

**JISHAN BERHAD**

Registration No. 201901013612 (1322940-P)

(Incorporated in Malaysia)

**DIRECTORS' REPORT AND  
AUDITED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
31 DECEMBER 2024**

Registration No. 201901013612 (1322940-P)

**JISHAN BERHAD**  
(Incorporated in Malaysia)

**DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

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**JISHAN BERHAD**  
(Incorporated in Malaysia)

**DIRECTORS' REPORT**

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

**PRINCIPAL ACTIVITIES**

The Company is principally engaged as an investment holding company. The principal activities of the subsidiaries are manufacturing and trading of corrugated cartons, all kind of paper and plastic packaging products. The principal activities and the details of the subsidiaries are set out in Note 7 to the financial statements.

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

**RESULTS**

	<b>Group RM</b>	<b>Company RM</b>
Profit/(loss) for the financial year	<u>9,357,100</u>	<u>(294,463)</u>
Attributable to owners of the parent	<u>9,357,100</u>	<u>(294,463)</u>

**DIVIDEND**

No dividend has been paid, declared or proposed by the Company since the end of the previous financial year. The Directors do not recommend any payment of dividend for the current financial year.

**RESERVES AND PROVISIONS**

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

**ISSUE OF SHARES AND DEBENTURES**

The Company did not issue any new shares or debentures during the financial year.

## OPTIONS GRANTED OVER UNISSUED SHARES

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

## DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

### Jishan Berhad

Ir. Razali Bin Budin  
Ang Chee Beng  
Cheah Teik Hee  
Khor Keow Kuang  
Ng Eng Siong  
Toh Mei Yong

### Subsidiaries of Jishan Berhad

Ng Eng Siong  
Ang Chee Beng  
Khor Keow Kuang  
Cheah Teik Hee  
Ng Ming Mei  
Ng Xiang Xian

## DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares in the Company during the financial year ended 31 December 2024 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

<u>Shares in the Company</u>	<b>Number of ordinary shares</b>			<b>Balance as at <u>31.12.2024</u></b>
	<b>Balance as at <u>1.1.2024</u></b>	<b><u>Bought</u></b>	<b><u>Sold</u></b>	
<b>Direct interests</b>				
Ir. Razali Bin Budin	100,000	0	0	100,000
Ang Chee Beng	19,049,000	0	(1,000)	19,048,000
Cheah Teik Hee	9,154,000	0	0	9,154,000
Ng Eng Siong	75,000	0	0	75,000
Toh Mei Yong	280,000	0	0	280,000

## **DIRECTORS' INTERESTS (continued)**

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares in the Company during the financial year ended 31 December 2024 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows (continued):

<b><u>Shares in the Company</u></b>	<b>Number of ordinary shares</b>			<b><u>Balance as at 31.12.2024</u></b>
	<b><u>Balance as at 1.1.2024</u></b>	<b><u>Bought</u></b>	<b><u>Sold</u></b>	
<b><u>Indirect interests</u></b>				
Ng Eng Siong	133,835,002	0	0	133,835,002
Khor Keow Kuang	133,835,002	0	0	133,835,002
<b><u>Shares in the ultimate holding company, Jishan Capital Sdn. Bhd.</u></b>				
<b><u>Direct interests</u></b>				
Ng Eng Siong	1,008,000	0	0	1,008,000
Khor Keow Kuang	672,000	0	0	672,000

By virtue of Ng Eng Siong's and Khor Keow Kuang's substantial interests in the ordinary shares of the Company, they are also deemed to be interested in the ordinary shares of all the subsidiaries to the extent that the Company has an interest.

The other Directors holding office at the end of the financial year did not hold any interest in the ordinary shares of the Company and of its related corporations during the financial year.

## **DIRECTORS' BENEFITS**

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remuneration received or due and receivable by the Directors) 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.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

## **DIRECTORS' REMUNERATION**

Fees and other benefits of the Directors of the Group and of the Company who held office for the financial year ended 31 December 2024 were as follows:

	<b>Group RM</b>	<b>Company RM</b>
Fees	49,000	49,000
Wages, salaries and bonuses	2,233,450	0
Contributions to defined contribution plan	262,380	0
Other benefits	10,802	0
Benefits-in-kind	48,625	0
	<u>2,604,257</u>	<u>49,000</u>

## **INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS**

There were no indemnity given to or insurance effected for the Directors, officers and auditors of the Group and the Company during the financial year.

## **OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY**

### **(I) AS AT THE END OF THE FINANCIAL YEAR**

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that there were no known bad debts to be written off and that adequate provision had been made for doubtful debts; and
  - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

**OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (continued)**

**(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT**

- (c) The Directors are not aware of any circumstances:
  - (i) which would necessitate the writing off of bad debts or render the amount of provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;
  - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
  - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) In the opinion of the Directors:
  - (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and
  - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group and of the Company to meet its obligations as and when its fall due.

**(III) AS AT THE DATE OF THIS REPORT**

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

## ULTIMATE HOLDING COMPANY

The Directors regard Jishan Capital Sdn. Bhd., a company incorporated in Malaysia as the ultimate holding company.

## SUBSIDIARIES

The details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2024 %	2023 %	
<b>Direct:</b>				
Jishan Pack Sdn. Bhd.	Malaysia	100	100	Manufacturing and dealing in corrugated cartons, paper products and diverse plastic products.
Jishan Packaging Hub Sdn. Bhd.	Malaysia	100	100	Buying and selling of all kinds of plastic packaging products, paperboard, and corrugated cartons.
<b>Indirect:</b>				
JSP Plas Sdn. Bhd.	Malaysia	100	100	Manufacturing of diverse plastic products and trading of medical and non medical products.



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## **AUDITORS**

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

Auditors' remuneration of the Company and its subsidiaries for the financial year ended 31 December 2024 amounted to RM27,000 and RM73,000 respectively.

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

**Ng Eng Siong**  
Director

**Ang Chee Beng**  
Director

Penang  
18 April 2025

**JISHAN BERHAD**  
(Incorporated in Malaysia)

**STATEMENT BY DIRECTORS**

In the opinion of the Directors, the financial statements set out on pages 15 to 73 have been drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

**Ng Eng Siong**  
Director

**Ang Chee Beng**  
Director

Penang  
18 April 2025

**STATUTORY DECLARATION**

I, Ng Eng Siong (I/C No.: 621015-04-5423), being the Director primarily responsible for the financial management of Jishan Berhad., do solemnly and sincerely declare that the financial statements set out on pages 15 to 73 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared  
by the abovenamed at  
Georgetown in the State of  
Penang this

**Ng Eng Siong**

Before me,

Commissioner for Oaths

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
JISHAN BERHAD**

Registration No. 201901013612 (1322940-P)  
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**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of Jishan Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 15 to 73.

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

**Basis for Opinion**

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ('ISAs'). 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
JISHAN BERHAD (continued)**  
Registration No. 201901013612 (1322940-P)  
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**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.

***Impairment of trade receivables***

The net carrying amount of trade receivables of RM23,796,952 has been disclosed in Note 10 to the financial statements.

We determined this to be a key audit matter because it requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward-looking information in assessing the expected credit losses.

***Audit response***

Our audit procedures including the following:

- (a) Recomputed the probability of default using historical data and forward looking information adjustment applied by the Group;
- (b) Recomputed the correlation coefficient between the macroeconomic indicators used by the Group and historical losses to determine the appropriateness of the forward-looking information used by the Group; and
- (c) Inquiries of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses.

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
JISHAN BERHAD (continued)**  
Registration No. 201901013612 (1322940-P)  
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**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 Directors' 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 Directors' Report 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 Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, 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 the Company that give a true and fair view in accordance with MFRSs, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
JISHAN BERHAD (continued)**  
Registration No. 201901013612 (1322940-P)  
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**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 ISAs 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 ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) 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.
- (b) 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 internal control of the Group and of the Company.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
JISHAN BERHAD (continued)**  
Registration No. 201901013612 (1322940-P)  
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**Auditors' Responsibilities for the Audit of the Financial Statements (continued)**

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also (continued):

- (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 ability of the Group or of the Company 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.
- (e) 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.
- (f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
JISHAN BERHAD (continued)**  
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**Auditors' Responsibilities for the Audit of the Financial Statements (continued)**

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

**Other Matter**

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

**BDO PLT**  
201906000013 (LLP0018825-LCA) & AF 0206  
Chartered Accountants

**Tan Chee Hean**  
03661/04/2026 J  
Chartered Accountant

Penang  
18 April 2025



**JISHAN BERHAD**  
(Incorporated in Malaysia)

**STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2024**

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	5	117,133,427	92,842,073	0	0
Right-of-use assets	6	8,062,621	9,992,618	0	0
Lease receivables	6	118,954	216,662	0	0
Investments in subsidiaries	7	0	0	25,758,000	25,758,000
Investment in an associate	8	0	69,543	0	0
Deferred tax assets	15	2,794,600	0	0	0
		<u>128,109,602</u>	<u>103,120,896</u>	<u>25,758,000</u>	<u>25,758,000</u>
<b>Current assets</b>					
Inventories	9	13,829,004	9,202,156	0	0
Trade and other receivables	10	28,264,033	22,237,806	3,666,138	3,675,000
Derivative assets	16	7,745	0	0	0
Lease receivables	6	108,670	99,536	0	0
Current tax assets		1,502,577	449,903	3,522	3,632
Cash and bank balances	11	2,441,159	2,386,555	33,067	39,168
		<u>46,153,188</u>	<u>34,375,956</u>	<u>3,702,727</u>	<u>3,717,800</u>
<b>TOTAL ASSETS</b>		<u><u>174,262,790</u></u>	<u><u>137,496,852</u></u>	<u><u>29,460,727</u></u>	<u><u>29,475,800</u></u>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the parent</b>					
Share capital	12	29,973,182	29,973,182	29,973,182	29,973,182
Reserves	13	40,075,079	30,717,979	(1,765,217)	(1,470,754)
<b>TOTAL EQUITY</b>		<u><u>70,048,261</u></u>	<u><u>60,691,161</u></u>	<u><u>28,207,965</u></u>	<u><u>28,502,428</u></u>

