



ECONFRAME BERHAD

Registration No. 201901042935 (1352265-T)
(Incorporated in Malaysia under the Companies Act 2016)



ANNUAL REPORT
2024

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Proxy Form

CORPORATE STRUCTURE



ECONFRAME BERHAD
Registration No. 201901042935 (1352265-T)



¹ Acquired on 8 September 2023.

² Incorporated on 3 September 2024.

³ Has not commenced business operations.



CORPORATE INFORMATION

BOARD OF DIRECTORS

ROBERT KOONG YIN LEONG

Independent Non-Executive Chairman

LIM CHIN HORNG

Managing Director

KHOO SOON BENG

Executive Director

(Resigned on 19 July 2024)

LIM SAW NEE

Non-Independent Non-Executive Director

LIM FOO SENG

Non-Independent Non-Executive Director

TAN HOCK SOON

Senior Independent Non-Executive Director

ILHAM FADILAH BINTI SUNHAJI

Independent Non-Executive Director

CHAN SOON TAT

Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Chairman

Tan Hock Soon

Member

Ilham Fadilah Binti Sunhaji

Chan Soon Tat

NOMINATION COMMITTEE

Chairperson

Ilham Fadilah Binti Sunhaji

Member

Tan Hock Soon

Chan Soon Tat

REMUNERATION COMMITTEE

Chairman

Chan Soon Tat

Member

Tan Hock Soon

Ilham Fadilah Binti Sunhaji

COMPANY SECRETARIES

Yeow Sze Min (MAICSA 7065735)

SSM PC No. 201908003120

(Appointed on 24 October 2024)

Tan Loo Ee (MAICSA 7063694)

SSM PC No. 201908002686

(Appointed on 24 October 2024)

Chua Siew Chuan (MAICSA 0777689)

SSM PC No. 201908002648

(Resigned on 24 October 2024)

Chew Kit Yee (MAICSA 7067474)

SSM PC No. 202208000376

(Resigned on 24 October 2024)



CORPORATE INFORMATION (CONT'D)

REGISTERED OFFICE

Level 7, Menara Milenium
Jalan Damanlela, Pusat Bandar Damansara
Damansara Heights, 50490 Kuala Lumpur

Telephone number: 03-2084 9000
Fax number: 03-2094 9940 / 03-2095 0292
Email address: info@sshbsb.com.my

PRINCIPAL PLACE OF BUSINESS

No. 1, Jalan 27A
Kawasan 16, Sungai Rasau Industrial Area
41300 Klang, Selangor

Telephone number: 03-3348 7268
Website: www.econframe.com

AUDITORS

Baker Tilly Monteiro Heng PLT
[LLP number: 201906000600 (LLP0019411-LCA)]
(Firm number: AF 0117)

Baker Tilly Tower, Level 10, Tower 1, Avenue 5
Bangsar South City, 59200 Kuala Lumpur

Telephone number: 03-2297 1000

SHARE REGISTRAR

Securities Services (Holdings) Sdn Bhd
[Registration No. 197701005827 (36869-T)]

Level 7, Menara Milenium
Jalan Damanlela, Pusat Bandar Damansara
Damansara Heights, 50490 Kuala Lumpur

Telephone number: 03-2084 9000
Fax number: 03-2094 9940 / 03-2095 0292
Email address: info@sshbsb.com.my

STOCK EXCHANGE LISTING

ACE Market, Bursa Malaysia Securities Berhad
Stock Code: 0227
Stock Name: EFRAME
Sector: Industrial Products and Services





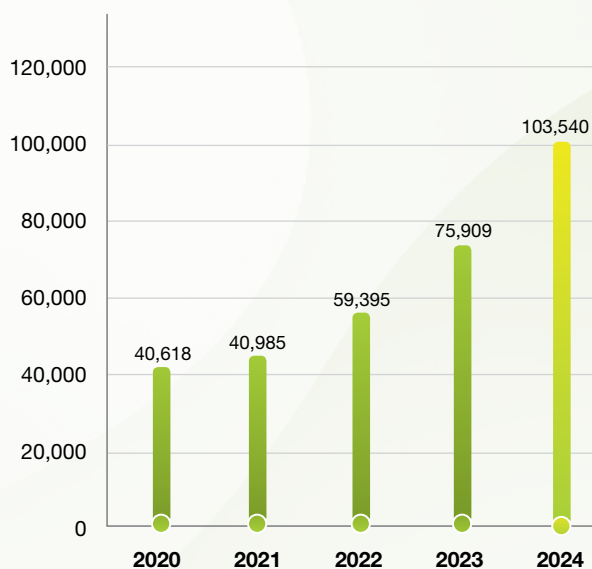
GROUP FINANCIAL HIGHLIGHTS

	Financial year ended 31 August				
	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000
Revenue	40,618	40,985	59,395	75,909	103,540
Profit before tax	7,242	7,184	15,016	17,776	15,884
Profit attributable to owners of the Company	5,339	5,110	11,239	13,064	10,962
Total assets	36,232	59,035	74,543	95,476	148,145
Equity attributable to owners of the Company	31,348	53,924	63,538	85,460	114,281
EBITDA [^]	7,769	7,387	15,183	17,908	21,161
Net assets per share [#] (RM)	0.12	0.17	0.20	0.25	0.31
Basic earnings per share [#] (sen)	2.05	1.62	3.46	3.93	3.14

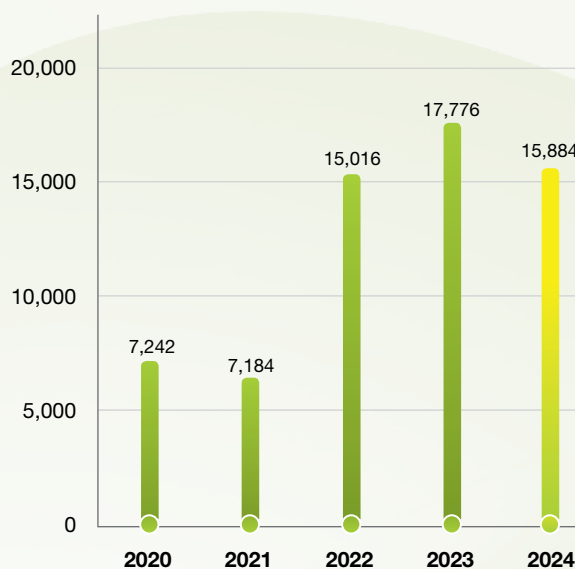
[^] Earnings before interests, tax, depreciation and amortisation.

[#] Attributable to owners of the Company.

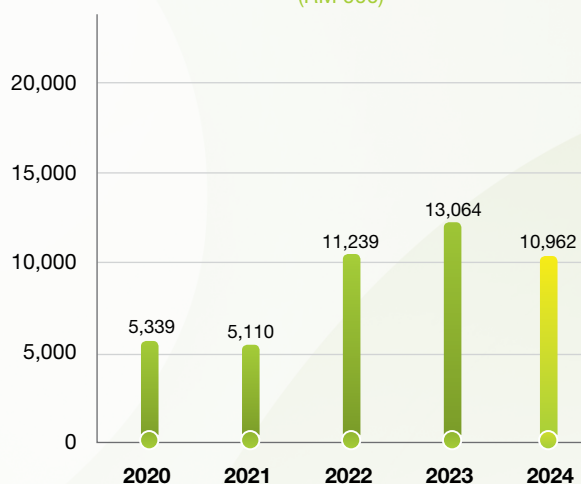
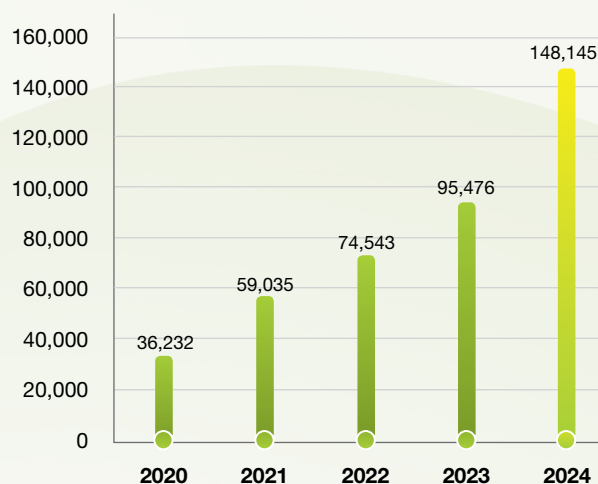
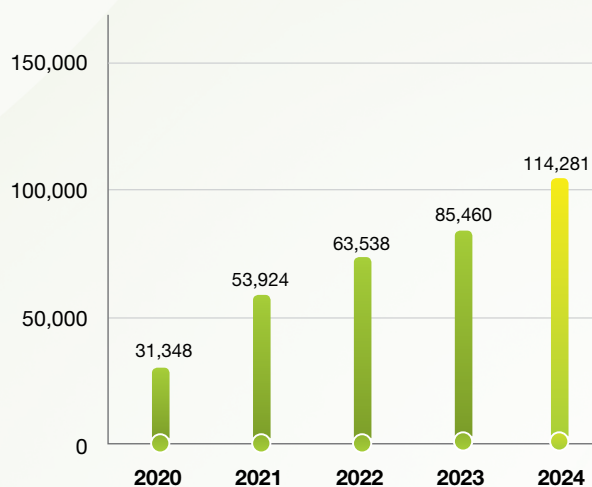
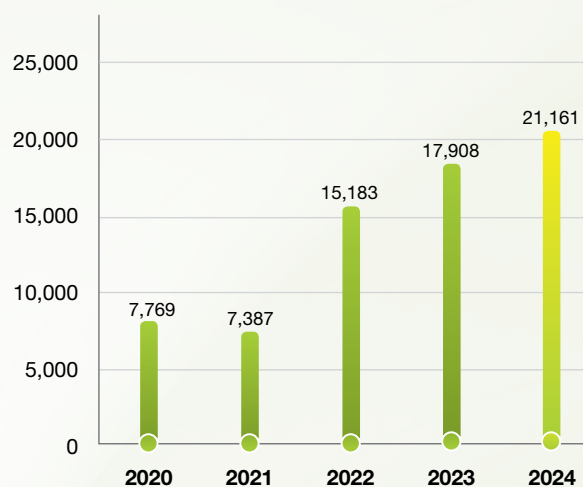
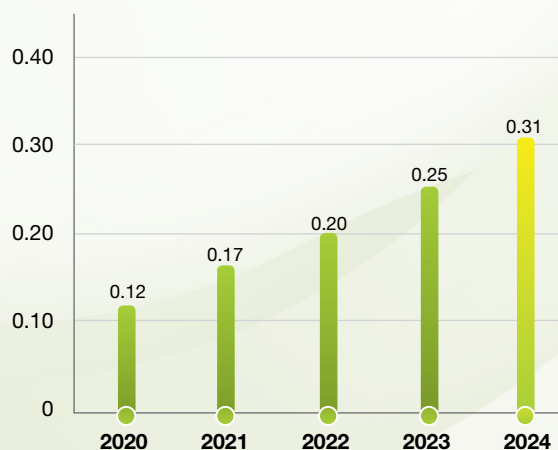
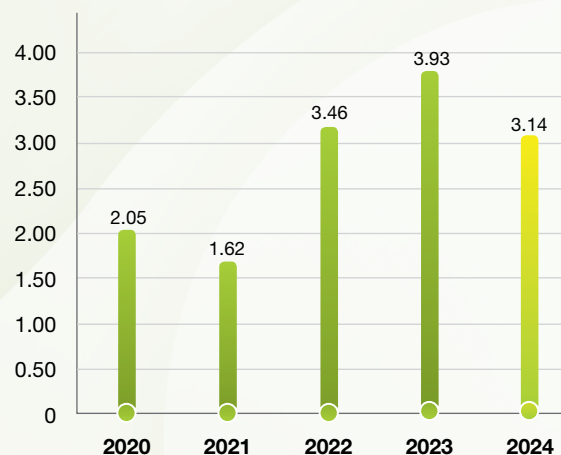
Revenue
(RM'000)



Profit Before Tax
(RM'000)



GROUP FINANCIAL HIGHLIGHTS (CONT'D)

**Profit Attributable To Owners
Of The Company**
(RM'000)**Total Assets**
(RM'000)**Equity Attributable To Owners
Of The Company**
(RM'000)**EBITDA**
(RM'000)**Net Assets Per Share**
(RM)**Basic Earnings Per Share**
(Sen)

DIRECTORS' PROFILE



ROBERT KOONG YIN LEONG

Independent Non-Executive Chairman

Nationality



Gender



Age

56

Robert Koong Yin Leong was appointed to the Board on 11 February 2020.

He is an Associate Member of the Chartered Institute of Management Accountant, United Kingdom as well as a Member of the Malaysian Institute of Accountants.

He commenced his career with Arthur Andersen & Co in 1990 in the corporate recovery and corporate finance division prior to joining Electroscon Sdn Bhd as Group Finance Manager in 1994. He joined Tanco Resorts Berhad in 1999 as the Finance and Administration Manager. In 2002, he joined Hicom-Teck See Sdn Bhd and was posted to Hicom Automotive Plastics (Thailand) Ltd from 2002 to 2005 as General Manager, Finance, before joining Nakamichi Corporation Berhad as Manager, Finance and Administration in 2005. In 2006, he joined SMIS Corporation Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), as Group Financial Controller, a position he holds until today.

He does not hold any other directorship in any other public companies or public listed companies in Malaysia and has no family relationship with any of the Director and/or major shareholders.



LIM CHIN HORNG

Managing Director

Nationality



Gender



Age

55

Lim Chin Horng was appointed to the Board on 13 February 2020.

He commenced his career in 1990 with Amalgamated Containers Berhad (now known as Parkson Holdings Berhad) in the quality control department prior to joining Era Ace Sdn Bhd as Project Manager for the provision of mechanical and electrical engineering services in 1996. In 1999, he left Era Ace Sdn Bhd and set up Era Ace Engineering and Trading, a sole proprietorship, where he undertook the business of trading in mechanical electronic parts and components, to collaborate with Era Ace Sdn Bhd. Subsequently, Era Ace Engineering and Trading ceased operations in 2004.

In August 2001, he co-founded Econframe Marketing Sdn Bhd to undertake the business of manufacturing of metal door frames and metal window frames. In 2010, he set up Econframe Pre-Hung Doors Sdn Bhd together with Khoo Soon Beng for the trading of wooden doors to complement the metal door frames business of Econframe Marketing Sdn Bhd. He leads the Company and the subsidiaries ("**the Group**") in the development and implementation of the Group's strategies as well as managing the Group's operational and product development.

He is the major shareholder of the Company and the brother of Lim Saw Nee (the Non-Independent Non-Executive Director). He does not hold any other directorship in any other public companies or public listed companies in Malaysia.

DIRECTORS' PROFILE (CONT'D)

**LIM SAW NEE**

Non-Independent Non-Executive Director

Nationality



Gender



Age

57

Lim Saw Nee was appointed to the Board on 13 February 2020.

She obtained her Diploma in Interior Design at the Modern Institute of Interior Design, Petaling Jaya, Malaysia (which has since ceased operation) in 1988.

She commenced her career with Sun Swee Productions Sdn Bhd as a Junior Production Designer in 1988 and left in 1989 to join United Tradewind Trading Sdn Bhd, a company co-founded by her spouse. She has remained at United Tradewind Trading Sdn Bhd since 1989 and currently holds the position of General Manager, where she oversees various departments including the human resource department and procurement department.

She is the sister of Lim Chin Horng (the Managing Director and major shareholder) and she does not hold any other directorship in any other public companies or public listed companies in Malaysia.

**LIM FOO SENG**

Non-Independent Non-Executive Director

Nationality



Gender



Age

54

Lim Foo Seng was appointed to the Board on 1 February 2021.

He is a Member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants.

He started his career in Deloitte Kassim Chan, an international accounting firm, from 1989 till 1995. Thereafter, he joined Arab-Malaysian Corporation Berhad ("**Amcorp**") and left in 2003 where his last position was Chief Financial Officer ("**CFO**") of MCM Technologies Berhad, a subsidiary company of Amcorp which was formerly listed on the then MESDAQ Market of Bursa Securities.

Subsequently, he joined Quest Technology Sdn Bhd ("**Quest**") as CFO and from 2005 to 2008, he was Executive Director cum CFO for Quest's immediate holding company, Ruby Quest Berhad, a company listed on the then MESDAQ Market of Bursa Securities. From 2008 to 2009, he was Executive Director of Asia Bioenergy Technologies Berhad, a company listed on the then MESDAQ Market of Bursa Securities. Between 2011 and 2013, he was Head of Strategic Planning for Aivoria Group Sdn Bhd and in 2014, he joined Winn Worldwide Sdn Bhd until 2017 as Chief Strategy Officer. In mid-2017, he joined Nova Pharma Solutions Berhad as Chief Strategy Officer, a company listed on the LEAP Market of Bursa Securities and left in mid-2023. Currently he acts as executive advisor for various small medium enterprise companies.

He is also an Independent Non-Executive Director of Iskandar Waterfront City Berhad, Knusford Berhad and PLS Plantations Berhad, all listed on the Main Market of Bursa Securities.

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

DIRECTORS' PROFILE (CONT'D)



TAN HOCK SOON

Senior Independent Non-Executive Director

Nationality



Gender



Age

52

Tan Hock Soon was appointed to the Board on 11 February 2020 and he is the Chairman of the Audit and Risk Management Committee. He is also a member of the Remuneration Committee and Nomination Committee.

He is a Fellow Member of the Malaysian Institute of Certified Public Accountants as well as a Member of the Malaysian Institute of Accountants.

He commenced his career with KPMG in 1992 before leaving to join the Corporate Finance Division of Commerce International Merchant Bankers Berhad (now known as CIMB Investment Bank Berhad) in 1996. He left in 1999 to set up his own business. From 2001 to 2004, he was an Executive Director of Mercus Holdings Berhad (now known as Y&G Corporation Berhad), a company listed on the then Second Board of Bursa Securities. From 2003 to 2008, he was also an Independent Non-Executive Director and Audit Committee Chairman of NTPM Holdings Berhad, a company listed on the Main Market of Bursa Securities. He was an Executive Director of Systech Bhd, a company listed on the ACE Market of Bursa Securities from 2011 until his retirement in 2023. He is also currently an Executive Director of SysArmy Sdn Bhd, a company specialising in the provision of cyber security solutions and services since 2017.

In 2004, he obtained his Investment Representative license and co-founded and is currently a Director of Strategic Capital Advisory Sdn Bhd, a Licensed Investment Advisory company which specialises in Corporate Finance.

Presently, he is an Independent Non-Executive Director of SMIS Corporation Bhd, a company listed on the Main Market of Bursa Securities and Director of Leinet Technology Berhad, a public company.

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



ILHAM FADILAH BINTI SUNHAJI

Independent Non-Executive Director

Nationality



Gender



Age

42

Ilham Fadilah Binti Sunhaji was appointed to the Board on 11 February 2020 and she is the Chairperson of the Nomination Committee. She is also a member of the Audit and Risk Management Committee and Remuneration Committee.

She completed her Bachelor of Arts majoring in International Studies (Global Security) and Political Science from the University of Wisconsin-Madison, United States of America in 2005. In 2014, she obtained her Masters of Business Administration in Strategic Management from the International Islamic University Malaysia.

She commenced her career in 2005 with Solid Partners Sdn Bhd in the sales and marketing department, before leaving in 2006, to join Accenture Malaysia as an Analyst. In 2012, she left Accenture Malaysia and joined Performance Management and Delivery Unit ("PEMANDU"), an agency of the Prime Minister's Department as Manager. In 2017, she left PEMANDU and joined Pemandu Associates Sdn Bhd, a private management consultancy firm, as Senior Vice President. In 2021, she left Pemandu Associates Sdn Bhd and joined Malaysia Petroleum Resources Corporation as the Head of Corporate Strategy and Research.

Presently, she is an Independent Non-Executive Director of Ocean Vantage Holdings Berhad and Crest Group Berhad, both listed on the ACE Market of Bursa Securities.

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

DIRECTORS' PROFILE (CONT'D)

**CHAN SOON TAT**

Independent Non-Executive Director

Nationality



Gender



Age

41

Chan Soon Tat was appointed to the Board on 23 February 2022 and he is the Chairman of the Remuneration Committee. He is also a member of the Audit and Risk Management Committee and Nomination Committee.

He is a Fellow Member of the Association of Chartered Certified Accountants as well as a Member of the Malaysian Institute of Accountants. He is also an Associate Member of Chartered Tax Institute of Malaysia.

He commenced his career as an Audit Associate with YYC & Co. in 2007 and was appointed as Chief Strategy, Marketing Officer and Director of Merger and Acquisition of YYC Holdings Sdn Bhd in 2018. He left in 2019 and joined SJ & Co. PLT as Director and is currently involved in auditing, tax planning and business advisory for various types of companies.

Presently, he is the Non-Independent Non-Executive Chairman of Systech Bhd, a company listed on the ACE Market of Bursa Securities.

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

CONFLICT OF INTEREST

There is no conflict of interest between the Directors and the Group.

CONVICTION FOR OFFENCES

None of the Directors have been convicted for any offences (except traffic offences) within the past 5 years or have any public sanction or penalty imposed by relevant regulatory bodies during the financial year.

KEY SENIOR MANAGEMENT'S PROFILE



KOH SEE YING

Chief Financial Officer,
Econframe Berhad

Nationality



Gender



Age

32

Koh See Ying is a Fellow Member of the Association of Chartered Certified Accountants, United Kingdom and a Member of the Malaysian Institute of Accountants.

She commenced her career with Genting Malaysia Berhad in July 2014. She left Genting Malaysia Berhad in December 2020 and joined the Group on 2 January 2021 as Assistant Financial Controller. She currently holds the position of Chief Financial Officer since 1 February 2022 and is responsible for the Group's financial, tax and accounting matters as well as corporate finance related matters.



YONG KUEN HWAN

Managing Director,
Lee & Yong Aluminium Sdn. Bhd.
("LYASB")

Nationality



Gender



Age

61

Yong Kuen Hwan is the Managing Director of LYASB, a 65%-owned subsidiary of the Group.

He commenced his career in a small fabrication company, as an apprentice in aluminium glazing works in 1981. In 1984, he left the company to set up a partnership, Lee Yong Aluminium Works, with his partner, Lee Keh Wei, to supply and install aluminium related peripherals/equipment. On July 1986, he acquired the ownership of his partner's portion of the partnership and became the sole proprietor of Lee Yong Aluminium Works. He subsequently incorporated LYASB on 29 April 1995 as a private limited company and the business of Lee Yong Aluminium Works was transferred to LYASB. He currently holds the position of Managing Director of LYASB since 29 April 1995.

FAMILY RELATIONSHIP

None of the key senior management have family relationship with any Director and/or major shareholder of the Company.

DIRECTORSHIP IN PUBLIC COMPANIES AND PUBLIC LISTED COMPANIES

None of the key senior management have any directorship in public companies and public listed companies in Malaysia.

CONFLICT OF INTEREST

There is no conflict of interest between the key senior management and the Group.

CONVICTION FOR OFFENCES

None of the key senior management have been convicted for any offences (except traffic offences) within the past 5 years or have any public sanction or penalty imposed by relevant regulatory bodies during the financial year.

MANAGEMENT DISCUSSION AND ANALYSIS

DEAR VALUED

SHAREHOLDERS,

IT IS MY PLEASURE TO PRESENT THE MANAGEMENT DISCUSSION AND ANALYSIS OF ECONFRAME BERHAD (“**ECONFRAME**”) AND ITS SUBSIDIARIES (“**THE GROUP**”) FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024 (“**FYE 2024**”). DURING THE FINANCIAL YEAR UNDER REVIEW, WE ACHIEVED ANOTHER SIGNIFICANT MILESTONE FOR THE GROUP WITH OUR THIRD CONSECUTIVE RECORD-HIGH REVENUE OF RM103.5 MILLION. PROFIT AFTER TAX (“**PAT**”) FOR THE FYE 2024 HAS ALSO REACHED AN ALL-TIME HIGH AFTER EXCLUDING THE AMORTISATION OF INTANGIBLE ASSETS.

WITH A SOLID SET OF RESULTS COUPLED WITH A HEALTHY GENERATION OF NET OPERATING CASH FLOWS, WE DECLARED A SINGLE-TIER INTERIM DIVIDEND OF 2.0 SEN PER SHARE FOR THE FYE 2024 AS AN APPRECIATION TO OUR SHAREHOLDERS FOR THEIR CONTINUOUS SUPPORT. THIS TRANSLATES TO A DIVIDEND PAYOUT RATIO OF 63.7% BASED ON EARNINGS PER SHARE OF 3.14 SEN FOR THE FYE 2024.



MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

3rd Consecutive Record-High Revenue



FY2024 Revenue:
RM103.5
million

FYE 2024 Dividend Payout: 63.7%



FY2024 Dividend:
2.0 sen
per share

BUSINESS AND OPERATIONAL REVIEW

With more than 20 years of industry experience, Econframe is a leading manufacturer of door frames, glass products, aluminium glazing, and façade works, proudly serving prominent property developers and construction companies across residential, commercial, and mixed projects.

The Group's operations include the following:

I. Total door system solution

- Delivering a complete door system solution that includes the manufacturing and trading of metal doors and window frames, wooden doors, fire-resistant door sets, and an extensive selection of hardware, such as ironmongery.
- We specialise in crafting metal door frames that are specifically tailored to our clients' needs. By considering factors such as budget, material preferences, wall types, construction methods, and precise dimensions, we ensure that each solution is perfectly aligned with the project requirements.
- Our strong in-house design and development team underpins this customisation capability, bringing expertise, and innovation to every project.
- We offer a diverse range of design options and material selections, including solid timber core, solid particle core, and honeycomb core, catering to a variety of functional needs.
- To further enhance our offerings, we provide an array of finishes; such as veneer, melamine, and high-density fibreboard; allowing our clients to achieve their desired aesthetic while ensuring functionality.

II. Aluminium glazing, glass products and façade

- Following the completion of the acquisition of a 65%-stake in Lee & Yong Aluminium Sdn. Bhd. ("LYASB") in September 2023, we have enhanced our capabilities to include the fabrication and installation of aluminium glazing, glass products, and façade works, along with customised aluminium window and door solutions that align with both architectural requirements and client specifications.

III. Electronics and electrical systems and accessories

- Offering smart home and security systems tailored for residential, commercial, and industrial properties across Malaysia.

IV. Solar energy products and system

- Trading and providing installation services for solar energy products and systems designed for commercial and industrial buildings.

ECONOMIC & BUSINESS REVIEW

Malaysia's economy has shown resilience despite challenging global and regional conditions, with its Gross Domestic Product ("GDP") growing by 5.9% in the second quarter of 2024, up from 4.2% in the first quarter according to Bank Negara Malaysia ("BNM"). The construction sector remains a crucial driver, reflecting a positive GDP growth rate of 17.3% in the second quarter of 2024, marking it as one of the strongest growing sectors.

However, the business environment has not been without challenges. The current economic landscape remains marked by elevated input costs as labour and utility costs have risen, adding further pressure on operational margins, while the removal of diesel subsidies has led to higher transportation and logistics expenses. Despite these headwinds, Econframe upheld its commitment to prudent financial management and operational resilience, navigating the challenging environment effectively.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

ECONOMIC & BUSINESS REVIEW (CONT'D)

In response to the removal of diesel subsidies, customers have adopted a cautious “wait and see” approach amidst structural changes, leading to a temporary slowdown in orders. On a much brighter note, order volumes have begun to recover, and production utilisation has been picking up.

More excitingly, our acquisition has begun to bear fruit and contributed positively to our earnings in FYE 2024. Additionally, we managed to harness the strong synergies between Econframe and LYASB, and enlarged LYASB's order book by more than threefold. With the Group's network and financial strength, LYASB is now taking on more jobs and projects, which gives us clear earnings visibility. To recap, the acquisition of LYASB comes with a profit guarantee from the vendor, ensuring that LYASB achieves a PAT of at least RM4.0 million annually for 3 consecutive financial years from FYE 2024 to the financial year ending 31 August 2026. LYASB has successfully delivered the profit guarantee for the first year and achieved a PAT of at least RM4.0 million for the FYE 2024.



CORPORATE DEVELOPMENTS



Subsequent to the end of the FYE 2024, the Group's newly incorporated subsidiary, Duroe Glass Sdn. Bhd. (“**Duroe Glass**”), entered into an assets purchase agreement with Suria Kaca Sdn. Bhd. (“**Suria Kaca**” or the “**Vendor**”) for the acquisition of machineries and motor vehicles (“**Assets**”) for a purchase consideration of RM3,000,000.00 (“**Purchase Consideration**”) of which RM2,996,500.00 is to be satisfied in cash and the remaining RM3,500.00 shall be via the issuance and allotment of 3,500 new ordinary shares in the share capital of Duroe Glass, representing a 35%-stake in Duroe Glass, to the Vendor's appointed nominee, i.e. Sim Han Kai (“**Sim**”) (“**Acquisition of Assets**”). The Acquisition of Assets was completed in September 2024.

Suria Kaca is primarily engaged in the glass processing business and related activities, utilising the Assets to support its operations. It has close to 10 years of proven track record with its production plant located in Semenyih, Selangor. The Purchase Consideration was arrived at on a willing-buyer willing-seller basis after taking into consideration, amongst others, the fair market value of the Assets as appraised by an independent firm of valuers.

Separately, the Group had in July 2024 mutually terminated the Share Sale Agreement (“**SSA**”) with ETA Industries Sdn. Bhd. for the proposed acquisition of a 70%-stake in ETA World Sdn. Bhd. for a purchase consideration of RM56.0 million, as the conditions precedent of the SSA have not been fulfilled within the stipulated time period.

FINANCIAL REVIEW

In FYE 2024, Econframe delivered another all-time high top-line performance, marking our third consecutive record top-line results. It is also noteworthy to mention this is our fourth consecutive year of year-on-year (“**YoY**”) revenue growth. Net profit have also been a record after excluding the amortisation of intangible assets.

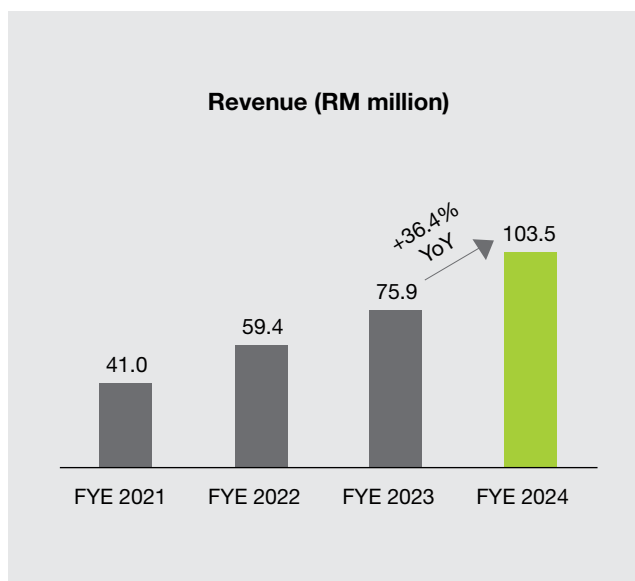
MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FINANCIAL REVIEW (CONT'D)

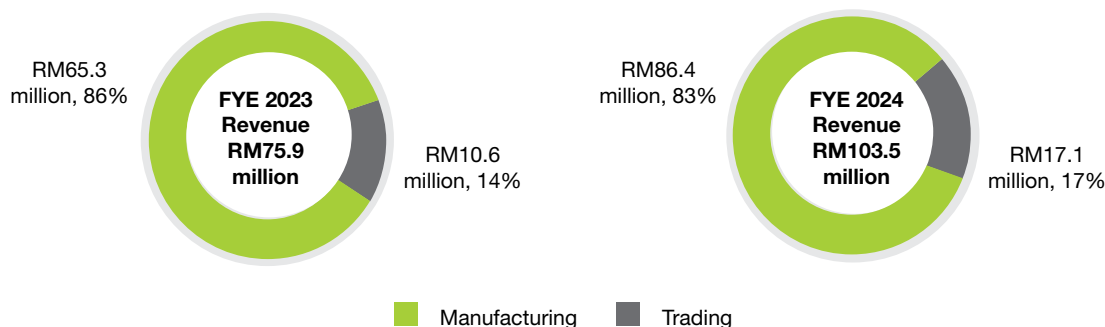
Revenue

For the financial year under review, the Group's revenue increased 36.4% YoY to RM103.5 million, from RM75.9 million in the prior year. The double-digit improvement stemmed from stronger sales in both the manufacturing and trading segments.

