NEW HOONG FATT HOLDINGS BERHAD

Registration No. 199701010213 (425709-K)

ANNUAL REPORT 2024

MISSION

We provide quality automotive parts to our customers through a robust supply chain

COVER RATIONALE

This cover captures the essence of New Hoong Fatt's enduring legacy and forward-looking ambition—symbolising a brand firmly rooted in strong foundations while moving confidently toward the future. The Group's longstanding reputation for quality and reliability remains a key driver of its competitiveness. Strengthened by a proactive response to shifting market dynamics and the strategic adoption of advanced technologies, this foundation continues to fuel operational excellence and reinforce the Group's position in the industry.

Complementing this narrative, the visual of the car stretching across the road serves as a metaphor for the evolving landscape in which the Group operates. It represents the challenges of navigating rapid industry shifts, regulatory changes and global uncertainties. Yet, it symbolises resilience: the capacity to adapt, recalibrate strategy, and stay focused on long-term objectives, even when the path ahead includes unexpected detours.

Together, these themes highlight New Hoong Fatt's agility and unwavering commitment to realising its vision of becoming the leading automotive solutions provider in Asia.

28TH ANNUAL GENERAL MEETING

Day & Date : Wednesday, 4 June 2025

Time : 10.00 a.m.

Venue : Function Room 1, Setia City Convention Centre
No. 1, Jalan Setia Dagang AG, U13/AG Setia Alam
Seksyen U13, 40170 Shah Alam, Selangor, Malaysia

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CORPORATE INFORMATION

BOARD OF DIRECTORS

KAM FOONG KENG
Executive Chairman

CHIN JIT SIN
Managing Director

KAM FOONG SIM
Executive Director

CHIA SWEE YUEN
Independent Non-Executive Director

OEI KOK EONG
Senior Independent Non-Executive Director

NG CHEE KIET
Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Ng Chee Kiet (Chairman)
Chia Swee Yuen
Oei Kok Eong

NOMINATION COMMITTEE

Oei Kok Eong (Chairman)
Chia Swee Yuen
Ng Chee Kiet

REMUNERATION COMMITTEE

Chia Swee Yuen (Chairman)
Oei Kok Eong
Ng Chee Kiet

SECRETARIES

Teo Mee Hui
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(MAICSA 7050642)

Tan Bee Hwa
(SSM PC No. 202008001174)
(MAICSA 7058049)

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Fax: (603) 2616 3190/3191

PRINCIPAL BANKERS

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Hong Leong Bank Berhad
Malayan Banking Berhad
United Overseas Bank (Malaysia) Berhad

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Website: www.newhoongfatt.com.my

STOCK EXCHANGE LISTING

Main Market, Bursa Malaysia Securities Berhad
Stock Name: NHFATT
Stock Code: 7060
Sector: Consumer Products & Services

CORPORATE PROFILE AND GROUP STRUCTURE

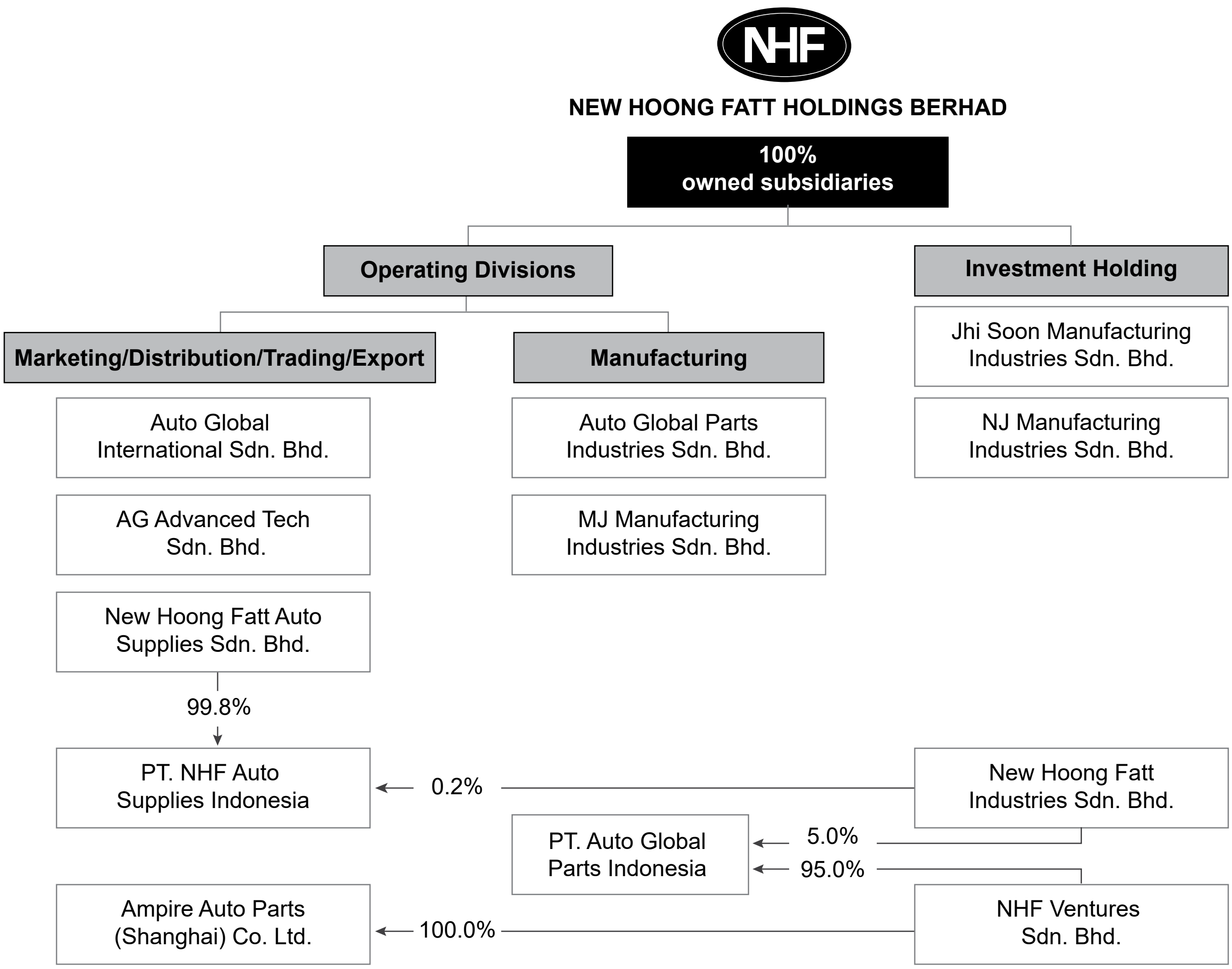
New Hoong Fatt Holdings Berhad ("NHF" or "the Company") was first listed on the Second Board of Bursa Malaysia Securities Berhad ("Bursa Securities") on 8 June 1998, and was later transferred to the Main Board of Bursa Securities, now known as the Main Market, on 2 July 2001. NHF and its subsidiaries (collectively "the Group") started off business as a trading company back in 1977, selling genuine and alternative automotive replacement body parts. Years later, it has grown to become a major distributor of automotive parts to the local replacement market.

Having established a strong foothold in the trading and distribution of automotive parts, in 1989, the Group ventured into the manufacturing of metal and plastic automotive replacement body parts, such as doors, hoods, fenders, trunk lids, bumpers, grilles, lamps, etc. The Group's advanced and efficient production facilities, as well as expertise in the design and development of moulds and dies, have led the Group to become the leader in the distribution of alternative automotive replacement body parts in Malaysia.

Subsequently, in 2011, the Group expanded its business abroad and incorporated subsidiaries in Jakarta, Indonesia and Shanghai, China. These subsidiaries focus on the trading and distribution of automotive parts, reinforcing the Group's global presence and market reach.

NHF's headquarters and factories are located in Klang, Selangor. Together with trading branches in Segambut, Kuala Lumpur and Kota Kinabalu, Sabah, they serve as an extensive distribution channel for more than 1,000 wholesalers and retailers throughout Malaysia, as well as exporting to more than 50 countries in Asia, Central and South America, Europe and Africa.

The Group's corporate structure is as depicted in the diagram below:



CORPORATE PROFILE AND GROUP STRUCTURE
(continued)

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

The Group's principal activities are manufacturing, trading and exporting of automotive replacement parts and accessories.

Manufacturing

The Group's manufacturing activities are carried out through the following subsidiaries:

- Auto Global Parts Industries Sdn. Bhd. ("AGP") for the manufacturing of automotive replacement body parts; and
- MJ Manufacturing Industries Sdn. Bhd. ("MJ") for the making of tools, moulds and dies.

The Group's manufacturing facility is located on 27 acres of land in Meru, Klang, producing more than 1,400 metal parts and 2,200 plastic parts. NHF currently has the capacity to manufacture up to six (6) million pieces of automotive replacement parts per year.

Through MJ, the Group manufactures some of its metal tools and dies used in the production of automotive parts. This initiative shortens the lead time for introducing new products to the market and provides the Group with greater control over the quality and cost of tooling.

The Group invests in advanced technology and machinery, including metal stamping and plastic injection machines, 3D laser welding and cutting machines, metal inert gas (MIG) robots, hemming robots and a cathodic electro-deposition paint line, to continually enhance its technological and production capabilities.

Marketing/ Distribution/ Trading/ Export

The Group's marketing, distribution, trading and export activities are carried out by the following subsidiaries:

- New Hoong Fatt Auto Supplies Sdn. Bhd. ("NHFAS") for the local Malaysian market;
- Auto Global International Sdn. Bhd. ("AGI") for exporting to overseas markets;
- PT. NHF Auto Supplies Indonesia ("PT. NHF") for the local Indonesian market; and
- Ampire Auto Parts (Shanghai) Co. Ltd. ("Ampire") for the local China market.

NHFAS is the sole distributor of parts manufactured by AGP in the local market. Additionally, NHFAS sources other parts from both local and overseas suppliers, selling a wide range of automotive replacement parts, accessories and service items such as windscreens, door mirrors, radiators, filters, wiper blades, leaf springs, compressors, engine oils and lubricants. NHFAS is an authorised dealer for brands including Proton, Nissan, Toyota, Denso, Sika, Pilkington and Yacco. These products are distributed to more than 1,000 retail and wholesale spare parts shops throughout Malaysia.

AGI, on the other hand, exports automotive parts to overseas markets, including the Group's overseas subsidiaries, PT. NHF and Ampire. These products are distributed through agents and distributors located in more than 50 countries worldwide. Meanwhile, PT. NHF and Ampire focus on the import, export, distribution and marketing of automotive replacement parts in Indonesia and China, respectively.

Investment Holding

The Group's investment holding companies hold investments in subsidiaries as well as various real estate properties. These properties are owned by the following subsidiaries and are leased out to sister companies for manufacturing and distribution activities:

- NJ Manufacturing Industries Sdn. Bhd.; and
- Jhi Soon Manufacturing Industries Sdn. Bhd.

MANAGEMENT DISCUSSION AND ANALYSIS

This Statement contains the management discussion and analysis ("MD&A") of the performance of the Group for the financial year ended 31 December 2024 ("FY2024"). It should be read in conjunction with the Audited Financial Statements of the Company and the Group for FY2024 as set out in the ensuing sections of this Annual Report.

This MD&A contains forward-looking statements, which are subject to risks, uncertainties and a variety of factors that may cause actual results or performance to differ materially from those contemplated by such statements. Such statements reflect the Group's current view with respect to future events and are not a guarantee of future performance.

OPERATING ENVIRONMENT OVERVIEW

In 2024, global economy experienced steady growth but remained fraught with challenges. Persistently high interest rates in the United States ("US") and Europe, aimed at curbing inflation, dampened investment and economic growth. Major economies faced the dual pressures of subdued global demand, and escalating geopolitical uncertainties, which slowed international trade and placed further strain on businesses and households. thereby slowing global trade. Ongoing conflicts and strained relations among major economies exacerbated these uncertainties, disrupting global trade and dampening market confidence.

China's economic growth fell short of expectations, hindered by weak domestic demand, a faltering property market and trade uncertainties. Increased production in manufacturing sectors, driven by increased subsidies or rapid productivity gains, leading to international spillovers and intensifying trade tensions among exporting nations vying for market share.

Against this backdrop, the automotive industry showed mixed performance. Affordability concerns and rising interest rates curtailed consumer demand, while economic uncertainties continued to impact the Group's export market, as customers prioritised on managing their stocks at prudent levels. In response, the Group took proactive measures, strategically slowing production to mitigate warehouse congestion amid global sea freight disruptions. To mitigate regional challenges, the Group pursued strategic market diversification, capitalising on emerging growth opportunities in certain markets. Despite external headwinds such as China-US trade frictions and various factors affecting port conditions, the Group managed the situation effectively, ensuring a steady flow of order fulfillment while maintaining operational resilience.

Domestically, Malaysia's economy remained resilient, underpinned by robust domestic and external demand. The ringgit outperformed regional currencies, appreciating 2.73% against the US dollar despite broader global economic uncertainties. While the Group's USD-denominated export revenue remained stable, the stronger ringgit impacted revenue conversion and limited short-term pricing flexibility in an increasing competitive global market. Additionally, the influx of China-made products into Malaysia may have intensified price competition in the local market. To address this, the Group reinforced its market positioning by offering superior product quality, differentiating its products from lower-cost alternatives and strengthening its overall value proposition.

Despite the aforementioned challenges, the Group sustained revenue levels on par with the previous financial year, underscoring its ability to navigate market volatility effectively. This stability reflects the Group's capability to capitalise on market opportunities and drive sales through effective product and marketing strategies. The Group's proactive approach to refining its strategies – focusing on market diversification and positioning, operational efficiency and rigorous cost management – has been key to remaining competitive amid the uncertain economic landscape.

In line with its commitment to operational excellence, the Group has also made significant strides in implementing process improvement projects. The adoption of Kaizen-based improvements continues to drive waste reduction, shorten lead times, and contribute to greater manufacturing efficiency and cost savings. Additionally, efforts to enhance shopfloor management and streamline processes across all production units helped minimise downtime, improve safety and generate notable cost savings, offsetting external challenges while reinforcing the Group's market competitiveness.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

INDUSTRY OVERVIEW

Global light vehicle sales sustained their upward trajectory in 2024, reaching approximately 97.0 million units, 9.0% increase from 89.0 million units in 2023. This growth was fueled by easing supply chain disruptions, strong consumer demand and expanded vehicle production capacity across key automotive markets. Greater China retained its dominant force in the automotive sector, with traditional Original Equipment Manufacturers ("OEMs") refining pricing strategies and responding to regulatory shifts to remain competitive against Chinese manufacturers.

The electric vehicle ("EV") segment experienced accelerated growth in 2024, reflecting the ongoing transition toward sustainable transportation. EVs accounted for a growing share of total light vehicle sales, with China, Europe, and the US leading the transition. China remained its stronghold in the EV sector, supported by government incentives, expanding charging infrastructure - surpassing a 30.0% adoption rate in 2024. In Indonesia, EV sales more than doubled, now comprising 12.0% of the overall car market. The Indonesian government continues to foster the EV industry, with plans to develop battery production capabilities and build factories to produce more affordable EVs locally. However, Thailand, the ASEAN region's largest vehicle producer, recorded an 8.1% decline in EV sales in 2024, attributed to reduced consumer incentives and tighter loan approval requirements.

According to the China Association of Automobile Manufacturers ("CAAM"), China's total new vehicle sales in 2024 reached 31.4 million units, marking a 4.3% increase from 30.1 million units in 2023. Of these, 12.0 million units were EVs. Domestic passenger car sales rose 3.1%, reaching 22.6 million units.

Conversely, Thailand's automotive market contracted, with the Federation of Thai Industries ("FTI") reporting a 26.2% decline in vehicle sales to 572,675 units in 2024. This decline was attributed to stricter lending policies amid high household debt levels. Similarly, Indonesia experienced a downturn, with the Association of Indonesia Automotive Industries ("GAIKINDO") reporting a decrease in new retail car sales from 998,059 units in 2023 to 889,680 units in 2024, mainly due to weakened consumer spending power.

