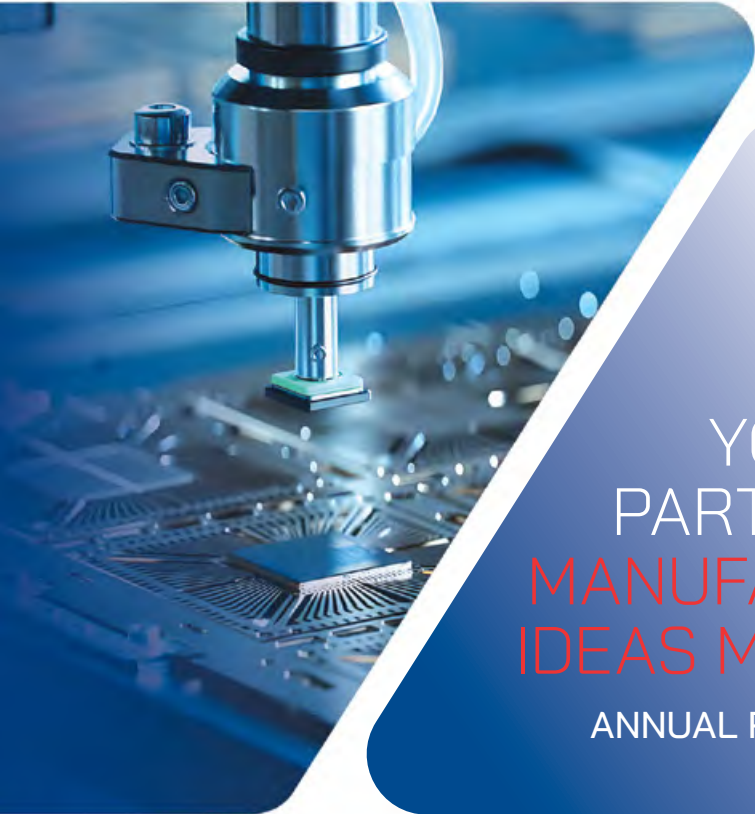




EDELTEQ HOLDINGS BERHAD
(Registration No. 201901033362 (1342692-X))



YOUR
PARTNER IN
MANUFACTURING
IDEAS MADE REAL
ANNUAL REPORT 2024





VISION

is "to convert all our customers' manufacturing ideas into reality; and enhance their manufacturing process & system efficiency."



MISSION

is "to bring Value propositions, Innovative solutions and Niche processes to support semiconductor manufacturing needs and related industries around the world."

CORE VALUES

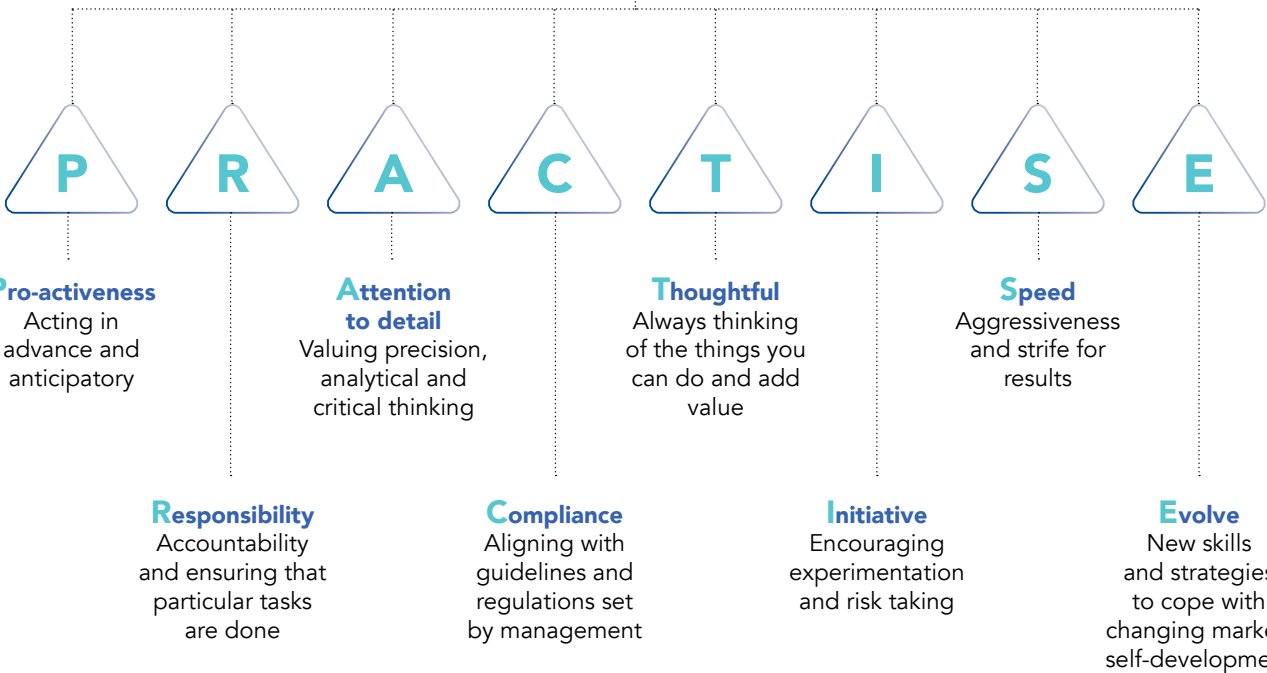
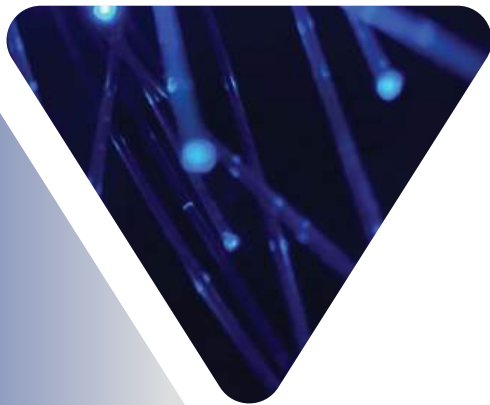


TABLE OF CONTENT

CORPORATE OVERVIEW

Vision, Mission and Core Values	
Corporate Profile	2
Corporate Information	3
Corporate Structure	4

MANAGEMENT OVERVIEW

Financial Highlights	5
Chairman's Statement	6
Profile of the Board of Directors	8
Profile of the Key Senior Management	15
Management Discussion and Analysis	17
Media Highlights	25

GOVERNANCE AND SUSTAINABILITY

Sustainability Statement	26
Corporate Governance Overview Statement	46
Statement on Risk Management and Internal Control	57
Audit Committee Report	62
Statement on Directors' Responsibility	65
Additional Compliance Information	66

FINANCIAL

Financial Statements	67
----------------------	----

OTHER INFORMATION

List of Properties	124
Analysis of Shareholdings	127
Notice of Annual General Meeting	130
Proxy Form	Enclosed





Edeltec Holdings Berhad (“**Edeltec**” or “**The Group**”), is an investment holding company, and through its subsidiaries, we offer a wide range of products and services for the semiconductor industry and are principally involved in the provision of engineering support (semiconductor equipments and materials) for integrated circuit (“**IC**”) assembly and test processes.



Edeltec builds its capabilities in areas where we have proven expertise, seamlessly integrating our experience in manufacturing processes and technology know-how within a tight quality and cost management framework.

Over the years, we have established an international network converging in printed circuit board (“**PCB**”) manufacturing, Equipment automation and machinery, Industrial Material/Supplies and Turnkey Projects to provide complete solutions to our customers.

Edeltec serves customers from Integrated Design Manufacturers (“**IDMs**”), Outsourced Semiconductor Assembly and Testing companies (“**OSATs**”), Original Equipment Manufacturers (“**OEMs**”), and Electronics Manufacturing Services (“**EMS**”) providers.

In addition to Malaysia, Edeltec serves customers from Singapore, Thailand, Germany, Japan, India, Cambodia as well as the United States.

On 7th June 2023, Edeltec is listed under the ACE Market of Bursa Malaysia with a stock code of 0278.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Datuk Johar Bin Che Mat

(Independent Non-Executive
Chairman)

Chin Yong Keong

(Executive Director / Group CEO)

Khong Chee Seong

(Executive Director / Business Unit
Director)

Kamaruddin Bin Kassim

(Independent Non-Executive Director)

**Datin Soheir Binti Mohammad
Khatib**

(Independent Non-Executive Director)

Joyce Wong Ai May

(Independent Non-Executive Director)

Ngo Tong Seng

(Independent Non-Executive Director)

AUDIT COMMITTEE

Chairman

Joyce Wong Ai May

Member

Kamaruddin Bin Kassim**Datin Soheir Binti Mohammad
Khatib**

RISK MANAGEMENT COMMITTEE

Chairman

Kamaruddin Bin Kassim

Member

**Datin Soheir Binti Mohammad
Khatib****Joyce Wong Ai May**NOMINATION AND
REMUNERATION COMMITTEE

Chairman

**Datin Soheir Binti Mohammad
Khatib**

Member

**Kamaruddin Bin Kassim
Joyce Wong Ai May**

COMPANY SECRETARIES

Tai Yit Chan

Chartered Secretary
MAICSA 7009143
PC No. : 202008001023

Ooi Kai Yang

Chartered Secretary
MAICSA 7072929
PC No. : 202408000571

REGISTERED OFFICE

55A, Medan Ipoh 1A
Medan Ipoh Bistari
31400 Ipoh, Perak
Tel No. : +605-547 4833
Fax No. : +605-547 4363
Email : boardroomkl@
boardroomlimited.com

PRINCIPAL PLACE OF BUSINESS

No. 20, 1st Floor,
Lorong Impian Ria 4,
Taman Impian Ria,
14000 Bukit Mertajam, Penang.
Tel No. : +604-588 1855
Fax No. : +604-588 1875
Email : sales@edelteq.com
Website : <https://edelteq.com>

SHARE REGISTRAR

**Boardroom Share Registrars
Sdn. Bhd.**

Registration No.: 199601006647
(378993-D)
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen13, 46200 Petaling Jaya
Selangor Darul Ehsan
Tel No. : +603-7890 4700
Fax No. : +603-7890 4670
Email : bsr.helpdesk@
boardroomlimited.com

AUDITORS

Grant Thornton Malaysia PLT

Registration No.: 201906003682
(LLP0022494-LCA) & (AF : 0737)
Level 5, Menara BHL
51 Jalan Sultan Ahmad Shah
10050 Penang
Tel No. : +604-228 7828
Fax No. : +604-227 9828

SPONSOR

**UOB Kay Hian Securities (M)
Sdn. Bhd.**

Registration No.: 199001003423
(194990-K)
Suite 19.03, 19th Floor
Menara Keck Seng
203 Jalan Bukit Bintang
55100 Kuala Lumpur
Tel No. : +603-2147 1888
Fax No. : +603-2147 1950

STOCK EXCHANGE LISTING

**ACE Market of Bursa Malaysia
Securities Berhad**

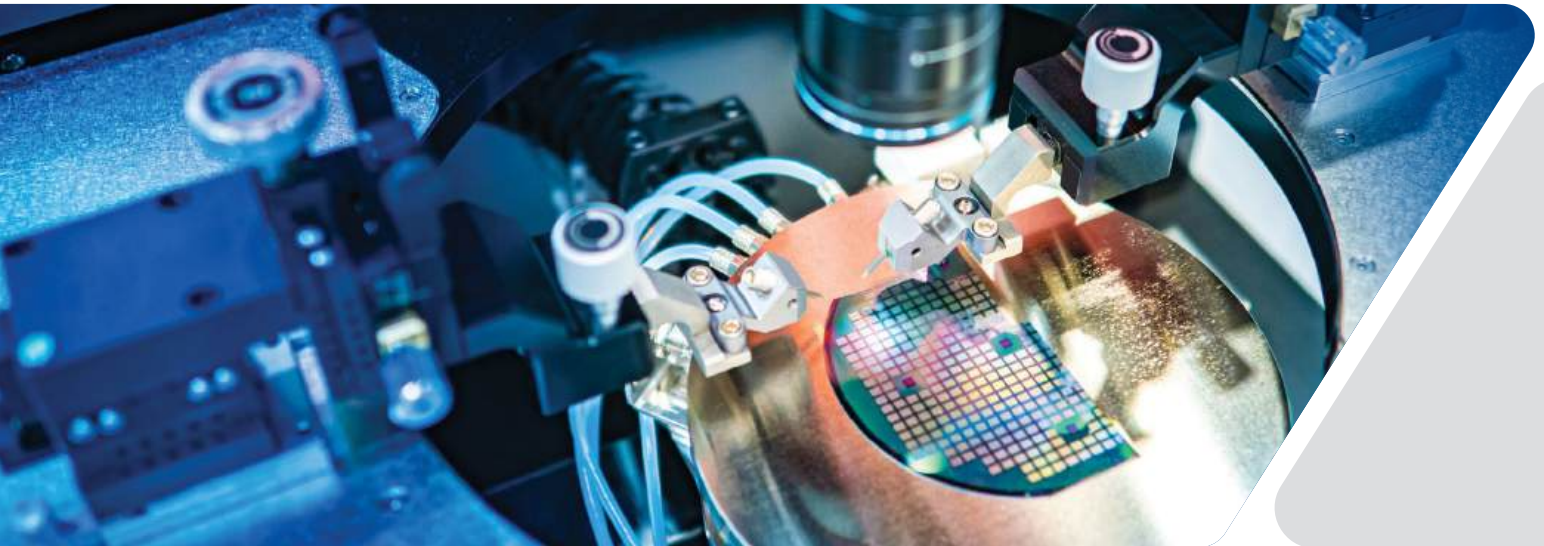
Stock name : EDELTEQ
Stock code : 0278
Category : Technology

PRINCIPAL BANKERS

Citibank Berhad
Hong Leong Bank Berhad
Hong Leong Islamic Bank Berhad
Malayan Banking Islamic Berhad
Public Bank Berhad



EDELTEQ HOLDINGS BERHAD

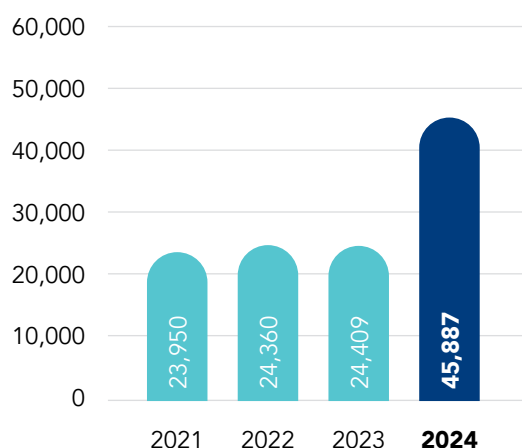


FINANCIAL HIGHLIGHTS

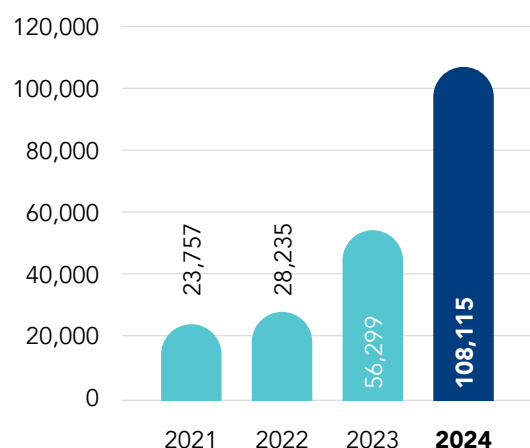
Financial Year Ended 31 December	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000
Revenue	23,950	24,360	24,409	45,887
Gross Profit ("GP")	12,549	11,602	10,910	11,391
Earnings Before Interest, Tax, Depreciation & Amortisation ("EBITDA")	10,195	6,758	6,072	5,373
Profit Before Taxation ("PBT")	9,778	6,192	5,954	4,397
Profit After Taxation ("PAT")	9,011	5,439	4,036	3,919
Total Assets	23,757	28,235	56,299	108,115
Total Equity	15,129	19,068	46,021	49,941

Financial Ratios	2021	2022	2023	2024
GP Margin (%)	52.40	47.63	44.70	24.82
PBT Margin (%)	40.83	25.42	24.39	9.58
PAT Margin (%)	37.62	22.33	16.53	8.54
Basic and Diluted Earnings Per Share (sen)	1.69	1.26	0.82	0.75

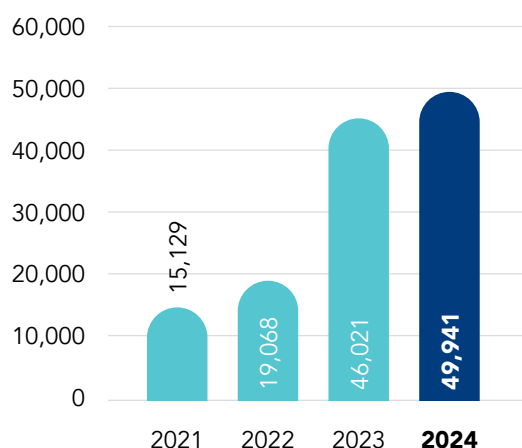
REVENUE



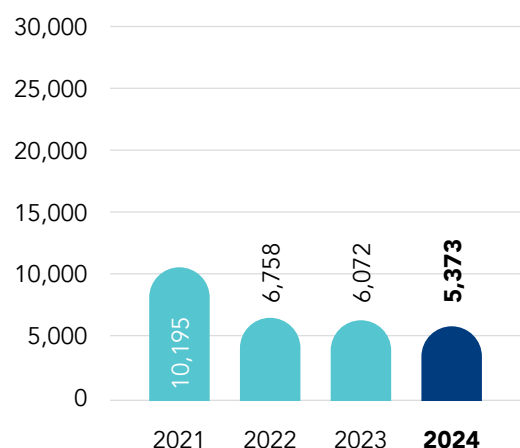
TOTAL ASSETS



TOTAL EQUITY



EBITDA





Dear Valued Shareholders,

On behalf of the Board of Directors of Edelteq ("the Board"), I am delighted to present Edelteq's Annual Report 2024 and audited financial statements for the financial year ended 31 December 2024 ("FYE 2024").

FYE 2024 marks a significant milestone for Edelteq Holdings Berhad ("Edelteq" or "the Group"), showcasing our achievements. We achieved record-high revenue, completed construction of our new factory in Batu Kawan, and moved into our expanded facilities at Vorteks Business Park. Despite facing challenges from an industry-wide downturn and the evolving global semiconductor landscape, the Group remains committed to building resilience and is prepared to seize potential opportunities as they arise.

DATUK JOHAR
BIN CHE MAT

Independent Non-Executive Chairman

CHAIRMAN'S STATEMENT

FYE 2024 IN A NUTSHELL

FYE 2024 was a year of mixed outcomes for the semiconductor industry, shaped by uneven recovery across key segments and the lingering effects of global uncertainties. The Group's performance mirrored these dynamics, with progress in some areas and continued efforts to address challenges in others.

I am pleased to announce that Edelteq has successfully concluded the financial year with encouraging revenue, despite the challenging conditions in the semiconductor industry. We achieved significant revenue growth, reporting RM45.89 million, compared to RM24.41 million in the financial year ended 31 December 2023 ("FYE 2023"). This marks an 88% year-on-year growth in revenue, primarily driven by our value-added services in the IC assembly and test consumables segment.

In terms of profitability, our Profit After Tax ("PAT") stands at RM3.92 million. This represents a decrease of RM0.12 million from the RM4.04 million PAT recorded in FYE 2023, reflecting a year-on-year decline of 3%. The decrease in overall profitability was mainly due to a shift in our product mix.

As of December 31, 2024, the Group's financial position remains strong, with a gearing ratio of 0.12 (slightly higher than 0.08 in FYE 2023) and cash position of RM12.65 million, significantly improved from RM7.00 million in FYE 2023.

INDUSTRY OUTLOOK & BUSINESS PROSPECTS

The semiconductor industry remains at an uncertain juncture, with recovery signals varying widely across sectors. While generative artificial intelligence and data storage applications offer promise, broader conditions are tempered by inventory adjustments, geopolitical uncertainties, and shifting demand.

Against this backdrop, the Group has prioritised reinforcing its core competencies and diversifying its offerings to adapt to evolving market needs. Initiatives to strengthen our capabilities in wafer vision inspection equipment and value-added services are designed to deepen relationships with existing customers while exploring opportunities in adjacent sectors, including electronic instruments, medical electronics, and renewable energy.

We remain cautiously optimistic about the potential to align our efforts with broader industry trends, including the adoption of renewable energy technologies, robotics, and advanced manufacturing solutions. These areas present avenues for growth, but their realisation will depend on careful execution and adaptability in an ever-changing market landscape.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG)

The Group continues to integrate sustainability into our business strategy, recognising the importance of environmental stewardship, social inclusivity, and strong governance practices. Efforts to refine our ESG framework remain ongoing, as we work towards a more sustainable future. Details of our initiatives can be found in the Sustainability Statement section of this Annual Report.

DIVIDEND

Edelteq has a dividend policy to distribute a dividend payout ratio of up to 20% of our Group's net profit, after considering our results of operation, level of cash, bank balances, and working capital requirements. The Board has declared an interim dividend of 0.2 sen per ordinary share, amounting to RM1.06 million for FYE 2025, which was paid to shareholders on 15 April 2025.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to express my heartfelt appreciation to the Group's employees for their tireless dedication and unwavering commitment. Your efforts are the cornerstone of our ability to navigate challenges and adapt to an ever-changing market landscape.

To our esteemed customers, thank you for placing your trust in us as your strategic partner. We value the opportunity to work alongside you and are committed to supporting your success.

To our shareholders, your confidence in our vision and resilience motivates us to strive for excellence. Your support is instrumental in driving the Group forward as we work towards creating sustainable value for all stakeholders.

Finally, I would like to extend my sincere gratitude to my fellow Board members for their support and guidance. Together, we remain committed to steering the Group through uncertainties and towards a future of greater resilience and opportunity.

Thank you.

PROFILE OF THE BOARD OF DIRECTORS



DATUK JOHAR BIN CHE MAT

Independent Non-Executive Chairman
Male / Aged 73 / Malaysian

Skill and Experience:

Datuk Johar Bin Che Mat is our Independent Non-Executive Chairman.

In July 1976, he joined Malayan Banking Berhad (“Maybank”) as an Officer and rose through the ranks, holding positions including Assistant Manager, Branch Manager, and Head of Department within the Corporate Banking Division. During his tenure, he assumed responsibilities encompassing transactional banking, retail finance, marketing, and private banking. In April 1995, he became Regional Manager overseeing operations and front-end activities for Maybank branches in Selangor and Negeri Sembilan. He was subsequently promoted to General Manager of the Commercial Banking Division in August 1996 and was appointed as General Manager of the Enterprise Banking Division in March 2002 prior to his promotion as Head of Retail Financial Services Group, Managing Director’s Office in April 2002. Thereafter, he was appointed as the Chief Operating Officer of Maybank from July 2006 to June 2010 before retiring.

Date of appointment:

1 August 2022

No. of Board Meetings attended in FYE2024:

5/5

Directorship of public companies and listed Issuers:

- Takaful Ikhlas Family Berhad and Takaful Ikhlas General Berhad - (Non-Independent Non-Executive Chairman - (“NINEC”))
- Dagang Nexchange Berhad (Senior Independent Non-Executive Director)
- PING Petroleum Limited, UK (Director)

Board Committee Membership:

Nil

Family relationship with director and/or major shareholder:

Nil

Conflict of interest and potential conflict of interest with listed issuer:

Nil

Any other convictions (aside from traffic offence):

Nil

Academic/Professional Qualification:

Bachelor of Economics from University of Malaya

PROFILE OF THE BOARD OF DIRECTORS



CHIN YONG KEONG

Executive Director / Group CEO
Male / Aged 55 / Malaysian

Skill and Experience:

Chin Yong Keong is our Executive Director / Group CEO.

With nearly 30 years of experience in the semiconductor industry, he began his career in August 1992 with NKE Flexible Automation System Sdn Bhd as a Junior Mechanical Designer in the Mechanical Design Department where he worked on various projects such as singulation system upgrading, design of mechanical jigs and fixtures using computer-aided design (CAD) tools. He left the company in June 1993 to pursue further studies.

He returned to work when he joined Penang Seagate Industries (M) Sdn Bhd as a Process Engineer from December 1996 to January 1997, contributed to manufacturing process and yield improvement. Thereafter, he joined Integrated Device Technology Sdn Bhd in February 1997 as a Product Engineer until May 1997, focusing on product yield improvement. In June 1997, he joined Quantum Peripherals Malaysia Sdn Bhd as a Senior Engineer, overseeing process, maintenance and new product introduction until October 2002.

In November 2002, he joined Molex (Malaysia) Sdn Bhd as Manufacturing Manager, responsible for manufacturing operations. He later joined Agilent Technologies (Malaysia) Sdn Bhd in March 2004 as Marketing Program Manager. Following a corporate restructuring, he joined Avago Technologies (M) Sdn Bhd as a Manufacturing Engineer until November 2012. In this role, he managed engineering and production teams, focusing process development, yield and quality improvement, supply chain strategy, pricing analysis, cost negotiation and customers' satisfaction.

Date of appointment:

18 September 2019

No. of Board Meetings attended in FYE2024:

5/5

Directorship of public companies and listed Issuers:

Nil

Board Committee Membership:

Nil

Family relationship with any director and/or major shareholder:

Chin Yong Keong and Chin Yuen Fong are brothers

Conflict of interest and potential conflict of interest with listed issuer:

Nil

Any other convictions (aside from traffic offence):

Nil

Academic/Professional Qualification:

Bachelor of Mechanical Engineering

In December 2012, he joined Dysteq Technology (M) Sdn Bhd (now known as ETMSB) as Marketing Director, focusing on sales and marketing under an invitation from Khong Chee Seong to expand its customer base. However, desiring to deepen his technical expertise in the semiconductor industry, particularly in Manufacturing Engineering, he left ETMSB in April 2013. He then joined Philips Lumileds Lighting Company Sdn Bhd (now known as Lumileds Malaysia Sdn Bhd) in May 2013 as Senior Manager in Manufacturing Engineering. Later, he was promoted to Director in Manufacturing Engineering in April 2018. He contributed significantly to new product introduction and cost savings program before departing in July 2018. In July 2018, he joined Mi Equipment Holdings Berhad (now known as Mi Technovation Berhad) as Chief Operation Officer cum General Manager, overseeing the manufacturing operation, engineering and sales until March 2019.

In April 2019, he joined our Group as Director and shareholder and has supported the business growth of our Group. Since January 2022, he serves as our Group CEO, managing strategic business planning, development and operations. This includes setting our Group's direction, formulating corporate development plan and driving business growth, as well as daily on-site operations and operational matters.

PROFILE OF THE BOARD OF DIRECTORS



KHONG CHEE SEONG

Executive Director / Business Unit Director
Male / Aged 52 / Malaysian

Skill and Experience:

Khong Chee Seong is our Executive Director / Business Unit Director, overseeing the sales and marketing of our Group.

With nearly 30 years of experience in the semiconductor industry, he began his career in December 1996 with Perai Seagate Storage Products Sdn Bhd as a Technician, providing equipment maintenance services. He left the company in March 1998. In April 1998, he joined Quantum Peripherals (M) Sdn Bhd as Technician Specialist in hard disk drive and tape drive manufacturing. He has implemented several projects such as mean time between failure (MTBF) improvement, process automation improvement, equipment repeatability and reproducibility (R&R) improvement and software programming.

He left Quantum Peripherals (M) Sdn Bhd in December 2002 to join Molex (Malaysia) Sdn Bhd as a Process Engineer where he assisted in the manufacturing process and yield improvement until March 2004. He then moved to Jabil Global Services as a Product Global Engineer from April 2004 to September 2004, focusing on product yield improvement.

Date of appointment:

15 July 2020

No. of Board Meetings attended in FYE2024:

5/5

Directorship of public companies and listed Issuers:

Nil

Board Committee Membership:

Nil

Family relationship with director and/or major shareholder:

Nil

Conflict of interest and potential conflict of interest with listed issuer:

Nil

Any other convictions (aside from traffic offence):

Nil

Academic/Professional Qualification:

Bachelor of Electrical Engineering

In June 2004, he co-founded Dysteq Technology (M) Sdn Bhd (now known as ETMSB), involved in initial operations for the design and manufacturing of PCBs for IDMs and OSATS. He officially commenced his role as the Director of Sales and Marketing in September 2004. Since July 2020, he has held the position as Executive Director of our Company. In January 2022, he was appointed as the Business Unit Director, oversees the Sales and Services Department.

Between July 2018 and December 2020, he served as a council member of the MBSP. He also held a position as Secretary in St Marks School Branch under Parliament Bagan Constituency since 2010, managing secretarial tasks. He resigned from his position on 31 March 2023.



KAMARUDDIN BIN KASSIM

Independent Non-Executive Director
Male / Aged 60 / Malaysian

Skill and Experience:

Kamaruddin Bin Kassim is our Independent Non-Executive Director.

He began his career in September 1984 with the Royal Intelligence Corps of the Malaysian Armed Forces as a Short Term Commissioned Officer, later awarded the rank of Regular Commissioned Officer in February 1996. His responsibilities included coordinating matters related to politics, economics, science and technology, armed forces, transportation, and culture between Malaysia and China.

In August 1990, he took study leave and earned his Bachelor of Arts in July 1995. Upon returning from China to Malaysia, he continued as a Mandarin interpreter for officers of the Malaysian Armed Forces before pursuing further studies in May 1997, obtaining his Master of Arts in Political Science in May 1999.

He served in the Malaysian Armed Forces until May 2015 when he was reassigned to the Security Section of the Thailand Border Development, National Security Council, as Chief Liaison Officer based in Songkhla, Thailand. In this role, he coordinated and monitored safety along the Malaysia-Thailand border.

Date of appointment:

1 August 2022

No. of Board Meetings attended in FYE2024:

5/5

Directorship of public companies and listed Issuers:

Nil

Board Committee Membership:

- Risk Management Committee (Chairman)
- Audit Committee (Member)
- Nomination and Remuneration Committee (Member)

Family relationship with director and/or major shareholder:

Nil

Conflict of interest and potential conflict of interest with listed issuer:

Nil

Any other convictions (aside from traffic offence):

Nil

Academic/Professional Qualification:

- Bachelor of Arts from the Beijing Language and Culture University, China
- Master of Arts in Political Science from Universiti Kebangsaan Malaysia

During his approximately 35-year tenure in the Malaysian Armed Forces, he held various positions including Staff Officer of Human Resource for the Royal Intelligence Corps and Administrative Officer of Pusat Latihan Perisikan (PULARIS). He retired in March 2020 as a Lieutenant Colonel.



DATIN SOHEIR BINTI MOHAMMAD KHATIB

Independent Non-Executive Director
Female / Aged 59 / Malaysian

Skill and Experience:

Datin Soheir Binti Mohammad Khatib is our Independent Non-Executive Director.

She began her career in March 1991 with Petroliam Nasional Berhad as a Legal Executive, handling legal matters for downstream projects. After a career break from October 1994, she joined Commerce International Merchant Bankers Berhad (now known as CIMB Investment Bank Berhad) in October 2000 as an Executive, focusing on corporate affairs and communication. She then worked at Gas Malaysia Berhad in July 2002 as a Senior Executive, Communication and subsequently joined Pemas International Holdings Berhad in September 2003 as Marketing Communication Manager before another career break in December 2003.

In June 2004, she joined American International Assurance Company, Limited (now known as AIA Company Limited), as Manager of Corporate Communication. In January 2006, she became Senior Manager at Inno Bio Ventures Sdn Bhd, and was subsequently promoted to Vice President Corporate Strategy in July 2007. Responsibility included overseeing human resource, administration, communication, legal, company secretarial support, and government liaison. In January 2008, she joined Nine Bio Sdn Bhd as Marketing and Communications Director, responsible for the development and execution of communications strategy involving the research and development of vaccines, natural products and biologics.

Date of appointment:

1 August 2022

No. of Board Meetings attended in FYE2024:

5/5

Directorship of public companies and listed Issuers:

Nil

Board Committee Membership:

- Nomination and Remuneration Committee (Chairman)
- Risk Management Committee (Member)
- Audit Committee (Member)

Family relationship with director and/or major shareholder:

Nil

Conflict of interest and potential conflict of interest with listed issuer:

Nil

Any other convictions (aside from traffic offence):

Nil

Academic/Professional Qualification:

Bachelor of Arts with Honours in Law from University of Nottingham

In September 2009, she joined Pantai Management Resources Sdn Bhd as the Assistant General Manager of Corporate Communications, overseeing corporate communications, branding, public relations, and corporate social responsibility for the group's hospitals and business units. She left the company in January 2012 and joined East Coast Economic Region Development Council in April 2013 as Senior Manager of Corporate Communications until she left in August 2013 due to family commitments.

From September 2014 to September 2016, she joined Mahathir Science Award Foundation as Executive Director, managing fund raising and brand awareness, and overseeing the board compliance and employment matters. Subsequently, she co-founded Desa Janajaya Sdn Bhd in August 2016 to venture into sustainable agrotechnology solutions.

PROFILE OF THE BOARD OF DIRECTORS



JOYCE WONG AI MAY

Independent Non-Executive Director
Female / Aged 49 / Malaysian

Skill and Experience:

Joyce Wong Ai May is our Independent Non-Executive Director.

She began her career in June 1999 with Smith Zain Securities Sdn Bhd as an Accounts Executive, managing treasury, management accounting and financial accounting. Following a corporate exercise, she transitioned to BBMB Securities Sdn Bhd in December 2002 as Head of Finance at the Penang branch, overseeing the overall finance operations. She left the company in January 2004.

In February 2004, she joined Hwang-DBS Securities Berhad ("Hwang-DBS") as an Internal Audit Officer, responsible for conducting independent audits on risk management, operations and financial areas to ascertain compliance with internal policies and procedures, and regulatory requirements.

She left Hwang-DBS in July 2004 and joined Fastrack Corporate Sdn Bhd in August 2004 as an Executive, managing secretarial matters for various companies. After leaving Fastrack in January 2005, she joined UHY Malaysia as an Audit Supervisor. She was later promoted to Director in January 2015, overseeing the firm's overall operations.

Date of appointment:
1 August 2022

No. of Board Meetings attended in FYE2024:
5/5

Directorship of public companies and listed issuers:

- PCCS Group Berhad (Independent Non-Executive Director)
- 3REN Berhad (Independent Non-Executive Director)
- FOUNDPAC Group Berhad (Independent Non-Executive Director)

Board Committee Membership:

- Audit Committee (Chairman)
- Nomination and Remuneration Committee (Member)
- Risk Management Committee (Member)
- Caritas Malaysia (Independent Non-Executive Director)

Family relationship with director and/or major shareholder:

Nil

Conflict of interest and potential conflict of interest with listed issuer:

Nil

Any other convictions (aside from traffic offence):

Nil

Academic/Professional Qualification:

- Bachelor of Commerce from the University of Tasmania
- Accountant by profession and a Fellow member of the Certified Practising Accountants, Australia
- Member of the Malaysian Institute of Accountants
- Corporate Member of the Institute of Internal Auditors Malaysia



In May 2016, she founded JWC Consulting Sdn Bhd, offering business management consultancy services. As Director, she leads a team providing business process reviews, enterprise risk management, and corporate governance reviews to public listed companies.

She also sits on the Industry Advisory Panel of the School of Business for DISTED College, Penang since March 2015 and a member of the Finance Committee of a non-profit organisation.

PROFILE OF THE BOARD OF DIRECTORS



NGO
TONG SENG

Independent Non-Executive Director
Male / Aged 62 / Singaporean

Date of appointment:

1 January 2025

Directorship of public companies and listed Issuers:

Nil

Board Committee Membership:

Nil

Family relationship with director and/or major shareholder:

Nil

Conflict of interest and potential conflict of interest with listed issuer:

Nil

Any other convictions (aside from traffic offence):

Nil

Academic/Professional Qualification:

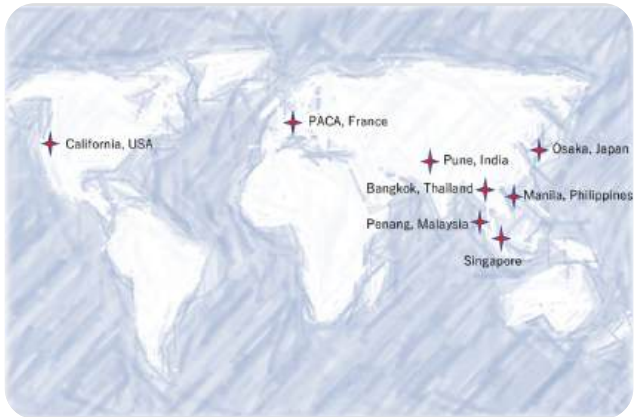
- Diploma in Management Studies
- Diploma in Chemical Process Technology

Skill and Experience:

Ngo Tong Seng is our Independent Non-Executive Director.

