or potential COI with the Company and/or its subsidiaries.

Other Matters

- Reviewed the Audit Committee Report and Statement on Risk Management and Internal Control and subsequently recommended to the Board for approval and inclusion in the Company's Annual Report for FYE 2023.

5. INTERNAL AUDIT FUNCTION

In CEKD, internal audit function is regarded as a key element in maintaining robust governance and risk management across the Group. The Board has outsourced the Group's internal audit function to an independent professional firm, Eco Asia, to support the AC by providing objective and independent opinion on the Group's risk management and internal control system.

The internal auditors are free from any relationships or COI which could compromise their objectivity and independence. They are led by Ms. Janeeta Salim ("Ms. Janeeta"), the Head of Department, who is an associate member of the IIA. She has vast experience and exposure in the internal audit field. During FYE 2024, Ms. Janeeta was assisted by a Manager, an Assistant Manager, a Senior Consultant and a Junior Consultant to conduct the following internal audit reviews in accordance with the internal audit plan duly approved by the AC and in compliance with the globally recognised framework, IPPF: -

Internal Audit Review Area	Review Period
Purchase Management	Quarter 2, FYE 2024
Sales to Collection Review	Quarter 3, FYE 2024

To ensure an efficient and effective conduct of internal audit, interviews with the Management and access to internal documents were made available to the internal auditors. The AC also has full and unrestricted access to all information and resources in the Group which are required by the internal auditors. In addition, to ensure independence from the Management, the internal auditors are authorised to report directly to the AC.

AUDIT COMMITTEE REPORT (CONT'D)

5. INTERNAL AUDIT FUNCTION (CONT'D)

Upon conclusion of audit engagement, the internal auditors presented the internal audit report, detailing the audit findings and areas of improvement identified, together with the corresponding root-cause analysis and proposed recommendations in the scheduled AC meetings. The AC, together with the Management, had then deliberated on the corrective actions to be undertaken in order to rectify and address such internal control weaknesses. The internal auditors will then perform subsequent follow-up review on the implementation of the corrective actions and report the same to the AC to ensure that necessary measures are put in place within the stipulated timeframe.

Both the AC and the Board are satisfied with the performance of the internal auditors for FYE 2024. In the interest of preserving greater independence and ensuring continuity in the internal audit function, the AC has decided to continue with the outsourced internal audit function arrangement.

6. TOTAL COSTS INCURRED FOR OUTSOURCED INTERNAL AUDIT FUNCTION

The professional fee incurred for the Group's outsourced internal audit function for FYE 2024 amounted to RM24,000.00.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are required by the CA 2016 and the AMLR of Bursa Securities to prepare the financial statements of the Company and the Group for each financial year in accordance with the applicable MFRS, IFRS, CA 2016 and AMLR.

The Directors are responsible to ensure that the financial statements give a true and fair view of the financial position of the Company and the Group as at 31 August 2024, and of their financial performance and cash flows for the FYE 2024.

During the preparation of financial statements, the Directors have observed the following criteria: -

- (i) The Company has adopted and applied suitable and appropriate accounting policies consistently throughout the financial year;
- (ii) Made judgements and estimates that are reasonable and prudent;
- (iii) Prepared the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- (iv) Ensured compliance with all applicable approved accounting standards in Malaysia, subject to any material departure and explained in the financial statements.

In addition, the Directors are responsible to ensure that the Company and the Group maintain proper accounting and other records that disclose the financial position of the Company and the Group with reasonable accuracy at all times in compliance with the requirements of the CA 2016.

The Directors also acknowledge their overall responsibility for maintaining an appropriate internal control system to safeguard the assets of the Company and the Group so as to detect and prevent any fraud and other irregularities. However, due to the inherent limitations, such system can only provide reasonable, but not absolute, assurance against material misstatement, loss or fraud.

This statement is approved by the Board on 2 December 2024.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS FROM INITIAL PUBLIC OFFERING (“IPO”)

As at 31 August 2024, the utilisation of proceeds amounting to RM24.28 million raised from the public issue of 50,590,000 new ordinary shares at an issue price of RM0.48 per share, are summarised as follows: -

Details of Utilisation	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance RM'000	Initial Timeframe for Utilisation of IPO Proceeds	Revised Timeframe for Utilisation of IPO Proceeds
Acquisition of factory for Hotstar (M) Sdn Bhd	8,800	8,800	-	24 months	-
Capital expenditure comprising: -					
• Purchase of new machineries	3,000	2,355	645	24 months	48 months
• Upgrade and development of computer software and server	1,300	642	658	24 months	48 months
Repayment of bank borrowings	4,000	4,000	-	6 months	-
Marketing activities	1,500	589	911	24 months	48 months
General working capital	2,683	2,683	-	24 months	-
Estimated listing expenses	3,000	3,000	-	Immediately	-
Total	24,283	22,069	2,214		

The utilisation of proceeds disclosed above should be read in conjunction with the prospectus of the Company dated 6 September 2021 and the announcement of the extension of time of the utilisation of IPO proceeds dated 29 September 2023.

2. AUDIT AND NON-AUDIT FEES PAID/PAYABLE TO AUDITORS

The amount of audit and non-audit fees paid/payable to the external auditors, namely TGS TW PLT for the FYE 2024 by the Company and the Group respectively were as follows: -

	The Company RM	The Group RM
Audit Fees	16,000	133,000
Non-Audit Fees		
• Review of Statement on Risk Management and Internal Control	5,000	5,000

3. MATERIAL CONTRACTS

There was no material contract entered into by the Company and its subsidiaries involving the interest of the Directors and/or major shareholders of the Group which was either still subsisting at the end of FYE 2024 or entered into since the end of the previous financial year.

4. RECURRENT RELATED PARTY TRANSACTION (“RRPT”) OF A REVENUE OR TRADING NATURE

During FYE 2024, there was no material RRPT entered other than those disclosed in Note 25 (b) of the Financial Statements of the Company. Those RRPT did not exceed the threshold prescribed under Rule 10.09(1) of the AMLR.

DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 August 2024.

Principal activities

The principal activity of the Company is engaged in investment holding. The principal activities of its subsidiaries are disclosed in Note 4 to the financial statements.

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

Financial results

	Group RM	Company RM
Profit for the financial year	7,184,597	833,712
Attributable to:		
Owners of the Company	6,809,286	833,712
Non-controlling interests	375,311	-
	7,184,597	833,712

Reserves and provisions

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

Dividends

Since the end of the previous financial year, the Company paid:

	RM
An interim single-tier dividend of RM0.0050 per ordinary share, declared on 15 November 2023 and paid on 15 December 2023	972,865
An interim single-tier dividend of RM0.0075 per ordinary share, declared on 30 January 2024 and paid on 4 March 2024	1,459,297
An interim single-tier dividend of RM0.0075 per ordinary share, declared on 24 July 2024 and paid on 27 September 2024	1,459,298
	3,891,460

The Board of Directors does not recommend any final dividend in respect of the current financial year.

On 21 November 2024, the Board of Directors declared a single-tier interim dividend of RM0.0075 per ordinary share of RM1,459,298 in respect of the financial year ending 31 August 2025, to be paid on 20 December 2024.

Issue of shares and debentures

There was no issuance of shares or debentures during the financial year.

DIRECTORS' REPORT (CONT'D)

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Directors

The Directors in office during the financial year until the date of this report are:

Dato' Zulkifli Bin Adnan	(Independent Non-Executive Chairman)
Yap Kai Min*	(Executive Director/Chief Operation Officer)
Yap Kai Ning*	(Managing Director)
Yap Tian Tion*	(Deputy Executive Chairman)
Chong Chin Look	(Independent Non-Executive Director)
Choo Yem Kuen	(Independent Non-Executive Director)
Datuk Mak Foo Wei	(Independent Non-Executive Director)

The Directors who held office in the subsidiaries (excluding Directors who are also Directors of the Company) during the financial year up to the date of this report are:

Khaw Kheng Lean
Lee Sen Teck
Lim Aun Chyi
Lim Lee Hong
Sim Thian Lim
Teoh Yih Tat
Yap Wan Lee

* Director of the Company and its certain subsidiaries

The information required to be disclosed pursuant to Section 253 of the Companies Act 2016 in Malaysia is deemed incorporated herein by such reference to the financial statements of the respective subsidiaries and made a part hereof.

Directors' interest in shares

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including their spouses or children) according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1.9.2023	Bought	Sold	At 31.8.2024
Interest in the Company				
Direct interests				
Chong Chin Look	300,000	-	(300,000)	-
Dato' Zulkifli Bin Adnan	300,000	-	-	300,000
Datuk Mak Foo Wei	300,000	-	-	300,000
Deemed interests				
Yap Tian Tion *	143,983,000	-	-	143,983,000
Yap Kai Ning ^	143,983,000	-	-	143,983,000
Yap Kai Min ^	143,983,000	-	-	143,983,000
Interest in the holding company CEKD Holding Sdn. Bhd.				
Direct interests				
Yap Kai Min	11,930,571	-	-	11,930,571
Yap Kai Ning	11,930,571	-	-	11,930,571
Deemed interests				
Yap Tian Tion *	59,652,854	-	-	59,652,854
Yap Kai Ning #	47,722,283	-	-	47,722,283
Yap Kai Min #	47,722,283	-	-	47,722,283

^ Deemed interest by virtue of the shareholdings in the holdings Company.

* Deemed interest by virtue of his spouse's and children's shareholdings in CEKD Holding Sdn. Bhd..

Deemed interest by virtue of their parents' and siblings' shareholdings in CEKD Holding Sdn. Bhd..

DIRECTORS' REPORT (CONT'D)

Directors' interests in shares (Cont'd)

By virtue of their interests in the shares of the holding company, Yap Tian Tion, Yap Kai Ning and Yap Kai Min are also deemed interested in the shares of all the subsidiaries during the financial year to the extent that the holding company has an interest under Section 8 of the Companies Act 2016 in Malaysia.

Other than as disclosed above, none of the other Directors in office at the end of the financial year have any interest in shares in the Company or its related corporations during the financial year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than Director who have significant interests in a company which traded with the certain companies in the Group in the ordinary course of business as disclosed in Note 25(b) to the financial statements.

The Directors' remuneration for the Group and for the Company as set out in Note 25(c) to the financial statements are RM1,479,387 and RM197,500 respectively.

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

Indemnity and insurance costs

During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and certain officers of the Group were RM3,000,000 and RM21,500 respectively. No indemnity was given to or insurance effected for auditors of the Group during the financial year.

Other statutory information

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and adequate allowance had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would render the amounts written off for bad debts or the amount of the allowance 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 current assets in the financial statements of the Group and of the Company misleading; or
 - (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or
 - (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

DIRECTORS' REPORT (CONT'D)

Other statutory information (Cont'd)

- (c) 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 person; or
 - (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.
- (d) In the opinion of the Directors:
- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;
 - (ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
 - (iii) 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 financial year in which this report is made.

Subsidiaries

The details of the subsidiaries are disclosed in Note 4 to the financial statements.

Holding company

The holding company is CEKD Holding Sdn. Bhd., a private limited liability company incorporated and domiciled in Malaysia.

Auditors

The Auditors, Messrs. TGS TW PLT (202106000004 (LLP0026851-LCA) & AF002345), have expressed their willingness to continue in office.

Auditors' remuneration for the Group and for the Company as set out in Note 19 to the financial statements are RM133,000 and RM16,000 respectively.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 2 December 2024.

YAP KAI MIN

KUALA LUMPUR

YAP KAI NING

STATEMENT BY DIRECTORS

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

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 68 to 107 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 August 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 Directors dated 2 December 2024.

YAP KAI MIN

KUALA LUMPUR

YAP KAI NING

STATUTORY DECLARATION

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

I, Yap Kai Ning, being the Director primarily responsible for the financial management of CEKD Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 68 to 107 are 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 Kuala Lumpur in)
 the Federal Territory on 2 December 2024)

YAP KAI NING

Before me,

SHI'ARATUL AKMAR BINTI SAHARI

No. W788

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CEKD BERHAD

(INCORPORATED IN MALAYSIA)

REGISTRATION NO. 201801023077 (1285096-M)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of CEKD Berhad, which comprise the statements of financial position as at 31 August 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 68 to 107.