On the domestic front, Malaysia's automotive market showed modest growth, with the Malaysian Automotive Association ("MAA") reporting a 2.1% increase in Total Industry Volume ("TIV"), to 816,747 units in 2024, up from 799,821 units in 2023. Passenger vehicles remained the primary growth driver, supported by strong domestic demand. EV sales in Malaysia also expanded significantly, reaching 21,789 units in 2024, a 63.8% increase from 13,301 EVs in 2023.

CORPORATE EXERCISE

Share Split

During the financial year, the Company completed a share split exercise, whereby each existing NHF share held by entitled shareholders as of the entitlement date was subdivided into two (2) new shares ("Share Split"). The Share Split aimed to enhance the liquidity and accessibility of NHF's shares, making it more attractive to a broader range of investors. The exercise was completed with the listing and quotation of the shares after the Share Split on the Main Market of Bursa Malaysia Securities Berhad on 28 June 2024. Following the Share Split, the Company's issued share capital stood at RM82,672,260, consisting of 165,344,520 shares. The impact of the Share Split on the Company's issued share capital is as follows:

	Before the Share Split	After the Share Split
Issued share capital	RM82,672,260	RM82,672,260
Number of shares	82,672,260	165,344,520

FINANCIAL PERFORMANCE OVERVIEW

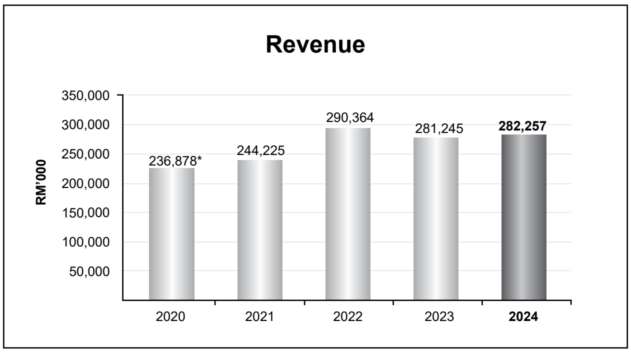
Despite challenges in FY2024, the Group was able to maintain the revenue of the previous year and posted a revenue of RM282.3 million, a slight increase from RM281.2 million in the financial year ended 31 December 2023 ("FY2023"). The Group achieved lower revenue from the export market due to challenging external environment.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

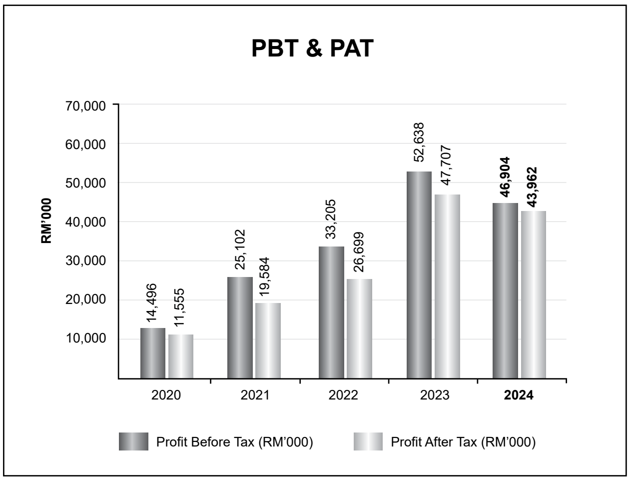
NHF posted a Profit Before Tax ("PBT") of RM46.9 million in FY2024 as compared to RM52.6 million in FY2023. The lower PBT was mainly due to unfavourable movement in foreign exchange ("forex"), which was mitigated by lower manufacturing costs.

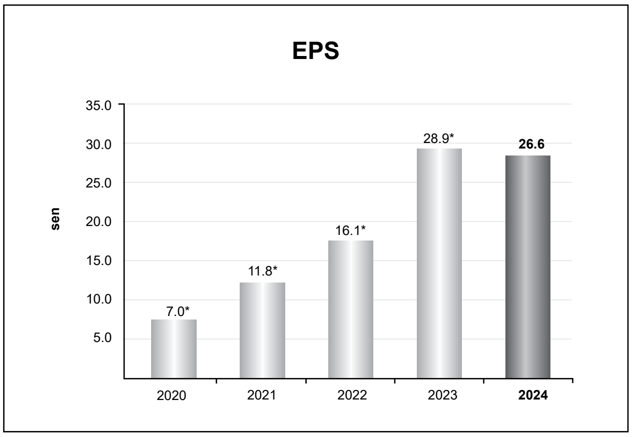
Profit After Tax ("PAT") had decreased to RM44.0 million in FY2024 as compared to RM47.7 million in FY2023. The effective tax rate was lower compared to statutory tax rate mainly due to the utilisation of Reinvestment Allowance.

Consequently, the Group's earnings per share ("EPS") decreased to 26.59 sen from 28.85 sen in FY2023, after adjustment for the Share Split. Net assets per share stood at RM3.48 at the end of the financial year compared to RM3.32 in the previous financial year, also adjusted for the Share Split.



** Comparative figure for 'Revenue' for 2020 has been restated to reflect the reclassification of freight recovery from 'Revenue' to 'Other Operating Income'*





** Comparative figures for 'Basic Earnings Per Share' for 2020 - 2023 have been adjusted for the effects of the Share Split involving the subdivision of every one (1) existing ordinary share into two (2) subdivided ordinary shares, which was completed on 28 June 2024.*

Significant Assets and Liabilities

Trade Receivables

Trade Receivables decreased by 5.0% from RM43.6 million at the end of FY2023 to RM41.4 million at the end of FY2024. The decrease was due to the Group's efforts in tightening credit policies.

Inventories

Inventories increased to RM70.1 million in FY2024 compared to RM66.6 million at the end of FY2023. The increase was primarily due to higher stockholding of finished goods for both export and local markets. The increase in inventories for export market was due to disruptions in global sea freight, which caused delays and logistical challenges. Meanwhile, for the local market, the higher stockholding resulted from bulk purchasing to achieve cost savings.

Trade Payables

Trade Payables decreased by 21.3% to RM8.5 million at the end of FY2024 compared to RM10.8 million at the end of FY2023.

Capital Expenditures

Capital expenditures incurred in FY2024 amounted to RM26.8 million was higher by 0.8% year-on-year compared to RM26.6 million in FY2023. The capital expenditures were mainly on the development of moulds and dies to expand the Group's product range, as well as the construction of a new warehouse and hostel, in addition to office renovations.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Cash Position

The Group recorded a Net Cash position of RM126.0 million at the end of FY2024 compared with RM98.0 million at the end of FY2023. The increase in Net Cash was mainly due to net cash flows generated from the operating activities during the financial year.

Dividends

NHF does not have a formal dividend policy, but it is committed to rewarding shareholders with consistent dividend payments. The Group has a consistent track record of paying annual dividends to its shareholders since its listing in 1998, reflecting its dedication to delivering value to its shareholders.

In determining the dividend rate, the Company considers several factors, including the Group's profitability, working capital requirements and potential investment opportunities. NHF aims to achieve a balanced approach, ensuring that shareholders are adequately rewarded while also retaining sufficient earnings for reinvestment purposes, which will fuel the Group's continued growth and long-term success.

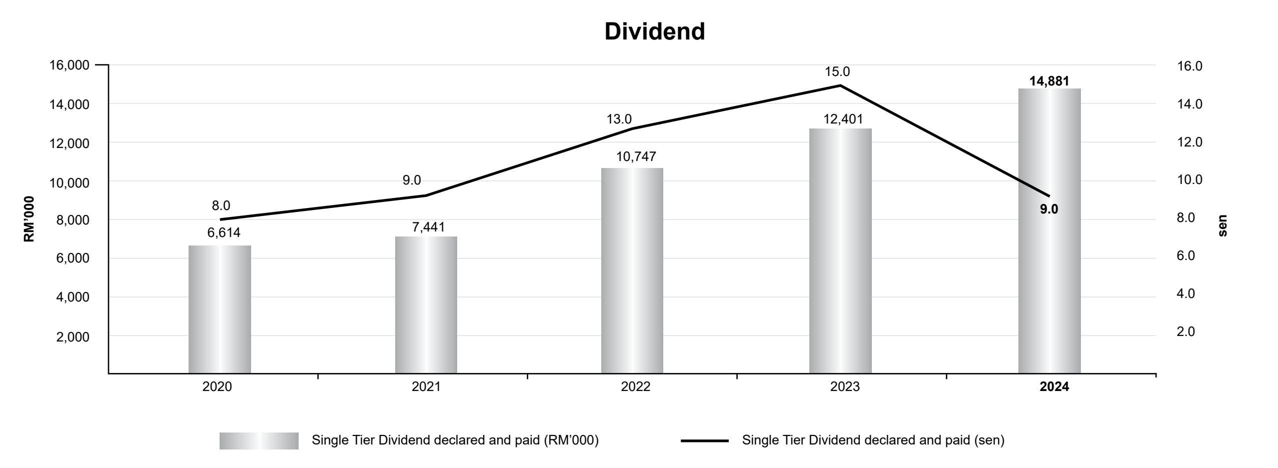
For FY2024, the Board declared and paid the following dividends:

Dividend Type	Rate per Ordinary Share	Amount (RM)	Payment Date
First interim single tier dividend	2 sen	3,306,890	3 October 2024
Second interim single tier dividend	3 sen	4,960,336	23 December 2024
Third interim single tier dividend	4 sen	6,613,781	8 April 2025
TOTAL	**9 sen**	**14,881,007**	

The total dividends declared and paid for FY2024 compared to FY2023, are as follows:

Description	FY2024	FY2023
Total single tier dividends declared and paid (sen)	9	15
Total single tier dividends declared and paid (RM)	14,881,007	12,400,839
Total number of shares	165,344,520	82,672,260

Dividends per share for the past five (5) years are as follows:



Note : The total number of shares for 2024 increased from 82,672,260 to 165,344,520 following the completion of the Share Split involving the subdivision of every one (1) existing ordinary share into two (2) subdivided ordinary shares, which was completed on 28 June 2024.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

SEGMENTAL BUSINESS REVIEW

The Group's revenue breakdown by segment for FY2024 is tabulated below:

	FY2024 RM'000	%	FY2023 RM'000	%
Segment Revenue				
Malaysia	147,767	52.3	147,208	52.3
ASEAN	50,783	18.0	53,353	19.0
Non-ASEAN	83,707	29.7	80,684	28.7
Total Revenue	**282,257**	**100**	**281,245**	**100**

(a) Malaysian market

The Group registered a revenue of RM147.8 million in FY2024 from the domestic market, compared to RM147.2 million in FY2023. This represented 52.3% of the Group's total revenue (FY2023: 52.3%), consistent with the previous year's contribution.

(b) ASEAN market

Revenue from the ASEAN market in FY2024 was RM50.8 million, reflecting a decrease of 4.9% from RM53.4 million in FY2023. The ASEAN market contributed 18.0% of the Group's total revenue (FY2023: 19.0%). Revenue of PT. NHF Auto Supplies Indonesia, the subsidiary in Indonesia, slightly increased to RM15.3 million, up from RM14.5 million in FY2023.

(c) Non-ASEAN market

Revenue from the Non-ASEAN market in FY2024 was RM83.7 million, reflecting an increase of 3.7% compared to RM80.7 million in FY2023. The non-ASEAN market contributed 29.7% of the Group's total revenue in FY2024 (FY2023: 28.7%).

Ampire Auto Parts (Shanghai) Co. Ltd., the subsidiary in China, achieved revenue of RM10.1 million in FY2024, an increase of 8.6% from RM9.3 million in FY2023. The increase in revenue was attributed by improved demand in the domestic market.

ANTICIPATED KEY RISKS AND MITIGATING ACTIONS

The Group is exposed to certain risks and uncertainties inherent in the industry in which it operates, which may affect its future performance. NHF manages its exposure to these risks through the Enterprise Risk Management (ERM) framework, as outlined in the Statement on Risk Management and Internal Control of this Annual Report. The Group's current key risks are summarised below:

(a) Geopolitical risk

Geopolitical risks, including the Russia-Ukraine conflict, tensions in the Middle East, and the US-China trade war, can significantly impact the Group. These risks disrupt global markets, increase inflation and lead to supply chain issues such as higher freight costs, shipping delays and restricted trade routes. Trade disputes and tariffs raise production costs, while political instability drives currency fluctuations, further increasing operational expenses. Additionally, rising commodity and energy prices affect raw material prices and political crises can weaken consumer demand. These factors could lead to reduced sales, operational disruptions and limited market expansion. In addition, China's excess industrial capacity is intensifying competition both locally and globally.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

NHF mitigates these risks through a comprehensive strategy that includes market diversification to reduce dependency on any single region, thereby minimising exposure to localised economic or geopolitical disruptions. The Group also actively diversifies its supply chain by sourcing from multiple suppliers across different countries, reducing reliance on a single supplier and improving resilience against potential supply disruptions. Moreover, NHF emphasises cost management and operational efficiency, helping to cushion the impact of slow sales and rising costs while optimising sales strategies. To stay proactive, the Group closely monitors global and regional news developments, allowing for informed decision-making to safeguard business performance.

(b) Competition in the replacement market

The Group faces significant business challenges due to intensified competition in the automotive replacement market. NHF competes with numerous well-established manufacturers, particularly from Taiwan, China and Thailand. Many of these competitors operate more efficient production facilities, benefited from higher economies of scale and have access to larger financial and other resources, enabling them to offer products of comparable quality at lower prices. In 2024, the entry of additional international competitors into the replacement market, coupled with aggressive strategies from local importers and competitors, further intensified the competitive landscape. The influx of international players was facilitated by trade agreements such as the ASEAN Free Trade Area (“AFTA”) Agreement and the Regional Comprehensive Economic Partnership (“RCEP”).

To alleviate competitive pressure, the Group focuses on strategically managing customer relationships and upholding its market reputation. This includes offering competitive pricing, delivering quality and reliable products, offering a comprehensive product range and improving delivery lead times whenever feasible. The Group continuously refines its customer engagement strategies to promptly address customer needs and demands. Locally, the Group has established an extensive distribution network across Malaysia, enabling a wider customer reach and facilitating the swift delivery of its products to customers.

(c) Supply of raw materials and volatility of prices

The Group relies heavily on a sustainable supply of raw materials, particularly steel coils and plastic resins, to ensure the seamless production of the Group’s automotive parts. Steel coils are imported from overseas, while plastic resins are sourced either locally or internationally. Any disruptions to the supply of these key raw materials or significant price increases in these raw materials could result in production delays or cost escalation, adversely impacting the Group’s financial performance.

To mitigate the impact of rising raw material costs, the Group consistently monitors pricing trends of the raw materials and negotiates with suppliers to secure competitive rates for its purchases. Additionally, the Group focuses on improving its manufacturing efficiency, optimising costs and actively working towards waste reduction. To mitigate the risk of supply chain disruptions and production interruptions, the Group establishes relationships with at least two (2) reliable suppliers for all critical raw materials. Furthermore, the Group maintains strategic stockpiles of raw materials to provide a buffer against unexpected events that could cause sudden supply shortages, price hikes, or unexpected changes in supplier capabilities.

(d) Foreign currency exchange risks

NHF is exposed to foreign currency exchange (“forex”) risks due to the denomination of its imported raw materials, plant and machinery, moulds and dies, trading automotive parts and exports, which are primarily denominated in US Dollars (“USD”). This forex exposure arises from both transaction and translation risks may result in potential gains or losses, affecting the Group’s profitability. To mitigate this risk, the Group employs a natural hedge strategy, matching outgoing payments and incoming receipts in the same currency, particularly in USD. In addition to natural hedging, the Group actively monitors forex rate movements and adjusts its strategies as necessary. By staying vigilant, the Group can make informed decisions to effectively manage and minimise the potential impact of currency volatility on its financial performance.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

The Group also faces currency translation risk arising from inter-company transactions, particularly involving its two (2) trading subsidiaries located in China and Indonesia. The financial assets and liabilities associated with these subsidiaries are susceptible to exchange rate fluctuations, especially concerning inter-company balances between the overseas subsidiaries and those domiciled in Malaysia.