**JISHAN BERHAD**  
(Incorporated in Malaysia)

**STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2024 (continued)**

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Borrowings	14	56,185,267	41,853,956	0	0
Other payable	17	444,167	888,333	0	0
Lease liabilities	6	2,398,496	3,576,679	0	0
Deferred tax liabilities	15	611,700	1,325,400	0	0
		<u>59,639,630</u>	<u>47,644,368</u>	<u>0</u>	<u>0</u>
<b>Current liabilities</b>					
Borrowings	14	24,905,808	17,694,492	1,202,564	935,242
Trade and other payables	17	17,602,804	9,565,558	50,198	38,130
Lease liabilities	6	1,809,048	1,901,273	0	0
Current tax liabilities		257,239	0	0	0
		<u>44,574,899</u>	<u>29,161,323</u>	<u>1,252,762</u>	<u>973,372</u>
<b>TOTAL LIABILITIES</b>		<u>104,214,529</u>	<u>76,805,691</u>	<u>1,252,762</u>	<u>973,372</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>174,262,790</u>	<u>137,496,852</u>	<u>29,460,727</u>	<u>29,475,800</u>

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

**JISHAN BERHAD**  
(Incorporated in Malaysia)

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

		<b>Group</b>		<b>Company</b>	
	<b>Note</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
		<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Revenue	19	111,558,984	99,422,688	0	0
Cost of sales		<u>(87,560,198)</u>	<u>(79,232,321)</u>	<u>0</u>	<u>0</u>
Gross profit		23,998,786	20,190,367	0	0
Other operating income		823,539	778,492	191,722	180,148
Administrative expenses		(11,385,546)	(9,973,045)	(466,147)	(515,252)
Selling and distribution expenses		(2,613,727)	(1,878,359)	(142)	(401)
Finance costs	20	(4,191,052)	(3,272,260)	0	0
Net (loss)/gain on impairment of financial assets		(26,098)	171,560	0	0
Share of (loss)/profit in an associate		<u>(2,653)</u>	<u>31,583</u>	<u>0</u>	<u>0</u>
Profit/(Loss) before taxation		6,603,249	6,048,338	(274,567)	(335,505)
Taxation	21	<u>2,753,851</u>	<u>229,458</u>	<u>(19,896)</u>	<u>(22,542)</u>
Profit/(Loss) for the financial year		9,357,100	6,277,796	(294,463)	(358,047)
Other comprehensive income, net of tax		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total comprehensive income/(loss)		<u><u>9,357,100</u></u>	<u><u>6,277,796</u></u>	<u><u>(294,463)</u></u>	<u><u>(358,047)</u></u>

**JISHAN BERHAD**  
(Incorporated in Malaysia)

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 December 2024 (continued)**

		<b>Group</b>		<b>Company</b>	
	<b>Note</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
		<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Profit/(Loss) attributable to owners of the parent		<u>9,357,100</u>	<u>6,277,796</u>	<u>(294,463)</u>	<u>(358,047)</u>
Total comprehensive income/(loss) attributable to owners of the parent		<u>9,357,100</u>	<u>6,277,796</u>	<u>(294,463)</u>	<u>(358,047)</u>
Earnings per ordinary share attributable to equity holders of the Company					
Basic and diluted (sen)	23	<u>3.98</u>	<u>2.67</u>		

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

**JISHAN BERHAD**  
(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

<b>Group</b>	<b>Share capital RM</b>	<b>Reorganisation debit reserve RM</b>	<b>Retained earnings RM</b>	<b>Total equity RM</b>
Balance as at 1 January 2023	29,973,182	(19,708,000)	44,148,183	54,413,365
Profit for the financial year	0	0	6,277,796	6,277,796
Other comprehensive income, net of tax	0	0	0	0
Total comprehensive income	0	0	6,277,796	6,277,796
Balance as at 31 December 2023	29,973,182	(19,708,000)	50,425,979	60,691,161
Balance as at 1 January 2024	29,973,182	(19,708,000)	50,425,979	60,691,161
Profit for the financial year	0	0	9,357,100	9,357,100
Other comprehensive income, net of tax	0	0	0	0
Total comprehensive income	0	0	9,357,100	9,357,100
Balance as at 31 December 2024	29,973,182	(19,708,000)	59,783,079	70,048,261

**JISHAN BERHAD**  
(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (continued)**

<b>Company</b>	<b>Share capital RM</b>	<b>Accumulated losses RM</b>	<b>Total equity RM</b>
Balance as at 1 January 2023, as previously reported	29,973,182	(491,068)	29,482,114
Adjustment due to modified retrospective application of MFRS 17 (financial guarantee contracts)	0	(621,639)	(621,639)
Balance as at 1 January 2023, as restated	29,973,182	(1,112,707)	28,860,475
Loss for the financial year	0	(358,047)	(358,047)
Other comprehensive income, net of tax	0	0	0
Total comprehensive loss	0	(358,047)	(358,047)
Balance as at 31 December 2023	29,973,182	(1,470,754)	28,502,428
Balance as at 1 January 2024	29,973,182	(1,470,754)	28,502,428
Loss for the financial year	0	(294,463)	(294,463)
Other comprehensive income, net of tax	0	0	0
Total comprehensive loss	0	(294,463)	(294,463)
Balance as at 31 December 2024	29,973,182	(1,765,217)	28,207,965

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

**JISHAN BERHAD**

(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Profit/(Loss) before taxation		6,603,249	6,048,338	(274,567)	(335,505)
Adjustments for:					
Depreciation of:					
- property plant, and equipment	5	5,749,589	5,166,356	0	0
- right-of-use assets	6	1,376,417	1,886,532	0	0
Loss/(Gain) on disposals of:					
- property, plant and equipment		147,348	216,790	0	0
- right-of-use assets		0	(8,000)	0	0
- an associate		(3,110)	0		
Gain on lease termination		(13,461)	(11,068)	0	0
Interest expense	20	4,191,052	3,272,260	0	0
Interest income		(39,328)	(36,265)	(191,722)	(180,148)
Impairment losses on trade receivables	10(g)	37,181	33,176	0	0
Reversal of impairment losses on trade receivables	10(g)	(11,083)	(204,736)	0	0
Fair value gain on derivatives	16	(7,745)	0	0	0
Fair value changes on financial guarantee contracts	14(c)	0	0	267,322	313,603
Share of loss/(gain) in an associate		2,653	(31,583)	0	0
Property, plant and equipment written off		163,131	113,610	0	0
Unrealised gain on foreign exchange		(79,376)	(56,412)	0	0
Operating profit/(loss) before changes in working capital		18,116,517	16,388,998	(198,967)	(202,050)
(Increase)/Decrease in inventories		(4,626,848)	4,057,844	0	0
(Increase)/Decrease in trade and other receivables		(5,996,140)	796,251	(10,368)	0
Decrease in lease receivables		88,574	84,438	0	0
Increase/(Decrease) in trade and other payables		6,822,589	(1,149,900)	12,068	13,790
Cash generated from/(used in) operations		14,404,692	20,177,631	(197,267)	(188,260)

**JISHAN BERHAD**

(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS**

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (continued)**

		<b>Group</b>		<b>Company</b>	
	<b>Note</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
		<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES (continued)</b>					
Cash generated from/(used in) operations		14,404,692	20,177,631	(197,267)	(188,260)
Interest received		39,328	36,265	0	0
Interest paid		(162,735)	(82,528)	0	0
Tax paid		(1,549,884)	(1,239,206)	(19,786)	(4,830)
Tax refunded		0	8,654	0	4,654
Net cash from/(used in) operating activities		<u>12,731,401</u>	<u>18,900,816</u>	<u>(217,053)</u>	<u>(188,436)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from disposals of:					
- property, plant and equipment		37,086	121,742	0	0
- right-of-use assets		0	14,160	0	0
- an associate		70,000	0	0	0
Purchase of:					
- property, plant and equipment	5	(9,535,544)	(12,043,203)	0	0
- right-of-use assets	6.1(c)	0	(70,949)	0	0
Investment in an associate	8	0	(17,500)	0	0
Net changes in deposit with a licensed bank with maturity more than 3 months		(1,010,577)	(8,622)	0	0
Repayment from/(to):					
- a subsidiary		0	0	30,000	0
- ultimate holding company		(444,166)	(444,167)	0	0
Advances from ultimate holding company		1,214,657	70,834	0	0
Interest paid		(49,969)	(69,956)	0	0
Interest received		0	0	180,952	189,153
Net cash (used in)/from investing activities		<u>(9,718,513)</u>	<u>(12,447,661)</u>	<u>210,952</u>	<u>189,153</u>



**JISHAN BERHAD**

(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS**

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (continued)**

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Drawdown of bankers' acceptances		43,537,388	35,140,170	0	0
Interest paid		(3,687,170)	(2,682,640)	0	0
Repayment of bankers' acceptances		(41,055,229)	(30,963,163)	0	0
Repayment of lease liabilities	6	(2,144,434)	(3,603,236)	0	0
Repayment of term loans		(4,967,175)	(5,141,363)	0	0
Net cash used in financing activities		<u>(8,316,620)</u>	<u>(7,250,232)</u>	<u>0</u>	<u>0</u>
Net (decrease)/increase in cash and cash equivalents		(5,303,732)	(797,077)	(6,101)	717
Effects of exchange rate changes on cash and cash equivalents		23,191	25,576	0	0
Cash and cash equivalents at beginning of financial year		<u>2,046,307</u>	<u>2,817,808</u>	<u>39,168</u>	<u>38,451</u>
Cash and cash equivalents at end of financial year	11	<u>(3,234,234)</u>	<u>2,046,307</u>	<u>33,067</u>	<u>39,168</u>