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 August 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

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

Independence and other ethical responsibilities

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

Key audit matters

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

Key audit matters	How we addressed the key audit matters
<p>Inventories valuation</p> <p>As disclosed in Note 6 to the financial statements, the Group's held inventories amounted to RM6.7 million, representing approximately 17% of the Group's total current assets as at 31 August 2024.</p> <p>The valuation of inventories is identified as a key audit matter because of the judgement made by the Directors.</p>	<p>We reviewed the Group's policy on inventory valuation that are in accordance with MFRS 102 <i>Inventories</i>. We evaluated the operating effectiveness of key controls over the inventory system in recording the cost of inventory.</p> <p>We reviewed and verified the value of a sample of inventory item by comparing the unit price used in the financial inventory listing summary to current price lists, recent sales invoices, or recent vendor invoices to ensure inventories are stated at the lower of cost and net realisable value.</p> <p>We assessed the adequacy of the disclosures made in the financial statements.</p>

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CEKD BERHAD
(INCORPORATED IN MALAYSIA)
REGISTRATION NO. 201801023077 (1285096-M) (CONT'D)

Report on the audit of the financial statements (Cont'd)

Key audit matters (Cont'd)

Key audit matters	How we addressed the key audit matters
<p>Recoverability of trade receivables</p> <p>As disclosed in Note 7 to the financial statements, the Group's trade receivables amounted to RM8 million, representing approximately 20% of the Group's total current assets as at 31 August 2024.</p> <p>The assessment of recoverability of receivables involved judgements and estimation uncertainty in analysing historical bad debts, customer concentration, customer creditworthiness and customer payment terms.</p>	<p>We obtained the understanding of the Group's credit risk policy, and tested the processes used by management to assess credit exposures.</p> <p>We assessed the reasonableness of the methods and assumptions used by management in estimating the recoverable amount and impairment loss, which include consideration of the current economic.</p> <p>We tested the accuracy and completeness of the data used by the management.</p> <p>We reviewed the adequacy of the amount of impairment loss and inquired the management regarding the recoverability of a sample of trade receivables that are pass due but not impaired accounts and review of customers' correspondence.</p> <p>We evaluated the appropriateness and adequacy of the disclosures of expected credit loss in accordance with MFRS 9 <i>Financial Instruments</i>.</p>

There is no key audit matter to be communicated in respect of the audit of the 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 the other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CEKD BERHAD
(INCORPORATED IN MALAYSIA)
REGISTRATION NO. 201801023077 (1285096-M) (CONT'D)

Report on the audit of the financial statements (Cont'd)

Responsibilities of the Directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CEKD BERHAD
(INCORPORATED IN MALAYSIA)
REGISTRATION NO. 201801023077 (1285096-M) (CONT'D)

Report on the audit of the financial statements (Cont'd)

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.

Other matters

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

TGS TW PLT
202106000004 (LLP0026851-LCA) & AF002345
Chartered Accountants

LIM GE RU
03360/03/2026 J
Chartered Accountant

KUALA LUMPUR
2 December 2024

STATEMENTS OF FINANCIAL POSITION

AS AT 31 AUGUST 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
ASSETS					
Non-current assets					
Property, plant and equipment	3	40,950,436	38,937,000	-	-
Investment in subsidiaries	4	-	-	41,217,900	41,217,900
Goodwill on consolidation	5	1,176,568	1,176,568	-	-
Amount due from subsidiaries	4(c)	-	-	4,594,000	-
		42,127,004	40,113,568	45,811,900	41,217,900
Current assets					
Inventories	6	6,746,610	6,242,596	-	-
Trade receivables	7	7,996,665	6,933,964	-	-
Other receivables	8	1,533,267	2,170,194	18,330	18,130
Amount due from subsidiaries	4(c)	-	-	1,533,744	-
Tax recoverable		314,901	160,971	-	-
Other investments	9	11,863,260	695,308	10,563,955	516,327
Cash and bank balances		10,578,931	41,869,452	1,536,035	20,795,060
		39,033,634	58,072,485	13,652,064	21,329,517
Total assets		81,160,638	98,186,053	59,463,964	62,547,417
EQUITY					
Share capital	10	57,701,089	57,701,089	57,701,089	57,701,089
Merger reserves	11	(31,917,900)	(31,917,900)	-	-
Retained earnings		45,657,687	42,739,861	176,242	3,233,990
Equity attributable to owners of the Company		71,440,876	68,523,050	57,877,331	60,935,079
Non-controlling interests ("NCI")	4(b)	916,210	720,899	-	-
Total equity		72,357,086	69,243,949	57,877,331	60,935,079
LIABILITIES					
Non-current liabilities					
Lease liabilities	12	458,152	433,243	-	-
Borrowings	13	1,089,433	20,671,094	-	-
Deferred tax liabilities	14	1,254,388	1,123,792	-	-
		2,801,973	22,228,129	-	-
Current liabilities					
Lease liabilities	12	359,340	457,929	-	-
Borrowings	13	183,284	1,665,663	-	-
Trade payables	15	556,521	432,839	-	-
Other payables	16	4,374,797	4,029,180	1,582,792	1,595,838
Tax payable		527,637	128,364	3,841	16,500
		6,001,579	6,713,975	1,586,633	1,612,338
Total liabilities		8,803,552	28,942,104	1,586,633	1,612,338
Total equity and liabilities		81,160,638	98,186,053	59,463,964	62,547,417

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Revenue	17	36,249,320	32,550,273	820,006	4,592,034
Cost of sales		(17,759,774)	(17,181,482)	-	-
Gross profit		18,489,546	15,368,791	820,006	4,592,034
Other income		721,733	1,183,356	595,767	625,666
Selling and distribution expenses		(1,217,955)	(1,610,769)	-	-
Administrative expenses		(8,121,568)	(7,315,306)	(565,511)	(580,681)
Net reversal/(loss) on impairment of financial assets		40,500	(174,804)	-	-
Other expenses		(183,574)	(1,915)	-	-
Profit from operation		9,728,682	7,449,353	850,262	4,637,019
Finance costs	18	(229,156)	(641,085)	-	-
Profit before tax	19	9,499,526	6,808,268	850,262	4,637,019
Taxation	20	(2,314,929)	(1,638,137)	(16,550)	(40,557)
Profit for the financial year, representing total comprehensive income for the financial year		7,184,597	5,170,131	833,712	4,596,462
Profit/Total comprehensive income for the financial year attributable to:					
Owners of the Company		6,809,286	5,026,245	833,712	4,596,462
Non-controlling interests		375,311	143,886	-	-
		7,184,597	5,170,131	833,712	4,596,462
Earnings per share:					
Basic and diluted (sen)	21	3.50	2.58		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

	Attributable to owners of the Company					Total equity RM
	Non-distributable		Distributable		Non-controlling interests RM	
	Share capital RM	Merger reserves RM	Retained earnings RM	Total RM		Total equity RM
Group						
At 1 September 2022	57,701,089	(31,917,900)	39,172,914	64,956,103	-	64,956,103
Total comprehensive income for the financial year	-	-	5,026,245	5,026,245	143,886	5,170,131
Transactions with owners:						
Acquisition of subsidiaries	-	-	-	-	1,585,013	1,585,013
Dividends to owners of the Company	-	-	(1,459,298)	(1,459,298)	-	(1,459,298)
Dividends to non-controlling interests	-	-	-	-	(1,008,000)	(1,008,000)
At 31 August 2023	57,701,089	(31,917,900)	42,739,861	68,523,050	720,899	69,243,949
At 1 September 2023	57,701,089	(31,917,900)	42,739,861	68,523,050	720,899	69,243,949
Total comprehensive income for the financial year	-	-	6,809,286	6,809,286	375,311	7,184,597
Transactions with owners:						
Dividends to owners of the Company	-	-	(3,891,460)	(3,891,460)	-	(3,891,460)
Dividend to non-controlling interests	-	-	-	-	(180,000)	(180,000)
At 31 August 2024	57,701,089	(31,917,900)	45,657,687	71,440,876	916,210	72,357,086

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024 (CONT'D)

	Note	Share capital RM	Retained earnings RM	Total equity RM
Company				
At 1 September 2022		57,701,089	96,826	57,797,915
Total comprehensive income for the financial year		-	4,596,462	4,596,462
Transaction with owners:				
Dividends	22	-	(1,459,298)	(1,459,298)
At 31 August 2023		57,701,089	3,233,990	60,935,079
At 1 September 2023				
At 1 September 2023		57,701,089	3,233,990	60,935,079
Total comprehensive income for the financial year		-	833,712	833,712
Transaction with owners:				
Dividends	22	-	(3,891,460)	(3,891,460)
At 31 August 2024		57,701,089	176,242	57,877,331

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Cash flows from operating activities					
Profit before tax		9,499,526	6,808,268	850,262	4,637,019
Adjustments for:					
Allowance for expected credit losses on trade receivables		63,614	180,868	-	-
Bad debts written off		530	-	-	-
Depreciation of property, plant and equipment		2,798,921	2,786,636	-	-
Dividend income		-	-	(820,006)	(4,592,034)
Fair value gain on other investments		(358,680)	(485,525)	(305,000)	(438,424)
Gain on remeasurement of lease contracts		-	(92,819)	-	-
Gain on disposal of property, plant and equipment		(15,999)	(58,603)	-	-
Gain on early termination of lease contracts		(6,115)	-	-	-
Interest expenses		229,156	641,085	-	-
Interest income		(248,025)	(303,332)	(290,767)	(187,242)
Inventories written down		3,123	32,330	-	-
Property, plant and equipment written off		6,828	1,915	-	-
Reversal of allowance for expected credit losses on trade receivables		(104,114)	(6,064)	-	-
Unrealised loss/(gain) on foreign exchange		176,216	(70,878)	-	-
Operating profit/(loss) before working capital changes		12,044,981	9,433,881	(565,511)	(580,681)
Changes in working capital:					
Inventories		(507,137)	1,175,354	-	-
Receivables		(385,804)	1,111,655	(200)	-
Payables		469,299	(474,286)	(13,046)	7,740
		(423,642)	1,812,723	(13,246)	7,740
Cash generated from/(used in) operations		11,621,339	11,246,604	(578,757)	(572,941)
Tax paid		(1,938,990)	(2,517,971)	(29,209)	(86,490)
Net cash from/(used in) operating activities		9,682,349	8,728,633	(607,966)	(659,431)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024 (CONT'D)

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Cash flows from investing activities					
Acquisition of subsidiaries	4(a)	-	(4,824,180)	-	(6,255,000)
(Advances to)/Repayment from subsidiaries		-	-	(6,127,744)	2,475,000
Dividend received		-	-	820,006	4,592,034
Interest received		248,025	303,332	290,767	187,242
Placement of other investments		(10,809,272)	(144,981)	(9,742,628)	(77,903)
Purchase of property, plant and equipment	A	(4,443,780)	(2,281,360)	-	-
Proceeds from disposal of property, plant and equipment		16,000	83,000	-	-
Withdrawal of fixed deposits pledged with licensed banks		-	3,566,478	-	-
Net cash (used in)/from investing activities		(14,989,027)	(3,297,711)	(14,759,599)	921,373
Cash flows from financing activities					
Dividends paid		(4,071,460)	(2,953,730)	(3,891,460)	(1,945,730)
Interest paid		(229,156)	(641,085)	-	-
Repayment of lease liabilities	B	(442,971)	(602,407)	-	-
Net (repayment)/drawdown of term loans		(21,064,040)	8,064,905	-	-
Net cash (used in)/from financing activities		(25,807,627)	3,867,683	(3,891,460)	(1,945,730)
Net (decrease)/increase in cash and cash equivalents		(31,114,305)	9,298,605	(19,259,025)	(1,683,788)
Effect of exchange translation differences		(176,216)	70,878	-	-
Cash and cash equivalents at the beginning of the financial year		41,869,452	32,499,969	20,795,060	22,478,848
Cash and cash equivalents at the end of the financial year		10,578,931	41,869,452	1,536,035	20,795,060
Cash and cash equivalents at the end of the financial year comprises:					
Cash and bank balances		10,578,931	41,869,452	1,536,035	20,795,060

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024 (CONT'D)

NOTES TO STATEMENTS OF CASH FLOWS

A. Purchase of property, plant, and equipment

	Note	2024 RM	Group 2023 RM
Total additions	3	4,929,770	2,846,065
Less: Acquisition by means of lease liabilities		(485,990)	(564,705)
Total cash payment		4,443,780	2,281,360

B. Cash outflows for leases as a lessee

	Note	2024 RM	Group 2023 RM
<u>Included in net cash from/(used in) operating activities:</u>			
Payment relating to short-term leases	19	36,458	3,000
Payment relating to leases of low value assets	19	3,273	24,136
		39,731	27,136
<u>Included in net cash (used in)/from financing activities</u>			
Payment of lease liabilities		442,971	602,407
Payment of interest on lease liabilities	18	34,632	59,356
		477,603	661,763
		517,334	688,899

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

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2024

1. CORPORATE INFORMATION

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

The registered office of the Company is located at No. D-09-02, Level 9, EXSIM Tower, Millerz Square @ Old Klang Road, Megan Legasi, No. 357, Jalan Kelang Lama, 58000 Kuala Lumpur.