The movements in forex rates, whether favourable or unfavourable, can have an impact on the Group's profitability. During the financial year under review, the weakening of the USD had impacted the Group's export revenue and resulted in a forex loss.

(e) Breakdown of critical machinery and equipment

The smooth running of machinery and equipment is vital to the continued operations of the Group. Breakdowns in critical machinery can disrupt the Group's production schedules, limit output capacity and impede its ability to fulfill customer demands, leading to potential financial losses. Unscheduled shutdowns require immediate maintenance and the time required to procure and install replacement parts only exacerbates the interruption to production processes, further impacting efficiency and profitability.

NHF mitigates this risk by regularly monitoring machinery performance and downtime rates, comparing them to established performance standards to gauge the probability of failure. Scheduled preventive maintenance is carried out regularly to prevent and reduce breakdown occurrence, as well as to extend the lifespan of machinery and equipment. To further enhance this effort, the Group had installed sensors on critical machinery, which are linked to a software program that detects early signs of potential breakdowns. These sensors provide valuable data that allows the maintenance team to plan and execute preventive maintenance proactively, helping to avoid costly downtime. In addition, the Group maintains an adequate inventory of critical spare parts, particularly those that require a long lead time for delivery. This precautionary measure ensures that essential parts are readily available in the event of a breakdown, facilitating swift repairs and minimising disruptions to production.

(f) Labour shortage

The shortage and inconsistent supply of production workers can significantly affect the Group's production scheduling and its ability to meet sales demand, potentially causing delays in fulfilling customer orders and affecting overall operational efficiency.

To address the risk of manpower shortage, the Group employs a range of proactive strategies aimed at attracting and retaining talent. These strategies include actively recruiting through partnerships with local employment agencies, attending job fairs and leveraging online platforms to reach a broader pool of potential candidates. Furthermore, the Group develops partnerships with vocational schools and training programmes to tap into emerging talent and ensure a steady pipeline of skilled workers. The Group also committed to enhancing its workforce capabilities by focusing on upskilling local production workers and apprentices. This initiative aims to make employees multi-skilled, enabling them to perform high-value activities across various production functions. This approach not only boosts workforce flexibility but also helps mitigate the impact of fluctuations in workforce availability. Realising the challenges of relying on foreign workers, the Group takes steps to reduce this dependence by offering competitive remuneration packages to attract and retain local talent. The Group also accommodates workers with different preferences and commitments by providing short-term employment contracts, creating more flexibility in its workforce management. Moreover, the Group has fully implemented automation for its production processes where feasible to minimise human handling, enhance operational efficiency and lower labour costs.

(g) Technological advancement

The integration of advanced technologies in automobiles, such as adaptive cruise control, automatic emergency braking, backup cameras and lane departure warning, is a significant trend aimed at improving vehicle safety and security. As the prevalence of safety technologies increases, the frequency of accidents may decrease, leading to fewer repairs and replacements, which could affect NHF's sales of automotive parts.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Alongside these shifting patterns, the Group is closely monitoring the evolving landscape of EVs, considering the potential long-term reduction in the production and sales of internal combustion engine ("ICE") vehicles, as consumers shift toward more sustainable alternatives. As the Group's core business currently revolves around ICE vehicles, this shift in the automotive market could have an impact on the Group's future growth prospects.

As part of strategic planning, the Group continues to assess industry trends and explore ways to adapt to changing market dynamics. This includes the ongoing diversification of its product offerings and exploring new focus areas within the aftermarket value chain that align with the changing technology landscape and potential opportunities in the EV sector. By staying attuned to the latest trends, product innovations and key developments in the automotive aftermarket and EV sectors, the Group ensures it remains responsive to market changes. This enables the Group to adjust its strategies and continue offering products that meet the evolving needs of the automotive market. The Group gains valuable insight into these areas by participating in local and international trade missions and expositions, which provide opportunities to engage with industry leaders, explore new technologies, and stay ahead of market shifts.

OUTLOOK AND STRATEGY

The operating environment in 2025 will be shaped by considerable uncertainty, with US policies on trade and fiscal matters potentially having substantial and unpredictable impacts across global markets. While the global economy in 2025 is expected to experience moderate growth, supported by recovery efforts and technological advancements, the outlook will be influenced by ongoing challenges stemming from geopolitical tensions and climate risks. Certain regions are projected to see steady economic activity, while others may face heightened uncertainties, leading to a mixed global economic outlook. The International Monetary Fund forecasts global growth at 3.3% for both 2025 and 2026. Global headline inflation is expected to decline to 4.2% in 2025 and further to 3.5% in 2026, with inflation rates returning to target levels sooner in advanced economies than in emerging markets and developing economies.

S&P Global Mobility forecasts 89.6 million new vehicle sales worldwide in 2025, reflecting a cautious recovery of 1.7% increase from 88.2 million units in 2024. This projection is influenced by mixed factors, including improved supply chain, tariff impacts, high interest rates, affordability issues, elevated new vehicle prices, fluctuating consumer confidence, energy price and supply concerns, risks in auto lending, and the complexities of transitioning to EVs. In addition, post-election policy shifts in the US are expected to influence interest rates, trade flows, sourcing and EV adoption rates.

China's economic outlook for 2025 is moderate, with a projected growth rate of around 4.6%. Domestic factors are expected to have a greater influence than external ones, with a notable recovery in investment, particularly in the construction sector, bolstered by new housing projects. However, the impact of Trump's new tariff policies could pose additional challenges, potentially disrupting trade flows and increasing costs for Chinese exporters, which may weigh on growth in key industries and affect overall economic dynamics. According to CAAM, China's total vehicle sales are estimated to reach 32.9 million units in 2025, reflecting an increase of 5.0% year-on-year, supported by EV incentives, local auto subsidies, government stimulus and price competition. The EV market is set to expand further, with penetration increasing to 58.0% of passenger vehicles by 2025, up from 49.0% in 2024, driven by lower battery costs and continued subsidies.

On the regional front, Thailand's economy is expected to face significant challenges in 2025, with a projected growth rate of 2.5% amid ongoing global uncertainties. US tariffs on China could indirectly impact both Thailand's exports and domestic markets. While the auto parts sector holds potential for increased exports to the US, it may also complicate the government's efforts to control the influx of Chinese products into the Thai market, which could negatively impact local manufacturers. FTI anticipates that car sales in 2025 will remain largely unchanged from 2024 levels unless a higher GDP growth is recorded.

Indonesia's economic outlook is projected to grow by 5.2%, with growth largely driven by domestic demands. Consumer purchasing power is expected to be supported by controlled inflation, job creation, and continued government support for social assistance and subsidy programs. According to GAIKINDO, new vehicle sales are expected to return to normal levels in 2025, reaching 1.0 million units, despite the anticipated increase in taxes.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

On the local front, the Malaysian economy will remain on a positive growth trajectory in 2024, driven by strong economic performance, despite ongoing uncertainties in the external environment. The Malaysian economy is set to grow between 4.5% and 5.5% in 2025. MAA projects that the TIV for 2025 to reach 780,000 units, reflecting a 4.5% year-on-year decline. This forecast considers the uncertainty surrounding the US-China trade war, which could affect Malaysia's economic prospects. Additionally, potential changes to the petrol RON95 subsidy may impact sales of higher-engine capacity vehicles, although this could boost demand for EVs. The introduction of new brands and models, along with the continued maintenance of the overnight policy rate at 3.0%, is expected to support vehicle demand in 2025. EV sales are anticipated to increase ahead of the expiry of the road tax fee exemption at the end of 2025. Starting January 2026, new road tax rates will offer a reduction of up to 85.0% for EVs, which will further drive sales.

Given the aforementioned factors, the Group anticipates that the business environment in 2025 to remain dynamic. Ongoing geopolitical tensions, inflationary pressures, potential economic slowdowns in key markets and fluctuations in commodity prices may affect financial markets, trade flows and overall market confidence. These dynamics could dampen consumer sentiment, limit purchasing power and lead to tighter trade regulations and international payment restrictions in certain regions. As a result, the Group expects potential constraints on export activities and sales growth in selected markets.

Nevertheless, the Group remains cautiously optimistic about the automotive replacement parts market for 2025. With the continuous growth in the number of cars on the road, driven by increased mobility and urbanisation and the addition of hundreds of thousands of new cars each year, demand for automotive replacement parts is expected to remain strong. NHF is confident in its ability to capitalise on this growth opportunity, supported by the implementation of the following three (3) strategies:

a) Focus on the ASEAN market

The Group is optimistic about the growth potential in the ASEAN market, which continues to offer significant opportunities in terms of vehicle ownership per capita, infrastructure development and the expanding middle class across the region. The Group plans to strengthen its presence, particularly in Thailand and Indonesia, where growth rates are higher. In addition to that, Vietnam and the Philippines represent untapped opportunities, as their TIV remain low relative to their populations, making them key markets for NHF over the next five (5) to ten (10) years. Greater trade openings under the AFTA Agreement and RCEP Pact will further facilitate the Group's export growth in the region.

To support its expansion, the Group will focus on building a robust distribution network and expanding its product offerings. To drive sales volume, the Group plans to enhance customer engagement through targeted sales campaigns, alongside other efforts to increase brand awareness and generate demand. Furthermore, the Group stays aligned with new product launches in the passenger vehicle sector and continually adapts to the changing needs of car owners, ensuring it effectively serves its customers.

The Group's E-Platform (EP) is significantly enhancing the ordering experience for customers in Malaysia and Indonesia. By embracing the opportunities presented by digital commerce, the Group aspires to further refine and strengthen its digital strategies, positioning itself to capitalise on emerging market opportunities. With the continued acceleration of its digital transformation agenda, coupled with improved customer and product portfolio management, the Group is well-positioned to drive profitability and expand its market share, especially in the ASEAN region.

b) Focus on operational excellence

For many years, the Group has remained focused on controlling costs and improving operational efficiency, with a proven track record of success. Continuing this trajectory, the Group will strengthen its focus on enhancing productivity and maintaining financial resilience, particularly in the face of rising operational costs, such as utilities and labour. By optimising resource utilisation, the Group aims to ensure sustained competitiveness in the market. In production, the Group will continue to prioritise reducing downtime through improved shopfloor management, streamlining processes across all production units, and implementing additional automation to optimise workflows and increase production capacity.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Furthermore, the Group is committed to consolidating its business process chain to create a more cohesive and integrated operation. By promoting cross-functional communication, breaking down silos and promoting data sharing, the Group can achieve economies of scale and enhance margins. To support this, the Group will continue to leverage digital transformation in its production processes. Real-time production data is captured through digital solutions, enabling effective tracking and analysis. The integration of various software applications into daily operations will streamline business processes, improving efficiency and facilitating faster, data-driven decision-making. Furthermore, the reengineering of key business processes and the implementation of a new enterprise resource planning (ERP) system are actively underway. Both initiatives are strategically aligned to ensure seamless integration, further optimising operations, building on the strong foundation already established.

c) **Build a sustainable workforce and performance culture**

Recognising that a sustainable and capable workforce is key to driving future success, the Group will continue to prioritise and strengthening this aspect in the years ahead. Central to this goal is the ongoing Human Resource Transformation Project, designed to optimise workforce efficiency, improve role alignment, and support the company's long-term goals. This transformation includes a thorough analysis to ensure that roles are properly structured and aligned with the evolving demands of the organisation. Key activities within this process will focus on identifying inefficiencies, enhancing workflows, and ensuring the workforce is equipped to meet both current and future business needs.

The Group's commitment to building a strong and resilient workforce extends beyond structural optimisation. A comprehensive talent management system is in place, focusing on attracting, developing, and retaining talent. This system fosters a robust pipeline of skilled employees, equipped with the necessary expertise to drive future growth and profitability. Key initiatives within this framework include forging partnerships with educational institutions and recruitment agencies, which facilitate structured talent acquisition and skill development programmes. The Group also places significant emphasis on the cultivation of leadership bench strength and talent development programmes to drive higher performance across its operations, ensuring its goals for productivity, quality, and customer satisfaction are met. Moreover, in response to the rapidly evolving needs and technological advancements, NHF is committed to aligning its workforce's skillsets with the latest developments in automation and digitalisation. This focus aims to drive operational excellence and support the Group's ongoing digital business transformation, ensuring that it remains agile and capable of meeting its objectives.

The automotive aftermarket industry is undergoing rapid transformation, driven by technological advancements, shifting consumer preferences and changing market dynamics. Looking ahead to 2025, the Group's focus will be on harnessing these shifts to strengthen its market position, enhance product offerings and deliver exceptional value to customers. By embracing digitalisation, expanding its product portfolio and enhancing customer relationships, the Group aims to lead the automotive aftermarket, positioning itself at the forefront of the industry.

The Group expects its financial performance in 2025 to remain satisfactory, underpinned by a solid foundation, proactive risk management and continuous efforts to improve competitiveness in the marketplace.

CHIN JIT SIN
Managing Director

SUSTAINABILITY STATEMENT

NHF ("the Company") is pleased to present this annual Sustainability Statement ("Statement") for the financial year ended 31 December 2024 ("FY2024"). The Company considers sustainability a core component of its decision-making and operational processes. Together with its subsidiaries (collectively "the Group"), NHF operates its business with a dual focus: generating consistent economic returns while upholding a strong commitment to social, ethical and environmental responsibility. The primary goal is to create long-term value for all stakeholders.

This Statement highlights the Group's performance across the three (3) main pillars of sustainability, namely, economic, environmental and social. The governance element is addressed in the Corporate Governance ("CG") Overview Statement featured in this Annual Report and the CG Report 2024, which are available on the Group's website.

REPORTING FRAMEWORKS

This Statement has been prepared in accordance with Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("Listing Requirements"), with reference to Bursa Securities' Sustainability Reporting Guide (3rd Edition).

NHF's Annual Report for the financial year ended 31 December 2023 was assessed in the FTSE4Good ESG Ratings Assessment which was conducted by FTSE Russell in partnership with Bursa Securities. NHF received a rating of 2.3 out of 5.0. NHF is committed to improving this rating by addressing the identified gaps in the FTSE Russell FTSE4Good Criteria and enhancing its sustainability reporting over time to be in line with evolving industry standards.

SCOPE

This Sustainability Statement covers the Group's sustainability initiatives and performance for the financial year from 1 January 2024 to 31 December 2024, with comparative historical data from previous financial years provided where available and relevant. Any significant restatements of data compared to previous years are highlighted in the respective sections.

This Statement primarily focuses on the Group's main operations in Malaysia, covering its trading and manufacturing operations. The overseas subsidiaries in China and Indonesia are deliberately excluded due to their relatively small scale, which has a minimal impact on the Group's overall sustainability performance and progress, unless explicitly mentioned. The scope of this Statement remains consistent with that of the previous year.

For a comprehensive view of the Group's business, this Statement should be read in conjunction with other sections of this Annual Report, encompassing both financial and non-financial reports.

ASSURANCE STATEMENT

Due to the ongoing implementation of sustainability practices, this Statement has not been subjected to an assurance process. While NHF remains committed to ensuring the accuracy and reliability of its sustainability disclosures, the focus has been on enhancing internal processes and data collection frameworks. As part of this effort, the Group plans to have certain elements of this Statement reviewed internally by the Group's Internal Auditors after the financial year ending 31 December 2025, with the intention to pursue external assurance in the future as the Group's sustainability reporting practices mature.

FEEDBACK

This Sustainability Statement is included in the Company's Annual Report 2024, which is available on NHF's website.

NHF welcomes and encourages its stakeholders to provide feedback pertaining to this Statement and the issues discussed by contacting the Corporate & Sustainability Department at nhfcorporate@newhoongfatt.com.my.