**JISHAN BERHAD**

(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS**

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (continued)**

***RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES***

<b>Group</b>	<b>Lease liabilities (Note 6) RM</b>	<b>Bankers' acceptances (Note 14) RM</b>	<b>Term loans RM</b>
Balance as at 1 January 2024	5,477,952	12,476,561	47,071,887
Cash flows	(2,144,434)	2,482,159	(4,967,175)
Non-cash flows:			
- Additions	864,248	0	19,658,450
- Interest expense	0	44,625	0
- Lease termination	(236,775)	0	0
- Unwinding of interest	246,553	0	0
Balance as at 31 December 2024	<u>4,207,544</u>	<u>15,003,345</u>	<u>61,763,162</u>
Balance as at 1 January 2023	8,268,250	8,219,112	44,302,298
Cash flows	(3,603,236)	4,177,007	(5,141,363)
Non-cash flows:			
- Additions	843,302	0	7,910,952
- Interest expense	0	80,442	0
- Lease termination	(387,058)	0	0
- Unwinding of interest	356,694	0	0
Balance as at 31 December 2023	<u>5,477,952</u>	<u>12,476,561</u>	<u>47,071,887</u>

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

Registration No. 201901013612 (1322940-P)

**JISHAN BERHAD**

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2024**

**1. CORPORATE INFORMATION**

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

The registered office of the Company is located at 39, Irving Road, 10400 Georgetown, Pulau Pinang.

The principal place of business of the Company is located at Lot 20575, Jalan Bukit Panchor, 14300 Nibong Tebal, Pulau Pinang.

The ultimate holding company of the Company is Jishan Capital Sdn. Bhd., a company incorporated in Malaysia.

The consolidated financial statements for the financial year ended 31 December 2024 comprise the financial statements of Company and its subsidiaries. These financial statements are presented in Ringgit Malaysia ('RM'), which is also the functional currency of the Company.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 18 April 2025.

**2. PRINCIPAL ACTIVITIES**

The Company is principally engaged as an investment holding company. The principal activities of the subsidiaries are manufacturing and trading of corrugated cartons, all kind of paper and plastic packaging products. The principal activities and the details of the subsidiaries are set out in Note 7 to the financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2024**

**3. BASIS OF PREPARATION**

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

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are set out in Note 27.1 to the financial statements.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

**4. OPERATING SEGMENTS**

Information about operating segments has not been reported separately as revenue, profit or loss, assets and liabilities of the Group are mainly confined to a single operating segment, namely the manufacturing and sale of paper-related and plastic-related products.

No segment information is presented as the Executive Directors view the Group as a single reportable segment.

(a) Geographical segment

The manufacturing facilities of the Group are primarily based in Malaysia.

In presenting information on the basis of geographical areas, segment revenue is based on the geographical location of customers from which the sale transactions originated.

All the assets and liabilities of the Group are derived from Malaysia. Hence, no additional disclosure is made on geographical breakdown/details of the segment assets and liabilities of the Group.

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2024**

**4. OPERATING SEGMENTS (continued)**

(a) Geographical segment (continued)

Revenue information based on geographical location of customers is as follows:

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
<b>Revenue from external customers</b>		
Malaysia	106,258,619	97,835,081
Others	5,300,365	1,587,607
	<u>111,558,984</u>	<u>99,422,688</u>

(b) Major customer

The following is major customer with revenue equal or more than ten percent (10%) of revenue of the Group:

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Customer A	<u>24,177,487</u>	<u>26,858,508</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2024**

**5. PROPERTY, PLANT AND EQUIPMENT**

<b>Group</b>	<b>Freehold land RM</b>	<b>Factory buildings RM</b>	<b>Plant and machinery RM</b>	<b>Factory equipment RM</b>	<b>Office equipment RM</b>	<b>Signage RM</b>	<b>Electrical installation RM</b>	<b>Furniture and fittings RM</b>	<b>Motor vehicles RM</b>	<b>Renovation RM</b>	<b>Capital work- in-progress RM</b>	<b>Total RM</b>
<b>At cost</b>												
Balance as at 1 January 2024	26,525,712	31,572,157	37,287,600	10,446,480	2,695,993	19,720	1,902,663	771,815	3,306,341	4,398,626	16,642,542	135,569,649
Additions	0	2,064,235	6,883,034	1,557,198	708,326	10,560	0	94,628	0	155,265	17,720,748	29,193,994
Disposals	0	0	(503,806)	0	(19,158)	0	0	(36,768)	0	(76,941)	0	(636,673)
Written off	0	0	(445,000)	(4,057)	(78,600)	0	0	0	(74,200)	0	0	(601,857)
Reclassifications	0	28,776,027	4,379,586	0	0	0	0	0	0	0	(33,155,613)	0
Transfer from right-of-use assets (Note 6)	0	0	1,646,189	189,000	0	0	0	0	0	0	0	1,835,189
Balance as at 31 December 2024	26,525,712	62,412,419	49,247,603	12,188,621	3,306,561	30,280	1,902,663	829,675	3,232,141	4,476,950	1,207,677	165,360,302
<b>Accumulated depreciation</b>												
Balance as at 1 January 2024	0	2,608,094	21,537,706	8,932,615	2,404,061	1,643	1,881,489	495,253	2,476,169	2,390,546	0	42,727,576
Current charge	0	631,443	3,263,403	727,155	240,643	2,500	12,090	97,446	287,874	487,035	0	5,749,589
Disposals	0	0	(375,453)	0	(18,002)	0	0	(14,791)	0	(43,993)	0	(452,239)
Written off	0	0	(281,874)	(4,056)	(78,597)	0	0	0	(74,199)	0	0	(438,726)
Transfer from right-of-use assets (Note 6)	0	0	527,275	113,400	0	0	0	0	0	0	0	640,675
Balance as at 31 December 2024	0	3,239,537	24,671,057	9,769,114	2,548,105	4,143	1,893,579	577,908	2,689,844	2,833,588	0	48,226,875
<b>Carrying amount</b>												
Balance as at 31 December 2024	26,525,712	59,172,882	24,576,546	2,419,507	758,456	26,137	9,084	251,767	542,297	1,643,362	1,207,677	117,133,427

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2024**

**5. PROPERTY, PLANT AND EQUIPMENT (continued)**

<b>Group</b>	<b>Freehold land RM</b>	<b>Factory buildings RM</b>	<b>Plant and machinery RM</b>	<b>Factory equipment RM</b>	<b>Office equipment RM</b>	<b>Signage RM</b>	<b>Electrical installation RM</b>	<b>Furniture and fittings RM</b>	<b>Motor vehicles RM</b>	<b>Renovation RM</b>	<b>Capital work- in-progress RM</b>	<b>Total RM</b>
<b>At cost</b>												
Balance as at 1 January 2023	26,265,712	15,885,885	33,583,435	10,169,484	2,777,111	0	1,902,663	788,824	3,000,387	4,000,036	15,798,471	114,172,008
Additions	260,000	0	2,040,993	283,446	81,318	19,720	0	20,572	233,945	476,818	16,537,343	19,954,155
Disposals	0	0	(602,000)	0	(26,887)	0	0	(37,581)	(486,438)	0	0	(1,152,906)
Written off	0	0	(174,573)	(6,450)	(135,549)	0	0	0	0	(78,228)	(7,000)	(401,800)
Reclassifications	0	15,686,272	16,791	0	0	0	0	0	0	0	(15,686,272)	16,791
Transfer from right-of-use assets (Note 6)	0	0	2,422,954	0	0	0	0	0	558,447	0	0	2,981,401
Balance as at 31 December 2023	<u>26,525,712</u>	<u>31,572,157</u>	<u>37,287,600</u>	<u>10,446,480</u>	<u>2,695,993</u>	<u>19,720</u>	<u>1,902,663</u>	<u>771,815</u>	<u>3,306,341</u>	<u>4,398,626</u>	<u>16,642,542</u>	<u>135,569,649</u>
<b>Accumulated depreciation</b>												
Balance as at 1 January 2023	0	2,238,088	18,064,522	8,138,561	2,315,929	0	1,788,209	398,254	2,156,073	1,932,000	0	37,031,636
Current charge	0	370,006	2,764,770	800,500	236,283	1,643	93,280	111,543	304,991	483,340	0	5,166,356
Disposals	0	0	(335,295)	0	(12,633)	0	0	(14,544)	(451,902)	0	0	(814,374)
Written off	0	0	(121,432)	(6,446)	(135,518)	0	0	0	0	(24,794)	0	(288,190)
Reclassifications	0	0	16,791	0	0	0	0	0	0	0	0	16,791
Transfer from right-of-use assets (Note 6)	0	0	1,148,350	0	0	0	0	0	467,007	0	0	1,615,357
Balance as at 31 December 2023	<u>0</u>	<u>2,608,094</u>	<u>21,537,706</u>	<u>8,932,615</u>	<u>2,404,061</u>	<u>1,643</u>	<u>1,881,489</u>	<u>495,253</u>	<u>2,476,169</u>	<u>2,390,546</u>	<u>0</u>	<u>42,727,576</u>
<b>Carrying amount</b>												
Balance as at 31 December 2023	<u>26,525,712</u>	<u>28,964,063</u>	<u>15,749,894</u>	<u>1,513,865</u>	<u>291,932</u>	<u>18,077</u>	<u>21,174</u>	<u>276,562</u>	<u>830,172</u>	<u>2,008,080</u>	<u>16,642,542</u>	<u>92,842,073</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2024**

**5. PROPERTY, PLANT AND EQUIPMENT (continued)**

- (a) All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

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

Depreciation is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The principal annual depreciation rates are as follows:

Factory buildings	2%
Plant and machinery	10%
Factory equipment	20% - 33%
Office equipment	20% - 33%
Signage	10%
Electrical installation	20%
Furniture and fittings	20%
Motor vehicles	20%
Renovation	10% - 20%

Freehold land has unlimited useful life and is not depreciated. Capital work-in-progress represents machinery under installation and factory building under construction, and stated at cost. Capital work-in-progress is not depreciated until such time when the asset is available for use.