In terms of revenue contribution by segment, the manufacturing segment contributed RM86.4 million, or 83.5% of the total revenue, marking a 32.3% increase from RM65.3 million in the prior year. This growth was primarily due to sustained demand from the manufacturing segment. Meanwhile, the trading segment contributed RM17.1 million, accounting for the remaining 16.5% of total revenue for FYE 2024. This translated to a leap of 61.7% YoY over the prior year's RM10.6 million



Revenue breakdown by Segment (RM million)



Gross Profit ("GP")

At the GP level, we recorded a GP of RM28.0 million for the FYE 2024, representing a 12.1% YoY increase from RM25.0 million in the prior year. This included a RM3.7 million amortisation of intangible assets, arising from the purchase price allocation exercise in accordance with Malaysian Financial Reporting Standards ("MFRS") 3: Business Combinations, in relation to the acquisition of LYASB. Excluding this amortisation charge, the Group's GP would have been RM31.6 million and GP margin for the FYE 2024 remains healthy at 30.6%. Notably, Econframe's GP margin has been consistently above 30%.

Profit Before Tax ("PBT")

Econframe achieved a PBT of RM15.9 million for the FYE 2024 as compared to RM17.8 million in the prior year. Excluding the amortisation charge, PBT for the FYE 2024 would have been RM19.6 million.

	FYE 2023 (RM million)	FYE 2024 (RM million)	YoY change
Revenue	75.9	103.5	36.4%
PBT (Reported)	17.8	15.9	
PBT (Adjusted)	17.8	19.6 ¹	10.1%
PAT (Reported)	13.1	11.7	
PAT (Adjusted)	13.1	14.5 ²	10.7%

¹After excluding the amortisation of intangible assets of RM3.7 million.

²After excluding the amortisation of intangible assets, net of tax of RM2.8 million.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FINANCIAL REVIEW (CONT'D)**Profit After Tax ("PAT")**

PAT for the FYE 2024 stood at RM11.7 million vis-à-vis RM13.1 million in the prior year. Excluding the amortisation charge, PAT for the FYE 2024 would have been a record at RM14.5 million.

Return On Assets ("ROA") and Return On Equity ("ROE")

The Group's ROA and ROE stood at 7.9% and 9.8%, respectively, for the FYE 2024, which after taking into consideration the amortisation charge. Both figures would have been higher had it been excluded the amortisation charge.

Capital Structure and Capital Resources

The Group's strong balance sheet with net cash position has been pivotal in supporting our business growth. Econframe's solid financial position coupled with healthy cash flow generation provides us the flexibility and support required as we navigate through the headwinds arising from the macroeconomic environment.

Total assets increased to RM148.1 million as at 31 August 2024, up from RM95.5 million in the prior year. This growth was primarily driven by an increase in property, plant, and equipment, as well as the recognition of goodwill and intangible assets following the acquisition of LYASB. Additionally, cash and cash equivalents rose to RM39.7 million as at 31 August 2024, compared to RM31.7 million in the prior year.

On the other hand, total liabilities rose to RM29.1 million as at 31 August 2024 versus RM10.0 million as at 31 August 2023. This increase was mainly due to a rise in total borrowings, which grew to RM9.2 million as at 31 August 2024 from RM0.4 million in the prior year. The increase in total borrowings was primarily attributed to the short-term credit facilities obtained by LYASB. Apart from that, this was also contributed by a rise in trade and other payables in tandem with higher revenue.

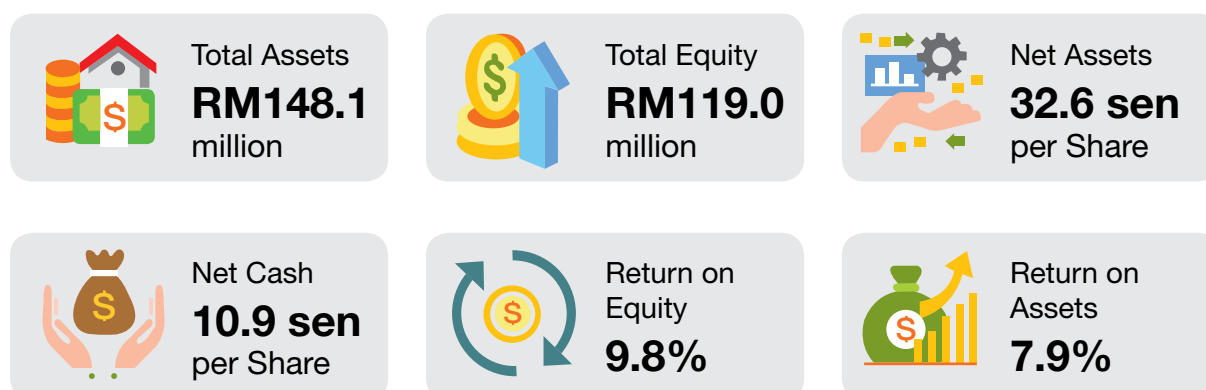
Separately, total equity increased to RM119.0 million as at 31 August 2024 from RM85.4 million due to an increase in share capital following the issuance of new consideration shares for the acquisition of LYASB, as well as the exercise of warrants.

Net Cash Per Share

As at 31 August 2024, Econframe remains in a net cash position with a net cash per share of 10.9 sen.

Liquidity

For the FYE 2024, the Group generated another positive net operating cash flows of RM12.1 million as compared to RM9.4 million in the prior year.

Balance Sheet Highlights as at 31 August 2024

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

ANTICIPATED OR KNOWN RISKS

Fluctuations in Raw Material Costs

Managing fluctuations in raw material prices, particularly for metal door frames and fire-resistant door sets, is a critical focus for the Group. Production of these products relies substantially on steel coils as a primary raw material, with prices influenced by global market conditions, including supply and demand dynamics. The Group recognises that any significant rise in global steel prices could drive up steel coil costs, affecting both production expenses and inventory carrying costs, with potential implications for profitability.

To mitigate this risk, the Group employs a back-to-back ordering strategy, whereby raw materials are ordered only after receiving confirmed purchase orders from customers. In addition, we regularly adjust selling prices to align with current market rates, ensuring responsiveness to changes in raw material costs.

Inventory Risk

Inventory risk encompasses potential losses from obsolescence, spoilage, demand fluctuations and theft. In mitigation, we have been utilising our proactive inventory management to ensure we optimise our working capital and efficiency. More specifically for LYASB, we have a custom-built enterprise resource planning (“ERP”) system that enables real-time tracking and reporting, providing enhanced visibility and control over inventory movement. Regular inventory audits and annual stock take with external auditors are conducted to verify and reconcile physical inventory against system records, ensuring accuracy and compliance.

Lack of Long-Term Contracts

The Group’s business model involves customers issuing purchase orders tailored to specific project requirements on a project-by-project basis. The lack of long-term contracts exposes the Group to revenue fluctuations and uncertainties regarding overall performance. Adverse economic conditions or slowdowns in our customers’ industries could adversely affect the Group’s revenue, potentially leading to a decline in financial performance.

As an industry veteran, Econframe has established itself as a leading total door system provider, cultivating long-standing relationships with prominent property developers and construction companies. This strong network, coupled with our proven track record, enables us to continuously replenish our unfulfilled orders. Additionally, our marketing team works closely with customers to strategically plan sales and delivery schedules for the upcoming 12 months.

Contractual Risk

LYASB’s engagement in contracts with clients exposes the Group to obligations and potential disputes arising from various agreements. As part of our risk management strategy, we continue to ensure all our products meet the main contractor’s requirements, minimising the risk of disputes and non-compliance. Besides, we conduct thorough contract reviews with dedicated personnel from the contract department to closely review the agreements. Additionally, we have an assigned personnel member to renegotiate contract terms when necessary to address adjustments and ensure alignment with our business goals. The last measure is on controlled authorisation with only the Managing Director, Chief Contract Manager and Project Officer are authorised to sign contracts, maintaining strict oversight and compliance with our policies.

Product Certifications and Approvals

Rigorous testing and certification of the Group’s fire-resistant door sets are carried out by SIRIM QAS International Sdn. Bhd., complemented by approval from the Fire and Rescue Department of Malaysia. These essential certifications enable commercial production and sales within Malaysia and require renewal on an annual basis. A delay or failure in this renewal process could negatively influence the Group’s financial performance. For LYASB, we have held the ISO certification for 13 years and any unsuccessful renewal of ISO quality certification would affect our operations.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

ANTICIPATED OR KNOWN RISKS (CONT'D)**Product Certifications and Approvals (Cont'd)**

To ensure we maintain these vital certifications, we focus on 2 key areas: our manufacturing capabilities and the sourcing of raw materials that meet the required specifications. Our dedicated team works tirelessly to acquire raw materials that fulfil these stringent criteria. Furthermore, we prioritise active communication with relevant authorities and industry partners, consistently seeking their feedback and remaining aware of the latest advancements in the field. This proactive strategy equips us to address potential challenges effectively and uphold our compliance standards. On our ISO certification, the team conducts periodic internal reviews to ensure compliance to ensure we continue to meet the ISO standards and requirements.

Competition Risk

In Malaysia's metal door frame and door industry as well as the aluminium glazing, glass products and façade industries, competition is moderate, with industry players competing for market share through various strategies, including branding, pricing, product range, quality of products and services, and timely delivery. To differentiate ourselves and enhance our value proposition, it is essential to leverage competitive advantages.

A key strength of our company is our capacity to customise metal door frames to meet diverse customer needs, considering budget, materials, wall types, construction methods, and dimensions. This capability is bolstered by our skilled in-house design and development team, ensuring we can provide tailored solutions effectively. Additionally, our established brands, Econframe® and Duroe®, contribute to strong brand recognition and serve as a vital differentiator in a competitive marketplace.

As for the Group's aluminium glazing, glass products and façade segment, we leverage on our proven track record and adherence to international standards as well as ISO certification, which we have maintained for 13 years. On top of that, we comply with local authority requirements and ensuring all operations meet stringent regulatory standards. More importantly, by having both fabrication and installation teams, LYASB offers end-to-end service capabilities, enhancing efficiency and reducing reliance on external contractors. This provides us a strong competitive edge and value proposition to our customers. Lastly, LYASB has built and cultivated healthy relationships with key stakeholders, including architects, clients, and Jabatan Kerja Raya Malaysia, which further reinforces our track record and credibility.

Dependence on Human Capital

Human capital is essential to our production processes as a manufacturer, and the industry currently grapples with workforce shortages, making it challenging to recruit and retain skilled workers. In response to this ongoing issue, Econframe is committed to increasing automation in our manufacturing operations to reduce our reliance on manual labour. Although we have made progress by semi-automating several manufacturing processes, some manual procedures are still in place. Moving forward, we are excited to introduce advanced automation solutions at our new factory, which will further enhance operational efficiency and lessen our dependence on physical labour.

Operational Risk

The smooth and efficient operations of our production are crucial to our business, as any disruptions or unplanned shutdowns at our manufacturing facilities can have detrimental effects on our performance. In mitigation, the Group has proactively secured adequate insurance policies that offer comprehensive coverage against fire, burglary and personal accidents for our facilities and workers. However, it is crucial to acknowledge that certain external business risks lie beyond our control. These include natural disasters, pandemics, civil unrest, and general strikes, all of which have the capacity to substantially and adversely affect our operations.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

ANTICIPATED OR KNOWN RISKS (CONT'D)

Project Delivery and Completion Risk

Project delivery and completion risk is inherent in the manufacturing industry. This includes mishandling project variation orders and the delay in project completion, which would adversely affect our financial performance. For project variation orders, LYASB manages the risk through structured processes and documentation. Variation work begins only upon receipt of documented and signed instructions and any variations outside the original Bill of Quantity must be formally supported with agreed-upon pricing before commencing work. The team also maintains detailed records of all variation orders, including dates, descriptions, agreed prices, and communications, to ensure transparency and accountability. Moreover, we have dedicated supervision on such matters with a project manager overseeing the variation orders and a document controller to ensure accuracy and completeness of records.

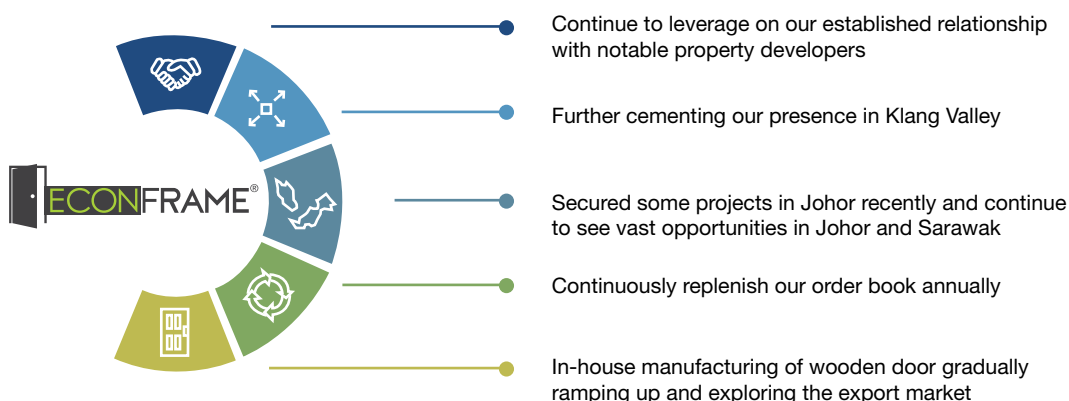
As we work on projects, timely delivery is crucial for all stakeholders including the Group. Any unplanned or unforeseen delay can have a negative impact on profitability. We use proactive communication, careful planning, and stakeholder engagement to mitigate the risk of project delays. The team develops project plans with clear milestones, deadlines, and resource allocation, updating them regularly to address changes or unforeseen circumstances. Furthermore, we have an efficient resource management system in place, which monitors and allocates resources such as materials, labour and equipment to prevent bottlenecks and maintain project flow. Weekly meetings with the project personnel are conducted to review progress, identify issues and develop action plans to maintain timelines. This also fosters early communication as it enables us to promptly inform all relevant parties of any delay. Besides, any delay caused by other parties, LYASB promptly applies for an extension of time to formally adjust the project schedule and avoid penalties.

FORGING AHEAD

As we set our sights on the upcoming financial year ending 31 August 2025 ("FYE 2025"), we approach the future with excitement while recognising the dynamic macroeconomic landscape ahead. The Ministry of Finance reported that Malaysia's GDP charted a commendable growth rate of 5.1% for the first half of 2024, driven by domestic demand, recovery in exports, and a thriving tourism sector. Meanwhile, the GDP growth is projected to expand between 4.8% to 5.3%, an upward revision from 4.0% to 5.0% previously according to Budget 2025.

Meanwhile, for the third quarter of 2024, Malaysia's GDP growth was recorded at 5.3%, as reported by the Department of Statistics Malaysia, highlighting a continued positive momentum into the second half of the year. Furthermore, Budget 2025 has introduced several growth initiatives that stand to benefit the property industry. Among these measures is the provision for individual tax relief on housing loan interest payments, aimed at easing the financial burden on homebuyers and making ownership more attainable. Additionally, a key feature of the Housing Credit Guarantee Scheme offers a reduction in repayment amounts for the first 5 years of housing loans, providing much-needed financial flexibility for new homeowners. Together, these initiatives are designed not only to make home ownership more accessible and manageable for aspiring buyers but also to stimulate greater activity within the property market.

With a promising future outlook, Econframe continues to be upbeat about our prospects underpinned by the strong order book in both the door and aluminium sectors along with the strategic initiatives we have in place.



MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FORGING AHEAD (CONT'D)

For our existing business, we are committed to building on our strong foundation and capitalising on future opportunities. The Group aims to further cement our presence in Klang Valley by leveraging on our established relationships with prominent property developers. On the other hand, we see vast potential in both Johor and Sarawak. On that note, we are pleased to share that we have recently secured some projects in Johor. As for the order book, we will continue to replenish our order book annually. Separately, our in-house manufacturing of wooden doors is gradually ramping up, and we are exploring the export market for this promising product line.

Switching focus onto LYASB, we aim to build on the strong momentum gained to further scale the business. The Group seeks to unlock further synergies, given the complementary nature of LYASB's product offerings with our existing portfolio. Together, we continue to leverage each other's strengths and expertise combined with cross-selling, to broaden our geographical reach and capture a larger market share.

Having successfully achieved the profit guarantee for the first year (PAT of at least RM4.0 million), this division is well-positioned for FYE 2025 premised upon the order book that has grown threefold since the acquisition was completed. This underscores the substantial potential unlocked by our collaborative capabilities.

On the other hand, we are also excited with our initiative to move up the value chain into glass processing following the completion of the Duroe Glass' Acquisition of Assets in September 2024. The Group sees strong potentials arising from this venture given its complementary nature with LYASB. Currently, LYASB sources glass products from external suppliers. Hence, by establishing an in-house glass processing unit, we aim to reduce reliance on third-party vendors and giving us better control over the production cost while streamlining the cost structure. Timing is also opportune given LYASB's enlarged order book following new projects secured.

For this venture, we will be working closely with Sim, who has more than 15 years of experience in glass processing, trading and installation of glass products. Sim is leading Duroe Glass' business operations and projects, overseeing technical management, production processes, quality control and product development.

With our door frame business, LYASB and Duroe Glass all under one roof, our portfolio is enhanced and boosted our value propositions to our customers. In closing, while we are enthusiastic about the promising opportunities on the horizon, we remain vigilant of the challenges ahead, including the increase in minimum wage, volatile macroeconomic conditions, and forex fluctuations. By staying proactive and adaptable, we are confident in our ability to navigate these complexities and continue driving forward with resilience.

DIVIDEND

Following our commendable financial performance and healthy generation of net operating cash flows, the Board has decided to reward shareholders with dividends for the FYE 2024.

The Board has declared a single-tier interim dividend of 2.0 sen per share, translating to a dividend payout ratio of 63.7% based on earnings per share of 3.14 sen for the FYE 2024.

Moving forward, we will continue to seek strategic and value-accretive M&A opportunities that enhance long-term shareholder value. Through careful selection and integration of acquisitions, we aim to strengthen our market position and enhance overall profitability for the benefit of our shareholders.



ACKNOWLEDGEMENT AND APPRECIATION

The Board would like to extend its deepest appreciation to the Econframe team for their unwavering resilience, adaptability, and commitment displayed this year. Achieving record-breaking revenue for FYE 2024 is a testament to your dedication and hard work. This milestone, achieved despite numerous challenges, stands as a remarkable accomplishment that you can be proud of.

We extend our heartfelt gratitude to all our stakeholders, customers, business partners, bankers, and relevant authorities, for their ongoing support of the Group. To our valued shareholders, we are deeply appreciative of the trust and confidence you have placed in our leadership and vision. Your unwavering support has been instrumental in helping us navigate this challenging period and has empowered us to pursue continued growth and success.

I would like to take this opportunity to thank Mr. Khoo Soon Beng, who relinquished his role as Executive Director during the year. His contribution, dedicated service, and invaluable guidance have been instrumental in helping the Group grow to where it is today.

At the same time, I extend my gratitude to my fellow Board members for their professionalism and for being such a joy to work with. They have been instrumental in overcoming challenges and achieving our record-breaking results. It has been a privilege working alongside each of you, and I am eager to embark on another successful year together.

Mr. Lim Chin Horng
Managing Director

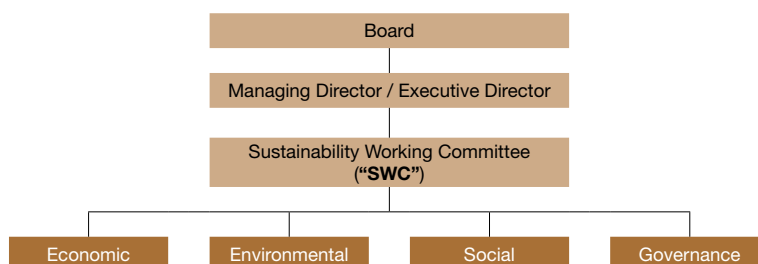
SUSTAINABILITY STATEMENT

At Econframe, sustainability is embedded in our core values and business operations. We recognise the importance of balancing economic growth with environmental stewardship, social responsibility, and robust governance practices. This Sustainability Statement reflects our commitment to integrating Environmental, Social, and Governance (ESG) principles into our strategy and operations, ensuring long-term value creation for our stakeholders.

The Board of Directors (**“the Board”**) in compliance with the requirements of ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (**“Bursa Securities”**), is adopting the recommendations by providing a Sustainability Statement (**“this Statement”**) of the Company and the subsidiaries (**“the Group”**) in respect of the Group’s operations and business practices.

GOVERNANCE STRUCTURE

The Board is the governing body that sets and oversees the sustainability framework of the Group and provide guidance to the Group towards ingraining sustainability to ensure that sustainability goals are aligned with the overall business strategy, effectively implemented, and transparently communicated to stakeholders. For effective sustainability monitoring and execution, the governance structure which has been endorsed and approved by the Board, is depicted below:



Governance body	Roles and responsibilities
Board	<ul style="list-style-type: none"> Responsible for the direction and overall sustainability strategy and related matters for the Group Oversees the Group’s sustainability framework and accountable for the ultimate supervision of sustainability performance. Reviews and approves the sustainability reporting.
Managing Director / Executive Director	<ul style="list-style-type: none"> Advising the Board and recommending to it, business strategies in the area of sustainability. Incorporating sustainability into the business strategies and business decisions Oversee the implementation of sustainability strategies and related matters Oversee the preparation of sustainability reporting as required by Bursa Securities.
SWC	<ul style="list-style-type: none"> Comprises members of senior management from respective functions. Supports the Managing Director and Executive Director in monitoring and tracking sustainability within the Group. Executes the implementation of sustainability strategies and related matters and reports the performance to Managing Director and Executive Director. Compile and submit information, data, photos, etc. from all relevant departments promptly for the preparation of the sustainability report.

THE SCOPE AND BOUNDARY OF THE SUSTAINABILITY STATEMENT

The scope of this Statement includes the relevant sustainability information during the financial year ended 31 August 2024 (“**FYE 2024**”), unless otherwise specified. This Statement covers the business operations and activities of the Group.

We are mindful that the Group’s activities should be carried out with the highest standards of corporate and social responsibility, and strive to balance this with the business operations. We do this by minimising the environmental impact arising from our operations and actions while at the same time improving social and economic conditions for all our stakeholders. This includes employees and the communities within which we operate with integrity and ethical practices.

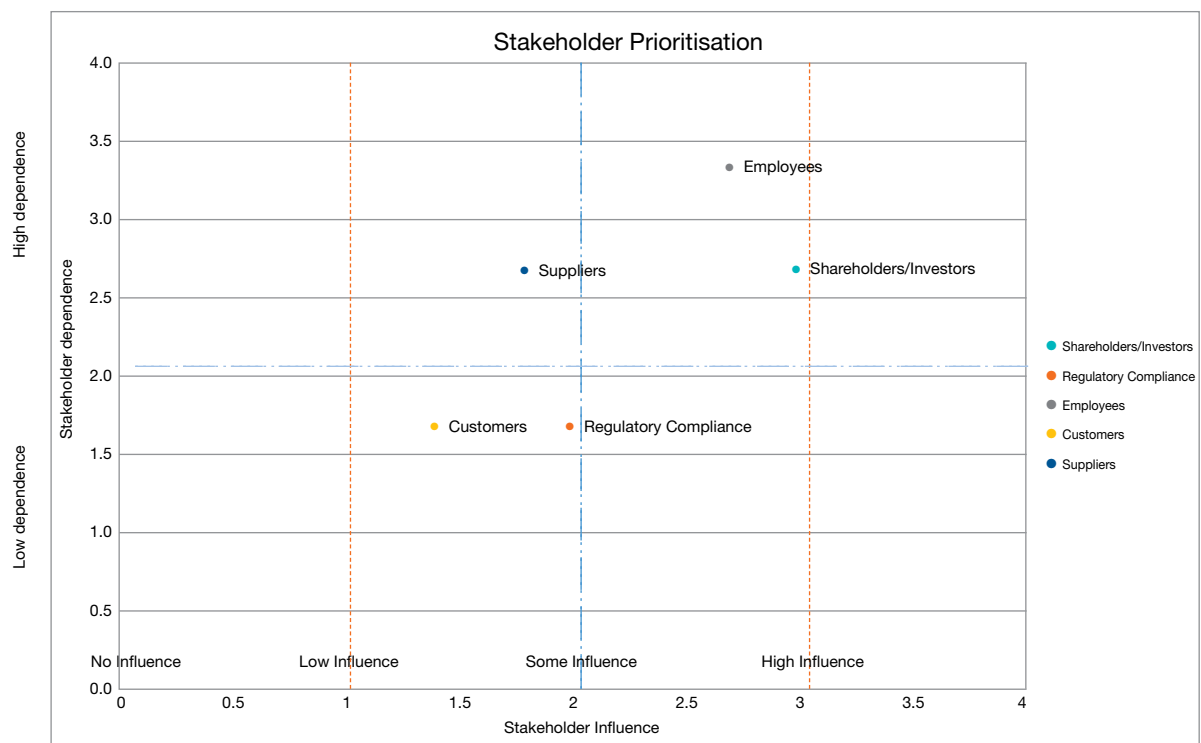
STAKEHOLDERS ENGAGEMENTS

We recognise the importance of consistent engagement with stakeholders through multiple platforms in understanding stakeholders’ key concerns and being responsive to their expectations. Stakeholder engagement stands as a fundamental component of successful sustainability initiatives and establishing a framework for ethical and responsible business practices.

We aimed to create a balance between time, resources and the expectations of our stakeholders and enhance the effectiveness of our sustainability initiatives. We rely on 2 primary criteria in identifying and validating the sustainability-related interests of each stakeholder group:

- Level of influence, where we assessed the level of influence each stakeholder group exerts on our business; and
- Level of dependence, where we evaluated the level of dependence each stakeholder group has on our business.

All stakeholders may have varying influences on the business or dependence on the business. The Group’s stakeholder’s prioritisation is illustrated as follows:



SUSTAINABILITY STATEMENT (CONT'D)

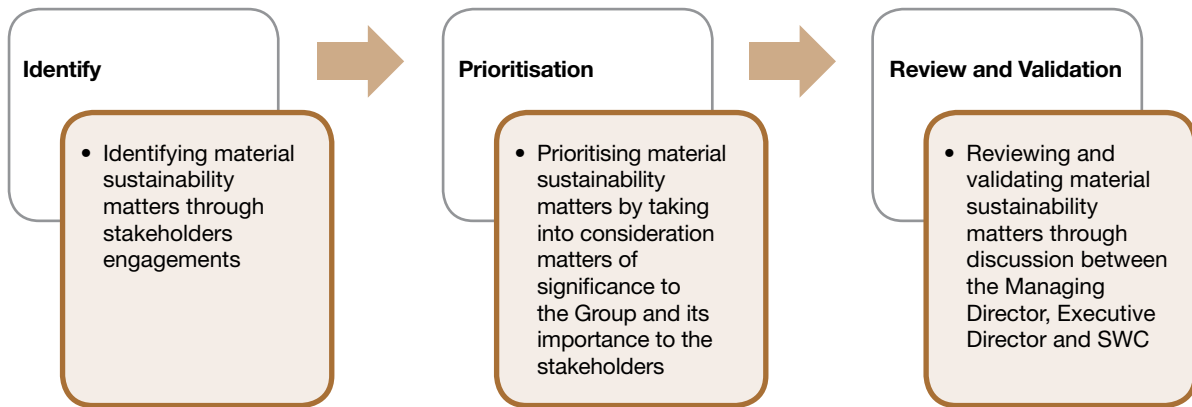
STAKEHOLDERS ENGAGEMENTS (CONT'D)

We understand that regularly engaging with stakeholders through multiple platforms is essential in understanding their key concerns and being responsive to their expectations. Table below highlights our approaches towards engaging key stakeholders who are most impacted by or impacting our businesses.

Stakeholder Group	Stakeholders' Expectations	Management Response to Stakeholders' Expectations	Engagement Method	Frequency of Engagement
Shareholders/ Investors	<ul style="list-style-type: none"> Timely availability of corporate information Healthy financials and reputation 	<ul style="list-style-type: none"> Timely provision of the Group's performance updates Ensure material corporate information are made available to the shareholders/investors 	<ul style="list-style-type: none"> Announcements Annual general meeting Media conference Website 	<ul style="list-style-type: none"> Quarterly Annual As and when necessary
Customers	<ul style="list-style-type: none"> Quality products and services After-sales services Timely delivery 	<ul style="list-style-type: none"> Quality control and assurance Regular customers' engagement (meetings/visits) Experienced and responsible sales and marketing team 	<ul style="list-style-type: none"> Customer satisfaction surveys Customer site visits 	<ul style="list-style-type: none"> As and when necessary
Suppliers	<ul style="list-style-type: none"> Timely payment Fair and transparent procurement procedures 	<ul style="list-style-type: none"> Regular suppliers' engagement (meetings/visits) Comparative quotes Timely payment as per agreed terms 	<ul style="list-style-type: none"> Suppliers' performance evaluation 	<ul style="list-style-type: none"> As and when necessary
Regulatory Compliance	<ul style="list-style-type: none"> Compliance to regulatory requirements 	<ul style="list-style-type: none"> Adherence to the regulatory requirements including all necessary updates 	<ul style="list-style-type: none"> Statutory reporting Regulatory authority certification 	<ul style="list-style-type: none"> Periodic
Employees	<ul style="list-style-type: none"> Fair employment and well-being Safe and conducive working environment Rewards and recognition for performance Career development and training 	<ul style="list-style-type: none"> Non-discrimination and gender diversity Occupational health and safety enhancement 	<ul style="list-style-type: none"> Performance appraisal Trainings Company events 	<ul style="list-style-type: none"> Annual Periodic As and when necessary

MATERIAL SUSTAINABLE MATTERS

Our approach towards identifying the Group's material sustainable matters is as follows:



We conducted a materiality assessment to identify and prioritise the sustainability matters most significant to our business and stakeholders. This assessment forms the basis of our sustainability strategy and reporting.

Key material sustainability matters include:

- **Economic growth:** Customers' satisfaction and supply chain management
- **Environmental impact:** Energy management
- **Social responsibility:** Employee welfare, workplace safety and community support
- **Governance Practices:** Ethical conduct and regulatory compliance

1) Economic

The Group has formulated sustainability practices which aim to generate long-term benefits to all stakeholders in terms of business continuity and value. The Group is mindful that our activities should take into account the impact on the economic conditions of our stakeholders and the impact on economic systems.

i) Customers' satisfaction

The Group recognises that customers' satisfaction is crucial to maintaining and growing our market position. Ensuring high levels of satisfaction not only fosters brand loyalty but also drives business sustainability by promoting repeat business, positive word-of-mouth, and long-term partnerships. We are committed to delivering products that meet or exceed our customers' expectations in terms of quality, durability, and design. The following outlines our approach to ensuring customer satisfaction as an integral component of our broader sustainability strategy:

- **Product quality assurance** - We maintain rigorous quality control systems to ensure that all products meet the highest standards of safety, performance, and durability. Each production stage, from raw material selection to final inspection, undergoes thorough checks to ensure quality consistency.
- **Certifications and compliance** - Our products are tested against various regulatory agencies such as SIRIM QAS International Sdn Bhd ("SIRIM") and Malaysian Fire and Rescue Services Department ("BOMBA") to ensure regulatory compliance.
- **Customised solutions** - We offer a diverse range of products that can be tailored to meet individual customer preferences or specific industry requirements. Whether in terms of size, material, or design, we provide flexibility to ensure customers receive the best possible solution.
- **Dedicated support team** - Our well-trained sales and marketing team is committed to providing prompt, effective solutions to customer inquiries. They work closely with customers to gather feedback, understand their needs, and ensure continuous improvement of our products and services. This fosters strong, long-term relationships with our customers, contributing to their overall satisfaction and loyalty.

SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL SUSTAINABLE MATTERS (CONT'D)

1) Economic (cont'd)

ii) Supply chain management

The Group recognises that our supply chain plays a pivotal role in our sustainability journey. A well-managed and resilient supply chain not only ensures operational efficiency but also helps us achieve our sustainability objectives. The Group is dedicated and committed to fostering a sustainable and ethical supply chain through the following measures:

- **Upholding ethical practices** - All suppliers are required to comply with our Code of Conduct and Ethics, which emphasises integrity, transparency, and fair business practices.
- **Supplier evaluation** - Pre-qualification assessments are conducted to ensure suppliers align with our sustainability benchmarks, promoting accountability and compliance.
- **Risk mitigation** - To reduce the risk of supply chain disruptions, we have diversified our supplier base by partnering with multiple suppliers for critical raw materials.
- **Continuity planning** - We have developed contingency plans, including alternative sourcing strategies, to maintain operational stability during unforeseen events.

By prioritising sustainable supply chain management, the Group aims to drive value creation, enhance resilience, and foster meaningful partnerships. We are committed to collaborating with suppliers to share best practices and innovate towards a more sustainable future.

2) Environmental

i) Energy management

As a responsible corporate entity, we have a responsibility to protect and conserve the environment we operate in. The Group is committed to reduce reliance on non-renewable energy and transitioning to greener energy sources. The Group is investing in solar power systems across our facilities to harness clean and renewable energy. This effort is designed to reduce our dependence on grid electricity and significantly lower our carbon footprint, contributing to a more sustainable future.

Beyond infrastructure upgrades, we also focus on both operational improvements and behavioral changes. Regular maintenance and servicing of equipment are conducted to ensure that all machinery operates at peak energy efficiency. This proactive approach helps prevent unnecessary energy waste caused by faulty or underperforming equipment.

The Group recognises that the success of sustainable energy practices relies on the active participation of all employees. We promote a culture where every team member understands their role in managing energy consumption. By encouraging simple actions, such as turning off lights when not in use and optimising equipment use for efficiency, we aim to instil a collective responsibility for energy conservation throughout the organisation.

3) Social

i) Occupational health and safety

The Group recognises that the safety and well-being of its employees are the foundation of its success. Hence, we strive to provide a safe and healthy environment for our employees and to ensure safe practices in all aspects of our business operations. The Group has in place a policy that highlights our commitment to ensure compliance with laws and regulations in relation to occupational health and safety.

The Group has a Safety and Health Committee ("**HSC**") to oversee this integral matter. The HSC is tasked to develop policies and guidelines as well as to provide and maintain a safe and healthy workplace for all employees, contractors and visitors.

MATERIAL SUSTAINABLE MATTERS (CONT'D)

3) Social (cont'd)

i) Occupational health and safety (Cont'd)

We ensure that our employees are well-trained in relevant practices and remain vigilant to potential workplace hazards. Necessary Personal Protective Equipment (“PPE”) such as safety boot and jacket (long sleeve) are given to workers and general PPE e.g. face mask, hand glove, ear plug, goggle, respiratory mask etc. are provided to workers on a bi-weekly basis. Preventative measures such as safety briefings and fire drills are conducted routinely to enable the employees to understand safety issues and to react promptly in times of an emergency.

ii) Employee wellness and human rights

The Group believes employees are the key assets to drive the Group’s success. The Group complied with minimum wage standards and laws to ensure that all employees receive fair compensation for their work. The Group places great attention on the well-being and benefits of the workforce by granting a wide range of monetary and non-monetary benefits which includes numerous forms of paid leave, medical care as well as other benefits such as travelling allowances. These benefits are consistently evaluated alongside industry best practices. Wages and remuneration across the Group correspond with their job strengths, experience, qualifications, performance and industry benchmarks.

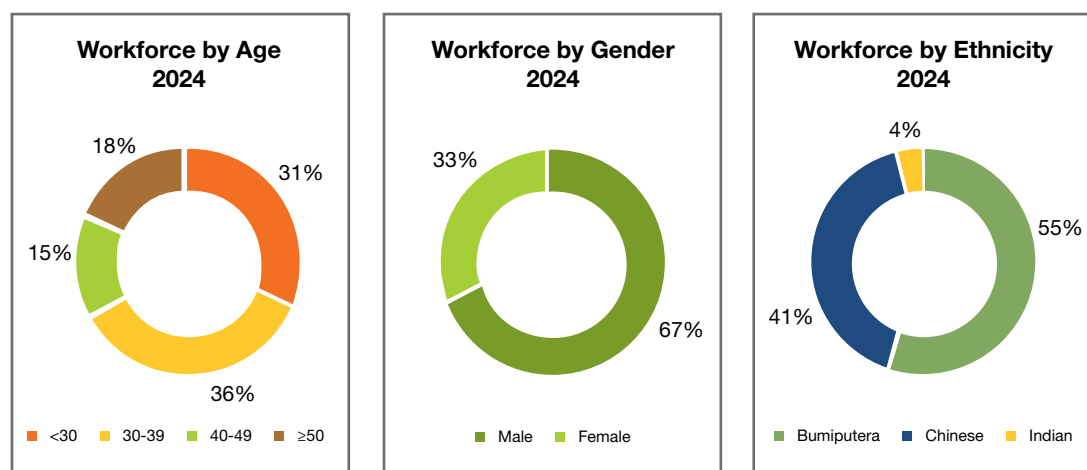
The Group provides a safe and healthy working environment for employees by implementing safety protocols to protect employees. Accommodations provided to our foreign workers meet the local regulatory standards and are well-equipped to meet basic living needs.

iii) Workplace diversity

The Group strives to create a diversity and equitable workplace that values and leverages individual differences. Our approach of promoting diversity and equality lies on following principles:

- **Equal employment opportunity** - We provide equal opportunities for all employees irrespective of their background. This includes fair hiring practices, promotions, and career development opportunities.
- **Diverse recruitment sources** - We actively seek candidates from diverse sources to ensure a broad pool of applicants.
- **Inclusive culture** - We foster an inclusive culture that ensures employees feel valued, respected, and supported regardless of their differences.
- **Fair performance evaluation** - We implement fair and transparent performance evaluation processes to ensure that biases do not impact assessments.

Following are the workforce composition (excluding production workers) of the Group:



MATERIAL SUSTAINABLE MATTERS (CONT'D)

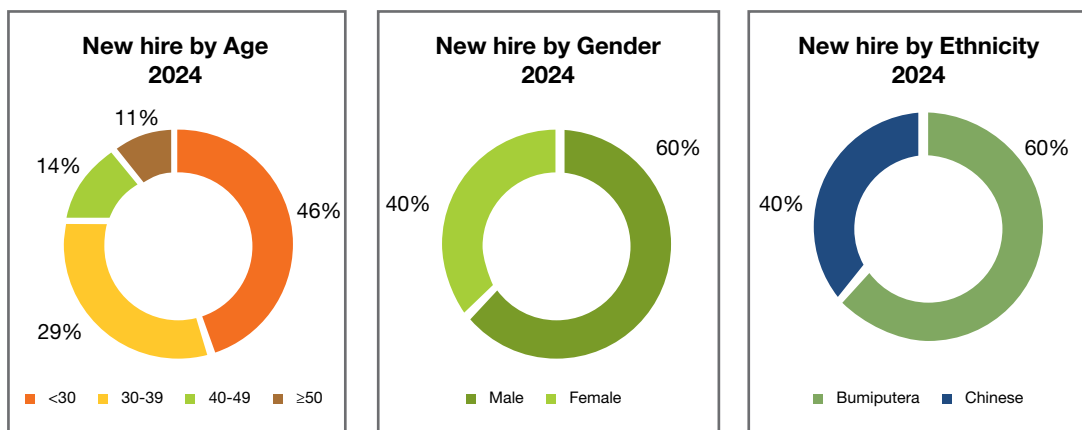
3) Social (cont'd)

iii) Workplace diversity (cont'd)

Fostering youth employees

Fostering youth employees is crucial for succession planning. As more experienced employees retire, having a pipeline of talented and trained young professionals ensures a smooth transition of leadership and key roles. Young employees often bring fresh perspectives and innovative ideas to the workplace. The enthusiasm and energy of youth can positively impact the overall workplace culture. Their passion for learning and exploring new opportunities can create a dynamic and vibrant atmosphere.

Among the newly hired employees (excluding production workers) of the Group during FYE 2024, a significant portion falls within the age range of below 30 years old. The Group also strives to maintain a balance in terms of gender distribution.



iv) Community

The Bursa Bull Charge 2023

During the FYE 2024, our Managing Director, alongside the Key Senior Management, participated in the Bursa Bull Charge 2023, which organised by Bursa Malaysia's foundation, Yayasan Bursa Malaysia. This corporate charity run serves as a platform to raise awareness and mobilise support for climate action.

The event highlights the importance of collective efforts in addressing environmental challenges, fostering collaboration among stakeholders, and contributing to a sustainable future. Through our participation, the Group demonstrated its commitment to sustainability and active involvement in initiatives that align with our sustainability goals.



This engagement underscores our dedication to fostering positive change while promoting health, teamwork, and environmental responsibility across all levels of the organisation.

SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL SUSTAINABLE MATTERS (CONT'D)**4) Governance**

An effective governance structure and risk management system form the backbone of our business operations. The Group incorporates proper control and good corporate governance features into all management functions and processes, strategic planning, authority controls and approvals and emphasise accountability across all levels of management.

The Board has formulated ethical standards through a Code of Conduct and Ethics for all the Directors, Management, employees and stakeholders and will ensure its compliance.

The Board has also in place an Anti-Bribery and Anti-Corruption Policy to prevent any act of bribery and corruption at the workplace. Throughout the past 3 years, no reports concerning incidents of bribery and corruption were received.

The Code of Conduct and the Anti-Bribery and Anti-Corruption Policy are available on the Company's website at www.econframe.com.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“**the Board**”) acknowledges the importance of the principles and recommendations as set out in the Malaysian Code on Corporate Governance (“**MCCG**”). In line with this, the Board is committed to the policy of managing the affairs of the Company and subsidiaries (“**the Group**”) with transparency, integrity and accountability by ensuring that a sound framework of the best corporate practices is in place. The ensuing paragraphs describe the extent the Group has applied and complied with the practices and guidance as set out in the MCCG. This Corporate Governance Overview Statement (“**this Statement**”) is to be read in conjunction with the Corporate Governance Report in respect of the financial year ended 31 August 2024 (“**FYE 2024**”) (“**CG Report**”), which is made available on the Company’s website at www.econframe.com. Where a specific principle or practice of the MCCG has not been observed during the FYE 2024, the non-observation, including reasons thereof, and the alternative practice adopted, if any, is mentioned in the CG Report.

The Board is pleased to present this Statement to provide the stakeholders with an overview of the extent of compliance with 3 principles as set out below in MCCG under the stewardship of the Board for the FYE 2024 and/or up to the date of this CG Statement (where applicable) (“**Applicable Period**”):

Principle A	Principle B	Principle C
Board Leadership & Effectiveness	Effective Audit & Risk Management	Integrity in Corporate Reporting & Meaningful Relationship with Stakeholders

This Statement is presented pursuant to Rule 15.25(1) of the ACE Market Listing Requirements (“**ACE LR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”).

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

Part I: Board Responsibilities

1) Clear Functions, Roles and Responsibilities of the Board and Management

- i) The Board takes full responsibility for the overall performance of the Group by setting strategic directions and objectives, formulating policies and executing key strategic action plans. The Board regularly reviews the Group’s business operations and maintains full and effective control over its management.

The duties and responsibilities of the Board include determining the Group’s overall strategic plans and performing periodic reviews of the business and financial performance, as well as adopting and implementing practical risk management and internal control systems within the Group.

The Board has also delegated certain responsibilities to other Board committees which operate within clearly defined Terms of Reference. The Board committees include the Audit and Risk Management Committee (“**ARMC**”), the Nomination Committee (“**NC**”) and the Remuneration Committee (“**RC**”).

The roles and responsibilities of the Chairman of the Board and the Managing Director are distinct and clearly defined in the Board Charter to ensure effective operations of the Group. The Board is helmed by the Independent Non-Executive Chairman, Mr. Robert Koong Yin Leong who strives to instill good corporate governance practices, demonstrates strong leadership and oversees the effectiveness of the Board whilst Mr. Lim Chin Horng, the Managing Director together with the Executive Director, oversee the day-to-day management and operations of the Group and the implementation of the Board’s decisions, business strategies and policies.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)
Part I: Board Responsibilities (Cont'd)
1) Clear Functions, Roles and Responsibilities of the Board and Management (Cont'd)

- ii) The Board reviewed the sustainability, effectiveness and implementation of the strategic plans for the year and provided guidance and input to Management. The principal responsibilities of the Board include, among others, the following:
- a) To provide leadership and oversee the overall conduct of the Group's businesses to ensure that the businesses are being properly managed;
 - b) To set, review and adopt strategic plans, values and standards for the Group and to ensure that such strategic plans and the risk, performance and sustainability thereon are effectively integrated and appropriately balanced;
 - c) To monitor the implementation of strategic plans by Management;
 - d) To promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour, together with the Key Senior Management;
 - e) To review and adopt corporate governance best practices in relation to risk management, legal and compliance management and internal control systems to safeguard the Group's reputation, the employees and assets and to ensure compliance with applicable laws and regulations;
 - f) To ensure that the Company has effective Board committees as required by the applicable laws, regulations, rules, directives and guidelines and as recommended by MCGG;
 - g) To review and approve the annual business plans, financial statements and annual reports;
 - h) To supervise and assess Management's performance to determine whether the business is being properly managed;
 - i) To monitor the relationship between the Group and Management, shareholders and stakeholders, and to develop and implement an investor relations programme or shareholders' communications policy for the Group;
 - j) To ensure that Key Senior Management have the necessary skills and experience, and measures are in place to provide for the orderly succession of Board member(s) and Key Senior Management;
 - k) To ensure the integrity of the Group's financial and non-financial reporting;
 - l) To ensure there is a sound framework for internal controls and risk management; and
 - m) To appoint the members of the Board committees, to delegate powers to such committees, to review the composition, performance and effectiveness of such committees, and to review the reports prepared by the Board committees and deliberate on the recommendations thereon.

iii) Role of Company Secretaries

In compliance with Practice 1.5 of the MCGG, the Board is supported by suitably qualified and competent Company Secretaries as follows:

- Ms. Yeow Sze Min, FCIS (*appointed on 24 October 2024*)
- Ms. Tan Loo Ee, ACIS (*appointed on 24 October 2024*)
- Ms. Chua Siew Chuan, FCIS (*resigned on 24 October 2024*)
- Ms. Chew Kit Yee, ACIS (*resigned on 24 October 2024*)

The Company Secretaries are members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and are qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016 ("the Act"). Details of the qualifications and experience of the Company Secretaries are set out in Practice 1.5 of the CG Report, which are available for viewing on the Company's website at www.econframe.com.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**Part I: Board Responsibilities (Cont'd)****1) Clear Functions, Roles and Responsibilities of the Board and Management (Cont'd)****iii) Role of Company Secretaries (Cont'd)**

For the FYE 2024, the Company Secretaries have attended the relevant continuous professional development programmes as required by MAICSA for practising Company Secretaries. The Company Secretaries possess valid Practising Certificates issued by Companies Commission of Malaysia for the FYE 2024.

The main duties of the Company Secretaries, among others, are as follows:

- Manage all Board's and Board committees' meeting logistics, attend and record minutes of all Board and Board committees' meetings and facilitate Board communications;
- Advise the Board on its roles and responsibilities;
- Facilitate the orientation of new Directors and assist in Directors' training and development;
- Advise the Board on corporate disclosures and compliance with company and securities regulations and listing requirements;
- Manage processes pertaining to the annual shareholders' meeting;
- Monitor corporate governance developments and assist the Board in applying governance practices to meet the Board's needs and stakeholders' expectations; and
- Serve as a focal point for stakeholders' communication and engagement on corporate governance issues.

The appointment and removal of the Company Secretaries is a matter for the Board. The Board had resolved the appointment of Ms. Yeow Sze Min and Ms. Tan Loo Ee in place of Ms. Chua Siew Chuan and Ms. Chew Kit Yee on 24 October 2024. The Company Secretaries are responsible for ensuring that Board procedures are followed and that applicable rules and regulations are complied with. The Company Secretaries play a key role to facilitate communication between the Board and Management and to ensure that the deliberations at the Board meetings are well captured and minuted.

For the FYE 2024, the Board is satisfied with the performance and support rendered by the Company Secretaries in discharging its functions.

iv) Access to Information and Advice

The Board shall be supplied with appropriate and timely information to enable it to discharge its duties.

The notices of scheduled Board meetings are served to all Directors at least 7 days prior to the Board meetings. Unless there is an exceptional case for convening of a special meeting of the Board to address any emergency issue, shorter notice is allowed with the consent of all Directors.

The Board papers shall be supplied to the Directors at least 7 days in advance of the meeting day. The Board papers are to be comprehensive and include all necessary information so that informed decisions could be made. The Board may also request for additional information whenever it is deemed necessary or appropriate. Management is invited to the Board meetings to furnish clarification on certain issues.

The Directors have access to professional advice and services of the Company Secretaries in the course of discharging their duties and responsibilities on matters relating to procedures governing the Company which include the Act, ACE LR of Bursa Securities and other applicable laws, rules and regulations, either as a full Board or in their individual capacity.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)
Part I: Board Responsibilities (Cont'd)
1) Clear Functions, Roles and Responsibilities of the Board and Management (Cont'd)
iv) Access to Information and Advice (Cont'd)

The Directors may seek independent professional advice, whenever necessary and in appropriate circumstances, either individually or collectively on any matter concerning with the discharge of their responsibilities at the expense of the Company.

Subsequent to Board meetings, the minutes will be circulated to the Board for confirmation to ensure that the deliberations and decisions of the Board are accurately recorded. The Company Secretaries would ensure that a statement of declaration of interest or abstention from voting and deliberation are recorded in the minutes. The Chairman of the Board meeting signs the minutes as a correct record of the proceedings and thereafter, the said minutes of all proceedings are kept in the statutory book at the registered office of the Company to be made available for inspection under the Act.

2) Demarcation of Responsibilities
i) Board Charter

The Board has in place a Board Charter, setting out, inter-alia, the roles, duties and responsibilities of the Board and the application of principles and practices of good corporate governance.

The Board Charter would be periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities. Any subsequent amendments to the Board Charter can only be approved by the Board.

The Board Charter was reviewed on 9 December 2022 and it is available on the Company's website at www.econframe.com.

3) Good Business Conduct and Corporate Culture
i) Code of Conducts and Ethics

The Board has in place the Code of Conduct and Ethics ("the Code") which applies to all Directors, Management, employees and stakeholders during the conduct of businesses of the Group.

In addition, the Managing Director, Executive Director, Management and employees of the Group are required to observe and comply with the Code of Conduct for workplace which is issued by the Human Resources department. All Directors shall be accountable for full compliance with the Code. In the event of any violation of the Code, the Board shall take necessary actions to rectify the non-compliance or violation. The Code will be reviewed as and when required.

The Code is available on the Company's website at www.econframe.com.

ii) Whistleblowing Policy

The Board has in place a Whistleblowing Policy to uphold the Group's effort and commitment in doing business with ethics of honesty and integrity, henceforth, providing a transparent and confidential process in handling the whistleblowing reports.

The Whistleblowing Policy aims to provide a structured mechanism for its employees, Directors and associates to report suspected and/or known misconduct, wrongdoings, corruption and instances of fraud, waste, and/or abuse involving the resources of the Group and to provide reassurance that they shall be protected from reprisals or victimisation for whistleblowing in good faith.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**Part I: Board Responsibilities (Cont'd)****3) Good Business Conduct and Corporate Culture (Cont'd)****ii) Whistleblowing Policy (Cont'd)**

The Whistleblowing Policy is available on the Company's website at www.econframe.com. The ARMC has been tasked by the Board to perform the oversight function over the administration of the Whistleblowing Policy.

Anyone with genuine concerns in relation to unethical behaviour, malpractices, illegal acts or failure to comply with regulatory requirements may forward his report to the designated persons as provided below (where applicable):

For matters relating to financial reporting, unethical or illegal conduct, one can report directly to the following designated person:

ARMC Chairman

Mr. Tan Hock Soon at email address: soon.strategic@gmail.com

For employment-related concerns, one can report directly to the following designated person(s):

1) Managing Director

Mr. Lim Chin Horng at email address: chlim@econframe.com

2) General Manager

Ms. Yong Chaw Ang at email address: jacqueline@econframe.com

For any concerns from the shareholders/stakeholders and/or whistleblowing, one can email to the following designated Director:

Senior Independent Non-Executive Director

Mr. Tan Hock Soon at email address: soon.strategic@gmail.com

During the FYE 2024, none of the designated persons has received any reports or concerns via the abovementioned communication and feedback channels.

iii) Anti-Bribery and Anti-Corruption Policy

The Board has in place an Anti-Bribery and Anti-Corruption Policy to prevent corrupt practices and to provide a measure of assurance and defence against corporate liability for corruption under Section 17A of the Malaysian Anti-Corruption Commission Act 2009.

The Anti-Bribery and Anti-Corruption Policy is available on the Company's website at www.econframe.com.

iv) Directors' Fit and Proper Policy

The Board has in place a Directors' Fit and Proper Policy which sets out the fitness and propriety for the appointment and re-election of Directors and to ensure that each of the Director has the character, integrity, experience, competence and time commitment to effectively discharge his/her role as a Director of the Group in tandem with good corporate governance practices.

The Directors' Fit and Proper Policy is available on the Company's website at www.econframe.com.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)
Part I: Board Responsibilities (Cont'd)
4) Governance of Sustainability

The Board and Key Senior Management are mindful of the importance of building a sustainable business and are determined to embed sustainability into the Group's business operations to achieve the objectives of the Group by minimising the environmental impact arising from the operations as well as improving social and economic conditions for all stakeholders. For effective monitoring and execution, the Board has established a sustainability governance structure comprising the Board, Managing Director/Executive Director and Sustainability Working Committee ("SWC").

The Board is responsible for the overall sustainability strategy and oversees the Group's sustainability framework whilst the Managing Director/Executive Director is responsible for incorporating sustainability into the business strategies and business decisions and ensuring the implementation of the sustainability strategy by SWC.

The Group has been continuously engaging with a wide range of stakeholders to communicate the Group's sustainability strategies to ensure its stakeholders are well aware of the Group's sustainability strategies.

As addressing material sustainability risks and opportunities is the responsibility of the Board and Key Senior Management, the performance evaluation of the Board and Key Senior Management includes the consideration of Environmental, Social and Governance ("ESG") issues or sustainability.

The NC and Board would assess the trainings attended by all Directors to ensure that the Directors are continuously kept abreast of sustainability issues and climate-related risks and opportunities.

The details of the Group's sustainability practices are set out in the Sustainability Statement in this Annual Report.

Part II: Board Composition
5) Board's Objectivity
i) Composition of the Board

The Board presently has 7 Board members, comprising 1 Managing Director, 2 Non-Independent Non-Executive Directors, 1 Senior Independent Non-Executive Director and 3 Independent Non-Executive Directors, which fulfils the prescribed requirement of 1/3 of the Board to be independent as stated in Rule 15.02(1) of the ACE LR of Bursa Securities and Practice 5.2 of the MCCG to have at least half of the Board comprises Independent Directors.

The presence of Independent Non-Executive Directors from various fields are invaluable assets to the Company and fulfil the pivotal role in corporate accountability. The role of Independent Non-Executive Directors is particularly important as they provide unbiased and independent views, advices and judgements to take into account the interests of the Group and stakeholders.

The profiles of individual Directors are set out in the Directors' Profile in this Annual Report.

ii) Independent Non-Executive Directors, Board Diversity and Key Senior Management
a) Tenure of Independent Non-Executive Director

As at 31 August 2024, none of the Independent Non-Executive Directors had served the Board as Independent Non-Executive Directors for more than 9 years.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**Part II: Board Composition (Cont'd)****5) Board's Objectivity (Cont'd)****ii) Independent Non-Executive Directors, Board Diversity and Key Senior Management (Cont'd)****b) Policy of Independent Non-Executive Director's Tenure**

The Company does not have a policy which limits the tenure of the Independent Non-Executive Directors to 9 years. However, upon completion of the 9 years' term, the Independent Non-Executive Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Non-Executive Director.

In the event that the Director is to remain as an Independent Non-Executive Director after the 9th year, the Company shall first justify the Director's independence and obtain annual shareholders' approval at every Annual General Meeting ("AGM") through a 2-tier voting process to retain the Independent Non-Executive Director of the Company who has served the Board for more than 9 years.

The NC is responsible to conduct a review to determine whether a Director can continue to be independent if the tenure of the Independent Non-Executive Director exceeds the cumulative term of 9 years. Thereafter, the NC shall recommend to the Board for recommendation to the shareholders on the retention of the aforesaid Independent Non-Executive Director, if he/she so meets the independence guidelines as set out in Chapter 1 of the ACE LR of Bursa Securities.

c) Diverse Board and Key Senior Management

Appointment of the Board and Key Senior Management are based on objective criteria, merit and due regard for diversity in skills, experience, age, cultural background and gender. Please refer to the Directors' Profile and the Key Senior Management's Profile in this Annual Report for further information.

The NC is responsible for making recommendations relating to any new appointment of Director to the Board and Key Senior Management. Any nomination received by the NC is to be assessed and reviewed by the NC with appropriate selection criteria and processes and to identify candidates for directorships of the Company, members of the relevant Board committees and Key Senior Management prior to the recommendation to the Board for their assessment and approval.

The NC will not limit themselves by solely relying on the recommendations from the existing Board members, Management or major shareholders, but also will utilise independent sources to identify suitably qualified candidates including but not limited to the sourcing from a directors' registry and open advertisements or the use of independent search firms.

The NC assesses the suitability of the candidates by taking into consideration the mix of skills, knowledge, expertise and experience, competencies, time commitment and professionalism required by the Board.

During the FYE 2024, there was no new Director appointed to the Board of the Company.

d) Gender Diversity Policy

Despite not having a Gender Diversity Policy, the Board acknowledges the importance of boardroom diversity, including gender diversity, for the effective functioning of the Board. The Board aims to have at least 30% female representation.

The recruitment and appointment of suitable female representative on the Board will be considered when vacancies arise or suitable candidates are identified in line with the Group's strategic objectives.

Currently, the Board has 2 female Directors out of 7 Directors, equivalent to 29% women representation on the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**Part II: Board Composition (Cont'd)****5) Board's Objectivity (Cont'd)****iii) NC**

As at the date of this statement, the NC consists of 3 members, all of whom are Independent Non-Executive Directors, and the composition of the NC is as follows:

Members	Designation	Number of NC meetings attended/ held during the FYE 2024
Puan Ilham Fadilah Binti Sunhaji	Chairperson	1/1
Mr. Tan Hock Soon	Member	1/1
Mr. Chan Soon Tat	Member	1/1

The NC is chaired by Puan Ilham Fadilah Binti Sunhaji. The Chairperson of the NC is responsible to lead the NC to carry out annual review of effectiveness of the Board as a whole, and the Board committees, as well as the contribution and performance of each individual Director on an on-going basis in terms of contribution, skills, experience and other qualities.

In addition, the NC also has the function of assessing the effectiveness of the Board, reviewing the skills and competencies of individual Director and the composition of the various committees of the Board. The objective is to improve the Board's effectiveness, identify gaps, maximise strengths and address weaknesses of the Board.

The Terms of Reference of the NC, outlining the NC's objectives, composition, proceeding of meetings, circular resolution, authority and duties and responsibilities, is available on the Company's website at www.econframe.com.

Summary of Works

The following works were undertaken by the NC during the FYE 2024:

- Examined the composition of the Board and Board committees.
- Reviewed the gender diversity of the Board.
- Reviewed the required mix of skills, experience and other qualities of the Board.
- Reviewed the meeting attendance of the Board and members of the Board committees for the financial year ended 31 August 2023 ("**FYE 2023**") and the sufficiency of time commitment of the Directors in discharging their roles and responsibilities in the Company.
- Reviewed the length of service of each Independent Non-Executive Director and assessment of the independence of the Independent Non-Executive Directors to assess their abilities to bring independent and objective judgement to Board's deliberations and proposals.
- Reviewed the results of the assessments on terms of office and effectiveness of the ARMC, the effectiveness of the Board as a whole and the committees of the Board and the contribution and performance of each individual Director for the FYE 2023.
- Recommended to the Board the re-election of Mr. Tan Hock Soon, Puan Ilham Fadilah Binti Sunhaji and Madam Lim Saw Nee, who retired pursuant to the Company's Constitution at the Fourth AGM held on 29 January 2024 ("**4th AGM**").
- Reviewed the training programmes attended by the Directors for the FYE 2023 and the training needs of the Directors for the FYE 2024.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**Part II: Board Composition (Cont'd)****5) Board's Objectivity (Cont'd)****iii) NC (Cont'd)****Reinforce Independence: Annual Assessment of Independence of Directors**

The Board adopts the concept of independence in tandem with the definition of Independent Non-Executive Director as prescribed under Rule 1.01 of the ACE LR of Bursa Securities. The Board also carries out an annual assessment of the independence of its Independent Non-Executive Directors through the assistance of the NC for the FYE 2024.

The Board considers that its Independent Non-Executive Directors provide an objective and independent view on various issues dealt with at the Board and Board committees level. All the Independent Non-Executive Directors are independent of management and are free from any relationship that could materially interfere with the exercise of their independent judgement.

Re-election of Directors

In accordance with Clause 21.7 of the Company's Constitution, at every AGM, 1/3 of the Directors will retire from office unless elected or re-elected at the AGM. The Directors retiring will be those longest in office since their appointment or last election. If the Directors were appointed/elected on the same day, the Directors to retire will be either as agreed between those Directors or by lot. If the total number of Directors is not 3 or a multiple of it, the number nearest to 1/3 will retire. All the Directors shall retire from office at least once in each 3 years, but shall be eligible for re-election.

Directors who are appointed by the Board to fill a casual vacancy shall hold office until the next AGM and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at the AGM pursuant to Clause 21.11 of the Company's Constitution.

6) Overall Board Effectiveness**i) Annual Evaluation of the Board**

The Board, through the NC, and facilitated by the Company Secretaries, would undertake the following assessments annually:

- a) The Board and Board committees performance evaluation;
- b) Self-performance evaluation;
- c) ARMC performance assessment questionnaires; and
- d) Independence of the Independent Non-Executive Directors.

The independency of the Independent Non-Executive Directors of the Company had been fulfilled in accordance with the ACE LR of Bursa Securities and would not impede their independence in carrying out their duties in the Board and Board committees' meetings.

During the FYE 2024, the Board via the NC's annual assessment is satisfied with the performance of the Directors, Mr. Tan Hock Soon, Puan Ilham Fadilah Binti Sunhaji and Madam Lim Saw Nee, who are standing for re-election pursuant to the Constitution and recommended shareholders their proposed re-election at the 4th AGM. The details of the Directors who were due for retirement and eligible for re-election at the 4th AGM, which included the nature of interest, position and experience are set out in the Directors' Profile in the Annual Report in respect of the FYE 2023.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Part II: Board Composition (Cont'd)

6) Overall Board Effectiveness (Cont'd)

ii) Board Meetings

During the FYE 2024, a total of 6 Board meetings were held and the details of each Director's attendance at the Board meetings were as follows:

Name of Directors	No. of meetings attended	Percentage
Mr. Robert Koong Yin Leong	6/6	100%
Mr. Lim Chin Horng	6/6	100%
Mr. Khoo Soon Beng (resigned on 19 July 2024)	5/5	100%
Madam Lim Saw Nee	6/6	100%
Mr. Lim Foo Seng	6/6	100%
Mr. Tan Hock Soon	6/6	100%
Puan Ilham Fadilah Binti Sunhaji	6/6	100%
Mr. Chan Soon Tat	6/6	100%

In the intervals between the Board meetings, Board approvals are obtained via circular resolutions for exceptional matters requiring Board's decision which is supported by the relevant information in order to form an informed decision. In order to facilitate the Directors' planning and time management, an annual meeting calendar is prepared and given to the Directors before the beginning of each financial year.