He has over 36 years of experience in the semiconductor industry, having worked in various multinational cultural settings, including those in Europe, Korea, Taiwan, Malaysia, and the United States of America. He has built extensive relationships and established a strong rapport with key industry leaders in the foundry, OSAT (Outsourced Semiconductor Assembly and Test), and OEM (Original Equipment Manufacturer) sectors.

He began his semiconductor career in 1987 at STMicroelectronics, a prominent French-Italian multinational corporation with front-end and back-end manufacturing facilities in Singapore. After 19 years in the semiconductor front-end manufacturing sector, he transitioned to the backend manufacturing industry.



In 2005, Tong Seng led the startup of Singapore’s first 12-inch wafer bumping factory for the Korean multinational NEPES Corporation, where he managed operations and sales for nine years. In 2014, he joined PowerTech Technology Inc., a Taiwanese semiconductor backend conglomerate, as Managing Director. He then took on the role of Vice President of Business Development at Mi International in 2017 and later co-founded Alpha 22 Innovation in 2019. Currently, he serves as the Managing Director of Alpha 22 Innovations Pte Ltd, which offers business consultancy services.

PROFILE OF THE KEY SENIOR MANAGEMENT

CHIN
YONG KEONG

Executive Director / Group CEO

Refer to Profile on Page 9

KHONG
CHEE SEONG

Executive Director / Business Unit Director

Refer to Profile on Page 10

CHIN
YUEN FONGOperation & Facility Director
Male / Aged 57 / Malaysian**Date of appointment:**

1 January 2022

Directorship of public companies and listed Issuers:

Nil

Family relationship with other directors/major shareholder:

Chin Yuen Fong and Chin Yong Keong are brothers

Conflict of interest and potential conflict of interest with listed issuer:

Nil

Any other convictions (aside from traffic offence):

Nil

Academic/Professional Qualification:

- Certificate of Competency

Skill and Experience:

Chin Yuen Fong is our Operation & Facility Director. He is responsible for overseeing the day-to-day manufacturing operations, factory maintenance and sustainability.

With nearly 35 years of experience in the semiconductor industry, he began his career in June 1990 with Innovation Electronics Sdn Bhd as Manager, responsible for managing the manufacturing activities of printed circuit board. After leaving the company in April 2004, he joined Dysteq Technology (M) Sdn Bhd (now known as ETMSB) in January 2005 as Operation Manager, overseeing the company's business operations.

In November 2018, he and his son acquired the entire equity interest in CESB, with the vision of expanding our Group's business into the trading of materials and supplies mostly to semiconductor companies. In January 2022, he assumed the role of Electronics Manufacturing Solution Business Unit Director of our Group to lead the Operation Department.

Notably, his son, Jacky Chin Shi Hou, is currently a software engineer in our Engineering Department and does not hold any shareholdings in our Group.

PROFILE OF THE KEY SENIOR MANAGEMENT



LEE KIM LOON

Engineering & Business Unit Director
Male / Aged 52 / Malaysian

Date of appointment:

1 May 2020

Directorship of public companies and listed Issuers:

Nil

Family relationship with other directors/major shareholder:

Nil

Conflict of interest and potential conflict of interest with listed issuer:

Nil

Any other convictions (aside from traffic offence):

Nil

Academic/Professional Qualification:

- Bachelor of Engineering

Skill and Experience:

Lee Kim Loon is our Engineering & Business Unit Director. He is responsible for overseeing the technical management, business development, strategy and path finding for the equipment and automation business division.

With nearly 27 years of experience in the semiconductor industry, he started his career with Audio-Visual Land (Malaysia) Sdn Bhd in October 1997 as Sales Engineer in the Project Sales Department, involved in sales and project management. Later, he joined Quantum Peripherals Malaysia Sdn Bhd as Engineer in January 1998 and was promoted to Senior Engineer in November 2001, focusing on software and hardware development of servo-writer machine.

In June 2002, he joined Intel Microelectronics (M) Sdn Bhd as a Product Engineer, leading project engineers to improve cost, productivity and yield at the lean factory test production. In May 2003, he joined Agilent Technologies (Malaysia) Sdn Bhd as Senior Engineer and was subsequently promoted to Research and Development Operating Manager in June 2004. Following a corporate restructuring, he continued in the same role at Avago Technologies (M) Sdn Bhd ("Avago"), responsible for industrial automation project management, new technologies research and people management.

He left Avago in September 2014 and joined Altera Worldwide Services (M) Sdn Bhd as Technical Program Manager where he was responsible in driving product solution for customer design and adoption, champion the customer escalation, driving key customer issues to closure and business development. In January 2016, he joined Lumileds Malaysia Sdn Bhd as Development Engineer where he led and drive value engineering program and manufacturing process improvement. In October 2018 he joined Mi Equipment Holdings Berhad (now known as Mi Technovation Berhad) as Engineering Director to lead a group of engineers in equipment design and development. Later in March 2019, he was transferred to Mi Autobotics Sdn Bhd and assumed the same role until June 2019.

In May 2020, he joined EVSB as Engineering Director to lead the Engineering Department.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS AND OPERATIONS OVERVIEW

We are principally involved in the provision of engineering support for integrated circuit ("IC") assembly and test processes in the semiconductor industry.

Our business is segmented into 4 core principal activities:

- a) Design and assembly of IC burn-in boards and printed circuit boards ("B&P");
- b) Value-added services for IC assembly and test consumables ("C&T");
- c) Design, development and assembly of automated test equipment and factory automation solutions ("ATE"); and
- d) Trading of operating supplies, spare parts and tools for IC assembly and testing ("TRD")

which can then broadly be categorised into Semiconductor Consumables & Materials (principal activity item a, b & d) and Semiconductor Equipment & Automation (principal activity c).

In the semiconductor consumables and materials segment, our Group excels in the intricate design and precise assembly of IC burn-in boards ("BIBs") and printed circuit boards ("PCBs"). We pride ourselves on working closely with our customers to provide tailored design support that addresses their unique specifications and requirements. Our services encompass the meticulous assembly of essential components, including PCB contact terminals, durable metal brackets, and efficient heatsinks.

To guarantee the highest standards of quality, each PCB and BIB undergoes a rigorous in-house process that includes thorough electrical testing and detailed visual inspections. This ensures that every product shipped meets stringent quality benchmarks and performs reliably in their intended applications. Our commitment to excellence not only fulfills customer expectations but also enhances the overall performance in the semiconductor industry.

As a leading provider of integrated circuit ("IC") assembly and testing solutions, we pride ourselves on delivering a wide range of value-added services tailored to meet the unique needs of our customers. We focus on fostering strong partnerships, working hand in hand with our clients to effectively implement cost reduction strategies that drive efficiency and savings.

Our comprehensive service offerings include a proprietary refurbishment process specifically designed to extend the operational lifespan of various used consumable items, enabling our customers to achieve substantial cost savings while minimising waste. In addition, we specialise in the meticulous repair and reconditioning of critical components such as BIBs (Bottom Insert Ball Grid Arrays), gold fingers, pads, and probe pins, ensuring they meet the highest quality standards for optimal performance.

Furthermore, we provide contract manufacturing and assembly services, utilising advanced technologies and skilled expertise to produce high-quality products that meet stringent specifications. Our commitment to excellence and innovation in IC assembly and testing sets us apart as a trusted partner in the industry.

Our Group has built a comprehensive supplier chain network dedicated to trading an extensive range of general operating supplies. This includes high-quality gloves, precise syringe pistons and barrels, durable rotary cutters, and reliable containers. Additionally, we offer top-grade solder wires, as well as a variety of spare parts and essential tools specifically designed for integrated circuit assembly and testing. Our commitment to quality and efficiency ensures that our clients have access to the best resources for their operational needs.

In the dynamic field of semiconductor equipment and automation, our Group excels in the design, development, and assembly of cutting-edge automated test equipment tailored for semiconductors, as well as comprehensive factory automation solutions. We provide a diverse array of standard equipment platforms engineered to address both front-end and back-end processes within the semiconductor industry. Our offerings encompass advanced automated inspection and handling solutions for various applications, including wafer level, strip, lead frame, panel level, tape and reel, and printed circuit board assembly/BIB levels.

As a Group, we are dedicated to driving innovation by continuously researching and integrating new technologies, ensuring our designs and solutions are at the forefront of the market. By fostering close collaboration with our customers, we enrich our offerings, customising equipment and solutions that precisely align with their unique requirements and applications. Our commitment to excellence not only enhances our competitive edge but also empowers our clients to achieve their operational goals effectively.

Our Group employs a distinctive two-pronged business model that encompasses the supply of high-quality semiconductor consumables and materials, in addition to offering cutting-edge equipment and advanced factory automation solutions. This strategic approach not only enhances our operational flexibility but also position us to effectively navigate the challenges of industry downturns while capitalising on opportunities during cyclical growth periods. By adapting to the dynamic market landscape, we ensure sustained success and innovation within our sector.

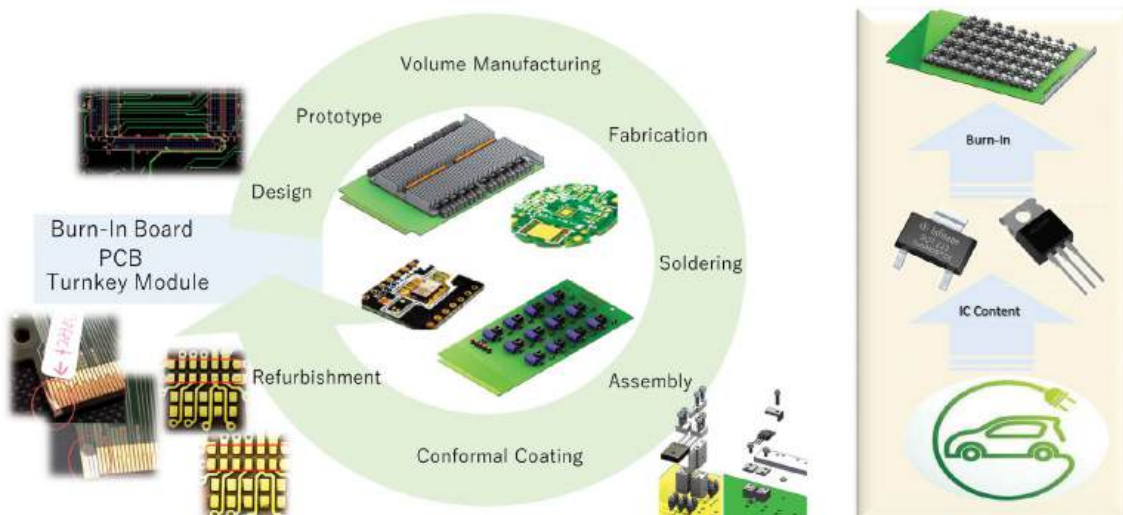
EDELTEQ KEY MILESTONES AND PRODUCTS ROADMAP

Edeltec Key Milestones

Evolution of Edeltec Group's business over the years						
	2004	2006 - 2017	2018	2019	2023	2024
Expansion of entities within our Group	<ul style="list-style-type: none"> Incorporated ETMSB 		<ul style="list-style-type: none"> Acquired CESB 	<ul style="list-style-type: none"> Incorporated ETSB, EVSB, DTSB and Edeltec 	<ul style="list-style-type: none"> Edeltec acquired ETSB, EVSB, DTSB, CESB & ETMSB 	
Expansion of business activities within our Group	<ul style="list-style-type: none"> Commence design and manufacturing of PCBs via ETMSB 	<ul style="list-style-type: none"> Expanded into design and manufacturing of IC Burn-in-Boards via ETMSB Expansion of customer base and servicing existing customers in the design and manufacturing of PCBs and IC Burn-in-Boards via ETMSB 	<ul style="list-style-type: none"> Commence trading of materials and supplies mostly to semiconductor companies via CESB 	<ul style="list-style-type: none"> Expanded into supply of IC assembly and test consumables via ETSB Expanded into design, development and assembly of ATE and factory automation via EVSB Supply of PCBs via ETMSB Trading activities via CESB & DTSB 	<ul style="list-style-type: none"> New Batu Kawan factory construction for capacity Listed on the Ace Market Bursa Securities Malaysia 	<ul style="list-style-type: none"> Internal restructuring, streamlining of business and expansion of business Expanded operations by establishing new factories at Vortex Business Park
	<ul style="list-style-type: none"> Focus on design and manufacturing of PCBs and IC-BIBs & trading of operating supplies 			<ul style="list-style-type: none"> Internal restructuring & streamlining of business 		

IC Burn-in Boards and PCBs

- Equipped with In-house design, build and refurbishment capabilities.



EDELTEQ KEY MILESTONES AND PRODUCTS ROADMAP (Cont'd)

IC Assembly and Test Consumables

- Provide manufacturing, value-added services and consumables trading.



Automated Test Equipment and Factory Automation

- Standard equipment platform

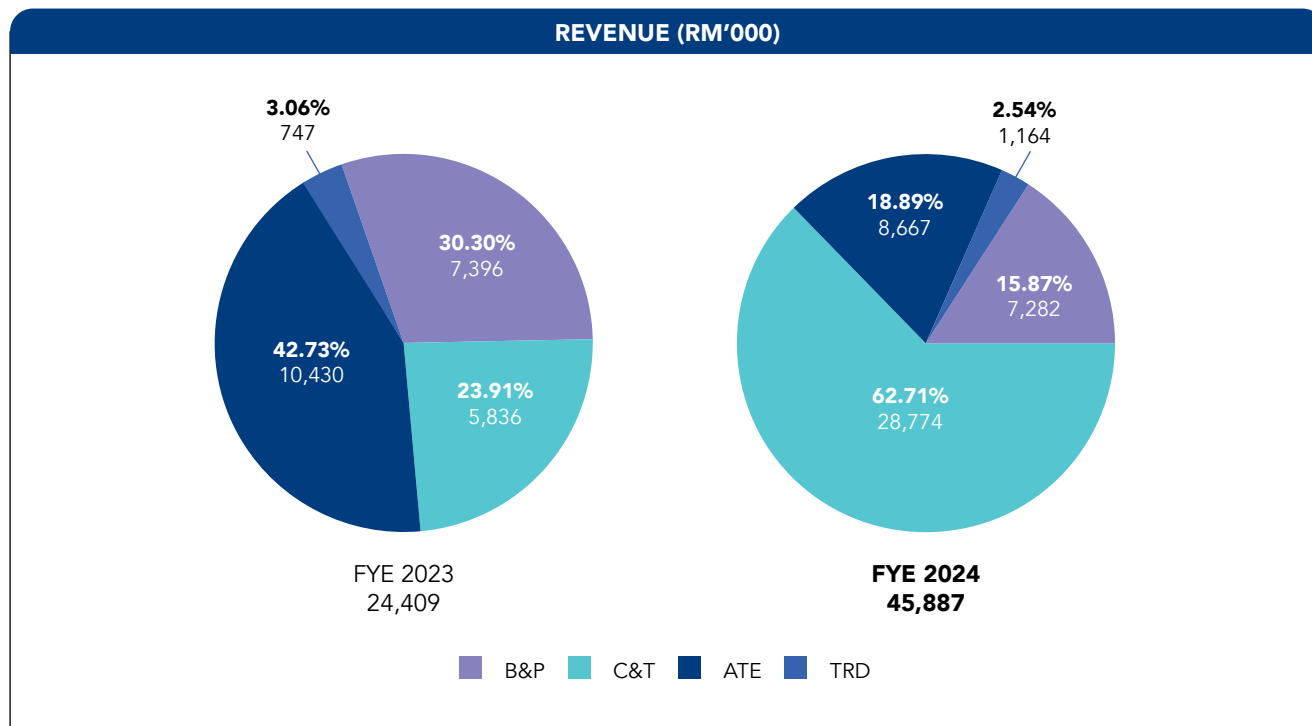


- Products development roadmap



REVENUE SEGMENTATION

For the financial year ended 31 December 2024 ("FYE 2024"), our Group experienced a remarkable increase in revenue, which reached RM45.89 million compared to RM24.41 million in the financial year ended 31 December 2023 ("FYE 2023"). This represents a record growth of RM21.48 million, or 88%, primarily driven by our value-added assembly and testing services.



B&P

Our B&P segment continues to be an important part of our overall business, generating revenue of RM7.28 million (15.87%) in FYE 2024. This represents a decline from RM7.40 million (30.30%) in FYE 2023, reflecting a decrease of RM0.12 million or 1.62% year-on-year. The decline in revenue for this segment can be attributed to a slowdown across the industry and fewer orders from our key customers.

C&T

The C&T segment achieved a record revenue of RM28.77 million, accounting for 62.71% of total revenue in FYE 2024. This marks a significant increase from RM5.84 million, which represented 23.91% in FYE 2023. The substantial growth of RM22.93 million, or 392.64% year-on-year, was primarily driven by value-added assembly and testing services, which have now become the main revenue source for the Group.

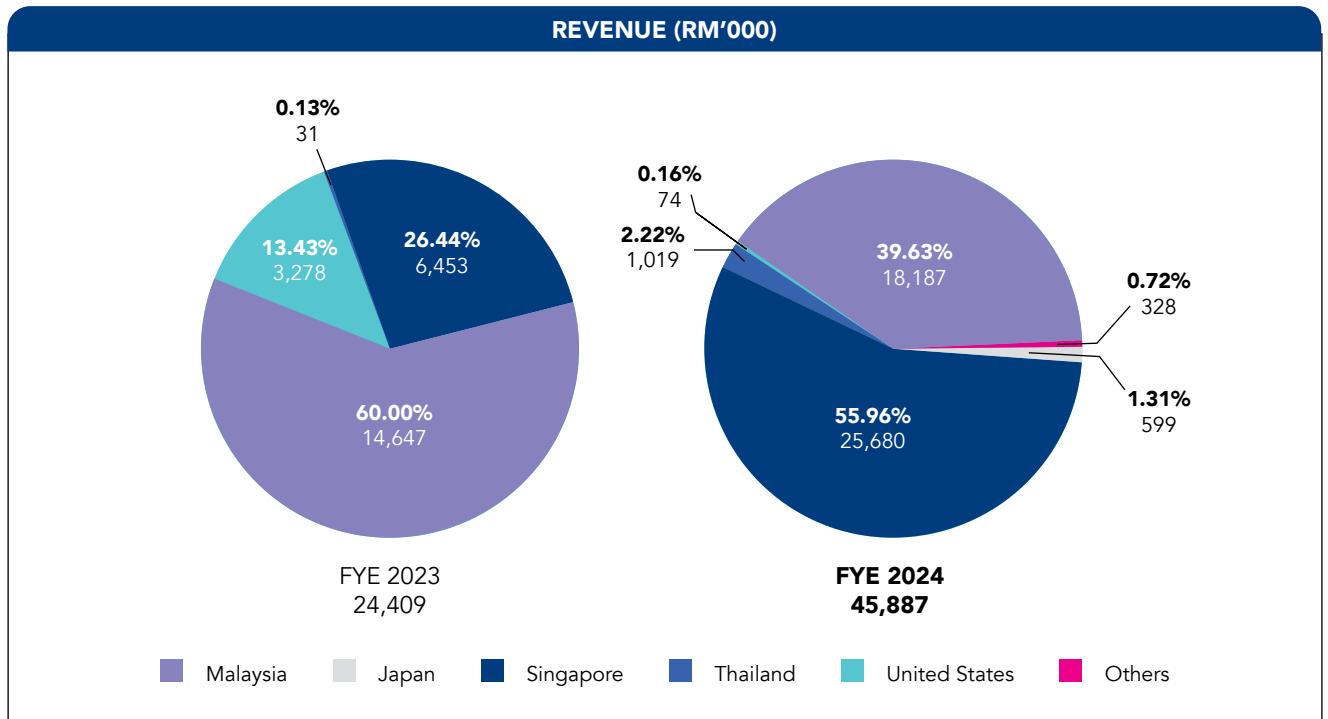
ATE

ATE, which is the group's second-largest revenue segment, generated revenue of RM8.67 million (18.89%) in FYE 2024. This figure reflects a significant decline from RM10.43 million (42.73%) in FYE 2023, representing a decrease of RM1.76 million or 16.87% year-on-year. This decline in revenue can be attributed to a decrease in the number of automation equipment deliveries to our valued customers.

TRD

The TRD segment's revenue increased from RM0.75 million to RM1.16 million in FYE 2023 and FYE 2024, respectively. This growth of RM0.41 million, or 54.67%, was primarily due to an increase in customer orders.

REVENUE BY GEOGRAPHICAL LOCATION

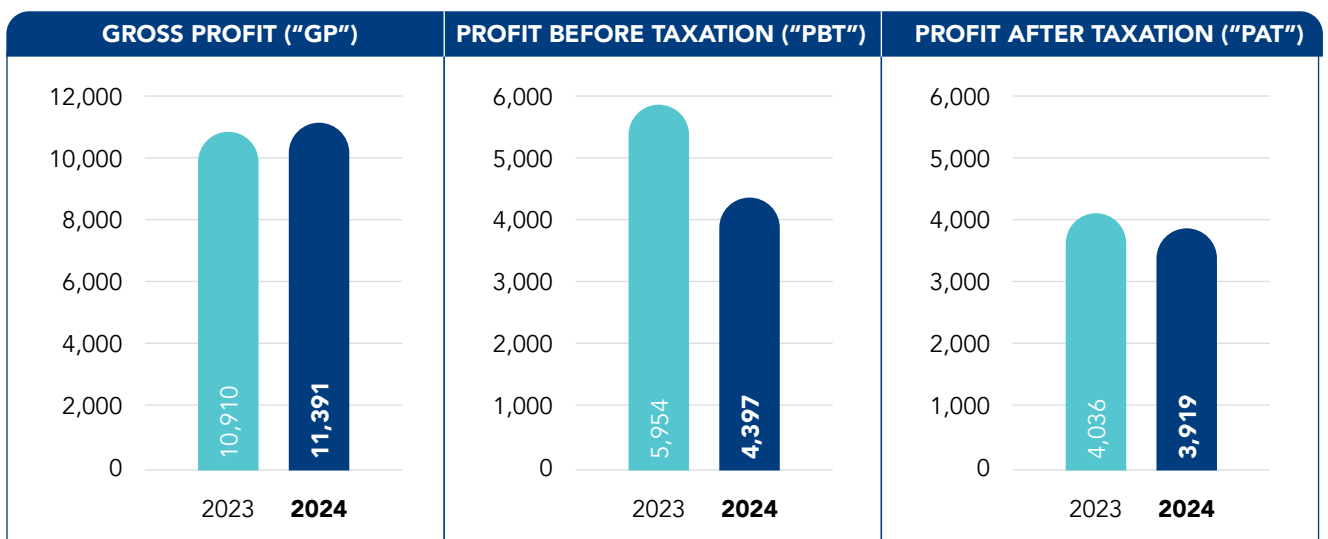


The revenue composition by geographical markets shows that the overseas market is the primary contributor to the Group's revenue. In FYE 2024, revenue from overseas reached 27.70 million, accounting for 60.37% of the total revenue. This represents a significant increase compared to FYE 2023, where overseas revenue was only 9.76 million, constituting just 40% of the total revenue.

Among the overseas market, Singapore emerged as the largest contributor to revenue. In FYE 2024, revenue generated from Singapore increased to 55.96%, up from 26.44% in FYE 2023. This growth was primarily driven by the expansion of value-added assembly and testing services.

The Group is on an exciting and continuous journey of growth. This year, it is broadening its horizons by expanding its business operations into new markets, including Japan, a nation known for its advanced technology and innovation; India, with its rapidly developing economy and diverse consumer base; and Cambodia, a country rich in cultural heritage and emerging business opportunities. This strategic expansion reflects the Group's commitment to reaching out to new customers and fostering global partnerships.

PROFITABILITY



PROFITABILITY (Cont'd)

GP MARGIN (%)	PBT MARGIN (%)	PAT MARGIN (%)
FY2023	FY2023	FY2023
44.70%	24.39%	16.53%
FY2024	FY2024	FY2024
24.82%	9.58%	8.54%

In FYE 2024, despite a cautious outlook for the semiconductor industry, our Group continued to experience revenue growth. However, our GP margin saw a significant decline, decreasing from 44.70% in FYE 2023 to 24.82% in FYE 2024. This reduction in GP was primarily influenced by a shift in the product mix, driven by value-added assembly and testing processes.

Our Group reported a PBT of RM4.40 million in FYE 2024, which represents a 26.05% decrease from RM5.95 million in FYE 2023. This decline in PBT was primarily due to the strengthening of the Malaysian Ringgit ("MYR") against the US Dollar, resulting in both unrealised and realised foreign exchange losses.

The PAT for FYE 2024 was RM3.92 million, representing a slight decrease of 2.97% as compared to RM4.04 million for FYE 2023. This minor decline in PAT can be attributed to a tax adjustment as a result of ETSB, one of our subsidiaries has been awarded a special tax incentive by the Malaysia Investment Development Authority ("MIDA") and Ministry of Finance on 18 September 2024.

REVIEW OF FINANCIAL POSITION

	FYE 2023 RM'000	FYE 2024 RM'000	Changes	
			Amount RM'000	%
Non-Current Assets	19,050	29,709	10,659	55.95
Other Investments	21,905	7,880	(14,025)	(64.03)
Cash and Bank Balances	6,995	12,650	5,655	80.84
Current Assets	37,249	78,406	41,157	110.49
Total Assets	56,299	108,115	51,816	92.04
Non-Current Liabilities	3,305	3,267	(38)	(1.15)
Current Liabilities	6,972	54,907	47,935	687.54
Borrowings	3,707	5,811	2,104	56.76
Total Liabilities	10,278	58,174	47,896	466.01
Net Assets	46,021	49,941	3,920	8.52

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF FINANCIAL POSITION (Cont'd)

As of December 31, 2024, our Group's total assets have significantly increased to RM108.12 million, up from RM56.30 million recorded in December 31, 2023. This considerable growth in total assets is mainly attributed to the completion of the Batu Kawan Factory construction and the acquisition of two units of 4-storey semi-detached factories located in Vortex Business Park.

Furthermore, our Group's net assets have risen to RM49.94 million as of December 31, 2024, a surge fueled by the increase in retained earnings.

As of December 31, 2024, our Group's total liabilities amounted to RM58.17 million, primarily due to the increasing demand for value-added assembly and testing processes, which has led to higher input material purchases. Part of these liabilities include the drawdown of two term loan a strategic move to enhance operational capabilities and expand production facilities.

The Group's gearing ratio has risen from 0.08 in the previous fiscal year to 0.12 in the current year. This increase can be attributed to the drawdown of two term loans as mentioned above. Despite the uptick in the ratio, it is noteworthy that the Group maintains a low level of debt, indicating low risk in financial position.

ANTICIPATED OR KNOWN RISKS

Our Group anticipates potential risks arising from our operations, industry, and political conflicts, including but not limited to the following situations:

i. Dependency on a few major customers

A significant portion of our revenue is derived from certain major customers. Hence, our business income and profitability hinge on the continuation of orders from our major customers. It is our commitment to provide quality products and services to secure orders and retain these customers. In addition, we will explore the possibility of securing orders from new customers or entering new market regions as part of our revenue stream creation.

ii. Foreign exchange fluctuations

A significant proportion of our revenue is denominated in foreign currencies, and we face the risk of fluctuations in foreign exchange rates, especially in USD/MYR. Unfavorable fluctuations in the exchange rate between RM and USD could potentially have a negative impact on our financial performance. However, our exposure is manageable as a portion of our sales and purchases are in the same currency denomination, which provides certain degree of natural hedging.

**iii. Talent recruitment and retention**

Key engineering and management staff are essential to the success of our business. If we do not recruit or retain skilled employees, our ability to expand and stay competitive in our market may be at risk. Therefore, we plan to offer competitive compensation packages while also focusing on creating a positive work environment as part of our recruitment and retention strategy.

iv. Disruption in business operations

As we are transitioning to our new manufacturing facilities at Vortex Business Park and Batu Kawan Industrial Park, moving from Taman Impian Ria, Bukit Mertajam, Pulau Pinang, we acknowledge that our local employees now face a longer commute to work. A high attrition rate among local staff could time negatively impact the Group's business operations and financial performance. To mitigate this risk, we have begun hiring a group of foreign workers to support our capacity expansion plan and reduce the risk of sudden employee turnover.

v. Profit margin contractions

A significant portion of our revenue is derived from C&T and B&P segments, which face the risk of rising manufacturing costs due to higher material purchase prices from our suppliers. These cost increases may result from material shortages, freight rates, and currency fluctuations, among others. In the event we are unable to pass on these costs to our customers to stay competitive, this would adversely affect our profit margins. While we pay close attention to global development in relation to material cost fluctuation and inventory control, we may still face risks relating to profit margin contractions.

Our group will work to mitigate known risks while striving to achieve a sustainable workforce, operations, and revenue sources.

PROSPECTS OF THE GROUP

The global semiconductor industry is anticipated to face another year of cautious optimism in 2025. While some sectors, such as generative artificial intelligence ("AI") and data storage applications, offer promise and continue to drive innovation, other areas remain uncertain as the industry grapples with inventory adjustments and fluctuating demand. Recovery signals are mixed, with certain segments showing progress while others remain subdued. Geopolitical tensions and macroeconomic conditions continue to influence the broader market landscape.

The Group's Semiconductor Consumables & Materials segment ("C&T", "B&P", and "TRD") is expected to benefit from ongoing localisation initiatives and cost-saving measures implemented by multinational corporations. However, overall demand remains uneven across regions, and we remain watchful of any potential disruptions. While the AI, data storage and automotive segment presents growth opportunities due to rising semiconductor content in electric vehicles and advanced driver-assistance systems, the pace of adoption varies significantly across different markets, and customer investments in new technologies are measured.

In the Semiconductor Equipment & Automation segment ("ATE"), we aim to expand our wafer-level auto optical inspection capabilities further. By broadening our product range, we hope to gain traction with potential new customers while maintaining relevance to our existing base. Nevertheless, market conditions may limit the speed at which such opportunities can be realised, particularly as customers prioritise capital efficiency amidst ongoing uncertainties.

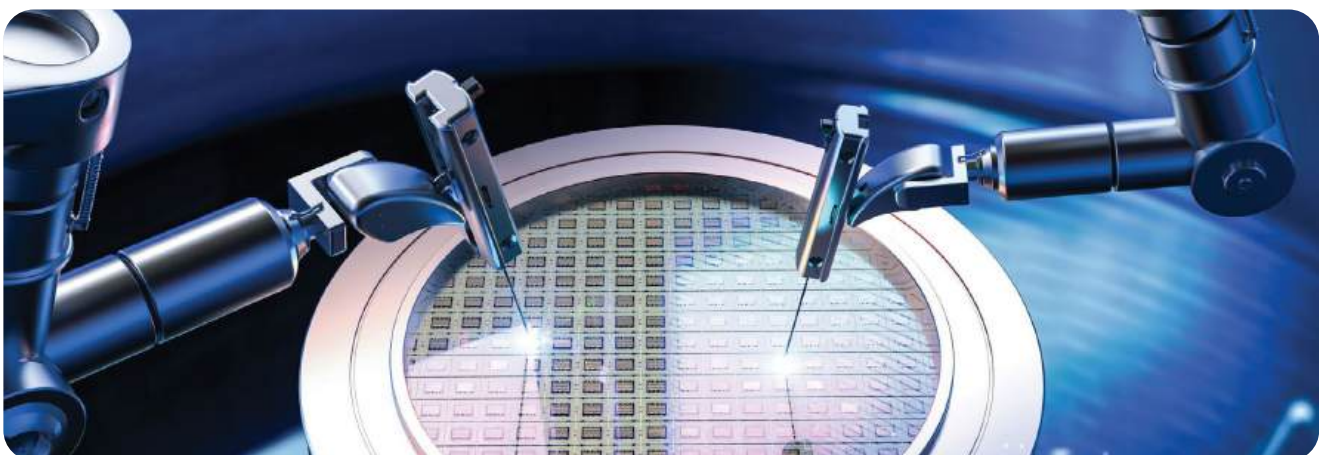
The Group recognises the opportunities and challenges present in the semiconductor industry. Our strategy will focus on diversification through advanced product offerings, improving operational efficiency, and expanding into new markets. However, we are also aware of potential obstacles that could hinder growth, such as changes in consumer demand and the ongoing effects of supply chain constraints.

Recognising the growing importance of sustainability in shaping long-term business resilience, Edelteq remains committed to integrating ESG considerations into its strategic direction. As industries worldwide place greater emphasis on responsible business practices, we continue to strengthen our sustainability initiatives across key areas including circular economy and waste management, employee well-being and development, and supply chain sustainability and customer satisfaction. In FYE 2024, we have made significant strides in refining our sustainability governance framework, enhancing environmental data tracking, and developing structured waste management systems. A key development has been the formation of an ESG Committee, which plays a pivotal role in planning, executing, and overseeing sustainability initiatives across the Group. This strengthened governance framework has enabled us to integrate responsible environmental and social practices into our operations. Moving forward, the Group remains steadfast in embedding sustainability principles into its operations, ensuring that growth and innovation go hand in hand with environmental and social responsibility.

Moving forward, the Group is committed to sustaining its long-term strategies, emphasising a balanced approach to growth while closely monitoring market developments. Although glimmers of recovery are beginning to surface in various sectors, the overall outlook for 2025 remains tempered with caution. With unwavering determination, the Group will continue to strive towards its ambitious financial targets and actively seek out innovative avenues for growth, all while remaining vigilant against any unforeseen challenges that may arise.

DIVIDEND

The Group has a dividend policy to distribute a dividend payout ratio of up to 20% of our Group's net profit, after considering our results of operation, level of cash, bank balances, and working capital requirements. The Board has declared an interim dividend of 0.2 sen per ordinary share, amounting to RM1.06 million for FYE 2025, which was paid to shareholders on 15 April 2025.



NAN YANG



财经新闻

艺特科技携手Halo 联营销售AQI系统

2024年01月19日

(吉隆坡19日讯) 艺特科技 (EDELTEQ, 0278, 创业板) 和Halo科技私人有限公司 (HTSB) 签署合作备忘录, 成立联营公司, 设计半导体设计制作、销售自动光学检测 (AOI) 系统。

该公司周五向马交所报备, 根据备忘录, 双方努力达成协议, 并在签署后生效, 为期60天, 可在双方同意后延长。

THE EDGE

Edeltech set to climb higher, says RHB Retail Research

Berni Munipah / theedgemarket.com 06 Jun 2024, 08:52 am




KUALA LUMPUR (June 6): RHB Retail Research said Edeltech Holdings Bhd (KL: EDELTEQ, THE EDGE) is set to climb higher after bouncing off the 21-day simple moving average (SMA) line, and breaking above the 48.8 sen immediate resistance level on Wednesday.


In a trading stocks note on Thursday, the research house said that if the breakout sustains, the bullish momentum may propel the stock higher towards the 62.6 sen resistance, before trading higher towards the 60 sen level.

"However, falling below the 41.6 sen support will reverse the momentum, as the counter would trade downwards and form a 'lower low' bearish structure," the research house said.

THE STAR

Edeltech signs two semiconductor agreements

CORPORATE NEWS 16
Saturday, 30 Jan 2024



Related News

- CORPORATE NEWS** 19 Feb 2023
Southwest to cut 15% of corporate jobs in firm's first-ever layoffs
- CORPORATE NEWS** 8 days ago
Tycoon accuses son of boardroom coup attempt
- CORPORATE NEWS** 17m ago
Sapura Energy secures creditor approval for debt restructuring plan

PETALING JAYA: Edeltech Holdings Bhd has entered into two memorandums of understanding (MoUs) in relation to semiconductor design, manufacturing and sale of automatic optical inspection (AOI) systems and insulated-gate bipolar transistor (IGBT) module packaging machines.