The principal place of business of the Company is located at No. 10, Jalan 1/137B, Resource Industrial Centre, Batu 5, Jalan Kelang Lama, 58200 Kuala Lumpur.

The principal activity of the Company is engaged in investment holding. The principal activities of its subsidiaries are disclosed in Note 4 to the financial statements.

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

The holding company is CEKD Holding Sdn. Bhd., a private limited liability company incorporated and domiciled in Malaysia.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the material accounting policy information in the respective notes.

The Group and the Company have consistently applied the accounting policies throughout all periods presented in the financial statements unless otherwise stated.

(i) Adoption of new and amended standards

During the financial year, the Group and the Company have adopted the following new and amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112	International Tax Reform - Pillar Two Model Rules

The adoption of the new and amendments to MFRSs did not have any significant impact on the financial statements of the Group and of the Company, except for the following:

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2024 (CONT'D)

2. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (Cont'd)

- (i) Adoption of new and amended standards (Cont'd)

Amendments to MFRS 101 Presentation of Financial Statements - Disclosure of Accounting Policies

The amendments require the disclosure of “material”, rather than “significant”, accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Although the amendments did not result in any changes to the Group’s and the Company’s accounting policies, it impacted the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in the respective notes to the financial statements where relevant.

- (ii) Standards issued but not yet effective

The Group and the Company have not applied the following new and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and for the Company:

		Effective dates for financial periods beginning on or after
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 And MFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements - Volume 11	Amendments to MFRS 1 Amendments to MFRS 7 Amendments to MFRS 9 Amendments to MFRS 10 Amendments to MFRS 107	1 January 2026
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountabilities: Disclosures	1 January 2027
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group and the Company intend to adopt the above new and amendments to MFRSs when they become effective.

The initial applications of the above-mentioned new and amendments to MFRSs are not expected to have any significant impacts on the financial statements of the Group and the Company.

(b) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (“RM”), which is the Company’s functional currency. All financial information is presented in RM and has been rounded to nearest RM, unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2024 (CONT'D)

2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgements, estimates and assumptions

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

Judgements

The following are the judgements made by management in applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements:

Determining the lease term of contracts with renewal and termination options - Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if they are reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if they are reasonably certain not to be exercised.

The Group applies judgement in evaluating whether they are reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, they consider all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group includes the renewal period as part of the lease term for leases of factory and hostel with non-cancellable period included as part of the lease term as these are reasonably certain to be exercised because there will be a significant negative effect on operation if a replacement asset is not readily available. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

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 reporting period are set out below:

Useful lives of property, plant and equipment

The Group regularly reviews the estimated useful lives of property, plant and equipment based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and decrease the value of property, plant and equipment. The carrying amount at the reporting date for property, plant and equipment is disclosed in Note 3 to the financial statements.

Impairment of goodwill on consolidation

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use amount requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The key assumptions used to determine the value in use is disclosed in Note 5 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2024 (CONT'D)

2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Provision for expected credit loss of financial assets at amortised cost

The Group and the Company review the recoverability of their receivables at each reporting date to assess whether an impairment loss should be recognised. The impairment provisions for receivables are based on assumptions about risk of default and expected loss rates. The Group and the Company use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's and the Company's past history and existing market conditions at the end of each reporting period.

The Group and the Company use a provision matrix to calculate expected credit loss for receivables. The provision rates are based on number of days past due.

The provision matrix is initially based on the Group's and on the Company's historical observed default rates. The Group and the Company will calibrate the matrix to adjust the historical credits loss experience. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit loss is a significant estimate.

The carrying amounts of receivables at the reporting date are disclosed in Notes 4(c), 7 and 8 to the financial statements.

Discount rate used in leases

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

Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected selling prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 6 to the financial statements.

Determination of transaction prices

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgement the Group assesses the impact of any variable consideration in the contract due to discounts or penalties in the contract.

There is no estimation required in determining the transaction price, as revenue from sale of goods are based on invoiced values. Discounts are not considered as they are only given in rare circumstances.

Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group and the Company recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. As at 31 August 2024, the Group has tax recoverable and payable of RM314,901 (2023: RM160,971) and RM527,637 (2023: RM128,364) respectively. The Company has tax payable of RM3,841 (2023: RM16,500).

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2024 (CONT'D)

3. PROPERTY, PLANT AND EQUIPMENT

Group	Right-of-use assets										Total RM	
	Freehold land RM	Freehold buildings RM	Furniture and fittings, office equipment and signboard RM	Electrical installation and renovation RM	Plant and machinery, workshop equipment, tools and utensils RM	Motor vehicles RM	Leasehold land RM	Leasehold building RM	Factory, warehouse and hostels RM	Motor vehicles RM		
Cost												
At 1 September 2022	7,965,983	1,917,769	3,609,417	1,201,325	25,350,046	1,066,750	10,829,525	9,600,000	1,354,056	534,385	63,429,256	
Additions	-	-	534,218	561,226	914,765	135,841	-	97,500	459,505	143,010	2,846,065	
Acquisition of subsidiaries	-	3,005,523	556,100	437,795	3,710,571	274,671	-	-	146,129	602,811	8,733,600	
Disposals	-	-	-	-	(72,142)	(256,098)	-	-	-	-	(328,240)	
Written off	-	-	(84,681)	(210,062)	(320)	-	-	-	-	-	(295,063)	
Remeasurement of lease contracts	-	-	-	-	-	-	-	-	(1,186,386)	-	(1,186,386)	
At 31 August 2023	7,965,983	4,923,292	4,615,054	1,990,284	29,902,920	1,221,164	10,829,525	9,697,500	773,304	1,280,206	73,199,232	
Additions	-	1,365,953	451,234	479,576	1,300,405	-	-	821,032	345,990	165,580	4,929,770	
Disposals	-	-	-	-	-	(110,000)	-	-	-	-	(110,000)	
Written off	-	-	-	-	(1,074,156)	-	-	-	-	-	(1,641,936)	
Reclassification	-	-	(385,295)	(182,485)	-	458,009	-	-	-	(458,009)	-	
Expiration of lease contracts	-	-	-	-	-	-	-	-	(206,780)	-	(206,780)	
Early termination of lease contracts	-	-	-	-	-	-	-	-	(362,452)	-	(362,452)	
At 31 August 2024	7,965,983	6,289,245	4,680,993	2,287,375	30,129,169	1,569,173	10,829,525	10,518,532	550,062	987,777	75,807,834	

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2024 (CONT'D)

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

Group (Cont'd)	Right-of-use assets										Total RM	
	Freehold land RM	Freehold buildings RM	Furniture and fittings, office equipment and signboard RM	Electrical installation and renovation RM	Plant and machinery, workshop equipment, tools and utensils RM	Motor vehicles RM	Leasehold land RM	Leasehold building RM	Factory, warehouse and hostels RM	Motor vehicles RM		
Accumulated depreciation												
At 1 September 2022	-	231,216	2,937,110	804,359	21,646,170	926,821	726,554	707,951	715,583	206,590	28,902,354	
Charge for the financial year	-	101,095	390,163	283,228	998,209	87,550	99,822	192,975	424,180	209,414	2,786,636	
Acquisition of subsidiaries	-	490,767	450,459	261,510	2,119,527	274,668	-	-	34,639	383,847	4,015,417	
Disposals	-	-	-	-	(47,747)	(256,096)	-	-	-	-	(303,843)	
Written off	-	-	(82,801)	(210,030)	(317)	-	-	-	-	-	(293,148)	
Remeasurement of lease contracts	-	-	-	-	-	-	-	-	(845,184)	-	(845,184)	
At 31 August 2023	-	823,078	3,694,931	1,139,067	24,715,842	1,032,943	826,376	900,926	329,218	799,851	34,262,232	
Charge for the financial year	-	114,929	371,749	385,309	1,114,422	47,640	102,731	199,424	296,509	166,208	2,798,921	
Disposals	-	-	-	-	-	(109,999)	-	-	-	-	(109,999)	
Written off	-	-	(384,543)	(182,467)	(1,068,098)	-	-	-	-	-	(1,635,108)	
Reclassification	-	-	-	-	-	458,002	-	-	-	(458,002)	-	
Expiration of lease contracts	-	-	-	-	-	-	-	-	(206,780)	-	(206,780)	
Early termination of lease contracts	-	-	-	-	-	-	-	-	(251,868)	-	(251,868)	
At 31 August 2024	-	938,007	3,682,137	1,341,909	24,762,166	1,428,586	929,107	1,100,350	167,079	508,057	34,857,398	
Carrying amount												
At 31 August 2024	7,965,983	5,351,238	998,856	945,466	5,367,003	140,587	9,900,418	9,418,182	382,983	479,720	40,950,436	
At 31 August 2023	7,965,983	4,100,214	920,123	851,217	5,187,078	188,221	10,003,149	8,796,574	444,086	480,355	38,937,000	

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2024 (CONT'D)

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

- (a) The net carrying amount of property, plant and equipment of the Group pledged as securities for bank borrowings as disclosed in Note 13 to the financial statements are:

	2024	Group
	RM	2023
		RM
Freehold land	-	7,652,174
Freehold buildings	2,399,544	3,888,902
Leasehold land	-	10,003,149
Leasehold building	-	8,796,574
	2,399,544	30,340,799

- (b) The net carrying amount of property, plant and equipment under finance lease are motor vehicles amounting to RM479,720 (2023: RM480,355).

- (c) Material accounting policy information

Property, plant and equipment (including right-of-use assets) are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised in the profit or loss on a straight-line basis to write off the cost of each asset to its residual value over its estimated useful life. Freehold land is not depreciated.

Property, plant and equipment (including right-of-use assets) are depreciated based on the estimated useful lives of the assets as follows:

Freehold buildings	2 - 5%
Furniture and fittings, office equipment and signboard	10 - 20%
Electrical installation and renovation	10 - 33%
Plant and machinery, workshop equipment, tools and utensils	10 - 20%
Motor vehicles	20%
Leasehold land	Over the lease period
Leasehold building	2%
Factory, warehouse and hostels	Over the lease period

4. INVESTMENT IN SUBSIDIARIES

	2024	Company
	RM	2023
		RM
At cost		
Unquoted shares	41,217,900	41,217,900

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2024 (CONT'D)

4. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows:

Name of company	Place of business/ Country of incorporation	Effective interest (%)		Principal activities
		2024	2023	
Sharp Die Cutting Mould Sdn. Bhd.	Malaysia	100	100	Manufacturing of die cutting moulds and trading of related consumables, tools and accessories.
Hotstar (M) Sdn. Bhd.	Malaysia	100	100	Manufacturing of die cutting moulds and trading of related consumables, tools and accessories.
Worldwide Die Cutting Mould Sdn. Bhd. ("WDCM")	Malaysia	82	82	Manufacturing of die cutting moulds and trading of related consumables, tools and accessories.
Kit Technology Sdn. Bhd. ("KTSB")	Malaysia	60	60	Manufacturing of die cutting moulds and trading of related consumables, tools and accessories.
Subsidiary of Sharp Die Cutting Mould Sdn. Bhd.				
Focuswin Diecutting Mould Sdn. Bhd.	Malaysia	100	100	Manufacturing of die cutting moulds.