All of the Directors do not hold more than 5 directorships in public listed companies as stipulated under the ACE LR of Bursa Securities. If any Director wishes to accept a new directorship in public listed companies, the Chairman of the Board will be informed beforehand together with indication of time that will be spent on the new appointment.

During the FYE 2024, the Company received notification from Puan Ilham Fadilah Binti Sunhaji on her new directorship in a public listed company. The Board is satisfied with the time commitment given by the Directors, who hold not more than 5 directorships in public listed companies.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**Part II: Board Composition (Cont'd)****6) Overall Board Effectiveness (Cont'd)****iii) Directors' Training**

During the FYE 2024, the Directors had attended the following training programmes:

Directors	Training(s) Attended
Mr. Robert Koong Yin Leong	- Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Mr. Lim Chin Horng	- Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Madam Lim Saw Nee	- Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Mr. Lim Foo Seng	- Mandatory Accreditation Programme Part II: Leading for Impact (LIP) - Corporate Liability Refresher Training - Market Trends for an Unscripted World
Mr. Tan Hock Soon	- Mandatory Accreditation Programme Part II: Leading for Impact (LIP) - Management of Cyber Risk for Board of Directors and Senior Management - ESG Investing – The Way to Go! - LHDN E-Invoicing in Malaysia: Navigating Tax, Compliance & IT Processes
Puan Ilham Fadilah Binti Sunhaji	- Mandatory Accreditation Programme Part II: Leading for Impact (LIP) - Offshore Technology Conference Asia 2024 (OTC Asia) - MOSVA “ENERGY TRANSITION IN OSV INDUSTRY - Navigating Decarbonization Through Collaborations”
Mr. Chan Soon Tat	- National E-Invoicing Initiative & Income Tax Requirements - Impact on Businesses

Upon review, the Board concluded that the Directors' trainings for the FYE 2024 were adequate.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)
Part III: Remuneration
7) Remuneration

The remuneration package of the Managing Director, Executive Director and Key Senior Management are linked to the Group's and their individual performance. For Non-Executive Directors, the level of remuneration is reflective of their experience and level of responsibilities assumed in the Board committees, their attendances, special skills and expertise that they bring to the Board.

8) RC

The main function of the RC is to assist the Board in fulfilling its responsibilities on matters relating to the Group's compensation, bonuses, incentives and benefits. The RC assists the Board in assessing the remuneration packages of the Managing Director and Executive Director with a view to ensure that a competitive remuneration package is offered to attract and retain the talented individuals to serve the Group, reviews the Directors' fees and benefits proposed to the Board for approval and recommendation to the shareholders at the AGM.

The RC consists of 3 members, all of which are Independent Non-Executive Directors, and the composition of the RC is as follows:

Members	Designation	Number of RC meetings attended/ held during the FYE 2024
Mr. Chan Soon Tat	Chairman	2/2
Mr. Tan Hock Soon	Member	2/2
Puan Ilham Fadilah Binti Sunhaji	Member	2/2

The Terms of Reference of the RC, outlining the RC's objectives, composition, proceeding of meetings, circular resolution, authority and duties and responsibilities, is available on the Company's website at www.econframe.com.

Summary of Works

The following works were undertaken by the RC during the FYE 2024:

- Reviewed and recommended to the Board the remuneration package of the Executive Directors of the Company for the FYE 2024.
- Reviewed and recommended to the Board the Directors' fees payable to the Directors of the Company for the FYE 2024.
- Reviewed and recommended to the Board the benefits payable to the Directors of the Company for the period from the 4th AGM until the next AGM of the Company to be held in year 2025.
- Reviewed the remuneration package of the Key Senior Management of the Company for the FYE 2024.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**Part III: Remuneration (Cont'd)****9) Directors' Remuneration**

The details of remuneration of Directors of the Company comprising remuneration received from the Group and the Company during the FYE 2024 were as follows:

Name of Directors	Fee RM'000	Allowance RM'000	Salary RM'000	Bonus RM'000	Benefits- in-kind RM'000	Other emoluments RM'000	Total RM'000
Group							
Independent Non-Executive Directors							
Mr. Robert Koong Yin Leong	42	6	–	–	–	–	48
Mr. Tan Hock Soon	42	6	–	–	–	–	48
Puan Ilham Fadilah Binti Sunhaji	30	6	–	–	–	–	36
Mr. Chan Soon Tat	30	6	–	–	–	–	36
Non-Independent Non-Executive Directors							
Madam Lim Saw Nee	30	6	–	–	–	–	36
Mr. Lim Foo Seng	30	6	–	–	–	–	36
Executive Directors							
Mr. Lim Chin Horng	42	46	344	78	–	52	562
Mr. Khoo Soon Beng (resigned on 19 July 2024)	27	54	164	78	–	30	353
Company							
Independent Non-Executive Directors							
Mr. Robert Koong Yin Leong	42	6	–	–	–	–	48
Mr. Tan Hock Soon	42	6	–	–	–	–	48
Puan Ilham Fadilah Binti Sunhaji	30	6	–	–	–	–	36
Mr. Chan Soon Tat	30	6	–	–	–	–	36
Non-Independent Non-Executive Directors							
Madam Lim Saw Nee	30	6	–	–	–	–	36
Mr. Lim Foo Seng	30	6	–	–	–	–	36
Executive Directors							
Mr. Lim Chin Horng	42	6	–	–	–	–	48
Mr. Khoo Soon Beng (resigned on 19 July 2024)	27	5	–	–	–	–	32

10) Remuneration of Top 5 Key Senior Management

The Board is of the view that the disclosure of the top 5 Key Senior Management's remuneration will be counterproductive due to the competitive environment for talent in the industry that the Group operates in. The Board is also of the opinion that the Key Senior Management's remuneration disclosed in the Annual Report in the financial statements section is sufficient, complies with the Malaysian Financial Reporting Standards and achieves the objective that stakeholders are able to assess whether the remuneration of Directors and Key Senior Management commensurate with their individual performance, taking into consideration the Group's performance.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT

11) ARMC

The ARMC consists of 3 Independent Non-Executive Directors which complied with Rule 15.09(1)(b) of the ACE LR of Bursa Securities whereby the ARMC shall only consist of Non-Executive Directors and majority of whom are Independent Non-Executive Directors. The Chairman of the ARMC, Mr. Tan Hock Soon, is not the Chairman of the Board.

For detailed information on the ARMC with regards to its composition, activities and its report, please refer to the ARMC report in this Annual Report.

None of the ARMC members was a former partner of the external audit firm of the Company. In line with the MCCG, the Board has adopted the Terms of Reference of the ARMC that no former partner of the external audit firm of the Company could be appointed as a member of the ARMC before observing a cooling-off period of at least 3 years.

All members of the ARMC are financially literate and have the relevant accounting, finance and/or related financial experience and expertise to effectively discharge their duties. The qualification and experience of the individual ARMC members are disclosed in the Directors' Profile in this Annual Report.

12) Suitability, Objectivity and Independence of the External Auditors

The Board, through the ARMC, maintains a formal and transparent relationship with its External Auditors in seeking professional advice. The ARMC meets with the External Auditors without the presence of the Executive Board members and Management regarding audit planning, adequacy of controls, and other relevant audit and accounting issues.

The ARMC is assigned to assess, review and supervise the performance, suitability, objectivity and independence of the External Auditors. Evaluation of the External Auditors is carried out on a yearly basis to determine its continuance suitability, objectivity and independence via a formal assessment form. The ARMC remains confident that the objectivity and independence of the External Auditors are not in any way impaired by reason of the non-audit services provided to the Group.

The External Auditors confirmed that independence check and confirmation procedures were carried out and there is no conflict of interest for the audit and non-audit services engagement during the FYE 2024.

13) Risk Management and Internal Control

The Board is responsible for the overall and oversight of risk management of the Group, covering the systems of risk management and internal control for financial, operational and compliance while the Managing Director and Executive Director, together with the Key Senior Management are primarily responsible for managing risks in the Group.

The Statement on Risk Management and Internal Control ("**SORMIC**") is set out in this Annual Report detailing the state and fundamentals of the risk management and internal control systems in the Group as well as the review mechanism of the Board. The Board has expressed in the SORMIC that they are satisfied with the effectiveness and adequacy of the existing level of systems of risk management and internal control.

The Internal Audit Function ("**IAF**") is outsourced to an internal audit consulting firm. Further details of IAF are reported in the ARMC Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE C - INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS**14) Corporate Reporting**

In presenting the annual financial statements and quarterly announcements of its results, the Board is committed to provide a balanced, fair and comprehensive assessment of the Group's state of affairs in relation to its financial performance. In order to achieve the above, adequate financial processes are in place, aimed at keeping the Group's accounting records and transactions in accordance with accepted accounting standards.

The ARMC assists the Board by reviewing the financial statements with Management and the External Auditors to ensure the accuracy and adequacy of all the information to be disclosed as well as to ensure its compliance with the requirements of the rules and regulations of the regulators and approved accounting standards. The Chief Financial Officer also presented to the ARMC and the Board the detailed presentations on the financial results.

The Statement of Directors' Responsibility pursuant to the ACE LR of Bursa Securities on its responsibilities in preparing the audited financial statements is set out in other section of this Annual Report.

15) Communication with Stakeholders

Information on the Group's business and corporate development, annual reports, circulars, general meetings, press releases, quarterly financial results and timely announcements on material corporate exercises are the primary modes of disseminating information on the Group's business activities and financial performance. These form an important channel of communication to reach the stakeholders.

The Managing Director is the designated spokesperson for all matters related to the Group and dedicated personnel are tasked to prepare and verify material information for timely disclosure upon approval by the Board.

In addition, the Company maintains a website at www.econframe.com for shareholders, investors and general public to access information on, amongst others, the Group's corporate profile, products, financial performance announcements published on Bursa Securities' website, Board Charter and Board committees' Terms of Reference and corporate information.

16) Conduct of General Meetings**Notice of AGM**

The notice of the 4th AGM was issued not less than 28 days prior to the meeting so as to enable the shareholders to have full information about the 4th AGM, to facilitate informed decision-making and to encourage shareholders' participation. Full explanation of the effects of a proposed resolution of any special business was accompanied the notice of the 4th AGM.

Directors' Commitment

The Chairman and members of the Board were present at the 4th AGM of the Company to engages shareholders personally and proactively.

The Chairman of the Board ensured that sufficient opportunities and time were allocated for discussion and to address questions raised as well as encouraged the shareholders and/or proxies to participate in the question-and-answer session at the 4th AGM. The Board is supported by the External Auditors, the Company Secretaries and Key Senior Management, where applicable, who were also present at the 4th AGM to communicate with the shareholders as well as to respond to the queries raised.

The Minutes of the 4th AGM has been made available to shareholders no later than 30 business days after the 4th AGM on the Company's website at www.econframe.com.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE C - INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)
16) Conduct of General Meetings (Cont'd)
Voting in Absentia and Remote Shareholders' Participation at General Meeting(s)

Although the Board recognises the importance of leveraging on technology to facilitate remote shareholders' participation and electronic voting for the conduct of poll on all resolutions via remote participation and voting facilities, the Board also noted several considerations:

- Availability/affordability of technology and infrastructure;
- Sufficient number of shareholders residing at particular remote location(s); and
- Age profiles of the shareholders.

After taking into account the above considerations, the Company conducted its 4th AGM physically on 29 January 2024 at Klang Executive Club which has convenient accessibility.

COMPLIANCE WITH MCCG

The Board is satisfied that during the FYE 2024, the Company has substantially complied with the best practices of the MCCG on the application of the principles and best practices in corporate governance, except for the following:

- Practice 5.9 : The Board comprises at least 30% women Directors;
- Practice 5.10 : The Company's policy on gender diversity for the Board and senior management;
- Practice 8.2 : The remuneration of top 5 senior management; and
- Practice 13.3 : Leverage technology to facilitate voting including in absentia and remote shareholders' participation at general meetings.

The departures of the above practices will be addressed in the CG Report.

This Statement and the CG report are made in accordance with a resolution of the Directors passed on 12 December 2024.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS

There were no proceeds raised from corporate proposals during the financial year ended 31 August 2024 (“FYE 2024”).

2. AUDIT AND NON-AUDIT FEES

During the FYE 2024, Messrs. Baker Tilly Monteiro Heng PLT, the External Auditors have rendered audit and non-audit services to the Company and the subsidiaries (“**the Group**”). The breakdown of the fees payable to the External Auditors is as follows:

	Group (RM)	Company (RM)
Audit services rendered	251,000	74,000
Non-audit services rendered		
Review of Statement on Risk Management and Internal Control	6,000	6,000
Total	257,000	80,000

3. MATERIAL CONTRACTS

There were no material contracts entered into by the Group involving the interests of the Directors and major shareholders of the Company that is still subsisting at the end of the previous financial year.

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

There were no RRPT entered into by the Group which involved the Directors’ and/or major shareholders’ interest during the FYE 2024.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors (**“the Board”**) of the Company is pleased to present the Audit and Risk Management Committee (**“ARMC”**) report for the financial year ended 31 August 2024 (**“FYE 2024”**). The ARMC report is made in accordance with a resolution of the Directors passed on 12 December 2024.

1. COMPOSITION OF THE ARMC AND MEETINGS ATTENDANCE

The ARMC comprises 3 Independent Non-Executive Directors. This meets the requirements of Rule 15.09 of the ACE Market Listing Requirements (**“ACE LR”**) of Bursa Malaysia Securities Berhad (**“Bursa Securities”**) and satisfies the test of independence under the ACE LR of Bursa Securities and Step-Up Practice 9.4 of the Malaysian Code on Corporate Governance (**“MCCG”**).

Mr. Tan Hock Soon, the Senior Independent Non-Executive Director is the Chairman of the ARMC. In this respect, the Company complies with Rule 15.10 of the ACE LR of Bursa Securities. Furthermore, in compliance with Practice 9.1 of the MCCG, the Chairman of the ARMC is not the Chairman of the Board. In addition, Mr. Tan Hock Soon, is a Fellow Member of the Malaysian Institute of Certified Public Accountants and a Member of the Malaysian Institute of Accountants. In this respect, the Company complies with Rule 15.09(1)(c) of the ACE LR of Bursa Securities.

During the FYE 2024, the ARMC held a total of 5 meetings. The members of the ARMC and their attendance at the meetings are set out below:

Members	Designation	Directorship	Attendance	Percentage
Mr. Tan Hock Soon	Chairman	Senior Independent Non-Executive Director	5/5	100%
Puan Ilham Fadilah Binti Sunhaji	Member	Independent Non-Executive Director	5/5	100%
Mr. Chan Soon Tat	Member	Independent Non-Executive Director	5/5	100%

The Board, via the Nomination Committee, reviews the terms of office and performance of the ARMC to determine whether the ARMC has carried out its duties in accordance with the Terms of Reference (**“TOR”**) of the ARMC pursuant to Rule 15.20 of the ACE LR of Bursa Securities.

2. SUMMARY OF WORKS FOR THE FYE 2024

During the FYE 2024, the summary of works carried out by the ARMC was as follows:

i) Overview of Financial Performance and Reporting

- Reviewed the unaudited quarterly financial results for the quarters ended 31 August 2023, 30 November 2023, 29 February 2024 and 31 May 2024 and recommended the same for the Board's approval.
- Reviewed the financial performance of the Group on a quarterly basis.
- Reviewed the identified significant matters pursuant to Rule 15.12(1)(g)(ii) of the ACE LR of Bursa Securities on a quarterly basis.
- Reviewed the draft audited financial statements for the financial year ended 31 August 2023 (**“FYE 2023”**) and recommended the same for the Board's approval.
- Reviewed the Group's compliance with the accounting standards and relevant regulatory requirements.
- Reviewed the budget of the Group for the financial year ending 31 August 2025 and recommended the same to the Board for approval and adoption.
- Reviewed the valuation report for purchase price allocation arising from the acquisition of Lee & Yong Aluminium Sdn. Bhd.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

2. SUMMARY OF WORKS FOR THE FYE 2024 (CONT'D)

During the FYE 2024, the summary of works carried out by the ARMC was as follows (Cont'd):

ii) Oversight of External Auditors

- Received the Audit Review Memorandum prepared by the External Auditors for the FYE 2023, covering audit scope and approach, significant audit findings, potential key audit matters and significant outstanding information/documents from the audit field works.
- Reviewed the External Auditors' Audit Plan and statutory audit fees for the FYE 2024.
- Met with the External Auditors without the presence of the Executive Directors and Management to discuss any major concerns arising from the annual statutory audit.
- Reviewed the effectiveness, suitability, objectivity and independence of the External Auditors vide a formalised "Assessment on external auditors" and upon review and having been satisfied with the results of the said assessment, the same was recommended to the Board for approval.
- Reviewed and discussed with the External Auditors, the applicability and the impact of the new accounting standards and new financial reporting regime issued by the Malaysian Accounting Standards Board, including any significant issues and concerns arising from the audit.

iii) Oversight of Internal Audit Function ("IAF")

- Reviewed the internal audit plan for the Group for the FYE 2024 and financial year ending 31 August 2025.
- Reviewed the Internal Audit Reports for the FYE 2023 and FYE 2024 and assessed the major findings by the Internal Auditors and evaluated Management's response.
- Reviewed the progress updates on the follow-up review of the previous Internal Audit Reports.
- Reviewed the adequacy and performance of the IAF and its comprehensive coverage of the Group's activities vide a formalised "Assessment on IAF".
- Met with the Internal Auditors without the presence of the Executive Directors and Management to discuss any major concerns arising from the internal audit.

iv) Oversight of Risk Management Matters

- Ensured the incorporation of risk assessment exercise in the Internal Audit Plan for the Group for the FYE 2024.
- Reviewed the results of risk assessment by the Internal Auditors for the FYE 2024 with all significant risks identified.
- Reviewed the risk management governance structure.

v) Oversight of Internal Control Matters

- Reviewed and confirmed the minutes of the ARMC meetings.
- Reviewed the disclosures in the ARMC report, Statement on Risk Management and Internal Control and Corporate Governance Overview Statement for inclusion in the Annual Report for the FYE 2023.
- Reviewed the disclosures in the Corporate Governance Report for the FYE 2023.
- Reviewed the progress of the utilisation of the proceeds raised from the Initial Public Offering Exercise.
- Reviewed the revised TOR of ARMC and recommended the same for the Board's approval and adoption.

vi) Review of Related Party Transactions

- Reviewed the related party transactions and conflict of interest situation that arose, persist or may arise within the Group on a quarterly basis, including any transaction, procedure or course of conduct that raises questions on management integrity.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

3. TOR

The TOR of the ARMC is available for viewing at the Company's website at www.econframe.com.

4. IAF

The IAF plays an important role to provide the Board, through the ARMC, reasonable assurance of the effectiveness of the system of internal control in the Group.

The IAF is independent and performs audit assignments with impartiality, proficiency and due professional care.

The Group outsourced its IAF to an independent professional firm, namely Wensen Consulting Asia (M) Sdn. Bhd. as the Group's Internal Auditors. The Internal Auditors report directly to the ARMC, provide the Board with a reasonable assurance of adequacy, efficiency, and effectiveness of the Group's internal control system. The IAF is responsible to conduct reviews in accordance with the internal audit plan or other ad-hoc assignments which are approved by the ARMC.

The Internal Auditors have affirmed to the ARMC that they were free from any relationships or conflicts of interest in relation to the Group, which could impair their objectivity and independency.

The internal audit reporting format can broadly be segregated into 2 main areas as follows:

i) Internal Audit Plan of the Group

At the beginning of the financial year, the Internal Auditors present the internal audit plan of the Group to the ARMC for discussion and adoption. The ARMC would report the same to the Board for notation.

ii) Regular Internal Audit Reports and Follow-up Reports

Internal audit reports are reviewed and adopted by the ARMC on a half-yearly basis to review the internal audit findings and to discuss on the corrective action plans in order to ensure that the control weaknesses highlighted in the internal audit reports are appropriately addressed by Management.

In addition, the Internal Auditors would carry out follow-up visits to ensure that all agreed corrective action plans are satisfactorily implemented by Management. The progression status of the corrective action plans would also be reported to the ARMC on a half-yearly basis.

During the FYE 2024, the Internal Auditors assisted the ARMC in reviewing the adequacy and effectiveness of the system of governance, risk management and internal control, based on an internal audit plan approved by the ARMC before audit work is carried out.

The costs incurred for the IAF for the FYE 2024 amounted to RM20,000.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Pursuant to Rule 15.26(b) of the ACE Market Listing Requirements (“**ACE LR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”), and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers and the Malaysian Code on Corporate Governance, the Board of Directors (“**the Board**”) of the Company is pleased to provide the Group’s Statement on Risk Management and Internal Control (“**this Statement**”) in this Annual Report.

BOARD RESPONSIBILITY

The Board acknowledges their responsibility for maintaining a sound risk management and internal control systems as well as adequacy and effectiveness of those systems to safeguard the stakeholders’ interests and to protect the Group’s assets. The system of risk management and internal control covers not only financial controls but risk management, organisational, operational, fraud prevention and compliance controls. It is designed to manage the Group’s risks within an acceptable risk profile rather than eliminate the risk of failure in order to achieve the goals and objectives of the Group. Hence, the system of risk management and internal control could only provide reasonable but not absolute assurance against material misstatement, fraud and potential losses.

The Board affirms that the Group has in place an on-going process of identifying, evaluating, monitoring and managing the principal risks affecting the achievement of its business objectives throughout the financial year ended 31 August 2024 (“**FYE 2024**”). The Board has delegated the review of adequacy and effectiveness of the internal control system to the Audit and Risk Management Committee (“**ARMC**”). The Board is kept informed of all significant control issues brought to the attention of the ARMC by Management, the Internal Audit Function (“**IAF**”) and also the External Auditors. The Board is working closely with the ARMC to review and improve the internal controls as well as address potential risks from time to time.

RISK MANAGEMENT FRAMEWORK AND PROCESS

The Board recognises the importance to manage risk to safeguard shareholders’ investment and the Group’s assets. Facilitated by a professional services firm, it has deployed an on-going process, to identify and evaluate significant business risks faced by the Group to manage the risks. Management is entrusted to identify such risks for onward reporting to the ARMC so that remedial measures may be taken to mitigate the risks. For each risk identified, the risk management process includes assessing the likelihood of its occurrence and its impact. The significant risks faced by the Group, including action plans to mitigate risks within acceptable levels, is reported by ARMC to the Board at least once a year.

As part of the Group’s risk management process, the ARMC, chaired by the Senior Independent Non-Executive Director, has been established to perform, amongst others, the following:

- overseeing the risk management structure;
- reviewing and recommending risk management strategies, policies and framework for identifying, measuring, monitoring and controlling risks;
- developing and implementing internal compliance and control systems and procedures to manage risks; and
- monitoring and communicating risk assessment results to the Board.

The ARMC meets periodically to consider principal risks evaluated by the respective risk owners that may impede the Group from achieving its strategic and operational objectives, as well as develop action plans to mitigate such risks.

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

RISK MANAGEMENT FRAMEWORK AND PROCESS (CONT'D)

During the FYE 2024, the following risk management activities were carried out:

- In July 2024, a risk assessment meeting was conducted with Management and key risk owners along with several discussions to establish the key risk profile for the newly acquired 65%-owned subsidiary, Lee & Yong Aluminium Sdn. Bhd. (“LYASB”), as well as to update the existing key risk profile of the Group.
- During the risk assessment meeting and discussions, key risks identified were rated and prioritised in terms of likelihood of the risk occurring and its impact should the risk occur. The risk ratings take into consideration the effectiveness of internal controls existingly in place to mitigate the key risks identified. Thereafter, risk management strategies or Management’s action plans to be undertaken are considered to manage risks to an acceptable level.
- The results of the risk assessments were reported and deliberated at the ARMC meeting held on 30 July 2024.

All significant risks identified and relevant controls and mitigation plans taken by Management are documented in the risk management reports which are compiled and tabled to the ARMC and the Board for deliberation.

The risk management process has been in place for the FYE 2024 and up to the date of approval of this Statement for inclusion in the Company’s Annual Report.

IAF

The Group’s IAF is outsourced to Wensen Consulting Asia (M) Sdn. Bhd., which is guided by the International Professional Practices Framework of the Institute of Internal Auditors, in carrying out internal audit assignments. The Internal Auditors report directly to the ARMC and assist the Board in assessing the adequacy and effectiveness of the internal control system established by Management based on an agreed scope of work outlined in the annual internal audit plan approved by the ARMC during the FYE 2024. There was no restriction placed upon the scope of the IAF’s work and the internal audit was allowed full and unrestricted access to the records pertinent for the internal audit and relevant personnel of the Group.

The ARMC reviewed the IAF’s work, its observations and recommendations to ensure that the ARMC obtained the necessary level of assurance with respect to the adequacy and effectiveness of the risk management and internal control systems. The Internal Auditors also follow-up and report to the ARMC on the status of implementation by Management on recommendations highlighted in the previous internal audit reports.

The scope of work of the IAF includes but not limited to the following:

- Review and assess the adequacy, efficiency and effectiveness of the Group’s internal control system.
- Review the compliance of the Group with the policies, standard operating procedures and other laws and regulations which could possibly cause a significant impact to the business operations of the Group.
- Report significant issues in relation to the business operations and activities of the Group and make recommendations for improvements in the internal audit reports to the ARMC.
- Conduct follow-up visits to ensure that all agreed corrective action plans are satisfactorily implemented by Management and reports the same to the ARMC.
- Highlight any irregularities to the ARMC.

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

OTHER KEY ELEMENTS OF INTERNAL CONTROL PROCESSES

In addition to the risk management and internal audit, the Group has established various controls to review the adequacy, effectiveness and integrity of the internal control system. Such controls include:

- Budgets are prepared by the operating business segments for subsequent monitoring and tracking of performance.
- Documented the quality management system accredited by the International Organisation for Standardisation (ISO) certification body on the manufacturing activities.
- Quarterly review of financial results and operational matters by the ARMC and the Board.
- Policies and standard procedures of various operating business units within the Group are properly documented for operational guidance and compliance. These policies and procedures are reviewed and updated when necessary to maintain its effectiveness at all times.
- Corporate finance and treasury matters are controlled centrally and monitored on a weekly, monthly and quarterly basis.
- Formal authorisation limit for various levels of personnel is established in order to minimise the risk of unauthorised transactions.
- Monthly key operational performance report on key business indicators and performance results on each subsidiary is reported to Management for review and decision making.

ASSURANCE BY MANAGEMENT

The Board has received assurance from the Managing Director and the Chief Financial Officer that the Group's risk management and internal control system are operating adequately and effectively, in all material aspects, based on the risk management model and internal control system adopted by the Group.

BOARD'S COMMENTS ON THE ADEQUACY AND EFFECTIVENESS OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The Board, through its ARMC, has reviewed the adequacy and effectiveness of the risk management and internal control system of the Group and relevant actions have been or are being taken, as the case may be, to remedy internal control weaknesses identified from the review, which was largely based on the outcome of observations raised by the Internal Auditors to the ARMC.

The Board is of the view that there have been no weaknesses in the system of risk management and internal control that resulted in material losses, contingencies or uncertainties that would require mention in the Company's Annual Report. The Board, through Management, continues to take measures to strengthen the Group's risk management and internal control system from time to time based on recommendations of the IAF as well as the External Auditors.

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

Pursuant to Rule 15.23 of the ACE LR of Bursa Securities, the External Auditors have reviewed this Statement for inclusion in the Company's Annual Report. Their review was performed in accordance with Audit and Assurance Practice Guide 3 ("AAPG 3") issued by the Malaysian Institute of Accountants. AAPG 3 does not require the External Auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk and control procedures.

Based on their review, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process and the review adopted by the Board on the adequacy and integrity of the risk management and internal control of the Group.

This Statement is made in accordance with a resolution of the Directors passed on 12 December 2024.

STATEMENT OF DIRECTORS' RESPONSIBILITY

PREPARATION OF THE AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024 ("FYE 2024")

The Directors are required by the Companies Act 2016 ("**the Act**") to lay before the shareholders at the Annual General Meeting, the Audited Financial Statements (which include the Consolidated Statements of Financial Position and the Consolidated Statements of Profit or Loss and other Comprehensive Income) of the Company and the subsidiaries ("**the Group**") for each financial year, prepared in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards, the provision of the Act and the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are responsible for ensuring that the Audited Financial Statements of the Group are prepared in accordance with the accounting records of the Group so as to give a true and fair view of the state of affairs as at 31 August 2024, and of the results of their operations and cash flows for the financial year ended on that date.

In preparing the Audited Financial Statements for the FYE 2024, the Directors have reviewed and consistently applied the suitable accounting policies throughout the financial year. In the cases where judgements and estimations were made, they were based on reasonableness and prudence assumptions.

The Directors also have a general responsibility for taking such steps that are available to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

This statement is made in accordance with a resolution of the Directors passed on 12 December 2024.

DIRECTORS' REPORT

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 August 2024.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries include manufacturing and sales of doors, door and window frames, fabrication and installation of aluminium glazing, glass products and facade works, trading of ironmongery, doors, electronics and electrical systems and accessories as well as trading and provision of installation services for solar energy products and systems.

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

RESULTS

	Group RM	Company RM
Profit for the financial year, net of tax	11,678,936	920,411
Attributable to:		
Owners of the Company	10,962,433	920,411
Non-controlling interests	716,503	–
	11,678,936	920,411

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year.

Subsequent to the financial year ended 31 August 2024, a single-tier interim dividend of 2.0 sen per ordinary share amounting to RM7,359,604 in respect of the current financial year ended 31 August 2024 has been declared for payment on 11 December 2024 to shareholders registered in the Register of Members on 22 November 2024. The financial statements for the current financial year do not reflect this dividend. This dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 August 2025.

RESERVES OR PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

At the date of this report, the Directors are not aware of any circumstances which would render the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

DIRECTORS' REPORT (CONT'D)

CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company 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 which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and
- (ii) any contingent liabilities 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, no contingent or other liabilities of the Group and of the Company has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

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

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the Directors,

- (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature except for the acquisitions of subsidiaries as disclosed in Note 8 to the financial statements; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS' REPORT (CONT'D)

AUDITORS' REMUNERATION AND INDEMNITY

The auditors' remuneration of the Group and of the Company for the financial year were RM242,000 and RM72,500 respectively.

The Company has agreed to indemnify the auditors of the Company as permitted under Section 289 of the Companies Act 2016 in Malaysia.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company:

- (i) issued 11,742,300 new ordinary shares arising from the exercise of warrants at the exercise price of RM0.42 for cash of RM4,931,766; and
- (ii) issued 10,459,770 new ordinary shares as consideration shares for the acquisition of 65% equity interest in Lee & Yong Aluminium Sdn. Bhd. at an issue price of RM0.87 per consideration share. For the purpose of accounting for the shares consideration, the fair value of RM0.915 per consideration share upon completion of the acquisition was recorded instead of issue price of RM0.87 per consideration share.

The new ordinary shares issued during the financial year ranked pari passu in all aspects with the existing ordinary shares of the Company.

There were no issues of debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

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

WARRANTS 2022/2027

Pursuant to a Deed Poll dated 30 November 2022 ("Deed Poll"), the Company issued 162,499,998 Warrants 2022/2027 ("Warrants") to the entitled shareholders of the Company pursuant to the bonus issue of Warrants.

The salient features of the Warrants are as follows:

- (i) Each Warrant entitles the warrant holder to subscribe for one new ordinary share in the Company at any time on or before the maturity date, falling 5th anniversary from the date of issuance of the Warrants. Unexercised Warrants after the exercise period will thereafter lapse and cease to be valid;
- (ii) The exercise price of the Warrants is fixed at RM0.42 per Warrant;
- (iii) The new ordinary shares to be issued upon the exercise of the Warrants shall rank pari passu in all respects with the ordinary shares of the Company; and
- (iv) The Warrants were listed and quoted on the ACE Market of Bursa Malaysia Securities Berhad on 27 December 2022.