The company has linked an agreement with Halo Technologies Sdn Bhd for a proposed joint venture (JV) to design, manufacture and sell of

BIZZY NEWS



上市公告书, 管理研究

艺特科技售子公司三成股权 引入泰国维诺电子为策略伙伴

3月21日, 2024 下午 7:58

艺特科技 (EDELTEQ, 0278, 创业板) 以13万2546令吉出售子公司Edeltech Venture公司的30%股权, 引入泰国最大半导体封装企业佰诺微电子公司 (Hana Microelectronics Public Company Limited) 为策略伙伴。

Edeltech Venture主要从事设计, 开发及封装测试器材, 和工厂自动化, 技术设计及工程服务, 电子产品制造及承包工作。

通过这项股权投资, 佰诺微电子将成为Edeltech Venture的策略伙伴, 有望协助公司在半导体领域获得更多新项目的机会。

此外, 佰诺在印刷电路板封装及综合电路板封装与测试, 综合电路板芯片设备, 封装及硅基液晶设备生产方面的技术, 也可和艺特科技改善现有产品。

ABOUT THIS REPORT

INTRODUCTION

The Sustainability (“Statement”) 2024 provides an overview of Edelteq’s sustainability performance from 1 January 2024 to 31 December 2024, unless stated otherwise.

This Statement (“FYE 2024”) reflects our commitment to sustainable value creation and continuous improvement in ESG practices across our operations. It highlights the progress made in embedding sustainability within our corporate strategy, the governance framework that supports it, and key initiatives undertaken to enhance our environmental, social, and governance (ESG) performance.

By transparently reporting our progress and challenges, this Statement reaffirms our commitment to sustainable value creation and lays the foundation for continuous improvement in our ESG efforts.

SCOPE AND BOUNDARY

This Sustainability Statement covers the environmental, social, and governance (ESG) initiatives and performance of Edelteq Holdings Berhad and its subsidiaries for the financial year ended 31 December 2024.

This Statement focuses on Edelteq’s operations in Malaysia, where the company is headquartered and conducts its core business activities. It also includes relevant sustainability-related initiatives undertaken across our subsidiaries that support the semiconductor industry through engineering solutions, equipment automation, and related services.

REPORTING FRAMEWORK

This Statement has been prepared in accordance with Bursa Malaysia’s Sustainability Reporting Guide and references selected aspects of the Global Reporting Initiative (GRI) to enhance transparency and disclosure. While our sustainability approach is informed by GRI principles, we acknowledge that full alignment with the framework remains a work in progress.

Additionally, in 2024, we initiated the process of gathering data and developing tracking metrics related to the Task Force on Climate-related Financial Disclosures (TCFD). This marks the first step towards incorporating climate-related financial risks and opportunities into our reporting, with full integration planned for future reporting cycles.

FEEDBACK

Edelteq is committed to continuously improving our sustainability efforts and disclosures. We recognise the importance of stakeholder engagement in shaping our sustainability strategy and ensuring that our initiatives align with evolving expectations and industry best practices.

We welcome and encourage our stakeholders—including investors, customers, employees, suppliers, and the wider community—to provide feedback on this Sustainability Statement 2024 and the matters covered within. Your insights will help us assess our sustainability journey and refine our approach for future improvements.

For any feedback or inquiries, please contact us at esg@edelteq.com



OUR APPROACH TO SUSTAINABILITY

SUSTAINABILITY GOVERNANCE

A strong governance framework is fundamental to Edelteq's sustainability approach, ensuring clear accountability, strategic oversight, and effective execution of sustainability initiatives. At the highest level, the Board of Directors is responsible for overseeing the Group's sustainability direction, including setting strategies and targets, evaluating material sustainability issues, and addressing climate-related risks and opportunities.

Supporting the Board, the Risk Management Committee is tasked with reviewing and approving sustainability strategies, policies, and materiality assessments. It ensures that sustainability and climate-related risks are integrated into the Group's Enterprise Risk Management (ERM) framework, while also overseeing the management of critical sustainability issues. The Committee is responsible for tracking the implementation of sustainability strategies and policies, ensuring that objectives are met and aligned with the Group's broader risk management approach.

The ESG Committee, operating under the Risk Management Committee and headed by an Executive Director, is responsible for the execution and monitoring of sustainability initiatives. It plays a pivotal role in translating strategic ESG objectives into tangible actions, ensuring that sustainability efforts are implemented effectively across business functions. The Committee consists of management and middle management representatives from various business functions, ensuring a multi-disciplinary approach to sustainability. In 2024, the Executive Director reported on sustainability progress to the Risk Management Committee during its third quarter meeting.

Moving forward, the ESG Committee will strengthen its collaboration with the Board by refining sustainability policies, enhancing data tracking mechanisms, and embedding ESG performance indicators into corporate decision-making, thereby ensuring continuous improvement in sustainability governance.

PROGRESS IN 2024

Edelteq has made notable progress in strengthening its sustainability governance structure in 2024:

- Formalised the sustainability plan with clearly defined roles and responsibilities.
- Enhanced the ESG Committee's mandate to actively oversee the planning, execution, and monitoring of sustainability initiatives.
- Initiated the tracking of sustainability-linked Key Performance Indicators (KPIs) to assess ESG progress.
- Established a structured reporting mechanism, with the Executive Director providing updates to the Board during Risk Management Committee third quarter meeting.

These developments reflect Edelteq's commitment to enhancing governance structures, integrating sustainability into core decision-making, and improving ESG performance monitoring.

ALIGNING COMPENSATION WITH SUSTAINABILITY

Performance evaluations for the Board and management are currently in the planning stage, as we are actively working to develop a comprehensive sustainability performance assessment framework. While we recognise the importance of aligning compensation with sustainability performance, our immediate priority is to deepen our understanding of material sustainability risks and opportunities and to establish clear, measurable targets. This deliberate approach ensures that when we do integrate sustainability metrics into our performance evaluations and compensation structures, they will be robust, fair, and aligned with our long-term strategic objectives. Our focus in 2024 is on building a strong foundation for sustainability, which will enable us to transition to more integrated performance assessments in the future.

ADVANCING SUSTAINABILITY STRATEGY

In line with the commitments made in the 2023 Sustainability Statement, Edelteq has taken significant steps in 2024 to strengthen its sustainability strategy and governance. The initiatives undertaken this year reflect our commitment to embedding sustainability into business operations and aligning with global best practices.

Engaging ESG Expertise

To ensure a structured and informed approach to sustainability, Edelteq engaged an ESG consultant in 2024. The consultant provided expert guidance on best practices, regulatory requirements, and industry-specific ESG considerations. This engagement played a crucial role in refining our sustainability roadmap, aligning our initiatives with stakeholder expectations, and enhancing internal capabilities in managing ESG risks and opportunities.

Development of a Comprehensive Sustainability Plan

Following the engagement of the ESG consultant, a structured Sustainability Plan was developed to provide a clear framework for Edelteq's sustainability journey. The plan outlines priority ESG areas, strategic objectives, and measurable targets, ensuring a focused and accountable approach to sustainability.

Building Internal ESG Awareness and Capacity

As part of the plan's development, a sustainability awareness training was conducted for key members of the ESG Committee and Board of Directors. This training ensured that leadership and decision-makers within the Group has a strong foundational understanding of sustainability principles, reporting frameworks, and regulatory expectations.

By investing in ESG expertise and structured planning, Edelteq has established a strong foundation for sustainability integration, positioning the Group to drive meaningful progress in its environmental, social, and governance commitments.

STAKEHOLDER ENGAGEMENT

At Edelteq, we recognise that effective stakeholder engagement is essential to understanding expectations, identifying opportunities, and managing risks that may impact our business and sustainability objectives. Engaging proactively with our stakeholders allow us to align our sustainability efforts with business priorities while fostering long-term relationships built on trust, transparency, and accountability.

Our key stakeholders include shareholders, employees, customers, suppliers, government and regulatory authorities. These groups are identified based on their interest in Edelteq's operations and their ability to influence or be influenced by our business activities.

Throughout FY2024, we continued to engage with stakeholders through both formal and informal channels. These engagements enable us to better integrate stakeholder concerns into our decision-making processes and refine our sustainability approach to create long-term value for both the Group and its stakeholders.

The table below outlines the various methods of engagement in FY2024.

Stakeholder Group	Type of Engagement
Customers	<ul style="list-style-type: none"> • Customer satisfaction survey • Face to face meeting with customers
Board of Directors	<ul style="list-style-type: none"> • Quarterly Board Meeting • Board Committee Meeting • Ad hoc communications
Employees	<ul style="list-style-type: none"> • Message to employee via internal communication channel and company functions • Management's willingness to listen and respond to employee suggestions • Regular performance review and communications
Shareholders	<ul style="list-style-type: none"> • Annual General Meeting • Corporate website • Announcements, and quarterly financial results • Annual Report
Suppliers	<ul style="list-style-type: none"> • Key supplier performance evaluation • Regular feedback to suppliers on their quality and performance
Government Agencies	<ul style="list-style-type: none"> • Participation in social programmes and charitable donations • Participation in seminars related to new government Acts and regulations

MATERIALITY ASSESSMENT

At Edelteq, the Board of Directors, supported by the ESG Committee, oversees and validates our materiality assessment process to ensure that our sustainability efforts remain aligned with business objectives and stakeholder expectations. In FY2023, we conducted a materiality survey that identified 12 key ESG issues significant to the Group; however, formal prioritisation was not undertaken at that time.

In FY2024, in collaboration with cross-functional internal and external stakeholders, we leveraged our ESG consultant to conduct a targeted review of our previously identified material issues. During this process, the ESG Committee also conducted an Environment Effects Statement assessment of 13 material issues using the methodology outlined in the GRI Standards. The results of the online survey and the Environment Effects Statement impact assessment, which incorporated input from five distinct stakeholder groups, were used to produce the materiality matrix that identified three topics as highly significant based on their impact on both stakeholders and the business. This targeted prioritisation ensures that our sustainability initiatives remain strategically focused and that resources are directed to the areas of greatest relevance and impact.

Additionally, we refined our materiality framework to better capture emerging sustainability concerns and evolving stakeholder expectations. This review was benchmarked against local and regional peers and informed by emerging risks and relevant reporting frameworks, including Bursa Malaysia's Sustainability Reporting Guide (3rd Edition) and the GRI Standards.



MATERIALITY ASSESSMENT (Cont'd)

As a result of this review, two key changes were made:

1. Scheduled Waste Management was regrouped under Circular Economy and Waste Reduction

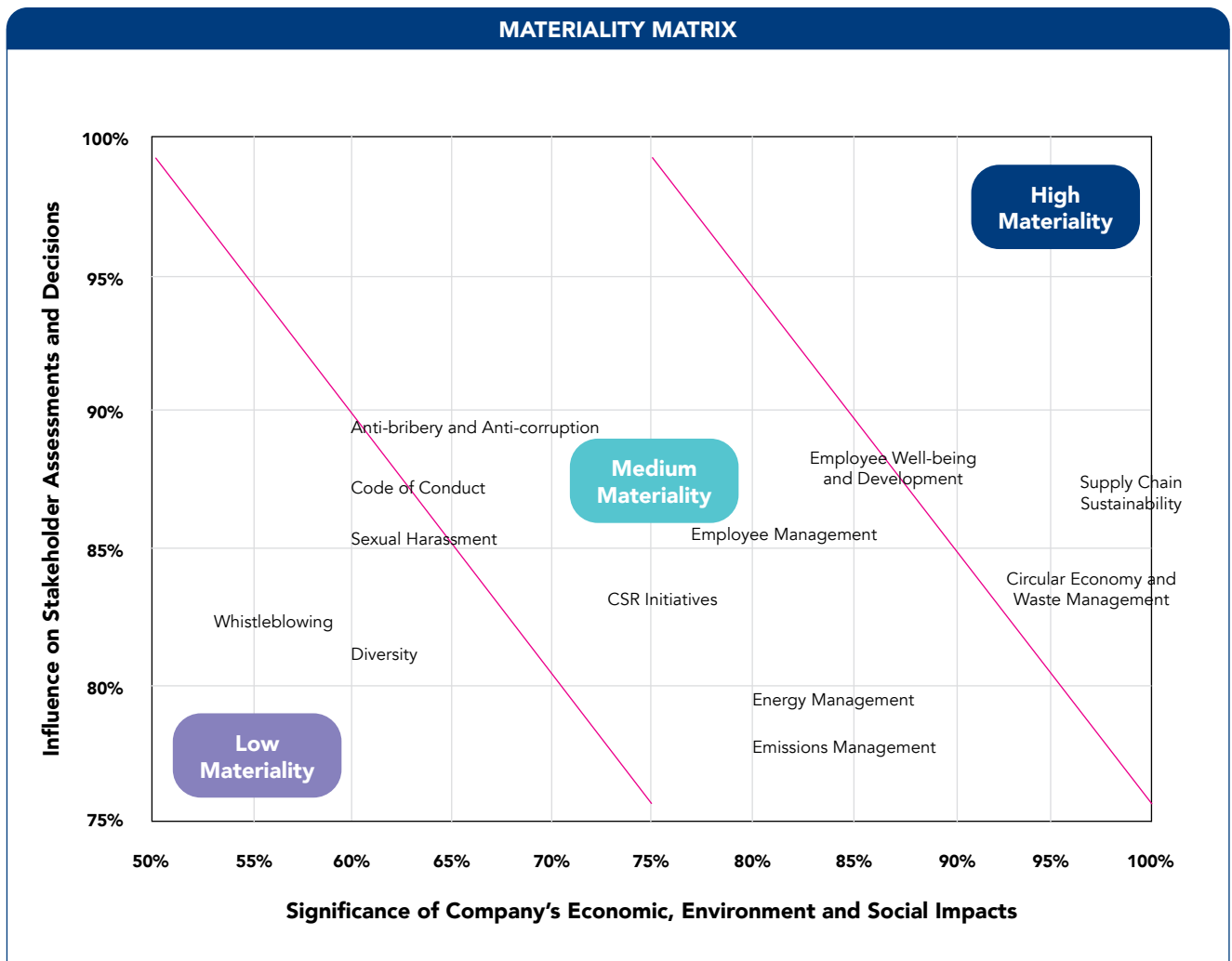
This change reflects a more holistic approach to resource efficiency, recognising that waste management is not only about regulatory compliance but also about maximising resource recovery, reducing landfill dependency, and promoting sustainable production and consumption practices.

2. Renewable Energy was integrated into a broader Energy Management category

Previously identified as a standalone material matter, renewable energy is now incorporated within our overall energy management strategy. This regrouping acknowledges that effective energy management must encompass not only the adoption of renewable energy but also initiatives aimed at enhancing energy efficiency, reducing overall consumption, and optimising resource use. By consolidating these factors, we can more effectively coordinate our energy strategies and achieve greater operational efficiency in support of our sustainability objectives. The updated materiality matrix and the assessment process undertaken in FY2024 have been reviewed by the ESG Committee and approved by the Board of Directors.













Moving forward, Edelteq aims to conduct comprehensive materiality assessments periodically while continuously reviewing and refining our material sustainability priorities on an annual basis. These efforts underscore our commitment to responsible business practices and continuous improvement in ESG performance.

The figure below shows the materiality matrix produced using data from the online materiality survey and the EES Impact Assessment.



ALIGNMENT WITH UNSDGs AND GRI

In FY2024, the Group is aligning its sustainability initiatives with internationally recognised frameworks, including the United Nations Sustainable Development Goals (UNSDGs) and the Global Reporting Initiative (GRI) standards. While full adoption of the GRI standards require meeting specific criteria, our current efforts focus on integrating the core principles of the GRI framework into our sustainability practices. This approach ensures that our initiatives are both strategically focused and aligned with global sustainability objectives, providing a robust foundation for enhanced transparency and reporting as we work towards full GRI adoption.

Aspect	Material Matters	GRI Standards	UN SDG	
Environment Sustainability	1. Energy Management	GRI 302: Energy 2021	7 AFFORDABLE AND CLEAN ENERGY 	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 
	2. Emissions Management	GRI 305: Emissions 2021		
	3. Circular Economy and Waste Management	GRI 306: Waste 2020	13 CLIMATE ACTION 	15 LIFE ON LAND 
Social Sustainability	1. Employee Management	GRI 401: Employment 2016	3 GOOD HEALTH AND WELL-BEING 	5 GENDER EQUALITY 
	2. Employee Well-being and Development	GRI 403: Occupational Health and Safety 2018 GRI 404: Training and Education 2016		
	3. Diversity	GRI 405: Diversity and Equal Opportunity 2016	8 DECENT WORK AND ECONOMIC GROWTH 	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 
	4. Customer Satisfaction	-		
	5. CSR Initiatives	GRI 413: Local Communities 2016	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	17 PARTNERSHIPS FOR THE GOALS 
	6. Supply Chain Sustainability	GRI 407: Labour Practices 2016 GRI 408: Occupational Health and Safety 2016 GRI 205: Anti-Corruption 2021		
Corporate Governance	1. Code of Conduct and Anti-bribery & Anti-corruption	GRI 2: General Disclosures 2021, GRI 205: Anti-Corruption 2021	5 GENDER EQUALITY 	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 
	2. Whistleblower	GRI 2: General Disclosures 2021		
	3. Sexual Harassment			



MANAGEMENT APPROACH FOR MATERIAL MATTERS

ENVIRONMENTAL RESPONSIBILITY

Edeltec recognises the pressing global challenges posed by climate change, greenhouse gas (GHG) emissions, and the depletion of natural resources. As a responsible corporate citizen, we are committed to minimising our environmental footprint by adopting sustainable practices across our operations. This includes efficient resource management, reducing waste generation, and ensuring compliance with environmental regulations.

In line with our ESG commitments, we actively implement measures to enhance energy efficiency, improve waste management, and conserve water, aligning with both national and international sustainability standards. Our environmental initiatives are guided by local environmental laws and regulations, including the Environmental Quality (Amendment) Act 2024, to ensure responsible and compliant operations.

To maintain high environmental standards, Edeltec has designated an Environmental, Health, and Safety (EHS) Officer responsible for conducting routine on-site inspections at our facilities. These inspections provide a comprehensive evaluation of compliance with environmental regulations and assess the effectiveness of environmental management practices at each site. Any findings or potential risks identified during these inspections are promptly addressed by the respective management teams, reinforcing our commitment to continuous environmental improvement and regulatory compliance.

In FY2024, we further strengthened our environmental efforts by participating in community-driven sustainability initiatives. Our employees took part in a Beach Cleaning Project, jointly organised with MPKK Bukit Tambun Division, Bukit Tambun DUN Youth Committee, MBSP, and other partners. This initiative underscores our commitment to environmental conservation, corporate social responsibility, and fostering a culture of sustainability within our organisation and the wider community.

Edeltec remains committed to continually improving our environmental performance, enhancing sustainability initiatives, and contributing to a cleaner and more resilient future. As of 31 December 2024, the Group is not aware of any material breaches or incidences of non-compliance with environmental protection laws and regulations in Malaysia, specifically concerning air and GHG emissions, discharge of water and land, and the generation of hazardous and non-hazardous waste.

ENERGY MANAGEMENT

Edeltec is committed to improving energy efficiency and optimising resource consumption across its operations as part of our broader sustainability strategy. In FY2024, we refined our approach by integrating renewable energy—previously identified as a material matter in 2023—into our Energy Management framework, recognising its potential to enhance operational efficiency and reduce our carbon footprint.

To support this initiative, we have taken concrete steps to enhance energy conservation efforts, particularly at our new facility in Batu Kawan. As part of our ongoing commitment to sustainability, the following energy-saving measures were implemented:

- Energy-efficient infrastructure – The installation of inverter air-conditioning systems and LED lighting in our Batu Kawan facility, reducing overall electricity consumption.
- Promoting energy-conscious behavior – Signage has been placed across offices to encourage employees to switch off lights when not in use, reinforcing a culture of energy conservation within the workplace.
- Exploring renewable energy solutions – Edeltec is actively assessing the feasibility of integrating solar energy into our operations as part of our long-term strategy to enhance energy efficiency and sustainability.

By implementing these initiatives, Edeltec aims to improve overall energy management, reduce environmental impact, and contribute to a more sustainable and energy-efficient future. In FY2024, the total recorded energy consumption was 570.92 GJ, representing a 48.5% reduction in energy intensity compared to 2023.

Indicators	Unit	FY2023	FY2024
Energy Management			
Total purchased electricity consumption	kWh	166,039	158,590
Total energy consumption	Gigajoules	597.74	570.92
Revenue	RM	24,408,699	45,887,236
Energy intensity ratio	kWh per revenue	0.0068	0.0035

Notes:

1. Consumption of electricity is measured based on direct meter reading per site.
2. Electricity consumption intensity is calculated based on the total amount of purchased electricity in kWh over the Group's total revenue in RM in FY2024 and FY2023 respectively.

EMISSIONS MANAGEMENT

Edeltec recognises the impact of greenhouse gas (GHG) emissions on climate change and the importance of responsible energy consumption in enhancing operational resilience. As part of our commitment to reducing our carbon footprint, we have taken steps to assess, track, and implement emission reduction strategies across our operations.

Scope 1 Emissions (Direct Emissions from Owned or Controlled Sources)

In FY2024, we conducted a review of Scope 1 emissions and confirmed that Edeltec does not have any corporate vehicles or other significant fuel-combustion activities under its direct control that contribute to Scope 1 emissions. Scope 1 emissions typically arise from the combustion of fossil fuels in company-owned or leased vehicles and stationary equipment, none of which currently apply to our operations. As a result, Edeltec's Scope 1 emissions remain negligible.

Scope 2 Emissions (Indirect Emissions from Purchased Energy)

As part of our energy efficiency strategy, we have implemented several measures at our new Batu Kawan facility to reduce electricity consumption and lower our Scope 2 GHG emissions. These initiatives include the installation of inverter air-conditioning systems and LED lighting, as well as promoting energy-conscious behavior through strategic signage across offices that encourages employees to switch off lights when not in use. Additionally, Edeltec has initiated GHG emissions data tracking to develop targeted reduction strategies and improve overall emissions monitoring.

Scope 3 Emissions (Indirect Emissions from Business Travel and Supply Chain Activities)

For Scope 3 emissions, Edeltec has begun tracking GHG emissions from employees' business air travel, marking an important step in building a more comprehensive emissions inventory. This effort supports our long-term goal of assessing emissions hotspots and identifying opportunities for reduction. This year, these emissions amounted to 25.34 tCO₂-e. We will establish a target for our Scope 3 emissions once we have further refined our emissions data for all our operations.

Additionally, in FY2024, we conducted an evaluation on the feasibility of installing Electric Vehicle (EV) charging stations at our new facility. After assessing employee demand, it was determined that none of our employees currently own an EV, and the installation will not proceed at this stage. However, Edeltec is considering the transition to EVs for company-provided vehicles, such as directors' cars, when replacements are required as part of our ongoing sustainability initiatives.

Moving forward, Edeltec remains committed to enhancing emissions management, improving data tracking, and identifying further opportunities to minimise our environmental impact.

Indicators	Unit	FY2023	FY2024
Energy Management			
Scope 2 GHG Emission	tCO ₂ -eq	128.30	122.64
Scope 3 GHG Emission (Air Travel only)	tCO ₂ -eq	10.70	25.34
Revenue	RM' million	24.41	45.89
Scope 2 GHG Emission Intensity	tCO ₂ -eq per RM' million in revenue	5.26	2.67
Scope 3 GHG Emission Intensity	tCO ₂ -eq per RM' million in revenue	0.44	0.55

Note:

Edeltec's GHG emissions data is calculated in accordance with internationally recognised methodologies to ensure consistency, accuracy, and transparency in reporting. The following approaches have been adopted for FY2024:

1. Indirect Scope 2 GHG emissions from purchased electricity are calculated using the latest grid emission factor published by the Malaysian Energy Commission. For FY2024, the grid emission factor for Peninsular Malaysia is 0.774 kg CO₂e/kWh (based on the most recent available data in year 2022).
2. Indirect Scope 3 GHG emissions include emissions generated from employees' business air travel. These emissions are calculated using the Myclimate Flight Emissions Calculator to estimate air travel-related carbon emissions accurately.
3. Emissions intensity is measured as total emissions (in tonnes) per RM million revenue, allowing for a standardised comparison of emissions performance over time.

SUSTAINABILITY STATEMENT

CIRCULAR ECONOMY AND WASTE MANAGEMENT

Edeltec is committed to minimising waste generation, promoting resource efficiency, and ensuring responsible disposal practices as a key component of our sustainability strategy. In FY2024, we refined our approach by integrating Scheduled Waste under our broader Waste Management umbrella—an update that supports a more comprehensive strategy by managing hazardous waste alongside non-hazardous waste.

Recycling Policy and Contractor Responsibilities

Our recycling policy now encompasses all activities, processes, and operations where waste materials are generated, covering offices, production areas, warehouses, and shared spaces. This policy applies to all employees, contractors, and visitors, ensuring that recyclable materials are properly segregated, handled, and disposed of on-site. Contractors play a crucial role in this system; they are required to follow our recycling procedures and waste segregation requirements rigorously, choose environmentally friendly, recyclable, or reusable materials wherever possible, and ensure that waste is disposed of responsibly—thereby reinforcing Edeltec’s commitment to sustainability.

To support these efforts, a standardised waste segregation system has been established. Designated collection points with clearly labeled recycling bins—specifically for plastic, paper, metal, and glass—are strategically placed in key areas across our premises. All employees receive training on proper waste sorting, including guidelines on acceptable waste types for each bin, to minimise contamination. We also ensure proper storage of recyclables by using covered bins, particularly for materials such as plastics and paper, to prevent contamination.

In addition, a structured waste recording system has been implemented to accurately track the types, volumes, and disposal methods of waste generated, including e-waste, paper, plastics, metals, and other recyclables. Designated personnel in each department are responsible for collecting monthly recycling data and maintaining records of our recycling service providers, including details on pick-up frequency and quantities collected.

To promote recycling further, reminder posters are prominently displayed at entrances to encourage proper waste segregation, and regular inspections are conducted to verify that materials are correctly sorted and disposed of. As part of our commitment to continuous improvement, Edeltec is working towards enhancing its waste data reporting framework and plans to disclose comprehensive information on total waste generated, diverted, and directed to disposal in future reporting cycles.

**Refurbishment Programme**

As part of Edeltec’s ongoing efforts to support the circular economy, the Group has been implementing a refurbishment programme for several years, although it had not been previously recognised as a formal sustainability initiative. This programme involves the collection, refurbishment, and resale of selected products while maintaining the same reliability, effectively extending product lifecycles and minimising electronic waste. In FY2024, Edeltec formally integrated this initiative into its waste management strategy, acknowledging its role in resource efficiency, waste reduction, and sustainable production practices.

Waste Management Awareness Campaign

In addition to operational improvements, Edeltec has taken steps to raise awareness and educate employees and the community on responsible waste management. A waste management awareness campaign was conducted in collaboration with local authorities, reinforcing the importance of proper waste segregation and recycling practices. This initiative was integrated into the Beach Cleaning Project, where participants not only collected waste but also learned about responsible disposal methods, promoting a culture of sustainability within the organisation and the wider community.

Through these initiatives, Edeltec continues to refine its waste management strategies, focusing on improving waste diversion, enhancing recycling efforts, and reducing environmental impact, ensuring a more sustainable and responsible approach to resource consumption.

SOCIAL RESPONSIBILITY

At Edelteq, we recognise that our employees are the driving force behind our success and a key pillar of our long-term sustainability. We are committed to fostering a safe, inclusive, and engaging workplace where employees feel valued, empowered, and supported in their professional growth.

Our commitment to ethical business practices and employee well-being is guided by the Group's Code of Conduct, which sets out the expected standards of integrity, professionalism, and respect in the workplace. In addition, our human resource policies and practices are designed to ensure compliance with local employment laws and regulations, including the Malaysian Employment Act 1965.

As we continue to refine our social responsibility initiatives, Edelteq remains focused on enhancing employee engagement, improving workplace policies, and strengthening diversity and inclusion efforts to create a work environment that supports both business growth and employee well-being.

EMPLOYEE MANAGEMENT

At Edelteq, we recognise that our employees are our most valuable asset and the primary drivers of our growth and success. We are committed to attracting, developing, and retaining top talent in an environment that fosters collaboration, innovation, and personal advancement. Our employee management practices are designed to ensure that our workforce is not only prepared to meet current challenges but is also equipped for future opportunities.

Edelteq adheres to local labor and employment laws, and our Human Resources department is dedicated to ensuring fair and supportive employment practices. Our Employee Management Framework focuses on three key areas: Succession Planning, Employee Engagement, and Employee Wellness. This framework guides our efforts to nurture talent, build leadership capabilities, and create a workplace where every individual can thrive.

Succession planning

Edelteq recognises that a robust succession planning programme is critical to building a sustainable future and ensuring long-term organisational stability. In FY2024, we have taken deliberate steps to identify and groom potential candidates for all key positions within the company. Our structured succession planning programme, developed through a collaborative effort involving the Board, CEO, and senior management, systematically evaluates employee potential and leadership readiness. High-potential employees are selected based on a comprehensive review of performance, skills, and future leadership capabilities.

Once identified, these candidates participate in targeted development programmes that include mentorship, specialised training sessions, and regular performance assessments. These initiatives are designed to enhance their technical skills, strategic thinking, and decision-making abilities, ensuring they are well-prepared for future leadership roles. By fostering a strong talent pipeline, we not only secure the continuity of leadership but also cultivate a motivated and engaged workforce committed to the long-term success of Edelteq.

Employee Engagement

In FY2024, Edelteq continued its commitment to employee engagement by launching a comprehensive team-building programme titled "Building High Performance Team Synergy." Recognising the critical importance of team building for both the organisation and its people, this one-day programme was designed to equip teams with the practical skills, knowledge, and experiences necessary to drive results and foster effective leadership. Held on 12 July 2024 at Sunway Lost World of Tambun in Ipoh, the programme featured interactive learning, role-playing, and a variety of indoor and outdoor adventure activities that underscored the value of collaborative teamwork.

Participants acquired core competencies essential for success both as individuals and as part of a team. They learned to work effectively in collaborative groups to meet common objectives, enhance efficiency, and motivate one another towards excellence. The programme also focused on building trust and mutual respect through shared ownership and accountability for team performance. By practicing a High Performance Behavior Model, employees gained tangible skills and insights that not only elevate personal success but also positively influence overall organisational performance and profitability.

Post-training evaluations were conducted across different departments, revealing that all participants reached a satisfactory level in achieving key learning objectives. The assessments measured the extent to which learning targets were met, how effectively the acquired skills were applied to job situations, and the overall improvement in work-related capabilities and behaviors. These results demonstrate that the training has successfully enhanced team performance and contributed to a more dynamic and engaged workforce at Edelteq.

EMPLOYEE MANAGEMENT (Cont'd)

Employee Engagement (Cont'd)



Employee Wellness

At Edeltec, we are committed to fostering a healthy, balanced, and supportive work environment that extends well beyond traditional compensation. In FY2024, our wellness initiatives have been enhanced to promote the physical, mental, and financial health of our employees while supporting a positive work-life balance. Our comprehensive leave policies offer a wide range of options—including annual leave, sick leave, hospitalisation leave, marriage leave, maternity and paternity leave, compassionate leave, unpaid leave, and examination leave—ensuring that employees have the flexibility to manage various life events. In addition, our robust medical benefits include outpatient services, group hospital and surgical insurance, dental care, and vision care, all designed to maintain and improve overall health.

Complementing these initiatives, we provide additional benefits such as a company car and employee education assistance to support career development and long-term financial security. Moreover, our compensation package is further enhanced by various bonuses, including a statutory/annual bonus, performance bonus, special incentives, attendance allowance, shift allowance, and petrol & car allowance.

Despite these efforts, our employee turnover rate has risen from 8.79% in FY2023 to 18.18% in FY2024, indicating an area where further improvements are necessary. We are actively reviewing our retention strategies to address this challenge and reinforce our commitment to a stable and engaged workforce.

Indicators	Unit	FY2023	FY2024
Employee Management			
Turnover rate of employees	%	8.79	18.18
<i>Turnover rate by gender</i>			
- Male	%	50	50
- Female	%	50	50
<i>Turnover Rate by age group</i>			
- Below 30	%	75	60
- Between 30-50	%	25	40
- Above 50	%	0	0

EMPLOYEE MANAGEMENT (Cont'd)

Employee Wellness (Cont'd)

Indicators	Unit	FY2023	FY2024
Employee Management (Cont'd)			
<i>Total number of employee turnover by employee category</i>			
KSM	No.	0	1
Executive	No.	3	5
Non-Executive/Technical Staff	No.	0	0
General Workers	No.	1	4
<i>Employees by employment type</i>			
Permanent (Full-Time)	No.	4	9
	%	100	90
Contract / Temporary	No.	0	1
	%	0	10
Number of incidents or substantiated complaints concerning human rights violations or non-compliance with labor standards	No.	0	0

Edeltecq remains dedicated to continuously refining our employee management practices to build a motivated, healthy, and high-performing workforce that is essential for our sustainable growth.

EMPLOYEE WELLBEING AND DEVELOPMENT

Health and Safety

At Edeltecq, the safety and well-being of our employees remain paramount. We are committed to maintaining a hazard-free work environment where every individual feels valued and empowered. In keeping with our overarching ESG Policy and guided by our Environment, Health and Safety (EHS) Policy Statement—which adheres to the requirements of the Malaysian Occupational Safety and Health Act 1994—we strive to maintain a safe, accident-free, and zero-fatality workplace environment. All employees and contractors are required to comply with our EHS Policy, underscoring our commitment to sustainable and responsible operations. In FY2024, we continue our two-pronged approach to safety, while introducing key improvements that reinforce our commitment to health and safety.

Proactive Safety Measures

We consistently implement rigorous safety protocols across our facilities to prevent incidents and promote a secure workplace. In FY2024, in addition to our regular risk assessments and safety inspections, we enhanced our approach by incorporating periodic safety audits and continuous monitoring systems. Strategically placed signage now serves as constant reminders for employees to prioritise safety in all activities, ensuring that best practices are both understood and consistently followed.

In FY2024, Edeltecq Technologies Sdn. Bhd., one of our subsidiaries, conducted a Chemical Health Risk Assessment (CHRA) performed by a competent assessor. The primary objective of this CHRA was to evaluate the health risks associated with exposure to hazardous chemicals in the factory environment. The assessment also reviewed the adequacy of existing control measures, employee induction and training programmes, and health surveillance systems designed to protect the workforce. Using the CHRA Manual 3rd Edition (First Reprint 2018) issued by the Department of Occupational Safety and Health (DOSH) Malaysia as a guideline, the assessment covered three critical work areas and their corresponding work units—those involved in PCB inspection, printing operations, and dicing blade handling—ensuring a comprehensive evaluation of the processes where chemical exposure risks are highest.

SUSTAINABILITY STATEMENT

EMPLOYEE WELLBEING AND DEVELOPMENT (Cont'd)

Comprehensive Safety Training:

Our commitment to comprehensive safety training remains at the forefront of our efforts to equip employees with the necessary knowledge and skills to perform their roles safely. This year, we have built on our existing training programmes by assessing training effectiveness through structured evaluations. These assessments help us identify areas for improvement and ensure that our training initiatives are impactful, enabling our workforce to remain confident and capable in managing workplace hazards. In addition, as part of these efforts, specific training programmes have been offered in 2024 to further enhance our workforce's capabilities. The table below outlines the types of training provided and the corresponding training hours for FY2024.

Training conducted	2023		2024	
Training on health and safety standards	No. of Employees Trained	Total Hours	No. of Employees Trained	Total Hours
Managing An Effective Safety & Health Committee	2	16	-	-
Manual Handling & Ergonomic Assessment	-	-	21	168
OSH Coordinator Training	-	-	3	72
Sustainability Awareness Training	-	-	5	15
Onboard Internal Training: Chemical Handling	14	7	19	9.5
New Workplace Training: Chemical Handling	-	-	36	18
Onboard Training HSE: Safety & Environment	14	7	19	9.5
New Workplace Training HSE: Safety & Environment	-	-	36	18
Total	30	30	139	310

Together, these initiatives demonstrate Edeltec's ongoing dedication to fostering a culture of safety that not only meets but exceeds industry standards, ensuring a secure and productive environment for all employees.

Indicators	Unit	FY2023	FY2024
Health and Safety			
Number of work-related fatalities	No.	0	0
Lost-days due to work injuries	No. of days	0	0
Total number of work-related injuries	No.	0	0
Lost-Time Incident Rate ("LTIR")	%	0	0
Number of employees trained on health and safety standards	No.	30	59

EMPLOYEE TRAINING AND DEVELOPMENT

At Edeltec, we firmly believe that our employees are our most valuable asset, and we are committed to investing in their professional growth and development. By providing a comprehensive range of training programmes, we empower our workforce to stay current with industry trends, uphold ethical standards, and contribute to the overall success of the Group. In FY2024, our training and development initiatives have been designed not only to enhance technical and functional skills but also to foster an ethical workplace, promote transparency and accountability, and support employee engagement.