(a) Acquisition of subsidiaries

- (i) On 5 July 2022, the Company entered into a conditional share sale agreement to acquire 82% of equity interests in WDCM for a total purchase consideration of RM6,230,000. The acquisition was completed on 2 September 2022.
- (ii) On 5 July 2022, the Company entered into a conditional share sale agreement to acquire 60% of equity interests in KTSB for a total purchase consideration of RM720,000. The acquisition was completed on 19 September 2022.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	WDCM RM	KTSB RM	Total RM
<u>Fair value of identifiable assets acquired and liabilities assumed</u>			
Property, plant and equipment	4,250,186	467,997	4,718,183
Inventories	895,479	-	895,479
Trade receivables	1,950,956	224,614	2,175,570
Other receivables	147,636	53,756	201,392
Cash and bank balances	1,689,806	436,014	2,125,820
Deferred tax liabilities	(267,000)	-	(267,000)
Trade payables	(919,858)	(126,069)	(1,045,927)
Other payables	(191,679)	(170,733)	(362,412)
Borrowings	(264,000)	(50,000)	(314,000)
Lease liabilities	(296,466)	(22,623)	(319,089)
Tax payable	3,999	-	3,999
Total identified net assets acquired	6,999,059	812,956	7,812,015

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2024 (CONT'D)

4. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) Acquisition of subsidiaries (Cont'd)

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date: (cont'd)

	WDCM RM	KTSB RM	Total RM
<u>Goodwill arising from business combination</u>			
Fair value of consideration transferred	6,230,000	720,000	6,950,000
Non-controlling interests, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	1,259,831	325,182	1,585,013
Fair value of identifiable net assets	(6,999,059)	(812,956)	(7,812,015)
Goodwill	490,772	232,226	722,998
<u>Net cash outflows from acquisition of subsidiaries</u>			
Cash and cash equivalents acquired	1,689,806	436,014	2,125,820
Less: Purchase consideration settle in cash*	(6,230,000)	(720,000)	(6,950,000)
Net cash outflows from acquisition of subsidiaries	(4,540,194)	(283,986)	(4,824,180)

* Included deposits paid in the previous financial years.

Acquisition-related costs

The Group incurred acquisition-related costs of RM51,033 related to external legal fees and due diligence costs. The expenses have been included in administrative expenses in the profit or loss.

Impact of the acquisition on the statements of profit or loss and other comprehensive income

From the date of acquisition, acquired subsidiaries have contributed RM8,137,253 and RM929,289 to the Group's revenue and profit for the previous financial year respectively. If the combination had taken place at the beginning of the previous financial year, the Group's revenue and profit for the previous financial year would have been RM33,305,784 and RM5,138,775 respectively.

(b) Non-controlling interests in subsidiaries

Set out below are the Group's subsidiaries that have material NCI are as follows:

Name of company	Proportion of ownership interests and voting rights held by NCI		Profit/(Loss) allocated to NCI		Accumulated NCI	
	2024	2023	2024	2023	2024	2023
	%	%	RM	RM	RM	RM
WDCM	18	18	184,794	186,394	443,019	438,225
KTSB	40	40	190,517	(42,508)	473,191	282,674
			375,311	143,886	916,210	720,899

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2024 (CONT'D)

4. INVESTMENT IN SUBSIDIARIES (CONT'D)

(b) Non-controlling interests in subsidiaries (Cont'd)

Set out below are the Group's subsidiaries that have material NCI are as follows: (cont'd)

Summarised financial information of the subsidiaries that has non-controlling interests that are material to the Group is set out below. The summarised financial information below represents amounts before inter-company eliminations.

Summarised statements of financial position

	WDCM RM	KTSB RM	Total RM
2024			
Non-current assets	5,135,500	699,231	5,834,731
Current assets	4,197,093	1,225,642	5,422,735
Non-current liabilities	(4,148,472)	(273,545)	(4,422,017)
Current liabilities	(2,722,910)	(468,351)	(3,191,261)
Net assets	2,461,211	1,182,977	3,644,188
2023			
Non-current assets	4,005,687	504,109	4,509,796
Current assets	3,470,008	769,800	4,239,808
Non-current liabilities	(2,102,317)	(58,143)	(2,160,460)
Current liabilities	(2,938,792)	(509,082)	(3,447,874)
Net assets	2,434,586	706,684	3,141,270

Summarised statements of profit or loss and other comprehensive income

	WDCM RM	KTSB RM	Total RM
2024			
Revenue	7,987,500	2,234,907	10,222,407
Profit, representing total comprehensive income for the financial year	1,026,631	476,293	1,502,924
2023			
Revenue	6,977,854	1,159,399	8,137,253
Profit/(Loss), representing total comprehensive income/(loss) for the financial period	1,035,561	(106,272)	929,289

Summarised statements of cash flows

	WDCM RM	KTSB RM	Total RM
2024			
Net cash inflows from operating activities	1,605,518	617,328	2,222,846
Net cash outflows from investing activities	(1,490,975)	(33,010)	(1,523,985)
Net cash inflows/(outflows) from financing activities	263,030	(92,232)	170,798
Net cash inflows	377,573	492,086	869,659

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2024 (CONT'D)

4. INVESTMENT IN SUBSIDIARIES (CONT'D)

(b) Non-controlling interests in subsidiaries (Cont'd)

Summarised statements of cash flows (cont'd)

	WDCM RM	KTSB RM	Total RM
2023			
Net cash inflows/(outflows) from operating activities	2,120,363	(12,130)	2,108,233
Net cash outflows from investing activities	(13,159)	(41,879)	(55,038)
Net cash outflows from financing activities	(3,043,355)	(76,691)	(3,120,046)
Net cash outflows	(936,151)	(130,700)	(1,066,851)

Other information

	WDCM RM	KTSB RM	Total RM
2024			
Dividend paid to NCI	(180,000)	-	(180,000)
2023			
Dividends paid to NCI	(1,008,000)	-	(1,008,000)

(c) **Amount due from subsidiaries**

Amount due from subsidiaries are unsecured, non-trade related, bearing interest at the rate of 2.84% per annum and repayable by 60 monthly instalments.

(d) **Material accounting policy information**

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

5. GOODWILL ON CONSOLIDATION

	Group	
	2024 RM	2023 RM
At 1 September	1,176,568	453,570
Addition	-	722,998
At 31 August	1,176,568	1,176,568

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2024 (CONT'D)

5. GOODWILL ON CONSOLIDATION (CONT'D)

Material accounting policy information

Goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying amount may be impaired.

The aggregate carrying amounts of goodwill is derived from manufacturing and trading segment.

Impairment test for goodwill

The recoverable amount of CGU is determined based on the value in use calculations using cash flow projections based on financial budgets approved by management covering a five years period. The values assigned to key assumptions is in respect of management's assessment of future trends in the industry.

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

(i) Budgeted gross margin

The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budgeted year. The average gross margin applied was 39% (2023: 36%).

(ii) Growth rate

The weighted average growth rates used are consistent with the long-term average growth rate anticipated for the entities based on its past performance and industry demand. The average growth rate applied was 1% (2023: 1%) per annum.

(iii) Discount rate

The discount rate used are pre-tax and reflect management's estimate of the risk specific to the CGU at the date of assessment. The average discount rate applied was 11.45% (2023: 8.3%) per annum.

Sensitivity to changes in assumptions

With regard to the assessment of the value in use of the CGU, management believes that any changes to the key assumptions above would not result in the carrying values of the CGU to materially exceed their recoverable amount.

Having considered the above, the management is of the view that there is no impairment of goodwill as at 31 August 2024.

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2024 (CONT'D)

6. INVENTORIES

	2024 RM	Group 2023 RM
At cost		
Raw materials	6,746,610	6,242,596
Recognised in profit or loss		
Inventories recognised as cost of sales	6,032,034	5,661,296
Inventories written down	3,123	32,330

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories are determined on a weighted average basis.

The inventories written down is made when the related inventories are obsolete.

7. TRADE RECEIVABLES

	2024 RM	Group 2023 RM
Trade receivables	8,143,317	7,178,983
Less: Allowance for expected credit losses ("ECLs")	(146,652)	(245,019)
	7,996,665	6,933,964

Trade receivables are non-interest bearing and the credit term is generally on cash term to 120 days (2023: cash term to 150 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Included in trade receivables of the Group is an amount of RM93,463 (2023: RM172,977) due from companies in which certain Directors have interests.

The following table provides information about the exposure to credit risk and ECLs for trade receivables:

	Gross amount RM	ECLs RM	Net amount RM
Group 2024			
Not past due	4,719,526	(37,332)	4,682,194
Past due:			
Less than 30 days	2,020,270	(51,391)	1,968,879
31 to 60 days	865,932	(16,163)	849,769
61 to 90 days	398,326	(24,664)	373,662
More than 90 days	139,263	(17,102)	122,161
	8,143,317	(146,652)	7,996,665

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2024 (CONT'D)

7. TRADE RECEIVABLES (CONT'D)

The following table provides information about the exposure to credit risk and ECLs for trade receivables: (Cont'd)

	Gross amount RM	ECLs RM	Net amount RM
Group (Cont'd)			
2023			
Not past due	4,412,538	(76,535)	4,336,003
Past due:			
Less than 30 days	1,586,842	(77,981)	1,508,861
31 to 60 days	707,092	(13,130)	693,962
61 to 90 days	283,764	(10,075)	273,689
More than 90 days	188,747	(67,298)	121,449
	7,178,983	(245,019)	6,933,964

The movements in the allowance for ECLs of trade receivables are as follows:

	2024 RM	Group 2023 RM
At 1 September	245,019	70,215
Charge for the financial year	63,614	180,868
Reversal for the financial year	(104,114)	(6,064)
Written off	(57,867)	-
At 31 August	146,652	245,019

8. OTHER RECEIVABLES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Non-trade receivables	34,292	41,926	-	-
Deposits	391,865	361,053	-	-
Advance to suppliers	942,079	1,606,251	-	-
Prepayments	165,031	160,964	18,330	18,130
	1,533,267	2,170,194	18,330	18,130

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2024 (CONT'D)

9. OTHER INVESTMENTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At fair value through profit or loss ("FVTPL")				
Money market funds in Malaysia	11,863,260	695,308	10,563,955	516,327

The fair value of the financial asset at FVTPL is classified as Level 1 fair value item for the purpose of fair value hierarchy disclosures. The fair value of money market funds is derived from the net asset value calculated based on the market value of the underlying assets held by the funds.

Other investments measured at FVTPL on initial recognition are subsequently measured at fair value with gains or losses recognised in profit and loss.

10. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amount	
	2024 Units	2023 Units	2024 RM	2023 RM
Issued and fully paid up				
At 1 September/ At 31 August	194,573,000	194,573,000	57,701,089	57,701,089

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

11. MERGER RESERVES

The merger reserves represent the difference between the carrying value of the investment in subsidiaries and the share capital of the Company's subsidiaries upon consolidation under the merger accounting principle.

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2024 (CONT'D)

12. LEASE LIABILITIES

	2024 RM	Group 2023 RM
Non-current	458,152	433,243
Current	359,340	457,929
	817,492	891,172

The maturity analysis of lease liabilities at the end of the reporting period:

	2024 RM	Group 2023 RM
Within 1 year	389,098	491,565
Between 2 to 5 years	441,502	455,908
More than 5 years	48,686	3,945
	879,286	951,418
Less: Future finance charges	(61,794)	(60,246)
Present value of lease liabilities	817,492	891,172

The Group leases factory, warehouse, hostels and motor vehicles. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

13. BORROWINGS

	2024 RM	Group 2023 RM
Secured		
Non-current		
Term loans	1,089,433	20,671,094
Current		
Term loans	183,284	1,665,663
	1,272,717	22,336,757

The borrowings are secured by the following:

- (i) Assignment of Mortgage Reducing Term Assurance (MRTA) issued by Sun Life Malaysia Assurance Berhad under a Director for the sum insured of RM10,000,000;
- (ii) First party legal charge over the Group's freehold and leasehold lands and buildings as disclosed in Note 3 to the financial statements;
- (iii) Corporate guarantee by the Company; and
- (iv) Covenant of maintaining gearing ratio not more than 3.0 times at all times.

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2024 (CONT'D)

13. BORROWINGS (CONT'D)

The average effective interest rates per annum of the borrowings are as follows:

	2024 %	Group 2023 %
Term loans	4.00 - 4.68	3.92 - 4.65

14. DEFERRED TAX LIABILITIES

	2024 RM	Group 2023 RM
At 1 September	1,123,792	1,011,344
Effect on acquisition of subsidiaries	-	267,000
Recognised in profit or loss	130,596	(154,552)
At 31 August	1,254,388	1,123,792

The components of deferred tax (assets)/liabilities at the end of the reporting period are as follows:

	2024 RM	Group 2023 RM
Property, plant and equipment	1,317,574	1,239,792
Provisions	(62,186)	(76,000)
Others	(1,000)	(40,000)
	1,254,388	1,123,792

15. TRADE PAYABLES

The normal trade credit terms granted by the suppliers of the Group ranged from cash term to 180 days (2023: cash term to 180 days) depending on the term of the contracts.

16. OTHER PAYABLES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Non-trade payables	401,492	355,343	450	11,040
Accruals of expenses	2,320,955	2,150,326	123,044	125,500
Dividend payable	1,459,298	1,459,298	1,459,298	1,459,298
Deposit received	8,960	4,540	-	-
Sale and Service Tax payable ("SST")	184,092	59,673	-	-
	4,374,797	4,029,180	1,582,792	1,595,838

Included in non-trade payables of the Group is an amount of RM660 (2023: Nil) due to a company in which certain Directors have interests.