- (b) As at the end of the reporting period, freehold land, certain factory buildings and certain plant and machinery of the Group with carrying amounts of RM58,520,995 (2023: RM54,891,533) have been charged to banks for credit facilities granted to the Group as disclosed in Note 14(d) to the financial statements.
- (c) During the financial year, the Group made the following cash payments to purchase property, plant and equipment:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Purchase of property, plant and equipment	29,193,994	19,954,155
Financed by bank facility	(19,658,450)	(7,910,952)
Cash payments on purchase of property, plant and equipment	<u>9,535,544</u>	<u>12,043,203</u>



**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2024**

**6. LEASES**

**6.1 The Group as lessee**

**Right-of-use assets**

	<b>Balance as at 1.1.2024 RM</b>	<b>Additions RM</b>	<b>Depreciation RM</b>	<b>Lease termination RM</b>	<b>Transfer to property, plant and equipment (Note 5) RM</b>	<b>Balance as at 31.12.2024 RM</b>
<b>Carrying amount</b>						
Plant and machinery	8,430,376	0	(872,222)	0	(1,118,914)	6,439,240
Factory equipment	75,600	0	0	0	(75,600)	0
Motor vehicles	1,053,991	746,000	(313,277)	0	0	1,486,714
Buildings	432,651	118,248	(190,918)	(223,314)	0	136,667
	<u>9,992,618</u>	<u>864,248</u>	<u>(1,376,417)</u>	<u>(223,314)</u>	<u>(1,194,514)</u>	<u>8,062,621</u>

	<b>Balance as at 1.1.2023 RM</b>	<b>Additions RM</b>	<b>Disposal RM</b>	<b>Depreciation RM</b>	<b>Lease termination RM</b>	<b>Transfer to property, plant and equipment (Note 5) RM</b>	<b>Balance as at 31.12.2023 RM</b>
<b>Carrying amount</b>							
Plant and machinery	10,974,345	0	0	(1,269,365)	0	(1,274,604)	8,430,376
Factory equipment	113,400	0	0	(37,800)	0	0	75,600
Motor vehicles	565,323	831,949	(55,720)	(196,121)	0	(91,440)	1,053,991
Buildings	1,109,585	82,302	0	(383,246)	(375,990)	0	432,651
	<u>12,762,653</u>	<u>914,251</u>	<u>(55,720)</u>	<u>(1,886,532)</u>	<u>(375,990)</u>	<u>(1,366,044)</u>	<u>9,992,618</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2024**

**6. LEASES (continued)**

**6.1 The Group as lessee (continued)**

**Lease liabilities**

	<b>Balance as at 1.1.2024 RM</b>	<b>Additions RM</b>	<b>Lease termination RM</b>	<b>Lease payments RM</b>	<b>Interest expenses RM</b>	<b>Balance as at 31.12.2024 RM</b>
<b>Carrying amount</b>						
Plant and machinery	4,062,120	0	0	(1,548,001)	176,030	2,690,149
Motor vehicles	965,855	746,000	0	(389,593)	56,295	1,378,557
Buildings	449,977	118,248	(236,775)	(206,840)	14,228	138,838
	<u>5,477,952</u>	<u>864,248</u>	<u>(236,775)</u>	<u>(2,144,434)</u>	<u>246,553</u>	<u>4,207,544</u>
	<b>Balance as at 1.1.2023 RM</b>	<b>Additions RM</b>	<b>Lease termination RM</b>	<b>Lease payments RM</b>	<b>Interest expenses RM</b>	<b>Balance as at 31.12.2023 RM</b>
<b>Carrying amount</b>						
Plant and machinery	6,613,202	0	0	(2,837,203)	286,121	4,062,120
Factory equipment	71,814	0	0	(73,983)	2,169	0
Motor vehicles	451,423	761,000	0	(277,727)	31,159	965,855
Buildings	1,131,811	82,302	(387,058)	(414,323)	37,245	449,977
	<u>8,268,250</u>	<u>843,302</u>	<u>(387,058)</u>	<u>(3,603,236)</u>	<u>356,694</u>	<u>5,477,952</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2024**

**6. LEASES (continued)**

**6.1 The Group as lessee (continued)**

**Lease liabilities (continued)**

Represented by:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Current liabilities	1,809,048	1,901,273
Non-current liabilities	2,398,496	3,576,679
	<u>4,207,544</u>	<u>5,477,952</u>
Lease liabilities owing to financial institutions	4,068,706	4,912,692
Lease liabilities owing to non-financial institutions	138,838	565,260
	<u>4,207,544</u>	<u>5,477,952</u>

- (a) The Group leases plant and machinery, factory equipment, buildings and motor vehicles in the location which it operates. The leases comprise only fixed payments over the lease terms.
- (b) The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any re-measurement of the lease liabilities.

The right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term. If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the lessee shall depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. The depreciation rates of right-of-use assets are as follows:

Plant and machinery	10%
Factory equipment	20%
Motor vehicles	20%
Buildings	33.33% - 50%

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2024**

**6. LEASES (continued)**

**6.1 The Group as lessee (continued)**

(c) During the financial year, the Group made the following cash payments to purchase right-of-use assets:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Additions of right-of-use assets	864,248	914,251
Financed by lease liabilities	(864,248)	(843,302)
Cash payments on purchase of right-of-use assets	<u>0</u>	<u>70,949</u>

(d) The Group has certain leases of premises and equipment with lease term of twelve (12) months or less. The Group applies the “short-term lease” exemptions for these leases.

(e) The following are the amounts recognised in profit or loss:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Depreciation charge of right-of-use assets included in:		
- Cost of sales	1,063,140	1,690,411
- Administrative expenses	313,277	196,121
Expenses relating to short-term leases (included in cost of sales)	227,235	20,350
Interest expenses on lease liabilities (included in finance costs) (Note 20)	246,553	356,694
- Other income		
Gain on lease termination	(13,461)	(11,068)
Gain on disposal of rights-of-use assets	0	(8,000)
	<u>1,836,744</u>	<u>2,244,508</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2024**

**6. LEASES (continued)**

**6.1 The Group as lessee (continued)**

(f) The following total cash outflows for leases as a lessee:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
<i>Included in net cash from/(used in) operating activities:</i>		
Expenses relating to short-term leases	(227,235)	(20,350)
<i>Included in net cash used in investing activities:</i>		
Purchase of right-of-use assets	0	(70,949)
<i>Included in net cash used in financing activities:</i>		
Payment of lease liabilities	(2,144,434)	(3,603,236)
Total cash outflows for leases	<u>(2,371,669)</u>	<u>(3,694,535)</u>

(g) Information on financial risks of lease liabilities is disclosed in Note 25 to the financial statements.

**6.2 The Group as lessor**

**Lease receivables**

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Future minimum lease receivables:		
- Not later than one (1) year	114,740	105,840
- One (1) to two (2) years	97,440	111,600
- Two (2) to three (3) years	24,355	97,440
- Three (3) to four (4) years	0	19,665
Total future minimum lease receivables	<u>236,535</u>	<u>334,545</u>
Less: Unearned finance income	(8,911)	(18,347)
Present value of finance lease receivables	<u>227,624</u>	<u>316,198</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2024**

**6. LEASES (continued)**

**6.2 The Group as lessor (continued)**

**Lease receivables (continued)**

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Analysis of present value of finance lease receivables:		
Current		
- Not later than one (1) year	108,670	99,536
Non-current		
- Later than one (1) year and not later than five (5) years	118,954	216,662
	<u>227,624</u>	<u>316,198</u>

(a) Lease receivables are classified as financial assets measured at amortised cost.

(b) The Group has contracts for leasing of motor vehicle and machinery. These contracts are classified as finance leases as these arrangements transfer substantially all the risks and rewards incident to ownership of the assets to the lessee.

(c) Lease receivables are denominated in Ringgit Malaysia.

(d) Movements in lease receivables are as follows:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
At 1 January	316,198	351,076
Additions	0	63,720
Interest income	9,436	13,042
Lease payments received	(98,010)	(111,640)
At 31 December	<u>227,624</u>	<u>316,198</u>

(e) Impairment for lease receivables are recognised based on the general approach within MFRS 9 *Financial Instruments* using the forward-looking expected credit loss model as disclosed in Note 10(h) to the financial statements. No expected credit loss is recognised arising from lease receivables as it is negligible.

**NOTES TO THE FINANCIAL STATEMENTS  
31 DECEMBER 2024**

**7. INVESTMENTS IN SUBSIDIARIES**

	<b>Company</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
<b>At cost</b>		
Unquoted shares	<u>25,758,000</u>	<u>25,758,000</u>

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

(b) Details of the subsidiaries are as follows:

<b>Name of subsidiaries</b>	<b>Country of incorporation/ Principal place of business</b>	<b>Effective interest in equity</b>		<b>Principal activities</b>
		<b>2024</b>	<b>2023</b>	
		<b>%</b>	<b>%</b>	
Jishan Pack Sdn. Bhd.	Malaysia	100	100	Manufacturing and dealing in corrugated cartons, paper products and diverse plastic products.
Jishan Packaging Hub Sdn. Bhd.	Malaysia	100	100	Buying and selling of all kinds of plastic packaging products, paperboard, and corrugated cartons.
<u>Subsidiary of Jishan Pack Sdn. Bhd.</u>				
JSP Plas Sdn. Bhd.	Malaysia	100	100	Manufacturing of diverse plastic products and trading of medical and non medical products.