Our structured onboard training framework covers a wide array of topics, including HR-related matters, the Group's Code of Conduct, Anti-Corruption and Bribery Policy, and Whistleblowing Policy and Procedures. New employees participate in an orientation training programme scheduled based on their hiring month, which provides essential briefings on Group operations, safety practices, key policies, and ethical standards—ensuring that every new team member starts with a solid foundation in our operational protocols.

EMPLOYEE TRAINING AND DEVELOPMENT (Cont'd)

Continuous training is available throughout the year to meet the evolving needs of our employees. In addition to our core training programmes, we have built on our commitment to employee development by continuing the education sponsorship programme launched in 2023. This initiative offers financial support, including course fee subsidies and study leave, to employees pursuing relevant engineering courses. As of 31 December 2024, six employees have benefited from this programme, further enhancing their expertise and contributing to Edelteq's competitive edge in the industry.

Through these initiatives, Edelteq aims to cultivate an ethical and skilled workforce that not only meets today's challenges but is also prepared for future opportunities.

Indicators	Unit	FY2023	FY2024
Employee Training and Development			
<i>Total training hours (by employee category)</i>			
- Management	Hours	176	240
- Executive	Hours	506	407
- Non-executive	Hours	10	180.5
- General Workers	Hours	156	195
Percentage of employees who received training	%	100	100
<i>Percentage of employees who received training (by gender)</i>			
- Male	%	71	76
- Female	%	29	24
<i>Number of training hours and percentage (by employee category)</i>			
- Management	Hours	176	240
	%	21	23
- Executive	Hours	506	407
	%	60	40
- Non-executive/Technical Staff	Hours	10	180.5
	%	1	18
General Workers	Hours	156	195
	%	18	19
Average training hours per employee (overall)	Hours	16.63	17.33
<i>Average training hours by gender</i>			
- Male	Hours	598.59	779.87
- Female	Hours	249.41	242.63
<i>Average training hours by employee category</i>			
- Management	Hours	35.20	60
- Executive	Hours	21.08	17.70
- Non-executive	Hours	2.50	36.10
- General Workers	Hours	10	7.50

SUSTAINABILITY STATEMENT

DIVERSITY

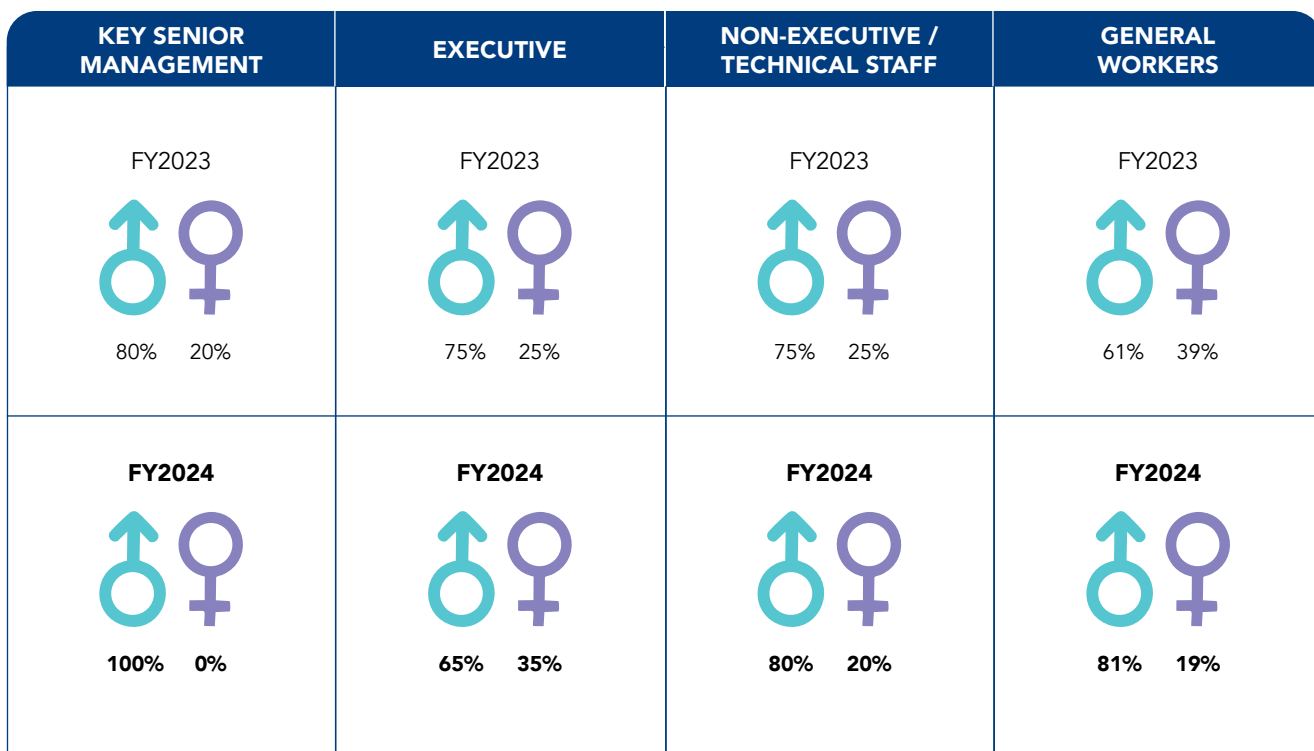
At Edelteq, we recognise that the unique perspectives and experiences of our employees are vital to our success. We are dedicated to fostering an inclusive work environment where every individual is respected, valued, and provided with equal opportunities for both professional and personal growth.

In 2024, we continued to advance our commitment to diversity and inclusion, yet we acknowledge that progress is not always linear. While our selection process remains firmly grounded in merit carefully considering candidates’ skills, experience, and backgrounds overall female representation in senior roles has not grown as quickly as anticipated. Nonetheless, our focused efforts on promoting gender diversity and inclusivity have led to a 10% increase in women representation at the executive level. At the same time, we have observed a decrease in the percentage of women in non-executive roles—primarily due to the traditionally male-dominated nature of positions such as machinists and technicians, which require specialised technical skills.

Despite these hurdles, we remain committed to bridging gender gaps across all organisational levels. To support the advancement of women into leadership roles, Edelteq provides leadership development activities and mentorship programmes tailored to the needs of high-potential female employees. These initiatives aim to build confidence, enhance leadership skills, and offer guidance for career progression.

We are equally devoted to celebrating cultural diversity and fostering mutual respect within our workforce. As part of this effort, we are developing a comprehensive Diversity Training Programme to enhance cultural awareness, while also exploring cultural events and activities in the coming years. By cultivating a workplace that both values and actively celebrates diversity, Edelteq reaffirms its commitment to equal opportunities and to nurturing a culture that embraces the richness of diverse perspectives—an essential driver for innovation and sustainable growth.

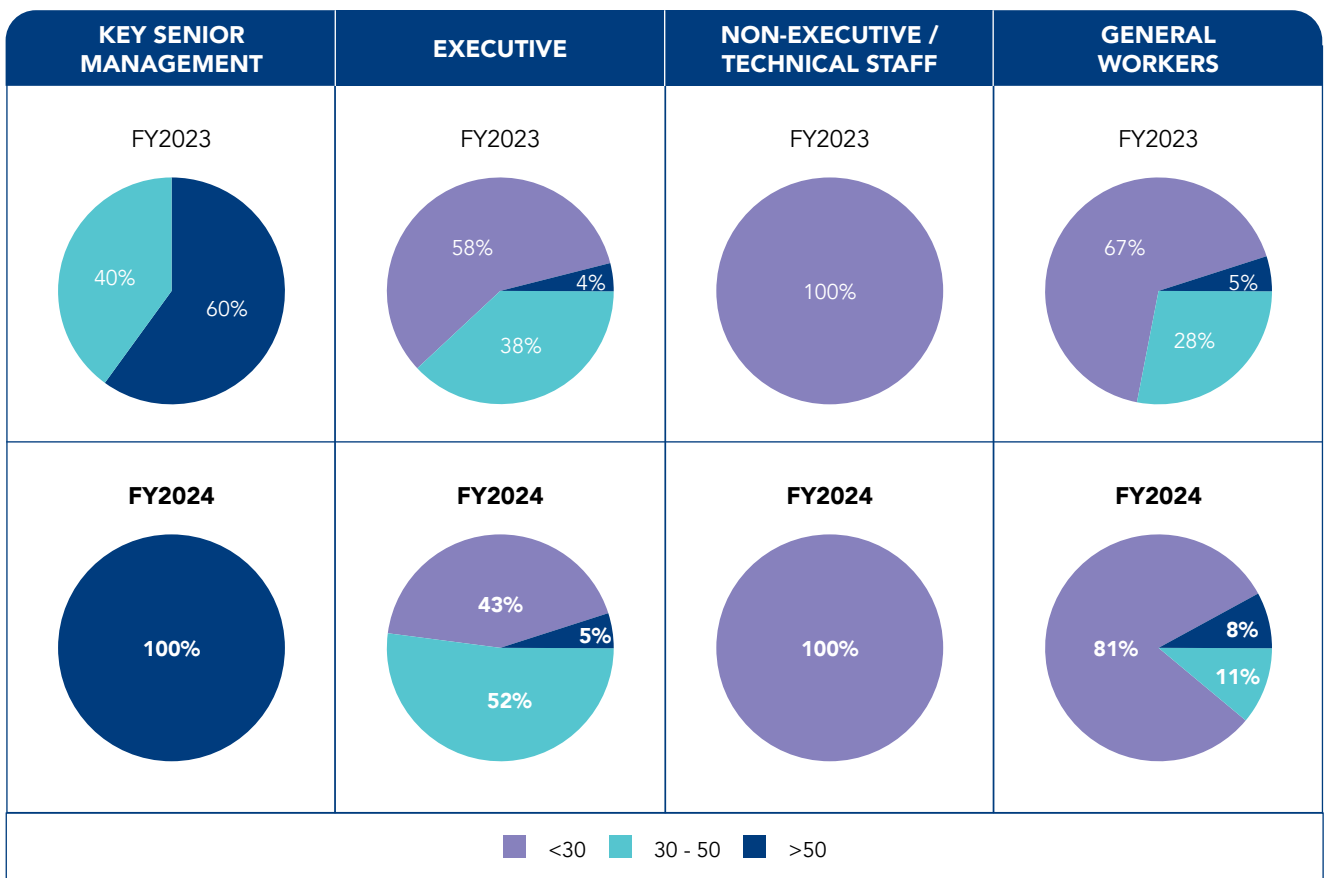
Indicators	Unit	FY2023		FY2024	
Gender Group by Employee Category		Male	Female	Male	Female
Key Senior Management	%	80	20	100	0
Executive	%	75	25	65	35
Non-executive/Technical Staff	%	75	25	80	20
General Workers	%	61	39	81	19



DIVERSITY (Cont'd)

Our workforce includes employees from a variety of age groups. Notably, a predominant portion of our non-executive and general workers are under the age of 30. Below is the complete breakdown of employee categories by age groups:

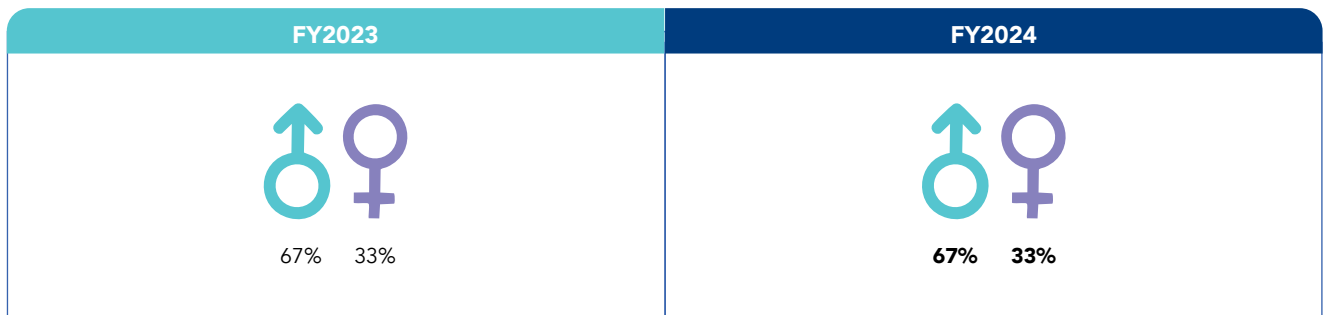
Indicators	Unit	FY2023			FY2024		
		<30	30 - 50	>50	<30	30 - 50	>50
Age Group by Employee Category							
Key Senior Management	%	0	40	60	0	0	100
Executive	%	58	38	4	43	52	5
Non-executive/Technical Staff	%	100	0	0	100	0	0
General Workers	%	67	28	5	81	11	8



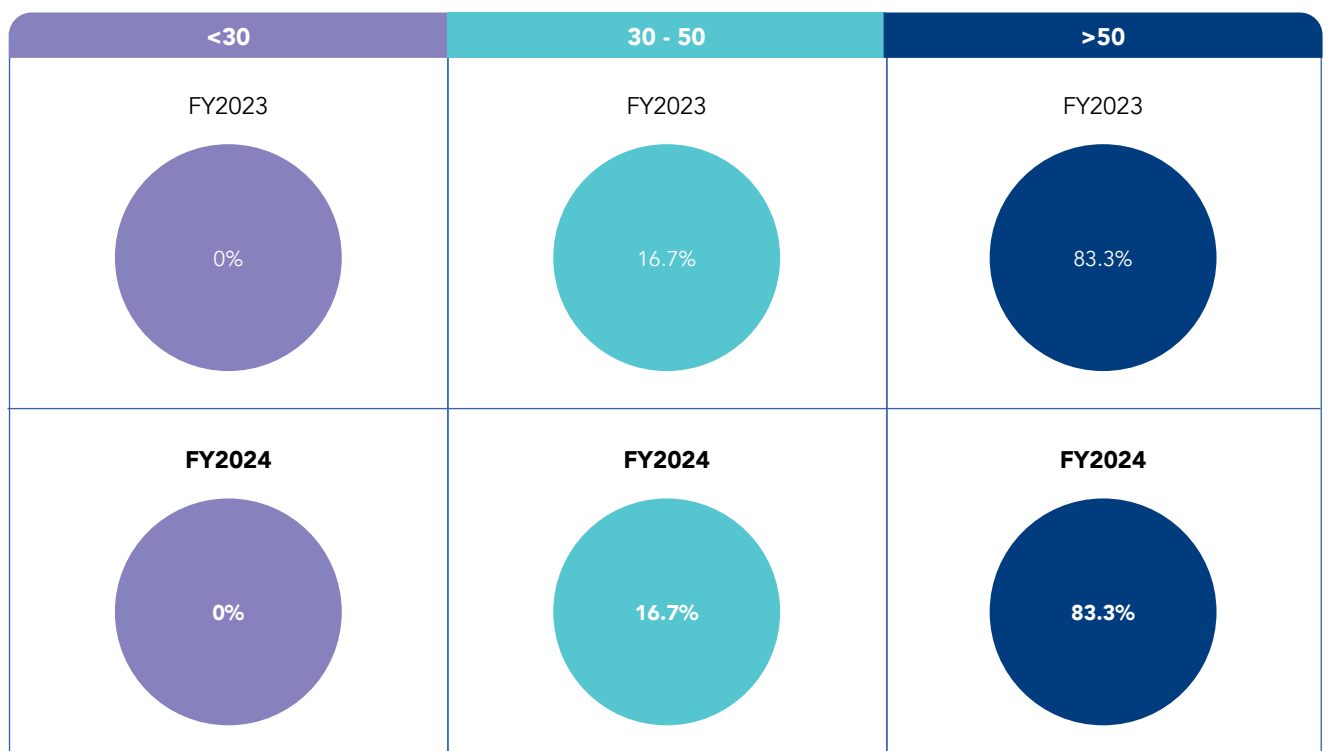
DIVERSITY (Cont'd)

Our workforce includes employees from a variety of age groups. Notably, a predominant portion of our non-executive and general workers are under the age of 30. Below is the complete breakdown of employee categories by age groups: (Cont'd)

Indicators	Unit	FY2023	FY2024
Board of Director Breakdown by Gender			
Male	%	67	67
Female	%	33	33



Indicators	Unit	FY2023	FY2024
Board of Director Breakdown by Age			
<30	%	0	0
30 - 50	%	16.7	16.7
>50	%	83.3	83.3



CUSTOMER SATISFACTION

At Edelteq, we recognise that customer satisfaction and feedback are essential drivers of our long-term success and are critical to maintaining our reputation for quality and reliability. In FY2024, we continued to execute our proven strategies to ensure that every customer experience meets the highest standards. Our annual customer satisfaction survey, which targets key customers, evaluates various aspects of our service including responsiveness, professionalism, technical support, product quality, delivery performance, competitiveness, and our overall quality management approach.

Customer feedback is systematically analysed and mapped to our Quality Management System (QMS) processes, enabling us to identify areas for targeted quality enhancements. In addition, our strict procurement policy ensures that we source products only from approved suppliers, thereby upholding our commitment to high-quality standards. Our robust policies and procedures for handling customer complaints guarantee prompt and effective resolution of any issues, with designated teams dedicated to addressing concerns within set timeframes.

In FY2024, we are proud to report that there were no instances of product recalls for health and safety reasons and no customer complaints regarding our products or services. The table below provides an overview of the product recalls and customer complaints received by the Group over the last two financial years.

Indicators	Unit	FY2023	FY2024
Customer Satisfaction and Complaints Handling			
Total products sold or shipped subject to recalls for health and safety reasons	%	0	0
Number of complaints received on products and or services	No.	0	0

CSR INITIATIVES

Butterworth MiaoHui

In FY2024, Edelteq demonstrated its commitment to community engagement and cultural preservation through two major CSR initiatives. The first initiative was the 2024 Butterworth MiaoHui, a highly anticipated annual celebration of Chinese New Year traditions and cultural heritage. This vibrant cultural event took place from 23 to 24 February 2024 at the Butterworth Guan Yin Ting Dou Mu Gong, attracting thousands of participants who enjoyed an array of traditional performances, educational exhibits, and local culinary delights.

Co-organized by Han Chiang University College of Communication and officially recognized by Malaysia's Ministry of Tourism, Arts, and Culture, the festival provided an excellent platform for Edelteq to not only foster inclusivity and preserve Malaysia's multicultural heritage, but also support the nurturing of young talent. By sponsoring and contributing RM10,000, Edelteq played a crucial role in sustaining the festival's rich cultural legacy, underscoring its commitment to diversity and community development.



Beach Clean-Up programme

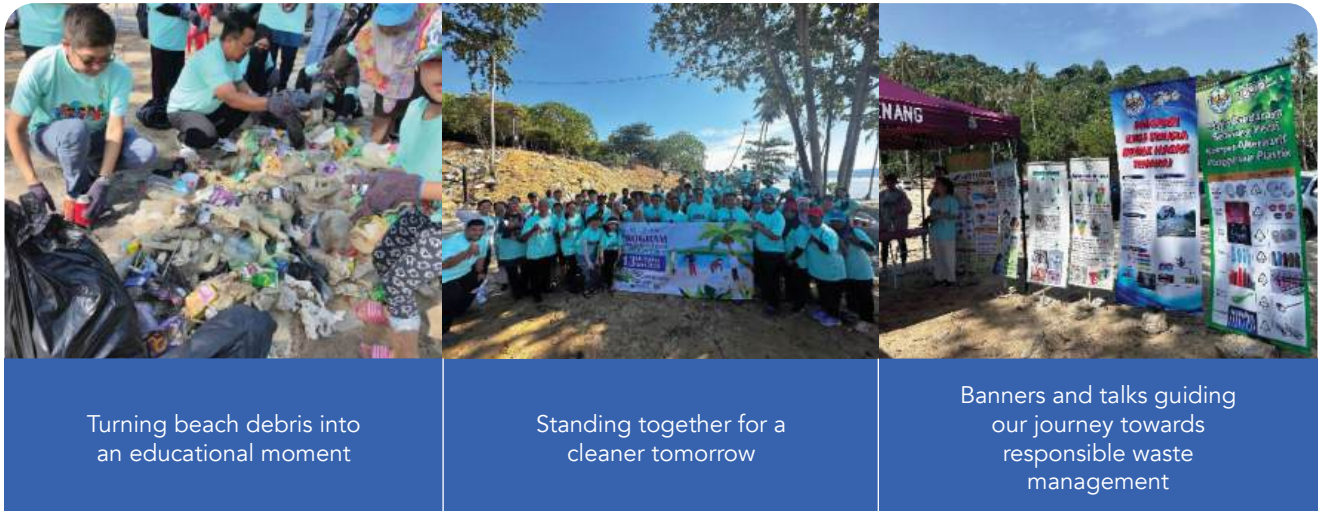
The second initiative focused on environmental stewardship through a Beach Clean-Up program held at Pantai Jeti Batu Musang, Pulau Pinang on 13 July 2024. This program, jointly organised by MBSP, MPKK Bagan Bukit Tambun, JBPP Bukit Tambun, public community, and Edelteq, brought together 70 dedicated participants to clean the coastline at Batu Kawan. In line with the enforcement of the Waste Segregation at Source (WSAS) policy in Penang, the clean-up not only addressed immediate waste removal but also served as an educational platform. Waste collected from the beach was used to demonstrate proper segregation practices, raising public awareness about the importance of waste reduction and responsible disposal. Key community figures, including YB Goh Choon Aik, the Bukit Tambun assemblyman, Encik Anuar Bin Yusoff and Mr. Chew Eng Seng from the MBSP Community Unit, and Mr. Khong Chee Seong, Director of Edelteq, were present to underscore the collaborative spirit of the initiative. The event's objectives were threefold: to build environmental awareness, enhance Group loyalty and pride, and foster team building and collaboration among participants.

These CSR initiatives reflect Edelteq's holistic approach to sustainability by integrating cultural preservation and environmental responsibility, thereby strengthening our ties with the community and reinforcing our commitment to a sustainable future.

Celebrating our shared heritage! The main contributors of the 2024 Penang Temple Fair stand united on stage, honoring centuries of tradition and community spirit.

CSR INITIATIVES (Cont'd)

Beach Clean-Up programme (Cont'd)



Turning beach debris into an educational moment

Standing together for a cleaner tomorrow

Banners and talks guiding our journey towards responsible waste management

SUPPLY CHAIN SUSTAINABILITY

At Edelteq, we are committed to managing a sustainable and resilient supply chain by collaborating with suppliers who share our values and adhere to high environmental and social standards. In FY2024, we refined our supplier management strategy to ensure a responsible and diverse procurement process that supports our overall sustainability objectives. Notably, our total number of suppliers increased from 272 in FY2023 to 514 in FY2024. At the same time, the proportion of spending on local suppliers declined from 78% to 51% due to a new business unit involved in the global supply chain, which sources most of its materials from overseas suppliers. Nevertheless, we remain committed to prioritising local suppliers if they meet certain criteria such as price competitiveness, high quality, sustainability credentials, and timely delivery.

To achieve these goals, we actively engage with our suppliers to understand their concerns and improve communication, ensuring alignment with our corporate values. We have established a formal Approved Vendor List and implemented comprehensive Supplier Evaluation and Performance Assessment Procedures, which include a Vendor Performance Scorecard. Selected key vendors are subjected to annual performance assessments and ratings, which serve as the basis for future contract awards or increased allocation. Additionally, vendor audits are performed at least once a year on suppliers of materials or services that are critical to the quality of our products.

Through these targeted strategies, Edelteq aims to build a supply chain that not only meets our quality and cost requirements but also upholds our commitment to environmental stewardship and social responsibility.

Indicators	Unit	FY2023	FY2024
Supply Chain Management			
Total number of suppliers	No.	272	514
Proportion of spending on local suppliers	%	78	51

GOVERNANCE

CODE OF CONDUCT, ANTI-CORRUPTION AND BRIBERY

Edeltecq is committed to upholding the highest ethical standards and ensuring that all business is conducted with integrity and in full compliance with applicable laws, regulations, and industry standards. Our reputation for honesty and strong corporate governance is a cornerstone of our long-term success, and we maintain a zero-tolerance approach towards any form of corruption or bribery.

Our Anti-Corruption and Bribery Policy provides clear guidance to prevent corrupt practices in all areas of our business. The Board of Directors oversees this policy to ensure it remains effective and is adhered to throughout the organisation. All employees receive annual scheduled and refresher training on anti-corruption, bribery, and ethical conduct, while new hires are briefed on our strict standards during onboarding. This ongoing training ensures that our workforce is well-informed about our expectations and the measures in place to mitigate corruption risks. Moreover, our Code of Conduct reinforces these values by clearly outlining the behaviors expected from our Board, management, and employees.

Through these measures, Edeltecq consistently demonstrates its dedication to maintaining a culture of integrity and ethical business practices, ensuring that our operations remain free from corruption and that any potential risks are effectively managed.

Indicators	Unit	FY2023	FY2024
Anti-bribery & Anti-corruption			
Percentage of employees who have received training on anti-corruption by employee category			
- Management	%	100	100
- Executive	%	100	100
- Non-executive / Technical Staff	%	100	100
- General Workers	%	100	100
Employees participated in anti-corruption and bribery training	No.	51	59
Employees participated in Code of Conduct training	No.	51	59
Confirmed incidents or concluded legal cases regarding corrupt practices and action taken	No.	0	0

WHISTLEBLOWING

At Edeltecq, we are committed to promoting and maintaining high standards of corporate governance, integrity, and accountability. In support of these values, our current whistleblowing policy applies to all members of Edeltecq, including the Board of Directors, management, and employees. This policy establishes a confidential mechanism through which any employee can report suspected or actual wrongdoing, ensuring that concerns about unethical behavior, fraudulent activities, or non-compliance with regulations are addressed promptly and discreetly.

Building on our commitment to transparency, we are working towards expanding our whistleblowing channel to include all stakeholders—employees, customers, suppliers, and members of the public. This enhanced system will provide an even broader platform for reporting concerns related to unprofessional or fraudulent behavior, with the aim of further strengthening our culture of accountability and ethical conduct.

Any disclosure of wrongdoing should be made through our dedicated whistleblowing channel at whistleblowing@edeltecq.com, ensuring that all reports are treated with the utmost confidentiality and integrity.

Indicators	Unit	FY2023	FY2024
Whistleblowing			
Whistleblowing reports via whistleblowing channels	No.	0	0
Number of incidents of non-compliance with any permits, standards or relevant laws and regulations	No.	0	0

SUSTAINABILITY STATEMENT

SEXUAL HARASSMENT

At Edelteq, we are steadfast in our commitment to a work environment that is free from all forms of discrimination and harassment. We uphold a zero-tolerance policy toward sexual harassment and take every allegation with the utmost seriousness. All employees receive annual training to recognise, prevent, and report sexual harassment, ensuring they understand both the importance of maintaining a respectful workplace and the consequences of any violations. As part of our onboarding process, new hires are required to complete comprehensive sexual harassment training to ensure they are well-informed of our policies from day one.

In FY2024, our efforts have been further strengthened by promoting zero-tolerance policies and encouraging proactive intervention strategies. To bolster awareness, we have strategically displayed posters throughout our workplace that highlight our commitment to a harassment-free environment. Additionally, we have established confidential helplines, integrated with our existing whistleblowing mechanism, to ensure that any concerns or incidents are reported swiftly and handled discreetly. These initiatives demonstrate Edelteq’s ongoing dedication to fostering a safe, respectful, and inclusive work environment for everyone.

Indicators	Unit	FY2023	FY2024
Sexual Harassment			
Employees participated in Sexual Harassment training	No.	51	59

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (the “Board”) of Edelteq recognises the importance of conducting good corporate governance practices and is committed to maintain the high standards of corporate governance practices across the Company and its subsidiaries (collectively, “the Group”). In fulfilling its duties, the Board operates with integrity, transparency and professionalism to safeguard and enhance shareholders’ value and the financial position of the Group.

The Board is pleased to disclose the implementation and the extent of compliance with the recommendations outlined in the Malaysian Code on Corporate Governance (“Code” or “MCCG”) for the financial year ended 31 December 2024.

The Corporate Governance Overview Statement (the “Statement”) is supplemented with Edelteq’s Corporate Governance Report (“CG Report”), offering detailed disclosures on the application of each Practice as outlined in the MCCG. The CG Report offers further details and insights into the Group’s commitment to corporate governance principles. The CG Report is accessible on the Group’s website at <https://edelteq.com>, as well as through announcements on Bursa Malaysia’s website.

It is advisable to read this Statement alongside other statements in the Annual Report, for example: the Statement on Risk Management and Internal Control, Audit Committee Report, and Sustainability Statement.

SUMMARY OF CORPORATE GOVERNANCE PRACTICES

The Group has applied all of the applicable Practices encapsulated in the MCCG for the FY2024 save for:

- Practice 8.2

In relation to the aforementioned departed Practice, the Company has provided explanations for its non-application, along with articulating alternative practices adopted, which have been taken into account the Intended Outcomes envisioned by that Practice. Details of the application of these Practices are disclosed in Edelteq’s CG Report.

The corporate governance practices of Edelteq’s Group are established with reference to the three Principles of MCCG outlined below:

- 1. Principle A – Board Leadership and Effectiveness**
- 2. Principle B – Effective Audit and Risk Management**
- 3. Principle C – Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders**

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS**I. BOARD RESPONSIBILITY**

The Board of Directors remains committed to delivering sustainable long-term success by providing effective leadership, rigorous oversight, and sound strategic guidance. In line with the Malaysian Code on Corporate Governance and the Group's Board Charter, the Board's key responsibilities for FY2024 include:

- **Strategic Planning and Resource Allocation**
The Board actively sets and reviews the annual strategic plan and approves operational budgets and capital allocations. It ensures that adequate financial, human, technological, and operational resources are in place to achieve the Group's objectives. In FY2024, the Board has further integrated sustainability into the planning process by embedding ESG considerations into major strategic initiatives.
- **Monitoring and Evaluating Management Performance**
Through structured quarterly performance reviews, the Board receives detailed updates on financial performance, strategic execution, market developments, and operational issues. This regular review process allows for the systematic evaluation of management performance against defined targets, with an increased emphasis in FY2024 on tracking sustainability metrics alongside traditional performance indicators.
- **Clearly Defined Roles and Responsibilities**
The Board ensures a clear demarcation of duties between Executive Directors—who focus on operational execution—and Independent Non-Executive Directors—who provide independent oversight and critical judgment. This separation, as defined in the Board Charter, supports balanced decision-making and upholds objectivity in the Company's governance.
- **Succession Planning**
Recognising the importance of leadership continuity, the Board maintains a robust succession planning framework. This includes identifying potential candidates for the CEO and other key senior roles, assessing their alignment with the Group's strategic goals, and ensuring that interim leadership arrangements are in place. In FY2024, the Board has continued to work closely with the Human Resources Department to regularly review and update these plans.
- **Corporate Values, Ethics, and Standards**
The Board consistently reinforces high standards of integrity and ethical conduct across the Group. It ensures that key governance policies—such as the Code of Conduct, Anti-Bribery and Anti-Corruption Policy, Whistleblowing Policy, and Conflict of Interest Policy—are rigorously enforced and readily accessible on the Group's website, thereby embedding ethical practices into the corporate culture.
- **Governance through Board Committees**
The Board's oversight is further enhanced through its board committees: the Audit Committee, Risk Management Committee, and Nomination and Remuneration Committee. Comprising solely Independent Non-Executive Directors and operating under clearly defined Terms of Reference ("TOR"), these Committees provide detailed reports on financial integrity, risk management, and Board composition, thus supporting comprehensive and transparent governance.
- **Commitment to Sustainability and Stakeholder Engagement**
The Board integrates sustainability into the Group's strategic direction by reviewing and endorsing sustainability strategies, policies, and materiality assessments. It also ensures ongoing stakeholder engagement through transparent communication channels. This approach facilitates an informed dialogue with shareholders, customers, employees, and the wider community, reinforcing trust and accountability.

Through these responsibilities, the Board of Edelteq continues to safeguard the interests of all stakeholders, ensuring robust leadership, effective oversight, and sustained value creation for the Group.

Clear responsibilities between Chairman and Chief Executive Officer

The Board of Directors of Edelteq Holdings Berhad maintains a clear and structured separation of duties between the Chairman and the Chief Executive Officer (CEO), ensuring that leadership is balanced and governance is robust. For FY2024, this delineation remains central to our governance framework.

- **Independent Non-Executive Chairman**
Datuk Johar Bin Che Mat provides strategic oversight and leadership at the Board level. He is responsible for instilling good corporate governance practices, guiding Board deliberations, and promoting a culture of transparency. By facilitating balanced and inclusive discussions, he ensures that the Board's decisions are made objectively and in the best interests of the Group and its stakeholders.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)**I. BOARD RESPONSIBILITY (Cont'd)****Clear responsibilities between Chairman and Chief Executive Officer (Cont'd)**

- **Chief Executive Officer**

Mr. Chin Yong Keong is accountable for the day-to-day management of the Group's operations. He implements the strategic direction approved by the Board, ensuring that operational execution aligns with the Group's objectives. As the key link between the Board and Management, the CEO communicates critical updates and ensures that Board-approved strategies are effectively translated into action.

This clear separation of roles is designed to prevent any concentration of power, thereby enhancing objectivity and accountability. In addition, the Executive Directors at Edelteq are entrusted with managing and coordinating key business functions across the Group, drawing on diverse skill sets and extensive experience to oversee areas such as sales and marketing, production, research and development, engineering, and administrative functions.

Board Committees

The Board of Directors continues to be supported by three dedicated subcommittees—the Audit Committee ("AC"), Risk Management Committee ("RMC"), and Nomination and Remuneration Committee ("NRC")—each entrusted with specific roles and responsibilities. For FY2024, these Committees operate under clearly defined TOR that have been approved and adopted by the Board. Each Committee is empowered to examine designated areas in depth and present its findings and recommendations to the Board, which retains ultimate accountability.

A summary of the TOR for the AC, RMC, and NRC is published on Edelteq's website, ensuring transparency and reinforcing our commitment to robust governance practices.

The organisation structure of the Group is illustrated below:

**Board Compositions**

For FY2024, composition of the Board includes two (2) Executive Directors and four (4) Independent Non-Executive Directors, as outlined below:

Name of Directors	Designation	Gender
Datuk Johar Bin Che Mat	Independent Non-Executive Chairman	Male
Chin Yong Keong	Executive Director / Group CEO	Male
Khong Chee Seong	Executive Director / Business Unit Director	Male
Joyce Wong Ai May	Independent Non-Executive Director	Female
Datin Soheir Binti Mohammad Khatib	Independent Non-Executive Director	Female
Kamaruddin Bin Kassim	Independent Non-Executive Director	Male

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)**I. BOARD RESPONSIBILITY (Cont'd)****Board Compositions (Cont'd)**

This composition is purposefully structured to provide a robust mix of skills, qualifications, and industry experience, with particular emphasis on proficiency in accounting, audit, tax, law, and other critical areas. The collective expertise of the Board ensures that decision-making is enriched by diverse perspectives and insights.

Notably, Independent Non-Executive Directors represent 66.67% of the Board, reinforcing objectivity and rigorous oversight in all Board deliberations. In addition, the Board includes two women directors, which account for 33.33% of the total membership, underscoring our commitment to gender diversity and inclusive governance.

The NRC consistently reviews and refines the Board's composition, ensuring that diversity—in terms of skills, experience, age, ethnicity, and nationality—is maintained when considering potential candidates for Board appointments. Furthermore, all Directors adhere to Rule 15.06 of the Bursa Malaysia ACE Market Listing Requirements, which limits directors to holding no more than five directorships in listed companies. Detailed profiles of each Director are presented in the Directors' Profile section of this Annual Report.

The Board also respects the recommended tenure limits for Independent Non-Executive Directors, ensuring that none exceed a cumulative term of nine years. As of FY2024, all Independent Non-Executive Directors remain within this tenure threshold, aligning with best governance practices and safeguarding the integrity and independence of the Board.

Company Secretary

For FY2024, the Board of Edelteq Holdings Berhad is supported by a highly qualified Company Secretarial team, which plays a vital role in ensuring effective governance and regulatory compliance. The team comprises two Joint Secretaries:

- Ms. Tai Yit Chan – Appointed on 28 May 2024, succeeding Ms. Chan Eoi Leng.
- Mr. Ooi Kai Yang – Appointed on 5 August 2024, succeeding Ms. Chong Kwai Yoong.

Both Secretaries are qualified Chartered Secretaries under Section 235(2)(a) of the Companies Act 2016, registered with the Companies Commission of Malaysia, and are members of the Malaysian Association of the Institute of Chartered Secretaries and Administrators (MAICSA).