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2024 (CONT'D)

17. REVENUE

	2024 RM	Group 2023 RM
Revenue from contracts with customers:		
Sales of die cutting mould and related products	36,249,320	32,550,273
Timing of revenue recognition:		
At a point in time	36,249,320	32,550,273
Geographical market:		
Malaysia	26,666,574	27,158,462
Overseas	9,582,746	5,391,811
	36,249,320	32,550,273

Breakdown of the Group's revenue from contracts with customers by segments:

	Manufacturing RM	Trading RM	Total RM
2024			
Sales of die cutting mould and related products	33,283,641	2,965,679	36,249,320
2023			
Sales of die cutting mould and related products	29,799,173	2,751,100	32,550,273

Company

Revenue represents dividend income received or receivable from its subsidiaries.

Sales of goods

The Group manufactures and sells the goods in overseas and local markets. Revenue from sales of goods is recognised at a point in time when control of the products has transferred, being when the products are delivered to the customer.

Revenue is recognised based on the price specified in the contract, net of the rebates, discounts and taxes.

A receivable is recognised by the Group when the goods are delivered as this represents the point in time at which the right to consideration is unconditional, because only the passage of time is required before payment is due. No element of financing is deemed present as the revenue is recognised with a credit term of cash term to 120 days, which is consistent with market practices.

Dividend income

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

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2024 (CONT'D)

18. FINANCE COSTS

	Group	
	2024 RM	2023 RM
Interest expenses:		
- Lease liabilities	34,632	59,356
- Term loans	194,524	581,729
	229,156	641,085

19. PROFIT BEFORE TAX

Profit before tax is determined after charging/(crediting), amongst others, the following items:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Auditors' remuneration				
- Audit fee	133,000	133,000	16,000	16,000
- Non-audit fee	5,000	5,000	5,000	5,000
- Under provision in prior financial year	-	11,421	-	-
Allowance for ECLs on trade receivables	63,614	180,868	-	-
Bad debts written off	530	-	-	-
Depreciation of property, plant and equipment	2,798,921	2,786,636	-	-
Dividend income	-	-	(820,006)	(4,592,034)
Fair value gain on other investments	(358,680)	(485,525)	(305,000)	(438,424)
Gain on disposal of property, plant and equipment	(15,999)	(58,603)	-	-
Gain on early termination of lease contracts	(6,115)	-	-	-
Gain on remeasurement of lease contracts	-	(92,819)	-	-
Interest income	(248,025)	(303,332)	(290,767)	(187,242)
Inventories written down	3,123	32,330	-	-
Property, plant and equipment written off	6,828	1,915	-	-
Lease expenses related to short-term leases (a)	36,458	3,000	-	-
Lease expenses related to low value assets (a)	3,273	24,136	-	-
Unrealised loss/(gain) on foreign exchange	176,216	(70,878)	-	-
Realised gain on foreign exchange	(78,151)	(105,991)	-	-
Rental income	-	(7,597)	-	-
Reversal of allowance for ECLs on trade receivables	(104,114)	(6,064)	-	-
Wages subsidies	-	(3,724)	-	-

- (a) The Group leases a number of equipment and properties of not more than one year or the value of the asset is less than RM20,000 when it is new. These leases are short-term or leases of low value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2024 (CONT'D)

20. TAXATION

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Tax expenses recognised in profit or loss				
Current tax				
Current financial year provision	2,393,247	1,932,290	31,857	40,184
(Over)/Under provision in prior financial year	(208,914)	(139,601)	(15,307)	373
	2,184,333	1,792,689	16,550	40,557
Deferred tax				
Origination and reversal of temporary differences	130,119	(53,163)	-	-
Under/(Over) provision in prior financial year	477	(101,389)	-	-
	130,596	(154,552)	-	-
	2,314,929	1,638,137	16,550	40,557

A reconciliation of income tax expenses applicable to profit before tax at the statutory tax rate to income tax expenses at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit before tax	9,499,526	6,808,268	850,262	4,637,019
At Malaysian statutory tax rate of 24% (2023: 24%)	2,279,886	1,633,984	204,063	1,112,885
Expenses not deductible for tax purposes	500,901	441,504	128,426	134,609
Income not subject to tax	(222,053)	(164,672)	(300,632)	(1,207,310)
Double deduction	(35,368)	(31,689)	-	-
(Over)/Under provision of current tax in prior financial year	(208,914)	(139,601)	(15,307)	373
Under/(Over) provision of deferred tax in prior financial year	477	(101,389)	-	-
	2,314,929	1,638,137	16,550	40,557

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2024 (CONT'D)

21. EARNINGS PER SHARE

(a) Basic earnings per share

The basic earnings per share is calculated based on the consolidated profit for the financial year attributable to owners of the Company and the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	2024	2023
	RM	RM
Profit attributable to owners of the Company	6,809,286	5,026,245
Weighted average number of ordinary shares (unit)	194,573,000	194,573,000
Basic earnings per ordinary shares (sen)	3.50	2.58

(b) Diluted earnings per share

There is no dilution in earnings per share as the Company does not have any convertible financial instruments as at the reporting date.

22. DIVIDENDS

	Group and Company	
	2024	2023
	RM	RM
<u>In respect of the financial year ended 31 August 2023</u>		
An interim single-tier dividend of RM0.0075 per ordinary share, declared on 9 August 2023 and paid on 15 September 2023	-	1,459,298
<u>In respect of the financial year ended 31 August 2024</u>		
An interim single-tier dividend of RM0.0050 per ordinary share, declared on 15 November 2023 and paid on 15 December 2023	972,865	-
An interim single-tier dividend of RM0.0075 per ordinary share, declared on 30 January 2024 and paid on 4 March 2024	1,459,297	-
An interim single-tier dividend of RM0.0075 per ordinary share, declared on 24 July 2024 and paid on 27 September 2024	1,459,298	-
	3,891,460	1,459,298

The Board of Directors does not recommend any final dividend in respect of the current financial year.

23. STAFF COSTS

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Salaries, wages and other emoluments	10,720,706	9,573,138	11,500	13,500
Defined contribution plans	1,070,590	1,001,974	-	-
Social security contributions	139,758	129,257	-	-
	11,931,054	10,704,369	11,500	13,500

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2024 (CONT'D)

24. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below show the details changes in the liabilities of the Group arising from financing activities, including both cash and non-cash changes:

	At 1.9.2023 RM	New lease RM	Financing cash flows (i) RM	Other changes (ii) RM	At 31.8.2024 RM
Group					
Lease liabilities	891,172	485,990	(442,971)	(116,699)	817,492
Term loans	22,336,757	-	(21,064,040)	-	1,272,717
	23,227,929	485,990	(21,507,011)	(116,699)	2,090,209
	At 1.9.2022 RM	New lease RM	Financing cash flows (i) RM	Other changes (ii) RM	At 31.8.2023 RM
Lease liabilities	1,043,806	564,705	(602,407)	(114,932)	891,172
Term loans	13,957,852	-	8,064,905	314,000	22,336,757
	15,001,658	564,705	7,462,498	199,068	23,227,929

- (i) The cash flows from borrowings make up the net amounts of proceeds from or repayments of borrowings in the statements of cash flows.
- (ii) Other changes include early termination and remeasurement of lease contracts and acquisition of subsidiaries.

25. RELATED PARTY DISCLOSURES

- (a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group and the Company if the Group and the Company have the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group and of the Company, having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company directly or indirectly.

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2024 (CONT'D)

25. RELATED PARTY DISCLOSURES (CONT'D)

(b) Significant related party transactions

Related party transactions have been entered into the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Transactions with subsidiaries				
- Dividend income	-	-	820,006	4,592,034
- Interest income	-	-	143,775	-
Transactions with companies in which Directors have interests				
- Sales to	225,581	478,579	-	-
- Purchases from	996	122	-	-
- Rental paid	19,800	14,400	-	-

(c) Compensation of key management personnel

The compensation of Directors and other key management personnel of the Group and of the Company are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Executive Directors				
Salaries and other emoluments	1,114,550	898,619	-	-
Defined contribution plans	161,822	115,469	-	-
Social security contributions	5,515	4,365	-	-
	1,281,887	1,018,453	-	-
Non-executive Directors				
Fees	186,000	186,000	186,000	186,000
Other emoluments	11,500	13,500	11,500	13,500
	197,500	199,500	197,500	199,500
Other key management personnel				
Fees	218,000	180,000	-	-
Salaries and other emoluments	710,422	708,386	-	-
Defined contribution plans	80,737	83,950	-	-
Social security contributions	7,614	7,916	-	-
	1,016,773	980,252	-	-
Total key management personnel compensation	2,496,160	2,198,205	197,500	199,500

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2024 (CONT'D)

26. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has three reportable segments as follows:

- (i) Manufacturing : Manufacturing of die cutting moulds.
- (ii) Trading : Trading of related consumables, tools and accessories.
- (iii) Investment holding : Holding of investments in shares of subsidiaries.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

Information about segment assets and liabilities are neither included in the internal management reports nor provided regularly to the management. Hence, no disclosures are made on segment assets and liabilities.

	Note	Manufacturing RM	Trading RM	Investment holding RM	Adjustment and eliminations RM	Consolidated RM
2024						
Revenue						
External revenue		33,283,641	2,965,679	-	-	36,249,320
Inter-segment revenue	A	1,327,320	2,678,350	820,006	(4,825,676)	-
Total revenue		34,610,961	5,644,029	820,006	(4,825,676)	36,249,320
Segment profit		17,852,755	636,791	-	-	18,489,546
Other income						721,733
Unallocated expenses						(9,482,597)
Finance costs						(229,156)
Taxation						(2,314,929)
Profit for the financial year	B					7,184,597
2023						
Revenue						
External revenue		29,799,173	2,751,100	-	-	32,550,273
Inter-segment revenue	A	1,406,986	2,663,031	4,592,034	(8,662,051)	-
Total revenue		31,206,159	5,414,131	4,592,034	(8,662,051)	32,550,273
Segment profit		14,780,895	587,896	-	-	15,368,791
Other income						1,183,356
Unallocated expenses						(9,102,794)
Finance costs						(641,085)
Taxation						(1,638,137)
Profit for the financial year	B					5,170,131

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2024 (CONT'D)

26. SEGMENT INFORMATION (CONT'D)

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:

- A. Inter-segment revenues are eliminated on consolidation.
- B. Profit for the financial year consists of the following items as presented in the respective notes to the financial statements:

	2024 RM	Group 2023 RM
Allowance for ECLs on trade receivables	63,614	180,868
Bad debts written off	530	-
Depreciation of property, plant and equipment	2,798,921	2,786,636
Fair value gain on other investments	(358,680)	(485,525)
Gain on disposal of property, plant and equipment	(15,999)	(58,603)
Gain on remeasurement of lease contracts	-	(92,819)
Gain on early termination of lease contracts	(6,115)	-
Inventories written down	3,123	32,330
Interest income	(248,025)	(303,332)
Property, plant and equipment written off	6,828	1,915
Realised gain on foreign exchange	(78,151)	(105,991)
Reversal of allowance for ECLs on trade receivables	(104,114)	(6,064)
Unrealised loss/(gain) on foreign exchange	176,216	(70,878)

Geographical information

Segment information by geographical segment is not presented as the activities of the Group are located principally in Malaysia.

Non-current assets information based on geographical location of the assets are as follows:

	2024 RM	Group 2023 RM
Malaysia	42,127,004	40,113,568

Revenue information based on the geographical location of customers are disclosed in Note 17 to the financial statements.

Major customer

There is no major customer which more than 10% of the Group's revenue.

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2024 (CONT'D)

27. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At FVTPL				
Financial asset				
Other investments	11,863,260	695,308	10,563,955	516,327
At amortised cost				
Financial assets				
Trade receivables	7,996,665	6,933,964	-	-
Other receivables	426,157	402,979	-	-
Amount due from subsidiaries	-	-	1,533,744	-
Cash and bank balances	10,578,931	41,869,452	1,536,035	20,795,060
	19,001,753	49,206,395	3,069,779	20,795,060
At amortised cost				
Financial liabilities				
Trade payables	556,521	432,839	-	-
Other payables	4,190,705	3,969,507	1,582,792	1,595,838
Borrowings	1,272,717	22,336,757	-	-
	6,019,943	26,739,103	1,582,792	1,595,838

(b) Financial risk management objectives and policies

The Group's and the Company's financial risk management policy are to ensure that adequate financial resources are available for the development of the Group's and of the Company's operation whilst managing their credit, liquidity and market risks. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's and the Company's policy are not to engage in speculative transactions.