All subsidiaries are audited by BDO PLT, Malaysia.

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2024**

**8. INVESTMENT IN AN ASSOCIATE**

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Unquoted shares, at cost	0	52,500
Share of post-acquisition reserve	0	17,043
	0	69,543
	0	69,543

- (a) Investment in an associate is accounted for using the equity method of accounting in the consolidated financial statements.
- (b) During the financial year, the Group had disposed 52,500 ordinary shares in FNM Industries Sdn. Bhd. for a total cash consideration of RM70,000. The disposal of FNM Industries Sdn. Bhd. at the date of disposal was as follows:

	<b>Group</b>
	<b>RM</b>
Cost of investment	52,500
Add: Share of post acquisition reserves	14,390
Less: Sales proceeds	(70,000)
Gain on disposal of an associate	(3,110)

- (c) In the previous financial year, the Group had subscribed 17,500 ordinary shares in FNM Industries Sdn. Bhd. for a total cash consideration of RM17,500.
- (d) The details of an associate, which is a company incorporated and with principal place of business in Malaysia are as follows:

<b>Name of company</b>	<b>Country of incorporation/ Principal place of business</b>	<b>Effective interest in equity</b>		<b>Principal activities</b>
		<b>2024</b>	<b>2023</b>	
		<b>%</b>	<b>%</b>	
FNM Industries Sdn. Bhd. *	Malaysia	0	35	Manufacturing, trading of equipment, medical and non-medical products and service provider of solar system.

\* The associate is not audited by BDO PLT or BDO member firms.



**NOTES TO THE FINANCIAL STATEMENTS  
31 DECEMBER 2024**

**8. INVESTMENT IN AN ASSOCIATE (continued)**

(e) Significant influence

Significant influence is presumed to exist when the Group hold twenty percent (20%) or more of the voting rights of another entity, unless it can be clearly demonstrated otherwise. In the previous financial year, the Group holds a 35% equity interest in FNM Industries Sdn. Bhd for which the Group has determined that it has significant influence.

(f) The summarised unaudited financial information of the associate is as follows:

	<b>2023 RM</b>
<b>Assets and liabilities</b>	
Net assets	<u>198,695</u>
<b>Results</b>	
Revenue	2,648,390
Profit for the financial year, representing total comprehensive income	<u>90,238</u>
Cash flows used in operating activities	(64,582)
Cash flows from investing activities	50,000
Cash flows used in financing activities	<u>(4,170)</u>
Net decrease in cash and cash equivalents	<u><u>(18,752)</u></u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2024**

**9. INVENTORIES**

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
<b>At cost</b>		
Raw materials	6,945,412	3,943,338
Work-in-progress	695,530	1,022,959
Finished goods	6,188,062	4,235,859
	<u>13,829,004</u>	<u>9,202,156</u>

- (a) Inventories are stated at the lower of cost and net realisable value. Cost is determined using first in, first out formula and weighted average method. Cost comprise all costs of purchase, cost of conversion plus other cost incurred in bringing the inventories to their present location and condition. Cost of work-in-progress and finished goods includes the cost of raw materials, direct labour, other direct costs and an appropriate portion of production overheads based on normal operating capacity of the production facilities.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

- (b) During the financial year, the inventories of the Group recognised as cost of sales amounted to RM54,501,760 (2023: RM49,214,081).

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2024**

**10. TRADE AND OTHER RECEIVABLES**

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Trade receivables</b>				
Third parties	23,908,936	17,898,844	0	0
Amount owing by an associate	0	60	0	0
	23,908,936	17,898,904	0	0
Less: Impairment losses				
- Third parties	(111,984)	(85,886)	0	0
Total trade receivables	<u>23,796,952</u>	<u>17,813,018</u>	<u>0</u>	<u>0</u>
<b>Other receivables</b>				
Third parties	89,547	16,836	0	0
Amounts owing by subsidiaries	0	0	3,655,770	3,675,000
Deposits	212,242	250,584	0	0
Total other receivables	301,789	267,420	3,655,770	3,675,000
Total receivables	<u>24,098,741</u>	<u>18,080,438</u>	<u>3,655,770</u>	<u>3,675,000</u>
Prepayments	4,165,292	4,157,368	10,368	0
	<u>28,264,033</u>	<u>22,237,806</u>	<u>3,666,138</u>	<u>3,675,000</u>

- (a) Total receivables (excluding prepayments) are classified as financial assets measured at amortised cost.
- (b) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from 30 days to 180 days (2023: 30 days to 180 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.
- (c) The amounts owing by subsidiaries represent advances, which are unsecured, bearing interest at ranging from 5.03% - 5.66% (2023: 5.08%) per annum and payable within the next twelve (12) months or upon demand in cash and cash equivalents.

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2024**

**10. TRADE AND OTHER RECEIVABLES (continued)**

(d) Currency exposure profile of total receivables are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Ringgit Malaysia	22,155,049	16,227,176	3,655,770	3,675,000
United States Dollar	1,943,692	1,853,262	0	0
	<u>24,098,741</u>	<u>18,080,438</u>	<u>3,655,770</u>	<u>3,675,000</u>

(e) Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

The Group uses an allowance matrix to measure the expected credit loss of trade receivables from past due aging. Expected loss rates are calculated using the roll rate method based on the common credit risk characteristic - the days past due.

During this process, the probability of non-payment by the trade receivables is adjusted by forward-looking information (i.e. Producer Price Index) and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in the statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

Individual assessment of impairment of trade receivables are separately assessed when it is probable that cash due will not be received in full.

Management exercised significant judgement in determining the probability of default by trade receivables and appropriate forward-looking information.

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2024**

**10. TRADE AND OTHER RECEIVABLES (continued)**

- (f) Lifetime expected credit loss (“ECL”) impairment for trade receivables as at 31 December 2024 and 31 December 2023 are as follows:

<b>Group</b>	<b>Gross carrying amount RM</b>	<b>Lifetime ECL impairment RM</b>	<b>Total RM</b>
<b>As at 31 December 2024</b>			
Not past due	17,999,399	(8,807)	17,990,592
Past due 1 - 30 days	5,225,058	(19,689)	5,205,369
Past due 31 - 60 days	579,325	(18,824)	560,501
Past due 61 - 90 days	53,173	(13,943)	39,230
Over 90 days	51,981	(50,721)	1,260
	<u>23,908,936</u>	<u>(111,984)</u>	<u>23,796,952</u>
<b>As at 31 December 2023</b>			
Not past due	11,109,492	(34,822)	11,074,670
Past due 1 - 30 days	6,427,268	(32,378)	6,394,890
Past due 31 - 60 days	357,710	(16,314)	341,396
Past due 61 - 90 days	358	(114)	244
Over 90 days	4,076	(2,258)	1,818
	<u>17,898,904</u>	<u>(85,886)</u>	<u>17,813,018</u>

- (g) Movements in the impairment allowance for trade receivables are as follows:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Balance as at 1 January	85,886	257,446
Charge for the financial year	37,181	33,176
Reversal of impairment losses	(11,083)	(204,736)
Balance as at 31 December	<u>111,984</u>	<u>85,886</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2024**

**10. TRADE AND OTHER RECEIVABLES (continued)**

- (h) Impairment for other receivables, lease receivables and financial guarantee contracts are recognised based on the general approach within MFRS 9 *Financial Instruments* using the forward-looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. At the end of the reporting period, the Group and the Company assess whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring over the expected life with risk of default since initial recognition. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve (12) months expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the twelve (12) months after the reporting period. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group defined significant increase in credit risk based on operating performance of the receivables, changes to contractual terms, payment trends and past due information.

The probability of non-payment by other receivables, lease receivables and financial guarantee contracts are adjusted by forward-looking information and multiplied by the amounts of the expected losses arising from default to determine the twelve (12) month or lifetime expected credit losses for other receivables, lease receivables and financial guarantee contracts.

No expected credit loss is recognised arising from other receivables, lease receivables and financial guarantee contracts as it is negligible.

- (i) Information on financial risks of trade and other receivables is disclosed in Note 25 to the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2024**

**11. CASH AND BANK BALANCES**

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Cash and bank balances	1,090,334	2,046,307	33,067	39,168
Fixed deposit with a licensed bank	1,350,825	340,248	0	0
As per statements of financial position	2,441,159	2,386,555	33,067	39,168
Less: Deposit with a licensed bank with maturity more than three (3) months	(1,350,825)	(340,248)	0	0
Less: Bank overdraft (Note 14)	(4,324,568)	0	0	0
As per statements of cash flows	<u>(3,234,234)</u>	<u>2,046,307</u>	<u>33,067</u>	<u>39,168</u>

(a) Cash and bank balances are classified as financial assets measured at amortised cost.

(b) Currency exposure profile of cash and bank balances are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Ringgit Malaysia	2,077,142	1,532,664	33,067	39,168
United States Dollar	364,017	853,891	0	0
	<u>2,441,159</u>	<u>2,386,555</u>	<u>33,067</u>	<u>39,168</u>

(c) No expected credit loss is recognised arising from the cash and bank balances because the probability of default by these financial institutions is negligible.