Their key responsibilities include:

- Providing sound governance advice and ensuring that all Board and Committee meetings are properly convened, structured, and documented.
- Facilitating effective communication between Management and the Board by distributing complete and accurate meeting materials well in advance, thereby enabling informed decision-making.
- Acting as the official liaison with regulatory authorities, ensuring timely submission of statutory documents and adherence to relevant regulatory requirements.
- Overseeing the maintenance of comprehensive records, including the timely circulation of meeting minutes and tracking of action items.

Through their dedicated support, the Company Secretaries contribute significantly to robust governance practices and transparency, ensuring that Edelteq's Board operates efficiently and in full compliance with all applicable regulations.

Board Charter

The Board is guided by a comprehensive Board Charter that delineates the roles, duties, and responsibilities of the Board, Board Committees, individual Directors, and Management, thereby promoting clarity, transparency, and effective governance across Edelteq. It specifies matters exclusively reserved for the Board such as approval of strategic plans and major investments, oversight of risk management and internal controls, and succession planning for key executive positions. The Charter also underscores the Board's commitment to high standards of integrity and ethical conduct, aligning with relevant regulatory frameworks including the Bursa Malaysia ACE Market Listing Requirements and the Malaysian Code on Corporate Governance.

To maintain its relevance and effectiveness, the Board Charter undergoes periodic reviews and updates, reflecting any regulatory changes and evolving best practices. The latest version of the Charter is accessible on the Group's official website, reflecting Edelteq's commitment to transparency and robust corporate governance.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)**I. BOARD RESPONSIBILITY (Cont'd)****Code of Business Conduct and Ethics**

Edeltec Holdings Berhad (“Edeltec” or “the Group”) upholds high standards of integrity through a comprehensive Corporate Code of Conduct and Ethics (“Code”). This Code applies to all Directors, Management, employees, and relevant stakeholders, ensuring consistency and clarity in ethical practices and personal accountability across all levels of the organisation. Specifically, it underscores integrity in the marketplace through strict adherence to fair competition, transparent client engagement, and honesty in supplier relationships. Within the workplace, the Code enforces zero tolerance for harassment or discrimination, while requiring compliance with strict environmental, health, and safety protocols. It also mandates responsible use of company assets, accurate record-keeping, and the safeguarding of non-public information.

Further, the Code provides explicit expectations around the avoidance of bribery, improper payments, insider trading, and money laundering, supplemented by detailed guidelines on managing gifts, entertainment, hospitality, and charitable donations. To maintain an ongoing culture of integrity, Edeltec conducts annual refresher training and compliance assessments on the Code, Anti-Bribery and Anti-Corruption policies, and sexual harassment prevention measures. For the reporting of suspected misconduct, the Company’s Whistleblowing Policy ensures confidentiality, protection from retaliation, and secure reporting channels—no material breaches were reported in FY2024.

Recognising that integrity must extend through the supply chain, Edeltec implements a dedicated Supplier Code of Conduct to monitor supplier compliance with key ethical, anti-corruption, and environmental standards. As part of its commitment to continuous improvement, the Group regularly reviews and updates the Code and associated policies, publishing the most current versions on its official website to reinforce transparency and stakeholder engagement.

Anti-Bribery and Anti-Corruption Policy

Edeltec’s Anti-Bribery and Anti-Corruption Policy articulates its firm stance against any form of bribery or corruption. This policy applies to all Directors, employees, business associates, and stakeholders, requiring adherence to relevant anti-bribery and anti-corruption regulatory frameworks. Under the policy, the acceptance and giving of gifts or entertainment are permissible only within reasonable limits, subject to strict scrutiny to ensure they do not influence business decision-making or create conflicts of interest. All gifts must be immediately declared and logged, and employees are expected to follow established procedures to maintain objectivity in their dealings.

Donations and sponsorships are permissible solely under transparent conditions and with proper approval, ensuring such contributions are made in good faith, without the intent to secure unfair advantages. The policy also explicitly prohibits facilitation payments, often disguised as minor unofficial fees to expedite services or obtain permits, and clarifies that personal donations to political entities must not be associated with Edeltec.

To strengthen the policy’s efficacy, Edeltec maintains designated reporting channels for suspected violations, ensuring prompt investigation and decisive corrective actions. By emphasising a zero-tolerance approach and upholding rigorous internal controls, Edeltec’s Anti-Bribery and Anti-Corruption Policy preserves ethical business conduct and protects stakeholder interests.

Whistleblowing Policy

Edeltec’s Whistleblowing Policy establishes a confidential and secure process for directors, employees, and external stakeholders to report suspected unethical behavior, fraud, or other improper conduct. It underscores the Group’s unwavering commitment to business integrity, emphasising that any breaches must be promptly reported to maintain a transparent and accountable workplace. Under this policy, all whistleblower disclosures are handled in strict confidence, with relevant details shared only on a need-to-know basis during investigations. If an allegation is substantiated, the matter is escalated to top management or the Board of Directors for appropriate actions, which may include disciplinary measures or legal recourse.

A dedicated Ethics Compliance Officer oversees preliminary assessments, and if further investigation is warranted, an independent Domestic Inquiry team is established. Whistleblowers are protected from retaliation or discriminatory behavior, consistent with Edeltec’s commitment to fair treatment for all employees and stakeholders. In cases where misconduct is either found to be unsubstantiated or deemed minor, the investigation may be closed with no further action. Throughout the process, whistleblowers remain updated on significant developments and outcomes, reflecting Edeltec’s dedication to open communication.

This policy is subject to ongoing review and improvement, ensuring robust ethical standards and reinforcing trust in the Group’s governance framework. During FY2024, there were no known material breaches under this policy.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)**I. BOARD RESPONSIBILITY (Cont'd)****Time Commitment**

The Board is satisfied with the level of time commitment given by the Directors in carrying and fulfilling their duties and responsibilities. The attendance record of the Directors at the Board Meetings during the financial year ended 31 December 2024 is set out as follows:

Name of Director	Attendance
Datuk Johar Bin Che Mat	5/5
Chin Yong Keong	5/5
Khong Chee Seong	5/5
Joyce Wong Ai May	5/5
Datin Soheir Binti Mohammad Khatib	5/5
Kamaruddin Bin Kassim	5/5

Directors' Trainings

Each director participated in pertinent training sessions to enhance their skill sets and remain updated on the latest market developments crucial for the Group's growth and performance. The training programmes and seminars attended by directors during the financial year ended 31 December 2024 are set out as follows:

Name of Director	Title of training programmes and seminars
Datuk Johar Bin Che Mat	<ul style="list-style-type: none"> • Knowledge Sharing Session on Hajah & Darurah • Asset Liability Management – It's Role in Insurance & Takaful, Towards a Sustainable and Profitable Horizon • Managing Claims – an Adjuster's Perspective • PNB Knowledge Forum 2024 • Anti-Money Laundering (AML) • Global Reinsurance Market Update & Indonesia General Insurance and Syariah Development and Market Update • IFRS 17 Insurance Contracts & Implementation Journey • Generative Artificial Intelligence • Takaful / Conventional Insurance Growth & Direction in Indonesia • MFRS 17, Generative AI & ESG
Chin Yong Keong	<ul style="list-style-type: none"> • HLB ESG Readiness Program - Greening The Supply Chain • Complimentary e-Learning on Employment Act (Amendment) 2022 • Sustainability Awareness Training
Khong Chee Seong	<ul style="list-style-type: none"> • HLB ESG Readiness Program - Greening The Supply Chain • Complimentary e-Learning on Employment Act (Amendment) 2022 • Sustainability Awareness Training
Joyce Wong Ai May	<ul style="list-style-type: none"> • How Can You Start Preparing for E-Invoice Implementation • Understanding Financial Statements • Why Data Management Framework Is Essential for Audit and Compliance • Is There a Gold Standard for Transitioning to Net Zero? • Women in Leadership: Shaping the Future of the SHEconomy • Sustainability Awareness Training for Key Senior Management • ESG Potentials and the Way Forward • Bursa: Conflict of Interest ("COI") and Governance of COI

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)**I. BOARD RESPONSIBILITY (Cont'd)****Directors' Trainings (Cont'd)**

Name of Director	Title of training programmes and seminars
Datin Soheir Binti Mohammad Khatib	<ul style="list-style-type: none"> • BNRC Dialogue: Cultivating Future Proof Board Leadership • Board CV Writing Masterclass • Advocacy Dialogue & Networking: The Launch of the 2024 ASEAN Board Trends Report & the ASEAN Directors Registry • ICDM Members' Exclusive: Are You Measuring Your Sustainability Performance Right? Targets & Metrics • Sustainability Awareness Training • ICDM Advocacy Dialogue & Networking: Corporate Venture Capital: Driving the Future of Innovation & Finance Returns
Kamaruddin Bin Kassim	<ul style="list-style-type: none"> • Sustainability Awareness Training

Governance of Sustainability

Edeltec's Board of Directors bears the ultimate responsibility for guiding the Group's sustainability direction, ensuring that environmental, social, and governance (ESG) factors are incorporated into key strategic and risk management processes. Under a structured governance framework, the Board reviews and approves sustainability strategies, policies, and materiality assessments, aligning them with the Group's corporate objectives and risk appetite. Supporting the Board is the Risk Management Committee (RMC), which integrates sustainability and climate-related risks into the Group's Enterprise Risk Management (ERM) framework. On a more operational level, the ESG Committee—led by an Executive Director and consisting of functional heads—executes sustainability initiatives, turning Board-approved ESG objectives into clear action plans and measurable results.

Highlights in 2024 included clarifying ESG roles among the Board, RMC, and ESG Committee; formalising a Sustainability Plan with measurable objectives in energy, emissions, waste reduction, and social responsibility; and embedding climate-related considerations within Edeltec's ERM processes to proactively manage emerging challenges.

Communication of Company's Sustainability Strategies, Priorities, Targets and Performance

Edeltec emphasises transparent communication with both internal and external stakeholders regarding its sustainability direction. Internally, employees receive regular ESG updates through newsletters, internal portals, and orientation sessions, ensuring broad awareness of evolving strategies and progress. Externally, the Group's Annual Sustainability Statement, aligned with Bursa Malaysia's Sustainability Reporting Guide, serves as the primary channel for detailed disclosures on ESG initiatives, material topics, and performance metrics.

Shareholders are updated through the Annual General Meeting (AGM), corporate website announcements, and periodic sustainability reports, while customers and suppliers are engaged via continuous dialogues, surveys, and vendor assessments to foster collaborative improvements along the value chain. In 2024, key achievements included a systematic approach to stakeholder engagement, enhanced reporting through a transparent Sustainability Statement, and the establishment of sustainability-linked KPIs, formally reported to the Board, thereby reinforcing alignment between corporate accountability and Edeltec's ESG priorities.

Board Keep Abreast of the Relevant Sustainability Issues

Staying current on rapidly evolving sustainability issues is integral to the Board's fiduciary obligations. Edeltec's Board and Management employ a proactive approach to remaining informed about ESG matters, leveraging both internal expertise and external consultancy. In 2024, Board members and senior leaders participated in sustainability awareness sessions conducted by an ESG consultant, addressing emerging sustainability trends, regulatory developments, and global reporting frameworks such as the Task Force on Climate-related Financial Disclosures (TCFD).

The ESG consultant further refined the Group's sustainability plan, ensuring strategy and policy decisions remain grounded in industry best practices. Regular briefings from the ESG Committee also highlight pertinent climate-related risks, enabling the Board to integrate ESG considerations into broader risk-informed decision-making. By combining ongoing education, external advisory, and structured internal updates, Edeltec's Board sustains a robust capacity to guide the Group's ESG agenda effectively.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont’d)

I. BOARD RESPONSIBILITY (Cont’d)

Performance Evaluation of Board and Senior Management

Edeltec incorporates sustainability dimensions into the formal performance evaluations of its Board and senior management, underscoring the importance of ESG accountability. Although the Nomination and Remuneration Committee (“NRC”) is in the process of developing a more comprehensive ESG-focused assessment framework, the existing evaluation processes already address material sustainability matters. Each Director completes a self-assessment covering ESG risks and opportunities, with the NRC aggregating these insights and reporting them to the Board.

Building on this foundation, Edeltec aims to introduce more targeted metrics—such as carbon footprint reduction, waste intensity, and employee well-being—guided by the ESG Committee and ESG consultants. In the interim, senior leadership undergoes informal evaluations against selected ESG goals, with discussions underway to embed specific sustainability metrics in performance-based incentives. This evolving approach ensures ESG factors are consistently recognised and monitored at all leadership levels, reinforcing Edeltec’s commitment to sustainable business practices.

Designated Person to Manage Sustainability (Step Up)

Acknowledging sustainability as a core driver of business success, Edeltec has appointed an Executive Director to directly oversee its ESG strategy. In 2024, this Executive Director, Mr. Khong Chee Seong, led the ESG Committee, translating the Board’s sustainability objectives into concrete actions, reviewing data, and reporting outcomes to both the RMC and the Board. During the year, the ESG Committee formalised the Sustainability Plan, improved stakeholder engagement, and established sustainability-linked metrics.

By assigning a dedicated leader who is directly accountable to the RMC and the Board, Edeltec expedites decision-making, enhances its ESG data management, and refines sustainability policies. This leadership model also strengthens the integration of ESG indicators within its corporate decision-making and daily operations, underlining Edeltec’s unwavering dedication to responsible and sustainable growth.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee (“NRC”) is entrusted by the Board to facilitate the nomination processes for the Board and its Committees, assess their overall performance and effectiveness, and to review and recommend remuneration policies for Directors and key senior management. In line with its TOR, the NRC comprises three (3) members, all of whom are Independent Non-Executive Directors, ensuring objective and unbiased evaluations. The composition of the NRC for FY2024 was as follow:

- Chairperson: Datin Soheir Binti Mohammad Khatib (Independent Non-Executive Director)
- Members: Encik Kamaruddin Bin Kassim and Ms. Joyce Wong Ai May (both Independent Non-Executive Directors)

The TOR of the NRC is publicly available on Edeltec’s official website at <https://edeltec.com>. During FY2024, the NRC held one (1) meeting with full attendance from all members, demonstrating their strong commitment in fulfilling their duties:

Designation	Director	Attendance
Chairman	Datin Soheir Binti Mohammad Khatib	1/1
Member	Encik Kamaruddin Bin Kassim	1/1
Member	Ms. Joyce Wong Ai May	1/1

Key activities undertaken by the NRC in FY2024 included:

- Conducting the annual review and assessment of the Board Committees’ performance, as well as the performance evaluation of individual Directors, with outcomes reported directly to the Board.
- Performing assessments and subsequently recommending Mr. Ngo Tong Seng’s appointment as an Independent Non-Executive Director, effective from 1 January 2025, to the Board for approval, after considering his skills, experience, and suitability.
- Recommending Directors’ Fees and Directors’ Benefits from the 2025 AGM until the next AGM to be held in 2026 for shareholders’ approval at the forthcoming AGM.
- Reviewing and recommending the re-election of Directors who are retiring at the forthcoming AGM.
- Evaluating the independence of Independent Directors and confirming their continued effectiveness and objectivity in contributing to Board deliberations.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)**I. BOARD RESPONSIBILITY (Cont'd)****Appointment of the Board and Senior Management**

- The Board and the NRC employ a structured assessment process for appointing both new Directors and key senior management, emphasising objective criteria, merit, and diversity. Candidates are thoroughly vetted based on their professional qualifications, industry experience, track record, and alignment with Edelteq's strategic goals. By blending longstanding institutional knowledge with fresh perspectives, the Group's leadership structure is enriched by a range of viewpoints, fostering more robust decision-making.
- Each prospective Board member is further evaluated to ensure they can devote sufficient time to their directorship, considering existing board commitments and other obligations, and to confirm they uphold the ethical standards vital to preserving Edelteq's governance and reputation. In parallel, senior management appointments rely on the same principles of objectivity and diversity. The NRC works closely with the Human Resource Department to ensure that new managers meet both the role-specific requirements and the Group's broader strategic objectives.
- During the financial year ended 31 December 2024, the Board convened five (5) meetings, with each Director attending every meeting. This consistent engagement underscores the Company's commitment to robust corporate governance and effective leadership, as decisions emerge from thorough discussions and reflect the best interests of the Company.

Annual Board Assessment and Re-election of Directors

- The NRC conducts a structured annual assessment to evaluate the effectiveness and composition of the Board, its Committees, and individual Directors. This process includes reviewing the Board's skill mix, experience, tenure, and overall performance, ensuring that the Board remains balanced, effective, and aligned with Edelteq's strategic objectives.
- Each Director completes a self-assessment questionnaire covering their contributions, participation, and independence. The NRC consolidates these evaluations, assessing the Directors' overall effectiveness and contributions.
- For the upcoming Annual General Meeting (AGM) in 2025, Mr. Khong Chee Seong and Datin Soheir Binti Mohammad Khatib are scheduled to retire by rotation in accordance with Article 18.4 of the Company's Constitution. Mr. Ngo Tong Seng is scheduled to retire by rotation in accordance with Article 18.10 of the Company's Constitution. After evaluating their contributions, independence, and overall performance, the NRC concluded that the three Directors continue to fulfill the necessary criteria for Board service and have recommended their re-election to shareholders.
- All Directors participate in self-assessments designed to gauge their engagement, independence (for Independent Director), and capacity to contribute effectively. The outcomes of these evaluations, including any relationships potentially influencing Directors' objectivity, are transparently communicated to shareholders ahead of the AGM through detailed disclosures. Edelteq maintains a commitment to ensuring shareholders have comprehensive and accurate information to facilitate informed voting decisions regarding Board appointments and reappointments, reflecting transparency, accountability, and alignment with the Group's long-term strategic goals.

Remuneration

The Board of Edelteq Holdings Berhad has established a comprehensive Remuneration Policy designed to guide the determination of remuneration for Directors and Key Senior Management ("KSM"). This policy assists the Board in setting remuneration levels that appropriately reflect the complexity, responsibilities, and performance expectations associated with each role. Its primary objective is to attract, motivate, and retain highly qualified talent capable of driving the Group's strategic objectives and achieving long-term success.

Remuneration Package for Executive Directors and Key Senior Management

The remuneration packages for Executive Directors (EDs) and KSM are carefully structured to align individual performance with organisational goals. In addition to basic salaries, these packages incorporate allowances and approved fringe benefits, along with performance-related components that incentivise and reward strong individual and organisational performance.

Remuneration Package for Non-Executive Directors

Non-Executive Directors receive remuneration comprising fees, meeting allowances, and reimbursement for expenses incurred in relation to their attendance at Board and Committee meetings. These remuneration packages are determined based on factors such as their experience, level of commitment, responsibilities, and contributions to the Group.

Given the sensitive nature of remuneration details, the Remuneration Policy itself is not publicly disclosed on the Group's website.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)**I. BOARD RESPONSIBILITY (Cont'd)****Remuneration (Cont'd)**Remuneration Package for Non-Executive Directors (Cont'd)

During FY2024, the NRC reviewed the remuneration packages of Executive Directors and KSM, and subsequently made appropriate recommendations to the Board. The Board, as a whole, reviewed and deliberated on the remuneration packages of Non-Executive Directors. Directors abstained from discussions and voting on decisions related to their personal remuneration.

Further details regarding the remuneration of Directors for the financial year ended 31 December 2024 are disclosed in the Corporate Governance Report.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT**Audit Committee**

The Board has established an Audit Committee ("AC") tasked with overseeing financial reporting, internal control systems, risk management practices, and compliance matters. The AC comprises three (3) Independent Non-Executive Directors and is chaired by Ms. Joyce Wong Ai May, who is not the Chairman of the Board. Ms. Wong holds professional memberships in the Certified Practising Accountants Australia, Malaysian Institute of Accountants (MIA), and the Institute of Internal Auditors Malaysia. Collectively, the AC members bring extensive expertise from diverse professional backgrounds, including finance, auditing, regulatory compliance, and business management, enabling them to effectively carry out their responsibilities.

The AC has established a TOR outlining its goals, objectives, duties and responsibilities, and criteria for the composition of the AC. The TOR ensures that none of the AC members have been former audit partners, as required to observe a cooling-off period of at least three (3) years before being appointed in accordance with the TOR of the Audit Committee ("AC")

During the financial year ended 31 December 2024, the AC held five (5) meetings to rigorously oversee the Group's governance practices. The Committee reviewed quarterly unaudited financial results and audited year-end financial statements, ensuring accurate and timely financial reporting in accordance with applicable standards. The AC also conducted an annual assessment of the external auditors, evaluating their suitability, independence, objectivity, and performance, while maintaining a transparent relationship by holding private sessions without management present to facilitate open discussions.

Further information on the Audit Committee, including detailed membership, attendance, and key activities, is presented in the Audit Committee Report included in this Annual Report.

Assessment of External Auditors

The Audit Committee (AC) is responsible for evaluating the suitability, objectivity, and independence of the External Auditors, Grant Thornton Malaysia PLT ("Grant Thornton"), on an annual basis. For the financial year ended 31 December 2024, the AC rigorously assessed the External Auditors through a structured process encompassing their audit quality, effectiveness, performance, independence, and professional fees.

In November 2024, Grant Thornton presented their audit plan for FY2024 to the AC, detailing the audit team, timeline, key audit areas, and critical accounting issues in alignment with International Standards on Auditing (ISA). The AC reviewed this plan thoroughly, ensuring that the scope and approach were comprehensive and appropriate.

To safeguard the independence and objectivity of the External Auditors, the AC has set clear procedures governing the approval of non-audit services, requiring pre-approval to manage any potential conflicts of interest. Additionally, Grant Thornton provided written confirmation that their personnel maintained independence throughout the audit engagement in compliance with professional and regulatory standards.

Following the comprehensive assessment, the AC expressed satisfaction with the External Auditors' performance and independence and subsequently recommended their re-appointment to the Board for approval by shareholders at the forthcoming Annual General Meeting.

Further details are presented in the Audit Committee Report section of this Annual Report.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (Cont'd)**Risk Management Committee and internal control framework**

The Board emphasises robust risk management and internal control systems to protect stakeholders' interests and to provide assurance on the integrity of the Group's operations. The Risk Management Committee ("RMC") comprises three Independent Non-Executive Directors and is chaired by Encik Kamaruddin Bin Kassim. The RMC oversees the effectiveness of the risk management framework, ensuring alignment with the Group's strategic objectives.

During FY2024, the RMC continued to proactively evaluate risks, including financial, operational, regulatory, and sustainability-related exposures, presenting its findings and recommended mitigation strategies to the Board. Risk assessments and updates are regularly provided, allowing the Board to make informed decisions aligned with the Group's approved risk appetite and emerging risks.

Details on the activities, membership, and meetings of the RMC are available in the Statement on Risk Management and Internal Control included in this Annual Report.

Internal Control System

The Board acknowledges the critical importance of effective internal controls and has established a robust framework designed to mitigate risks and protect the Group's interests. This framework is regularly evaluated for its adequacy and effectiveness. During FY2024, the internal audit function continued to be outsourced to Sterling Business Alignment Consulting Sdn. Bhd. ("Sterling"), which directly reports to the AC to maintain independence and objectivity.

Sterling conducted periodic internal audits across various subsidiaries, evaluating internal controls, compliance, and business sustainability risks. The AC closely reviewed audit findings and recommendations, ensuring timely implementation of corrective actions by management. The Board is satisfied with the effectiveness of the internal audit processes, which adhere to recognised auditing frameworks and standards.

Further details regarding the internal control framework and activities conducted by the internal auditors can be found in the Audit Committee Report and the Statement on Risk Management and Internal Control within this Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS**Communication with stakeholders**

The Board recognises the importance of maintaining transparent, comprehensive, and timely communication with stakeholders and investors, ensuring that they are consistently updated on the Group's performance, governance practices, and strategic initiatives.

To facilitate open and effective communication, Edelteq maintains its corporate website (<https://edelteq.com>), which serves as the primary channel for shareholders and the public to access important corporate information. Available materials include the Board Charter, key policies, financial statements, announcements released to Bursa Malaysia, and other relevant investor relations updates. Stakeholders are encouraged to utilise the website as a platform to submit inquiries, feedback, or comments, thereby enhancing continuous engagement and mutual understanding.

Conduct of General Meetings

Edelteq's Annual General Meeting ("AGM") continues to represent a fundamental opportunity for meaningful interaction between the Board, senior management, and shareholders. The Group remains committed to upholding high standards of governance and transparency by adhering strictly to a minimum 28-day notice period prior to the AGM.

For the 2024 AGM held on 19 June 2024, the notice was issued well in advance, on 30 April 2024 and was advertised in nationally circulated daily newspaper. The notice and accompanying documentation, including the Annual Report and detailed explanatory notes on proposed resolutions, were also disseminated through Bursa Malaysia's portal and the Group's official website. This proactive distribution ensured that shareholders received ample opportunity and comprehensive information to deliberate on resolutions and make informed voting decisions.

Reflecting the Group's commitment to effective shareholder engagement, the 2024 AGM was conducted fully virtually via an online meeting platform, ensuring safe and accessible participation for all shareholders. All members of the Board—including the Chairs of the Audit, Nomination and Remuneration, and Risk Management Committees—alongside senior management, the Company Secretary, and the External Auditors were present, ensuring comprehensive representation.

During the AGM, shareholders were encouraged to actively participate by raising questions and concerns. The meeting minutes, particularly under the "Questions and Answers (Q&A) Session," demonstrate the Board's dedication to addressing shareholder inquiries transparently, with clear and informative responses provided on both financial and operational matters. Such proactive engagement underscores Edelteq's commitment to maintaining trust, accountability, and robust communication with all shareholders.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors (“Board”) is pleased to present the Statement on Risk Management and Internal Control (“Statement”) pursuant to Rule 15.26(b) of the ACE Market Listing Requirements (AMLR) of Bursa Malaysia Securities Berhad (Bursa Securities) and in accordance with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (“the Guidelines”) for the financial year ended 31 December 2024 (“FY2024”).

BOARD’S RESPONSIBILITIES

The Board of Directors (“Board”) reaffirms its overarching responsibility for establishing and maintaining a robust system of risk management and internal control that safeguards the Group’s assets and shareholders’ interests. Recognising the critical role that an effective framework plays in achieving our strategic objectives, the Board remains committed to continuously enhancing this system in response to evolving business and regulatory challenges.

In fulfilling this duty, the Board oversees a comprehensive process to identify, evaluate, and mitigate material risks—including those related to financial performance, operational efficiency, governance, regulatory compliance, and emerging issues. It is understood that this system is designed to manage risks by providing a reasonable level of assurance, rather than to eliminate risk entirely. The Board also approves an acceptable risk appetite, ensuring that risk management is embedded in all aspects of the company’s activities.

To support its oversight, the Board has established an ongoing mechanism whereby the Audit Committee (“AC”) and the Risk Management Committee (“RMC”) regularly review and assess the adequacy, integrity and effectiveness of internal controls and risk mitigation measures of the Company and its subsidiaries (“the Group”). In addition, the Board routinely solicits formal feedback from the Internal Auditors and the independent external auditor, and receives assurance from the Executive Directors and Acting Financial Controller that the risk management and internal control system is operating adequately and effectively in all material aspects.

While the AC and RMC play pivotal roles in the day-to-day oversight of risk management and internal control, the ultimate responsibility for the integrity, adequacy, and effectiveness of the system remains with the Board as a collective entity. Our continuous commitment to refining our processes ensures that our framework remains aligned with our strategic objectives and responsive to the dynamic operating environment.

RISK MANAGEMENT COMMITTEE

Established in 2022 as a fundamental component of our Risk Management Framework, the Risk Management Committee (RMC) comprises three Independent Non-Executive Directors. The RMC’s key responsibilities include:

- **Oversight and Guidance:**
Providing ongoing process of oversight, direction, and counsel to ensure that the Group’s risk management process remains robust and aligned with our strategic objectives.
- **Policy and Process Review:**
Establishing and periodically reviewing the Group’s risk management guidelines and policies, and ensuring the effectiveness of the risk management structure, processes, and support systems for identifying, assessing, monitoring, and managing key risks.
- **Risk Evaluation:**
Evaluating risks associated with investment options and project costs, and offering recommendations to the Board on appropriate risk response strategies.
- **Sustainability Reporting:**
Overseeing the management and reporting of material sustainability matters by identifying and addressing risks and opportunities that impact the Group’s economic, environmental, and social performance.
- **Compliance Monitoring:**
Reviewing the effectiveness of systems that monitor compliance with applicable laws, regulations, and internal policies, including the investigation and follow-up of any instances of non-compliance.

In 2024, senior management—represented by our Executive Directors and Acting Financial Controller—continue to attend RMC meetings as observers, thereby providing insights into the adequacy and reliability of our risk management processes.

For the financial year 2024, the RMC has convened two meetings to conduct formal risk assessments, with the outcomes reported to the Board. This enhanced meeting frequency reflects our commitment to continuous improvement in risk oversight and proactive risk management.

MANAGEMENT RESPONSIBILITIES

Management is accountable for implementing and continuously enhancing the processes that identify, evaluate, monitor, and report risks and internal control matters. In alignment with the Group's strategic vision and approved risk appetite, management is responsible for designing and executing a robust risk management framework that supports effective decision-making and ensures that risks remain within tolerable limits.

Key responsibilities of management include:

- **Risk Identification and Assessment:**
Management must identify risks relevant to the business and the achievement of strategic objectives. This involves regularly assessing both existing risks and emerging risks that could impact performance.
- **Framework Design and Implementation:**
Management is tasked with designing, implementing, and monitoring the risk management framework. This framework must be integrated into the company's core processes and aligned with our overall strategic direction and risk appetite.
- **Timely Corrective Actions:**
When significant risks or control weaknesses are identified, management is required to take appropriate and timely corrective actions. Prompt escalation of changes in risk or emerging issues to the Board is essential for maintaining effective oversight.
- **Providing Assurance:**
Management must ensure that comprehensive processes are in place and functioning as intended. At least annually, the Board receives formal assurance from the Executive Director and Acting Financial Controller that the risk management and internal control systems are operating adequately and effectively in all material aspects.

Through these measures, management ensures that risk management is not only a compliance exercise but also a strategic tool that supports the Group's long-term success. Continuous improvement and responsive actions are embedded in our operational ethos, enabling us to adapt to changing business conditions and mitigate potential risks proactively.

RISK MANAGEMENT FRAMEWORK

The Board, acting through the Risk Management Committee ("RMC"), has established a Group risk management and internal control framework designed to address the full spectrum of corporate-related risks. This framework is built on a systematic and rigorous risk analysis process that ensures timely and accurate risk information to support informed, proactive decision-making. It encompasses the identification, evaluation, monitoring, and reporting of risks across key areas—including Financial, Technical, Operational, and Compliance risks—that could significantly impact our business operations and strategic objectives.

The objectives of the risk management framework are as follows:

- **Early Risk Identification:**
Implement a systematic approach to identify and manage risks at an early stage, ensuring that potential issues are flagged before they escalate.
- **Informed Decision-Making:**
Provide concise and accurate risk information that supports the setting of strategic directions and the adoption of new business opportunities.
- **Cost-Effective Risk Treatment:**
Develop and implement risk treatment strategies that efficiently mitigate risks to an acceptable level while optimising resource allocation.
- **Continuous Monitoring:**
Regularly review and monitor risk levels to ensure that risk exposure remains within tolerable limits, adapting to changes in both the internal and external environment.

Risk management is an ongoing process integrated into our day-to-day operations. Our approach includes the following key steps:

- **Communication and Consultation:**
Engage with stakeholders at all levels to ensure that risk information is effectively communicated and understood.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT FRAMEWORK (Cont'd)

Risk management is an ongoing process integrated into our day-to-day operations. Our approach includes the following key steps: (Cont'd)

- **Risk/Opportunity Identification:**
Establish the context through comprehensive risk assessments that consider both current and emerging risks and opportunities. Notably, in 2024, as part of our ESG initiatives, the Group conducted a dedicated Economic, Environment, and Social risk assessment to systematically evaluate sustainability risks—such as environmental impacts, social responsibility issues, and economic shifts—and integrate them into our overall risk management framework.
- **Risk/Opportunity Scenario Analysis:**
Analyse various scenarios to understand the potential evolution of identified risks and opportunities, assessing different pathways and their likelihoods.
- **Risk/Opportunity Consequences:**
Evaluate the potential consequences of each risk or opportunity, considering both financial and non-financial impacts on our strategic objectives and operational performance.
- **Risk/Opportunity Control Measure Development:**
Develop and implement targeted control measures and risk treatment strategies designed to mitigate identified risks and capitalise on opportunities, ensuring that our approach remains cost-effective and aligned with our risk appetite.

In 2024, we further refined our risk management approach by adopting the aforementioned principles of Enterprise Risk Management (“ERM”), which provide a structured, integrated method for identifying, assessing, and managing risks in accordance with our approved risk appetite and tolerance levels. This approach ensures sustainable value creation while minimising unexpected challenges. An Executive Director is responsible for assessing the likelihood and potential impact of identified risks on both financial and non-financial parameters, assigning residual risk ratings, and reporting these findings to the RMC during its meetings. As the designated risk owner, the Executive Director is also responsible for monitoring risk evolution and developing timely mitigation plans. Risk reports summarise critical issues and are reviewed by the RMC, with summaries presented to the Board to ensure that decision-makers have access to accurate, up-to-date risk information.

The appropriate risk appetite and corresponding risk parameters are established by the Board through the RMC. These parameters provide a consistent guide for evaluating risks and prioritising risk mitigation actions, with both financial and non-financial metrics reviewed and adjusted as circumstances evolve.

INTERNAL CONTROL FRAMEWORK

The Board recognises that a sound system of internal control is essential to mitigate risks arising from human error, poor judgment, and potential circumvention of controls, while acknowledging that no system can entirely eliminate these risks. In 2024, Edelteq has further strengthened its internal control framework to support robust decision-making, ensure regulatory compliance, and align with our strategic and sustainability objectives. The key elements of Edelteq’s 2024 Internal Control Framework are as follows:

- **Authority and Responsibility:**
The Group has developed and maintained a comprehensive set of internal policies and standard operating procedures, which include the Code of Conduct, Whistleblowing Policy, Conflict of Interest Policy, and Anti-Bribery and Anti-Corruption (ABAC) Policy. An updated delegation framework clearly delineates authority limits, ensuring that management decisions are consistent with our strategic objectives and risk appetite. Additionally, clearly defined Terms of Reference and established responsibilities for our Board Committees and Sub-Committees—including the Risk Management Committee, Audit Committee, and Nomination and Remuneration Committee—ensure effective oversight across the Group.
- **Organisational Structure:**
We maintain a well-defined organisational structure with clear lines of authority, reporting, accountability, and responsibility across all functions within the Group. This clarity supports efficient decision-making and strengthens our overall internal control system.
- **Monitoring and Reporting:**
Internal control matters are reviewed regularly, with significant control gaps promptly reported to the Board. Monthly management meetings—chaired by the Group CEO and attended by heads of key operational units—provide a structured platform for evaluating financial performance, operational efficiency, health and safety, quality metrics, business development, and capital expenditure proposals. In addition, the Executive Director, as the designated risk owner, provides regular risk reports to the respective Committees, ensuring that any significant risks are identified and addressed promptly.

INTERNAL CONTROL FRAMEWORK (Cont'd)**• Policies, Procedures, and Compliance:**

Our internal controls are embedded in documented operating procedures and policies that are periodically reviewed and updated to reflect changes in the business environment. In 2024, all employees underwent annual refresher training on the Code of Conduct, the ABAC Policy, and the Sexual Harassment Policy, and subsequently completed an annual assessment to reinforce ethical conduct and compliance. In addition, new measures were implemented, including a suppliers' code of conduct and enhanced anti-corruption and anti-bribery policies. Furthermore, the declaration of Conflict of Interest and adherence to the Code of Conduct are strictly enforced for both Directors and employees.

• Health, Safety, and Well-Being:

The Group is committed to the well-being of its workforce by upholding high standards of occupational safety and health at all production areas and business premises. Well-defined health and safety policies and procedures are maintained, and regular training initiatives are conducted to raise awareness. Routine building maintenance and physical inspections are performed at all offices and production areas to ensure the safety of employees and visitors.

• Sustainability Integration:

The newly formed ESG Committee, headed by an Executive Director, plays a critical role in assessing and managing material ESG risks. This Committee, meeting regularly, ensures that sustainability considerations are embedded within our internal control processes and reports its findings to the Risk Management Committee annually.

By adopting these measures, Edelteq's internal control framework not only supports the smooth execution of daily operations but also provides the Board with timely and accurate information for effective decision-making. This robust system ensures that any control deficiencies are identified and addressed promptly, reinforcing our commitment to strong corporate governance and sustainable business practices.