The movement of the Warrants during the financial year is as follows:

	At 1.9.2023	Number of Warrants 2022/2027		At 31.8.2024
		Exercised	Lapsed	
Warrants 2022/2027	145,133,648	(11,742,300)	–	133,391,348

DIRECTORS' REPORT (CONT'D)

DIRECTORS

The Directors in office during the financial year and during the period from the end of the financial year to the date of this report are:

Robert Koong Yin Leong
 Lim Chin Horng *
 Lim Saw Nee *
 Tan Hock Soon
 Ilham Fadilah Binti Sunhaji
 Chan Soon Tat
 Lim Foo Seng
 Khoo Soon Beng *
 Teoh Keng Chang

(Resigned on 19 July 2024)
 (Resigned on 17 October 2023)

* Directors of the Company and certain subsidiaries

The names of Directors of subsidiaries where the shares are held by the Company is listed below (excluding directors who are also directors of the Company):

Chew Cheng Kiat
 Yong Kuen Hwan
 Tan Phay Lim

DIRECTORS' INTERESTS

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

Interests in the Company

	Number of ordinary shares				At 31.8.2024
	At 1.9.2023	Bought	Sold	Transferred from/(to)	
Direct interests:					
Lim Chin Horng	26,785,647	–	(15,396,000)	40,000,000	51,389,647
Lim Saw Nee	66,649,388	–	(14,000,000)	(40,000,000)	12,649,388
Robert Koong Yin Leong	50,000	–	–	–	50,000
Tan Hock Soon	50,000	–	–	–	50,000
Ilham Fadilah Binti Sunhaji	50,000	–	–	–	50,000

	Number of Warrants 2022/2027			At 31.8.2024
	At 1.9.2023	Granted	Sold	
Direct interests:				
Lim Chin Horng	13,392,823	–	–	13,392,823
Lim Saw Nee	20,009,694	–	(15,000,000)	5,009,694
Robert Koong Yin Leong	25,000	–	–	25,000
Tan Hock Soon	25,000	–	–	25,000
Ilham Fadilah Binti Sunhaji	25,000	–	–	25,000

Other than as stated above, none of the other Directors in office at the end of the financial year had any interest in ordinary shares and/or warrants of the Company and its related corporations during the financial year.

DIRECTORS' REPORT (CONT'D)

DIRECTORS' BENEFITS

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

The Directors' benefits of the Group and of the Company for the financial year ended 31 August 2024 are as follows:

	Group RM	Company RM
Directors of the Company		
Executive Directors		
- Directors' fee	68,532	68,532
- Salaries, allowances and bonuses	764,200	11,000
- Defined contribution plans	79,680	–
- Other staff related benefits	2,318	–
	914,730	79,532
 Non-executive Directors		
- Directors' fee	204,000	204,000
- Allowances	36,000	36,000
	240,000	240,000
	1,154,730	319,532

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

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial year, the total amount of indemnity insurance coverage and insurance premium paid for the Directors and Officers of the Group and of the Company were RM1,000,000 and RM6,900 respectively.

SUBSIDIARIES

The details of the Company's subsidiaries are as follows:

Name of company	Country of incorporation	Ownership interest	Principal activities
<u>Direct subsidiaries</u>			
Econframe Marketing Sdn. Bhd.	Malaysia	100%	Manufacturing and sales of doors, door and window frames and trading of ironmongery
Econframe Pre-Hung Doors Sdn. Bhd.	Malaysia	100%	Trading of doors
Eframe Technology Sdn. Bhd.	Malaysia	100%	Trading of electronics and electrical systems and accessories

DIRECTORS' REPORT (CONT'D)

SUBSIDIARIES (CONT'D)

The details of the Company's subsidiaries are as follows (Cont'd):

Name of company	Country of incorporation	Ownership interest	Principal activities
<u>Direct subsidiaries (Cont'd)</u>			
Eframe Solartech Sdn. Bhd.	Malaysia	60%	Trading and provision of installation services for solar energy products and systems
Lee & Yong Aluminium Sdn. Bhd.	Malaysia	65%	Fabrication and installation of aluminium glazing, glass products and facade works
Trans United Sdn. Bhd.	Malaysia	100%	Rental of property
<u>Indirect subsidiary</u>			
* Lee & Yong Aluminium (Sarawak) Sdn. Bhd.	Malaysia	65%	Dormant

** held through Lee & Yong Aluminium Sdn. Bhd.*

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

SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

- (a) On 17 January 2023, the Company had entered into the following agreements with Yong Kuen Hwan ("the Vendor"):
- conditional share sale agreement for the acquisition of 162,500 ordinary shares in the share capital of Lee & Yong Aluminium Sdn. Bhd. ("LYASB") ("LYASB Sale Shares"), representing 65% equity interest in LYASB for a purchase consideration of RM17,200,000 ("SSA 1") of which RM8,100,000 is to be satisfied by cash and the remaining RM9,100,000 shall be satisfied via the issuance and allotment of 10,459,770 new ordinary shares in the Company at an issue price of RM0.87 per share ("Acquisition 1"); and
 - conditional share sale agreement for the acquisition of 29,184 ordinary shares in the share capital of Trans United Sdn. Bhd. ("TUSB"), representing 100% equity interest in TUSB for a cash purchase consideration of RM1,000,000 ("SSA 2") ("Acquisition 2").

On 12 May 2023, the Company entered into a supplemental share sale agreement with the Vendor to vary the number of ordinary shares of LYASB to be acquired pursuant to SSA 1 from 162,500 LYASB Sale Shares to 487,500 LYASB Sale Shares. There was no change to the equity interest in LYASB acquired (i.e. 65% equity interest in LYASB).

The Acquisition 1 and Acquisition 2 were completed on 8 September 2023.

- (b) On 15 January 2024, the Company had entered into a conditional share sale agreement with ETA Industries Sdn. Bhd. ("the Vendor") for the proposed acquisition of 1,743,000 ordinary shares in the share capital of ETA World Sdn. Bhd. ("ETAW"), representing 70% equity interest in ETAW for a purchase consideration of RM56,000,000, of which RM28,100,000 is to be satisfied by cash and the remaining RM27,900,000 shall be satisfied via the issuance and allotment of 30,000,000 new ordinary shares in the Company at an issue price of RM0.93 per share ("SSA") ("Proposed Acquisition").

On the same date, the Company had also entered into a Shareholders' Agreement with the Vendor for the purpose of regulating their relationship with one another and to record the terms agreed between them to govern the management and operations in relation to ETAW.

DIRECTORS' REPORT (CONT'D)

SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR (CONT'D)

On 15 July 2024, the Company announced that pursuant to the notice of mutual termination dated 15 July 2024, in consideration that the conditions precedent of the SSA have not been fulfilled within the stipulated time period, the Company and the Vendor have mutually agreed not to extend the period for the fulfilment of the conditions precedent of the SSA in relation to the Proposed Acquisition.

In view that the SSA has not been extended, the parties have agreed to terminate the SSA. The SSA shall be revoked, rescinded and be of no further force or effect whatsoever as at the date of notice of mutual termination and neither party shall have any further claim against the other pursuant to the SSA.

Consequential to the termination of the SSA, the Shareholders' Agreement shall likewise be terminated and no longer have any effect as at the date of notice of mutual termination and neither party shall have any further claim against the other pursuant to or under the Shareholders' Agreement.

- (c) On 3 September 2024, the Company had incorporated a wholly-owned subsidiary, namely Duroe Glass Sdn. Bhd. ("Duroe Glass"). Simultaneous with the incorporation of Duroe Glass, the Company had through Duroe Glass entered into an Assets Purchase Agreement ("APA") with Suria Kaca Sdn. Bhd. ("Suria Kaca" or the "Vendor"), for the acquisition of machineries and motor vehicles ("Assets") for a purchase consideration of RM3,000,000, of which RM2,996,500 is to be satisfied in cash and the remaining RM3,500 shall be via the issuance and allotment of 3,500 new ordinary shares in the share capital of Duroe Glass ("Consideration Shares") at an issue price of RM1 per Consideration Share to the Vendor's appointed nominee, i.e. Mr. Sim Han Kai ("Proposed Acquisition of Assets").

In conjunction with the Proposed Acquisition of Assets, the Company had, on the same date, entered into a Shareholders' Agreement with Mr. Sim, who is also the director and major shareholder of Suria Kaca, for the purpose of regulating their relationship with one another and to record the terms agreed between them to govern the management and operations in relation to Duroe Glass.

The Proposed Acquisition of Assets has been completed on 20 September 2024.

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng PLT, have expressed their willingness to continue in office.

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 12 December 2024.

.....
LIM CHIN HORNG
Director

.....
LIM SAW NEE
Director

STATEMENTS OF FINANCIAL POSITION

AS AT 31 AUGUST 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	37,202,799	21,274,569	–	–
Investment property	6	270,000	300,000	–	–
Intangible assets	7	15,694,546	–	–	–
Investment in subsidiaries	8	–	–	44,676,780	26,006,090
Total non-current assets		53,167,345	21,574,569	44,676,780	26,006,090
Current assets					
Inventories	9	17,295,194	12,274,973	–	–
Trade and other receivables	10	32,181,723	29,959,307	273,697	1,839,908
Current tax asset		4,200	–	–	–
Contract assets	11	5,790,378	–	–	–
Cash and short-term deposits	12	39,706,273	31,666,907	20,537,124	22,321,058
Total current assets		94,977,768	73,901,187	20,810,821	24,160,966
TOTAL ASSETS		148,145,113	95,475,756	65,487,601	50,167,056
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	13	65,126,405	50,623,949	65,126,405	50,623,949
Other reserves	14	(16,702,719)	(19,970,960)	–	–
Retained earnings/ (Accumulated losses)		65,857,592	54,806,806	131,711	(788,700)
		114,281,278	85,459,795	65,258,116	49,835,249
Non-controlling interests		4,743,479	(27,269)	–	–
TOTAL EQUITY		119,024,757	85,432,526	65,258,116	49,835,249
Non-current liabilities					
Loans and borrowings	15	1,862,955	164,417	–	–
Deferred tax liabilities	16	5,142,264	1,829,490	–	–
Total non-current liabilities		7,005,219	1,993,907	–	–
Current liabilities					
Loans and borrowings	15	7,287,449	194,619	–	–
Trade and other payables	17	11,555,740	6,516,034	204,771	312,805
Current tax liabilities		234,022	1,338,670	24,714	19,002
Contract liabilities	11	3,037,926	–	–	–
Total current liabilities		22,115,137	8,049,323	229,485	331,807
TOTAL LIABILITIES		29,120,356	10,043,230	229,485	331,807
TOTAL EQUITY AND LIABILITIES		148,145,113	95,475,756	65,487,601	50,167,056

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Revenue	18	103,539,942	75,908,860	2,000,000	1,000,000
Cost of sales		(75,559,874)	(50,948,312)	–	–
Gross profit		27,980,068	24,960,548	2,000,000	1,000,000
Other income	19	790,530	648,547	359,678	423,719
Administrative expenses		(11,424,087)	(6,770,137)	(1,366,502)	(1,305,545)
Distribution expenses		(1,049,654)	(979,235)	–	–
Net reversal of impairment losses/(impairment losses) on financial instruments		40,634	(66,204)	–	–
Operating profit		16,337,491	17,793,519	993,176	118,174
Finance costs	20	(453,389)	(17,438)	–	–
Profit before tax	21	15,884,102	17,776,081	993,176	118,174
Income tax expense	23	(4,205,166)	(4,712,207)	(72,765)	(70,919)
Profit for the financial year		11,678,936	13,063,874	920,411	47,255
Other comprehensive income, net of tax					
<i>Item that will not be reclassified subsequently to profit or loss</i>					
Net changes of revaluation reserve		3,356,594	1,563,881	–	–
Other comprehensive income for the financial year		3,356,594	1,563,881	–	–
Total comprehensive income for the financial year		15,035,530	14,627,755	920,411	47,255
Profit/(Loss) attributable to:					
Owners of the Company		10,962,433	13,064,466	920,411	47,255
Non-controlling interests		716,503	(592)	–	–
		11,678,936	13,063,874	920,411	47,255
Total comprehensive income/(loss) attributable to:					
Owners of the Company		14,319,027	14,628,347	920,411	47,255
Non-controlling interests		716,503	(592)	–	–
		15,035,530	14,627,755	920,411	47,255
Earnings per share attributable to owners of the Company (sen)					
- Basic	24	3.14	3.93		
- Diluted	24	3.13	3.91		

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



STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

	←----- Attributable to owners of the Company -----→					
	Note	Share capital RM	Revaluation reserve RM	Reorganisation reserve RM	Retained earnings RM	Total RM
					Non-controlling interests RM	Total equity RM
Group						
At 1 September 2022		43,330,082	4,355,222	(25,825,125)	41,677,402	63,537,581
Profit/(Loss) for the financial year		-	-	-	13,064,466	13,064,466
Other comprehensive income for the financial year		-	1,563,881	-	-	1,563,881
Total comprehensive income/(loss) for the financial year		-	1,563,881	-	13,064,466	14,628,347
Realisation of revaluation reserve		-	(64,938)	-	64,938	-
Transaction with owners						
Issuance of ordinary shares pursuant to warrants exercised	13	7,293,867	-	-	-	7,293,867
At 31 August 2023		50,623,949	5,854,165	(25,825,125)	54,806,806	85,459,795
					(26,677)	63,510,904
					(592)	13,063,874
					-	1,563,881
					(592)	14,627,755
					-	-
					-	7,293,867
					(27,269)	85,432,526

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

		<div style="text-align: center;">←----- Attributable to owners of the Company -----→</div>						
	Note	Share capital RM	Revaluation reserve RM	Reorganisation reserve RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
Group								
At 1 September 2023		50,623,949	5,854,165	(25,825,125)	54,806,806	85,459,795	(27,269)	85,432,526
Profit for the financial year		-	-	-	10,962,433	10,962,433	716,503	11,678,936
Other comprehensive income for the financial year		-	3,356,594	-	-	3,356,594	-	3,356,594
Total comprehensive income for the financial year		-	3,356,594	-	10,962,433	14,319,027	716,503	15,035,530
Realisation of revaluation reserve		-	(88,353)	-	88,353	-	-	-
Transactions with owners								
Issuance of ordinary shares pursuant to warrants exercised	13	4,931,766	-	-	-	4,931,766	-	4,931,766
Consideration shares issued for the acquisition of a subsidiary	13	9,570,690	-	-	-	9,570,690	-	9,570,690
Non-controlling interests arising from acquisition of a subsidiary	8	-	-	-	-	-	4,054,245	4,054,245
		14,502,456	-	-	-	14,502,456	4,054,245	18,556,701
At 31 August 2024		65,126,405	9,122,406	(25,825,125)	65,857,592	114,281,278	4,743,479	119,024,757

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

		Attributable to owners of the Company (Accumulated losses)/ Retained earnings		
	Note	Share capital RM	RM	Total equity RM
Company				
At 1 September 2022		43,330,082	(835,955)	42,494,127
Profit for the financial year, representing total comprehensive income for the financial year		–	47,255	47,255
Transaction with owners				
Issuance of ordinary shares pursuant to warrants exercised	13	7,293,867	–	7,293,867
At 31 August 2023		50,623,949	(788,700)	49,835,249
Profit for the financial year, representing total comprehensive income for the financial year		–	920,411	920,411
Transactions with owners				
Issuance of ordinary shares pursuant to warrants exercised	13	4,931,766	–	4,931,766
Consideration shares issued for the acquisition of a subsidiary	13	9,570,690	–	9,570,690
		14,502,456	–	14,502,456
At 31 August 2024		65,126,405	131,711	65,258,116

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2024

		Group		Company
Note	2024 RM	2023 RM	2024 RM	2023 RM
Cash flows from operating activities				
Profit before tax	15,884,102	17,776,081	993,176	118,174
Adjustments for:				
Amortisation of intangible assets	3,664,792	–	–	–
Depreciation of property, plant and equipment	1,662,080	659,475	–	–
Fair value loss on investment property	30,000	–	–	–
Finance costs	453,389	17,438	–	–
Gain on disposal of property, plant and equipment	(108,352)	–	–	–
Gain on lease modification	(11,128)	–	–	–
Interest income	(502,881)	(545,461)	(359,678)	(423,719)
Impairment losses on:				
- trade receivables	306,449	66,204	–	–
- other receivables	38,238	–	–	–
Inventories written down	80,571	–	–	–
Net unrealised foreign exchange (gain)/loss	(13,372)	1,319	–	–
Reversal of impairment losses on trade receivables	(385,321)	–	–	–
Written off of:				
- property, plant and equipment	944	–	–	–
- inventories	54,013	–	–	–
- trade receivables	15,299	265,870	–	–
Operating profit/(loss) before changes in working capital	21,168,823	18,240,926	633,498	(305,545)
<u>Changes in working capital:</u>				
Inventories	(3,050,416)	2,420,079	–	–
Trade and other receivables	(833,926)	(5,459,503)	(6,776)	(7,584)
Trade and other payables	1,116,150	(1,789,870)	(108,034)	217,272
Contract assets	(2,377,947)	24,518	–	–
Contract liabilities	2,185,049	–	–	–
Net cash generated from/(used in) operations	18,207,733	13,436,150	518,688	(95,857)
Income tax paid	(5,749,625)	(4,060,540)	(67,053)	(68,239)
Income tax refunded	350	–	–	–
Interest paid	(319,699)	–	–	–
Net cash flows from/(used in) operating activities	12,138,759	9,375,610	451,635	(164,096)

STATEMENTS OF CASH FLOWS (CONT'D)

		2024	Group	2023	Company	2023
	Note	RM	RM	RM	RM	RM
Cash flows from investing activities						
Purchase of property, plant and equipment	(a)	(3,808,309)	(10,277,709)	–	–	–
Proceeds from disposal of property, plant and equipment		110,300	–	–	–	–
Net change in pledged deposits		542,943	(120,000)	–	–	–
Interest income		430,573	488,257	359,678	423,719	
Net cash outflows for the acquisitions of subsidiaries	8(a)	(11,219,347)	–	(7,280,000)	–	–
Other investing activity	(b)	–	(1,820,000)	–	(1,820,000)	
Net cash flows used in investing activities		(13,943,840)	(11,729,452)	(6,920,322)	(1,396,281)	
Cash flows from financing activities						
Repayments of term loans	(c)	(409,284)	(160,601)	–	–	–
Repayments of lease liabilities	(c)	(167,152)	(76,202)	–	–	–
Drawdown of hire purchase payables	(c)	375,782	80,000	–	–	–
Repayment of hire purchase payables	(c)	(305,193)	(54,231)	–	–	–
Net changes in bankers' acceptances	(c)	3,507,000	–	–	–	–
Net change in amount owing by subsidiaries		–	–	(247,013)	3,039,698	
Proceeds from warrants conversion		4,931,766	7,293,867	4,931,766	7,293,867	
Net cash flows from financing activities		7,932,919	7,082,833	4,684,753	10,333,565	
Net increase/(decrease) in cash and cash equivalents		6,127,838	4,728,991	(1,783,934)	8,773,188	
Cash and cash equivalents at the beginning of the financial year		28,483,449	23,754,458	22,321,058	13,547,870	
Cash and cash equivalents at the end of the financial year	12	34,611,287	28,483,449	20,537,124	22,321,058	

STATEMENTS OF CASH FLOWS (CONT'D)

- (a) Purchase of property, plant and equipment:

	Note	2024 RM	Group 2023 RM
Purchase of property, plant and equipment	5	4,996,884	10,318,823
- Operating lease recognised as right-of-use assets		(429,504)	(41,114)
- Deferred payment		(759,071)	–
Cash payments on purchase of property, plant and equipment		3,808,309	10,277,709

- (b) The other investing activity of the Group and of the Company in the previous financial year representing 10% of the purchase consideration paid by the Company for the acquisitions of subsidiaries as disclosed in Note 10(d) and Note 29 to the financial statements.

- (c) The reconciliation of liabilities arising from financing activities are as follows:

	Term loans RM	Lease liabilities RM	Hire purchase payables RM	Group Bankers' acceptances RM
At 1 September 2022	234,074	138,592	144,627	–
Cash flows				
- Drawdown	–	–	80,000	–
- Repayment	(160,601)	(76,202)	(54,231)	–
Non-cash changes				
- Interest expenses	6,632	4,051	6,755	–
- Addition	–	41,114	–	–
- Others	–	–	(5,775)	–
At 31 August 2023	80,105	107,555	171,376	–
Acquisition of a subsidiary	1,539,447	27,933	638,232	1,268,000
Cash flows				
- Drawdown	–	–	375,782	9,124,000
- Repayment	(409,284)	(167,152)	(305,193)	(5,617,000)
Non-cash changes				
- Interest expenses	61,851	10,858	62,481	–
- Addition	–	429,504	–	–
- Lease modification	–	(15,811)	–	–
- Others	–	–	(1,500)	–
At 31 August 2024	1,272,119	392,887	941,178	4,775,000

- (d) During the financial year, the Group had total cash outflows for leases of RM384,228 (2023: RM182,792).

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Econframe Berhad (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 Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur. The principal place of business of the Company is located at No. 1 & 3, Jalan 27A, Kawasan 16, Sungai Rasau Industrial Area, 41300 Klang, Selangor.

The principal activity of the Company is 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 principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 12 December 2024.

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 the Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards (“IFRSs”) and the requirements of the Companies Act 2016 in Malaysia.

2.2 Adoption of amendments to MFRSs

The Group and the Company have adopted the following amendments to MFRSs for the current financial year:

Amendments to MFRSs

MFRS 101	Presentation of Financial Statements
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 112	Income Taxes

The adoption of the above amendments to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group’s and the Company’s existing accounting policies, except as discussed below:

Amendments to MFRS 101 Presentation of Financial Statements

The amendments require an entity to disclose its material accounting policy information rather than significant accounting policies. The amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements.

Accordingly, the Group and the Company disclosed their material accounting policy information in these financial statements. However, the amendments did not result in changes to the accounting policies of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. BASIS OF PREPARATION (CONT'D)**2.3 New MFRS and amendments to MFRSs that have been issued, but are yet to be effective**

- 2.3.1** The Group and the Company have not adopted the following new MFRS and amendments to MFRSs that have been issued, but are yet to be effective:

		Effective for financial year beginning on or after
<u>New MFRS</u>		
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
<u>Amendments to MFRSs</u>		
MFRS 7	Financial Instruments: Disclosures	1 January 2024/ 1 January 2026
MFRS 9	Financial Instruments	1 January 2026
MFRS 10	Consolidated Financial Statements	1 January 2026/ Deferred
MFRS 16	Leases	1 January 2024
MFRS 101	Presentation of Financial Statements	1 January 2024
MFRS 107	Statement of Cash Flows	1 January 2024/ 1 January 2026
MFRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2025

- 2.3.2** The Group and the Company plan to adopt the above applicable new MFRS and amendments to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments to MFRSs that may be applicable to the Group and the Company are summarised below.

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 replaces MFRS 101 *Presentation of Financial Statements*. It retains many requirements from MFRS 101 without modification.

MFRS 18 introduces two subtotals which are to be presented in the statement of profit or loss – including “operating profit”, which has been specifically defined. Income and expenses shall be presented in five categories: operating, investing, financing, income taxes and discontinued operations.

MFRS 18 requires disclosure of explanations of the entity’s company-specific measures that are related to the statement of profit or loss, referred to as management-defined performance measures (“MPMs”). The entity is required to reconcile MPMs to a total or subtotal required by MFRS 18 or another MFRS Accounting Standards. MFRS 18 also requires other disclosures, including how each MPM is calculated, what the MPM communication about the entity’s financial performance, and any changes made to the MPMs in the year.

MFRS 18 adds new principles for aggregation and disaggregation of information. It requires the entity to classify the expenses in the “operating” category in the profit or loss by nature or function, or both. The entity that classifies operating expenses by functions are required to disclose in the notes to the financial statements, the amount of depreciation, amortisation, employee benefits, impairment losses and write-downs of inventories included in each line in the operating category. Subject to materiality, MFRS 18 requires items presented or disclosed as “other” to be labelled and/or described in as faithfully representative and precise a way as possible.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. BASIS OF PREPARATION (CONT'D)**2.3 New MFRS and amendments to MFRSs that have been issued, but are yet to be effective (Cont'd)**

- 2.3.2** The Group and the Company plan to adopt the above applicable new MFRS and amendments to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments to MFRSs that may be applicable to the Group and the Company are summarised below (Cont'd).

Amendments to MFRS 101 Presentation of Financial Statements

The amendments include specifying that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period; clarifying that classification of liability is unaffected by the likelihood of the entity to exercise its right to defer settlement of the liability for at least twelve months after the reporting period; clarifying how lending conditions affect classification of a liability; and clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

The latest amendments to MFRS 101 clarify how conditions with which an entity must comply within 12 months after the reporting period affect the classification of a liability. As such, the amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require an entity to disclose information about these covenants in the notes to the financial statements.

Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures

Amendments to MFRS 107 and MFRS 7 respond to investors' concerns that some supplier finance arrangements – also referred to as supply chain finance, trade payables finance or reverse factoring arrangements – used by entities are not sufficiently visible, hindering investors' analysis.

The disclosure requirements require entities to disclose information that would enable users of financial statements to assess how supplier finance arrangements affect an entity's operations; including the effects supplier finance arrangements have on an entity's liability, cash flows and exposures to liquidity risk. The new disclosure requirements would also inform users of financial statements on how an entity might be affected if the arrangements were no longer available to it.

- 2.3.3** The financial effects of the adoption of the applicable new MFRS and amendments to MFRSs that have been issued, but are yet to be effective are currently being assessed by the Group and the Company.

2.4 Functional and presentation currency

The financial statements of the Group and of the Company are measured using the currency of the primary economic environment in which it operates ("the functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Group's and the Company's functional currency.

2.5 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION

Unless otherwise stated, the following material accounting policy information have been applied consistently to all the financial years presented in the financial statements of the Group and of the Company.

3.1 Basis of consolidation**(a) Subsidiaries and business combination**

The Group applies the acquisition method to account for business combinations from the acquisition date when the acquired set of activities meets the definition of a business and control is transferred to the Group.

(b) Non-controlling interests

At the acquisition date, components of non-controlling interests of the Group are measured at their acquisition-date fair values.

3.2 Separate financial statements

In the Company's statements of financial position, investment in subsidiaries is measured at cost less any accumulated impairment losses.

3.3 Financial instruments**Financial assets - subsequent measurement and gains and losses**Debt instruments at amortised cost

The Group and the Company subsequently measure these assets at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities – subsequent measurement and gains and losses

The Group and the Company subsequently measure financial liabilities at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3.4 Property, plant and equipment

Property, plant and equipment (other than freehold lands and buildings and leasehold lands (right-of-use assets)) are measured at cost less accumulated depreciation and any accumulated impairment losses.

Freehold lands and buildings and leasehold lands (right-of-use assets) are measured using revaluation model, based on valuations by external independent valuers, less accumulated depreciation on buildings and leasehold lands (right-of-use assets) and any accumulated impairment losses recognised after the date of revaluation. The gross carrying amount is restated and the difference compared to the revalued amount of asset is absorbed by the accumulated depreciation.

The revaluation reserve is transferred to retained earnings as the assets are used. The amount of revaluation reserve transferred is the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost.

Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**3.4 Property, plant and equipment (Cont'd)**

Freehold land has an unlimited useful life and therefore is not depreciated. Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

All other property, plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

	Useful lives (years)
Buildings	46 - 50
Plant and machineries	10
Motor vehicles	5
Furniture and fittings	10
Office equipment	10
Computer software and hardware	5
Renovation	10

3.5 Leases**Lessee accounting**

The Group presents right-of-use assets ("ROU assets") that do not meet the definition of investment property as property, plant and equipment in Note 5 to the financial statement and lease liabilities as loans and borrowings in Note 15 to the financial statements.

Short-term leases and leases of low value assets

The Group has elected not to recognise ROU assets and lease liabilities for short-term leases (defined as lease with a lease term of 12 months or less) and leases of low value assets. The Group recognises the lease payments as an operating expense on a straight-line basis over the lease term.

ROU assets

The ROU assets (other than leasehold lands that measure using revaluation model) are measured at cost less accumulated depreciation and any accumulated impairment losses and adjust for any remeasurement of the lease liabilities. The ROU assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU assets or the end of the lease term.

Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate.

The Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

3.6 Intangible assets

Intangible assets, other than goodwill which has finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

The intangible assets are amortised using the percentage of completion method.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**3.7 Inventories**

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

Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- raw materials: purchase costs on a first-in first-out basis.
- finished goods: purchase costs on a first-in first-out basis.

3.8 Revenue and other incomeFinancing components

The Group has applied the practical expedient for not to adjust the promised amount of consideration for the effects of a significant financing components if the Group expects that the period between the transfer of the promised goods or services to the customer and payment by the customer will be one year or less.

(a) Sale of goods

The Group manufactures and sells building material and hardware. Revenue from sale of manufactured goods are recognised at the point in time when control of the products has been transferred, being when the customer accepts the delivery of the goods.

The Group also sells electronic and solar energy products and systems. Revenue from sale of electronic and solar energy products and systems are recognised at the point in time when control of the products has been transferred, being when the customer accepts the delivery of the goods.

Sales are made with credit terms of 30 to 120 days, therefore, no element of financing is deemed present. A receivable is recognised when the customer accepts the delivery of the goods as the consideration is unconditional other than the passage of time before the payment is due.

It is the Group's obligation to repair or replace faulty products under different warranty terms to customers.

(b) Fabrication and installation of aluminium and glazing works

The Group fabricates and installs aluminium and glazing works. Fabrication and installation service contracts may comprise multiple deliverables that are highly integrated and therefore accounted for as a single performance obligation. Where the deliverables within the contracts are not highly integrated, they are recognised as separate performance obligation.

Under the terms of the contracts, control is transferred over time as the Group's performance does not create an asset with an alternate use to the Group. The Group has an enforceable right to payment for performance completed to-date. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of a performance obligation is determined by the proportion of fabrication and installation costs incurred for work performed to-date bear to the estimated total fabrication and installation costs (an input method).

Billings are made with a credit term of 30 to 90 days, therefore, no element of financing is deemed present. The Group becomes entitled to invoice customers for fabrication and installation of aluminium and glazing works based on achieving a series of performance-related milestones.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.8 Revenue and other income (Cont'd)

(b) Fabrication and installation of aluminium and glazing works (Cont'd)

The Group recognises a contract asset for any excess of revenue recognised to-date over the billings-to-date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point when an invoice is issued or timing for billing is due to passage of time. If the milestone billing exceeds the revenue recognised to date and any deposit or advances received from customers, then the Group recognises contract liability for the difference.

Based on the terms of the contracts with certain customers, the defect liability period is usually 24 months from the date of certificate of practical completion as provided in the contracts with customers.

(c) Interest income

Interest income is recognised using the effective interest method.

(d) Dividends income

Dividends income is recognised when the right to receive payment is established.

(e) Rental income

Rental income is recognised on straight-line basis over the lease term.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

(a) Impairment of trade receivables and contract assets

The impairment provisions for trade receivables and contract assets are based on assumptions about the risk of default and expected loss rate. The Group uses judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

The assessment of the correlation between historical observed default rates, forward-looking estimates and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and forecast of economic conditions over the expected lives of the trade receivables and contract assets. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of counterparties' actual default in the future.

The information about the impairment losses on the Group's trade receivables and contract assets is disclosed in Note 25(b) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)**(b) Business combination**

During the financial year, the Group acquired Lee & Yong Aluminium Sdn. Bhd. and its subsidiary and Trans United Sdn. Bhd. through a transaction with a third party.

In accounting for the Lee & Yong Aluminium Sdn. Bhd. and its subsidiary under MFRS 3, the fair values of the identifiable assets and liabilities acquired, including intangible assets, are recognised. The determination of the fair values of acquired assets and liabilities assumed is based on directors' judgement. Any changes in these assumptions will have an impact on the carrying amounts of the acquired assets and liabilities assumed.

The fair values of the acquired assets and liabilities assumed are disclosed in Note 8 to the financial statements.