(d) Information on financial risks of cash and bank balances is disclosed in Note 25 to the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**  
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**12. SHARE CAPITAL**

	<b>Group and Company</b>			
	<b>2024</b>		<b>2023</b>	
	<b>Number of ordinary shares RM</b>	<b>Amount RM</b>	<b>Number of ordinary shares RM</b>	<b>Amount RM</b>
<b>Issued and fully paid with no par value</b>				
Ordinary shares	<u>235,151,002</u>	<u>29,973,182</u>	<u>235,151,002</u>	<u>29,973,182</u>

Owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

**13. RESERVES**

	<b>Group</b>		<b>Company</b>	
	<b>2024 RM</b>	<b>2023 RM</b>	<b>2024 RM</b>	<b>2023 RM</b>
Reorganisation debit reserve	(19,708,000)	(19,708,000)	0	0
Retained earnings/ (Accumulated losses)	<u>59,783,079</u>	<u>50,425,979</u>	<u>(1,765,217)</u>	<u>(1,470,754)</u>
	<u>40,075,079</u>	<u>30,717,979</u>	<u>(1,765,217)</u>	<u>(1,470,754)</u>

The reorganisation debit reserve arose as a result of the difference between consideration paid over the share capital of Jishan Pack Sdn. Bhd. pursuant to business combination under common control in previous financial years.



**NOTES TO THE FINANCIAL STATEMENTS**  
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**14. BORROWINGS**

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Non-current</b>				
<i>Secured</i>				
Term loans	56,185,267	41,853,956	0	0
<b>Current</b>				
<i>Unsecured</i>				
Financial guarantee contracts	0	0	1,202,564	935,242
<i>Secured</i>				
Bank overdraft (Note 11)	4,324,568	0	0	0
Bankers' acceptances	15,003,345	12,476,561	0	0
Term loans	5,577,895	5,217,931	0	0
	24,905,808	17,694,492	0	0
<b>Total borrowings</b>				
Bank overdraft (Note 11)	4,324,568	0	0	0
Bankers' acceptances	15,003,345	12,476,561	0	0
Term loans	61,763,162	47,071,887	0	0
Financial guarantee contracts	0	0	1,202,564	935,242
	81,091,075	59,548,448	1,202,564	935,242

The interest rate per annum of the Group at the end of the reporting period for bank borrowings were as follows:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>%</b>	<b>%</b>
Bank overdraft	7.39 - 7.67	NIL
Bankers' acceptances	3.36 - 6.27	3.34 - 6.05
Term loans	4.50 - 7.10	4.00 - 7.17

**NOTES TO THE FINANCIAL STATEMENTS**  
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**14. BORROWINGS (continued)**

- (a) Borrowings are classified as financial liabilities measured at amortised cost.
- (b) All borrowings are denominated in Ringgit Malaysia.
- (c) Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the term of a debt instrument.

Financial guarantee contracts are recognised as financial liabilities at the time the guarantees are issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with the expected credit loss model under MFRS 9 and the amount initially recognised less cumulative amortisation, where appropriate.

Financial guarantee contracts are subject to forward-looking expected credit loss model based on the general approach within MFRS 9 as disclosed in Note 10(h) to the financial statements.

The fair value of financial guarantee is determined based on the present value of the different in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

The nominal amounts of financial guarantee provided are as follows:

	<b>Company</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Banking facilities granted to subsidiaries	<u>75,861,213</u>	<u>57,019,147</u>

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**14. BORROWINGS (continued)**

(c) Financial guarantee contracts (continued)

The movement of the financial guarantee contracts during the financial year is as follows:

	<b>Company</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
At beginning of financial year	935,242	0
Adjustment due to modified retrospective application of MFRS 17	0	621,639
As restated	935,242	621,639
Fair value changes on financial guarantee contracts	267,322	313,603
At end of financial year	<u>1,202,564</u>	<u>935,242</u>

(d) The borrowings of the Group are secured and covered by the following:

- (i) fixed charges over property, plant and equipments as referred to in Note 5(b) to the financial statements;
- (ii) corporate guarantee by the Company and ultimate holding company; and
- (iii) joint and several guarantee by certain Directors of the Company.

(e) The carrying amounts of borrowing are reasonable approximation of fair values, as they are floating rate instruments that are re-priced at market interest rates on or near the end of the reporting period.

Borrowings are not measured at fair value and are categorised as Level 2 in fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.

(f) Information on financial risks of borrowings is disclosed in Note 25 to the financial statements.

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**15. DEFERRED TAX (ASSETS)/LIABILITIES**

- (a) The deferred tax (assets)/liabilities are made up of the following:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Balance as at 1 January	1,325,400	2,960,900
Recognised in profit or loss (Note 21)	(3,508,300)	(1,635,500)
Balance as at 31 December	<u>(2,182,900)</u>	<u>1,325,400</u>
Presented after appropriate offsetting:		
Deferred tax assets	(2,794,600)	0
Deferred tax liabilities	611,700	1,325,400
	<u>(2,182,900)</u>	<u>1,325,400</u>

- (b) The components and movements of deferred tax (assets)/liabilities during the financial year prior to offsetting are as follows:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
<b>Deferred tax liabilities</b>		
<b>Property, plant and equipment</b>		
Balance as at 1 January	3,815,400	3,573,500
Recognised in profit or loss:		
- relating to origination and reversal of temporary differences	1,333,600	241,900
	<u>5,149,000</u>	<u>3,815,400</u>
Set off	(4,537,300)	(2,490,000)
Balance as at 31 December	<u>611,700</u>	<u>1,325,400</u>
<b>Deferred tax assets</b>		
<b>Unutilised reinvestment allowance</b>		
Balance as at 1 January	(2,490,000)	(612,600)
Recognised in profit or loss:		
- relating to origination and reversal of temporary differences	(4,841,900)	(1,877,400)
	<u>(7,331,900)</u>	<u>(2,490,000)</u>
Set off	4,537,300	2,490,000
Balance as at 31 December	<u>(2,794,600)</u>	<u>0</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
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**16. DERIVATIVES**

	<b>Group</b>
	<b>2024</b>
	<b>RM</b>
<b>Forward currency contract</b>	
<b>Fair value through profit or loss</b>	
Derivative assets	<u>7,745</u>

- (a) The Group uses forward currency derivatives to manage some of the foreign transaction exposure. These derivatives are not designated as cash flow or fair value hedges and are entered into for period consistent with currency transaction exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting.
- (b) Derivative assets of the Group are categorised as Level 1 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.
- (c) Fair value of a forward foreign currency contract is the amount that would be payable or receivable upon termination of the outstanding position arising and is determined by reference to the difference between contracted rate and the forward exchange rate as at the end of each reporting period applied to a contract of similar amount and maturity profile.
- (d) The fair value adjustments on derivative financial instruments are as follows:

	<b>Group</b>
	<b>2024</b>
	<b>RM</b>
Gain on derivative financial instruments	<u>7,745</u>

- (e) The Group had contracts with financial institutions due within one (1) year to deal with the following currencies at contractual forward rates:

	<b>2024</b>	
	<b>To buy</b>	<b>To sell</b>
	<b>USD</b>	<b>MYR</b>
Contract I	<u>349,560</u>	<u>1,556,558</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
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**17. TRADE AND OTHER PAYABLES**

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Non-current</b>				
<b>Other payable</b>				
Amount owing to ultimate holding company	444,167	888,333	0	0
<b>Current</b>				
<b>Trade payables</b>				
Third parties	7,667,889	4,242,628	0	0
Amount owing to a related party	121,907	100,658	0	0
	7,789,796	4,343,286	0	0
<b>Other payables</b>				
Third parties	3,116,965	1,872,917	16,448	5,830
Amount owing to ultimate holding company	1,729,658	515,001	0	0
Accruals	4,966,385	2,769,904	33,750	32,300
Advance received from customers	0	64,450	0	0
	9,813,008	5,222,272	50,198	38,130
<b>Total current trade and other payables</b>	<b>17,602,804</b>	<b>9,565,558</b>	<b>50,198</b>	<b>38,130</b>
<b>Total trade and other payables</b>	<b>18,046,971</b>	<b>10,453,891</b>	<b>50,198</b>	<b>38,130</b>

- (a) Trade and other payables are classified as financial liabilities measured at amortised cost.
- (b) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 days to 60 days (2023: 30 days to 60 days) from date of invoice.

**NOTES TO THE FINANCIAL STATEMENTS**  
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**17. TRADE AND OTHER PAYABLES (continued)**

- (c) The current amount owing to ultimate holding company of RM1,285,491 (2023: RM70,834), is non-trade in nature, unsecured, interest-free, payable within next twelve (12) months or upon demand in cash and cash equivalents.
- (d) Included in the current and non-current amount owing to ultimate holding company of RM888,334 (2023: RM1,332,500), which is unsecured, bearing interest at 4.50% (2023: 4.50%) per annum and repayable in fixed monthly repayment terms.
- (e) The amount owing to a related party is trade in nature, unsecured, interest-free and payable within next twelve (12) months or upon demand in cash and cash equivalents. The related party is a company incorporated in Malaysia in which certain Directors of the Company have significant financial and controlling interests.
- (f) All trade and other payables are denominated in Ringgit Malaysia.
- (g) Information on financial risks of trade and other payables is disclosed in Note 25 to the financial statements.

**18. CAPITAL COMMITMENTS**

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Capital expenditure in respect of purchase of property, plant and equipment:		
- contracted but not provided for	0	13,467,479
- approved but not contracted for	1,839,955	1,817,275
	<u>1,839,955</u>	<u>1,817,275</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
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**19. REVENUE**

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Revenue from contracts with customers:		
- Transferred at a point in time	<u>111,558,984</u>	<u>99,422,688</u>

Disaggregation of revenue from contracts with customers is disclosed in Note 4(a) to the financial statements.

Revenue from sale of products is recognised at a point in time when the products have been transferred to the customer and coincide with the delivery of products and acceptance by customers.

There is no right of return and warranty provided to the customers on the sale of products.

There is no significant financing component in the revenue arising from sale of products as the sales are made on the normal credit terms not exceeding twelve (12) months.