INTERNAL AUDIT FUNCTION

In 2024, the Group continued to outsource its internal audit function to Sterling Business Alignment Consulting Sdn. Bhd ("Sterling"), an independent consultant that provides assurance on the adequacy and effectiveness of our internal control and risk management systems. Administrative reporting was managed by the Acting Financial Controller, while functional reporting was directed to the Audit Committee ("AC") to ensure objectivity.

Sterling conducted an internal control review to assess the adequacy, integrity and effectiveness of Group's internal control system and its compliance with the relevant Listing Requirements, as stipulated under the Malaysian Code on Corporate Governance (2021), the Listing Requirements, and other applicable legal and regulatory standards. Findings and recommendations from this review were reported to the Board, along with Management's responses and any actions taken.

During FY2024, internal auditors conducted two formal reviews and two follow-up reviews for the subsidiaries of the Group, in accordance with the internal audit plan approved by the AC. These reviews assessed the adequacy and effectiveness of internal controls through interviews, discussions, policy and procedure reviews, and sample testing. The outcomes—including action plans to address identified weaknesses and recommendations for enhancements—were reported to the AC, which subsequently briefed the Board. The AC continues to closely follow up on these issues to ensure that Management implements the recommended actions in a timely manner.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL AUDIT FUNCTION (Cont'd)

During FY2024, the Internal Auditor conducted reviews on the following:

Reporting month	Company	Audit area
May 2024	<ul style="list-style-type: none"> • Edelteq Technologies Sdn. Bhd. • Edelteq Ventures Sdn. Bhd. • Camyang Enterprise Sdn. Bhd. • Edel Technology (M) Sdn. Bhd. • Dysteq Technique Sdn. Bhd. 	<ul style="list-style-type: none"> • Warehouse and Inventory Management • Logistics Management
August 2024	<ul style="list-style-type: none"> • Edelteq Technologies Sdn. Bhd. • Edelteq Ventures Sdn. Bhd. • Camyang Enterprise Sdn. Bhd. • Edel Technology (M) Sdn. Bhd. • Dysteq Technique Sdn. Bhd. 	<ul style="list-style-type: none"> • Follow up status review
November 2024	<ul style="list-style-type: none"> • Edelteq Technologies Sdn. Bhd. • Edelteq Ventures Sdn. Bhd. • Camyang Enterprise Sdn. Bhd. • Edel Technology (M) Sdn. Bhd. 	<ul style="list-style-type: none"> • Management Information System • Human Resources • Administration
February 2025	<ul style="list-style-type: none"> • Edelteq Technologies Sdn. Bhd. • Edelteq Ventures Sdn. Bhd. • Camyang Enterprise Sdn. Bhd. • Edel Technology (M) Sdn. Bhd. 	<ul style="list-style-type: none"> • Follow up status review

The total cost incurred for the internal audit function for FY2024 was RM41,791.

ASSURANCE

The Board regularly reviews comprehensive reports on the effectiveness of our risk management and internal control systems. Based on these reviews, the Board is satisfied that our systems are sound and adequate to safeguard the Group's assets and protect the interests of shareholders, customers, regulators, employees, and other stakeholders. Management is tasked with implementing the Board's policies and guidelines on risks and controls, identifying and evaluating the risks faced by the Group, and operating a robust system of internal controls to manage these risks.

For the financial year under review, the Board has received formal assurance from the Executive Directors, and the Acting Financial Controller that the Group's system of risk management and internal control is operating effectively and remains current as of the date of this Statement. In addition, input from the internal audit function and feedback from our external auditors regarding any control shortcomings have been carefully considered. The Board is therefore of the view that our system of risk management and internal control is adequate and effective in achieving our strategic objectives, and that it has not resulted in any material losses or contingencies requiring separate disclosure in this Annual Report.

The Board remains committed to further enhancing our risk management and internal control framework and will implement improvements as necessary to address emerging risks and evolving business conditions.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement in accordance with Rule 15.23 of the AMLR. Their review entailed a limited assurance assessment of the Statement for inclusion in this Annual Report for FY2024, in line with Audit and Assurance Practice Guide (AAPG) 3 issued by the Malaysian Institute of Accountants. AAPG 3 does not obligate the external auditors to verify that the Statement covers all risks and controls, nor does it require them to opine on the overall adequacy and effectiveness of the Group's risk management and internal control system.

In their report to the Board, the external auditors have confirmed that nothing has come to their attention that would lead them to believe that this Statement, as included in the Annual Report, is not prepared, in all material aspects, in accordance with the disclosure requirements set out in paragraphs 41 and 42 of the Guidelines, nor that it is factually inaccurate.

CONCLUSION

This Statement is made in accordance with the resolution of the Board of Directors dated 17 April 2025.

AUDIT COMMITTEE REPORT

INTRODUCTION

The Board of Directors ("Board") is pleased to present the Audit Committee ("AC") Report which provides insights into the manner in how AC discharged its duties for the Group in the financial year ended 31 December 2024 ("FY2024").

COMPOSITION AND DESIGNATION

The Audit Committee ("AC") is an integral component of our corporate governance framework, entrusted with overseeing financial reporting, internal controls, risk management, and compliance. In accordance with the Malaysian Code on Corporate Governance (MCCG) Practice 9.1 and Rule 15.09(1) of the ACE Market Listing Requirements (AMLR) of Bursa Malaysia Securities Berhad (Bursa Securities), the AC is structured to maintain the highest standards of independence, transparency, and effectiveness.

The AC comprises three members, all of whom are Independent Non-Executive Directors. It is chaired by an independent director, distinct from the Board Chairman, in line with MCCG Practice 9.1. Notably, none of the AC members are former key audit partners with our external auditors, ensuring objective oversight. The Chairman of the AC, Ms. Joyce Wong Ai May, is a Fellow of the Certified Practising Accountants Australia, a member of the Malaysian Institute of Accountants (MIA), and a corporate member of the Institute of Internal Auditors Malaysia.

We take pride in the diverse and comprehensive expertise of our AC members, whose collective skills in finance, legal, regulatory, and business management enable them to discharge their responsibilities effectively while providing strategic guidance to the Board.

MEETINGS

During the financial year ended 31 December 2024, the Committee convened five meetings. Each meeting was meticulously organised with structured agendas distributed at least seven days in advance, ensuring efficiency and clarity. The meetings were conducted openly and constructively, fostering focused discussions and encouraging diverse viewpoints.

Their members' attendance at AC meetings held during the financial year under review is tabulated below:

Name	Designation/ Directorship	Attendance
Joyce Wong Ai May	Chairman/ Independent Non-Executive Director	5/5
Kamaruddin Bin Kassim	Member/ Independent Non-Executive Director	5/5
Datin Soheir Binti Mohammad Khatib	Member/ Independent Non-Executive Director	5/5

In addition to the Company Secretaries, who attended all meetings by invitation, representatives from the External Auditors and the outsourced Internal Auditor were also invited to provide independent insights. The Committee Chairman routinely invited Key Management Personnel—including the Chief Executive Officer, Executive Director and Acting Group Financial Controller—as well as other pertinent personnel to attend, ensuring that all relevant aspects were addressed. The Acting Group Financial Controller presented unaudited quarterly financial statements and other financial matters for review, with subsequent recommendations communicated to the Board.

Minutes of each meeting were diligently recorded and presented at subsequent Board meetings, ensuring transparency and accountability throughout our governance process.

TERMS OF REFERENCE

The terms of reference of the AC are published on the Group's website at <https://edelteq.com>

SUMMARY OF ACTIVITIES

During the financial year ended 31 December 2024, the AC convened five meetings, diligently overseeing key aspects of our corporate governance framework. The Committee's work in FY2024 spanned general governance, financial reporting, internal audit oversight, and the review of IPO proceeds usage, ensuring that critical areas were rigorously monitored and managed.

SUMMARY OF ACTIVITIES (Cont'd)

General Governance:

- The AC reviewed and confirmed the accuracy of the AC meeting minutes.
- The AC assessed the Group's compliance with the ACE Market Listing Requirements and other pertinent legal and regulatory standards.
- The AC reviewed and recommended the AC Report and the Statement on Risk Management and Internal Control ("SORMIC") to the Board for approval and inclusion in the Annual Report 2023.
- The Committee reviewed its Terms of Reference to ensure that its oversight responsibilities—including those related to ethics and integrity, in accordance with the amended Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018)—remained current and effective.
- The AC examined key issues affecting the Group's performance, providing timely guidance on both strategic and operational matters.

Financial Reporting:

- The AC reviewed quarterly unaudited consolidated financial results and year-end financial statements, with a focus on identifying notable fluctuations and significant changes in the Group's financial position.
- The AC invited the Acting Financial Controller to present their analyses and respond to queries—particularly regarding changes in accounting policies and related disclosures, significant and unusual audit findings, the going concern assumption, taxation, compliance with Financial Reporting Standards and legal requirements, notable issues in the financial statements, and key judgements made by Management—to ensure robust scrutiny of financial information before recommendations were submitted to the Board.
- The AC confirmed with Management and the External Auditors that the audited financial statements of the Group and the Company were prepared in compliance with applicable Malaysian Financial Reporting Standards, IFRS Accounting Standards, Companies Act 2016, and reviewed and approved Management's assessment of the Group's prospects and longer-term visibility as presented in the quarterly unaudited consolidated financial results and Annual Report.

IPO Proceeds Usage:

- The AC reviewed the allocation and usage of the IPO proceeds to ensure that funds were appropriately directed toward strategic initiatives that support the Group's long-term growth objectives and enhance shareholder value.

Internal Audit:

- During the FY2024, the Group's internal audit function continues to be outsourced to an independent consultant, Sterling Business Alignment Consulting Sdn. Bhd. ("Sterling") who reports directly to the AC. Their role involve providing support to the Board and AC by conducting independent evaluation on the internal control mechanism and assessed the adequacy and effectiveness of the system of internal control.
- The AC reviewed and approved the risk-based internal audit plan for FY2024, ensuring alignment with the Group's strategic objectives and risks.
- The AC examined internal audit reports, discussed findings and recommendations for improvement, and directed Management to provide status reports on corrective actions as needed; any significant issues were promptly escalated to the Board.
- The AC closely monitored the implementation of corrective actions until completion and evaluated the overall effectiveness of the internal audit process in accordance with recognised frameworks.
- During AC meetings, discussions with Management and internal auditors helped establish a common understanding of key issues and reinforced Management's commitment to enhancing our internal control system.

During the financial year, the internal auditor conducted two internal audit reviews and two follow-up status reviews. All audits were conducted on-site for subsidiaries situated in Malaysia.

SUMMARY OF ACTIVITIES (Cont'd)

External Auditors:

- The AC reviewed the External Auditors' scope of work and audit plan for FY2024. Prior to commencement, representatives from the External Auditors presented their audit strategy and plan to the AC for detailed deliberation.
- The AC reviewed the audit results, the independent auditors' report, the management letter, and the financial statements for the financial year ended 31 December 2024.
- The AC assessed the independence, appropriateness, and objectives of the External Auditors, as well as their performance and professional fees, to ensure a prudent balance between objectivity and value for money.
- The AC held private meetings with the External Auditors on 13 November 2024 and 17 February 2025, without the presence of Executive Directors and Management, to address concerns and queries arising from the interim and final audits, along with other relevant matters.
- After evaluating their performance and proposed audit fees, the AC considered the reappointment of the External Auditors and submitted its recommendation to the Board to recommend their reappointment to the shareholders for approval at the Annual General Meeting.

Related Party Transactions and Conflict of Interest:

- An agenda item for reviewing related party transactions was included in the quarterly AC meetings; no related party transactions were identified in FY2024.
- A draft Conflict of Interest Policy was presented to the AC for review and subsequently recommended for approval by the Board and adoption.
- The AC reviewed the conflict of interest disclosure statements submitted by all Directors, with no conflicts or potential conflicts reported in FY2024.

During the FY2024, the AC was adequately resourced to fulfill its responsibilities effectively. The AC had access to all necessary information to carry out its duties and was empowered to seek independent advice as needed. Additionally, the AC possessed the authority to investigate any matter within its purview, ensuring that it operated with full autonomy and rigor in overseeing governance, risk management, and internal control matters across the Group.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Board of Directors ("the Board") of Edelteq Holdings Berhad ("the Company") is responsible for ensuring that the financial statements of the Company and its subsidiaries ("the Group") are properly prepared in accordance with the applicable Malaysian Financial Reporting Standards, IFRS Accounting Standards, the provisions of the Companies Act 2016, and the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

In discharging this responsibility, the Board is committed to ensuring that the financial statements provide a true and fair view of the financial position and performance of the Group and the Company as at 31 December 2024, as well as of their financial results and cash flows for the financial year then ended.

In overseeing the preparation of the financial statements, the Board has satisfied itself that Management has:

- Adopted appropriate accounting policies and applied them consistently;
- Made reasonable and prudent judgments and estimates;
- Ensured that all applicable approved accounting standards have been adopted; and
- Prepared the financial statements on a going concern basis, under the reasonable expectation that the Group and the Company possess adequate resources to continue operations in the foreseeable future.

The Board has also ensured that proper accounting records are maintained, disclosing with reasonable accuracy the financial position of the Group and the Company, and enabling the financial statements to comply with the relevant regulatory and statutory requirements. In addition, the Board has taken appropriate measures to safeguard the assets of the Group and the Company and to prevent and detect fraud and other irregularities.

The Board is satisfied that the financial statements have been prepared with integrity and in accordance with sound financial reporting practices. The Directors' commitment to timely and transparent disclosure is further reflected in the submission of the Group's quarterly reports and annual audited financial statements to Bursa Malaysia, keeping shareholders and the investing public informed of the Group's financial performance and developments.

This Statement of Directors' Responsibility is made in accordance with a resolution of the Board of Directors dated 22 April 2025.

ADDITIONAL COMPLIANCE INFORMATION

The following information is disclosed in accordance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") for the financial year ended 31 December 2024.

1. Utilisation of Proceeds

Edeltec Holdings Berhad ("Edeltec" or the "Company") was listed on the ACE Market of Bursa Malaysia on 7 June 2023. In conjunction with the Initial Public Offering ("IPO"), the Company issued 100,000,000 new ordinary shares at an issue price of RM0.24 per share, raising gross proceeds of RM24.00 million ("IPO Proceeds").

As at 31 December 2024, the utilisation status of the IPO Proceeds is as follows:

Purposes	Estimated Timeframe for Utilisation	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Percentage Utilised (%)
Construction of the Proposed Batu Kawan Factory	Within 12 months	3,679	3,679	100
Repayment of bank borrowings (Proposed Batu Kawan Factory)	Within 24 months	10,250	2,000	19.51
Research and development	Within 30 months	3,097	742	23.96
Working capital	Within 24 months	3,374	3,374	100
Estimated listing expenses	Within 3 months	3,600	3,600	100
Total		24,000	13,395	55.81

The utilisation of the proceeds above should be read in conjunction with the Prospectus of the Company dated 9 May 2023.

2. Audit and Non-Audit Fees

The amount of audit and non-audit fees paid or payable to the External Auditors, Grant Thornton Malaysia PLT, by the Group and the Company for the financial year ended 31 December 2024 are as follows:

Type of Fee	Group (RM)	Company (RM)
Statutory audit	155,000	32,000
Assurance related and non-audit service	49,500	17,000

Note: Non-audit fees include professional services such as tax compliance and review of the Statement on Risk Management and Internal Control (SORMIC).

3. Recurrent Related Party Transactions ("RRPTs")

There were no recurrent related party transactions entered into by the Group during the financial year ended 31 December 2024.

4. Material Contracts

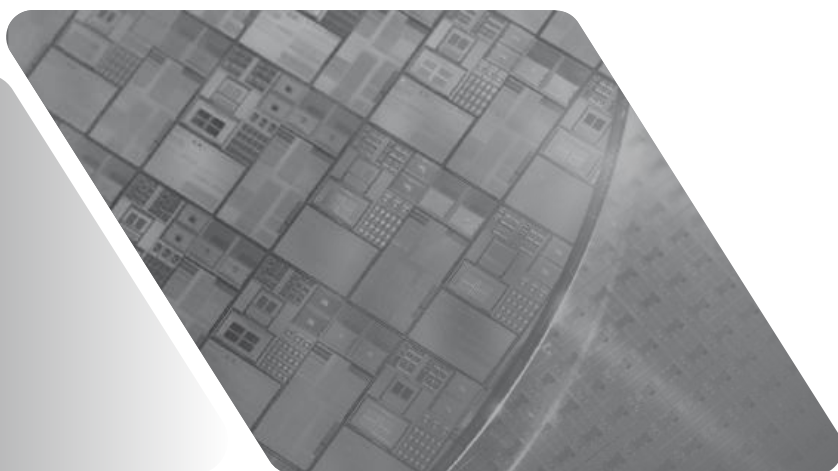
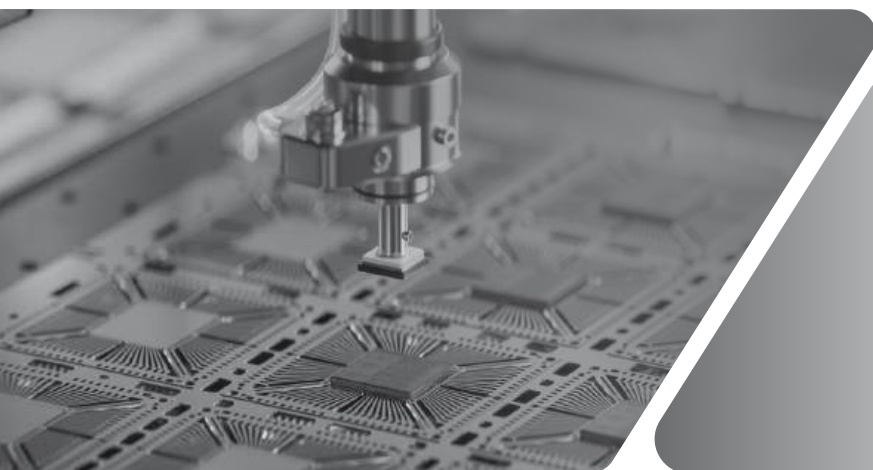
There was no material contracts entered into by the Group involving the interests of directors or major shareholders during the financial year ended 31 December 2024, other than those previously disclosed via Bursa Malaysia announcements.

5. Contracts Relating to Loans

There were no material contracts relating to loans entered into by the Group involving the interests of directors or major shareholders during the financial year ended 31 December 2024.

FINANCIAL STATEMENTS

Directors' Report	68
Directors' Statement	72
Statutory Declaration	72
Independent Auditor's Report to The Members	73
Statements of Financial Position	77
Statements of Comprehensive Income	78
Consolidated Statement of Changes in Equity	79
Statement of Changes in Equity	80
Statements of Cash Flows	81
Notes to the Financial Statements	85



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 December 2024**.

PRINCIPAL ACTIVITIES

The principal activity of the Company in the course of the financial year remains unchanged and consists of investment holding.

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

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

RESULTS

	GROUP RM	COMPANY RM
Profit for the financial year	3,919,649	6,365,006
Attributable to:		
Owners of the Company	4,015,138	6,365,006
Non-controlling interests	(95,489)	-
	3,919,649	6,365,006

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

DIVIDENDS

On 24 February 2025, the Company has declared an interim single tier dividend of 0.20 sen per ordinary share amounting to RM1,056,071 in respect of financial year ending 31 December 2025 which was paid on 15 April 2025.

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

RESERVES AND PROVISIONS

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

SHARE CAPITAL AND DEBENTURE

During the financial year, the Company did not issue any share or debenture.

DIRECTORS

The directors of the Company in office since the end of the previous financial year to the date of this report are:

Directors of the Company:

- Datuk Johar Bin Che Mat**
- * **Chin Yong Keong**
- * **Khong Chee Seong**
- Kamaruddin Bin Kassim**
- Datin Soheir Binti Mohammad Khatib**
- Joyce Wong Ai May**
- Ngo Tong Seng (appointed on 1.1.2025)**

The director of the subsidiaries of the Company since the beginning of the financial year to the date of this report, not including those directors listed above, are:

Director of the subsidiaries:

- Chin Yuen Fong**
- Lee Kim Loon (appointed on 16.7.2024)**

* Directors of the Company and certain subsidiaries.

DIRECTORS' INTERESTS IN SHARES

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

	----- Number of ordinary shares -----			
	Balance at 1.1.2024	Bought	Sold	Balance at 31.12.2024
The Company				
Direct Interest:				
Chin Yong Keong	234,579,172	-	-	234,579,172
Khong Chee Seong	106,907,590	-	-	106,907,590

By virtue of their shareholdings in the Company, **Mr. Chin Yong Keong** and **Mr. Khong Chee Seong** are also deemed interested in the shares of the subsidiaries of the Company, to the extent that the Company has interests.

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

DIRECTORS' REMUNERATION AND BENEFITS

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

	COMPANY RM	SUBSIDIARIES RM	GROUP RM
Directors' fee	240,000	-	240,000
Salaries, allowances and bonus	28,000	731,830	759,830
Defined contribution plans	-	122,135	122,135
Social security contributions and employment insurance	-	2,152	2,152
	268,000	856,117	1,124,117

DIRECTORS' REMUNERATION AND BENEFITS (Cont'd)

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

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

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

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

OTHER STATUTORY INFORMATION

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

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

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

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

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

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

In the opinion of the directors:

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

EVENT AFTER THE REPORTING PERIOD

The details of the event after the reporting period are disclosed in Note 31 to the financial statements.

AUDITORS

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

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

	GROUP RM	COMPANY RM
Statutory audit	155,000	32,000
Assurance related and non-audit services	49,500	17,000
Total	204,500	49,000

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

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

.....
Chin Yong Keong

Penang,

Date: 22 April 2025

.....
Khong Chee Seong

DIRECTORS' STATEMENT

In the opinion of the directors, the financial statements set out on pages 77 to 123 are properly drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at **31 December 2024** and of their financial performance and cash flows for the financial year then ended.

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

.....
Chin Yong Keong

Date: 22 April 2025

.....
Khong Chee Seong

STATUTORY DECLARATION

I, **Chin Yong Keong**, the director primarily responsible for the financial management of **Edeltec Holdings Berhad**, do solemnly and sincerely declare that the financial statements set out on pages 77 to 123 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed at Penang, this **22nd**)
day of **April 2025**.)

Before me,

.....
Chin Yong Keong

.....
Commissioner for Oaths
Liew Juan Leng (P162)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

Report on the Audit of the Financial Statements**Opinion**

We have audited the financial statements of **Edeltec Holdings Berhad**, which comprise the statements of financial position as at **31 December 2024** of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 77 to 123.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Key Audit Matters (Cont'd)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Revenue recognition (Note 20 to the financial statements)</p> <p>The Group's revenue is mainly derived from design and assembly of integrated circuit ("IC") burn-in board and printed circuit board, supply and refurbishment of IC assembly and test consumables, design, development and assembly of automated test equipment and factory automation as well as trading of industrial supplies.</p> <p>We focus on this area due to the diverse revenue streams of the Group and the magnitude and voluminous transactions involved which may give rise to a higher risk of material misstatements in respect of the timing and amount of revenue recognised.</p>	<p>Our audit procedures in relation to the revenue recognition included, amongst others, the followings:</p> <ul style="list-style-type: none"> • Obtained an understanding of the Group's revenue recognition process and application and thereafter tested controls on the occurrence of revenue; • Performed analytical procedures on the trend of revenue recognised to identify for any abnormalities; • Performed substantive testing on a sampling basis to verify that revenue recognition criteria was properly applied by checking to the documents which evidenced the delivery of goods to the customers at the delivery destination point or acceptance of goods by the customer at the customer's site; • Assessed whether revenue was recognised in the correct period by testing cut-off through assessing sales transactions taking place at either side of the reporting date as well as reviewing credit notes and sales returns issued after the reporting date; and • Reviewed the sales ledger to identify any sales transactions that were entered using journals or non-sales invoices references and evaluated the nature of the transactions to determine whether they were <i>bona fide transactions</i>.

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

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 or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the Group audit. We remain solely responsible for our audit opinion.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action 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 Matter

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

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

Terence Lau Han Wen
No. 03298/04/2027 J
Chartered Accountant

Penang

Date: 22 April 2025

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	NOTE	GROUP		COMPANY	
		2024 RM	2023 RM	2024 RM	2023 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	25,289,621	15,152,390	15,658,269	11,980,970
Investment property	5	3,185,715	3,205,605	-	-
Right-of-use assets	6	-	124,974	-	-
Development costs	7	1,233,914	567,202	-	-
Investment in subsidiaries	8	-	-	14,262,908	14,220,747
		29,709,250	19,050,171	29,921,177	26,201,717
Current assets					
Inventories	9	27,865,647	2,636,833	-	-
Trade and other receivables	10	28,240,024	5,325,626	456,684	394,007
Current tax assets		1,770,601	386,294	42,297	-
Other investments	11	7,879,864	21,904,706	4,524,880	10,773,502
Cash and bank balances	12	12,650,100	6,995,058	8,168,845	503,346
		78,406,236	37,248,517	13,192,706	11,670,855
TOTAL ASSETS		108,115,486	56,298,688	43,113,883	37,872,572
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	13	38,055,931	38,055,931	38,055,931	38,055,931
Reserves	14	11,885,131	7,965,068	1,706,428	(4,658,578)
Total equity		49,941,062	46,020,999	39,762,359	33,397,353
Non-current liabilities					
Lease liabilities	6	-	11,446	-	-
Borrowings	15	2,931,596	3,235,562	-	2,511,879
Deferred tax liabilities	16	335,841	58,457	-	-
		3,267,437	3,305,465	-	2,511,879
Current liabilities					
Trade and other payables	17	51,930,309	3,947,292	3,351,524	1,702,058
Contract liabilities	18	-	2,091,696	-	-
Refund liabilities	19	97,603	97,603	-	-
Lease liabilities	6	-	131,756	-	-
Borrowings	15	2,879,075	471,009	-	252,300
Current tax liabilities		-	232,868	-	8,982
		54,906,987	6,972,224	3,351,524	1,963,340
Total liabilities		58,174,424	10,277,689	3,351,524	4,475,219
TOTAL EQUITY AND LIABILITIES		108,115,486	56,298,688	43,113,883	37,872,572

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	NOTE	GROUP		COMPANY	
		2024 RM	2023 RM	2024 RM	2023 RM
Revenue	20	45,887,236	24,408,699	8,500,000	-
Cost of sales		(34,496,581)	(13,498,578)	-	-
Gross profit		11,390,655	10,910,121	8,500,000	-
Other income		364,258	466,861	53,201	-
Administrative expenses		(7,510,780)	(5,494,694)	(2,364,872)	(2,223,798)
Selling and distribution expenses		(368,994)	(256,372)	-	-
Operating profit/(loss)		3,875,139	5,625,916	6,188,329	(2,223,798)
Finance income		678,509	517,850	209,695	288,391
Finance costs		(156,656)	(190,043)	(62,251)	(233,747)
Profit/(Loss) before tax	21	4,396,992	5,953,723	6,335,773	(2,169,154)
Taxation	22	(477,343)	(1,917,470)	29,233	(29,233)
Net profit/(loss), representing total comprehensive income/(loss) for the financial year		3,919,649	4,036,253	6,365,006	(2,198,387)
Total comprehensive income/(loss) attributable to:					
Owners of the Company		4,015,138	4,036,253	6,365,006	(2,198,387)
Non-controlling interests		(95,489)	-	-	-
		3,919,649	4,036,253	6,365,006	(2,198,387)
Earnings per share attributable to owners of the Company (sen)					
- Basic and diluted	23	0.75	0.82		

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	NOTE	Share Capital RM	Retained Profits/ (Accumulated Losses) RM	Total Equity RM
2024				
Balance at beginning		38,055,931	(4,658,578)	33,397,353
Total comprehensive income for the financial year		-	6,365,006	6,365,006
Balance at end		38,055,931	1,706,428	39,762,359
2023				
Balance at beginning		1,020,000	(2,460,191)	(1,440,191)
Total comprehensive loss for the financial year		-	(2,198,387)	(2,198,387)
<i>Transactions with owners of the Company:</i>				
Issuance of shares pursuant to:				
- acquisition of subsidiaries	13	14,118,747	-	14,118,747
- IPO	13	24,000,000	-	24,000,000
Shares issuance expenses	13	(1,082,816)	-	(1,082,816)
Total transactions with owners		37,035,931	-	37,035,931
Balance at end		38,055,931	(4,658,578)	33,397,353

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	GROUP		COMPANY	
	2024 RM	(Restated) 2023 RM	2024 RM	(Restated) 2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(Loss) before tax	4,396,992	5,953,723	6,335,773	(2,169,154)
Adjustments for:				
Accretion of interest on lease liability	3,677	11,422	-	-
Amortisation of development costs	71,534	-	-	-
Depreciation of:				
- property, plant and equipment	664,105	300,578	104,666	61,315
- investment property	19,890	29,835	-	-
- right-of-use asset	67,294	115,360	-	-
Fair value (gain)/loss on other investments, net	(19,602)	10,827	(10,627)	13,323
Gain on derecognition of right-of-use assets	(19,199)	-	-	-
Gain on disposal of investment in a subsidiary	-	-	(42,575)	-
Interest expense	152,979	178,621	62,251	233,747
Interest income	(678,509)	(517,850)	(209,695)	(288,391)
IPO expenses	27,083	1,387,343	27,083	1,387,343
Property, plant and equipment written off	135,356	13,351	-	-
Unrealised loss/(gain) on foreign exchange	73,218	(214,455)	-	-
Operating profit/(loss) before working capital changes	4,894,818	7,268,755	6,266,876	(761,817)
Net changes in:				
Inventories	(25,228,814)	1,424,253	-	-
Receivables	(22,877,150)	2,914,441	(62,677)	262,145
Payables	47,788,565	1,704,749	(807,159)	1,565,157
Contract liabilities	(2,091,696)	(1,231,402)	-	-
Cash generated from operations	2,485,723	12,080,796	5,397,040	1,065,485
Income tax paid	(1,889,050)	(1,513,183)	(22,046)	(20,250)
Income tax refunded	71,916	70,918	-	-
Interest paid	(152,979)	(178,621)	(62,251)	(233,747)
Net cash from operating activities carried forward	515,610	10,459,910	5,312,743	811,488

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	NOTE	GROUP		COMPANY	
		2024 RM	(Restated) 2023 RM	2024 RM	(Restated) 2023 RM
Net cash from operating activities brought forward		515,610	10,459,910	5,312,743	811,488
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of property, plant and equipment	A	(10,936,692)	(9,041,944)	(3,781,965)	(8,451,991)
Addition of other investments		(2,580,714)	(21,915,533)	(377,154)	(10,786,825)
* Development costs capitalised		(738,246)	(567,202)	-	-
Interest received		678,509	517,850	209,695	288,391
Proceeds from disposal of other investments		16,625,158	1,000,000	6,636,403	-
Net cash inflow from changes in ownership of a subsidiary	8	414	-	414	-
Net cash from/(used in) investing activities		3,048,429	(30,006,829)	2,687,393	(18,950,425)
CASH FLOWS FROM FINANCING ACTIVITIES					
Drawdown of term loans	B	5,146,137	-	-	-
IPO expenses		(27,083)	(2,470,159)	(27,083)	(2,470,159)
Net change in subsidiaries' balances	B	-	-	2,456,625	(2,714,335)
Net repayment of hire purchases	B	(218,709)	(101,745)	-	-
Net repayment of term loans	B	(2,823,328)	(218,583)	(2,764,179)	(218,583)
Proceeds from issuance of shares		-	24,000,000	-	24,000,000
Repayment of lease liability	B	(70,000)	(120,000)	-	-
Net cash from/(used in) financing activities		2,007,017	21,089,513	(334,637)	18,596,923
NET INCREASE IN CASH AND BANK BALANCES		5,571,056	1,542,594	7,665,499	457,986
Effects of exchange translation difference on cash and bank balances		83,986	214,455	-	-
CASH AND BANK BALANCES AT BEGINNING		6,995,058	5,238,009	503,346	45,360
CASH AND BANK BALANCES AT END		12,650,100	6,995,058	8,168,845	503,346

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

A. Acquisition of property, plant and equipment

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Total acquisition cost	10,936,692	9,874,444	3,781,965	8,451,991
Less: Acquired under hire purchases	-	(832,500)	-	-
	10,936,692	9,041,944	3,781,965	8,451,991

B. Liabilities arising from financing activities

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

	Balance at beginning RM	Cash flows RM	Others ¹ RM	Balance at end RM
GROUP				
2024				
Hire purchases	942,392	(218,709)	-	723,683
Term loans	2,764,179	2,322,809	-	5,086,988
Lease liabilities	143,202	(70,000)	(73,202)	-
Total liabilities arising from financing activities	3,849,773	2,034,100	(73,202)	5,810,671
2023				
Hire purchases	211,637	(101,745)	832,500	942,392
Term loans	2,982,762	(218,583)	-	2,764,179
Lease liabilities	251,780	(120,000)	11,422	143,202
Total liabilities arising from financing activities	3,446,179	(440,328)	843,922	3,849,773

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

B. Liabilities arising from financing activities (Cont'd)

	Balance at beginning RM	Cash flows RM	Balance at end RM
COMPANY			
2024			
Term loans	2,764,179	(2,764,179)	-
Amount due to subsidiaries	850	2,456,625	2,457,475
Total liabilities arising from financing activities	2,765,029	(307,554)	2,457,475
2023			
Term loans	2,982,762	(218,583)	2,764,179
Amount due to subsidiaries	2,715,185	(2,714,335)	850
Total liabilities arising from financing activities	5,697,947	(2,932,918)	2,765,029

¹ Others consist of non-cash movement as follows:

	GROUP	
	2024 RM	2023 RM
Accretion of interest on lease liability	3,677	11,422
Addition of hire purchases	-	832,500
Derecognition of lease liability	(76,879)	-
	(73,202)	843,922

* During the financial year, the presentation of the development costs capitalised has been reclassified from cash flows from operating activities to cash flows from investing activities. Accordingly, the comparative figures have been restated to confirm to current year's presentation.

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

1. GENERAL 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 55A, Medan Ipoh 1A, Medan Ipoh Bistari, 31400 Ipoh, Perak.

The principal place of business of the Company is located at No. 20, 1st Floor, Lorong Impian Ria 4, Taman Impian Ria, 14000 Bukit Mertajam, Penang.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Board of Directors on 22 April 2025.

PRINCIPAL ACTIVITIES

The principal activity of the Company in the course of the financial year remains unchanged and consists of investment holding.

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

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

2. BASIS OF PREPARATION**2.1 Statement of Compliance**

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

2.2 Basis of Measurement

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

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group and by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in their highest and best use.

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

2. BASIS OF PREPARATION (Cont'd)

2.2 Basis of Measurement (Cont'd)

Fair Value Measurements (Cont'd)

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

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

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

2.3 Functional and Presentation Currency

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

RM is also the functional currency of the Company and its subsidiaries. The functional currency is the currency of the primary economic environment in which the entity operates.

2.4 Amendments to MFRSs

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

Effective for annual periods beginning on or after 1 January 2024

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

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

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

Initial application of the amendments to the standards did not have material impact to the financial statements.

2.5 Standards Issued But Not Yet Effective

The following are accounting standards that have been issued by the MASB but are not yet effective for the Group and for the Company:

Effective for annual period beginning on or after 1 January 2025

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

Effective for annual period beginning on or after 1 January 2026

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

Annual Improvements to MFRS Accounting Standards - Volume 11

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

Effective for annual period beginning on or after 1 January 2027

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 19 Subsidiaries without Public Accountability: Disclosures

Effective date yet to be confirmed

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

2. BASIS OF PREPARATION (Cont'd)**2.5 Standards Issued But Not Yet Effective (Cont'd)**

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

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

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

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgement, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

Development costs

Management monitors progress of internally generated research and development projects by using a project management system. Significant judgement is required in distinguishing research from the development phase. Development costs are recognised as an asset only when all the criteria as set out in *MFRS 138 Intangible assets* are met, whereas research costs are expensed as incurred.

The Group's management also monitors whether the recognition requirements for development costs continue to be met. This is necessary as the economic success of any product under development is uncertain and may be subject to future technical problems after the time of recognition.