SUSTAINABILITY GOVERNANCE STRUCTURE

The Board of Directors ("Board") is ultimately responsible for overseeing the Group's sustainability strategy, ensuring the alignment with business goals and holding accountability for the Group's sustainability performance and disclosures. The Board sets the strategic sustainability framework and ensures that the necessary resources are allocated to achieve the Group's sustainability objectives. The Audit and Risk Management Committee ("ARMC") supports the Board in reviewing the Group's sustainability performance against targets, assessing key sustainability risks and identifying new opportunities to enhance the Group's economic, environmental, social and governance performance. These responsibilities are reflected in the Board Charter and the ARMC's Terms of Reference.

SUSTAINABILITY STATEMENT (continued)

The Group has established a Sustainability Working Group ("SWG") responsible for formulating sustainability programs, setting targets and tracking progress, implementing key initiatives and ensuring the effective integration of sustainability policies and practices into business operations. Additionally, the SWG is tasked with identifying, evaluating, monitoring and managing the Group's key sustainability-related risks and opportunities. Regular reports on sustainability performance and ongoing initiatives are provided to the ARMC and the Board for review at each quarterly meeting.

The Group's sustainability governance structure for FY2024 is summarised below:

Board of Directors ("Board")
- Approve and review sustainability-related strategies, goals, policies, and major initiatives.
- Monitor and evaluate the overall progress of sustainability goals and performance.
- Oversee the implementation of sustainability strategies and policies and make necessary recommendation.

Audit & Risk Management Committee
- Ensure the integration of ESG risks into the broader risk management framework.
- Oversee compliance with regulatory standards.
- Review quarterly and annual sustainability performance against target.

Sustainability Working Group

Managing Director
- Provide leadership and guidance in the integration of sustainability into the Group's overall business strategy.
- Report on sustainability performance to the ARMC and the Board.
- Foster a culture of sustainability and support sustainability initiatives within the Group.

Group Management Committee
- Establish sustainability strategy and policies for own division.
- Set suitable metrics and targets for key sustainability issues.

Heads of Business Unit
- Implement sustainability initiatives within their respective department and guide team efforts towards achieving sustainability targets.
- Monitor the progress of departmental sustainability targets and report to the Corporate & Sustainability Department.
- Identify opportunities for improving resource efficiency and reducing environmental impacts within their functions.

Corporate & Sustainability Department
- Coordinate sustainability reporting, including data collection, analysis, and reporting on key indicators.
- Conduct awareness programs to promote sustainability across the Group.
- Stay informed on emerging trends and regulations on ESG/sustainability and provide recommendations to the Group.

The SWG is led by the Managing Director and comprises Key Senior Management and various department heads, who are responsible for the day-to-day implementation of sustainability activities and initiatives. These leaders guide their respective teams towards achieving sustainability targets and are tasked with collecting and reporting key performance data. Separately, the Corporate & Sustainability Department coordinates the Groups' sustainability initiatives and performance, including ensuring the effective management of the Group's sustainability reporting.

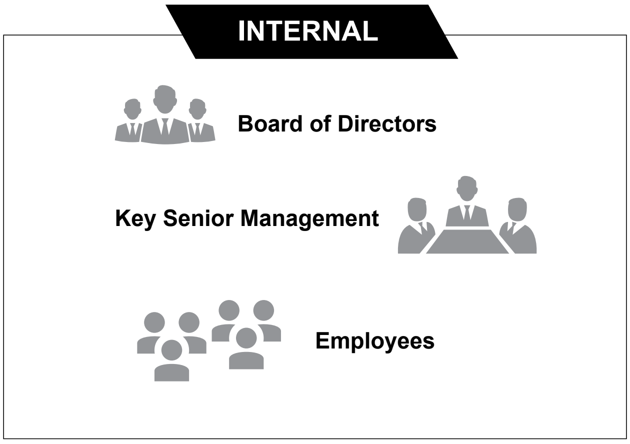
SUSTAINABILITY STATEMENT (continued)

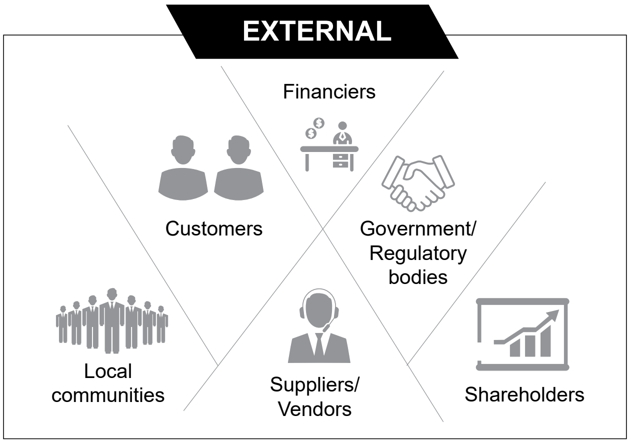
Operational performance issues related to sustainability are reviewed in the Group Leadership quarterly meetings. Several material sustainability issues, such as workplace safety and environmental conservation, are closely linked to the Group's key business risks. As such, these matters are monitored and addressed through the Group's Enterprise Risk Management framework.

The Board is committed to staying informed and equipped with the necessary knowledge to effectively manage sustainability issues impacting the Group. To this end, the Directors actively participate in regular training programs, including those on sustainability, a list of which is provided in the Corporate Governance Overview Statement of this Annual Report.

STAKEHOLDERS ENGAGEMENT

In formulating sustainability agendas, the Group has identified its employees, customers, suppliers, shareholders, regulators and local communities as key stakeholders.





The Group undertakes a variety of engagement initiatives with both internal and external stakeholders through formal and informal channels to address their interests, concerns and expectations. These initiatives include:

Key Stakeholders	Stakeholders' Main Interests	Method of Engagement	Frequency of Engagement
Employees	• Workplace health and safety • Comprehensive remuneration and benefits • Diversity and equal opportunities • Performance management • Communication and engagement • Learning and career development • Employee welfare	Departmental meetings	Regularly
		Quarterly business meetings	Quarterly
		Performance appraisals	Biannually
		Training and development programmes	On-going
		Employee welfare activities	Occasionally
Customers	• Product quality, stock availability, product range, delivery and competitive pricing • Customer service • Complaint management • Customer data privacy	Exhibitions	Annually
		Salesman visits	Regularly
		Emails, phone calls, social media communications	Regularly
		Survey and market research	Periodically

SUSTAINABILITY STATEMENT (continued)

<table>
<tr><th>Key Stakeholders</th><th>Stakeholders' Main Interests</th><th>Method of Engagement</th><th>Frequency of Engagement</th></tr>
<tr><td rowspan="3">Suppliers/ Vendors</td><td rowspan="3">• Prompt payment
• Long-term partnership
• Transparent procurement practices
• Sufficient lead time</td><td>Performance evaluation</td><td>Annually</td></tr>
<tr><td>Visits</td><td>Regularly</td></tr>
<tr><td>Emails and phone calls</td><td>Regularly</td></tr>
<tr><td rowspan="3">Financiers</td><td rowspan="3">• Regulatory compliance
• Strategic growth
• Financial performance
• Risk management</td><td>Meetings</td><td>As and when necessary</td></tr>
<tr><td>Annual reports</td><td>Annually</td></tr>
<tr><td>Analyst briefings</td><td>As and when necessary</td></tr>
<tr><td rowspan="6">Shareholders</td><td rowspan="6">• Profitability
• Stable dividends
• Timely and regular updates of business performance
• Good corporate governance
• Business continuity</td><td>Annual general meetings</td><td>Annually</td></tr>
<tr><td>Annual and quarterly reports</td><td>Periodically</td></tr>
<tr><td>Company's website - Investor Relation page</td><td>On-going</td></tr>
<tr><td>Announcements to Bursa Securities</td><td>As and when necessary</td></tr>
<tr><td>Meeting with analysts and fund managers</td><td>As and when necessary</td></tr>
<tr><td>Press releases</td><td>Periodically</td></tr>
<tr><td rowspan="4">Government and regulatory bodies</td><td rowspan="4">• Regulatory and reporting compliance
• Ethical business practices</td><td>Statutory disclosures and submissions</td><td>As and when necessary</td></tr>
<tr><td>Meetings</td><td>As and when necessary</td></tr>
<tr><td>Advocacy</td><td>As and when necessary</td></tr>
<tr><td>Industry associations memberships</td><td>On-going</td></tr>
<tr><td rowspan="3">Local communities</td><td rowspan="3">• Job opportunity
• Healthy and safe environment
• Community outreach programme</td><td>Training programmes</td><td>On-going</td></tr>
<tr><td>Career fairs</td><td>Regularly</td></tr>
<tr><td>Corporate social responsibility (CSR) activities</td><td>Occasionally</td></tr>
</table>

The details of engagement with the key stakeholders, excluding shareholders, are explained in the following section. For information on engagement activities with shareholders, please refer to the Corporate Governance Overview Statement of this Annual Report.

MATERIALITY ASSESSMENT

The determination of various sustainability initiatives involved a thorough evaluation of the main interest of each stakeholder. Only those matters that the Group considered material, either financially or non-financially, are reported in this Statement. Materiality is attributed to issues that possess the potential to either positively or negatively influence the Group's growth, governance, or people.

SUSTAINABILITY STATEMENT (continued)

The Group conducted its latest materiality assessment survey in 2022 to gain a better understanding of key stakeholders' concerns and expectations, as well as to identify the economic, environmental and social factors that have the most significant impact on the Group's business and stakeholders. The process of the materiality assessment survey is summarised below:

STEP 1 Identify potential topics

Create a comprehensive list of potential material topics

STEP 2 Engage stakeholders

Collect views from key stakeholders about the impact and importance of topics

STEP 3 Assess and prioritise

Prioritisation of topics important to NHF and key stakeholders

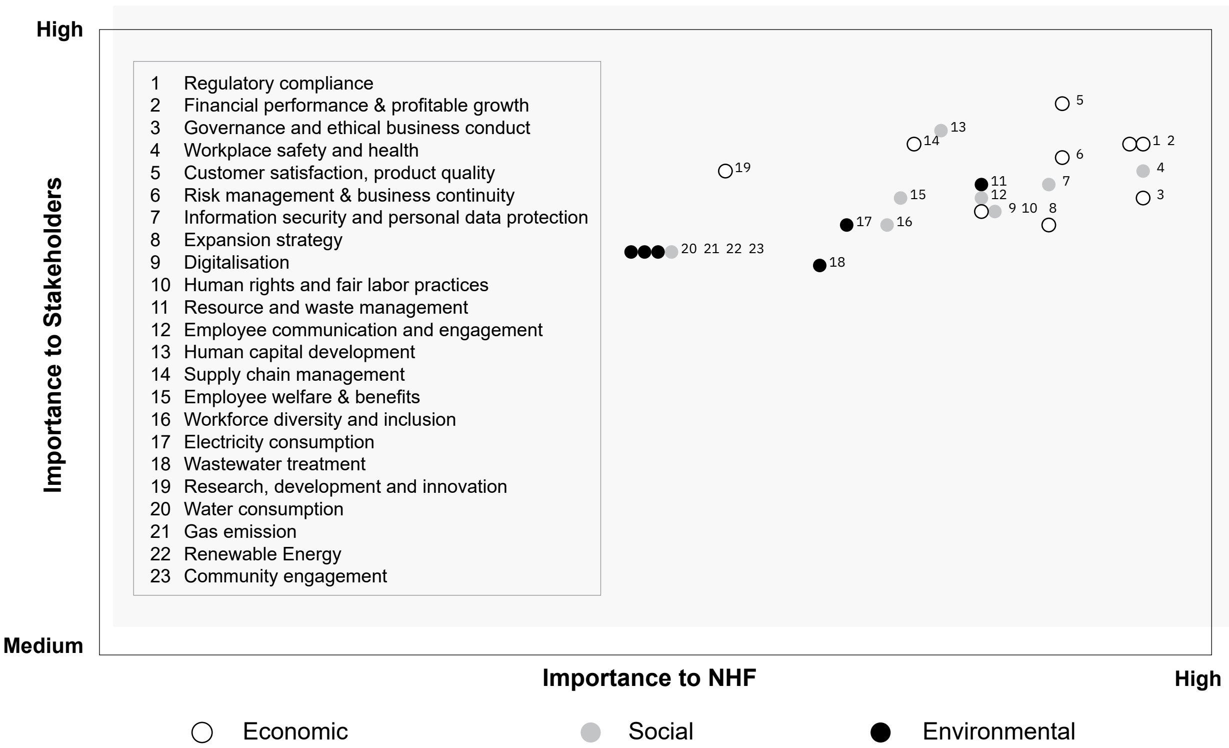
STEP 4 Validate and report

Present the outcome of the materiality assessment to the Management and the Board for validation and approval

The outcome of this assessment allows the Group to focus on the issues that are not only aligned with its long-term strategy but also vital to the stakeholders' interests. A comprehensive list of 23 potential material sustainability matters relevant to the Group was identified through various sources of information, including annual and ESG reports of local peers, stakeholders feedback, standards and tools and the common sustainability matters stipulated by the Listing Requirements of Bursa Securities. Internal and external stakeholders, including employees, the Board, customers and suppliers, participated in the assessment by rating the matters based on their relative importance. Additionally, the participants selected five (5) key sustainability issues to prioritise as NHF's main focus areas resulting in a well-rounded list of material issues. The results of the materiality assessment were subsequently presented to the SWG, ARMC and the Board for endorsement, ensuring that these material matters are relevant to the Group's business and have a meaningful impact on its long-term performance.

Results

The results of the assessment are shown in the materiality matrix below:



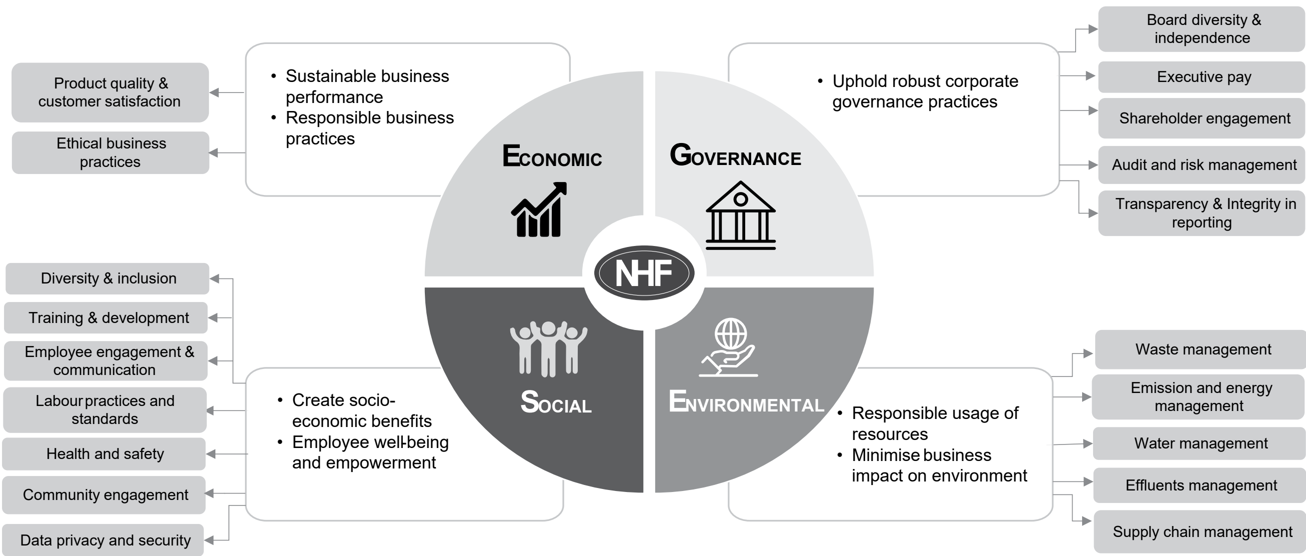
SUSTAINABILITY STATEMENT (continued)

It was concluded that all the 23 sustainability matters were considered relevant to the Group and its stakeholders. The top matters identified, which are of higher importance are summarised in the section below. These include common sustainability matters stipulated by Bursa Securities' Listing Requirements, as well as that contribute to the United Nations ("UN") Sustainable Development Goals ("SDGs"), where applicable. These sustainability matters will continue to shape the Group's sustainability strategy and reporting, as it aims to manage risks effectively, seize opportunities and create long-term value for all stakeholders. As the Group progresses, it is dedicated to enhancing its sustainable performance over time and making continuous improvements based on stakeholder feedback and evolving industry standards.