**20. FINANCE COSTS**

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Interest expenses on:		
- bank overdraft	161,664	76,606
- bankers' acceptances	681,183	542,520
- lease liabilities	246,553	356,694
- term loans	3,050,612	2,220,562
- ultimate holding company	49,969	69,956
- others	1,071	5,922
	<u>4,191,052</u>	<u>3,272,260</u>



**NOTES TO THE FINANCIAL STATEMENTS**  
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**21. TAXATION**

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
The major components of the taxation are:				
Current tax expense based on profit/(loss) for the financial year	778,200	807,000	23,100	24,600
(Over)/Underprovision of tax expenses in prior years	(23,751)	599,042	(3,204)	(2,058)
	<u>754,449</u>	<u>1,406,042</u>	<u>19,896</u>	<u>22,542</u>
Deferred tax income (Note 15):				
- relating to origination and reversal of temporary differences	(3,216,700)	(1,254,600)	0	0
- overprovision in prior years	(291,600)	(380,900)	0	0
	<u>(3,508,300)</u>	<u>(1,635,500)</u>	<u>0</u>	<u>0</u>
	<u>(2,753,851)</u>	<u>(229,458)</u>	<u>19,896</u>	<u>22,542</u>

The Malaysian income tax is calculated at the statutory tax rate of 24% (2023: 24%) of the estimated taxable profits for the fiscal year.

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2024**

**21. TAXATION (continued)**

The numerical reconciliation between the taxation and the product of accounting profit/(loss) multiplied by the applicable tax rate of the Group and of the Company is as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Profit/(Loss) before taxation	<u>6,603,249</u>	<u>6,048,338</u>	<u>(274,567)</u>	<u>(335,505)</u>
Tax at the applicable tax rate of 24% (2023: 24%)	1,584,800	1,451,600	(65,900)	(80,500)
Tax effects of:				
- non-allowable expenses	663,500	474,400	89,000	105,100
- income not subject to tax	(77,000)	(212,800)	0	0
Reinvestment allowance	(4,609,800)	(2,160,800)	0	0
(Over)/Underprovision of tax expense in prior years	(23,751)	599,042	(3,204)	(2,058)
Overprovision of deferred tax expense in prior years	<u>(291,600)</u>	<u>(380,900)</u>	<u>0</u>	<u>0</u>
Taxation for the financial year	<u>(2,753,851)</u>	<u>(229,458)</u>	<u>19,896</u>	<u>22,542</u>

**NOTES TO THE FINANCIAL STATEMENTS  
31 DECEMBER 2024**

**22. EMPLOYEE BENEFITS**

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Director's fee	49,000	48,000	49,000	48,000
Wages, salaries and bonuses	19,453,846	17,272,326	0	0
Contributions to defined contribution plan	1,570,264	1,490,922	0	0
Other benefits	259,663	227,518	0	0
	<u>21,332,773</u>	<u>19,038,766</u>	<u>49,000</u>	<u>48,000</u>

Included in the employee benefits of the Group and of the Company are Directors' remuneration amounting to RM2,026,398 (2023: RM1,430,586) and RM49,000 (2023: RM48,000) respectively.

**23. EARNINGS PER ORDINARY SHARES**

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year.

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
Profit for the financial year attributable to owners of the parent (RM)	<u>9,357,100</u>	<u>6,277,796</u>
Weighted average number of ordinary shares in issue (unit)	<u>235,151,002</u>	<u>235,151,002</u>
Basic earnings per ordinary share (sen)	<u>3.98</u>	<u>2.67</u>

(b) Diluted

Diluted earnings per ordinary share equals basic earnings per ordinary share, as the Group does not have any potential dilutive ordinary shares in issue during and at the end of the financial year.

**NOTES TO THE FINANCIAL STATEMENTS**  
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**24. RELATED PARTY DISCLOSURES**

(a) Identities of related parties

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

Related parties of the Group include:

- (i) Ultimate holding company, Jishan Capital Sdn. Bhd.;
  - (ii) Direct and indirect subsidiaries as disclosed in Note 7 to the financial statements;
  - (iii) Associate as disclosed in Note 8 to the financial statements;
  - (iv) Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly;
  - (v) A company in which certain Directors have substantial financial interests; and
  - (vi) Family members of Directors of the Group.
- (b) In addition to the transactions and balances detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Ultimate holding company</b>				
Interest expense	49,969	69,956	0	0
Rental expense	56,000	106,000	0	0
Purchases of renewable energy	1,057,203	754,898	0	0
	<u>1,057,203</u>	<u>754,898</u>	<u>0</u>	<u>0</u>
<b>Subsidiaries</b>				
Interest income	0	0	191,722	180,131
	<u>0</u>	<u>0</u>	<u>191,722</u>	<u>180,131</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2024**

**24. RELATED PARTY DISCLOSURES (continued)**

- (b) In addition to the transactions and balances detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year (continued):

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Associate</b>				
Sales	0	3,767	0	0
Interest income	0	4,170	0	0
<b>Related parties</b>				
Purchases	365,836	299,880	0	0
Rental expenses	12,000	14,400	0	0

The related party transactions described above were undertaken on mutually agreed and negotiated terms.

Information regarding outstanding balances arising from related parties transactions as at 31 December 2024 and 31 December 2023 are disclosed in Notes 10 and 17 to the financial statements.

- (c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director (whether executive or otherwise) of the Group.

**NOTES TO THE FINANCIAL STATEMENTS**  
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**24. RELATED PARTY DISCLOSURES (continued)**

(c) Compensation of key management personnel (continued)

The total remuneration of Directors and key management personnel during the financial year was as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Director's fee	49,000	48,000	49,000	48,000
Salaries and bonuses	2,233,450	1,663,225	0	0
Contributions to defined contribution plan	262,380	198,558	0	0
Others	10,802	7,873	0	0
	<u>2,555,632</u>	<u>1,917,656</u>	<u>49,000</u>	<u>48,000</u>

Estimated monetary value of benefits-in-kind is provided to the Executive Directors and key management personnel of the Group is RM48,625 (2023: RM NIL).

**25. CAPITAL AND FINANCIAL RISK MANAGEMENT**

(a) Capital management

The primary objective of the capital management of the Group is to ensure that entities of the Group would be able to continue as going concern whilst maximising the return to shareholders through the optimisation of the debt and equity ratios. The overall strategy of the Group remains unchanged from the previous financial years.

The Group manages its capital structure and makes adjustments to it, in response to changes in economic conditions. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2024 and 31 December 2023.

**NOTES TO THE FINANCIAL STATEMENTS**  
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**25. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)**

(a) Capital management (continued)

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group regularly reviews the gearing ratio to ensure they are at acceptable levels and within industry norms. Net debts are calculated as total borrowings and lease liabilities less cash and bank balances. Capital represents equity attributable to the owners of the parent. A detailed calculation of the gearing ratio is shown below:

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Borrowings (Note 14)	81,091,075	59,548,448	0	0
Lease liabilities (Note 6)	4,207,544	5,477,952	0	0
Less:				
Cash and bank balances (Note 11)	(2,441,159)	(2,386,555)	(33,067)	(39,168)
Net debt/(cash)	<u>82,857,460</u>	<u>62,639,845</u>	<u>(33,067)</u>	<u>(39,168)</u>
Total capital	70,048,261	60,691,161	28,207,965	28,502,428
Net debt/(cash)	<u>82,857,460</u>	<u>62,639,845</u>	<u>(33,067)</u>	<u>(39,168)</u>
Total capital plus net debt	<u>152,905,721</u>	<u>123,331,006</u>	<u>28,174,898</u>	<u>28,463,260</u>
Gearing ratio	<u>54%</u>	<u>51%</u>	<u>*</u>	<u>*</u>

\* No gearing ratio is presented as the Company is in net cash position.

(b) Financial risk management

The financial risk management objective of the Group is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from fluctuations in foreign currency exchange and interest rates and the unpredictability of the financial markets.

**NOTES TO THE FINANCIAL STATEMENTS**  
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**25. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)**

(b) Financial risk management (continued)

The Group is exposed mainly to credit risk, liquidity and cash flow risk, foreign currency risk and interest rate risk. Information on the management of the related exposures is detailed below:

(i) Credit risk

Trade receivables and deposits with financial institutions could give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. The counter parties are the customers of the Group and licensed financial institutions. It is the policy of the Group to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk. The Group manages credit risk on lease receivables with its lease arrangement.

The primary exposure of the Group to credit risk arises through its trade receivables. The trading terms of the Group with its customers are mainly on credit. The credit period is generally for a period of thirty (30) to ninety (90) days, extending up to hundred eighty (180) days. The Group consistently monitors its outstanding receivables to minimise credit risk.

Exposure to credit risk

At the end of the reporting period, the maximum exposure of the Group and of the Company to credit risk is substantially represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Credit risk concentration profile

One (2023: One) major customer with revenue equal or more than ten (10) percent of the Group's revenue amounting to RM24,177,487 (2023: RM26,858,508).



**NOTES TO THE FINANCIAL STATEMENTS**  
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**25. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)**

(b) Financial risk management (continued)

(i) Credit risk (continued)

Credit risk concentration profile (continued)

At the end of the reporting period, approximately 38% (2023: 36%) of the trade receivables of the Group were due from one major customer which is a multinational company (2023: one major customer which is a multinational company) located in Malaysia.

(ii) Liquidity and cash flow risk

Liquidity and cash flow risk are the risks that the Group will not be able to meet their financial obligations when they fall due. The exposure of the Group to liquidity risk arises principally from their various payables, borrowings and lease liabilities.

The Group actively manages its debt maturity profile, operating cash flows and availability of funding so as to ensure that all operating, investing and financing needs are met. In executing its liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the activities of the Group.

Owing to the nature of its businesses, the Group always maintains sufficient credit lines available to meet their liquidity requirements while ensuring an effective working capital management within the Group.