3.2 Key sources of estimation uncertainty

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

(i) Inventories

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

The carrying amount of the Group's inventories at the end of the reporting period is disclosed in Note 9 to the financial statements.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)**3.2 Key sources of estimation uncertainty (Cont'd)**

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

4. PROPERTY, PLANT AND EQUIPMENT

GROUP

	Freehold land RM	Leasehold land RM	Buildings RM	Plant and machinery RM	Furniture, fittings and office equipment RM	Electrical installation and renovation RM	Motor vehicles RM	Capital work-in-progress RM	Total RM
2024									
At cost									
Balance at beginning	941,501	3,504,468	403,501	723,416	583,838	239,430	2,101,957	8,592,452	17,090,563
Additions	3,652,000	-	1,998,000	859,195	136,799	442,690	-	3,848,008	10,936,692
Written off	-	-	-	(44,974)	(44,974)	(123,174)	-	-	(168,148)
Reclassification	-	-	11,858,734	-	537,979	-	-	(12,396,713)	-
Balance at end	4,593,501	3,504,468	14,260,235	1,582,611	1,213,642	558,946	2,101,957	43,747	27,859,107
Accumulated depreciation									
Balance at beginning	-	73,010	100,806	415,544	233,105	115,706	1,000,002	-	1,938,173
Current charge	-	58,408	56,049	102,768	145,072	29,252	272,556	-	664,105
Written off	-	-	-	-	(7,131)	(25,661)	-	-	(32,792)
Balance at end	-	131,418	156,855	518,312	371,046	119,297	1,272,558	-	2,569,486
Carrying amount	4,593,501	3,373,050	14,103,380	1,064,299	842,596	439,649	829,399	43,747	25,289,621

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

4. PROPERTY, PLANT AND EQUIPMENT (Cont'd)
GROUP (Cont'd)

	Freehold land RM	Leasehold land RM	Buildings RM	Plant and machinery RM	Furniture, fittings and office equipment RM	Electrical installation and renovation RM	Motor vehicles RM	Capital work-in-progress RM	Total RM
2023									
At cost									
Balance at beginning	941,501	3,504,468	403,501	575,990	366,276	239,430	1,017,950	184,245	7,233,361
Additions	-	-	-	147,426	138,428	-	1,084,007	8,504,583	9,874,444
Written off	-	-	-	-	(17,242)	-	-	-	(17,242)
Reclassification	-	-	-	-	96,376	-	-	(96,376)	-
Balance at end	941,501	3,504,468	403,501	723,416	583,838	239,430	2,101,957	8,592,452	17,090,563
Accumulated depreciation									
Balance at beginning	-	14,602	92,736	397,666	166,431	91,762	878,289	-	1,641,486
Current charge	-	58,408	8,070	17,878	70,565	23,944	121,713	-	300,578
Written off	-	-	-	-	(3,891)	-	-	-	(3,891)
Balance at end	-	73,010	100,806	415,544	233,105	115,706	1,000,002	-	1,938,173
Carrying amount	941,501	3,431,458	302,695	307,872	350,733	123,724	1,101,955	8,592,452	15,152,390

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

4. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

COMPANY

	Leasehold land RM	Buildings RM	Furniture, fittings and office equipment RM	Capital work- in-progress RM	Total RM
2024					
At cost					
Balance at beginning	3,504,468	-	3,793	8,549,511	12,057,772
Additions	-	-	-	3,781,965	3,781,965
Reclassification	-	11,858,734	472,742	(12,331,476)	-
Balance at end	3,504,468	11,858,734	476,535	-	15,839,737
Accumulated depreciation					
Balance at beginning	73,010	-	3,792	-	76,802
Current charge	58,408	39,529	6,729	-	104,666
Balance at end	131,418	39,529	10,521	-	181,468
Carrying amount	3,373,050	11,819,205	466,014	-	15,658,269
2023					
At cost					
Balance at beginning	3,504,468	-	3,793	97,520	3,605,781
Additions	-	-	-	8,451,991	8,451,991
Balance at end	3,504,468	-	3,793	8,549,511	12,057,772
Accumulated depreciation					
Balance at beginning	14,602	-	885	-	15,487
Current charge	58,408	-	2,907	-	61,315
Balance at end	73,010	-	3,792	-	76,802
Carrying amount	3,431,458	-	1	8,549,511	11,980,970

4. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

- (i) The carrying amount of property, plant and equipment of the Group and of the Company which are pledged to licensed banks as securities for banking facilities granted to certain subsidiaries as disclosed in Note 15 to the financial statements are as follows:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Leasehold land	-	3,431,458	-	3,431,458
Freehold land	3,652,000	-	-	-
Buildings	1,992,630	-	-	-
	5,644,630	3,431,458	-	3,431,458

- (ii) The information of right-of-use assets which are included in the property, plant and equipment is as follows:

	Carrying amount RM	Current depreciation RM	Additions RM
GROUP AND COMPANY			
2024			
Leasehold land	3,373,050	58,408	-
2023			
Leasehold land	3,431,458	58,408	-

- (iii) The carrying amount of leased assets of the Group which are held under hire purchase arrangements as disclosed in Note 15 to the financial statements are as follows:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Motor vehicles	829,398	1,101,951	-	-

Material accounting policy information

All property, plant and equipment are initially measured at cost which includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

Subsequent to initial recognition, all property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and to the Company and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

4. PROPERTY, PLANT AND EQUIPMENT (Cont'd)**Material accounting policy information (Cont'd)**

Depreciation on property, plant and equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on a straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:

Leasehold land	60 years
Buildings	2%
Plant and machinery	10%
Furniture, fittings and office equipment	10% - 33%
Electrical installation and renovation	10%
Motor vehicles	20%

Capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The depreciation method, useful life and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment. Any changes are accounted for as a change in estimate. When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss. Upon the disposal of an item of plant and equipment, the differences between the net disposal proceeds and its carrying amount is charged or credited to profit or loss.

5. INVESTMENT PROPERTY

GROUP

	Freehold land RM	Building RM	Total RM
2024			
At cost			
Balance at beginning/end	2,320,500	994,500	3,315,000
Accumulated depreciation			
Balance at beginning	-	109,395	109,395
Current charge	-	19,890	19,890
Balance at end	-	129,285	129,285
Carrying amount	2,320,500	865,215	3,185,715
2023			
At cost			
Balance at beginning/end	2,320,500	994,500	3,315,000
Accumulated depreciation			
Balance at beginning	-	79,560	79,560
Current charge	-	29,835	29,835
Balance at end	-	109,395	109,395
Carrying amount	2,320,500	885,105	3,205,605

- (i) The investment property represents a 4-storey shop office constructed on a piece of freehold land.
- (ii) The Group's investment property is pledged to a licensed bank as securities for banking facilities granted to the Group as disclosed in Note 15 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

5. INVESTMENT PROPERTY (Cont'd)

(iii) Group as lessor

The Group has entered into operating leases on its investment property. These leases have lease terms of three years.

The following are recognised in profit or loss in respect of investment property:

	GROUP	
	2024 RM	2023 RM
Rental income from income generating properties	267,080	224,280
Direct operating expenses from income generating properties including depreciation	36,034	32,461

Future minimum rentals receivable under non-cancellable operating leases are as follows:

	GROUP	
	2024 RM	2023 RM
Within one year	155,650	224,280
More than one year and less than five years	46,800	101,850
	202,450	326,130

(iv) The fair value of the investment property for disclosure purposes is disclosed in Note 28 to the financial statements.

Material accounting policy information

Investment property comprises of freehold land and building which are held either to earn rental income or for capital appreciation or for both. Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at cost less accumulated depreciation and any impairment losses.

Depreciation on investment property is charged to profit or loss on a straight-line method to write off the depreciable amount of the investment property over its useful life at an annual rate of 2%.

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

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES**Group as a lessee**

The Group has lease contracts for light industrial buildings used in its operations that have lease term of two years, with an option to extend the lease for another one year. The lease contracts restrict the Group from assigning and subleasing the leased assets.

The Group had certain leases of office with lease terms of 12 months or less and leases of office equipment and forklift with low value. The Group applied the 'short-term lease' and 'lease of low-value assets' recognition exemptions for those leases.

During the financial year, the Group has terminated its lease contracts for light industrial buildings as the Group has moved its operations to its own building.

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Cont'd)**Right-of-use assets**

Set out below are the carrying amount of right-of-use assets recognised and the movement during the financial year:

	GROUP	
	2024 RM	2023 RM
Light industrial buildings		
Balance at beginning	124,974	240,334
Depreciation	(67,294)	(115,360)
Derecognition	(57,680)	-
Balance at end	-	124,974

Lease liabilities

Set out below are the carrying amount of lease liabilities and the movement during the financial year:

	GROUP	
	2024 RM	2023 RM
Balance at beginning	143,202	251,780
Accretion of interest	3,677	11,422
Payment	(70,000)	(120,000)
Derecognition	(76,879)	-
Balance at end	-	143,202
Represented by:		
Non-current liabilities	-	11,446
Current liabilities	-	131,756
	-	143,202

The maturity analysis of lease liabilities is disclosed in Note 27.4 to the financial statements.

The following are the amounts recognised in profit or loss:

	GROUP	
	2024 RM	2023 RM
Accretion of interest	3,677	11,422
Depreciation expense of right-of-use assets	67,294	115,360
Expenses relating to short-term leases	-	4,890
Expenses relating to lease of low-value assets	-	1,380
Total amount recognised in profit or loss	70,971	133,052

Total cash outflows for leases are amounting to **RM70,000** (2023: RM126,270).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Cont'd)**Material accounting policy information****Right-of-use assets**

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

Light industrial buildings 3 years

7. DEVELOPMENT COSTS

	GROUP	
	2024 RM	2023 RM
At cost		
Balance at beginning	567,202	-
Additions	738,246	567,202
Balance at end	1,305,448	567,202
Accumulated amortisation		
Current charge/Balance at end	71,534	-
Carrying amount	1,233,914	567,202

Material accounting policy information

The development costs represent costs incurred for development of new products and digitalised solutions to support development of automated test equipment for integrated circuit assembly and test process as well as refurbishment method for refurbishment of integrated circuit assembly and test consumables.

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

Capitalised development costs comprise direct attributable costs incurred for development. Capitalised development costs, considered to have finite useful lives, are stated at cost less accumulated amortisation and any accumulated impairment losses. Development costs are amortised using the straight-line basis over the estimated useful lives of 5 years upon commercialisation of the products and refurbishment method.

8. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2024 RM	2023 RM
Unquoted shares, at cost	14,262,908	14,220,747

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

8. INVESTMENT IN SUBSIDIARIES (Cont'd)

The details of the subsidiaries, which were incorporated and principal place of business in Malaysia, are as follows:

Name of Subsidiaries	Effective Equity Interest		Principal Activities
	2024 %	2023 %	
Edeltech Technologies Sdn. Bhd. ("ETSB")	100	100	Design and assembly of integrated circuit burn in boards, supply and refurbishment of integrated circuit assembly and test consumables.
Edeltech Ventures Sdn. Bhd. ("EVSB")	100	100	Design, development and assembly of automated test equipment and factory automation.
Camyang Enterprise Sdn. Bhd. ("CESB")	100	100	Trading of operating supplies, spare parts and tools for integrated circuit assembly and testing.
Dysteque Technique Sdn. Bhd. ("DTSB")	100	100	Trading of operating supplies, spare parts and tools for integrated circuit assembly and testing.
Edel Technology (M) Sdn. Bhd. ("ETMSB")	100	100	Supply of printed circuit board and value-add services.

All of the above subsidiaries are audited by Grant Thornton Malaysia PLT.

On 21 May 2024, the Company had disposed of 30% of its equity interest in EVSB to Hana Microelectronics Public Company Limited ("Hana") for a total cash consideration of RM132,546. Subsequently, the Company had reacquired the 30% equity interest from Hana on 23 December 2024 for a total cash consideration of RM132,132. As the Company retains control of EVSB throughout, the effects of the disposal and reacquisition represent an equity transaction in the financial statements of the Group as at the end of the reporting period as follows:

	TOTAL RM
<u>Disposal of 30% equity interest in EVSB</u>	
Total proceeds from disposal settled by cash	132,546
Less: Fair value of net asset of EVSB transferred to non-controlling interests	(1,292,951)
Negative movement in equity	(1,160,405)
<u>Reacquisition of non-controlling interest in EVSB</u>	
Fair value of equity interest as at 21 May 2024	1,292,951
Less: Share of EVSB's loss	(95,489)
Fair value of equity interest as at 23 December 2024	1,197,462
Less: Total purchase consideration settled by cash	(132,132)
Positive movement in equity	1,065,330
Net movement in equity	(95,075)
<u>Net cash inflow arising from the disposal and reacquisition</u>	
Proceeds from disposal	132,546
Less: Purchase consideration	(132,132)
Net cash inflow	414

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

8. INVESTMENT IN SUBSIDIARIES (Cont'd)**Material accounting policy information**

Investment in subsidiaries are measured at cost less any impairment losses in the Company's separate financial statements.

The consolidation of all the subsidiaries involves a business combination under common control. As such, the consolidation is accounted for using the merger accounting principle. Accordingly, the results of the subsidiaries are presented as if the merger had been effected throughout the years under review. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholders at the date of merger. On consolidation, the cost of the merger is cancelled with the values of the shares received. Any resulting debit difference is adjusted against the merger reserve. Any other reserves which are attributable to share capital of the merged entities, to the extent that it has not been capitalised by a debit difference, is reclassified and presented as movement in other capital reserves.

9. INVENTORIES

	GROUP	
	2024 RM	2023 RM
Raw materials	27,336,335	507,168
Work-in-progress	402,671	2,019,243
Finished goods	119,521	98,760
Trading goods	7,120	11,662
	27,865,647	2,636,833

The inventories recognised as cost of sales in the profit or loss of the Group is amounting to **RM34,496,581** (2023: RM13,498,578).

Material accounting policy information

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the specific identification, first-in-first-out method and comprises the purchase price, production or conversion costs and incidentals incurred in bringing the inventories to their present location and condition. Cost of finished goods includes cost of materials, labour and an appropriate proportion of production overheads. The cost of conversion includes cost directly related to the units of production, and a proportion of fixed production overheads based on normal capacity of the production facilities.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

10. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Trade receivables				
Third parties	27,222,544	4,155,247	-	-
Other receivables				
Sundry receivables	-	258,372	-	42,372
Amount due from a subsidiary	-	-	317	-
Refundable deposits	290,796	115,043	207,443	33,943
Prepayments	726,684	796,964	248,924	317,692
	1,017,480	1,170,379	456,684	394,007
Total trade and other receivables	28,240,024	5,325,626	456,684	394,007

(i) The normal credit terms granted to trade receivables range from **30 to 120 days** (2023: 30 to 120 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition. Other credit terms are assessed and approved on a case-by-case basis.

(ii) The currency profile of trade and other receivables are as follows:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Ringgit Malaysia	5,681,263	4,824,712	456,684	394,007
United States Dollar	22,558,761	500,914	-	-
	28,240,024	5,325,626	456,684	394,007

11. OTHER INVESTMENTS

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Current asset				
Financial assets at fair value through profit or loss				
Short-term investments	7,879,864	21,904,706	4,524,880	10,773,502

(i) The short-term investments represent investment in unit trusts and can be redeemed at any time upon notice given to the financial institution. The unit trusts invest in a mixture of money market instruments with different maturity period.

(ii) The fair value measurement of the short-term investments is disclosed in Note 28 to the financial statements.

Material accounting policy information

Short-term investments are carried in the statements of financial position at fair value with net changes in fair value recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

12. CASH AND BANK BALANCES

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash and bank balances	11,538,167	6,995,058	8,168,845	503,346
Repo	1,111,933	-	-	-
	12,650,100	6,995,058	8,168,845	503,346

The currency profile of cash and bank balances is as follows:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Ringgit Malaysia	11,083,488	4,093,992	8,168,845	503,346
United States Dollar	1,561,678	2,895,956	-	-
Singapore Dollar	4,934	5,110	-	-
	12,650,100	6,995,058	8,168,845	503,346

The effective interest rates per annum and maturity of the repo of the Group as at the end of the reporting period range from **4.20%** to **4.25%** (2023: Nil) per annum and **2 days** (2023: Nil) respectively.

13. SHARE CAPITAL

	Number of ordinary shares		Amount	
	2024	2023	2024 RM	2023 RM
Issued and fully paid with no par value:				
Balance at beginning	532,535,630	29,142,857	38,055,931	1,020,000
Issuance of shares pursuant to:				
- acquisition of subsidiaries	-	403,392,773	-	14,118,747
- IPO	-	100,000,000	-	24,000,000
Shares issuance expenses	-	-	-	(1,082,816)
Balance at end	532,535,630	532,535,630	38,055,931	38,055,931

2023

During the financial year, the Company had increased its issued and paid-up ordinary share capital from RM1,020,000 to RM38,055,931 by way of issuance of:

- (i) 403,392,773 new ordinary shares in the Company amounting to RM14,118,747 to satisfy the purchase consideration for the acquisition of ETSB, EVSB, CESB, DTSB and ETMSB in conjunction with the internal restructuring of the Company; and
- (ii) 100,000,000 new ordinary shares in conjunction with the IPO exercise of the Company.

14. RESERVES

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Distributable:				
Retained profits/ (Accumulated losses)	24,556,878	20,636,815	1,706,428	(4,658,578)
Non-distributable:				
Merger reserve	(12,671,747)	(12,671,747)	-	-
	11,885,131	7,965,068	1,706,428	(4,658,578)

Merger reserve

The merger reserve arose from the difference between the carrying value of the investment and the nominal value of the shares of subsidiaries upon consolidation under the merger accounting principles.

15. BORROWINGS

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Non-current liabilities				
Secured:				
Hire purchases	506,929	723,683	-	-
Term loans	2,424,667	2,511,879	-	2,511,879
	2,931,596	3,235,562	-	2,511,879
Current liabilities				
Secured				
Hire purchases	216,754	218,709	-	-
Term loans	2,662,321	252,300	-	252,300
	2,879,075	471,009	-	252,300
	5,810,671	3,706,571	-	2,764,179

The borrowings (except for hire purchases) are secured by way of:

- (i) legal charge over the property, plant and equipment and investment property as disclosed in Note 4 and Note 5 to the financial statements respectively;
- (ii) corporate guarantee of the Company; and
- (iii) facility agreement.

The hire purchases are secured over the leased assets as disclosed in Note 4 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

15. BORROWINGS (Cont'd)

A summary of the effective interest rates and the maturities of the borrowings are as follows:

	Effective interest rate per annum (%)	Total RM	Within one year RM	More than one year and less than two years RM	More than two years and less than five years RM	More than five years RM
GROUP						
2024						
Hire purchases	3.96 - 4.15	723,683	216,754	167,088	339,841	-
Term loans	3.95 - 6.89	5,086,988	2,662,321	59,744	194,827	2,170,096
2023						
Hire purchases	3.96 - 4.15	942,392	218,709	216,754	506,929	-
Term loans	6.89	2,764,179	252,300	252,300	756,900	1,502,679
COMPANY						
2023						
Term loans	6.89	2,764,179	252,300	252,300	756,900	1,502,679

16. DEFERRED TAX LIABILITIES

	GROUP	
	2024 RM	2023 RM
Balance at beginning	58,457	58,457
Recognised in profit or loss	177,618	-
	236,075	58,457
Over provision in prior year	99,766	-
Balance at end	335,841	58,457

The deferred tax liabilities at the end of the reporting period are made up of temporary difference arising from property, plant and equipment and capitalised development cost.

17. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Trade payables				
Third parties	42,743,878	1,359,500	-	-
Other payables				
Other payables	7,599,999	1,059,768	379,409	964,688
Retention sum held	457,000	457,000	457,000	457,000
Refundable deposit	54,590	42,090	-	-
Accruals	1,074,842	1,028,934	57,640	279,520
Amount due to subsidiaries	-	-	2,457,475	850
	9,186,431	2,587,792	3,351,524	1,702,058
Total trade and other payables	51,930,309	3,947,292	3,351,524	1,702,058

- (i) Included in other payables is an amount of **RM6,998,407** (2023: RM Nil) being loan drawdown with Hana Semiconductor International Ltd ("Hana") bearing an interest ranging from 5.29% to 6.10% per annum. The term of repayment is 3 months with an option to extend the repayment term subject to the approval of Hana.
- (ii) The normal credit terms granted by trade payables range from **30 to 90 days** (2023: 30 to 90 days).
- (iii) The amount due to subsidiaries are unsecured, non-trade related, non-interest bearing and repayable on demand.
- (iv) The currency profile of trade and other payables is as follows:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Ringgit Malaysia	2,431,416	3,077,754	3,351,524	1,702,058
United States Dollar	49,491,517	833,898	-	-
Others	7,376	35,640	-	-
	51,930,309	3,947,292	3,351,524	1,702,058

18. CONTRACT LIABILITIES

	GROUP	
	2024 RM	2023 RM
Balance at beginning	2,091,696	3,323,098
Advances received during the financial year	3,972,056	2,091,696
Revenue recognised during the financial year	(6,063,752)	(3,323,098)
Balance at end	-	2,091,696

Contract liabilities comprised of deposits received from customers where the Group has billed or collected payment before the goods are delivered or services provided to the customers. The contract liabilities will be reversed and recognised as revenue upon satisfying the performance obligation within the contract. These performance obligations are expected to be fulfilled within the next twelve (12) months.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

19. REFUND LIABILITIES

	GROUP	
	2024 RM	2023 RM
Arising from fixed rebates	97,603	97,603

Refund liabilities arising from fixed rebates represented rebates provided to a customer for products purchased.

20. REVENUE**20.1 Disaggregated revenue information**

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Types of revenue:				
Design and assembly of integrated circuit ("IC") burn-in board and printed circuit board ("PCB")	7,281,700	7,395,971	-	-
Supply and refurbishment of IC assembly and test consumables	28,774,504	5,835,615	-	-
Design, development and assembly of automated test equipment ("ATE") and factory automation	8,666,570	10,430,528	-	-
Trading of industrial materials	1,164,462	746,585	-	-
Total revenue from contracts with customers	45,887,236	24,408,699	-	-
Gross dividend income from subsidiaries	-	-	8,500,000	-
Total revenue	45,887,236	24,408,699	8,500,000	-

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Geographical markets:				
Malaysia	18,186,511	14,647,231	8,500,000	-
United States of America	74,188	3,277,778	-	-
Singapore	25,679,656	6,453,064	-	-
Thailand	1,019,239	30,626	-	-
Japan	599,191	-	-	-
Others	328,451	-	-	-
Total revenue	45,887,236	24,408,699	8,500,000	-

20.2 Timing of revenue recognition

Revenue is recognised at a point in time upon the satisfaction of performance obligations which is upon the delivery of goods to or acceptance of goods by the customers.

20. REVENUE (Cont'd)**20.3 Contract balances**

	GROUP	
	2024 RM	2023 RM
Trade receivables (Note 10)	27,222,544	4,155,247
Contract liabilities (Note 18)	-	2,091,696
Refund liabilities (Note 19)	97,603	97,603

20.4 Performance obligations

The performance obligations of the Group for each type of goods or services have been disclosed in the material accounting policy information below.

Material accounting policy information**(i) Design and assembly of IC burn-in board and PCB, supply and refurbishment of IC assembly and test consumables as well as trading of industrial materials**

Revenue from design and assembly of IC burn-in board and PCB, supply and refurbishment of IC assembly and test consumables as well as trading of industrial materials are recognised at a point in time when the control of the goods has been passed to the buyer, i.e. generally when the customer has acknowledged delivery of the goods. The amount of revenue recognised is adjusted for sales rebates.

(ii) Design, development and assembly of ATE and factory automation

The performance obligation for design, development and assembly of ATE and factory automation is satisfied at a point in time because the customer does not control the equipment and customer does not simultaneously receive and consume the benefits from the equipment manufactured by the Group.

Revenue is recognised upon shipment or at delivery destination point, provided that the product meets the performance acceptance criteria which is normally carried out prior to shipment. Under certain circumstances, customer acceptance is conducted at customer's site i.e. to ensure that the equipment purchased can be integrated with the customer's existing production flow. Under such circumstances, revenue is only recognised once customer acceptance has been received at the customer's site.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., non-assurance type warranties and maintenance service). In determining the transaction price for the sale of customised equipment, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration and consideration payable to the customer (if any).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

21. PROFIT/(LOSS) BEFORE TAX

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
After charging:				
Accretion of interest on lease liability	3,677	11,422	-	-
Amortisation of development costs	71,534	-	-	-
Auditors' remuneration				
- Statutory audit				
- Grant Thornton Malaysia PLT				
- Current year	155,000	123,000	32,000	25,000
- Under provision in prior year	-	4,000	-	-
Assurance related and non-audit services				
- Grant Thornton Malaysia PLT ⁽¹⁾	12,000	80,900	12,000	5,000
- Affiliate of Grant Thornton Malaysia PLT	37,500	137,200	5,000	2,000
Depreciation of:				
- property, plant and equipment	664,105	300,578	104,666	61,315
- investment property	19,890	29,835	-	-
- right-of-use asset	67,294	115,360	-	-
Directors' fee	240,000	240,000	240,000	240,000
Expenses relating to short-term leases	-	4,890	10,200	10,200
Expenses relating to lease of low-value assets	-	1,380	-	-
Fair value loss on other investments	-	13,323	-	13,323
IPO expenses	27,083	1,387,343	27,083	1,387,343
Interest expenses on:				
- amount due to a subsidiary	-	-	46,625	64,990
- hire purchases	34,863	9,864	-	-
- loan	43,085	-	-	-
- term loans	75,029	168,757	15,626	168,757
Property, plant and equipment written off	135,356	13,351	-	-
Realised loss on foreign exchange	213,937	32,826	-	-
Staff costs ⁽²⁾	4,000,147	3,191,067	28,000	27,000
Unrealised loss on foreign exchange	73,218	-	-	-
And crediting:				
Interest income	678,509	517,850	209,695	288,391
Fair value gain on other investments	19,602	2,496	10,627	-
Gain on derecognition of right-of-use assets and lease liabilities	19,199	-	-	-
Gain on disposal of investment in a subsidiary	-	-	42,575	-
Rental income	267,079	224,280	-	-
Unrealised gain on foreign exchange	-	214,455	-	-

21. PROFIT/(LOSS) BEFORE TAX (Cont'd)

⁽¹⁾ In the previous financial year, the fee paid in relation to the IPO exercise amounted to RM90,000. Out of this amount, RM17,100 was set-off against the share capital during the financial year, and the remaining balance of RM72,900 was charged to profit or loss.

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
⁽²⁾ Staff costs				
- Salaries, allowances, overtime and bonus	4,165,159	3,327,033	28,000	27,000
- Defined contribution plans ("EPF")	528,901	395,174	-	-
- Social security contributions ("SOCSO") and employment insurance scheme ("EIS")	44,334	36,062	-	-
	4,738,394	3,758,269	28,000	27,000
Less: Capitalised to development costs (Note 7)	(738,247)	(567,202)	-	-
	4,000,147	3,191,067	28,000	27,000

Included in the staff costs of the Group and of the Company are directors' remuneration as follows:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Executive directors of the Company:				
- Salaries, allowances and bonus	731,830	867,730	-	-
- EPF	122,135	104,271	-	-
- SOCSO and EIS	2,152	2,318	-	-
	856,117	974,319	-	-
Executive director of the subsidiaries:				
- Salaries, allowances and bonus	192,316	254,845	-	-
- EPF	29,222	28,473	-	-
- SOCSO and EIS	672	1,159	-	-
	222,210	284,477	-	-
Non-executive directors of the Company:				
- Allowances	28,000	27,000	28,000	27,000
Total directors' remuneration	1,106,327	1,285,796	28,000	27,000

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

22. TAXATION

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Malaysia income tax:				
Based on results for the financial year				
- Current tax	(640,000)	(1,783,233)	-	(29,233)
- Deferred tax relating to the origination and reversal of temporary differences	(177,618)	-	-	-
	(817,618)	(1,783,233)	-	(29,233)
Over/(Under) provision in prior year				
- Current tax	440,041	(134,237)	29,233	-
- Deferred tax	(99,766)	-	-	-
	340,275	(134,237)	29,233	-
	(477,343)	(1,917,470)	29,233	(29,233)

The reconciliation of taxation of the Group and of the Company are as follows:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit/(Loss) before tax	4,396,992	5,953,723	6,335,773	(2,169,154)
Income tax at Malaysia statutory tax rate of 24%	(1,055,278)	(1,428,894)	(1,520,586)	520,597
Pioneer income not subject to tax	904,936	-	-	-
Income not subject to tax	72,740	-	2,100,085	-
Expenses not deductible for tax purpose	(740,016)	(354,339)	(579,499)	(549,830)
	(817,618)	(1,783,233)	-	(29,233)
Over/(Under) provision in prior year	340,275	(134,237)	29,233	-
	(477,343)	(1,917,470)	29,233	(29,233)

In the previous financial year, both ETSB and EVSB have submitted their appeal to waive the shareholding structure condition imposed by Malaysian Industrial Development Authority ("MIDA") for the pioneer incentive granted to ETSB and EVSB.

Following its appeal process, ETSB has been awarded a special tax incentive by MIDA and the Ministry of Finance ("MOF"). The incentive allows ETSB to enjoy tax exemption of 70% of statutory income for a period of two (2) years from 1 January 2023 to 31 December 2024 for the design, development and manufacturing of stainless-steel carrier for wafer chip scale packaging as well as manufacturing of chip aging test board. As for EVSB, the waiver appeal process is still ongoing.

23. EARNINGS PER SHARES**Basic earnings per share**

Basic earnings per share is calculated by dividing the Group's profit attributable to owners of the Company for the financial year by the weighted average number of ordinary shares in issue during the financial year as follows:

	GROUP	
	2024	2023
Profit attributable to owners of the Company (RM)	4,015,138	4,036,253
Weighted average number of ordinary shares (unit)	532,535,630	489,247,959
Basic earnings per ordinary share (sen)	0.75	0.82

There is no diluted earnings per share as the Company has not issued or granted any convertible financial instruments as at the end of the reporting period.

24. OPERATING SEGMENTS

Operating segments are based on the Group's management and internal reporting structure.

The Group is organised into business units based on their products and services, which comprise the following:

- Semiconductor Consumables and Materials ("SCM")
 - Design and assembly of IC burn-in boards and supply of PCB;
 - Supply and refurbishment of IC assembly and test consumables; and
 - Trading of industrial materials.
- Semiconductor Equipment and Automation ("SEA")
 - Design, development and assembly of ATE and factory automation.
- Investment holding

Inter-segment transactions have been accounted for on a basis that is consistent with the Group's accounting policies.

No other operating segments have been aggregated to form the above reportable segments. Performance is reviewed by the Chief Operating Decision Maker ("CODM"), i.e. the Group's executive directors, up to profit before tax across all the operating segments as management believes that such information is the most appropriate and relevant in evaluating and comparing the results of each segment against other entities that operate within these operating segments.

Segment assets and liabilities information is neither included in the internal management reports nor provided regularly to the CODM as management does not distinguish assets and liabilities into these operating segments. Hence, no disclosure is made on segment assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

24. OPERATING SEGMENTS (Cont'd)

	SCM RM	SEA RM	Investment holding RM	Elimination RM	Total RM
2024					
Revenue from external customers, representing total revenue	37,220,667	8,666,569	-	-	45,887,236
Segment results	4,764,708	1,515,938	(2,364,872)	(40,635)	3,875,139
Finance income					678,509
Finance costs					(156,656)
Profit before tax					4,396,992
Taxation					(477,343)
Profit for the financial year					3,919,649
2023					
Revenue from external customers, representing total revenue	13,978,171	10,430,528	-	-	24,408,699
Segment results	5,338,536	2,442,242	(2,223,798)	68,936	5,625,916
Finance income					517,850
Finance costs					(190,043)
Profit before tax					5,953,723
Taxation					(1,917,470)
Profit for the financial year					4,036,253

Geographical segments

Revenue of the Group based on geographical location of its customers are disclosed in Note 20 to the financial statements.

The entirety of the Group's non-current assets are located in Malaysia.

Major customers

The following are major customers with revenue equal to or more than 10% of the Group's revenue for the relevant reporting periods:

	Revenue		Segments
	2024 RM	2023 RM	
Customer A	5,174,530	4,589,446	SCM & SEA
Customer B	5,408,581	2,663,728	SCM & SEA
Customer C	19,110,663	-	SCM
Customer D	5,794,599	-	SEA
Customer E	-	3,277,779	SEA
	35,488,373	10,530,953	

25. RELATED PARTY DISCLOSURES**(i) Identity of related parties**

The Group has related party relationship with its subsidiaries and key management personnel.

(ii) Related party transactions

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

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Rental paid to a subsidiary	-	-	(10,200)	(10,200)
Advance from/(Repayment to) a subsidiary	-	-	2,410,000	(2,779,408)
Interest paid to a subsidiary	-	-	(46,625)	(64,990)

(iii) Compensation of key management personnel

Key management personnel are those persons including directors having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly.

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

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Directors' fee	240,000	240,000	240,000	240,000
Salaries, allowance, overtime and bonus	931,920	1,467,325	28,000	27,000
EPF	144,908	167,130	-	-
SOCSO and EIS	2,808	5,795	-	-
	1,319,636	1,880,250	268,000	267,000
Analysed as:				
- Directors	1,211,528	1,525,796	268,000	267,000
- Key management personnel	108,108	354,454	-	-
	1,319,636	1,880,250	268,000	267,000

26. CAPITAL COMMITMENT

	GROUP AND COMPANY	
	2024 RM	2023 RM
Contracted but not provided for:		
- Factory building	305,724	3,597,947

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

27. FINANCIAL INSTRUMENTS**27.1 Categories of financial instruments**

The table below provides an analysis of financial instruments categorised as financial assets and financial liabilities as amortised cost ("AC") and fair value through profit or loss ("FVTPL").

	Carrying amount RM	AC RM	FVTPL RM
GROUP			
2024			
Financial assets			
Trade and other receivables excluding prepayments	27,513,340	27,513,340	-
Other investments	7,879,864	-	7,879,864
Cash and bank balances	12,650,100	12,650,100	-
	48,043,304	40,163,440	7,879,864
Financial liabilities			
Borrowings	5,810,671	5,810,671	-
Trade and other payables	51,930,309	51,930,309	-
	57,740,980	57,740,980	-
2023			
Financial assets			
Trade and other receivables, excluding prepayments	4,528,662	4,528,662	-
Other investments	21,904,706	-	21,904,706
Cash and bank balances	6,995,058	6,995,058	-
	33,428,426	11,523,720	21,904,706
Financial liabilities			
Borrowings	3,706,571	3,706,571	-
Trade and other payables	3,947,292	3,947,292	-
	7,653,863	7,653,863	-

27. FINANCIAL INSTRUMENTS (Cont'd)**27.1 Categories of financial instruments (Cont'd)**

	Carrying amount RM	AC RM	FVTPL RM
COMPANY			
2024			
Financial assets			
Other receivables, excluding prepayments	207,760	207,760	-
Other investments	4,524,880	-	4,524,880
Cash and bank balances	8,168,845	8,168,845	-
	12,901,485	8,376,605	4,524,880
Financial liabilities			
Other payables	3,351,524	3,351,524	-
COMPANY			
2023			
Financial assets			
Other receivables and refundable deposits	76,315	76,315	-
Other investments	10,773,502	-	10,773,502
Cash and bank balances	503,346	503,346	-
	11,353,163	579,661	10,773,502
Financial liabilities			
Borrowings	2,764,179	2,764,179	-
Other payables	1,702,058	1,702,058	-
	4,466,237	4,466,237	-

27.2 Financial risk management

The Group and the Company are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, equity price risk and foreign currency risk. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative activities.

27.3 Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group and to the Company. The Group's exposure to credit risk arises principally from its trade and other receivables and cash and bank balances.

The Company's exposure to credit risk arises principally from cash and bank balances and financial guarantee provided to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

27. FINANCIAL INSTRUMENTS (Cont'd)**27.3 Credit risk (Cont'd)****27.3.1 Trade receivables**

The Group provides its customers credit terms that range between **30 to 120 days** (2023: 30 to 120 days). In deciding whether credit shall be extended, the Group will take into consideration factors such as relationship with the customer, its payment history and credit worthiness. The Group subjects new customers to credit verification procedures. In addition, receivables balances are monitored on an on-going basis with the result that the Group's exposure to bad debts is not significant.

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

	GROUP	
	2024 RM	2023 RM
Not past due	25,895,647	2,910,342
1 to 30 days past due	889,275	743,995
31 to 60 days past due	91,450	278,933
61 to 90 days past due	17,090	61,127
More than 90 days past due	329,082	160,850
	1,326,897	1,244,905
	27,222,544	4,155,247

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

The Group has trade receivables amounting to **RM1,326,897** (2023: RM1,244,905) that are past due at the end of the reporting period but management is of the view that these past due amounts will be collected in due course and no impairment is necessary.