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2024 (CONT'D)

27. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies, and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from the trade receivables, other receivables, and cash and bank balances. The Company's exposure to credit risk arises principally from the other receivables, amount due from subsidiaries, and cash and bank balances. There are no significant changes as compared to previous financial year.

The Group and the Company have adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposits with banks with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The Company provides unsecured loans and advances to certain subsidiaries. It also provides financial guarantees to banks for banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

At each reporting date, the Group and the Company assess whether any of the receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partial or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial year represent the Group's and the Company's maximum exposure to credit risk except for financial guarantees provided to banks for banking facilities.

There are no significant changes as compared to the previous financial year.

The Group has no significant concentration of credit risk as its exposure spread over a large number of customers. The Company has no significant concentration of credit risks except for loans to certain subsidiaries where risks of default have been assessed to be low.

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group and the Company will encounter difficulty in meeting their financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirement and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group and the Company finance their liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2024 (CONT'D)

27. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

	On demand within 1 year RM	2 to 5 years RM	More than 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Group					
2024					
<u>Non-derivative</u>					
<u>financial liabilities</u>					
Lease liabilities	389,098	441,502	48,686	879,286	817,492
Borrowings	237,852	878,419	361,311	1,477,582	1,272,717
Trade payables	556,521	-	-	556,521	556,521
Other payables	4,190,705	-	-	4,190,705	4,190,705
	5,374,176	1,319,921	409,997	7,104,094	6,837,435
2023					
<u>Non-derivative</u>					
<u>financial liabilities</u>					
Lease liabilities	491,565	455,908	3,945	951,418	891,172
Borrowings	2,645,587	10,397,078	16,719,396	29,762,061	22,336,757
Trade payables	432,839	-	-	432,839	432,839
Other payables	3,969,507	-	-	3,969,507	3,969,507
	7,539,498	10,852,986	16,723,341	35,115,825	27,630,275

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2024 (CONT'D)

27. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. (Cont'd)

	On demand within 1 year RM	2 to 5 years RM	More than 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Company					
2024					
<u>Non-derivative</u>					
<u>financial liabilities</u>					
Other payables	1,582,792	-	-	1,582,792	1,582,792
2023					
<u>Non-derivative</u>					
<u>financial liabilities</u>					
Other payables	1,595,838	-	-	1,595,838	1,595,838
Financial guarantee *	21,030,804	-	-	21,030,804	

* Based on the maximum amount that could be called for under the financial guarantee.

The Company provides financial guarantee to banks in respect of credit facilities granted to certain subsidiaries and monitors on an ongoing basis the performance of the subsidiaries. At end of the financial year, there was no indication that the subsidiaries would default on repayment.

Financial guarantee has not been recognised since the fair value on initial recognition was deemed not material and the probability of the subsidiaries defaulting on their credit facilities is remote.

(iii) Market risk

Foreign currency risk

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the functional currency of the Group. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Euro ("EUR"), Singapore Dollar ("SGD"), Chinese Yuan ("CNY") and Hong Kong Dollar ("HKD").

The Group has not entered into any derivative instruments for hedging or trading purposes as the net exposure to foreign currency risk is not significant. However, the exposure to foreign currency risk is monitored from time to time by management.

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2024 (CONT'D)

27. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

Foreign currency risk (Cont'd)

The carrying amounts of the Group's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

	USD RM	EUR RM	Denominated in SGD RM	CNY RM	HKD RM	Others RM
Group						
2024						
Financial assets	2,772,821	294,565	249,733	1,096	-	1,816
Financial liabilities	(64,656)	(197,680)	(1,553)	(7,548)	(19,260)	(30,844)
	2,708,165	96,885	248,180	(6,452)	(19,260)	(29,028)
2023						
Financial assets	1,924,558	75,531	78,194	1,147	-	1,240
Financial liabilities	(137,403)	(101,281)	(3,106)	(77,597)	(14,693)	(4,297)
	1,787,155	(25,750)	75,088	(76,450)	(14,693)	(3,057)

Foreign currency sensitivity analysis

The following table demonstrates the sensitivity of the Group's profit before tax for the financial year to a reasonably possible change in the USD, EUR, SGD, CNY, HKD and other exchange rates against RM, with all other variables held constant.

Change in currency rate		Effect on profit before tax	
		2024 RM	2023 RM
USD	Strengthened 1%	27,082	17,872
	Weakend 1%	(27,082)	(17,872)
EUR	Strengthened 1%	969	(258)
	Weakend 1%	(969)	258
SGD	Strengthened 1%	2,482	751
	Weakend 1%	(2,482)	(751)
CNY	Strengthened 1%	(65)	(765)
	Weakend 1%	65	765
HKD	Strengthened 1%	(193)	(147)
	Weakend 1%	193	147
Others	Strengthened 1%	(290)	(31)
	Weakend 1%	290	31

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2024 (CONT'D)

27. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

Interest rate risk

The Group's fixed rate borrowings and the Company's fixed rate amount due from subsidiaries are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	2024	2023
	RM	RM
<hr/>		
Group		
Fixed rate instruments		
<u>Financial liabilities</u>		
Term loans	(24,992)	(41,664)
Lease liabilities	(817,492)	(891,172)
	<hr/>	
Net financial liabilities	(842,484)	(932,836)
<hr/>		
Floating rate instrument		
<u>Financial liability</u>		
Term loans	(1,247,725)	(22,295,093)
<hr/>		
Company		
Fixed rate instrument		
<u>Financial asset</u>		
Amount due from subsidiaries	6,127,744	-
<hr/>		

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2024 (CONT'D)

27. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for floating rate instruments

A change in 1% interest rate at the end of the reporting period would have increased/(decreased) the Group's profit before tax by RM12,477 (2023: RM222,951), arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(c) Fair value of financial instruments

The carrying amounts of short-term receivables, payables, cash and cash equivalents and short-term borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

28. CAPITAL COMMITMENTS

	Group	
	2024 RM	2023 RM
Authorised and contracted for:		
- Property, plant and equipment	-	786,200

29. FINANCIAL GUARANTEE

	Company	
	2024 RM	2023 RM
Corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries	-	21,030,804

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2024 (CONT'D)

30. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital using a gearing ratio. The Group's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratios at end of the reporting period are as follows:

	2024 RM	Group 2023 RM
Lease liabilities	817,492	891,172
Borrowings	1,272,717	22,336,757
Less: Cash and bank balances	(10,578,931)	(41,869,452)
Net cash	(8,488,722)	(18,641,523)
Total equity	72,357,086	69,243,949
Gearing ratio	N/A*	N/A*

* The gearing ratio is not applicable as the Group has sufficient cash and bank balances.

There were no changes in the Group's approach to capital management during the financial year.

31. DATE OF AUTHORISATION FOR ISSUE

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 2 December 2024.

ANALYSIS OF SHAREHOLDINGS

AS AT 30 NOVEMBER 2024

Total Number of Issued Shares	: 194,573,000
Issued and Fully Paid-up	: RM57,701,089.20
Class of Shares	: Ordinary Shares
Voting Rights	: One (1) Vote Per Ordinary Share

Distribution of Shareholdings

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Less than 100	4	0.193	109	0.000
100 - 1,000	358	17.295	227,200	0.117
1,001 - 10,000	1,039	50.193	5,660,291	2.909
10,001 - 100,000	587	28.357	19,417,100	9.980
100,001 – 9,728,649 (*)	80	3.865	25,285,300	12.995
9,728,650 and above (**)	2	0.097	143,983,000	73.999
	2,070	100.000	194,573,000	100.000

Remarks:

- (*) Less than 5% of issued shares holdings
 (**) 5% and above of issued shares holdings

Substantial Shareholders (Based on the Register of Substantial Shareholders)

Name	No. of Shares	Direct		Indirect	
		%	No. of Shares	%	No. of Shares
CEKD HOLDING SDN. BHD.	143,983,000	73.999	-	-	-
YAP TIAN TION ⁽¹⁾	-	-	143,983,000	73.999	73.999
YAP KAI NING ⁽²⁾	-	-	143,983,000	73.999	73.999
LIM BEE ENG ⁽²⁾	-	-	143,983,000	73.999	73.999
YAP KAI JIE ⁽²⁾	-	-	143,983,000	73.999	73.999
YAP KAI MIN ⁽²⁾	-	-	143,983,000	73.999	73.999

Notes:

- (1). Deemed interest by virtue of the shareholdings of his family in CEKD HOLDING SDN. BHD. pursuant to Section 8 of the Companies Act 2016.
 (2). Deemed interest by virtue of their shareholdings in CEKD HOLDING SDN. BHD. pursuant to Section 8 of the Companies Act 2016.

Directors' Shareholdings (Based on the Register of Directors' Shareholding)

Name	No. of Shares	Direct		Indirect	
		%	No. of Shares	%	No. of Shares
DATO' ZULKIFLI BIN ADNAN	300,000	0.154	-	-	-
DATUK MAK FOO WEI	300,000	0.154	-	-	-
YAP TIAN TION ⁽¹⁾	-	-	143,983,000	73.999	73.999
YAP KAI NING ⁽²⁾	-	-	143,983,000	73.999	73.999
YAP KAI MIN ⁽²⁾	-	-	143,983,000	73.999	73.999

Notes:

- (1). Deemed interest by virtue of the shareholdings of his family in CEKD HOLDING SDN. BHD. pursuant to Section 8 of the Companies Act 2016.
 (2). Deemed interest by virtue of her shareholdings in CEKD HOLDING SDN. BHD. pursuant to Section 8 of the Companies Act 2016.

ANALYSIS OF SHAREHOLDINGS

AS AT 30 NOVEMBER 2024 (CONT'D)

Chief Financial Officer's Interest in Shares

Name	No. of Shares	Direct		Indirect	
			%	No. of Shares	%
PEARLY HIEW PEI LI (Resigned on 6 December 2024)	100,000		0.051	-	-

List of Top Thirty (30) Largest Shareholders

No.	Name of Shareholders	Total No. of Shares Held	%
1	UOBM NOMINEES (TEMPATAN) SDN. BHD. UNITED OVERSEAS BANK NOMINEES (PTE) LTD FOR CEKD HOLDING SDN. BHD.	104,000,000	53.45
2	CEKD HOLDING SDN. BHD.	39,983,000	20.55
3	CHIANG HENG PANG	3,540,000	1.82
4	HLIB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ONG CHUAN SIN (CCTS)	2,000,000	1.03
5	CHONG CHING YEE	1,288,600	0.66
6	LIEW TAT YANG	1,022,600	0.53
7	KAM ZHUO SZE	757,400	0.39
8	CHIEW SHIN YIH	755,000	0.39
9	SHANYU DIE CUTTING MOULD SDN. BHD.	600,000	0.31
10	THAM CHOON SARN	592,600	0.30
11	YAP HANN BOON	560,000	0.29
12	THAM CHOON SARN	537,000	0.28
13	OOI ENG BEE	500,000	0.26
14	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAY CHUN GEE (E-KLC)	402,800	0.21
15	HLB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN CHONG YANG	400,000	0.21
16	THUM QIAO HUI	390,000	0.20
17	THUM JUN JIE	350,000	0.18
18	RHB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR NG WENG CHEONG	340,100	0.17
19	LEONG KOK KIANG	335,000	0.17
20	KAM ZHUO YI	330,000	0.17
21	QUAIK KAE MING	330,000	0.17
22	DATUK MAK FOO WEI	300,000	0.15
23	ONG TECK LOONG	300,000	0.15
24	DATO' ZULKIFLI BIN ADNAN	300,000	0.15
25	KAM SOON ONN	293,200	0.15
26	KENANGA NOMINEES (TEMPATAN) SDN. BHD. RAKUTEN TRADE SDN. BHD. FOR FAIZA BINTI MOHD GHAZALI	278,000	0.14
27	BOO YIK KWAN	266,300	0.14
28	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LEE KHOON BENG (E-KLG)	260,000	0.13
29	TEO TIEW	250,000	0.13
30	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHEONG YEE KIONG (MY0099)	241,000	0.12