**NOTES TO THE FINANCIAL STATEMENTS**  
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**25. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)**

(b) Financial risk management (continued)

(ii) Liquidity and cash flow risk (continued)

The table below summarises the maturity profile of the liabilities of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations:

<b>Group</b>	<b>On demand or within one (1) year RM</b>	<b>One (1) to five (5) years RM</b>	<b>More than five (5) years RM</b>	<b>Total RM</b>
<b>31 December 2024</b>				
<b>Financial liabilities</b>				
Trade and other payables	17,632,785	454,161	0	18,086,946
Lease liabilities	1,989,091	2,551,910	0	4,541,001
Borrowings	28,278,464	34,176,424	39,537,817	101,992,705
Total undiscounted financial liabilities	<u>47,900,340</u>	<u>37,182,495</u>	<u>39,537,817</u>	<u>124,620,652</u>
<b>31 December 2023</b>				
<b>Financial liabilities</b>				
Trade and other payables	9,615,527	928,308	0	10,543,835
Lease liabilities	2,132,257	3,789,488	0	5,921,745
Borrowings	20,454,511	28,778,204	44,055,809	93,288,524
Total undiscounted financial liabilities	<u>32,202,295</u>	<u>33,496,000</u>	<u>44,055,809</u>	<u>109,754,104</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
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**25. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)**

(b) Financial risk management (continued)

(ii) Liquidity and cash flow risk (continued)

The table below summarises the maturity profile of the liabilities of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations (continued):

<b>Company</b>	<b>On demand or within one (1) year RM</b>	<b>One (1) to five (5) years RM</b>	<b>More than five (5) years RM</b>	<b>Total RM</b>
<b>31 December 2024</b>				
<b>Financial liabilities</b>				
Trade and other payables	50,198	0	0	50,198
Financial guarantee contract	75,861,213	0	0	75,861,213
Total undiscounted financial liabilities	<u>75,911,411</u>	<u>0</u>	<u>0</u>	<u>75,911,411</u>
<b>31 December 2023</b>				
<b>Financial liabilities</b>				
Trade and other payables	38,130	0	0	38,130
Financial guarantee contract	57,019,147	0	0	57,019,147
Total undiscounted financial liabilities	<u>57,057,277</u>	<u>0</u>	<u>0</u>	<u>57,057,277</u>

(iii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument would fluctuate because of changes in foreign exchange rates.

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2024**

**25. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)**

(b) Financial risk management (continued)

(iii) Foreign currency risk (continued)

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

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity analysis of the Group to a reasonably possible change in the USD exchange rate against the respective functional currencies of the Group entities, with all other variables held constant:

	<b>Increase/(Decrease)</b>	
	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
<b>Effects on profit after tax</b>		
USD/RM - strengthen by 10% (2023: 10%)	175,386	205,744
- weaken by 10% (2023: 10%)	<u>(175,386)</u>	<u>(205,744)</u>

There is no foreign currency risk exposure to the equity, hence the effect of the change in the exchange rate is not explained.

(iv) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group and of the Company would fluctuate because of changes in market interest rates.

The exposure of the Group and of the Company to interest rate risk arises primarily from their borrowings, lease liabilities, amount owing to ultimate holding company, and subsidiaries. The Group borrows at both, floating and fixed rates of interest to generate the desired interest profile and to manage the exposure of the Group to interest rate fluctuations.

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2024**

**25. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)**

(b) Financial risk management (continued)

(iv) Interest rate risk (continued)

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity analysis of the Group and of the Company if interest rates at the end of reporting period changed by fifty (50) basis points with all other variables held constant:

	<b>(Increase)/Decrease</b>			
	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Effects on profit after tax</b>				
- Increase by 0.5% (2023: 0.5%)	(251,133)	(178,873)	13,892	13,965
- Decrease by 0.5% (2023: 0.5%)	251,133	178,873	(13,892)	(13,965)
	<u>251,133</u>	<u>178,873</u>	<u>(13,892)</u>	<u>(13,965)</u>

There is no interest rate risk exposure to the equity, hence the effect of the change in the interest rate is not explained.

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2024**

**25. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)**

(b) Financial risk management (continued)

(iv) Interest rate risk (continued)

The following tables set out the carrying amounts, the weighted average effective interest rates (“WAEIR”) as at the end of the reporting period and the remaining maturities of the financial instruments of the Group and of the Company that are exposed to interest rate risk:

<b>Group</b>	<b>Note</b>	<b>WAEIR %</b>	<b>Within one (1) year RM</b>	<b>One (1) to two (2) years RM</b>	<b>Two (2) to three (3) years RM</b>	<b>Three (3) to four (4) years RM</b>	<b>Four (4) to five (5) years RM</b>	<b>More than five (5) years RM</b>	<b>Total RM</b>
<b>31 December 2024</b>									
<b>Fixed rates</b>									
Fixed deposit with licensed bank	11	2.66	1,350,825	0	0	0	0	0	1,350,825
Lease liabilities	6.1	3.37	(1,809,049)	(1,368,012)	(636,429)	(279,143)	(114,911)	0	(4,207,544)
Amount owing to ultimate holding company	17	4.50	(444,167)	(444,166)	0	0	0	0	(888,333)
Bankers’ acceptances	14	4.72	(15,003,345)	0	0	0	0	0	(15,003,345)
<b>Floating rates</b>									
Bank overdraft	14	6.34	(4,324,568)	0	0	0	0	0	(4,324,568)
Term loans	14	5.68	(5,577,895)	(5,752,964)	(5,675,232)	(5,103,512)	(3,772,351)	(35,881,208)	(61,763,162)

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2024**

**25. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)**

(b) Financial risk management (continued)

(iv) Interest rate risk (continued)

The following tables set out the carrying amounts, the weighted average effective interest rates (“WAEIR”) as at the end of the reporting period and the remaining maturities of the financial instruments of the Group and of the Company that are exposed to interest rate risk (continued):

<b>Group</b>	<b>Note</b>	<b>WAEIR %</b>	<b>Within one (1) year RM</b>	<b>One (1) to two (2) years RM</b>	<b>Two (2) to three (3) years RM</b>	<b>Three (3) to four (4) years RM</b>	<b>Four (4) to five (5) years RM</b>	<b>More than five (5) years RM</b>	<b>Total RM</b>
<b>31 December 2023</b>									
<b>Fixed rates</b>									
Fixed deposit with licensed bank	11	2.60	340,248	0	0	0	0	0	340,248
Lease liabilities	6.1	2.83	(1,901,272)	(1,755,485)	(1,221,960)	(483,632)	(115,603)	0	(5,477,952)
Amount owing to ultimate holding company	17	4.50	(444,167)	(444,167)	(444,166)	0	0	0	(1,332,500)
Bankers’ acceptances	14	4.47	(12,476,561)	0	0	0	0	0	(12,476,561)
<b>Floating rates</b>									
Term loans	14	4.90	(5,217,931)	(4,861,773)	(5,073,932)	(3,727,506)	(3,767,236)	(24,423,509)	(47,071,887)

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2024**

**25. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)**

(b) Financial risk management (continued)

(iv) Interest rate risk (continued)

The following tables set out the carrying amounts, the weighted average effective interest rates (“WAEIR”) as at the end of the reporting period and the remaining maturities of the financial instruments of the Group and of the Company that are exposed to interest rate risk (continued):

Company	Note	WAEIR %	Within one (1) year RM	One (1) to two (2) years RM	Two (2) to three (3) years RM	Three (3) to four (4) years RM	Four (4) to five (5) years RM	More than five (5) years RM	Total RM
<b>31 December 2024</b>									
<b>Floating rate</b>									
Amounts owing by subsidiaries	10	5.66	3,655,770	0	0	0	0	0	3,655,770
<b>31 December 2023</b>									
<b>Floating rate</b>									
Amounts owing by subsidiaries	10	5.08	3,675,000	0	0	0	0	0	3,675,000



**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2024**

**26. COMPARATIVE FIGURES**

Certain comparative figures of the Group and of the Company have been reclassified to conform with the current year's presentation. The reclassification gave rise to changes on the financial statements of the Group and of the Company as follows:

	<b>Previously reported RM</b>	<b>Reclassification RM</b>	<b>As restated RM</b>
<b>Group</b>			
<b>31 December 2023</b>			
<b>Statements of cash flows</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Decrease in trade and other payables	(1,523,233)	373,333	(1,149,900)
Interest paid	(152,484)	69,956	(82,528)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Advances from ultimate holding company	0	70,834	70,834
Repayment to ultimate holding company	0	(444,167)	(444,167)
Interest paid	0	(69,956)	(69,956)
<b>Company</b>			
<b>31 December 2023</b>			
<b>Statements of cash flows</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Interest received	189,153	(189,153)	0

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2024**

**26. COMPARATIVE FIGURES (continued)**

Certain comparative figures of the Group and of the Company have been reclassified to conform with the current year's presentation. The reclassification gave rise to changes on the financial statements of the Group and of the Company as follows (continued):

	<b>Previously reported RM</b>	<b>Reclassification RM</b>	<b>As restated RM</b>
<b>Company</b>			
<b>31 December 2023</b>			
<b>Statements of cash flows (continued)</b>			
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	0	189,153	189,153

**27. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs**

**27.1 New MFRSs adopted during the financial year**

The Group and the Company adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ('MASB') during the financial year:

<b>Title</b>	<b>Effective Date</b>
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i>	1 January 2024

Adoption of the above Standards and Amendments to Standards did not have any material effect on the financial performance or position of the Group and the Company.

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2024**

**27. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (continued)**

**27.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2025**

The following are Standards of the MFRS Framework that have been issued by the MASB but have not been early adopted by the Group and the Company:

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

The Group and the Company are in the process of assessing the impact of implementing these Standards and Amendments to the Standards, since the effects would only be observable for future financial years.

**28. STATUTORY DISCLOSURE**

Pursuant to Section 249(4)(e) of Companies Act 2016, details of auditors' remuneration payable by the Group and the Company during the financial year were as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Statutory audit</b>				
- BDO PLT	100,000	85,000	27,000	23,300