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

The Group has significant concentration of credit risk in the form of outstanding balance due from **1 customer** (2023: 2 customers) representing **73%** (2023: 23%) of the total trade receivables.

Maximum exposure to credit risk

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

The Group regards the entire trade receivables to be low risk.

In managing the credit risk of the trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. The Group measures the allowance for ECL of trade receivables at an amount equal to lifetime ECL using a simplified approach. The ECL are based on the payment profiles of sales over 36 months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts using the linear regressive analysis. The Group has identified the gross domestic products ("GDP") annual growth rate as the key macroeconomic factors of the forward-looking information.

27. FINANCIAL INSTRUMENTS (Cont'd)**27.3 Credit risk (Cont'd)****27.3.1 Trade receivables (Cont'd)**

Trade receivables are usually collectible and the Group does not have much historical bad debts written off or impairment of trade receivables. There are circumstances where the settlement of trade receivables will take longer than the credit terms provided to the customers. The delay in settlement is mainly due to disagreement of pricing and quality issue or administrative matter. No ECL is provided during the financial year based on the above assessment as the impact to the Group's financial statements is not material.

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

27.3.2 Other receivables

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

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

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

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

No expected credit loss is recognised on other receivables as it is negligible.

27.3.3 Cash and cash equivalents

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

27.3.4 Financial guarantees

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowance were identified based on 12-month expected credit losses.

27.4 Liquidity risk

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

27. FINANCIAL INSTRUMENTS (Cont'd)**27.4 Liquidity risk (Cont'd)**

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

	Carrying amount RM	Contractual cash flows RM	Within one year RM	More than one year and less than five years RM	More than five years RM
GROUP					
2024					
Non-derivative financial liabilities					
Borrowings	5,810,671	7,389,815	3,011,576	1,174,577	3,203,662
Trade and other payables	51,930,309	51,930,309	51,930,309	-	-
	57,740,980	59,320,124	54,941,885	1,174,577	3,203,662
2023					
<i>Non-derivative financial liabilities</i>					
Borrowings	3,706,571	6,321,816	939,056	3,065,116	2,317,644
Trade and other payables	3,947,292	3,947,292	3,947,292	-	-
Lease liabilities	143,202	148,000	136,500	11,500	-
	7,797,065	10,417,108	5,022,848	3,076,616	2,317,644
COMPANY					
2024					
Non-derivative financial liabilities					
Other payables	3,351,524	3,351,524	3,351,524	-	-
2023					
<i>Non-derivative financial liabilities</i>					
Borrowings	2,764,179	5,288,616	685,484	2,285,488	2,317,644
Other payables	1,702,058	1,702,058	1,702,058	-	-
	4,466,237	6,990,674	2,387,542	2,285,488	2,317,644

27. FINANCIAL INSTRUMENTS (Cont'd)**27.5 Interest rate risk**

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

The interest rate profile of the Group's and the Company's interest-bearing financial instruments based on their carrying amount as at the end of the reporting period are as follows:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Fixed rate instruments				
Financial asset	186,798	-	-	-
Financial liabilities	723,683	942,392	-	-
Floating rate instruments				
Financial liabilities	5,086,988	2,764,179	-	2,764,179

Sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

An increase of 25 basis point at the end of the reporting period would have decreased the Group's profit before tax and equity by **RM12,717** (2023: RM6,910) and **RM9,665** (2023: RM5,252) respectively, and a corresponding decrease would have an equal but opposite effect. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

27.6 Equity price risk

Market price risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial assets designated at FVTPL will fluctuate because of changes in market prices. Equity price risk arises from the Group's and the Company's other investments which are investment in short term funds with licensed financial institutions.

The management only invest in quoted equity instruments with very low credit risk. Typically its investment is on unit trust where the majority of its portfolio is invested in money market instruments. The funds invested can be redeemed at any time upon notice given to the financial institution.

Sensitivity analysis for equity price risk

A 1% increase in prices of the short term funds with licensed financial institutions at the end of the reporting period, with all other variables held constant, would have impacted on the Group's and the Company's profit/(loss) before tax and equity by the amount shown below, and a decrease would have an equal but opposite effect, arising as a result of higher/lower fair value gain on short term funds.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

27. FINANCIAL INSTRUMENTS (Cont'd)**27.6 Equity price risk (Cont'd)**

	GROUP	
	2024 RM	2023 RM
Increase in profit before tax	78,799	219,047
Increase in equity	59,887	166,476
	COMPANY	
	2024 RM	2023 RM
Increase/(Decrease) in profit before tax	45,249	(107,735)
Increase/(Decrease) in equity	34,389	(81,879)

27.7 Foreign currency risk

The Group is exposed to foreign currency risk mainly on sales and purchases that are denominated in currencies other than the Group's functional currency. The Group also holds cash and bank balances denominated in foreign currencies for working capital purposes. The currencies giving rise to this risk are primarily United States Dollar ("USD").

Sensitivity analysis for foreign currency risk

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

	GROUP	
	2024 RM	2023 RM
USD	(2,537,108)	256,297
Others	(244)	(3,053)
Decrease in profit before tax	(2,537,352)	253,244
(Decrease)/Increase in equity	(1,928,388)	192,465

28. FAIR VALUE MEASUREMENT**28.1 Fair value measurement of financial instruments**

The carrying amounts of the Group's and the Company's financial assets and financial liabilities (save for other investments) as at the end of the reporting period approximate their fair values due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The carrying amount of the non-current portion of hire purchase is reasonable approximation of fair values due to the insignificant impact of discounting.

28. FAIR VALUE MEASUREMENT (Cont'd)**28.1 Fair value measurement of financial instruments (Cont'd)**

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
GROUP				
2024				
Financial asset				
Other investments	4,524,880	-	-	4,524,880
2023				
Financial asset				
Other investments	10,773,502	-	-	10,773,502
COMPANY				
2024				
Financial asset				
Other investments	7,879,864	-	-	7,879,864
2023				
Financial asset				
Other investments	21,904,706	-	-	21,904,706

Level 1 fair value

Level 1 fair value of the other investments is derived by reference to their quoted market prices in active markets at the end of reporting period.

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as at the date of the event or change in circumstances that caused the transfer. There were no transfers between level 1, 2 and 3 during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

28. FAIR VALUE MEASUREMENT (Cont'd)**28.2 Fair value measurement of non-financial assets**

The following table shows the levels within the hierarchy of non-financial assets for which fair value is disclosed as at the end of the reporting period:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
GROUP				
2024				
Investment property	-	-	4,000,000	4,000,000
2023				
Investment property	-	-	4,000,000	4,000,000

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the investment properties.

The measurement of fair value for investment properties is categorised under Level 3 of the fair value hierarchy. The fair value is derived based on appraisal performed by independent professional valuers using the comparison approach for its existing use. The comparison approach entails comparing the properties with similar properties that were either transacted recently or listed for sale within the same location or other comparable localities and is adjusted for positive and negative factors of location, size, building differences, improvements and amenities and time element.

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as at the date of the event or change in circumstances that caused the transfer. There were no transfers between level 1, 2 and 3 during the financial year.

29. MATERIAL LITIGATION**High Court of Pulau Pinang Civil Suit No.: PA-22NCC-49-07/2023 ("the Suit"): Mi Technovation Berhad and Mi Equipment (M) Sdn. Bhd. ("Mi Group") v Edelteq Holdings Berhad and its subsidiaries, Chin Yong Keong and Lee Kim Loon**

On 31 July 2023, the Group was served with a Writ filed by Mi Group against the Group, Mr. Chin Yong Keong and Mr. Lee Kim Loon ("Defendants") for inter-alia alleged breach of confidential information, copyright and patent infringement, conspiracy to injure and unlawful interference with trade. On the same day, the Defendants were also served with an Anton Piller Order ("APO") which was granted ex-parte by the Penang High Court ("High Court") on 27 July 2023 (collectively known as "the Litigation").

The Group had filed its Defence and Counterclaim on 20 October 2023. On 13 November 2023, the Group was served with an Amended Statement of Claim. The Group subsequently filed its Amended Defence and Counterclaim on 8 December 2023.

On 8 November 2023, EVSB was served with a Notice of Application dated 1 November 2023 ("Committal Application") filed by Mi Group pertaining to the Litigation. The Committal Application alleged that EVSB and 3 others namely, Mr. Chin Yong Keong, Mr. Khong Chee Seong and Mr. Ang Shi Jie, have disobeyed the APO dated 27 July 2023 and have purportedly committed acts of contempt. The Committal Application was filed after Mi Group obtained an ex-parte order granting them leave to initiate the Committal Application on 25 October 2023. EVSB has disputed disobeying the APO and applied to set aside the ex-parte order granting leave ("Setting Aside Committal Application") and to oppose the Committal Application.

29. MATERIAL LITIGATION (Cont'd)

On 25 April 2024, the HC had dismissed the Committal Application filed by Mi Group and the Setting Aside Committal Application applied by EVSB. On 16 May 2024, Mi Group appealed to the Court of Appeal ("CoA") against the HC's decision to dismiss their Committal Application. On 17 May 2024, EVSB appealed to the CoA on the HC's decision to dismiss their Setting Aside Committal Application. The Registrar of CoA has fixed 14 May 2025 for hearing of both Mi Group and EVSB. In addition, the HC has fixed the trial dates for the APO from 17 November 2025 to 21 November 2025 and 24 November 2025 to 28 November 2025.

30. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management policy are to maintain a strong capital base to support its business and to maximise shareholder's value.

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

As at the end of the reporting period, the Group and the Company have not breached any of the debt covenants imposed by its lenders.

The Group and the Company consider its total equity and total loans and borrowings to be the key components of its capital structure and monitor capital using a debt-to-equity ratio, which is calculated as total borrowings divided by total equity as follows:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Total borrowings	5,810,671	3,706,571	-	2,764,179
Total equity	49,941,062	46,020,999	39,762,359	33,397,353
Gearing ratio (times)	0.12	0.08	-	0.08

31. EVENT AFTER THE REPORTING PERIOD

On 2 April 2025, the US government announced a reciprocal tariff on imported goods from all countries. The reciprocal tariff imposed a baseline of 10% tariff on all imports from countries worldwide effective 5 April 2025 whilst higher tariffs were imposed on specific countries whereby Malaysia was imposed a tariff rate of 24%, which will take effect from 9 April 2025. On 9 April 2025, the US government has announced that the higher tariffs imposed will be temporarily suspended for 90 days for all countries except China, though the 10% baseline tariff remains.

At this juncture, the management does not expect the reciprocal tariff will have a material impact on the Group's business operations or financial performance as the Group's direct export to US is negligible. However, the imposition of the reciprocal tariff by the US and retaliation tariffs by certain countries may lead to dysfunctional global trade environment such as supply chain disruptions, increase in operational costs and other global macroeconomics conditions such as rising inflation, higher unemployment rates, lower disposable income and etc. These put adverse implications on the global economy and may have a material adverse impact on the business and financial performance of business worldwide.

The management is aware that these tariffs may have a direct or indirect implication to its business operations and will continue to monitor the situation closely and take appropriate and timely measures to address the potential implications that may arise from this reciprocal tariff.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

32. INVESTED EQUITY

	GROUP			
	Number of ordinary shares		Amount	
	2024	2023	2024 RM	2023 RM
Issued and fully paid with no par value:				
Balance at beginning	-	1,447,000	-	1,447,000
Effects of acquisition of subsidiaries	-	(1,447,000)	-	(1,447,000)
Balance at end	-	-	-	-

Material accounting policy information

Business combinations arising from transfers of interest in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any resulting gain/loss is recognised directly in equity.

On consolidation, the cost of the merger is cancelled with the values of the shares received. Any resulting debit difference is adjusted against the merger reserve.

LIST OF PROPERTIES

The summary of the properties owned by the Group as at 31 December 2024 are as follows:

Registered No.	Registered owner	Title details/ Property address	Description/ Existing use	Tenure	Land area/ Gross built-up area sq. ft	Date of acquisition/ Approximate age of building	Carrying amounts as at 31 December 2024 RM'000
1.	Edeltecq	H.S.(D) 51229, PT 6139, Mukim 13, Daerah Seberang Perai Selatan, Negeri Pulau Pinang	<u>Description</u> Three-storey building comprising office and factory <u>Existing use</u> Vacant	Leasehold (60 years expiring on 4 July 2082)	<u>Land area</u> 63,745.70 <u>Gross built-up area</u> 41,125.68	<u>Date of acquisition</u> 24 August 2020 <u>Approximate age of building</u> 1	15,192
2.	Edel Technology (M) Sdn. Bhd.	<u>Title details</u> (i) GM 3232, Lot 10037, Mukim 14, Daerah Seberang Perai Tengah, Negeri Pulau Pinang (ii) GM 3350, Lot 10169, Mukim 14, Daerah Seberang Perai Tengah, Negeri Pulau Pinang <u>Property address</u> No. 4, Lorong Impian Ria 6, Taman Impian Ria 14000 Bukit Mertajam, Pulau Pinang	<u>Description</u> Double-storey shop office <u>Existing use</u> (i) Ground floor is vacant (ii) First floor is rented to ETSB as hostel	Freehold	<u>Land area</u> 1,194.79 <u>Gross built-up area</u> 2,260.63	<u>Date of acquisition</u> 18 April 2013 <u>Approximate age of building</u> 26	194
3.	Edel Technology (M) Sdn. Bhd.	<u>Title details</u> GM 1425, Lot 6593, Mukim 14, Daerah Seberang Perai Tengah, Negeri Pulau Pinang <u>Property address</u> No. 18, Lorong Impian Ria 4 Taman Impian Ria 14000 Bukit Mertajam, Pulau Pinang	<u>Description</u> Double-storey shop office <u>Existing use</u> (i) Ground floor is rented to CESB used as its office purposes (ii) First floor is rented to ETSB as hotel	Freehold	<u>Land area</u> 1,194.79 <u>Gross built-up area</u> 2,250.07	<u>Date of acquisition</u> 22 July 2015 <u>Approximate age of building</u> 27	347

LIST OF PROPERTIES

No.	Registered owner	Title details/ Property address	Description/ Existing use	Tenure	Land area/ Gross built-up area sq. ft	Date of acquisition/ Approximate age of building	Carrying amounts as at 31 December 2024 RM'000
4.	Edel Technology (M) Sdn. Bhd.	<u>Title details</u> GM 1426, Lot 6594, Mukim 14, Daerah Seberang Perai Tengah, Negeri Pulau Pinang <u>Property address</u> No. 20, Lorong Impian Ria 4 Taman Impian Ria 14000 Bukit Mertajam, Pulau Pinang	<u>Description</u> Double-storey shop office <u>Existing use</u> (i) Ground floor is used as ETMSB's office (ii) First floor is rented to ETSB used as its office purposes	Freehold	<u>Land area</u> 1,194.79 <u>Gross built-up area</u> 2,250.07	<u>Date of acquisition</u> 22 July 2015 <u>Approximate age of building</u> 27	347
5.	Edel Technology (M) Sdn. Bhd.	<u>Title details</u> GM 1427, Lot 6595, Mukim 14, Daerah Seberang Perai Tengah, Negeri Pulau Pinang <u>Property address</u> No. 22, Lorong Impian Ria 4 Taman Impian Ria 14000 Bukit Mertajam, Pulau Pinang	<u>Description</u> Double-storey shop office <u>Existing use</u> (i) Ground floor is rented to DTSB used as its office purposes (ii) First floor is rented to Edeltec used as our Group's head office	Freehold	<u>Land area</u> 1,194.79 <u>Gross built-up area</u> 2,250.07	<u>Date of acquisition</u> 22 July 2015 <u>Approximate age of building</u> 27	347
6.	Edel Technology (M) Sdn. Bhd.	<u>Title details</u> GM 4281, Lot 50517, Mukim 11, Daerah Seberang Perai Tengah, Negeri Pulau Pinang <u>Property address</u> No. 9, Jalan Juru Sentral 14000 Bukit Mertajam, Pulau Pinang	<u>Description</u> 4-storey shop office <u>Existing use</u> (i) Ground and first floors are rented and used as a dental clinic (ii) Second floor is rented and used as a academy center (iii) Third floor is rented and used as a health food cafe	Freehold	<u>Land area</u> 1,679.17 <u>Gross built-up area</u> 6,705.41	<u>Date of acquisition</u> 16 April 2018 <u>Approximate age of building</u> 5	3,186

LIST OF PROPERTIES

No.	Registered owner	Title details/ Property address	Description/ Existing use	Tenure	Land area/ Gross built- up area sq. ft	Date of acquisition/ Approximate age of building	Carrying amounts as at 31 December 2024 RM'000
7.	Edeltec Technologies Sdn. Bhd.	<u>Title details</u> GM 174925, Lot 20744, Mukim 14, Daerah Seberang Perai Selatan, Negeri Pulau Pinang <u>Property address</u> No. 16, Jalan Perniagaan Vorteks 4, Pusat Perniagaan Vorteks, 14100 Simpang Ampat, Pulau Pinang	<u>Description</u> 4-storey Semi-Detached factory <u>Existing use</u> (i) Ground floor is used for production (ii) First, second and third floors are used as its office purposes	Freehold	<u>Land area</u> 6,522.93 <u>Gross built-up area</u> 7,810.09	<u>Date of acquisition</u> 10 June 2024 <u>Approximate age of building</u> 1	2,895
8.	Edeltec Ventures Sdn. Bhd.	<u>Title details</u> GM 174926, Lot 20745, Mukim 14, Daerah Seberang Perai Selatan, Negeri Pulau Pinang <u>Property address</u> No. 12A, Jalan Perniagaan Vorteks 4, Pusat Perniagaan Vorteks, 14100 Simpang Ampat, Pulau Pinang	<u>Description</u> 4-storey Semi-Detached factory <u>Existing use</u> (i) Ground floor is used for production (ii) First floor is rented and used as a office (iii) Second and third floors are used as its office purposes	Freehold	<u>Land area</u> 6,522.93 <u>Gross built-up area</u> 7,810.09	<u>Date of acquisition</u> 10 June 2024 <u>Approximate age of building</u> 1	2,747

ANALYSIS OF SHAREHOLDINGS

As At 28 March 2025

Total Number of Issued Shares	:	532,535,630
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Range of Shareholdings	No. of Holders	% of Holders	No. of Shares	% of Issued Capital
Less than 100	3	0.101	100	0.0000
100 - 1,000	348	11.737	174,700	0.033
1,001 - 10,000	1,226	41.349	7,542,000	1.416
10,001 - 100,000	1,187	40.034	40,750,700	7.652
100,001 - 26,626,781 (*)	198	6.678	96,117,265	18.049
26,626,782 and above (**)	3	0.101	387,950,865	72.850
TOTAL	2,965	100.000	532,535,630	100.000

Note: * - Less than 5% of issued holdings
 ** - 5% and above of issued holdings

TOP THIRTY (30) HOLDERS AS AT 28 MARCH 2025

Name of Holders	Holdings	% of Issued Capital
1 CHIN YONG KEONG	234,579,172	44.049
2 KHONG CHEE SEONG	106,907,590	20.075
3 CHIN YUEN FONG	46,464,103	8.725
4 CITIGROUP NOMINEES (TEMPATAN) SDN BHD LEMBAGA TABUNG HAJI (UOB)	9,197,200	1.727
5 PHILLIP NOMINEES (TEMPATAN) SDN BHD FOR KCNN VENTURE CAPITAL SDN BHD	5,964,900	1.120
6 MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR ARECA EQUITYTRUST FUND (211882)	5,317,600	0.999
7 UOBM NOMINEES (ASING) SDN BHD UOB ASSET MANAGEMENT (MALAYSIA) BERHAD FOR FWD STRATEGIC FUND	4,000,000	0.751
8 CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ANDREW LEONG (MY3516)	3,110,000	0.584
9 ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG SIEW ENG @ ONG CHAI (3000190)	2,546,500	0.478
10 CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LAU HAN WEI (MF00141)	2,508,000	0.471
11 PHANG CHIN KHIONG	2,504,100	0.470
12 CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN VEI TECK (MY4413)	1,820,000	0.342
13 GAN KOK KENG	1,500,000	0.282
14 UOBM NOMINEES (ASING) SDN BHD UOB ASSET MANAGEMENT (MALAYSIA) BERHAD FOR FWD AGGRESSIVE FUND	1,500,000	0.282
15 UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	1,466,500	0.275
16 ANDREW LEONG	1,400,000	0.263

ANALYSIS OF SHAREHOLDINGS

As At 28 March 2025

TOP THIRTY (30) HOLDERS AS AT 28 MARCH 2025 (Cont'd)

Name of Holders	Holdings	% of Issued Capital
17 MAYBANK NOMINEES (TEMPATAN) SDN BHD MTRUSTEE BERHAD FOR ETHEREAL-OMEGA EQ FUND (445330)	1,349,900	0.253
18 GAN KOK KENG	1,283,500	0.241
19 AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SHU LAY EE (M01)	1,100,000	0.207
20 FOO JIN PING	1,040,000	0.195
21 TEY TECK HENG	1,000,000	0.188
22 LEONG JIT KUAN	950,000	0.178
23 LIM CHOW LIN TERANCE	950,000	0.178
24 KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHOO SHAO QIN	928,100	0.174
25 KOH KIM BOON	875,200	0.164
26 LAU HAN WEI	809,300	0.152
27 WOON OOI FUEY	800,000	0.150
28 WONG HUNG NGIE	795,900	0.149
29 DATO' ACRYL SANI BIN HJ. ABDULLAH SANI	750,000	0.141
30 CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAY MOY KOH (MY3164)	688,000	0.129

SUBSTANTIAL SHAREHOLDERS AS AT 28 MARCH 2025

According to the Register of Substantial Shareholders required to be kept under Section 144 of the Companies Act, 2016, the following are the substantial shareholders of the Company:

Name of Substantial Shareholders	Direct Interest (A)		Deemed Interest (B)		Total Interest (A+B)	
		%		%		%
Chin Yong Keong	234,579,172	44.05	-	-	234,579,172	44.05
Khong Chee Seong	106,907,590	20.08	-	-	106,907,590	20.08
Chin Yuen Fong	46,464,103	8.73	-	-	46,464,103	8.73

ANALYSIS OF SHAREHOLDINGS

As At 28 March 2025

DIRECTORS' INTEREST AS AT 28 MARCH 2025

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act, 2016, the Directors' interests in the ordinary share capital of the Company and its subsidiary companies are as follows:

Name of Directors	Direct Interest		Deemed Interest		Total Interest	
	(A)	%	(B)	%	(A+B)	%
Datuk Johar Bin Che Mat	-	-	-	-	-	-
Chin Yong Keong	234,579,172	44.05	-	-	234,579,172	44.05
Khong Chee Seong	106,907,590	20.08	-	-	106,907,590	20.08
Kamaruddin Bin Kassim	-	-	-	-	-	-
Datin Soheir Binti Mohammad Khatib	-	-	-	-	-	-
Joyce Wong Ai May	-	-	-	-	-	-
Ngo Tong Seng	-	-	-	-	-	-

By virtue of their shareholdings in the Company, Mr. Chin Yong Keong and Mr. Khong Chee Seong are also deemed interested in the shares of all the subsidiaries of the Company, to the extent that the Company has interests.

Other than disclosed above, none of the other Directors had any interest in the shares of the Company and its related corporations during the financial year.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2025 Annual General Meeting (“**2025 AGM** and/or “**AGM**”) of Edelteq Holdings Berhad (“the Company”) will be held at Iconic Hotel, 71 Jalan Icon City, Icon City, Bukit Mertajam, 14000 Pulau Pinang on Wednesday, 25 June 2025 at 2.00 p.m.

AGENDA

AS ORDINARY BUSINESS:

ORDINARY RESOLUTION NO

- Please refer to Note 2**
1. To receive the Audited Financial Statements for the financial year ended 31 December 2024, together with the Directors’ and Auditors’ Reports thereon. 1
 2. To approve the payment of Directors’ fees to the Non-Executive Directors for the period from 26 June 2025 until the conclusion of the next AGM of the Company to be held in 2026 to be payable on a monthly basis as follows:

Chairman (Non-Executive)	RM8,000 per month
Audit Committee Chairman	RM6,000 per month
Non-Executive Directors	RM4,000 per month
 3. To approve the payment of benefits payable to Non-Executive Directors up to an amount of RM60,000 from 26 June 2025 until the conclusion of the next AGM of the Company to be held in 2026. 2
 4. To re-elect the following Directors retiring in accordance with Clause 18.4 of the Company’s Constitution:
 - 4.1 Mr. Khong Chee Seong 3
 - 4.2 Datin Soheir Binti Mohammad Khatib 4
 5. To re-elect the following Director retiring in accordance with Clause 18.10 of the Company’s Constitution:
 - 5.1 Mr. Ngo Tong Seng 5
 6. To re-appoint Messrs Grant Thornton Malaysia PLT as Auditors of the Company to hold office until the next AGM and to authorise the Directors to fix their remuneration. 6

NOTICE OF ANNUAL GENERAL MEETING

As **SPECIAL BUSINESS**, to consider and, if thought fit, with or without any modification, to pass the following resolutions:

7. **PROPOSED AUTHORITY TO ALLOT AND ISSUE SHARES IN GENERAL PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016**

7

“THAT pursuant to Sections 75 and 76 of the Companies Act, 2016 (“the Act”), the Directors be and are hereby empowered to allot and issue shares in the Company at any time and from time to time until the conclusion of the next AGM and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company at the time of issue, subject always to the Constitution of the Company and approval of all relevant regulatory bodies being obtained for such allotment and issuance.

THAT pursuant to Section 85 of the Act, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares of the Company arising from issuance of new shares pursuant to this Mandate.

AND THAT the Directors of the Company be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad AND FURTHER THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next AGM of the Company.”

8. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 2016.

FURTHER NOTICE IS HEREBY GIVEN THAT only members whose names appear on the Record of Depositors as at 13 June 2025 shall be entitled to attend the AGM or appoint proxies in his/her stead or in the case of a corporation, a duly authorised representative to attend and to vote in his/her stead.

By Order of the Board

TAI YIT CHAN

(SSM PC No. 202008001023)

(MAICSA 7009143)

OUI KAI YANG

(SSM PC No. 202408000571)

(MAICSA 7072929)

Chartered Secretaries

Ipoh, Perak Darul Ridzuan, Malaysia

30 April 2025

Notes:**1. PROXY**

A member, other than an exempt authorised nominee is entitled to appoint one (1) or two (2) proxies to attend and vote instead of him/her. A proxy must be 18 years and above and need not be a member of the Company.

Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.

Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company in an 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 but the proportion of holdings to be represented by each proxy must be specified.

The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or if the appointer is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised. If under the hand of attorney/authorised officer, the Power of Attorney or Letter of Authorisation must be attached.

The instrument appointing a proxy or proxies must be deposited at Boardroom Share Registrars Sdn. Bhd., 11th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia not less than 48 hours before the time appointed for holding the Meeting or adjourned Meeting either by hand, post, courier or electronic mail to bsr.helpdesk@boardroomlimited.com or fax (603) 78904670 before the Form of Proxy lodgement cut-off time as mentioned above, otherwise the instrument of proxy should not be treated as valid.

Alternatively, the form of proxy can be submitted by electronic means through the Share Registrar's website, Boardroom Smart Investor Portal. Kindly follow the link at <https://investor.boardroomlimited.com> to login and deposit your form of proxy electronically, also forty-eight (48) hours before the meeting.

2. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Agenda 1 is meant for discussion only as Section 340(1)(a) of the Companies Act, 2016 only requires the Audited Financial Statements to be laid before the Company at the AGM and they do not require shareholders' approval. Hence, this Agenda is not put forward for voting.

3. DIRECTORS' FEES AND BENEFITS PAYABLE TO NON-EXECUTIVE DIRECTORS

Section 230(1) of the Companies Act, 2016 provides amongst others, that "fees" of the Directors and "any benefits" payable to Directors of a listed company and its subsidiaries shall be approved at a general meeting. Pursuant thereto, shareholders' approval is sought for these payments in two (2) separate resolutions as follows:

Ordinary Resolution 1 : Payment of Directors' fees to the Non-Executive Directors from 26 June 2025 until the conclusion of the next AGM of the Company to be held in 2026.

The resolution if passed, will allow the Company to make the payment of Directors' fees to the Non-Executive Directors ("NEDs") on a monthly basis instead of in arrears after every AGM. The Board is of the view that it is just and equitable for the NEDs to be paid such payment on a monthly basis after they have discharged their responsibilities and rendered their services to the Company.

Ordinary Resolution 2 : Payment of benefits payable to the Non-Executive Directors from 26 June 2025 until the conclusion of the next AGM of the Company to be held in 2026.

NOTICE OF ANNUAL GENERAL MEETING

Summary of the Payment of Directors' Fees and benefits payables to the Non-Executive Directors from the 26 June 2025 until the conclusion of the next AGM of the Company to be held in 2026:

Description	Ordinary Resolution 1 Directors' Fees from 26 June 2025 until the conclusion of the next AGM of the Company to be held in 2026 (For approval at the 2025 AGM)		
	Chairman	Audit Committee Chairman	Non-Executive Directors
Directors' Fees	RM8,000 (Equivalent to RM96,000 per annum)	RM6,000 (Equivalent to RM72,000 per annum)	RM4,000 (Equivalent to RM48,000 per annum)
Payment Mode Upon Members' approval	Monthly		
Description	Ordinary Resolution 2 - Non-Executive Directors		
Meeting and Travelling Allowance for Directors	RM1,000 per meeting		

Notes:

- (i) The monthly Directors' Fees would be calculated on a monthly pro-rata basis based on the Directors' fees per annum. The Board of Directors is of view that the proposed monthly Directors' Fees is just and equitable for the payment to the Chairman and Non-Executive Directors in recognition of the significant roles in leadership and oversight, and the wide-ranging scope of responsibilities expected from the Directors after they have discharged their responsibilities and rendered their services to the Company throughout the current period.
- (ii) The benefits payable to the Non-Executive Directors of the Company would be calculated based on the current composition of the Board and Board Committees and the number of meetings scheduled for the Board and Board Committees and includes all benefits payable to the Directors, such as meeting allowances, travelling allowance etc.

4. RE-ELECTION OF DIRECTORS

Mr. Khong Chee Seong, Datin Soheir Binti Mohammad Khatib and Mr. Ngo Tong Seng are standing for re-election as Directors of the Company and being eligible have offered themselves for re-election at the 2025 AGM.

The Nomination and Remuneration Committee ("NRC") had conducted an assessment on the effectiveness and contributions of the abovesaid retiring Directors including their skills, experience, competency and time commitments, and had recommended their re-election as Director to the Board. The Board had deliberated and endorsed the NRC's recommendation and recommended the re-election of these Retiring Directors for approval by the shareholders of the Company at the 2025 AGM. The profiles of the retiring Directors are set out in the Profile of Directors in the Annual Report 2024.

5. RE-APPOINTMENT OF EXTERNAL AUDITORS ("EA")

The Audit Committee ("AC") had carried out an assessment of the suitability and independence of the EA, which included an assessment of the engagement teams' qualifications, credentials and experience, audit work approach and performance of the work within Edelteq Group's timeline by completing an assessment questionnaire.

The AC in its assessment found Messrs Grant Thornton Malaysia PLT to be sufficiently objective and independent and was satisfied with the suitability based on the quality of audit, performance and resources in terms of their audit team provided to the Group.

The Board, therefore, approved the AC's recommendation that the re-appointment of Messrs Grant Thornton Malaysia PLT as External Auditors of the Company for the financial year ending 31 December 2025 be put forward for the shareholders' approval at the 2025 AGM.

6. PROPOSED AUTHORITY TO ALLOT AND ISSUE SHARES IN GENERAL PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016

The Company had, during its 2024 AGM held on 19 June 2024, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Sections 75 and 76 of the Act. The proposed Ordinary Resolution 7 is a renewal mandate of the general mandate for the issuance of shares by the Company under Sections 75 and 76 of the Act.

The proposed Ordinary Resolution 7, if passed, will empower the Directors of the Company, from the date of the above AGM until the next AGM to allot and issue up to a maximum of 10% of the total number of issued shares of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. This authority will, unless revoked or varied by the Company at a general meeting, expire at the next AGM of the Company.

The general mandate will provide flexibility to the Company for any possible fundraising activities, including but not limited to placing of shares for purpose of funding future investment project(s), working capital and/or acquisitions.

At this juncture, there is no decision to issue new shares but the Directors consider it desirable to have the flexibility permitted to respond to market developments and to enable allotments to take place to finance business opportunities without making a pre-emptive offer to existing shareholders. If there should be a decision to issue new shares after the general mandate is obtained, the Company will make announcement in respect thereof.

The Company did not allot and issue any shares pursuant to the general mandate granted by the shareholders at the previous AGM.

ANNUAL REPORT 2024 AND CORPORATE GOVERNANCE REPORT 2024

The Annual Report 2024 and Corporate Governance Report 2024 may be downloaded at www.edelteq.com



No. of Shares Held	
CDS Account No.	
Telephone No.	

FORM OF PROXY

I/We, _____ NRIC No./Company No. _____
 (Name of Shareholder as per NRIC)

of _____
 (Full Address)

being a member of Edeltecq Holdings Berhad hereby appoint the following person(s):

Name of Proxy & NRIC No.	Email Address & Contact No.	No. of Shares	Percentage (%)
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Proxy 1 _____

Proxy 2 _____

or failing him/her, the Chairman of the Meeting as my/our proxy, to vote for me/us and on my/our behalf at the 2025 Annual General Meeting of the Company to be held on 25 June 2025 and at any adjournment thereof in the manner indicated below in respect of the following Resolutions:

Ordinary Resolution No.	Ordinary Business	For	Against
1	Approval for the payment of Directors' Fees to the Non-Executive Directors for the period from 26 June 2025 until the conclusion of the next AGM of the Company to be held in 2026.		
2	Approval for the payment of benefits payable to Non-Executive Directors for the period from 26 June 2025 until the conclusion of the next AGM of the Company to be held in 2026.		
3	Re-election of Mr. Khong Chee Seong as Director.		
4	Re-election of Datin Soheir Binti Mohammad Khatib as Director.		
5	Re-election of Mr. Ngo Tong Seng as Director.		
6	Re-appointment of Messrs Grant Thornton Malaysia PLT as Auditors and to authorise the Directors to fix their remuneration.		
	Special Business		
7	Authority under Sections 75 and 76 of the Companies Act, 2016 for Directors to allot and issue shares.		

Please indicate with () or () how you wish your vote to be cast. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he thinks fit, or at his discretion, abstain from voting.

Date: _____

 Signature of Shareholder/
 (Common Seal & Signatures)

NOTES:

1. Only members whose names appear on the Record of Depositors as at 13 June 2025 shall be entitled to attend the AGM or appoint proxies in his/her stead or in the case of a corporation, a duly authorised representative to attend and to vote in his/her stead.
2. A member (other than an exempt authorized nominee) entitled to attend and vote at the Meeting is entitled to appoint one (1) or two (2) proxies to attend and vote instead of him. A proxy must be 18 years and above and need not be a member of the Company.
3. Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
4. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company in an 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 but the proportion of holdings to be represented by each proxy must be specified.
5. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or if the appointer is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised. If under the hand of attorney/authorised officer, the Power of Attorney or Letter of Authorisation must be attached.
6. The instrument appointing a proxy or proxies must be deposited at Boardroom Share Registrars Sdn. Bhd., 11th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia not less than 48 hours before the time appointed for holding the Meeting or adjourned Meeting either by hand, post, courier or electronic mail to bsr.helpdesk@boardroomlimited.com or fax (603) 78904670 before the Form of Proxy lodgement cut-off time as mentioned above, otherwise the instrument of proxy should not be treated as valid.
7. Alternatively, the form of proxy can be submitted by electronic means through the Share Registrar's website, Boardroom Smart Investor Portal. Kindly follow the link at <https://investor.boardroomlimited.com> to login and deposit your form of proxy electronically, also forty-eight (48) hours before the meeting.
8. Personal Data Privacy – By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company hereby agree and consent that any of your personal data in our possession shall be processed by us in accordance with the Personal Data Protection Act 2010. Further, you hereby warrant that relevant consent has been obtained by you for us to process any third party's personal data in accordance with the said Act.

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AFFIX
STAMP
(within Malaysia)

The Share Registrar

EDELTEQ HOLDINGS BERHAD
[201901033362 (1342692-X)]

11th Floor, Menara Symphony
No. 5, Jalan Professor Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan

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EDELTEQ HOLDINGS BERHAD
(Registration No. 201901033362 (1342692-X))

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Pulau Pinang.

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