SUSTAINABILITY APPROACH

Through a systematic approach to sustainability, the Board aims to gain a better understanding of the associated risks and leverage the opportunities they present.

NHF's sustainability framework has been aligned with its business strategy and is guided by the Group's mission. Through this framework, the Group aims to meet stakeholder needs, reduce its environmental impact and make positive contributions to the local communities where it operates. The framework outlines NHF's key focus areas, including sustainable business performance, ethical business practices, responsible resource usage, minimising environmental impact, creating socio-economic benefits and empowering employees.



Contribution to UN SDGs

UN SDGs	UN SDG Target	NHF's Approach
UN SDG 3 Good health and well-being	Target 3.6: Halve the number of global deaths and injuries from road traffic accidents.	• Recorded '0' fatalities from road accidents among employees. • Tracked road accident cases among employees and promoted road safety awareness.
	Target 3.9: By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water, and soil pollution.	• Implemented effective waste management systems to minimise exposure to hazardous chemicals and pollution.

SUSTAINABILITY STATEMENT (continued)

UN SDGs	UN SDG Target	NHF's Approach
UN SDG 4 Quality education	Target 4.3: By 2030, ensure equal access for all women and men to affordable and quality technical, vocational, and tertiary education, including university. Target 4.4: By 2030, substantially increase the number of youth and adults who have relevant skills for employment, decent jobs and entrepreneurship.	• Collaborated with a private college to align educational programs with the skills needed in the workforce. • Developed internships and on-the-job training programs that help youth gain real-world experience.
UN SDG 6 Clean water and sanitation	Target 6.3: By 2030, improve water quality by reducing pollution, eliminating dumping and minimising release of hazardous chemicals and materials. Target 6.4: By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity.	• Maintained all treated effluents below safe regulatory limits. • Installed rainwater harvesting system to reduce reliance on freshwater sources. • Consistent periodic tracking of water consumption and water usage intensity to monitor potential impacts on water resources.
UN SDG 7 Affordable and clean energy	Target 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix.	• Invested in solar panel projects to generate renewable energy for own consumption and reduce use of electricity supplied from the grid.
UN SDG 8 Decent work and economic growth	Target 8.2: Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, particularly through a focus on high-value-added and labor-intensive sectors. 8.5: Full and productive employment for all.	• Provide workforce training and upskilling initiatives to improve worker productivity. • Provided equal opportunities for employees based on performance. • Conducted a review on employees' compensation and benefits based on current market rates. • Implemented work from home arrangements for selected roles. • Implemented safe workplace.
UN SDG 12 Responsible consumption and production	Target 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.	• Implemented 3R (Reduce, Reuse and Recycle) activities, Lean Manufacturing and Kaizen activities in the production lines to reduce waste. • Ensured proper disposal of waste.

SUSTAINABILITY STATEMENT (continued)

UN SDGs	UN SDG Target	NHF's Approach
UN SDG 13 Climate action	Target 13.2: Integrate climate change measures into national policies, strategies and planning.	• Tracked total greenhouse gas emissions ("GHG") and intensity breakdowns for Scope 1, Scope 2 and Scope 3. • Installed solar panels for renewable energy generation. • Commenced tracking and reporting on Scope 3 GHG emissions (employee commutes and business travel only).
UN SDG 16 Peace, justice and strong institutions	Target 16.5: Substantially reduce corruption and bribery in all their forms.	• Maintained zero significant risk of corruption identified across all departments in the annual risk assessment.

Metrics and Targets

For FY2024, the Group has established the following targets and the results of its performance are outlined in the respective sections below:

Sustainability Indicator	Target
Economic	
Percentage of employees who have received training on anti-corruption	100% for Executives and Non-executives
Percentage of operations assessed for corruption-related risks	100% of all key operations
Confirmed incidents of corruption and action taken	0 incident
Social	
Percentage of directors by gender	Maintain at least 1/3 women directors on the Board
Number of work-related fatalities	0 fatalities
Number of substantiated complaints concerning human rights violations	0 complaint
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0 complaint
Total training hours for Non-Executives	5,000 hours per year

Sustainability-related performance targets are currently not directly linked to the remuneration of those charged with the oversight or strategic management of sustainability within NHF. The Group will continue to explore ways to integrate sustainability performance into the remuneration framework in the future.

SUSTAINABILITY STATEMENT (continued)

Furthermore, the Group uses several key metrics to measure and manage climate-related risks and opportunities, as follows:

Waste	Total waste directed to and diverted from disposal.
Energy Consumption	Total energy consumption, including electricity usage and usage intensity per RM1.0 million revenue.
Greenhouse Gas ("GHG") Emissions	Total GHG emissions, broken down into Scope 1, Scope 2 and Scope 3 (employee commutes and business travel only).
Carbon Intensity	Carbon emissions per RM1.0 million revenue.
Water Usage and Intensity	Total water usage and usage intensity by RM1.0 million revenue.

The Group has enhanced its climate reporting by initiating the tracking and reporting of Scope 1, 2 and 3 GHG emissions for FY2024. In particular, for Scope 3 emissions, the Group has started to report on emissions associated with employee commutes and business travel. At this stage, no targets have been set for these metrics.

CLIMATE-RELATED RISKS AND OPPORTUNITIES

The Group has also initiated the integration of climate-related risks into its Enterprise Risk Management ("ERM") framework, addressing both physical and transition risks. This aligns with the Group's commitment to proactively identify, assess, and manage risks that could impact its operations, including climate-related factors. Based on a preliminary assessment conducted by the relevant risk owners, the Group has identified the key climate-related risks and opportunities they may present as follows:

Categories	Description	Impact	Timeframe
Physical risks resulting from climate change			
Flood due to extreme weather	Increased frequency and severity of heavy rainfall or storms due to climate change may lead to rising sea levels, overflow of rivers or insufficient drainage capacity, resulting in flash floods or widespread flooding in the Klang area, which could impact the Group's operations.	Potential shutdowns or damage to operational premises, inventory, machinery or equipment, delays or interruptions to key operations, disruptions to workforce's ability to travel to work, and increased insurance premiums and affect property value.	Short and medium terms
Drought	Prolonged periods of low rainfall, leading to water scarcity and drought conditions.	Water scarcity or supply cuts may disrupt production operations, impact product quality, cause delays in manufacturing and increased operating costs due to the need for alternative water sources.	Long term

SUSTAINABILITY STATEMENT (continued)

Categories	Description	Impact	Timeframe
Transition risks resulting from climate change			
Government and industry regulations	Increasingly stringent government and industry regulations aimed at reducing environmental impacts may result in business challenges and higher costs.	Higher compliance costs, operational adjustments or the need for significant investments in sustainable technologies and practices. Failure to meet these evolving regulations could result in penalties or reputational damage.	Short, medium and long terms
Energy-efficient solutions adoption	Substituting existing machinery with lower emissions options may result in higher initial capital investments.	A higher initial capital investment is required for machinery upgrades, along with a potential increase in operating costs.	Short and medium terms
Opportunities resulting from climate change			
Renewable energy adoption	Participation in renewable energy programs, i.e., solar power presents a significant opportunity for the Group to reduce its environmental impact, lower energy costs, and enhance sustainability efforts.	Reduce environmental impact, lower energy costs, and improve energy efficiency, leading to long-term savings. It can also enhance the Group's reputation and allow it to enjoy government incentives, grants or tax benefits.	Short, medium and long terms
Use of recycling materials	The use of recycled plastic materials for plastic parts production helps reduce environmental impact, lower material costs, and contribute to a circular economy.	Minimise production waste, reduce reliance on virgin resources, lower carbon footprint, improve brand reputation and lead to cost savings.	Short, medium and long terms

By integrating climate-related risks into the ERM framework, the Group ensures that climate risks and opportunities are thoroughly assessed, effectively managed, and continuously monitored. Following the identification of the above risks, the SWG will remain actively engaged in overseeing the mitigation strategies and taking appropriate measures to minimise the impact of these risks on the Group's operations.

SUSTAINABILITY STATEMENT (continued)

A. ECONOMIC

NHF is committed to maintaining good business performance and upholding best practices in order to maximise long-term benefits and value for all stakeholders. By maintaining sustainable profitability, NHF ensures its continued role as a reliable and value-adding partner in the local automotive replacement market. The Group's approach to economic performance focuses on several key components, including:

(i) Product quality and customer satisfaction

In today's competitive business landscape, the key to success lies in product quality and customer satisfaction. Companies that consistently deliver high-quality products and services foster customer loyalty, enhance their brand reputation and differentiate themselves from their competitors. The Group recognises that pursuing customer satisfaction is vital to achieving long-term success and sustainable growth. Customer satisfaction is directly linked to repeat business, positive word-of-mouth and overall brand equity, which are essential for sustainable growth and profitability. For NHF, meeting customer needs is at the heart of its operations and decision-making process.

The Group takes a proactive approach to enhancing its market position by progressively diversifying its product portfolio, ensuring the availability of high-quality, reliable products at competitive prices and strengthening its distribution networks for timely delivery to customers. Coupled with a highly responsive strategy and efficient execution mechanisms, NHF is confident that it is poised to strengthen its position as the market leader in the local automotive replacement parts market.

The Group's commitment to product quality is central to its operations. It maintains rigorous quality control standards throughout the production process, from sourcing raw materials to the final product. The Quality Assurance Department plays a vital role in ensuring that NHF's products meet the required standards and quality objectives. This department monitors key performance metrics such as customer order fulfillment, reject rates and customer complaints, feedback and claims. In cases where issues arise, the Group takes corrective actions to resolve them promptly, ensuring that product quality and customer satisfaction remain a priority.

In recognition of its commitment to excellence, the Group's manufacturing and trading operations are both certified under the ISO 9001:2015 Quality Management System. These certifications are held through the following subsidiaries:

Subsidiary	Scope
Auto Global Parts Industries Sdn. Bhd. ("AGP")	Development and manufacture of automotive parts
New Hoong Fatt Auto Supplies Sdn. Bhd. ("NHFAS")	Procurement, warehousing, sales and distribution of automotive parts and accessories

These certifications underscores the Group's commitment to upholding international quality standards and driving continuous improvement across its control processes to ensure consistent product quality. Regular audits and inspections provide the Management with an independent assessment of the Group's compliance with established requirements and standards, as well as the effectiveness of processes and associated controls in its manufacturing and trading operations. Furthermore, the Group's considerable investment in automation reflects its commitment to improving and maintaining product quality consistency, ensuring that high standards are met consistently across all the Group's production lines.

The Group employs a quality feedback system to monitor its quality performance and gather valuable customer insights. This information is collected through feedback forms, analysed and reflected in the quality improvement initiatives. This process facilitates cross-organisational collaboration to prevent the recurrence of quality issues and avoid similar problems in new product development.

To better understand customer needs and requirements, the Group conducts an annual customer satisfaction survey. The survey evaluates customer satisfaction across key areas, including product quality, pricing, speed of product delivery, responsiveness to customer needs and communication. The survey findings are analysed and shared with the relevant business sections for continuous improvement initiatives. By regularly assessing customer satisfaction, the Group aims to enhance its products and deliver a better customer experience.

SUSTAINABILITY STATEMENT (continued)

The Group manufactures automotive body replacement parts. These parts typically do not pose significant health and safety risks to consumers. By adhering to rigorous quality control processes and industry standards, the Group ensures the reliability, durability, and proper fitment of every part it produces. During the financial year under review, there were no reported incidents of non-compliance with regulations or voluntary codes relating to the health and safety, nor were there any product recalls attributable to health and safety concerns.

(ii) Ethical business practice

NHF is committed to regulatory compliance and upholding ethical business practices across all its operations.

Regulatory Compliance

Through regular monitoring, reviews, training and audits, the Group ensures adherence to all applicable rules and regulations governing its industry, business location and products and services. This includes regulations related to environmental standards, labour practices, safety and health. To ensure a strong compliance culture throughout the organisation, the Group periodically reviews and updates its compliance policies and procedures, making them readily accessible to all employees. In addition, relevant training sessions and briefings are conducted to equip employees with the requisite knowledge of applicable laws and regulations pertinent to their roles and functions, emphasising their responsibilities in ensuring regulatory compliance. There were no major fines imposed for non-compliance with rules and regulations during the financial year.

In addition to adhering to all relevant laws and regulations, the Group ensures the establishment of sound corporate governance structures and policies. These measures are implemented with the ultimate objective of fostering long-term business success and maximising shareholder's value while also safeguarding the interests of other stakeholders. The Board and all employees are guided by the Group's core values and policies, as well as relevant regulatory requirements and ethical standards governing appropriate conduct and ethics within the Group. Details on the Group's corporate governance practices are presented in the CG Overview Statement of this Annual Report. The statement encompasses three (3) key corporate governance principles, namely (A) Board Leadership and Effectiveness, (B) Effective Audit and Risk Management and (C) Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

Anti-Bribery and Corruption

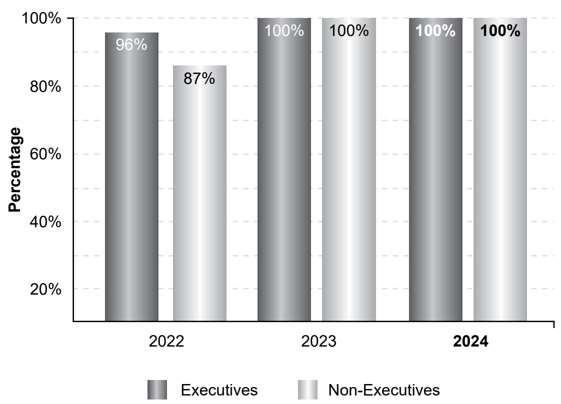
Embracing a zero-tolerance stance against bribery and corruption, the Group is committed to conducting its business affairs with professionalism, fairness and integrity. All employees and third parties engaged by the Group are required to adhere strictly to the policies and procedures outlined in the Group's Anti-Bribery and Corruption ("ABC") Policy and Procedures. This is crucial in safeguarding the Group from possible criminal prosecution, reputational damage, or other serious consequences. Additionally, a whistleblowing channel has been established to facilitate the reporting of any suspected incidents of bribery, corruption, fraud or other wrongdoing. It provides employees, stakeholders and third parties with a confidential and secure means to report such incidents, ensuring that any concerns are promptly and appropriately addressed.

In addition to establishing the ABC Policy and Procedures, the Group has implemented various control measures to mitigate bribery and corruption risks, in accordance with the Guidelines on Adequate Procedures issued pursuant to Section 17A of the Malaysian Anti-Corruption Commission Act 2009 ("MACC Act"). These measures include annual corruption risk assessments, training and communication, proper documentation of all business transactions, the establishment of reporting channels and conducting due diligence on suppliers and contractors.

SUSTAINABILITY STATEMENT (continued)

Compliance with the ABC Policy and Procedures is integrated into the employment contracts and onboarding programmes for all new employees. The Group ensures that its ABC policies and procedures are well-understood across the organisation through regular communication and training. To achieve this, the Group utilises an e-learning module for Executives, complemented by in-person briefings for Non-Executives. Moreover, the Group periodically sends reminders to employees to ensure ongoing awareness and compliance. In the financial year under review, 100% of employees either received training or have attended briefings on the Group's ABC Policy and Procedures. The trainings cover a range of topics, including common scenarios where corruption may occur, how employees should respond, reporting channels, consequences of bribery and corruption and other relevant topics. The training also addresses various types of bribery and corruption, such as receiving or giving gifts, facilitation payments, kickbacks, as well as political contributions and charitable sponsorship.