(c) Impairment of goodwill on consolidation

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value-in-use of the cash generating unit to which goodwill is allocated. When value-in-use calculations are undertaken, the Group uses its judgement to decide the discount rates to be applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projections. Cash flows that are projected based on those inputs or assumptions may have a significant effect on the Group's financial position and results if the actual cash flows are less than the expected.

The carrying amount of the Group's goodwill and key assumptions used to determine the recoverable amount for the cash-generating unit, including sensitivity analysis, are disclosed in Note 7 to the financial statements.

(d) Revenue recognition for contract customers

The Group recognised fabrication and installation revenue in profit or loss by using the progress towards complete satisfaction of performance obligation. The progress towards complete satisfaction of performance obligation is determined by the proportion that fabrication and installation costs incurred for work performed to-date bear to the estimated total fabrication and installation costs.

Significant judgement is required in determining the progress towards complete satisfaction of performance obligation, the extent of the fabrication and installation costs incurred, the estimated total fabrication and installation revenue and costs, as well as the recoverability of the fabrication and installation projects. In making the judgement, the Group evaluates based on past experience and reasonable assumptions.

The carrying amounts of the Group's contract assets and contract liabilities are disclosed in Note 11 to the financial statements.

(e) Investment in subsidiaries

The Company assesses whether there is any indication that the cost of investment in subsidiaries is impaired at the end of each reporting date. Impairment is measured by comparing the carrying amount of an asset with its recoverable amount. Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use. The value-in-use involves exercise of judgement on the discount rate applied and the assumptions supporting the underlying cash flow projection which includes future sales, gross profit margin and other operating expenses.

The carrying amount of investment in subsidiaries are disclosed in Note 8 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT

Group	Note	Freehold lands RM	Buildings RM	Plant and machineries RM	Motor vehicles RM	Furniture and fittings RM	Office equipment RM	Computer software and hardware RM	Renovation RM	Assets under construction RM	Right-of- use assets RM	Total RM
Cost/revaluation												
At 1 September 2022		5,120,000	3,320,000	2,402,809	1,524,830	325,843	335,539	175,212	562,237	-	200,430	13,966,900
Additions		-	3,851,950	1,264,892	148,000	72,736	6,340	45,500	274,416	-	4,654,989	10,318,823
Revaluation surplus		-	850,850	-	-	-	-	-	-	-	1,019,150	1,870,000
At 31 August 2023		5,120,000	8,022,800	3,667,701	1,672,830	398,579	341,879	220,712	836,653	-	5,874,569	26,155,723
Acquisition of subsidiaries	8(a)	-	4,404,244	2,983,006	3,517,537	348,459	255,925	476,972	413,604	-	2,225,250	14,624,997
Additions		-	-	2,916,286	421,526	26,468	18,939	231,662	84,890	867,609	429,504	4,996,884
Disposals		-	-	-	(855,148)	-	-	-	-	-	-	(855,148)
Derecognition		-	-	-	-	-	-	-	-	-	(111,350)	(111,350)
Written off		-	-	(422,240)	(182,546)	(18,622)	(96,847)	(43,605)	(6,054)	-	-	(769,914)
Lease modification		-	-	-	-	-	-	-	-	-	(32,879)	(32,879)
Revaluation surplus		1,010,000	841,889	-	-	-	-	-	-	-	2,566,369	4,418,258
At 31 August 2024		6,130,000	13,268,933	9,144,753	4,574,199	754,884	519,896	885,741	1,329,093	867,609	10,951,463	48,426,571
Accumulated depreciation												
At 1 September 2022		-	245,422	1,779,229	1,200,716	224,148	228,165	128,326	351,956	-	63,717	4,221,679
Depreciation charge for the financial year	21	-	149,719	135,905	116,656	20,313	17,699	21,490	43,827	-	153,866	659,475
At 31 August 2023		-	395,141	1,915,134	1,317,372	244,461	245,864	149,816	395,783	-	217,583	4,881,154
Acquisition of subsidiaries	8(a)	-	54,244	2,056,237	3,138,014	252,105	122,713	421,273	291,808	-	105,860	6,442,254
Depreciation charge for the financial year	21	-	281,238	559,044	221,371	48,291	44,190	81,666	98,874	-	327,406	1,662,080
Disposals		-	-	-	(853,200)	-	-	-	-	-	-	(853,200)
Derecognition		-	-	-	-	-	-	-	-	-	(111,350)	(111,350)
Written off		-	-	(422,240)	(182,546)	(17,999)	(96,847)	(43,605)	(5,733)	-	-	(768,970)
Lease modification		-	-	-	-	-	-	-	-	-	(28,196)	(28,196)
At 31 August 2024		-	730,623	4,108,175	3,641,011	526,858	315,920	609,150	780,732	-	511,303	11,223,772

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

Group	Note	Freehold lands RM	Buildings RM	Plant and machineries RM	Motor vehicles RM	Furniture and fittings RM	Office equipment RM	Computer software and hardware RM	Renovation RM	Assets under construction RM	Right-of- use assets RM	Total RM
Net carrying amount												
At 31 August 2023												
- At cost		-	-	1,752,567	355,458	154,118	96,015	70,896	440,870	-	105,304	2,975,228
- At revaluation		5,120,000	7,627,659	-	-	-	-	-	-	-	5,551,682	18,299,341
		5,120,000	7,627,659	1,752,567	355,458	154,118	96,015	70,896	440,870	-	5,656,986	21,274,569
At 31 August 2024												
- At cost		-	-	5,036,578	933,188	228,026	203,976	276,591	548,361	867,609	386,214	8,480,543
- At revaluation		6,130,000	12,538,310	-	-	-	-	-	-	-	10,053,946	28,722,256
		6,130,000	12,538,310	5,036,578	933,188	228,026	203,976	276,591	548,361	867,609	10,440,160	37,202,799

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**(a) Assets pledged as security**

	2024 RM	Group 2023 RM
Freehold lands	–	5,120,000
Buildings	4,249,125	2,992,771
Right-of-use assets:		
- Leasehold lands	2,053,946	–
	6,303,071	8,112,771

Lands and buildings and right-of-use assets have been pledged as security to secure credit facilities of the Group as disclosed in Note 15(a) to the financial statements.

Plant and machineries and motor vehicles with carrying amounts of RM297,199 and RM905,896, respectively (2023: motor vehicles with carrying amount of RM306,200), have been pledged as security for hire purchase arrangement as disclosed in Note 15(c) to the financial statements.

(b) Right-of-use assets

The Group leases several assets including leasehold lands, warehouses and hostels.

Information about leases for which the Group is a lessee are presented below:

	Leasehold lands (At revaluation) RM	Warehouses (At cost) RM	Hostels (At cost) RM	Total RM
Group				
Carrying amount				
At 1 September 2022	–	–	136,713	136,713
Additions	4,613,875	–	41,114	4,654,989
Depreciation	(81,343)	–	(72,523)	(153,866)
Revaluation surplus	1,019,150	–	–	1,019,150
At 31 August 2023	5,551,682	–	105,304	5,656,986
Acquisition of subsidiaries	2,092,373	–	27,017	2,119,390
Additions	–	349,693	79,811	429,504
Depreciation	(156,478)	(70,846)	(100,082)	(327,406)
Lease modification	–	–	(4,683)	(4,683)
Revaluation surplus	2,566,369	–	–	2,566,369
At 31 August 2024	10,053,946	278,847	107,367	10,440,160

The Group leases lands for its manufacturing facilities and warehousing. The leases for lands have lease term between 46 to 69 years.

The leases for warehouses and hostels generally have lease term between 2 to 3 years.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**(c) Fair value information**

Fair value of lands and buildings and right-of-use assets are categorised as follows:

	2024 RM	Group Level 3 2023 RM
Freehold lands	6,130,000	5,120,000
Buildings	12,538,310	7,627,659
Right-of-use assets: - Leasehold lands	10,053,946	5,551,682
	28,722,256	18,299,341

There are no Level 1 and Level 2 lands and buildings and right-of-use assets or transfers between Level 1, Level 2 and Level 3 during the financial year.

Level 3 fair value

Level 3 fair value of lands and buildings and right-of-use assets have been derived using the sales comparison approach. Sales price of comparable property in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square feet of comparable property.

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Description	Valuation technique	Significant unobservable inputs	Relationship of unobservable inputs to fair value	Date of valuation report
Freehold lands	Sales comparison approach	Price per square feet ranging from RM199 to RM234 (2023: ranging from RM154 to RM206)	The higher the price per square feet, the higher the fair value	16 August 2024
Buildings	Sales comparison approach	Price per square feet ranging from RM76 to RM355 (2023: ranging from RM76 to RM130)	The higher the price per square feet, the higher the fair value	20 April 2024/ 8 August 2024/ 11 August 2024/ 16 August 2024
Right-of-use assets: - Leasehold lands	Sales comparison approach	Price per square feet ranging from RM29 to RM499 (2023: RM100)	The higher the price per square feet, the higher the fair value	20 April 2024/ 8 August 2024/ 11 August 2024

Valuation processes applied by the Group

The fair value of lands and buildings and right-of-use assets were determined by various external independent property valuers, all are members of the Institute of Valuers in Malaysia, with appropriate recognised professional qualifications and recent experience in the location and category of property being valued. There has been no change to the valuation technique during the financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

- (d) Had the revalued lands and buildings and right-of-use assets been carried at historical cost less accumulated depreciation less accumulated impairment loss, the net carrying amount of the lands and buildings and right-of-use asset that would have been included in the financial statements of the Group are as follows:

	2024 RM	Group 2023 RM
Freehold lands	2,646,577	2,646,577
Buildings	5,822,068	4,197,608
Right-of-use assets:		
- Leasehold lands	4,852,642	4,547,249
	13,321,287	11,391,434

6. INVESTMENT PROPERTY

	2024 RM	Group 2023 RM
At fair value:		
At 1 September	300,000	300,000
Changes in fair value	(30,000)	–
At 31 August	270,000	300,000

In the previous financial year, investment property with a carrying amount of RM300,000 has been pledged as security to secure credit facilities of the Group as disclosed in Note 15 to the financial statements.

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

	2024 RM	Group 2023 RM
Rental income	1,500	–
Direct operating expenses:		
- income generating	275	–
- non-income generating	3,050	1,910

Fair value information

Fair value of investment property is categorised as follows:

	2024 RM	Group Level 3 2023 RM
Building	270,000	300,000

There are no transfers between Level 1, Level 2 and Level 3 during the financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6. INVESTMENT PROPERTY (CONT'D)**Level 3 fair value**

Level 3 fair value of investment property has been derived using the sales comparison approach. Sales price of comparable property in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square feet of comparable property.

The following table shows the valuation technique used in the determination of fair value within Level 3, as well as the significant unobservable input used in the valuation model.

Description	Valuation technique	Significant unobservable inputs	Relationship of unobservable inputs to fair value	Date of valuation report
Building	Sales comparison approach	Price per square feet RM600 (2023: RM667)	The higher the price per square feet, the higher the fair value	16 August 2024

Valuation processes applied by the Group

The fair value of investment property was determined by an external independent property valuer, a member of the Institute of Valuers in Malaysia, with appropriate recognised professional qualifications and recent experience in the location and category of property being valued. There has been no change to the valuation technique during the financial year.

Highest and best use

In estimating the fair value of the property, the highest and best use of the property is its current use.

7. INTANGIBLE ASSETS

	Note	Goodwill on consolidation RM	Customer relationship contracts RM	Total RM
Group Cost				
At 1 September 2023		—	—	—
Acquisition of a subsidiary	8(a)	10,068,781	9,290,557	19,359,338
At 31 August 2024		10,068,781	9,290,557	19,359,338
Accumulated amortisation				
At 1 September 2023		—	—	—
Amortisation charge for the financial year	21	—	3,664,792	3,664,792
At 31 August 2024		—	3,664,792	3,664,792
Carrying amount				
At 1 September 2023		—	—	—
At 31 August 2024		10,068,781	5,625,765	15,694,546

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7. INTANGIBLE ASSETS (CONT'D)

On 8 September 2023, the Company completed the acquisition of 65% equity interest in Lee & Yong Aluminium Sdn. Bhd. ("LYASB") for a total purchase consideration of RM17,200,000. The Group has engaged an independent valuation firm to assist in the purchase price allocation ("PPA") exercise.

Details of net assets acquired and goodwill arising on the above acquisition are disclosed in Note 8(a) to the financial statements.

(a) Goodwill on consolidation

Management reviews the business performance based on the type of products and services of the strategic business units which represent its reportable operating segments. For the purpose of impairment testing, goodwill acquired through business combination is allocated to the Group's cash generating unit ("CGU") which are also reportable operating segments, which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The carrying amount of goodwill allocated to CGU is as follows:

	2024 RM	Group 2023 RM
LYASB	10,068,781	–

Goodwill is assessed for impairment at each reporting date regardless of any indication of impairment by comparing the carrying amount with the recoverable amount of each CGU.

The recoverable amount of the CGU was determined based on value-in-use ("VIU") calculations using cash flows projections from financial budgets and forecasts approved by management covering a three-year period.

The pre-tax discount rate applied to the cash flows projections is as follows:

	2024 RM	Group 2023 RM
Discount rate	15.45%	–

Key assumptions used in the VIU calculations for goodwill are as follows:

- (i) the basis used to determine the future potential earnings are historical revenues, remaining book orders and possible future developments;
- (ii) Gross margin is the forecasted margin as a percentage of revenue over the three-year projection period. These are based on the average gross margins of the existing projects; and
- (iii) Discount rate was estimated based on the industry weighted average cost of capital. The discount rate applied to the cash flow projections is pre-tax and reflects management's estimate of the risks specific to the CGUs at the date of assessment.

Based on the sensitivity analysis performed, the Group is of the opinion that there are no reasonable possible changes in key assumptions which would cause the carrying values of the CGU to exceed its recoverable amount.

(b) Customer relationship contracts

The acquisition of LYASB resulted in the recognition of the customer relationship contracts of RM9,290,557. The customer relationship contracts are amortised using the percentage of completion method and is included in costs of sales.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. INVESTMENT IN SUBSIDIARIES

	Company	
	2024 RM	2023 RM
At cost:		
Unquoted shares	44,676,780	26,006,090

Details of the subsidiaries are as follows:

Name of company	Country of incorporation	Ownership interest		Principal activities
		2024	2023	
<u>Direct subsidiaries</u>	Malaysia	100%	100%	Manufacturing and sales of doors, door and window frames and trading of ironmongery
Econframe Marketing Sdn. Bhd.				
Econframe Pre-Hung Doors Sdn. Bhd.	Malaysia	100%	100%	Trading of doors
Eframe Technology Sdn. Bhd.	Malaysia	100%	100%	Trading of electronics and electrical systems and accessories
Eframe Solartech Sdn. Bhd.	Malaysia	60%	60%	Trading and provision of installation services for solar energy products and systems
Lee & Yong Aluminium Sdn. Bhd.	Malaysia	65%	–	Fabrication and installation of aluminium glazing, glass products and facade works
Trans United Sdn. Bhd.	Malaysia	100%	–	Rental of property
<u>Indirect subsidiary</u>	Malaysia	65%	–	Dormant
* Lee & Yong Aluminium (Sarawak) Sdn. Bhd.				

* held through Lee & Yong Aluminium Sdn. Bhd.

(a) Acquisitions of subsidiaries

On 17 January 2023, the Company entered into the following agreements with Yong Kuen Hwan ("the Vendor"):

- i. conditional share sale agreement for the acquisition of 162,500 ordinary shares in the share capital of Lee & Yong Aluminium Sdn. Bhd. ("LYASB") ("LYASB Sale Shares"), representing 65% equity interest in LYASB for a purchase consideration of RM17,200,000 ("SSA 1") of which RM8,100,000 is to be satisfied by cash and the remaining RM9,100,000 shall be satisfied via the issuance and allotment of 10,459,770 new ordinary shares ("Consideration Shares") in the Company at an issue price of RM0.87 per share ("Acquisition of LYASB"); and
- ii. conditional share sale agreement for the acquisition of 29,184 ordinary shares in the share capital of Trans United Sdn. Bhd. ("TUSB"), representing 100% equity interest in TUSB for a cash purchase consideration of RM1,000,000 ("SSA 2") ("Acquisition of TUSB").

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. INVESTMENT IN SUBSIDIARIES (CONT'D)**(a) Acquisitions of subsidiaries (Cont'd)**

On 12 May 2023, the Company entered into a supplemental share sale agreement with the Vendor to vary the number of ordinary shares of LYASB to be acquired pursuant to SSA 1 from 162,500 LYASB Sale Shares to 487,500 LYASB Sale Shares. There was no change to the equity interest in LYASB acquired (i.e. 65% equity interest in LYASB).

In consideration of the Company acquiring the LYASB Sale Shares, the Vendor has provided a 3-year profit guarantee to be achieved for LYASB for the 12-months financial period ending 31 August 2024, 31 August 2025 and 31 August 2026 (collectively "Guaranteed Period"). Under the terms of the profit guarantee, the Vendor unconditionally and irrevocably covenants with and undertakes to the Company that LYASB shall achieve an audited profit after tax of not less than RM4,000,000 for each of the 12-months financial period and a minimum cumulative profit after tax of not less than RM12,000,000 for the Guaranteed Period.

On 8 September 2023, the Company completed the Acquisition of LYASB and Acquisition of TUSB for purchase consideration of RM17,670,690 and RM1,000,000 respectively, as follows:

	Acquisition of LYASB RM	Acquisition of TUSB RM	Total RM
Fair value of purchase consideration			
Cash consideration	8,100,000	1,000,000	9,100,000
Shares consideration	9,570,690	–	9,570,690
	17,670,690	1,000,000	18,670,690

The fair value of the Consideration Shares was determined on the basis of the closing market share price of the Company of RM0.915 per share at the date of the completion of the Acquisition of LYASB.

The fair value of the identifiable assets and liabilities of LYASB and TUSB at the date of acquisition were as follows:

	LYASB RM	TUSB RM	Elimination RM	Total RM
Property, plant and equipment	7,090,370	1,092,373	–	8,182,743
Intangible assets	9,290,557	–	–	9,290,557
Inventories	2,104,389	–	–	2,104,389
Trade and other receivables	3,110,559	–	72,596	3,183,155
Current tax asset	505,864	–	–	505,864
Contract assets	3,412,431	–	–	3,412,431
Cash and short-term deposits	956,288	12,077	–	968,365
Deferred tax liabilities	(3,191,864)	–	–	(3,191,864)
Loans and borrowings	(7,768,381)	–	–	(7,768,381)
Trade and other payables	(3,073,778)	(104,079)	–	(3,177,857)
Current tax liability	–	(371)	–	(371)
Contract liabilities	(852,877)	–	–	(852,877)
Total identifiable net assets acquired	11,583,558	1,000,000	72,596	12,656,154
Less: Non-controlling interests at fair value	(4,054,245)	–	–	(4,054,245)
Goodwill arising from acquisition (Note 7)	10,141,377	–	(72,596)	10,068,781
Fair value of purchase consideration transferred	17,670,690	1,000,000	–	18,670,690

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. INVESTMENT IN SUBSIDIARIES (CONT'D)**(a) Acquisitions of subsidiaries (Cont'd)**

The effect of the acquisitions on cash flows of the Group is as follows:

	Acquisition of LYASB RM	Acquisition of TUSB RM	Total RM
Fair value of purchase consideration transferred	17,670,690	1,000,000	18,670,690
Less: non-cash consideration	(9,570,690)	–	(9,570,690)
Consideration paid in cash	8,100,000	1,000,000	9,100,000
Less: cash deposits paid	(1,720,000)	(100,000)	(1,820,000)
Less: cash and cash equivalents acquired	(343,345)	(12,077)	(355,422)
Add: bank overdrafts	4,294,769	–	4,294,769
Net cash outflows on acquisitions	10,331,424	887,923	11,219,347

Effects of acquisitions in statements of comprehensive income

From the date of acquisition and if the acquisition had occurred on 1 September 2023, the subsidiaries' contributed revenue and profit net of tax are as follows:

	LYASB RM	TUSB RM
Revenue	31,634,765	30,000
Profit for the financial year	4,860,175	682,758

(b) Non-controlling interests in subsidiaries

The financial information of the Group's and the Company's subsidiaries that has non-controlling interests are as follows:

Equity interest held by non-controlling interests:

Name of company	Country of incorporation	Ownership interest	
		2024	2023
Eframe Solartech Sdn. Bhd.	Malaysia	40%	40%
Lee & Yong Aluminium Sdn. Bhd. and its subsidiary	Malaysia	35%	–

Carrying amount of non-controlling interests:

Name of company	2024 RM	2023 RM
Eframe Solartech Sdn. Bhd.	(32,782)	(27,269)
Lee & Yong Aluminium Sdn. Bhd. and its subsidiary	4,776,261	–
	4,743,479	(27,269)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. INVESTMENT IN SUBSIDIARIES (CONT'D)**(b) Non-controlling interests in subsidiaries (Cont'd)**

The financial information of the Group's and the Company's subsidiaries that has non-controlling interests are as follows (Cont'd):

Profit/(Loss) allocated to non-controlling interests:

Name of company	2024 RM	2023 RM
Eframe Solartech Sdn. Bhd.	(5,513)	(592)
Lee & Yong Aluminium Sdn. Bhd. and its subsidiary	722,016	–
	716,503	(592)

(c) Summarised financial information of non-controlling interests

The summarised financial information (before intra-group elimination) of the Group's and the Company's subsidiaries that has non-controlling interests are as follows:

	Eframe Solartech Sdn. Bhd. RM	Lee & Yong Aluminium Sdn. Bhd. and its subsidiary RM
Summarised statements of financial position		
As at 31 August 2024		
Non-current assets	–	12,989,239
Current assets	125,084	20,012,416
Non-current liabilities	–	(3,888,838)
Current liabilities	(207,038)	(15,466,356)
	(81,954)	13,646,461
Summarised statements of comprehensive loss		
Financial year/period ended 31 August 2024		
Profit for the financial year/period, representing total comprehensive (loss)/income for the financial year/period	(13,781)	2,062,903
Summarised statements of cash flows		
Financial year/period ended 31 August 2024		
Cash flows (used in)/from operating activities	(14,169)	336,259
Cash flows from investing activities	–	68,252
Cash flows from financing activities	–	2,755,265
	(14,169)	3,159,776

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. INVESTMENT IN SUBSIDIARIES (CONT'D)**(c) Summarised financial information of non-controlling interests (Cont'd)**

The summarised financial information (before intra-group elimination) of the Group's and the Company's subsidiaries that has non-controlling interests are as follows (Cont'd):

	Eframe Solartech Sdn. Bhd. RM
Summarised statement of financial position	
As at 31 August 2023	
Current assets	139,247
Current liabilities	(207,420)
	(68,173)
Summarised statement of comprehensive loss	
Financial year ended 31 August 2023	
Loss for the financial year, representing total comprehensive loss for the financial year	(1,481)
Summarised statement of cash flows	
Financial year ended 31 August 2023	
Cash flows from operating activities	22,200
Cash flows from investing activity	–
Cash flows from financing activity	–
	22,200

9. INVENTORIES

	2024 RM	Group 2023 RM
At cost:		
Raw materials	14,018,688	9,878,874
Finished goods	3,276,506	2,396,099
	17,295,194	12,274,973

- (a) The cost of inventories of the Group recognised as an expense in cost of sales during the financial year was RM57,677,533 (2023: RM44,500,563).
- (b) The cost of inventories of the Group recognised as an expense in cost of sales during the financial year in respect of write-down inventories to net realisable value and inventories written off were RM80,571 (2023: Nil) and RM54,013 (2023: Nil), respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

10. TRADE AND OTHER RECEIVABLES

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Current:					
Trade					
Trade receivables	(a)	29,062,921	26,043,850	–	–
Retention sum	(b)	3,430,238	–	–	–
Less: Impairment losses	(a)	(1,854,147)	(66,204)	–	–
		30,639,012	25,977,646	–	–
Non-trade					
Other receivables		52,106	–	6,201	–
Less: Impairment loss	(c)	(38,238)	–	–	–
		13,868	–	6,201	–
Deposits	(d)	875,435	2,876,798	–	1,820,000
Prepayments		653,408	1,104,863	20,483	19,908
Amount owing by a subsidiary	(e)	–	–	247,013	–
		1,542,711	3,981,661	273,697	1,839,908
Total trade and other receivables		32,181,723	29,959,307	273,697	1,839,908

- (a) Trade receivables are non-interest bearing and normal credit terms offered by the Group ranging from 30 days to 120 days (2023: 30 days to 120 days) from the date of invoices. Other credit terms are assessed and approved on a case-by-case basis.

Trade receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of trade receivables are as follows:

	Group	
	2024 RM	2023 RM
At 1 September	66,204	–
Acquisition of a subsidiary	1,866,815	–
Charged for the financial year	306,449	66,204
Reversal of impairment losses	(385,321)	–
At 31 August	1,854,147	66,204

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

10. TRADE AND OTHER RECEIVABLES (CONT'D)

- (b) Retention sum relates to fabrication and installation work-in-progress. Retention sum is unsecured and interest free. The retention sum is receivable upon the expiry of defect liability period as provided in the contracts with the customers, and is expected to be collected as follows:

	2024 RM	Group 2023 RM
Within one year	1,002,526	–
Later than one year	2,427,712	–
	3,430,238	–

- (c) The Group's other receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of other receivables are as follows:

	2024 RM	Group 2023 RM
At 1 September	–	–
Charged for the financial year	38,238	–
At 31 August	38,238	–

- (d) Included in deposits of the Group and of the Company at the end of the previous financial year was an amount of RM1,820,000 representing 10% of the purchase consideration paid by the Company for the acquisition of subsidiaries as disclosed in Note 29 to the financial statements.

- (e) Amount owing by a subsidiary is unsecured, non-interest bearing, repayable on demand and is expected to be settled in cash.

The information about the credit exposures are disclosed in Note 25(b)(i) to the financial statements.

11. CONTRACT ASSETS/(CONTRACT LIABILITIES)

	Note	2024 RM	Group 2023 RM
Contract assets			
- Fabrication and installation of aluminium and glazing works	(a)	5,756,424	–
- Installation of electronics and electrical systems and accessories		33,954	–
		5,790,378	–
Contract liabilities			
- Fabrication and installation of aluminium and glazing works	(b)	(3,037,926)	–
Net amount		2,752,452	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

11. CONTRACT ASSETS/(CONTRACT LIABILITIES) (CONT'D)

- (a) The contract assets represent the Group's right to consideration for work performed for fabrication and installation contracts but yet to be billed. Contract assets are transferred to receivables when the Group issues progress billings to customers. Typically, the amount will be billed within 30 days and payments are expected within 30 to 90 days.
- (b) The contract liabilities represent progress billings and deposits received for fabrication and installation contracts for which performance obligations have not been satisfied. The contract liabilities are expected to be recognised as revenue over a period of 30 days.
- (c) Significant changes in contract balances

	2024 RM	Group 2023 RM
Net contract assets		
At 1 September	–	24,518
Acquisition of a subsidiary (Note 8(a))	2,559,554	–
Revenue recognised during the financial year	32,043,363	12,999
Progress billings issued during the financial year	(31,850,465)	(37,517)
At 31 August	2,752,452	–

12. CASH AND SHORT-TERM DEPOSITS

	2024 RM	Group 2023 RM	2024 RM	Company 2023 RM
Cash and bank balances	16,121,991	13,731,067	5,532,541	7,816,577
Short-term deposits	23,584,282	17,935,840	15,004,583	14,504,481
	39,706,273	31,666,907	20,537,124	22,321,058

For the purpose of the statements of cash flows, cash and cash equivalents comprise of the following:

	2024 RM	Group 2023 RM	2024 RM	Company 2023 RM
Short-term deposits	23,584,282	17,935,840	15,004,583	14,504,481
Less: Pledged deposits	(3,325,766)	(3,183,458)	–	–
	20,258,516	14,752,382	15,004,583	14,504,481
Cash and bank balances	16,121,991	13,731,067	5,532,541	7,816,577
Less: Bank overdrafts (Note 15)	(1,769,220)	–	–	–
	34,611,287	28,483,449	20,537,124	22,321,058

Short-term deposits placed with licensed banks of the Group have been pledged to the licensed banks to secure credit facilities granted to the Group as disclosed in Note 15 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

13. SHARE CAPITAL

	Group and Company		Amounts	
	Number of ordinary shares			
	2024	2023	2024	2023
	Unit	Unit	RM	RM
Issued and fully paid-up with no par value:				
At 1 September	342,366,350	325,000,000	50,623,949	43,330,082
Issuance of ordinary shares pursuant to:				
- warrants exercised	11,742,300	17,366,350	4,931,766	7,293,867
- acquisition of a subsidiary	10,459,770	–	9,570,690	–
At 31 August	364,568,420	342,366,350	65,126,405	50,623,949

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

During the financial year, the Company:

- (a) issued 11,742,300 (2023: 17,366,350) new ordinary shares at the exercise price of RM0.42 per ordinary shares pursuant to the exercise of warrants; and
- (b) issued 10,459,770 new ordinary shares as consideration shares for the acquisition of 65% equity interest in Lee & Yong Aluminium Sdn. Bhd. at an issue price of RM0.87 per consideration share, and subsequently valued at fair value of RM0.915 per consideration share upon completion of the acquisition, as disclosed in Note 8 to the financial statements.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

14. OTHER RESERVES

	Note	2024 RM	Group 2023 RM
Revaluation reserve	(a)	9,122,406	5,854,165
Reorganisation reserve	(b)	(25,825,125)	(25,825,125)
		(16,702,719)	(19,970,960)

- (a) Revaluation reserve relates to the revaluation of the Group's lands and buildings and right-of-use assets.
- (b) Reorganisation reserve represents the difference between the purchase consideration to acquire subsidiaries and the share capital of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

15. LOANS AND BORROWINGS

	Note	2024 RM	Group 2023 RM
Non-current:			
Term loans	(a)	1,046,803	–
Lease liabilities	(b)	167,005	41,503
Hire purchase payables	(c)	649,147	122,914
		1,862,955	164,417
Current:			
Term loans	(a)	225,316	80,105
Lease liabilities	(b)	225,882	66,052
Hire purchase payables	(c)	292,031	48,462
Bank overdrafts	(d)	1,769,220	–
Bankers' acceptances	(e)	4,775,000	–
		7,287,449	194,619
Total loans and borrowings:			
Term loans	(a)	1,272,119	80,105
Lease liabilities	(b)	392,887	107,555
Hire purchase payables	(c)	941,178	171,376
Bank overdrafts	(d)	1,769,220	–
Bankers' acceptances	(e)	4,775,000	–
		9,150,404	359,036

(a) Term loans

Term loans of the Group bear interests ranging from 3.5% to 8.2% (2023: 4.04% to 4.79%) per annum.

Term loans of a subsidiary of RM1,272,119 (2023: Nil) as at the end of the current financial year are secured as follows:

- (i) 80% guarantee coverage by the Government of Malaysia;
- (ii) Musharakah Mutanaqisah Master Agreement; and
- (iii) Joint and several guarantee by the Directors of a subsidiary.

Term loans of the Group of RM80,105 as at the end of the previous financial year were secured as follows:

- (i) Legal charge over the lands and buildings of subsidiaries as disclosed in Note 5(a) to the financial statements;
- (ii) Legal charge over the investment property of a subsidiary as disclosed in Note 6 to the financial statements; and
- (iii) Short-term deposits with interest capitalised as disclosed in Note 12 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

15. LOANS AND BORROWINGS (CONT'D)**(b) Lease liabilities**

Lease liabilities of the Group bear interests ranging from 3.43% to 6.29% (2023: 3.43%) per annum.

Future minimum lease payments together with the present value of net minimum lease payments are as follows:

	2024 RM	Group 2023 RM
Minimum lease payments:		
Not later than one year	239,870	68,350
Later than one year and not later than five years	170,870	42,300
	410,740	110,650
Less: Future finance charges	(17,853)	(3,095)
Present value of minimum lease payments	392,887	107,555
Present value of minimum lease payments:		
Not later than one year	225,882	66,052
Later than one year and not later than five years	167,005	41,503
	392,887	107,555

(c) Hire purchase payables

Hire purchase payables of the Group bear interests ranging from 2.33% to 3.80% (2023: 2.33% to 3.59%) per annum and are secured by the Group's plant and machineries and motor vehicles under hire purchase arrangements as disclosed in Note 5(a) to the financial statements.