LIST OF PROPERTIES

No.	Title No.	Property Address	Tenure	Description of Property/ Existing Use	Category of Land Use/ Land Area/ Built-up Area (s.q. feet)	Acquisition Date	Approximate Age of Building	Audited Net Book Value as at 31 August 2024 (RM)
1	HS (D) 122863 PT 50128, Mukim Petaling Daerah Kuala Lumpur Wilayah Persekutuan Kuala Lumpur	10, Jalan 1/137B Resource Industrial Centre, Batu 5, Jalan Kelang Lama, 58200 Kuala Lumpur	Leasehold, 99 years expiring on 6 January 2121 (97 remaining years)	6-storey detached factory and office building/ Own use for business operations	Industrial/ 23,896/ 71,910	17/12/2018	4 years ⁽¹⁾	19,318,600
2	GRN 149634 Lot 3683, Mukim 06 Daerah Seberang Perai Tengah Negeri Pulau Pinang	81, Jalan Nagasari 1, Taman Nagasari, 13600 Prai Penang	Freehold	Intermediate 2-storey light industrial shophot/ Own use for business operations	Industrial/ 2,314/ 3,277	2/12/1999	4 years ⁽¹⁾	49,774
3	GRN 149633 Lot 3682, Mukim 06 Daerah Seberang Perai Tengah Negeri Pulau Pinang	83, Jalan Nagasari 1, Taman Nagasari, 13600 Prai Penang	Freehold	Intermediate 2-storey light industrial shophot/ Own use for business operations	Industrial/ 2,335/ 3,090	31/5/2004	4 years ⁽¹⁾	65,185
4	GRN 213962 Lot 2786, Bandar Kepong Daerah Gombak Selangor	No.19 Jalan KIP 7, Taman Perindustrian KIP, Kepong, 52200 Kuala Lumpur	Freehold	3-storey detached factory and office building/ Own use for business operations	Industrial/ 17,847/ 13,635	11/10/2021	25 years	9,051,699
5	HS (D) 100988 PT 26661, Mukim Petaling, Daerah Petaling Selangor Darul Ehsan	No.3, Jalan BS 7/15, Taman Perindustrian Bukit Serdang, 43300 Seri Kembangan, Selangor	Freehold	Intermediate 2-storey light industrial shophot/ Own use for business operations	Industrial/ 5,110/ 5,110	1/7/2011	28 years	1,264,837
6	GRN 421374 Lot 27741, Mukim Senai Daerah Kulai Johor Darul Takzim	No.12, Jalan Sawi 5, Taman Seri Senai, 81400 Senai, Johor Darul Takzim	Freehold	End 1 ½ storey light industrial shophot/ Own use for business operations	Industrial/ 4,392/ 4,392	4/1/2019	33 years	925,554

LIST OF PROPERTIES (CONT'D)

No.	Title No.	Property Address	Tenure	Description of Property/ Existing Use	Category of Land Use/ Land Area/ Built-up Area (s.q. feet)	Acquisition Date	Approximate Age of Building	Audited Net Book Value as at 31 August 2024 (RM)
7	Geran 54977/ M2/5/131 Lot 63946, Mukim Serdang Daerah Petaling Selangor Darul Ehsan	No.4-5-1, Megaria Daisi, Jalan Mawar, Taman Bukit Serdang, Seksyen 8, 43300 Seri Kembangan	Freehold	Apartment/ Own use for staff accommodation	Residential/ 743 ⁽²⁾	11/11/2013	N/A ⁽³⁾	60,139
8	HS (D) 43764 PTD 4454, Mukim Senai Daerah Kulai Johor Darul Takzim	No.188, Padi Mahsuri 3, Taman Senai Baru, 81400 Senai, Johor Darul Takzim	Freehold	End single storey terraced house/ Own use for staff accommodation	Building/ 1,760/ 1,760	31/1/2017	41 years	149,013
9	Geran 87301 Lot 53443, Mukim Petaling Daerah Petaling Selangor Darul Ehsan	No.2, Jalan BS 7/17, Taman Perindustrian Bukit Serdang, 43300 Seri Kembangan, Selangor	Freehold	End 1 ½ storey light industrial shoplot/ Own use for business operations	Industrial/ 2,745/ 2,745	27/5/2024	28 years	1,357,126

Notes: -

- ⁽¹⁾ The approximate age of building is computed based on date of Certificate of Completion and Compliance ("CCC") which obtained in year 2020 in line with the IPO exercise.
- ⁽²⁾ Indicating the floor area of the apartment unit.
- ⁽³⁾ Information for the age of the entire apartment building is not available.

NOTICE OF SEVENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Seventh Annual General Meeting (“7th AGM”) of the Company will be held fully virtual through live streaming and online remote voting from the online meeting platform at <https://www.binamanagement.com.my> (Domain registration number with D1A401787) provided by Bina Management (M) Sdn. Bhd. (“BINA Portal”) in Malaysia on Wednesday, 26 February 2025 at 11.00 a.m. to transact the following businesses: -

A G E N D A

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 August 2024 together with the Reports of the Directors and Auditors thereon.

[Please refer to Explanatory Note 1]

2. To approve the payment of Non-Executive Directors’ fees for an amount of up to RM236,400.00 payable to the Non-Executive Directors of the Company on a monthly basis for the period from 27 February 2025 until the next Annual General Meeting of the Company, in such proportions and manner as the Directors may determine as follows: -

[Please refer to Explanatory Note 2]
[Ordinary Resolution 1]

No	Type of Director	Non-Executive Directors’ fees (RM)		
		the Company	the Board of subsidiaries	Total
1	Chairman of the Board	66,000.00	-	66,000.00
2	Independent Non-Executive Directors	170,400.00	-	170,400.00
	Total			236,400.00

3. To approve the Non-Executive Directors’ benefits (excluding Directors’ fees) for an amount of up to RM14,000.00 payable to the Non-Executive Directors of the Company on a monthly basis for the period from 27 February 2025 until the next Annual General Meeting of the Company, in such proportions and manner as the Directors may determine as follows: -

[Please refer to Explanatory Note 2]
[Ordinary Resolution 2]

No	Type of Director	Non-Executive Directors’ benefits (RM)		
		the Company	the Board of subsidiaries	Total
1	Chairman of the Board	3,000.00	-	3,000.00
2	Independent Non-Executive Directors	11,000.00	-	11,000.00
	Total			14,000.00

4. To re-elect the following Directors who retire pursuant to Clause 84 of the Company’s Constitution and being eligible, have offered themselves for re-election: -

[Please refer to Explanatory Note 3]

- (i) Mr. Yap Tian Tion; and
(ii) Datuk Mak Foo Wei.

[Ordinary Resolution 3]
[Ordinary Resolution 4]

5. To re-appoint Messrs. TGS TW PLT as the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.

[Ordinary Resolution 5]

NOTICE OF SEVENTH ANNUAL GENERAL MEETING (CONT'D)

AS SPECIAL BUSINESS

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

6. **ORDINARY RESOLUTION**
- AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016

*[Please refer to
Explanatory Note 4]
[Ordinary Resolution 6]*

“THAT pursuant to the Companies Act 2016 (**“the Act”**), the Constitution of the Company, the ACE Market Listing Requirements (**“Listing Requirements”**) of Bursa Malaysia Securities Berhad (**“Bursa Securities”**) and approvals of the relevant government and/or regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer (**“New Shares”**) from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued, to be subscribed under any rights granted, to be issued from the conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding twelve (12) months does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares) for the time being (**“Proposed General Mandate”**);

THAT the existing shareholders of the Company do hereby waive their pre-emptive rights pursuant to Section 85(1) of the Act read together with Rule 7.08 of the Listing Requirements and the Company’s Constitution to be offered the New Shares to be allotted and issued under the Proposed General Mandate, which rank equally with the existing issued shares in the Company;

THAT such approval on the Proposed General Mandate shall continue to be in force until: -

- a) The conclusion of the next Annual General Meeting of the Company held after the approval was given;
- b) The expiration of the period within which the next Annual General Meeting of the Company is required to be held after the approval was given; or
- c) Revoked or varied by resolution passed by the shareholders of the Company in a general meeting;

whichever is the earlier.

THAT the Directors be and are hereby also empowered to obtain approval from the Bursa Securities for the listing and quotation for such New Shares on Bursa Securities;

THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

AND THAT the Directors of the Company be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate.”

7. To transact any other business of which due notice shall have been given in accordance with the Company’s Constitution and/or the Companies Act 2016.

NOTICE OF SEVENTH ANNUAL GENERAL MEETING (CONT'D)

BY ORDER OF THE BOARD

TEO SOON MEI (SSM PC No. 201908000235) (MAICSA 7018590)
LIM JIA HUEY (SSM PC No. 201908000929) (MAICSA 7073258)
Company Secretaries

Kuala Lumpur
Dated: 27 December 2024

Explanatory Notes on Ordinary and Special Businesses: -

1. Item 1 of the Agenda

This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. As such, this Agenda item is not put forward for voting.

2. Items 2 and 3 of the Agenda

Section 230(1) of the Companies Act 2016 provides that the fees and any benefits payable to the Directors including any compensation for loss of employment of a Director or former director of a public company or a listed company and its subsidiaries, shall be approved at a general meeting.

The shareholders at the Sixth Annual General Meeting (“6th AGM”) held on 28 February 2024 approved the Non-Executive Directors’ Fees and Non-Executive Directors’ other benefits of up to an amount of RM206,000.00 and RM14,000.00 respectively, for the period from 29 February 2024 until the 7th AGM of the Company. The actual fees and benefits paid to the Non-Executive Directors for the said period were RM192,800.00 and RM12,000.00 respectively, and they did not exceed the amounts approved by the shareholders at the 6th AGM.

The Company is seeking the shareholders’ approval for the payment of Non-Executive Directors’ fees and Non-Executive Directors’ benefits for an amount of up to RM236,400.00 and RM14,000.00 respectively, payable to the Non-Executive Directors of the Company on a monthly basis for the period from 27 February 2025 until the next Annual General Meeting of the Company under Ordinary Resolutions 1 and 2 respectively.

The benefits payable to the Non-Executive Directors comprising of meetings allowances based on actual attendance of meetings by the Directors and other claimable benefits including reimbursable expenses incurred in the course of carrying out their duties as Directors. The payment of benefits to the Non-Executive Directors will be made by the Company on a monthly basis and/or as and when incurred.

The estimated Non-Executive Directors’ fees and benefits proposed for the period from 27 February 2025 until the next Annual General Meeting of the Company are derived based on the current Board size.

Ordinary Resolutions 1 and 2 are to facilitate payment of Directors’ fees and benefits for the financial year 2025/2026.

In the event that the proposed Directors’ fees and benefits payable are insufficient due to the enlarged Board size, the Company will seek shareholders’ approval at the next Annual General Meeting of the Company for the additional Directors’ fees and benefits payable to meet the shortfall.

3. Item 4 of the Agenda

Mr. Yap Tian Tion and Datuk Mak Foo Wei, both Directors of the Company are seeking re-election at the 7th AGM (the “Retiring Directors”) pursuant to Clause 84 of the Company’s Constitution and being eligible, have offered themselves for re-election under Ordinary Resolutions 3 and 4 respectively.

NOTICE OF SEVENTH ANNUAL GENERAL MEETING (CONT'D)

The Nominating Committee (“**NC**”) has reviewed the performance and contribution of the abovesaid Retiring Directors based on the Board Effectiveness Evaluation conducted, which encompassed several factors including:-

- (a) Fit and proper assessment
- (b) Contribution to interaction
- (c) Knowledge and caliber
- (d) Quality input provided to the Board of Directors
- (e) Understanding of role

The NC and Board of Directors (“**Board**”) have also evaluated the tenure of the Directors and the Board’s composition to ensure the Board has an appropriate mix of skills and experience for the business requirements. Additionally, the NC and Board have assessed the Retiring Directors’ compliance with Rule 2.20A of the Listing Requirements of Bursa Securities in terms of their quality and integrity.

Based on the results of the Board’s annual assessment and the fit and proper assessment conducted for financial year ended 31 August 2024, it was found that the Retiring Directors’ performance and fit and properness were satisfactory.

4. **Item 6 of the Agenda**

Ordinary Resolution 6 is to seek a renewal of the general mandate for allotment and issuance of shares by the Company pursuant to the Companies Act 2016 at the 7th AGM of the Company. The purpose of this General Mandate, if passed, shall give power to the Directors to issue ordinary shares in the capital of the Company up to an aggregate number of shares or convertible securities issued not exceeding ten per centum (10%) of the total number of issued shares of the Company. This General Mandate, unless revoked or varied by the Company in a general meeting will expire at the conclusion of the next Annual General Meeting of the Company.