Percentage of Employee Who Received ABC Training



The Group's ABC Policy and Procedures is communicated to major suppliers, contractors, agents and customers to ensure that they share a commitment to ethical business practices. The screening of new and existing business partners for bribery and corruption risks is part of the Group's due diligence efforts to ensure that they meet compliance requirements with regard to anti-corruption laws, reducing the risk associated with unethical behaviour.

The Group conducts annual anti-bribery and corruption risk assessments through surveys and self-assessment methods to assess the potential bribery or corruption incidents within and related to the organisation. In FY2024, this assessment was conducted for all main operations of the Group, including its subsidiaries in Indonesia and China and examined various functional areas such as procurement, export, sales and marketing, human resource management, accounting and finance and other areas. Control actions are implemented to mitigate the risks identified from the assessment.

In FY2023, the Internal Auditors had reviewed the Group's ABC Policies and Procedures and recommended improvements to the policy and procedures towards meeting the requirements of Section 17A of the MACC Act and the Guidelines on Adequate Procedures. In FY2024, the Internal Auditors assessed the Group's level of compliance with the ABC Policy and Procedures, and recommended improvements to address certain weaknesses in the existing procedures.

	FY2022	FY2023	FY2024
Percentage of operations assessed for corruption related risks (%)	100	100	**100**
Number of confirmed corruption incidents	0	0	**0**
Number of whistleblowing incidents	0	0	**0**

SUSTAINABILITY STATEMENT (continued)

B. ENVIRONMENTAL

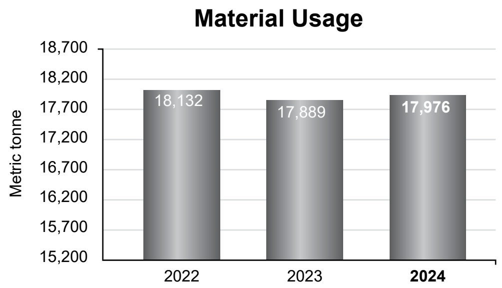
NHF recognises the importance of environmental stewardship and is committed to adhering to all applicable environmental regulations. The Group is also committed to minimising its impact on the natural environment, including land, air, water and ecosystems, with the aim of safeguarding the well-being of future generations. There were no incidences of non-compliance or penalties pertaining to environmental issues recorded during the reporting period.

To promote sound environmental practices, the Group has implemented the following initiatives:

(i) Waste management

Among the Group's key environmental sustainability priorities are to promote efficient resource utilisation and minimise waste generation throughout the manufacturing process. Effective waste management helps prevent harmful substances from contaminating the air, water and soil, ensuring the health and safety of both local communities and ecosystems. Additionally, by encouraging the recycling and reusing of materials, the Group can reduce the need for new raw materials and divert waste materials from the landfill. Implementing strong waste management practices also helps the Group comply with regulatory requirements, reduce operational costs and contribute to a circular economy, where waste is minimised and valuable resources are preserved.

As part of this commitment, the Group emphasises minimising, reusing and recycling waste wherever possible. To achieve this, the Group prioritises the use of quality materials, leverages automation and optimises production processes to enhance efficiency. Additionally, Lean Production System and Kaizen methodologies are adopted to improve manufacturing efficiency, increase productivity and reduce production waste and associated costs. However, in FY2024, material usage for both production and packaging increased slightly by approximately 0.5%, primarily driven by higher production volumes.



While waste generation from production is inevitable, the Group endeavours to minimise waste and maximise reuse and recycling efforts. The Group actively monitors its waste generation and ensures responsible disposal in full compliance with environmental laws and regulations. In the Plastic Division, plastic resin rejects and waste are crushed and reused. Metal scrap is an inevitable by-product of the Metal Division's manufacturing operations. The Group recycles and disposes of this scrap as a valuable raw material for the steel industry. This practice not only generates economic returns for the Group but also supports the sustainable use of resources by reducing reliance on virgin metal extraction. By channeling scrap metal back into the production cycle, the Group contributes to the development of a circular economy, conserving natural resources, minimising waste and reducing overall environmental impact. In FY2024, approximately 12.0% of the materials used in the Group's plastic production consist of recycled content (FY2023: 12.0%). Additionally, scheduled waste, including oil, sludge and other materials like chemical drums, is disposed of through licensed contractors approved by Malaysia's Department of Environment ("DOE"). In FY2024, the Group has also initiated the following additional waste reduction activities:

- Improving electro-deposition ("ED") paint usage by enhancing the ultrafiltration system for paint recovery and better controlling paint thickness within the quality range, thus reducing paint waste.
- Reducing scheduled waste in the Metal ED and Plastic electro-plating ("PE") lines by pre-treating concentrated waste from the electroless nickel process, rather than treating it in the wastewater treatment plant, which helps reduce the consumption of certain chemicals used in the treatment process.

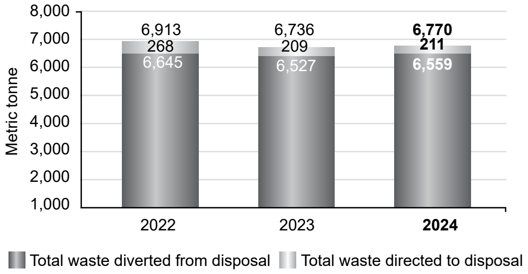
SUSTAINABILITY STATEMENT (continued)

- Setting up 3R bins at the office compound for employees to reduce, reuse and recycle waste, encouraging sustainable practices within the workplace.

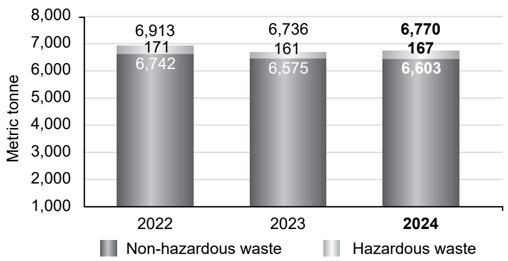
These practices are consistent with the Group's commitment to environmental sustainability by reducing its environmental footprint and promoting responsible waste management.

The total waste generated by the Group has increased slightly by 0.5% in FY2024. However, the Group has managed to divert a significant portion of this waste from disposal.

Waste Generation and Disposal



Waste Generation and Disposal by Type

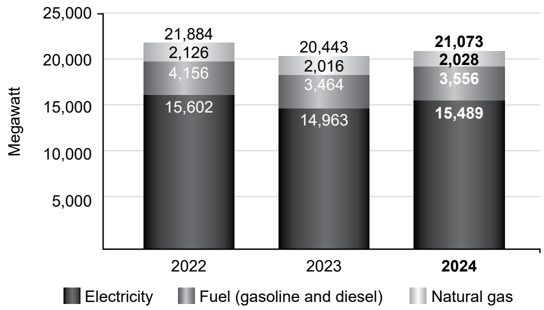


(ii) Emissions and energy management

NHF is committed to optimising energy consumption and management across all its business segments to minimise its carbon footprint and mitigate the negative environmental impacts associated with energy consumption. By closely monitoring energy usage and implementing energy-efficient technologies, NHF aims to enhance operational performance, reduce waste and increase productivity. In addition to these operational benefits, NHF can lower utility bills and operational costs, while ensuring compliance with environmental laws and regulations.

Being in the manufacturing and trading industry, the Group utilises a variety of energy sources, including electricity, fuel and natural gas. The majority of the electricity is purchased from Tenaga Nasional Berhad ("TNB"), while some are self-generated via solar photovoltaic ("PV") panels installed on the rooftops of the Group's factory in Meru, Klang and warehouse in Segambut, Kuala Lumpur. This self-generated renewable energy is used for internal consumption or sold back to TNB to help reduce the Group's electricity costs. Fuel is mainly used for the Group's truck fleets, forklifts and boiler heating at the Plastic Division, while natural gas powers burner heating at the Metal Division. The Group has initiated monitoring and tracking of these energy sources as part of its climate change management initiatives.

Energy Consumption



Note: The energy consumption data for FY2022 and FY2023 have been restated to reflect the inclusion of previously unreported data identified during a recent data verification process.

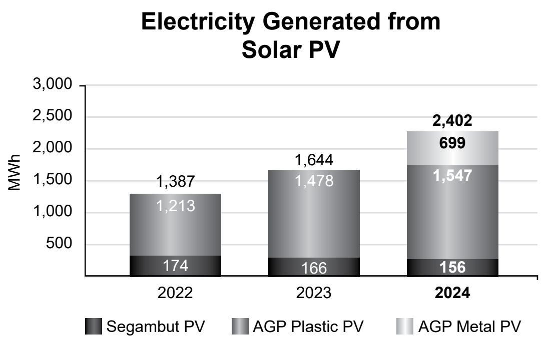
Renewable Energy

- As part of the Group's support for green energy, NHF participated in the Solar Photovoltaic ("PV") Feed-in-Tariff System initiated by TNB in 2013. A Renewable Energy Power Purchase Agreement was signed between NHFAS and TNB, under which NHFAS agreed to supply renewable energy to TNB over a concession period of 21 years. The Group invested approximately RM2.0 million for the installation of solar panels on the rooftop of NHFAS' warehouse in Segambut, Kuala Lumpur. In FY2024, the total electricity generated from the solar PV was 156 megawatt-hours ("MWh") (FY2023: 166 MWh), which was sold to TNB, generating a value of approximately RM184,000 (FY2023: RM196,000). The power generated at the Segambut warehouse has decreased each year due to equipment performance degradation.

SUSTAINABILITY STATEMENT (continued)

- In 2022, another subsidiary of the Group, AGP, invested approximately RM3.2 million to install rooftop solar panel systems at the Plastic Division factory in Meru, Klang to produce electricity for its own consumption. The investment has proven to be financially beneficial, with the Group realising total savings of approximately RM549,000 in FY2024 from the use of this electricity (FY2023: RM525,000). The total electricity generated from the solar PV at the Plastic Division factory in FY2024 was 1,547 MWh (FY2023: 1,478 MWh).

- In 2023, AGP further invested approximately RM1.4 million to install a solar panel system at its Metal Division factory in Meru, Klang. The new solar generation system was successfully converted to Net Energy Metering (NEM) under the Net Offset Virtual Aggregation (NOVA) program in January 2024. This system allows the energy produced by the solar panel to be consumed first, with any excess energy exported to the TNB grid at prevailing displaced costs. For FY2024, the solar system at the Metal Division factory generated 699 MWh of electricity, of which about 41 MWh was sold to TNB.



Electricity Sold to TNB

	FY2022	FY2023	FY2024
Segambut PV	174	166	**156**
AGP Metal PV	N/A	N/A	**41**
Total (MWh)	**174**	**166**	**197**

Other initiatives to minimise energy consumption across the Group's facilities are:

- NHF adopted energy-efficient lighting systems, such as light-emitting diodes ("LEDs") bulbs and motion sensors, at its premises in Meru, Klang. These LEDs consume less energy and have a longer lifespan, resulting in both cost savings and environmental preservation.

- Skylight roofs were installed on the warehouses in Klang and Inanam, Sabah, serving as an alternative light source to reduce electricity consumption.

- Employees are encouraged to use air conditioners responsibly as part of their role in environmental conservation efforts.

- The Group engages a licensed air quality consultant to measure gas emissions from its production processes to ensure compliance with the emission standard regulated by the Environmental Quality (Clean Air) Regulations 1978.

- The Group strives to reduce direct emissions from its fleet trucks and optimise transport efficiency through various measures, including optimising route scheduling, consolidating deliveries and maximising truckloads. These measures resulted in lower carbon pollution, truck mileage and fuel consumption.

- The Group initiated replacement of diesel forklifts with electric forklifts in stages, with the aim to reduce fuel consumption, emissions from fuel combustion and maintenance costs.

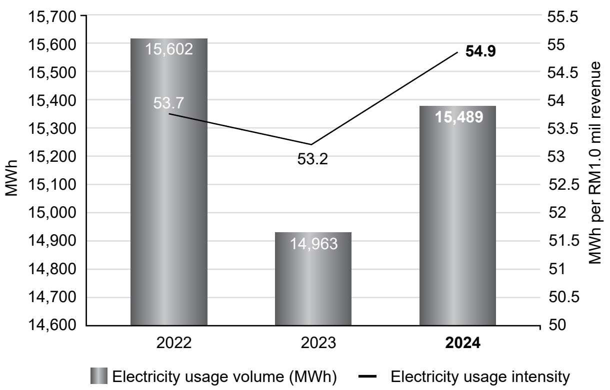
- The Group has also initiated replacement of conventional plastic injection machines with servo-driven machines that consumes less energy while maintaining performance. Currently, 16 of 29 of the Group's plastic injection machines are servo-based.

- To reduce fuel consumption and emissions, the Group considers purchasing fuel-efficient and alternative-fuel vehicles, such as hybrids or electric vehicles, whenever commercially available and practical. Currently, the Group owned four (4) hybrid vehicles.

In FY2024, the Group's revenue remained stable compared to FY2023, while electricity usage, in terms of MWh, increased slightly by 3.5% compared to the previous year. The Group's electricity usage intensity in FY2024 was 55 MWh per RM1.0 million revenue, slightly higher than 53 MWh per RM1.0 million revenue in FY2023. The slight increase in intensity was mainly due to higher production volumes, although improved production efficiency and the use of electricity generated from the Group's own solar PV panels helped mitigate this impact.

SUSTAINABILITY STATEMENT (continued)

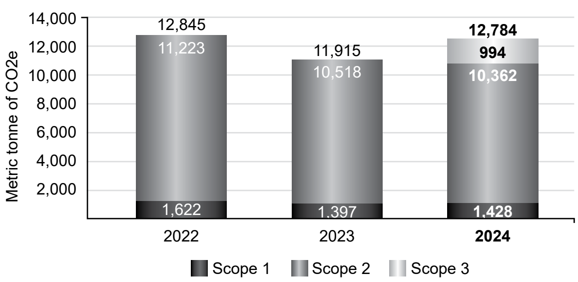
Electricity Usage & Intensity



Note: The electricity usage data for FY2022 and FY2023 have been restated to reflect the inclusion of previously unreported data identified during a recent data verification process.

The following table provides a detailed overview of the Group's GHG emissions performance over the past three (3) years, categorised into Scope 1, Scope 2, and Scope 3 (covering employee commutes and business travel only). The Group's total GHG emissions increased by 869 tCO2e, rising from 11,915 tCO2e in FY2023 to 12,784 tCO2e in FY2024. This increase is primarily due to the inclusion of Scope 3 emissions, which were not tracked in previous years. Additionally, in FY2024, there was a slight rise in carbon emission intensity. This increase in intensity reflects both the newly included Scope 3 emissions and a slight uptick in Scope 1 emissions.

GHG Emission Performance



	FY2022	FY2023	FY2024
Carbon emission intensity *(tCO2e per RM1.0 million revenue)*	44.2	42.4	**45.3**

(iii) Water management

Water is a vital resource for the Group's operations, with the largest consumption being in its manufacturing plants. Water is used in various production processes, including paint coating, paint spraying, cooling and wastewater treatment. Recognising the growing global challenges related to water scarcity, the Group is committed to adopting sustainable practices that conserve water and improve operational efficiency. By actively monitoring its water usage over time, the Group aims to reduce water wastage, optimise consumption and contribute to the overall preservation of this valuable resource.

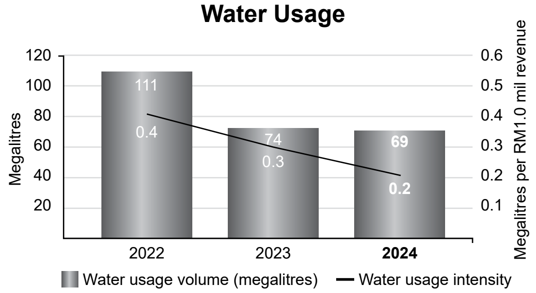
The Group has implemented the following activities to ensure efficient water usage:

- Consistently monitoring water consumption across manufacturing plants to identify trends, track usage patterns and promptly address any inefficiencies.