(d) Bank overdrafts

Bank overdrafts of the Group bear interests ranging from 7.22% to 8.20% (2023: Nil) per annum and are secured by way of:

- (i) Master Facility Agreement;
- (ii) Asset sale Agreement for Master Facility Agreement; and
- (iii) Legal charge over a building of a subsidiary as disclosed in Note 5 to the financial statements.

(e) Bankers' acceptances

Bankers' acceptances of the Group bear interests ranging from 3.64% to 5.85% (2023: Nil) per annum and are secured by Corporate Guarantee of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

16. DEFERRED TAX LIABILITIES

Deferred tax relates to the following:

	As at 1 September 2022 RM	Recognised in profit or loss RM (Note 23)	Other comprehensive income RM (Note 14)	As at 31 August 2023 RM
Group				
Deferred tax liabilities:				
Temporary differences on property, plant and equipment	372,330	250,000	–	622,330
Revaluation surplus on property, plant and equipment	921,546	(20,505)	306,119	1,207,160
	1,293,876	229,495	306,119	1,829,490

	As at 1 September 2023 RM	Acquisition of a subsidiary RM (Note 8(a))	Recognised in profit or loss RM (Note 23)	Other comprehensive income RM (Note 14)	As at 31 August 2024 RM
Group					
Deferred tax liabilities:					
Temporary differences on property, plant and equipment	622,330	172,902	(14,783)	–	780,449
Revaluation surplus on property, plant and equipment	1,207,160	789,228	(46,421)	1,061,664	3,011,631
Fair value adjustment for intangible assets	–	2,229,734	(879,550)	–	1,350,184
	1,829,490	3,191,864	(940,754)	1,061,664	5,142,264

17. TRADE AND OTHER PAYABLES

	2024 RM	Group 2023 RM	Company 2024 RM	2023 RM
Current:				
Trade				
Trade payables	7,218,530	3,599,982	–	–
Non-trade				
Other payables	762,153	977,312	109,824	216,892
Accruals	3,128,366	1,537,775	94,947	95,913
Customers' deposits	446,691	400,965	–	–
	4,337,210	2,916,052	204,771	312,805
Total trade and other payables	11,555,740	6,516,034	204,771	312,805

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

17. TRADE AND OTHER PAYABLES (CONT'D)

Trade payables are non-interest bearing and are normally settled within 30 days to 120 days (2023: 30 days to 60 days).

For explanation on the Group's and the Company's liquidity risk management processes, refer to Note 25(b) (ii) to the financial statements.

18. REVENUE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Revenue from contract customers:				
Sales of goods	71,900,633	75,908,860	–	–
Rendering of services	893,939	–	–	–
Fabrication and installation revenue	30,745,370	–	–	–
	103,539,942	75,908,860	–	–
Revenue from other source:				
Dividends income	–	–	2,000,000	1,000,000
	103,539,942	75,908,860	2,000,000	1,000,000
Timing of revenue recognition:				
At a point in time	72,794,572	75,908,860	–	–
Over time	30,745,370	–	–	–
	103,539,942	75,908,860	–	–

Transaction price allocated to the remaining performance obligations

The Group expects to recognise the revenue progressively over 1 to 2 years based on the progress of satisfaction of the performance obligation. Revenue from performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date are as follows:

	Group 2024 RM
Fabrication and installation of aluminium and glazing works	
- Financial year ending 31 August 2025	39,753,950
- Financial year ending 31 August 2026	23,756,780
	63,510,730

For revenue from sales of goods and rendering of services, the Group applies the practical expedient in paragraph 121(a) of MFRS 15 and does not disclose information about the remaining performance obligations that have original expected durations of one year or less.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

19. OTHER INCOME

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Rental income	12,875	30,121	–	–
Interest income	502,881	545,461	359,678	423,719
Gain on lease modification	11,128	–	–	–
Gain on disposal of property, plant and equipment	108,352	–	–	–
Realised foreign exchange gain	50,038	71,483	–	–
Unrealised foreign exchange gain	13,372	–	–	–
Others	91,884	1,482	–	–
	790,530	648,547	359,678	423,719

20. FINANCE COSTS

	Group	
	2024 RM	2023 RM
Interest expense on:		
- Term loans	61,851	6,632
- Lease liabilities	10,858	4,051
- Hire purchase payables	62,481	6,755
- Bank overdrafts	205,682	–
- Bankers' acceptances	112,517	–
	453,389	17,438

21. PROFIT BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving at profit before tax:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Auditors' remuneration:				
- Baker Tilly Monteiro Heng PLT				
- Statutory audit				
- current year	236,500	135,000	67,000	60,000
- prior year	14,500	12,000	7,000	2,000
- Non-statutory audit				
- current year	5,500	5,000	5,500	5,000
- prior year	500	–	500	–
Amortisation of intangible assets	3,664,792	–	–	–
Depreciation of property, plant and equipment	1,662,080	659,475	–	–
Employee benefits expense (Note 22)	14,482,330	7,447,590	319,532	337,000
Expenses relating to short-term leases	214,736	106,590	–	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

21. PROFIT BEFORE TAX (CONT'D)

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving at profit before tax (Cont'd):

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Expenses relating to lease of low value assets	2,340	–	–	–
Fair value loss on investment property	30,000	–	–	–
Impairment losses on:				
- trade receivables	306,449	66,204	–	–
- other receivables	38,238	–	–	–
Inventories written down	80,571	–	–	–
Reversal of impairment losses on trade receivables	(385,321)	–	–	–
Realised foreign exchange loss	180,872	107,894	–	–
Unrealised foreign exchange loss	–	1,319	–	–
Written off of:				
- property, plant and equipment	944	–	–	–
- inventories	54,013	–	–	–
- trade receivables	15,299	265,870	–	–

22. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Salaries, allowances, bonuses and commissions	13,609,399	6,990,543	319,532	337,000
Defined contribution plans	749,145	387,377	–	–
Other staff related benefits	123,786	69,670	–	–
	14,482,330	7,447,590	319,532	337,000

Included in employee benefits expenses are:

Directors of the Company

Executive Directors				
- Directors' fee	68,532	93,000	68,532	93,000
- Salaries, allowances and bonuses	764,200	905,549	11,000	18,000
- Defined contribution plans	79,680	100,614	–	–
- Other staff related benefits	2,318	3,476	–	–
	914,730	1,102,639	79,532	111,000
Non-executive Directors				
- Directors' fee	204,000	186,000	204,000	186,000
- Allowances	36,000	40,000	36,000	40,000
	240,000	226,000	240,000	226,000
	1,154,730	1,328,639	319,532	337,000

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

23. INCOME TAX EXPENSE

The major components of income tax expense for the financial year ended 31 August 2024 and 31 August 2023 are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Statements of comprehensive income				
Current income tax:				
- Current income tax charge	5,226,984	4,532,173	71,464	70,668
- (Over)/Under provision in respect of prior years	(81,064)	(49,461)	1,301	251
	5,145,920	4,482,712	72,765	70,919
Deferred tax (Note 16):				
- (Reversal)/Origination of temporary differences	(784,801)	193,495	–	–
- (Over)/Under provision in respect of prior years	(155,953)	36,000	–	–
	(940,754)	229,495	–	–
Income tax expenses recognised in profit or loss	4,205,166	4,712,207	72,765	70,919

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2023: 24%) on the estimated chargeable profit for the financial year.

The reconciliation from the tax amount at the statutory income tax rate to the Group's and the Company's tax expenses are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit before tax	15,884,102	17,776,081	993,176	118,174
Tax at statutory income tax rate of 24% (2023: 24%)	3,812,184	4,266,259	238,362	28,362
Adjustments:				
Income not subject to tax	(125,477)	–	(480,000)	(240,000)
Non-deductible expenses	807,278	482,409	313,102	282,306
Crystallisation of revaluation reserves	(46,421)	(20,505)	–	–
Recognition of previously unrecognised deferred tax assets	(8,603)	(3,439)	–	–
Deductible temporary differences not recognised	3,222	944	–	–
(Over)/Under provision in respect of current income tax of prior years	(81,064)	(49,461)	1,301	251
(Over)/Under provision in respect of deferred tax of prior years	(155,953)	36,000	–	–
Income tax expense	4,205,166	4,712,207	72,765	70,919

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

23. INCOME TAX EXPENSE (CONT'D)Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	2024 RM	Group 2023 RM
Unutilised tax losses		
- Expiring in year of assessment 2031	(72,435)	(72,435)
- Expiring in year of assessment 2032	(2,556)	(2,556)
- Expiring in year of assessment 2033	(600)	(600)
- Expiring in year of assessment 2034	(13,425)	–
	(89,016)	(75,591)
Temporary differences on advance receipt	–	(35,846)
	(89,016)	(111,437)
Potential deferred tax assets at 24%	21,364	26,745

24. EARNINGS PER SHARE**(a) Basic earnings per share**

Basic earnings per share are based on the profit for the financial year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year.

The basic earnings per share are calculated as follows:

	2024 RM	Group 2023 RM
Profit attributable to owners of the Company	10,962,433	13,064,466
Weighted average number of ordinary shares	349,171,783	332,398,554
Basic earnings per ordinary share (sen)	3.14	3.93

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

24. EARNINGS PER SHARE (CONT'D)**(b) Diluted earnings per share**

Diluted earnings per share are based on the profit for the financial year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on conversion of all the diluted potential ordinary shares into ordinary shares.

The diluted earnings per share are calculated as follows:

	2024 RM	Group 2023 RM
Profit attributable to owners of the Company	10,962,433	13,064,466
Weighted average number of ordinary shares	349,171,783	332,398,554
Adjustment for dilutive effect of warrants	521,540	1,517,112
Weighted average number of ordinary shares for diluted earnings per share	349,693,323	333,915,666
Diluted earnings per ordinary share (sen)	3.13	3.91

25. FINANCIAL INSTRUMENTS**(a) Categories of financial instruments**

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned as amortised cost:

	Carrying amount RM	Amortised cost RM
31 August 2024		
Financial assets		
Group		
Trade and other receivables less prepayments	31,528,315	31,528,315
Cash and short-term deposits	39,706,273	39,706,273
	71,234,588	71,234,588
Company		
Other receivables	253,214	253,214
Cash and short-term deposits	20,537,124	20,537,124
	20,790,338	20,790,338

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

25. FINANCIAL INSTRUMENTS (CONT'D)**(a) Categories of financial instruments (Cont'd)**

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned as amortised cost (Cont'd):

	Carrying amount RM	Amortised cost RM
31 August 2024		
Financial liabilities		
Group		
Trade and other payables less SST payables	(11,177,854)	(11,177,854)
Loans and borrowings (exclude lease liabilities)	(8,757,517)	(8,757,517)
	(19,935,371)	(19,935,371)
Company		
Other payables	(204,771)	(204,771)
31 August 2023		
Financial assets		
Group		
Trade and other receivables less prepayments	28,854,444	28,854,444
Cash and short-term deposits	31,666,907	31,666,907
	60,521,351	60,521,351
Company		
Deposits	1,820,000	1,820,000
Cash and short-term deposits	22,321,058	22,321,058
	24,141,058	24,141,058
Financial liabilities		
Group		
Trade and other payables less SST payables	(5,948,055)	(5,948,055)
Loans and borrowings (exclude lease liabilities)	(251,481)	(251,481)
	(6,199,536)	(6,199,536)
Company		
Other payables	(312,805)	(312,805)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

25. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management

The Group's and the Company's activities are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks are liquidity risk, credit risk and interest rate risk. The Group's and the Company's overall financial risk management objective is to optimise value for their shareholders. The Group and the Company do not trade in financial instruments.

The Board of Directors reviews and agrees to policies and procedures for the management of these risks, which are executed by the Company's senior management.

(i) Credit risk

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. The Group and the Company have a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

The Group and the Company consider a financial asset to be in default when:

- the counterparty is unable to pay its credit obligations to the Group and the Company in full, without taking into account any credit enhancements held by the Group and the Company; or
- the contractual payment of the financial asset is more than 120 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

At the end of the reporting period, the Group and the Company assess whether financial assets carried at amortised cost are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Those events evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the counterparty;
- a breach of contract, including a default event;
- a concession or restructuring of loans granted by the lender of the counterparty relating to the counterparty's financial difficulty; or
- it is probable that the counterparty will enter bankruptcy or other financial reorganisation.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedure for recovery of amounts due.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

25. FINANCIAL INSTRUMENTS (CONT'D)**(b) Financial risk management (Cont'd)****(i) Credit risk (Cont'd)****Trade receivables and contract assets**

As at the end of the financial year, the maximum exposure to credit risk arising from trade receivables and contract assets are represented by the carrying amounts in the statements of financial position.

The carrying amount of trade receivables and contract assets are not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group considers any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Credit risk concentration profile

At the end of the financial year, the Group does not have any significant exposure to any individual customers.

The Group applies the simplified approach to measure expected credit losses prescribed by MFRS 9, which permits the use of the lifetime expected losses provision for all trade receivables and contract assets. To measure the expected credit losses, trade receivables have been grouped based on the days past due. The expected credit losses also incorporate forward-looking information. The Group has recognised an impairment loss on trade receivables of RM306,449 during the financial year (2023: RM66,204).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

25. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Trade receivables and contract assets (Cont'd)

Credit risk concentration profile (Cont'd)

The information about the credit risk exposure in the Group's trade receivables and contract assets are as follows:

	Contract asset RM	Retention sum RM	Current RM	Trade receivables					Total RM
				1 to 30 days past due RM	31 to 60 days past due RM	61 to 90 days past due RM	91 to 120 days past due RM	> 120 days past due RM	
Group									
At 31 August 2024									
Expected credit loss rate	0%	3.57%	0%	0%	0%	0%	0%	52.86%	5.71%
Gross carrying amount	5,790,378	3,430,238	10,864,724	6,532,203	5,857,663	1,690,297	842,046	3,275,988	32,493,159
Impairment loss	-	(122,315)	-	-	-	-	-	(1,731,832)	(1,854,147)
Net balances	5,790,378	3,307,923	10,864,724	6,532,203	5,857,663	1,690,297	842,046	1,544,156	30,639,012
At 31 August 2023									
Expected credit loss rate	0%	0%	0%	0%	0%	0%	0%	10.17%	0.25%
Gross carrying amount	-	-	13,406,319	6,650,421	3,371,011	1,318,141	646,722	651,236	26,043,850
Impairment loss	-	-	-	-	-	-	-	(66,204)	(66,204)
Net balances	-	-	13,406,319	6,650,421	3,371,011	1,318,141	646,722	585,032	25,977,646

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

25. FINANCIAL INSTRUMENTS (CONT'D)**(b) Financial risk management (Cont'd)****(i) Credit risk (Cont'd)****Other receivables and other financial assets**

For other receivables and other financial assets (including cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 120 days past due in making a contractual payment.

Some intercompany loans between related entities are repayable on demand. For loans that are repayable on demand, expected credit losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date. If the debtor does not have sufficient highly liquid resources when the loan is demanded, the Company will consider the expected manner of recovery and recovery period of the intercompany loan.

The Group has recognised an impairment loss on other receivables of RM38,238 during the financial year. The Group and the Company consider the other financial assets to have low credit risk.

Financial guarantee contract

The Company is exposed to credit risk in relation to financial guarantee given to bank in respect of credit facilities granted to a subsidiary. The Company monitors the results of the subsidiary and its repayment on an on-going basis. The maximum exposure to credit risk amount to RM3,697,000 (2023: Nil), representing the maximum amount the Company could pay if the guarantee is called on as disclosed in Note 25(b)(ii) to the financial statements. As at the reporting date, there was no loss allowance for impairment as determined by the Company for the financial guarantee.

The financial guarantee has not been recognised since the fair value on initial recognition was not material as the guarantee is provided as credit enhancement to a subsidiary's secured borrowing.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

25. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(ii) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities between financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arises principally from trade and other payables and loan and borrowings.

The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by facilities. The Group and the Company maintain sufficient liquidity and available funds to meet daily cash needs, while maintaining controls and security over cash movements. The Group and the Company use a series of processes to obtain maximum benefits from its flow of funds, such that they are efficiently managed to maximise income from investment and minimise cost on borrowed funds. The Group's and the Company's finance department also ensures that there are sufficient unutilised stand-by facilities, funding and liquid assets available to meet both short-term and long-term funding requirements.

Maturity analysis

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows:

		Contractual cash flows				
	Carrying amount RM	On demand or within 1 year RM	Between 1 and 5 years RM	More than 5 years RM	Total RM	
Group						
At 31 August 2024						
Trade and other payables						
less SST payables	11,177,854	11,177,854	–	–	11,177,854	
Term loans	1,272,119	276,048	571,032	737,460	1,584,540	
Lease liabilities	392,887	239,870	170,870	–	410,740	
Hire purchase payables	941,178	344,523	718,571	–	1,063,094	
Bank overdrafts	1,769,220	1,769,220	–	–	1,769,220	
Bankers' acceptances	4,775,000	4,834,100	–	–	4,834,100	
	20,328,258	18,641,615	1,460,473	737,460	20,839,548	

		Contractual cash flows				
	Carrying amount RM	On demand or within 1 year RM	Between 1 and 5 years RM		Total RM	
Group						
At 31 August 2023						
Trade and other payables						
less SST payables		5,948,055	5,948,055	–	5,948,055	
Term loans		80,105	81,066	–	81,066	
Lease liabilities		107,555	68,350	42,300	110,650	
Hire purchase payables		171,376	57,828	132,696	190,524	
		6,307,091	6,155,299	174,996	6,330,295	

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

25. FINANCIAL INSTRUMENTS (CONT'D)**(b) Financial risk management (Cont'd)****(ii) Liquidity risk (Cont'd)**Maturity analysis (Cont'd)

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows (Cont'd):

	Contractual cash flows			
	Carrying amount RM	On demand or within 1 year RM	Between 1 and 5 years RM	Total RM
Company				
At 31 August 2024				
Other payables	204,771	204,771	–	204,771
Financial guarantee contract	–	3,697,000	–	3,697,000
	204,771	3,901,771	–	3,901,771
At 31 August 2023				
Other payables	312,805	312,805	–	312,805

(iii) Interest rate risk

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's financial instruments as results of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from their loans and borrowings with floating interest rates.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant on the Group's total equity and profit for the financial year.

	Carrying amount RM	Change in basis point	Effects on profit for the financial year/equity RM
Group			
At 31 August 2024			
Term loans	(1,272,119)	+ 50	4,834
		- 50	(4,834)
Bank overdrafts	(1,769,220)	+ 50	6,723
		- 50	(6,723)
Bankers' acceptances	(4,775,000)	+ 50	18,145
		- 50	(18,145)
At 31 August 2023			
Term loans	(80,105)	+ 50	304
		- 50	(304)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

25. FINANCIAL INSTRUMENTS (CONT'D)**(c) Fair value measurement**

The carrying amount of cash and short-term deposits, short-term receivables and payables and short-term borrowings are reasonably approximate to their fair values due to the relatively short-term nature of these financial instruments.

There have been no transfers between the fair value measurement hierarchy during the financial year ended 31 August 2024 and 31 August 2023.

The following table provides the fair value measurement hierarchy of the Group's financial instruments:

		Fair value of financial instruments not carried at fair value			
	Carrying amount RM	←----- Fair value -----→			
		Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group					
At 31 August 2024					
Financial liabilities					
Non-current:					
Term loans	1,046,803	—	—	1,308,492	1,308,492

Level 3 fair valueFair value of financial instruments not carried at fair value

The fair value of liability component of term loans is calculated based on the present value of future principal and interest cash flows, discounted at the market interest rate of similar liabilities.

26. COMMITMENTS

	2024 RM	Group 2023 RM
Approved capital expenditures not provided for in the financial statements:		
Property, plant and equipment		
- Contracted	2,309,708	828,302

27. RELATED PARTIES**(a) Identification of related parties**

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

Related parties of the Group and of the Company include:

- (i) Subsidiaries; and
- (ii) Key management personnel of the Group and of the Company, comprise persons (including Directors) having the authority and responsibility for planning, directing and controlling the activities directly and indirectly.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

27. RELATED PARTIES (CONT'D)**(b) Significant related party transactions**

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:

	Company	
	2024 RM	2023 RM
Dividends income		
- Subsidiary	2,000,000	1,000,000

(c) Compensation of key management personnel

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Salaries, allowances, bonuses and commission	2,734,273	2,281,165	319,532	337,000
Defined contribution plans	210,522	181,054	–	–
Other staff related benefits	12,328	11,098	–	–
	2,957,123	2,473,317	319,532	337,000

28. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that they maintain a strong credit rating and healthy capital ratio in order to support their business and maximise shareholder value. The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividends payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the financial year.

The Group and the Company monitor capital using gearing ratio. The gearing ratio is calculated as total debts divided by total equity. The gearing ratio as at 31 August 2024 and 31 August 2023 are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Total debts	9,150,404	359,036	–	–
Total equity	119,024,757	85,432,526	65,258,116	49,835,249
Gearing ratio	7.7%	0.4%	N/A	N/A

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

The Group and the Company are not subject to externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

29. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Other than as disclosed elsewhere in the financial statements, the significant events during and subsequent to the end of the financial year are as follows:

- (a) On 17 January 2023, the Company had entered into the following agreements with Yong Kuen Hwan ("the Vendor"):
- i. conditional share sale agreement for the acquisition of 162,500 ordinary shares in the share capital of Lee & Yong Aluminium Sdn. Bhd. ("LYASB") ("LYASB Sale Shares"), representing 65% equity interest in LYASB for a purchase consideration of RM17,200,000 ("SSA 1") of which RM8,100,000 is to be satisfied by cash and the remaining RM9,100,000 shall be satisfied via the issuance and allotment of 10,459,770 new ordinary shares in the Company at an issue price of RM0.87 per share ("Acquisition 1"); and
 - ii. conditional share sale agreement for the acquisition of 29,184 ordinary shares in the share capital of Trans United Sdn. Bhd. ("TUSB"), representing 100% equity interest in TUSB for a cash purchase consideration of RM1,000,000 ("SSA 2") ("Acquisition 2").

On 12 May 2023, the Company entered into a supplemental share sale agreement with the Vendor to vary the number of ordinary shares of LYASB to be acquired pursuant to SSA 1 from 162,500 LYASB Sale Shares to 487,500 LYASB Sale Shares. There was no change to the equity interest in LYASB acquired (i.e. 65% equity interest in LYASB).

The Acquisition 1 and Acquisition 2 were completed on 8 September 2023.

- (b) On 15 January 2024, the Company had entered into a conditional share sale agreement with ETA Industries Sdn. Bhd. ("the Vendor") for the proposed acquisition of 1,743,000 ordinary shares in the share capital of ETA World Sdn. Bhd. ("ETAW"), representing 70% equity interest in ETAW for a purchase consideration of RM56,000,000, of which RM28,100,000 is to be satisfied by cash and the remaining RM27,900,000 shall be satisfied via the issuance and allotment of 30,000,000 new ordinary shares in the Company at an issue price of RM0.93 per share ("SSA") ("Proposed Acquisition").

On the same date, the Company had also entered into a Shareholders' Agreement with the Vendor for the purpose of regulating their relationship with one another and to record the terms agreed between them to govern the management and operations in relation to ETAW.

On 15 July 2024, the Company announced that pursuant to the notice of mutual termination dated 15 July 2024, in consideration that the conditions precedent of the SSA have not been fulfilled within the stipulated time period, the Company and the Vendor have mutually agreed not to extend the period for the fulfilment of the conditions precedent of the SSA in relation to the Proposed Acquisition.

In view that the SSA has not been extended, the parties have agreed to terminate the SSA. The SSA shall be revoked, rescinded and be of no further force or effect whatsoever as at the date of notice of mutual termination and neither party shall have any further claim against the other pursuant to the SSA.

Consequential to the termination of the SSA, the Shareholders' Agreement shall likewise be terminated and no longer have any effect as at the date of notice of mutual termination and neither party shall have any further claim against the other pursuant to or under the Shareholders' Agreement.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

29. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR (CONT'D)

Other than as disclosed elsewhere in the financial statements, the significant events during and subsequent to the end of the financial year are as follows (Cont'd):

- (c) On 3 September 2024, the Company had incorporated a wholly-owned subsidiary, namely Duroe Glass Sdn. Bhd. ("Duroe Glass"). Simultaneous with the incorporation of Duroe Glass, the Company had through Duroe Glass entered into an Assets Purchase Agreement ("APA") with Suria Kaca Sdn. Bhd. ("Suria Kaca" or the "Vendor"), for the acquisition of machineries and motor vehicles ("Assets") for a purchase consideration of RM3,000,000, of which RM2,996,500 is to be satisfied in cash and the remaining RM3,500 shall be via the issuance and allotment of 3,500 new ordinary shares in the share capital of Duroe Glass ("Consideration Shares") at an issue price of RM1 per Consideration Share to the Vendor's appointed nominee, i.e. Mr. Sim Han Kai ("Proposed Acquisition of Assets").

In conjunction with the Proposed Acquisition of Assets, the Company had, on the same date, entered into a Shareholders' Agreement with Mr. Sim, who is also the director and major shareholder of Suria Kaca, for the purpose of regulating their relationship with one another and to record the terms agreed between them to govern the management and operations in relation to Duroe Glass.

The Proposed Acquisition of Assets has been completed on 20 September 2024.

30. SEGMENT INFORMATION

The Group prepared the following segment information in accordance with MFRS 8 Operating Segments based on the internal reports of the Group's strategic business units which are regularly reviewed by the Managing Director ("MD") for the purpose of making decisions about resource allocation and performance assessment.

The reportable operating segments are as follows:

Segments	Products and services
Manufacturing	Manufacture of doors, door and window frames, fabrication and installation of aluminium glazing, glass products and facade works
Trading	Trading of doors and ironmongery, trading and provision of installation services for solar energy products and systems
Investment holding	Investment holding and providing full corporate and financial support to the Group

Segment profit

Segment performance is used to measure performance as Group's MD believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Performance is evaluated based on operating profit or loss which is measured differently from operating profit or loss in the consolidated financial statements.

Segment assets

The total of segment assets is measured based on all assets of a segment, as included in the internal reports that are reviewed by the Group's MD.

Segment liabilities

Segment liabilities are not included in the internal reports that are reviewed by the Group's MD, hence no disclosures are made on segment liabilities.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30. SEGMENT INFORMATION (CONT'D)

	Manufacturing RM	Trading RM	Investment RM	Eliminations RM	Total RM
31 August 2024					
Revenue					
Revenue from external customers	86,428,739	17,111,203	–	–	103,539,942
Inter-segment revenue	3,606,034	–	2,030,000	(5,636,034)	–
	90,034,773	17,111,203	2,030,000	(5,636,034)	103,539,942
Results					
Depreciation of property, plant and equipment	(1,680,589)	(27,073)	–	45,582	(1,662,080)
Amortisation of intangible assets	(3,664,792)	–	–	–	(3,664,792)
Inventories written down	(80,571)	–	–	–	(80,571)
Impairment losses on:					
- trade receivables	(238,458)	(67,991)	–	–	(306,449)
- other receivables	(38,238)	–	–	–	(38,238)
Written off of:					
- property, plant and equipment	(944)	–	–	–	(944)
- inventories	(54,013)	–	–	–	(54,013)
- trade receivables	(15,299)	–	–	–	(15,299)
Employee benefits expense	(14,112,054)	(50,744)	(319,532)	–	(14,482,330)
Finance costs	(456,025)	(785)	(6,472)	9,893	(453,389)
Interest income	143,644	6,031	359,678	(6,472)	502,881
Reversal of impairment losses	385,321	–	–	–	385,321
Other operating income	304,277	–	–	(30,000)	274,277
Net unrealised foreign exchange gain	13,372	–	–	–	13,372
Segment profit	15,849,639	1,062,543	1,003,487	(2,031,567)	15,884,102
Income tax expense	(3,571,945)	(555,184)	(78,037)	–	(4,205,166)
Profit for the financial year	12,277,694	507,359	925,450	(2,031,567)	11,678,936
Assets					
Additions to capital expenditure	4,996,884	–	–	–	4,996,884
Segmental assets	106,039,031	6,447,900	65,755,137	(30,096,955)	148,145,113

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30. SEGMENT INFORMATION (CONT'D)

	Manufacturing RM	Trading RM	Investment RM	Eliminations RM	Total RM
31 August 2023					
Revenue					
Revenue from external customers	65,323,579	10,585,281	–	–	75,908,860
Inter-segment revenue	1,937,297	–	1,000,000	(2,937,297)	–
	67,260,876	10,585,281	1,000,000	(2,937,297)	75,908,860
Results					
Depreciation of property, plant and equipment	(659,475)	(27,073)	–	27,073	(659,475)
Impairment loss on trade receivables	(66,204)	–	–	–	(66,204)
Bad debts written off	(265,870)	–	–	–	(265,870)
Employee benefits expense	(7,067,922)	(42,668)	(337,000)	–	(7,447,590)
Finance costs	(17,438)	(2,001)	–	2,001	(17,438)
Interest income	116,276	5,466	423,719	–	545,461
Other operating income	145,700	3,300	–	(30,000)	119,000
Net unrealised foreign exchange loss	(1,319)	–	–	–	(1,319)
Segment profit	16,194,619	2,464,215	118,174	(1,000,927)	17,776,081
Income tax expense	(4,379,317)	(261,971)	(70,919)	–	(4,712,207)
Profit for the financial year	11,815,302	2,202,244	47,255	(1,000,927)	13,063,874
Assets					
Additions to capital expenditure	10,318,823	–	–	–	10,318,823
Segmental assets	67,228,137	4,778,696	50,167,056	(26,698,133)	95,475,756

Reconciliation of reportable segment revenue, profit or loss, assets and liabilities are as follows:

- (a) Inter-segment revenues are eliminated on consolidation;
- (b) Inter-segment income and expenses are eliminated on consolidation; and
- (c) Inter-segment balances are eliminated on consolidation.

Geographical information

The Group operates predominantly in Malaysia and hence, no geographical segment is presented.



STATEMENT BY DIRECTORS

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

We, **LIM CHIN HORNG** and **LIM SAW NEE**, being two of the Directors of **ECONFRAME BERHAD**, do hereby state that in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 August 2024 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 12 December 2024.

.....
LIM CHIN HORNG
Director

.....
LIM SAW NEE
Director

Kuala Lumpur

STATUTORY DECLARATION

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

I, **KOH SEE YING**, being the officer primarily responsible for the financial management of **ECONFRAME BERHAD**, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

.....
KOH SEE YING
(MIA membership number: 48473)

Subscribed and solemnly declared by the above named at Kuala Lumpur in the Federal Territory on 12 December 2024.

Before me,

.....
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ECONFRAME BERHAD
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Econframe Berhad, which comprise the statements of financial position as at 31 August 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 61 to 114.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Group

Trade receivables and contract assets (Note 4(a), Note 10 and Note 11 to the financial statements)

The Group has several trade receivables and contract assets with overdue balances as at 31 August 2024.

We focused on this area because the Group's expected credit losses assessment requires the exercise of significant judgement to be made by the directors, especially in determining the risk of default and expected credit losses, which are based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of the reporting period. These judgements and assumptions are inherently uncertain.

Our audit response:

Our audit procedures included, among others:

- understanding the significant credit exposures which were significantly overdue or deemed to be in default through analysis of ageing reports;
- obtaining confirmation of balances from selected receivables; and
- reviewing subsequent receipts, customer correspondence and considering level of activity with the customer and directors' explanation on recoverability with significantly past due balances.

INDEPENDENT AUDITORS' REPORT (CONT'D)

Key Audit Matters (Cont'd)

Group (Cont'd)

Business combination (Note 4(b) and Note 8 to the financial statements)

During the financial year ended 31 August 2024, the Group made significant acquisition of new subsidiaries, namely Lee & Yong Aluminum Sdn. Bhd. and Trans United Sdn. Bhd.