However, pursuant to Section 85(1) of the Companies Act 2016 and Clause 52 of the Company’s Constitution and Rule 7.08 of Listing Requirements of Bursa Securities, the New Shares will have to be offered to the existing shareholders of the Company unless there is a direction to the contrary given in the general meeting of the Company. Should the existing shareholders of the Company approve the proposed Ordinary Resolution 6, they are waiving their pre-emptive rights pursuant to Section 85(1) of the Companies Act 2016, which then would allow the Directors to issue New Shares to any person without having to offer the said New Shares equally to all existing shareholders of the Company prior to the issuance. This will result in a dilution to the shareholding percentage of the existing shareholders of the Company.

The Board of the Company is of the view that the General Mandate is in the best interest of the Company and its shareholders as it will provide flexibility to the Company to issue new shares without the need to convene separate general meeting to obtain its shareholders’ approval so as to avoid incurring additional costs and time. It will also enable the Directors to take swift action in case of a need to issue and allot new shares in the Company fund raising activities, including but not limited to further placement of shares for the purpose of funding the Company’s current and/or future investment projects, working capital, acquisitions and/or for issuance of shares as settlement of purchase consideration, or other circumstances arise which involve grant of rights to subscribe for shares, conversion of any securities into shares, or allotment of shares under an agreement or option or offer, or such applications as the Directors may deem fit in the best interest of the Company and its shareholders, provided that the aggregate number of shares or convertible securities issued must not be more than ten per centum (10%) of the total number of issued shares of the Company.

The proposed Ordinary Resolution 6 is a renewal of the previous year’s mandate. As of the date of this Notice, no new shares in the Company were issued pursuant to the General Mandate granted to the Directors at the last Annual General Meeting of the Company held on 28 February 2024 and which will lapse at the conclusion of the 7th AGM.

Notes:

- (1) *The 7th AGM of the Company will be held as a virtual meeting through live streaming and online remote voting using Remote Participation and Voting (“**RPV**”) facilities provided by Bina Management (M) Sdn. Bhd. via online meeting platform at <https://www.binamanagement.com.my>. Please refer to the Administrative Guide for the 7th AGM which is available at the Company’s website at <http://www.cekd.com.my> for the procedures to register, participate and vote remotely at the 7th AGM through the RPV facilities.*
- (2) *Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, “**participate**”) remotely at the 7th AGM using the RPV.*

NOTICE OF SEVENTH ANNUAL GENERAL MEETING (CONT'D)

- (3) *The Broadcast Venue of the 7th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be at the main venue of the meeting. The Broadcast Venue is to inform shareholders where the electronic Annual General Meeting production and streaming would be conducted from. No shareholder(s)/ proxy(ies) from the public will be physically present at the meeting venue on the day of the 7th AGM.*
- (4) *A member who is entitled to attend and vote at the 7th AGM shall be entitled to appoint not more than two (2) proxies to attend, participate and vote on his/her behalf at the 7th AGM. A proxy may but need not be a member of the Company, and need also not be an advocate, an approved company auditor or a person approved by the registrar of the Company. Where a member appoints two (2) proxies to attend the 7th AGM, the member shall specify the proportion of his/her shareholding to be represented by each proxy, failing which the appointment shall be invalid.*
- (5) *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, he/she may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.*
- (6) *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“**Omnibus Account**”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. The appointment of two (2) or more proxies in respect of any particular omnibus account shall be invalid unless the exempt authorised nominee specifies the proportion of its shareholding to be represented by each proxy.*
- (7) *The instrument appointing a proxy and the power of attorney or other authority, if any, shall be in writing under the hand of appointer or of his attorney duly authorised in writing or a copy of that power of attorney, certified by an advocate and solicitor, or where the appointer is a corporation, either under the corporation’s common seal or under the hand of an officer or attorney duly authorised. Any alteration in the proxy form must be initialled.*
- (8) *The instrument appointing a proxy may be made via hardcopy or by electronic means in the following manner and must be received by the Company **not less than forty-eight (48) hours before the time appointed for holding the 7th AGM or at any adjournment thereof:-***
- (i) *In Hardcopy Form*
- The Form of Proxy shall be deposited at the Share Registrar’s office at **Bina Management (M) Sdn. Bhd. of Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor.***
- (ii) *By Electronic Means*
- The Form of Proxy shall be electronically submitted via email at the **Share Registrar’s email address at binawin@binamg168.com or via BINA Portal at <https://www.binamanagement.com.my>.***
- (9) *Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Securities, all the resolutions set out in this Notice of 7th AGM will be put to vote by poll.*
- (10) *In respect of deposited securities, only members whose names appear in the Record of Depositors on 19 February 2025 (General Meeting Record of Depositors) shall be entitled to attend, participate and vote at the 7th AGM, or to appoint proxy(ies) to attend, participate and vote on their behalf.*
- (11) *Those proxy forms which are indicated with “**X**” in the spaces provided to show how the votes are to be cast will also be accepted. Any alteration in the form of proxy must be initialled.*

NOTICE OF SEVENTH ANNUAL GENERAL MEETING (CONT'D)

Personal data privacy:

By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, speak and vote at the 7th AGM and/or any adjournment thereof, a member of the Company:

- (i) consents to the collection, use and disclose of the member's personal data by the Company (or its agents) for the purpose of processing and the administration by the Company (or its agents) of proxies and representatives appointed for the 7th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 7th AGM (including any adjournment thereof), and in order for the Company (or its agent) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**");*
- (ii) warrants that the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclose of the proxy(ies) and/or representative(s) personal data by the Company for the Purposes; and*
- (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses, and damages as a result of the member's breach of warranty.*

STATEMENT ACCOMPANYING NOTICE OF SEVENTH ANNUAL GENERAL MEETING (“7TH AGM”)

(PURSUANT TO RULE 8.29(2) OF THE ACE MARKET
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)

1. **STATEMENT RELATING TO THE RE-ELECTION OF DIRECTOR**

There is no individual seeking election as a Director at the forthcoming 7th AGM.

2. **STATEMENT RELATING TO THE GENERAL MANDATE FOR ISSUANCE OF SECURITIES**

Ordinary Resolution 6 on the general mandate for the issuance of securities

Statement relating to a general mandate for the issuance of securities in accordance with Rule 6.04(3) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

Please refer to the Explanatory Note 4 of the Notice of the 7th AGM set out on page 115.

CEKD BERHAD
 [Registration No.: 201801023077 (1285096-M)]
 (Incorporated in Malaysia)

FORM OF PROXY

(before completing this Form of Proxy, please refer to the notes below)

Number of Shares Held	CDS Account No.
-----------------------	-----------------

*I/We _____ NRIC No./Passport No./Company No. _____
 (FULL NAME IN BLOCK LETTER)

of _____
 (FULL ADDRESS)

with email _____ and mobile phone no. _____,
 being a *member/members of **CEKD BERHAD**, do hereby appoint(s):-

Full Name (in Block) [Proxy 1]	NRIC/Passport No.	Proportion of shareholding	
		No of shares	%
Address:			
Email Address:			
Mobile Phone No.:			

*and [if more than one (1) proxy] / or falling *him/her,

Full Name (in Block) [Proxy 2]	NRIC/Passport No.	Proportion of shareholding	
		No of shares	%
Address:			
Email Address:			
Mobile Phone No.:			

or failing whom, the Chairman of the Meeting as *my/our proxy to vote for *me/us on *my/our behalf at the Seventh Annual General Meeting ("**7th AGM**") of the Company to be held virtually through online meeting platform at <https://www.binamanagement.com.my> provided by Bina Management (M) Sdn. Bhd. in Malaysia ("**BINA Portal**") (Domain registration number D1A401787) on Wednesday, 26 February 2025 at 11.00 a.m. and at any adjournment thereof.

Please indicate with an "**X**" in the spaces provided below on how you wish your votes to be cast. If no specific instruction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

	ORDINARY RESOLUTIONS	FOR	AGAINST
1	Approval of the payment of Non-Executive Directors' fees for an amount of up to RM236,400.00 payable to the Non-Executive Directors of the Company on a monthly basis for the period from 27 February 2025 until the next Annual General Meeting of the Company.		
2	Approval of the Non-Executive Directors' benefits (excluding Directors' fees) for an amount of up to RM14,000.00 payable to the Non-Executive Directors of the Company on a monthly basis for the period from 27 February 2025 until the next Annual General Meeting of the Company.		
3	Re-election of Mr. Yap Tian Tion, the retiring Director of the Company, who retires pursuant to Clause 84 of the Company's Constitution.		
4	Re-election of Datuk Mak Foo Wei, the retiring Director of the Company, who retires pursuant to Clause 84 of the Company's Constitution.		
5	Re-appointment of Messrs. TGS TW PLT as the Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.		
	SPECIAL BUSINESS	FOR	AGAINST
6	Authority to allot and issue shares pursuant to the Companies Act 2016.		

*Strike out whichever is not applicable.

Dated this ____ day of _____, 2025

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

For appointment of two proxies, percentage of shareholdings to be represented by the proxies		
	No. of shares	Percentage
Proxy 1		
Proxy 2		
Total		100%

Notes:

- i. The 7th AGM of the Company will be held as a virtual meeting through live streaming and online remote voting using Remote Participation and Voting ("**RPV**") facilities provided by Bina Management (M) Sdn. Bhd. via online meeting platform at <https://www.binamanagement.com.my>. Please refer to the Administrative Guide for the 7th AGM which is available at the Company's website at <http://www.cekd.com.my> for the procedures to register, participate and vote remotely at the 7th AGM through the RPV facilities.
- ii. Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "**participate**") remotely at the 7th AGM using the RPV.
- iii. The Broadcast Venue of the 7th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairperson of the Meeting to be at the main venue of the meeting. The Broadcast Venue is to inform shareholders where the electronic AGM production and streaming would be conducted from. No shareholder(s)/ proxy(ies) from the public will be physically present at the meeting venue on the day of the 7th AGM.
- iv. A member who is entitled to attend and vote at the 7th AGM shall be entitled to appoint not more than two (2) proxies to attend, participate and vote on his/her behalf at the 7th AGM. A proxy may but need not be a member of the Company, and need also not be an advocate, an approved company auditor or a person approved by the registrar of the Company. Where a member appoints two (2) proxies to attend the 7th AGM, the member shall specify the proportion of his/her shareholding to be represented by each proxy, failing which the appointment shall be invalid.
- v. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, he/she may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
- vi. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. The appointment of two (2) or more proxies in respect of any particular omnibus account shall be invalid unless the exempt authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
- vii. The instrument appointing a proxy and the power of attorney or other authority, if any, shall be in writing under the hand of appointer or of his attorney duly authorised in writing or a copy of that power of attorney, certified by an advocate and solicitor, or where the appointer is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised. Any alteration in the proxy form must be initialled.
- viii. The instrument appointing a proxy may be made via hardcopy or by electronic means in the following manner and must be received by the Company **not less than forty-eight (48) hours before the time appointed for holding the 7th AGM or at any adjournment thereof:-**
 - (a) In Hardcopy Form
The Form of Proxy shall be deposited at the Share Registrar's office at **Bina Management (M) Sdn. Bhd. of Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor.**
 - (b) By Electronic Means
The Form of Proxy shall be electronically submitted via email at the **Share Registrar's email address at binawin@binamg168.com or via BINA Portal at <https://www.binamanagement.com.my>.**
- ix. Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice of 7th AGM will be put to vote by poll.
- x. In respect of deposited securities, only members whose names appear in the Record of Depositors on 19 February 2025 (General Meeting Record of Depositors) shall be entitled to attend, participate and vote at the 7th AGM, or to appoint proxy(ies) to attend, participate and vote on their behalf.
- xi. Those proxy forms which are indicated with "**X**" in the spaces provided to show how the votes are to be cast will also be accepted. Any alteration in the form of proxy must be initialled.

Personal data privacy:

By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, speak and vote at the 7th AGM and/or any adjournment thereof, the member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of the 7th AGM dated 27 December 2024.

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AFFIX
STAMP

The Share Registrar of
CEKD BERHAD
[Registration No. 201801023077 (1285096-M)]
c/o: **BINA MANAGEMENT (M) SDN. BHD.**
Lot 10, The Highway Centre, Jalan 51/205,
46050 Petaling Jaya, Selangor, Malaysia.

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CEKD BERHAD

[Registration No. 201801023077 (1285096-M)]

10, Jalan 1/137B,
Resource Industrial Centre
Batu 5, Jalan Kelang Lama,
58200 Kuala Lumpur, Malaysia

Tel:+6017 988 2329 / +6017 988 6450

www.cekd.com.my