- Installing rainwater harvesting systems at production facilities to reduce fresh water usage. To date, NHF has installed six (6) rainwater harvesting tanks. These tanks primarily collect and store rainwater for flushing toilets and cooling tower operations, reducing reliance on freshwater sources.

The Group's water consumption for FY2024 was 69 megalitres, a 7.0% decrease compared to 74 megalitres in FY2023. This reduction was attributed to improved production efficiency and the use of harvested rainwater. In terms of intensity, the Group's water consumption in FY2024 was 0.2 megalitres per RM1.0 million revenue, down from 0.3 megalitres per RM1.0 million revenue in FY2023.

Water Usage



SUSTAINABILITY STATEMENT (continued)

(iv) Effluents management

Effluents management is a critical aspect of the Group's environmental responsibility. The Group's manufacturing processes generate wastewater that, if not properly treated, could harm local ecosystems and water resources. By adhering to strict effluent management practices, the Group ensures compliance with regulatory standards and demonstrates its commitment to sustainable and responsible operations.

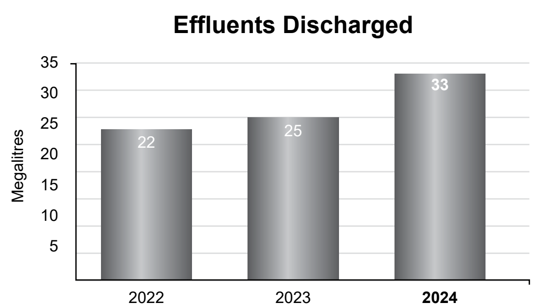
The Group maintains stringent controls over the quality and quantity of wastewater discharged from its metal ED paint, PE processes and cooling towers to avoid pollution of the surrounding environment. The Group ensures that the discharge from the processes complies with regulatory requirements by utilising a vast wastewater collection system and an on-site treatment plant. Prior to discharge into the public drain, the wastewater undergoes comprehensive treatment to meet the Environmental Quality (Industrial Effluent) Regulations 2009.

Water samples discharged from the treatment plants are tested both internally and externally on a weekly basis by a DOE-approved laboratory to monitor key parameters in the effluents, ensuring compliance with DOE's Standard B requirements. All testing results from the Group's three (3) treatment plants are submitted to the DOE on a monthly basis. For FY2024, the Group tested the following parameters, all of which met the Standard B requirements set forth by the DOE:

Parameter	Standard B	Unit
pH	5.5 - 9.0	-
COD	< 200	mg/L
BOD	< 50	mg/L
Total Suspended Solids	< 100	mg/L
Lead	< 0.5	mg/L
Copper	< 1.0	mg/L
Manganese	< 1.0	mg/L
Nickel	< 1.0	mg/L
Zinc	< 2.0	mg/L
Iron	< 5.0	mg/L
Aluminium	< 15	mg/L
Fluoride	< 5.0	mg/L
Formaldehyde	< 2.0	mg/L
Ammoniacal Nitrogen	< 20	mg/L
Chromium Hexavalent	< 0.05	mg/L
Chromium Trivalent	< 1.0	mg/L
Boron	< 4.0	mg/L
Oil & Grease	< 10	mg/L

In June 2024, the Selangor State Government introduced the Zero Discharge Policy ("ZDP") and implemented a new regulation under the 1999 Selangor Waters Management Authority (LUAS) Enactment, known as the Discharge of Return Water and Entry or Discharge of Waste and Pollutants (State of Selangor) Licensing Regulations 2024. This policy aims to compel industries to recycle their effluents rather than discharging waste into drains, rivers and water sources. The policy also requires businesses to register for the ZDP license and pay a fee based on their discharge level. A total of 13 scheduled activities, including industrial operations, are covered by the policy. In response, the Group has taken the necessary actions to comply with the licensing requirements for effluent discharge from its wastewater treatment plants and cooling towers.

In FY2024, the total treated wastewater discharged amounted to 33 megaliters, increased from 25 megaliters in FY2023. The rise in effluent discharge was due to higher production volumes in both the ED and PE lines, with the ED line accounting for a larger portion of the increase. This was due to the need for frequent renewal of rinse water to reduce the carryover of contaminants that could cause defects. 100% of the wastewater was treated prior to discharge.



SUSTAINABILITY STATEMENT (continued)

(v) Supply chain management

The Group maintains strong relationships with its suppliers, ensuring a reliable and consistent supply of high-quality raw materials and automotive spare parts. This focus ensures uninterrupted production, timely delivery of products to customers and maintaining operational efficiency. At the same time, the Group acknowledges the importance of considering the environmental and social impact of its procurement activities. By working closely with its suppliers, the Group aims to drive sustainability within the supply chain, reduce risks and promote responsible sourcing, which ultimately contributes to its long-term business success.

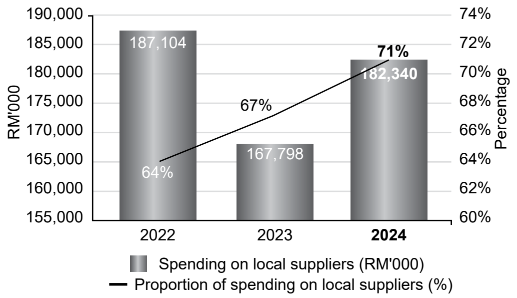
Currently, the Group has in place the following procurement practices:

- The Group conducts thorough due diligence when selecting suppliers to ensure that all procurement activities align with the Group's standards for quality and ethical practices. The Purchasing and General Administration Department plays a key role in overseeing the supplier selection process, ensuring it is conducted in a fair, transparent and consistent manner. This process involves assessing potential suppliers against a range of criteria, including product quality, reliability, financial stability and possible conflict of interest and adherence to relevant regulatory and legal requirements.

- The Group has enhanced its new supplier application form to include a section where suppliers are required to disclose their current sustainability practices. This update reflects the Group's ongoing commitment to promoting sustainability within its supply chain and encourages suppliers to adopt sustainable practices.

- The Group sources raw materials and automotive spare parts both locally and internationally. For the production of metal products, the Group sources steel coils from overseas suppliers, as there is currently lack of locally available steel coils that meet the required quality standards for automotive parts. However, for other raw materials, supplies and automotive spare parts, the Group prioritises local suppliers whenever possible. This approach not only supports local businesses but also helps minimise procurement costs, shorten lead times and improve supply chain efficiency. Moreover, sourcing materials locally helps to reduce the environmental impact associated with overseas or long-distance sourcing. In FY2024, the proportion of spending on local suppliers increased to 71.0%, up from 67.0% in FY2023.

Spending on Local Suppliers



- The Purchasing and General Administration Department manages general purchases through diligent procurement planning, ensuring that the Group avoids excessive procurement and only acquires what is necessary to meet operational needs. Regular reviews are conducted on office supplies, furniture and equipment to identify unused items that can be reused, repurposed or recycled, eliminating unnecessary purchases and reduces waste.

- In pursuit of cost savings and efficiency, the Group prioritises bulk purchasing and consolidates orders from a single supplier whenever possible. This approach not only reduces procurement costs but also contributes to environmental sustainability by minimising the carbon footprint associated with transportation.

- The Group is committed to building and maintaining long-term, mutually beneficial relationships with its suppliers. To ensure continued alignment with the Group's operational and quality standards, suppliers undergo annual evaluations. This evaluation focuses on key performance in terms of service quality, uninterrupted supply, product quality, delivery reliability and cost competitiveness. The Group also works closely with suppliers to proactively mitigate risks associated with supply disruptions and production downtime, ensuring a steady and reliable flow of materials and goods.

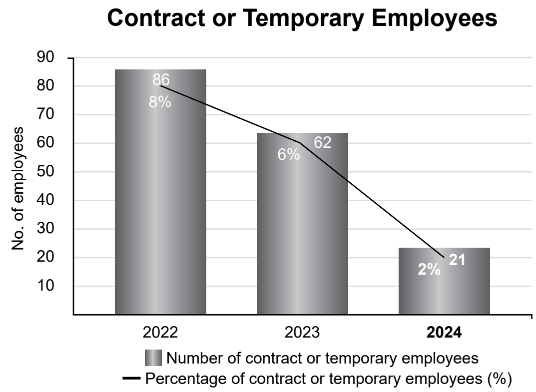
SUSTAINABILITY STATEMENT (continued)

- The Group requires all suppliers to observe with the Group's ABC Policy and Procedures. Suppliers are expected to uphold ethical standards and refrain from engaging in any form of bribery, corruption, or improper conduct in their dealings with or on behalf of the Group.

C. SOCIAL

In the day-to-day operations, the Group carefully considers its impact on people, both positive and negative, with particular focus on the employees and local communities.

Recognising that employees are the most valuable asset, the Group strives to create a supportive, engaging and productive environment for them. As at 31 December 2024, the Group employs a total of 920 permanent employees in Malaysia. Temporary staff hired to meet short-term needs or to fill specific roles for a defined period are not included in this report. Additionally, staff on temporary contracts who have not yet been offered permanent employment are categorised as temporary staff and thus excluded.



Note: The percentage for FY2022 and FY2023 has been restated due to errors in data calculations.

The following key initiatives outlined the Group's commitment to generating positive impacts for the employees.

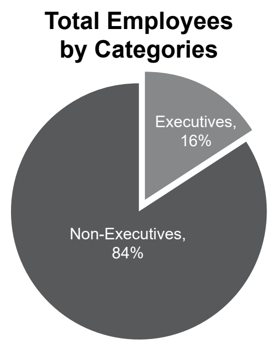
(i) Diversity and Inclusion

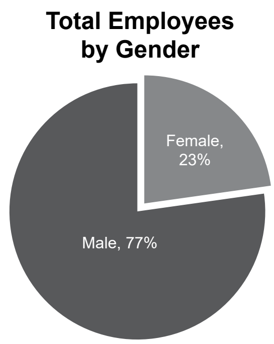
A diverse workforce across all organisational levels would bring about different perspectives, fostering a more balanced workplace and better alignment with the needs and expectations of the customers.

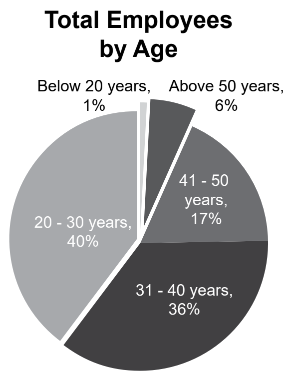
The Group is committed to treating all employees equally and with respect, regardless of their gender, ethnicity, age or nationality. The Group does not tolerate discrimination of any kind, including racism and ensures that all business practices, including recruitment, compensation and promotion are conducted without bias. No incidents of discrimination were reported during the financial year.

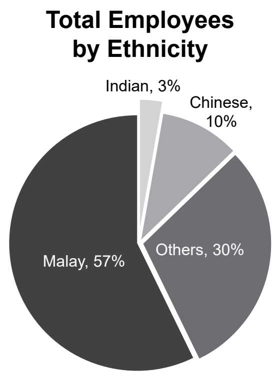
With regard to gender diversity, NHF maintains the practice of having at least one-third (1/3) women Directors on its Board. At all other levels within the organisation, the Group ensures fair and equal employment opportunities, career progression and pay equity based on an individual's ability, potential and merit, regardless of gender. Currently, women make up 23.6% of the Group's global workforce, including employees in the subsidiaries in Indonesia and China.

NHF is also committed to inclusivity by hiring individuals with disabilities. NHF aims to create an inclusive and supportive workplace where employees with disabilities are valued, respected and given equal opportunities to succeed. In FY2024, the Group has six (6) individuals with different disabilities.



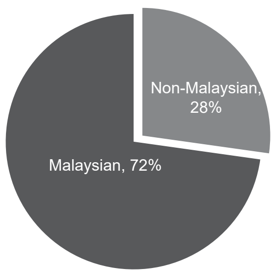




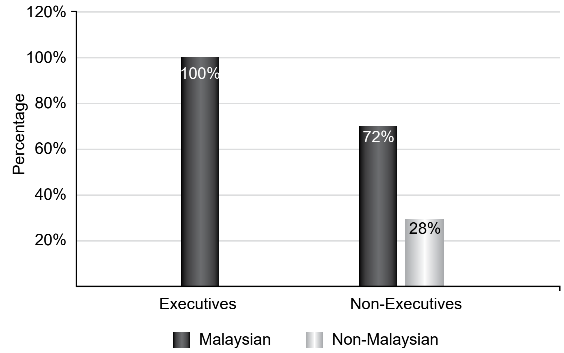


SUSTAINABILITY STATEMENT (continued)

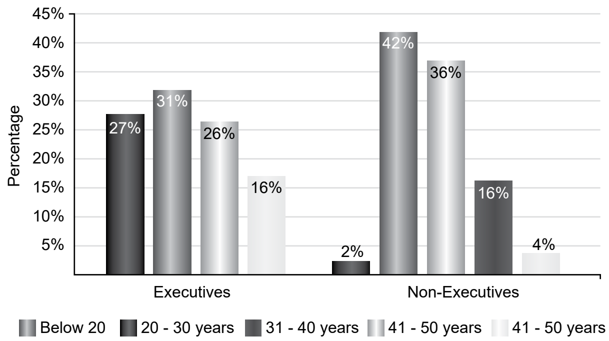
Total Employees by Nationality



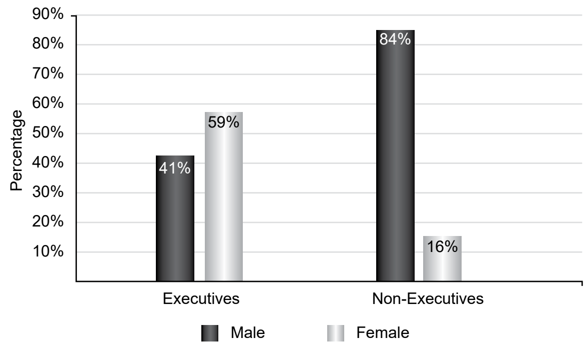
Employee Category by Nationality



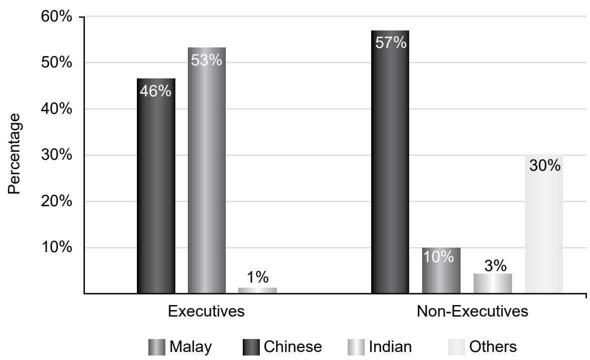
Employee Category by Age



Employee Category by Gender



Employee Category by Ethnicity



Workforce Diversity

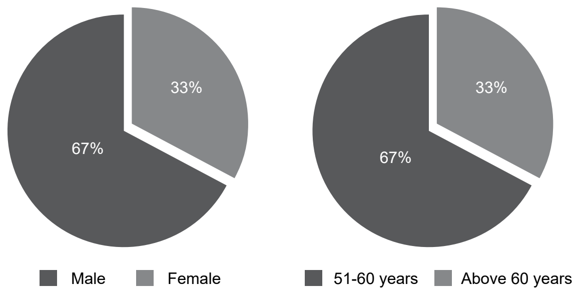
Executive	FY2022	FY2023	FY2024
Age			
20 - 30 years	24%	25%	**27%**
31 - 40 years	31%	25%	**31%**
41 - 50 years	29%	34%	**26%**
Above 50 years	16%	16%	**16%**
Gender			
Male	45%	42%	**41%**
Female	55%	58%	**59%**
Nationality			
Malaysian	100%	100%	**100%**
Ethnic			
Malay	44%	45%	**46%**
Chinese	55%	54%	**53%**
Others	1%	1%	**1%**

Non-Executives	FY2022	FY2023	FY2024
Age			
Below 20 years	1%	2%	**2%**
20 - 30 years	41%	45%	**42%**
31 - 40 years	40%	30%	**36%**
41 - 50 years	14%	19%	**16%**
Above 50 years	4%	4%	**4%**
Gender			
Male	83%	83%	**84%**
Female	17%	17%	**16%**
Nationality			
Malaysian	65%	67%	**72%**
Non-Malaysian	35%	33%	**28%**

SUSTAINABILITY STATEMENT (continued)

Non-Executives	FY2022	FY2023	FY2024
Ethnic			
Malay	56%	58%	**57%**
Chinese	3%	3%	**10%**
Indian	4%	4%	**3%**
Others	37%	35%	**30%**

Board Diversity by Gender and Age Group



	FY2022	FY2023	FY2024
Age			
51 - 60 years	50%	33%	**33%**
Above 60 years	50%	67%	**67%**
Gender			
Male	67%	67%	**67%**
Female	33%	33%	**33%**
Nationality			
Malaysian	100%	100%	**100%**
Ethnic			
Chinese	100%	100%	**100%**

(ii) Training and development

In pursuit of strengthening the Group's workforce to support business growth, the Group places a strong emphasis on training and development, prioritising flexibility, career growth, coaching and mentoring. It promotes learning opportunities to enhance employees' knowledge, skills and competencies through continuous training and upskilling programmes. By providing appropriate training, the Group ensures that employees can reach their full potential, thereby increasing productivity and driving higher revenue. The identification of individual training needs and the selection of training topics are aligned with the employee's strategic tasks and the results of skills gap analysis conducted during bi-annual performance reviews.