The fair values of identifiable assets acquired and liabilities assumed have been determined based on the purchase price allocation ("PPA") performed by management experts. The Group has to apply judgement on purchase price allocation in relation to the valuation of the intangible assets and the goodwill balance.

Our audit response:

Our audit procedures included, among others:

- reading the sales and purchase agreements and understanding the accounting treatment on the acquisition of the subsidiaries;
- discussing the work performed by management's experts in respect of the valuation of tangible and intangible assets and liabilities;
- understanding the assumption used in determining the contingent consideration;
- testing the mathematical computations in the allocation of the purchase price to the different assets and liabilities; and
- discussing with management on the appropriateness of the related disclosures.

Goodwill on consolidation (Note 4(c) and Note 7 to the financial statements)

The Group has significant balances of goodwill arising from the acquisition of a subsidiary. The goodwill is tested for impairment annually.

We focused on this area because the Group's determination of recoverable amount requires the exercise of significant judgement to be made by the directors, especially in determining the assumptions to be applied in supporting the underlying cash flow projections in the recoverable amount calculation. These judgements and assumptions are inherently uncertain.

Our audit response:

Our audit procedures included, among others:

- comparing the directors' key assumptions in cash flow forecast to externally derived data, if any;
- discussing with the Group on their assessment and consideration of the current economic and business environment in relation to key inputs such as discount rates, inflation rates and gross profit margin;
- testing the mathematical computation of the impairment assessment; and
- performing the sensitivity analysis of key assumptions and the impacts of these key assumptions and inputs that are expected to be most sensitive to the recoverable amount.

INDEPENDENT AUDITORS' REPORT (CONT'D)

Key Audit Matters (Cont'd)**Group (Cont'd)****Revenue recognition for contract customers (Note 4(d) and Note 18 to the financial statements)**

The Group's accounting policy is to recognise the revenue from fabrication and installation activities over the period of contract by reference to the progress towards complete satisfaction of the performance obligation. The progress towards complete satisfaction of performance obligation is to be determined by reference to proportion of construction costs incurred for works performed to-date bear to the estimated total costs for each project (input method).

We focused on this area because the Group's revenue recognition for fabrication and installation activities requires the exercise of significant judgement to be made by the directors, particularly in determining the progress towards satisfaction of a performance obligation, the extent of the contract costs incurred, the estimated total contracts revenue and costs, as well as the recoverability of the contracts. The estimated total revenue and costs are affected by a variety of uncertainties that depend on the outcome of future events.

Our audit response:

Our audit procedures included, among others:

- reading the terms and conditions of agreements with selected customers;
- understanding the Group's process in preparing and updating project budget and the calculation of the progress towards anticipated satisfaction of a performance obligation;
- comparing the directors' key assumptions to contractual terms and discussing with project manager;
- comparing the Group's computed progress towards complete satisfaction of performance obligation for identified projects against architect certificate; and
- checking the mathematical computation of recognised revenue for the projects during the financial year.

Company**Investment in subsidiaries (Note 4(e) and Note 8 to the financial statements)**

The Company has significant balances of investment in subsidiaries. At the end of the financial year, the directors are required to determine if there is any indication of impairment in investment in the subsidiaries. If such an indication of impairment exists, the directors are required to determine the recoverable amount of this investments.

We focused on this area because the Company's determination of the recoverable amount requires significant judgement to be made by the directors, especially in determining the assumptions to be applied in supporting the underlying cash flow projections in the recoverable amount calculation. These judgements and assumptions are inherently uncertain.

Our audit response:

Our audit procedures included, among others:

- comparing the actual results with previous budget to understand the performance of the business;
- testing the mathematical computation of the impairment assessment; and
- performing the sensitivity analysis of key assumptions and the impacts of these key assumptions and inputs that are expected to be most sensitive to the recoverable amount.

INDEPENDENT AUDITORS' REPORT (CONT'D)

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

INDEPENDENT AUDITORS' REPORT (CONT'D)

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

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

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

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

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

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

Other Matters

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

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Ong Teng Yan
No. 03076/07/2025 J
Chartered Accountant

Kuala Lumpur

Date: 12 December 2024

LIST OF PROPERTIES

AS AT 31 AUGUST 2024

No.	Registered owner/ Title details/ Postal address	Category of land use/ Tenure	Description of property/ Existing use/ Age of building	Land area/ Built-up area square feet	Date of Acquisition/ Revaluation	Audited Net Book Value as at 31 August 2024 RM'000
(i)	Econframe Marketing Sdn Bhd No. 1, Jalan 27A, Kawasan 16, Sungai Rasau Industrial Area, 41300 Klang, Selangor Held under HS(M) 2255, HS(M) 2256 and HS(M) 2258, PT 12126, PT 12127 and PT 12129, Mukim Kapar, Daerah Klang, Negeri Selangor	Industrial/ Freehold land	2 storey semi- detached factory Currently used as the centralised main office and manufacturing space 42 years	Land area: 6,157 Built-up area: Approximately 7,807	3 February 2012/ 29 July 2024	2,094
(ii)	Econframe Marketing Sdn Bhd No. 3, Jalan 27A, Kawasan 16, Sungai Rasau Industrial Area, 41300 Klang, Selangor Held under HS(M) 2257 and HS(M) 2259, PT 12128 and PT 12130, Mukim Kapar, Daerah Klang, Negeri Selangor	Industrial/ Freehold land	2 storey semi- detached factory Currently used as manufacturing space 42 years	Land area: 5,480 Built-up area: Approximately 7,130	3 February 2012/ 29 July 2024	1,895
(iii)	Econframe Marketing Sdn Bhd No. 4, Jalan 27A, Kawasan 16, Sungai Rasau Industrial Area, 41300 Klang, Selangor Held under HS(M) 2277, PT 12148, Mukim Kapar, Daerah Klang, Negeri Selangor	Industrial/ Freehold land	2 storey semi- detached factory Currently used as manufacturing space 42 years	Land area: 7,207 Built-up area: Approximately 9,271	8 August 2014/ 29 July 2024	2,346
(iv)	Econframe Marketing Sdn Bhd No. 102, Jalan 27, Kawasan 16, Sungai Rasau Industrial Area, 41300 Klang, Selangor Held under HS(M) 2280 and HS(M) 2281, PT 12151 and PT 12152, Mukim Kapar, Daerah Klang, Negeri Selangor	Industrial/ Freehold land	2 storey semi- detached factory Currently used as manufacturing space 42 years	Land area: 9,026 Built-up area: Approximately 15,386	29 September 2009/ 29 July 2024	3,085

LIST OF PROPERTIES (CONT'D)

No.	Registered owner/ Title details/ Postal address	Category of land use/ Tenure	Description of property/ Existing use/ Age of building	Land area/ Built-up area square feet	Date of Acquisition/ Revaluation	Audited Net Book Value as at 31 August 2024 RM'000
(v)	Econframe Marketing Sdn Bhd No. B2-23-09, Aras 23, Blok B2 Kenwingston Residence Kenwingston Square Garden Persiaran Bestari, Cyber 9 63000 Cyberjaya, Selangor Erected on part of the land held under HSD 34452, PT48517, Mukim Dengkil, Daerah Sepang, Negeri Selangor (master title)	Residential/ Freehold land	Condominium unit Rented 7 years	Land area: N/A Built-up area: 450	27 April 2017/ 2 August 2024	270
(vi)	Econframe Marketing Sdn Bhd PT 1720, PT 1721, PT 1722 and PT 1723, Lorong Sungai Rasau 27A, 41300 Klang, Selangor Held under HS(D) 130538, PT 63272, Mukim Kapar Daerah Klang Negeri Selangor	Industrial/ Leasehold land expiring on 19 February 2069	Designed industrial complex Currently used as corporate office and warehouse for storage of raw materials and finished goods 14 years	Land area: Approximately 54,638 Built-up area: Approximately 34,910	17 January 2023/ 20 April 2024	13,000
(vii)	Trans United Sdn Bhd Lot 3121, PT 1422, Jalan 20, Kawasan Perindustrian Pengkalan Chepa II, 16100 Kota Bharu, Kelantan Held under Title No. PN 6354, Lot 3121, Mukim Kemumin, Daerah Kota Bharu Negeri Kelantan	Industrial/ Leasehold land expiring on 22 May 2065	3-storey office building attached with a single-storey factory Currently used as the centralised main office and manufacturing space 9 years	Land area: Approximately 34,326	8 September 2023/ 16 January 2023	1,068
(viii)	Lee & Yong Aluminium Sdn Bhd Lot 3121, PT 1422, Jalan 20, Kawasan Perindustrian Pengkalan Chepa II, 16100 Kota Bharu, Kelantan Held under Title No. PN 6354, Lot 3121, Mukim Kemumin, Daerah Kota Bharu Negeri Kelantan			Built-up area: Approximately 40,439	8 September 2023/ 18 July 2023	3,904

LIST OF PROPERTIES (CONT'D)

No.	Registered owner/ Title details/ Postal address	Category of land use/ Tenure	Description of property/ Existing use/ Age of building	Land area/ Built-up area square feet	Date of Acquisition/ Revaluation	Audited Net Book Value as at 31 August 2024 RM'000
(ix)	Lee & Yong Aluminium Sdn Bhd No. 5, Jalan PJU 1A/16, Taman Perindustrian Jaya, 47301 Petaling Jaya, Selangor	Industrial/ Leasehold land expiring on 13 October 2092	Intermediate 1½ storey terraced factory Currently used as management office and warehouse for storage of finished products 6 years	Land area: Approximately 2,002 Built-up area: Approximately 2,850	8 September 2023/ 21 July 2023	1,330

ANALYSIS OF SHAREHOLDINGS

AS AT 27 NOVEMBER 2024

No. of issued shares : 367,980,220
 Class of Shares : Ordinary Shares
 Voting Right : One (1) vote per ordinary share

A. ANALYSIS OF SHAREHOLDINGS

Holdings	No. of Holders	%	No. of Holdings	%
Less than 100	4	0.23	200	0.00
100 to 1,000	296	16.83	151,200	0.04
1,001 to 10,000	655	37.24	3,626,100	0.98
10,001 to 100,000	515	29.28	18,869,150	5.13
100,001 to 18,399,010 (*)	287	16.31	289,673,570	78.72
18,399,011 and above (**)	2	0.11	55,660,000	15.13
Total	1,759	100.00	367,980,220	100.00

REMARK: * - LESS THAN 5% OF ISSUED HOLDINGS
 ** - 5% AND ABOVE OF ISSUED HOLDINGS

B. DIRECTORS' SHAREHOLDINGS ACCORDING TO THE REGISTER OF DIRECTOR'S SHAREHOLDINGS

Name	Direct Interest		Indirect Interest	
	No. of shares	%	No. of shares	%
Lim Chin Horng	51,389,647	13.97	—	—
Lim Saw Nee	12,153,388	3.30	—	—
Robert Koong Yin Leong	50,000	0.01	—	—
Tan Hock Soon	50,000	0.01	—	—
Ilham Fadilah Binti Sunhaji	50,000	0.01	—	—
Chan Soon Tat	—	—	—	—
Lim Foo Seng	—	—	—	—

C. SUBSTANTIAL SHAREHOLDERS ACCORDING TO THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest		Indirect Interest	
	No. of shares	%	No. of shares	%
Lim Chin Horng	51,389,647	13.97	—	—
Dato' Hooi Jia Hao	44,288,800	12.04	5,167,100	1.40
Perintis Amanah Berhad (formerly known as Infinity Trustee Berhad)	27,000,000	7.34	—	—

ANALYSIS OF SHAREHOLDINGS (CONT'D)

D. TOP THIRTY (30) SHAREHOLDERS

No	Name	No. of shares held	%
1	RHB NOMINEES (TEMPATAN) SDN BHD (OSK CAPITAL SDN BHD FOR HOOI JIA HAO)	28,660,000	7.79
2	PERINTIS AMANAH BERHAD	27,000,000	7.34
3	KENANGA INVESTMENT BANK BERHAD (IVT NAGA 8)	14,142,400	3.84
4	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR LIM CHIN HORNG)	13,614,000	3.70
5	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR LIM CHIN HORNG)	12,500,000	3.40
6	TASEC NOMINEES (TEMPATAN) SDN BHD (JULIUS LEONIE CHAI)	10,459,770	2.84
7	TENG CHUAN HENG	9,473,000	2.57
8	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR LIM CHIN HORNG)	8,000,000	2.17
9	MAYBANK NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR FRAZEL GROUP SDN BHD)	7,715,000	2.10
10	TA NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR TAN HOCK ANN)	6,696,400	1.82
11	CITIGROUP NOMINEES (ASING) SDN BHD (EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 22))	6,560,000	1.78
12	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR KHOR WEI HAN)	6,288,000	1.71
13	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR LIM CHIN HORNG)	6,000,000	1.63
14	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR LIM CHIN HORNG)	6,000,000	1.63
15	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR NG WEI YEE)	5,609,300	1.52
16	MAYBANK NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR KEH CHUAN SENG)	5,219,900	1.42
17	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR LIM SAW NEE)	5,000,000	1.36
18	LIM CHIN HORNG	4,862,912	1.32
19	TA NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR HOOI JIA HAO)	4,693,000	1.27
20	LIM SAW NEE	4,153,088	1.13

ANALYSIS OF SHAREHOLDINGS (CONT'D)

D. TOP THIRTY (30) SHAREHOLDERS (CONT'D)

No	Name	No. of shares held	%
21	MEP ENVIRO TECHNOLOGY SDN BHD	3,827,000	1.04
22	BIMSEC NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR HOOI JIA HAO)	3,257,000	0.89
23	LEE CHOON HEE	3,200,000	0.87
24	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR HOOI JIA HAO)	3,144,800	0.85
25	SEA CAPITAL HOLDINGS SDN BHD	3,077,100	0.84
26	MAYBANK NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR HOOI JIA HAO)	3,050,000	0.83
27	AMSEC NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR LIM SAW NEE)	3,000,300	0.82
28	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR LEOW CHOON CHANG)	2,869,400	0.78
29	TA NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR SIM LI YIN)	2,750,000	0.75
30	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR LAW BEE YEAN)	2,638,000	0.72
		223,460,370	60.73

ANALYSIS OF WARRANTHOLDINGS

AS AT 27 NOVEMBER 2024

No. of warrants unexercised : 129,979,548
Exercise price : RM0.42
Expiry date : 19 December 2027

A. ANALYSIS OF WARRANTHOLDINGS

Holdings	No. of Holders	%	No. of Holdings	%
Less than 100	129	12.44	6,327	0.00
100 to 1,000	178	17.16	101,472	0.08
1,001 to 10,000	258	24.88	1,325,650	1.02
10,001 to 100,000	322	31.05	14,863,932	11.44
100,001 to 6,498,976 (*)	146	14.08	70,450,711	54.20
6,498,977 and above (**)	4	0.39	43,231,456	33.26
Total	1,037	100.00	129,979,548	100.00

REMARK: * - LESS THAN 5% OF ISSUED HOLDINGS
** - 5% AND ABOVE OF ISSUED HOLDINGS

B. DIRECTORS' WARRANTHOLDINGS ACCORDING TO THE REGISTER OF DIRECTOR'S WARRANTHOLDINGS

Name	Direct Interest		Indirect Interest	
	No. of warrants	%	No. of warrants	%
Lim Chin Horng	13,392,823	10.30	—	—
Lim Saw Nee	5,009,694	3.85	—	—
Robert Koong Yin Leong	25,000	0.02	—	—
Tan Hock Soon	25,000	0.02	—	—
Ilham Fadilah Binti Sunhaji	25,000	0.02	—	—
Chan Soon Tat	—	—	—	—
Lim Foo Seng	—	—	—	—

C. TOP THIRTY (30) WARRANTHOLDERS

No	Name	No. of shares held	%
1	PERINTIS AMANAH BERHAD	13,500,000	10.39
2	LIM CHIN HORNG	12,436,456	9.57
3	AMSEC NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR HOOI JIA HAO)	10,050,300	7.73
4	AMSEC NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR NG WEI YEE)	7,244,700	5.57
5	LIM SAW NEE	5,009,544	3.85

ANALYSIS OF WARRANTHOLDINGS (CONT'D)

C. TOP THIRTY (30) WARRANTHOLDERS (CONT'D)

No	Name	No. of shares held	%
6	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR LEOW CHOON CHANG)	3,400,000	2.62
7	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR LEOW CHOON CHANG)	2,900,000	2.23
8	MAYBANK NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR HOOI JIA HAO)	2,831,000	2.18
9	SIAH NAM WAH	2,439,000	1.88
10	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR LEE PENG CHEONG)	2,145,300	1.65
11	TIEW SIAU YEE	1,777,900	1.37
12	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR HOOI JIA HAO)	1,560,400	1.20
13	TEY TAKE	1,500,000	1.15
14	IMPRESS 31 SDN BHD	1,371,700	1.06
15	ONG JOO VOON	1,340,800	1.03
16	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR KHOR WEI HAN)	1,225,000	0.94
17	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR YAP YUEN CHOY)	1,200,000	0.92
18	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR NG WEI YEE)	1,196,200	0.92
19	SK GRAND GROUP SDN BHD	1,068,900	0.82
20	MAYBANK NOMINEES (TEMPATAN) SDN BHD (SOON CHIEW LENG)	1,010,000	0.78
21	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR HOOI JIA HAO)	1,005,600	0.77
22	LEE MING CHAI	955,700	0.73
23	TA NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR HOOI JIA HAO)	904,000	0.70
24	LIM TZER CHIUAN	884,500	0.68
25	MAYBANK NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR HEAP WEI GUAN)	759,900	0.58
26	MAYBANK NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR NG WEI YEE)	752,300	0.58
27	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR LIM CHIN HORNG)	750,000	0.58
28	CHIA MEAH HEA	700,000	0.54
29	MUN MEE FONG	688,300	0.53
30	PHANG WAI LEE	673,000	0.52
		83,280,500	64.07

NOTICE OF FIFTH (5TH) ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 5th Annual General Meeting (“AGM”) of the Company will be held at Toh Yuen VIP Room, Klang Executive Club, 42, Persiaran Bukit Raja 2, Bandar Baru Klang, 41150 Klang, Selangor Darul Ehsan on Thursday, 23 January 2025 at 10:30 a.m. for the following purposes:-

AGENDA

Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 August 2024 together with the Reports of the Directors and the Auditors thereon. **(Refer to Note 2)**
2. To approve the payment of Directors’ fees of up to RM308,000/- for the financial year ending 31 August 2025 and benefits payable to the Directors of up to RM48,000/- for the period from 23 January 2025 to the Sixth (6th) Annual General Meeting of the Company to be held in year 2026 pursuant to Section 230(1)(b) of the Companies Act 2016. **Resolution 1**
3. To re-elect the following Directors, who retire pursuant Clause 21.7 of the Company’s Constitution, and being eligible, have offered themselves for re-election:-
 - (a) Mr. Lim Chin Horng; and **Resolution 2**
 - (b) Mr. Lim Foo Seng **Resolution 3**
4. To re-appoint Messrs. Baker Tilly Monteiro Heng PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Board of Directors of the Company to determine their remuneration. **Resolution 4**

Special Business

To consider and, if thought fit, with or without any modification, to pass the following Ordinary Resolution:-

5. **ORDINARY RESOLUTION** **Resolution 5**
 - **AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016**

“THAT pursuant to Sections 75 and 76 of the Companies Act 2016 (“the Act”), ACE Market Listing Requirements (“**ACE LR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”), the Constitution of the Company, and subject to the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding Treasury Shares, if any) for the time being as stipulated under Rule 6.04(1) of the ACE LR of Bursa Securities;

THAT in connection with the above, pursuant to Section 85(1) of the Act read together with Clause 16.6 of the Company’s Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares arising from any issuance of new shares pursuant to this mandate;

AND THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company;

NOTICE OF FIFTH (5TH) ANNUAL GENERAL MEETING (CONT'D)

AND FURTHER THAT the Directors of the Company, whether solely or jointly, be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the ACE LR of Bursa Securities; AND be hereby authorised to do all such acts and things including executing all relevant documents as he/they may consider expedient or necessary to complete and give full effect to the abovesaid mandate."

6. To transact any other ordinary business of which due notice shall have been given.

BY ORDER OF THE BOARD

(duly signed)

YEOW SZE MIN (SSM PC No. 201908003120) (MAICSA 7065735)

TAN LOO EE (SSM PC No. 201908002686) (MAICSA 7063694)

Company Secretaries

Selangor Darul Ehsan

24 December 2024

Notes:

(1) Information for Shareholders/Proxies

- a. For the purpose of determining a member who shall be entitled to attend the 5th AGM, the Company shall be requesting from Bursa Malaysia Depository Sdn. Bhd. ("**Bursa Depository**") in accordance with Clause 18.7(b) of the Company's Constitution and Section 34(1) of Securities Industry (Central Depositories) Act, 1991 ("**SICDA**") to issue a General Meeting Record of Depositors as at 16 January 2025. Only a depositor whose name appears on such Record of Depositors shall be entitled to attend the said meeting or appoint proxies to attend and/or speak and/or vote on his/her behalf.
- b. A member entitled to attend and vote at the 5th AGM is entitled to appoint a proxy/proxies to attend, speak and vote instead of him. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak and vote at the meeting.
- c. A member may, subject to Notes (d) and (e) below, appoint more than 1 proxy to attend and vote at the 5th AGM, to the extent permitted by the Act, SICDA, ACE LR of Bursa Securities and the Rules of Bursa Depository. Where a member appoints 2 proxies to attend and vote at the 5th AGM, such appointment shall be invalid unless the member specifies the proportion of his/her shareholding to be represented by each proxy.
- d. Where a member of the Company is an authorised nominee as defined under SICDA, it may appoint at least 1 proxy but not more than 2 proxies in respect of each securities account it holds to which shares in the Company standing to the credit of the said account.
- e. Where a member of the Company is an exempt authorised nominee which hold shares in the Company for multiple beneficial owners in 1 securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- f. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or, in the event the appointer is a corporation, the instrument appointing a proxy must be either under the appointer's Common Seal or under the hand of an officer or attorney duly authorised.

NOTICE OF FIFTH (5TH) ANNUAL GENERAL MEETING (CONT'D)

Notes (Cont'd):

(1) **Information for Shareholders/Proxies (Cont'd)**

g. Appointment of Proxy(ies)

A member may obtain the proxy form for the 5th AGM vide the Abridged Annual Report (hard copy) or Annual Report (electronic copy) released to Bursa Securities. The appointment of proxy(ies) may now be made in hard copy or in electronic form:-

(i) Hard copy

In the case of appointment made in hard copy, the instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy thereof, must be deposited at the office of the Company's Share Registrar, Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, not less than 48 hours before the time for holding the 5th AGM or any adjournment thereof.

(ii) Electronic form

In the case of appointment made in electronic form, the transmission/ lodgement of proxy form should be made no less than 48 hours before the time for holding the 5th AGM or any adjournment thereof:-

- (a) Vide Facsimile (**Fax Number: +603-2094 9940 / +603-2095 0292**); or
- (b) Vide designated electronic mail (Email) Address of Share Registrar: info@sshsb.com.my

A member may call the support line of Securities Services (Holdings) Sdn. Bhd. at +603-2084 9000 for assistance/clarification on item (g)(ii) above.

Explanatory Note to Ordinary and Special Businesses:-

(2) **Audited Financial Statements for the financial year ended 31 August 2024 ("FYE 2024")**

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

(3) **Resolution 1 - Directors' Fees and Benefits Payable**

Section 230(1) of the Act provides amongst others, that the fees of the Directors, and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at the general meeting.

The proposed Resolution 1, if approved, will authorise the payment of Directors' fees of the Company for the financial year ending 31 August 2025 and to be payable on a semi-annual basis and will authorise the payment of benefits payable to the Directors by the Company. The benefits payable to the Directors for the period from 23 January 2025 to the 6th AGM of the Company to be held in year 2026 are derived from the estimated meeting allowance based on the number of scheduled meetings and unscheduled meetings (when necessary) for the Board of Directors ("**Board**") and Board Committees, and the number of Directors attending the meetings.

In the event that the Directors' fees and benefits payable proposed are insufficient due to enlarged Board size, approval will be sought at the next AGM for additional Directors' fees and benefits payable to meet the shortfall.

NOTICE OF FIFTH (5TH) ANNUAL GENERAL MEETING (CONT'D)

Explanatory Note to Ordinary and Special Businesses (Cont'd):-

(4) Resolutions 2 and 3 - Retirement of Directors

In determining the eligibility of the Directors to stand for re-election at the 5th AGM of the Company, the Nomination Committee (“NC”) had reviewed and assessed the following Directors from the annual assessment and evaluation of the Board for the FYE 2024: -

- (a) Mr. Lim Chin Horng; and
- (b) Mr. Lim Foo Seng.

(hereinafter referred to as the “**Retiring Directors**”).

The Board via NC’s annual assessment was satisfied with the performance of the Retiring Directors, who are standing for re-election and have recommended to the shareholders the proposed re-election at the 5th AGM under Resolutions 2 and 3.

The Retiring Directors have consented to their re-election and abstained from deliberations and voting in relation to their re-election at the NC Meeting and/or Board Meeting.

The profiles of the Retiring Directors are set out in the Annual Report in respect of the FYE 2024.

(5) Resolution 4 - Re-appointment of Auditors

The Audit and Risk Management Committee and the Board had, on 24 October 2024, considered the re-appointment of Messrs. Baker Tilly Monteiro Heng PLT as Auditors of the Company. The Audit and Risk Management Committee and the Board collectively agreed and are satisfied that Messrs. Baker Tilly Monteiro Heng PLT meets the relevant criteria prescribed by Rule 15.21 of the ACE LR of Bursa Securities.

(6) Resolution 5 - Authority to Issue Shares pursuant to the Act

The Company wishes to renew the mandate on the authority to issue and allot shares pursuant to the Act at the 5th AGM of the Company (hereinafter referred to as the “**General Mandate**”).

The Company had been granted a general mandate on the authority to issue shares pursuant to the Act by its shareholders at the Fourth AGM of the Company held on 29 January 2024 (hereinafter referred to as the “**Previous Mandate**”).

As at the date of this notice, the Previous Mandate granted by the shareholders had not been utilised and hence no proceeds were raised therefrom.

The purpose to seek the General Mandate is to enable the Directors of the Company to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting as it would be both time and cost-consuming to organise a general meeting. This authority unless revoked or varied by the Company in general meeting, will expire at the next AGM. The proceeds raised from the General Mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

Pursuant to Section 85(1) of the Act read together with Clause 16.6 of the Company’s Constitution, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other convertible securities.

That proposed Resolution 5, if passed, will exclude your pre-emptive rights to be offered new shares and/or convertible securities to be issued by the Company pursuant to the said resolution.

NOTICE OF FIFTH (5TH) ANNUAL GENERAL MEETING (CONT'D)**Personal data privacy:-**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 5th AGM and/or any adjournment thereof, a member of the Company –

- (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of processing and administration by the Company (or its agents) of proxies and representatives appointed for the 5th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 5th AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing requirements, regulations and/or guidelines (collectively, the "**Purposes**");
- (ii) warrants that where the member disclose the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained prior consent of such proxy(ies) and/or representative(s) for the Purposes; and
- (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.



ECONFRAME BERHAD
Registration No. 201901042935 (1352265-T)
(Incorporated in Malaysia)

PROXY FORM

Number of shares held	
CDS account number	
Email address	
Contact number	

*I/We, *Registration No./NRIC No./
(full name as per NRIC/Passport/Certificate of Incorporation in capital letters)

Passport No. of
(full address)

being a member of **ECONFRAME BERHAD** hereby appoint
(full name as per NRIC/Passport in capital letters)

*NRIC No./Passport No. *and/or failing *him/her
(full name as per NRIC/Passport in capital letters)

*NRIC No./Passport No. or failing him/her, the Chairman of the Meeting as *my/our proxy, to vote for *me/us on *my/our behalf at the Fifth Annual General Meeting ("**5th AGM**") of the Company to be held at Toh Yuen VIP Room, Klang Executive Club, 42, Persiaran Bukit Raja 2, Bandar Baru Klang, 41150 Klang, Selangor Darul Ehsan on Thursday, 23 January 2025 at 10:30 a.m. or at any adjournment thereof, on the following resolutions referred to in the Notice of 5th AGM.

*My/Our proxy(ies) *is/are to vote as indicated below:-

Ordinary Business		For	Against
Resolution 1	To approve the payment of Directors' fees and benefits payable to the Directors of the Company.		
Resolution 2	To re-elect Mr. Lim Chin Horng as Director.		
Resolution 3	To re-elect Mr. Lim Foo Seng as Director.		
Resolution 4	To re-appoint Messrs. Baker Tilly Monteiro Heng PLT as Auditors of the Company and to authorise the Board of Directors to determine their remuneration.		
Special Business			
Resolution 5	Authority to issue shares pursuant to the Companies Act 2016.		

(Please indicate with an "X" in the appropriate box against each Resolution how you wish your vote to be cast. If no specific direction as to how the proxy shall vote, the proxy shall vote as he/she thinks fit or, at his/her discretion, abstain from voting.)

Signed this day of, *2024/2025

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

* Delete if not applicable

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



Notes:

- a. For the purpose of determining a member who shall be entitled to attend the 5th AGM, the Company shall be requesting from Bursa Malaysia Depository Sdn. Bhd. ("**Bursa Depository**") in accordance with Clause 18.7(b) of the Company's Constitution and Section 34(1) of Securities Industry (Central Depositories) Act, 1991 ("**SICDA**") to issue a General Meeting Record of Depositors as at 16 January 2025. Only a depositor whose name appears on such Record of Depositors shall be entitled to attend the said meeting or appoint proxies to attend and/or speak and/or vote on his/her behalf.
- b. A member entitled to attend and vote at the 5th AGM is entitled to appoint a proxy/proxies to attend, speak and vote instead of him. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak and vote at the meeting.
- c. A member may, subject to Notes (d) and (e) below, appoint more than 1 proxy to attend and vote at the 5th AGM, to the extent permitted by the Companies Act 2016, SICDA, ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and the Rules of Bursa Depository. Where a member appoints 2 proxies to attend and vote at the 5th AGM, such appointment shall be invalid unless the member specifies the proportion of his/her shareholding to be represented by each proxy.
- d. Where a member of the Company is an authorised nominee as defined under SICDA, it may appoint at least 1 proxy but not more than 2 proxies in respect of each securities account it holds to which shares in the Company standing to the credit of the said account.
- e. Where a member of the Company is an exempt authorised nominee which hold shares in the Company for multiple beneficial owners in 1 securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- f. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or, in the event the appointer is a corporation, the instrument appointing a proxy must be either under the appointer's Common Seal or under the hand of an officer or attorney duly authorised.
- g. Appointment of Proxy(ies)

A member may obtain the proxy form for the 5th AGM vide the Abridged Annual Report (hard copy) or Annual Report (electronic copy) released to Bursa Securities. The appointment of proxy(ies) may now be made in hard copy or in electronic form:-

(i) Hard copy

In the case of appointment made in hard copy, the instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy thereof, must be deposited at the office of the Company's Share Registrar, Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, not less than 48 hours before the time for holding the 5th AGM or any adjournment thereof.

(ii) Electronic form

In the case of appointment made in electronic form, the transmission/ lodgement of proxy form should be made no less than 48 hours before the time for holding the 5th AGM or any adjournment thereof:-

- (a) Vide Facsimile (**Fax Number: +603-2094 9940 / +603-2095 0292**); or
- (b) Vide designated electronic mail (Email) Address of Share Registrar: info@sshsb.com.my

A member may call the support line of Securities Services (Holdings) Sdn. Bhd. at +603-2084 9000 for assistance/clarification on item (g)(ii) above.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of 5th AGM dated 24 December 2024.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

ECONFRAME BERHAD
201901042935 (1352265-T)
c/o **SECURITIES SERVICES (HOLDINGS) SDN BHD**
197701005827 (36869-T)
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

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ECONFRAME BERHAD

Registration No. 201901042935 (1352265-T)
(Incorporated in Malaysia under the Companies Act 2016)

No. 1, Jalan 27A, Kawasan 16,
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