The Group fosters the growth and career advancement of Executive-level employees by offering them various development programs, including:

- Individual Development Plan ("IDP"): Reviewed annually with superiors, the IDP includes action plans aimed at improving the employee's competency level and serves as a tool for superiors to identify the employee's potential for future roles, supporting their career aspirations and progression. The IDP addresses technical competency gaps and identifies training needs to further strengthen the employee's skills and competencies.

- Leadership Development Program (LDP): The program was launched to enhance leadership capabilities and leadership fundamentals within the Group. A key component of this program is the Leadership Forum, which provides a safe and supportive space for open dialogue among the leadership team. The initiative aims to promote mental and emotional well-being, encourage transparent communication and ensure that every team member feels heard and valued. In addition to the Leadership Forum, the Group also organises retreats for the leaders, allowing them to strengthen their relationships with each other, build trust and improve communication within the leadership team. It is also a platform for the leaders to reflect on their leadership styles, personal development and challenges, as well as share insights or experiences.

- The Talent Development Program (TDP) is a structured initiative aimed at nurturing young talents within the organisation by focusing on their professional growth and leadership potential. Participants in this program are expected to outline their career goals and development needs. The Group then provides personalised guidance and resources to help them achieve these goals. In addition to skill-building and competency development, the program places a strong emphasis on nurturing leadership qualities, providing the participants with the tools, knowledge and experiences needed to take on future leadership roles within the Group. This program not only aims to accelerate their career progression but also strengthens the leadership pipeline in the organisation.

SUSTAINABILITY STATEMENT (continued)

For Non-Executives, the Group focuses on building their competency and critical skills, with a particular focus on leaders, supervisors and potential supervisors, to drive a high-performance culture. A key initiative in this effort is the Manufacturing Assistant ("MA") Upskilling Program that prioritises the upskilling of local employees, enabling them to transition to semi-skilled and skilled workers.

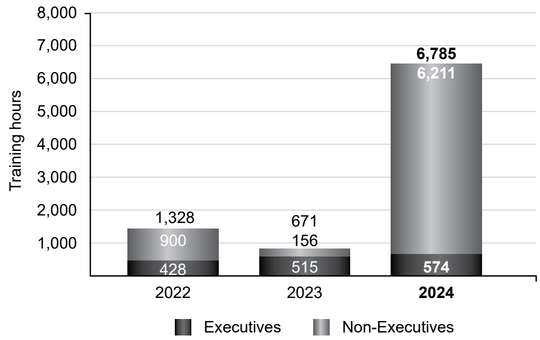
As part of its talent development initiative, NHF also provides internship opportunities to local youths. This is achieved through strategic partnerships with colleges and universities, offering students valuable hands-on experience in a real-world working environment. Through this initiative, the Group aims to not only equip young people with practical skills and industry knowledge but also help them build a strong foundation for their careers. Additionally, the program serves as a talent pipeline, enabling NHF to identify and nurture potential future employees.

NHF also collaborates with local educational institutions to provide valuable learning opportunities for students. In FY2024, the Group welcomed students from Universiti Tunku Abdul Rahman (UTAR) for a factory visit and worked with the Selangor Human Resource Development Centre ("SHRDC") to engage with students from Sekolah Menengah Kebangsaan (SMK) Kota Kemuning. These sessions offer the students a glimpse into the professional world while gaining first-hand exposure to the automotive manufacturing industry.

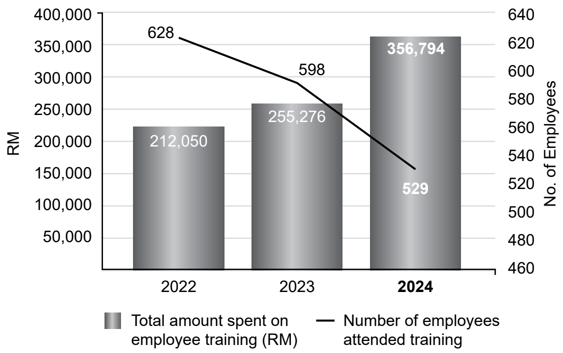
The ongoing investment in human capital development will strengthen the Group's talent pipelines, facilitating future business expansion and growth while also contributing to nation-building.

In FY2024, the total training hours for Non-Executives saw a significant increase compared to FY2023, largely due to the inclusion of the MA Upskilling program hours. While the MA Upskilling program was also implemented in FY2022 and FY2023, it was only in FY2024 that these hours were systematically monitored and set as a target. This addition contributed to the overall rise in training efforts for Non-Executives. In contrast, FY2023 saw lower training hours compared to FY2022, primarily due to the absence of the Meister Mechatronic Program (MMP) during the year. For FY2024, the Group set a target of 5,000 training hours for Non-Executives, with the actual reaching 6,211 hours, significantly surpassing the target.

Training Hours



Employee Training Expenses and Total Employees Trained



Employee Average Training Hours

Employee Category	FY2022	FY2023	FY2024
Total training hours	**1,328**	**671**	**6,785**
Executive (Total Hours)	428	515	**574**
Average Training Hours per Executive	*3.2*	*3.8*	***4.0***
Non-Executives (Total Hours)	900	156	**6,211**
Average Training Hours per Non-Executive	*1.1*	*0.2*	***8.0***

SUSTAINABILITY STATEMENT (continued)

(iii) Employee engagement and communication

The Group places significant emphasis on fostering regular employee engagement to improve employee retention and productivity. Through closed-loop feedback mechanisms and meetings, employees are encouraged to voice their opinions, share suggestions or propose ideas aimed at improving the Group's performance, while raising any concerns they may have.

To facilitate open communication, the Group organises quarterly business review meetings and regular departmental meetings, such as weekly reviews and monthly one-on-one sessions between Heads of Department and their subordinates. These platforms not only keep employees informed about business performance and developments but also offer opportunities for direct interaction with the Management, enabling employees to actively participate in the formulation of business strategies.

Additionally, the Group has implemented several engagement activities aimed at fostering connection and development across various levels of the organisation:

- Mentoring sessions with the Executive Chairman to provide employees with direct access to senior leadership, offering mentorship and guidance from the Executive Chairman to support their career development and growth within the Group.

- Talent Management meetings among the senior leadership team and business units are held to align on talent strategy, development programs and employee engagement initiatives, ensuring a cohesive approach to talent management across the organisation.

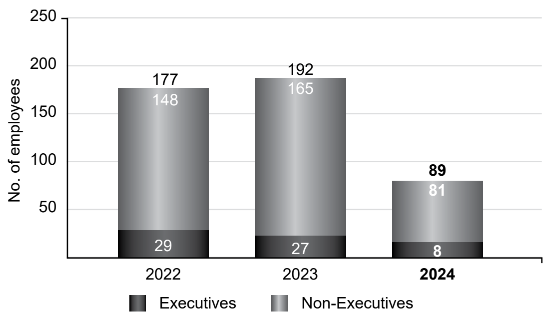
- Director of Manufacturing's monthly engagements with newly joined graduates to help them understand the company's values, operations and leadership expectations.

Employee performance reviews are conducted twice a year, providing managers or supervisors with an opportunity to offer timely feedback on their subordinates' performance and development progress. These reviews also help address any issues or challenges employees may encounter in their roles. Fostering such an open culture strengthens the employee-employer relationship, enhances employee retention and drives higher commitment and motivation among employees.

Employee turnover

The Group monitors employee turnover monthly to identify employee departure trends. By analysing data on employee turnover, the Group can uncover common reasons for employee leaving, such as family matters, health issues, abscondments, disciplinary issues and other causes. Recognising that turnover can impact productivity and incur additional costs, the Group continuously works on strategies to address underlying issues and improve employee satisfaction. These strategies may include initiatives to enhance workplace culture, provide career development opportunities, or offer competitive compensation and benefits. Tracking turnover also ensures that the Group maintains a sufficient talent pool to meet its labour needs. There was a significant decrease in total employee turnover from 192 in FY2023 to 89 in FY2024, representing a 53.6% reduction. This decrease is partly due to the improved retention strategies initiated by the Group, including enhanced career development opportunities, competitive compensation packages and efforts to improve onboarding processes.

Employee Turnover



(iv) Labour practices and standards

Responsible labor practices and standards are vital for ensuring fair treatment, health and safety of employees and it is critical in fostering a positive and ethical workplace culture.

The Group is committed to adhering to all applicable labour laws and human rights standards and does not engage in any form of forced labour, child labour, migrant worker exploitation or modern slavery across its operations. This commitment extends to ensuring that business practices respect and uphold the dignity and rights of all individuals within its workforce.

SUSTAINABILITY STATEMENT (continued)

The Group is committed to protecting foreign workers, ensuring fair wages, safe working conditions and respect for their rights. Additionally, the Group ensures that foreign workers are provided with safe and adequate housing conditions and amenities that meet the minimum standards stipulated by the Minimum Standards of Housing and Amenities (Amendment) Act 2019 (Act 446). These workers are also covered under the Foreign Worker Hospitalisation and Surgical Insurance Scheme (SKHPPA). There were no complaints received concerning human rights violations reported over the reporting period.

Human Rights Complaints

	FY2022	FY2023	FY2024
Number of substantiated complaints concerning human rights violations	0	0	**0**

Furthermore, the Group is committed to ensuring that all employees receive compensation that meets or exceeds the legally mandated wage standards. In addition to offering competitive benefits and remuneration, all confirmed local employees are provided with coverage under Group Personal Accident insurance. Higher-level employees receive additional coverage under Group Hospital and Surgical insurance. The Group also adheres to the standards set by the Employment Act (Amendment) 2022 by providing full-time employees with parental leave benefits. This includes statutory maternity leave for female employees, which provides up to 98 consecutive days of paid leave and paternity leave of seven (7) days. To support work-life balance, the Group continues to offer work-from-home arrangements for certain roles, allowing employees greater flexibility in managing their personal and professional commitments. Additionally, staff discounts are also available for the purchase of the Group's products.

The Group also extends employee benefits to family members through the following incentives:

- The Group encourages and rewards academic achievement among employees' children by offering cash rewards for outstanding results in public examinations.
- At the beginning of each school session, eligible employees receive schooling aid to help cover their children's school expenses.
- The Group provides tokens for special life events such as weddings and childbirths, as well as offering financial support during challenging times such as family bereavement, major illness or major home destruction due to natural disasters.

NHF also organises various employee social events each year to promote good relationships and strong teamwork among employees across different levels and divisions. These events include sports tournaments, family day, health week and annual dinner. Apart from promoting closer connections, these events promote healthy lifestyles and nurture leadership skills among employees involved in organising them. A list of activities held in FY2024 can be found in the Calendar of Events 2024 of this Annual Report.

(v) Health and safety

The Group places a high priority on providing a safe and healthy workplace for its employees. By implementing sound safety and health practices, the Group aims to prevent incidents, injuries, illnesses and fatalities that could adversely affect employee well-being, as well as productivity, reputation and growth of the organisation.

The Board plays a key role in overseeing the management of health and safety risks within the Group, ensuring that appropriate measures are in place to safeguard employees. This oversight is carried out through quarterly reviews of health and safety performance, alongside regular ERM reports, to ensure compliance with relevant regulations. The Managing Director holds overall responsibility for the Group's health and safety management, supported by the Director of Manufacturing and the Chief Operating Officer, who ensure that the necessary actions and resources are in place to achieve the Group's health and safety objectives.

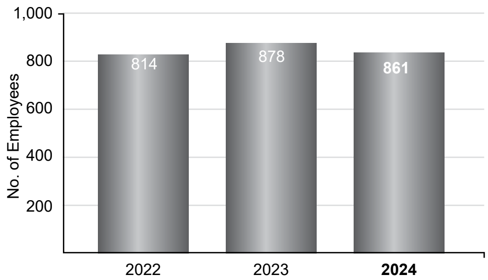
SUSTAINABILITY STATEMENT (continued)

To manage its safety and health aspects, the Group implements the following measures:

- The Group adheres to strict health and safety standards, rules and regulations outlined in the Occupational Safety and Health Act ("OSHA"). The Group's Safety and Health Department ("SHE") is led by a qualified Safety and Health Officer, who ensures that the Group's workplace conditions and operating procedures comply with applicable OSHA standards. The Safety and Health Officer, together with the Safety Committee, conducts regular inspections and safety audits to observe work processes and enforce adherence to safe work practices.

- Regular awareness trainings and refresher courses on OSHA requirements, along with safety assemblies and briefings are conducted to enhance safety awareness among employees and educate them on proper procedures and practices to prevent injuries, illnesses and hazards in the workplace. Additionally, specialised training is provided to relevant employees on hazardous chemical handling, proper usage of protective equipment and the safe handling of forklifts, large machinery, equipment and moulds. For FY2024, a total of 861 employees participated in both in-house and external formal and informal safety and health courses and briefings, which were conducted by certified trainers, in-house safety officers, Heads of Departments, or supervisors. These courses cover a variety of subjects, including basic first aid, working safely at heights, chemical spill management, overhead crane safety, authorised entry into confined spaces, among others.

Employees Trained on Health and Safety Standards



Note: The number of employees trained on health and safety standards for FY2022 and FY2023 have been restated to include informal in-house trainings and briefings.

- To safeguard workers' health, the SHE conducts thorough examinations to assess the effects of using new chemical substances.

- NHF ensures proper handling procedures for hazardous chemical substances, including the establishment of appropriate storage and disposal procedures. Hazardous wastes are stored in designated containers with clear labeling to prevent exposure, spillage, fire or explosion and are kept in secure areas until disposal. Employees receive specialised trainings and are provided with appropriate protective gear to mitigate the risk of workplace accidents resulting from improper handling of hazardous substances.

- The Group conducts periodic fire drill exercises and Emergency Response Drills for first aiders, firefighting teams and chemical spillage control teams to ensure preparedness in case of emergencies. The Group had also set up a first-aid room equipped with essential facilities at its factory in Klang, attended by competent first-aiders.

- Health and Safety Risk Assessments ("HIRARC") are conducted across both manufacturing and trading operations to identify and assess potential risks using a risk matrix table recommended by DOSH. Subsequently, control measures are implemented to eliminate or minimise these risks. Key risks identified during the assessment are reported within the ERM framework. For the solar project, the Group specifically conducted a HIRARC to address the risk of electric shock from the Fault Current Limited Reactor (FCLR) which poses a risk due to its high voltage and current. Appropriate control measures have been implemented to minimise this risk.

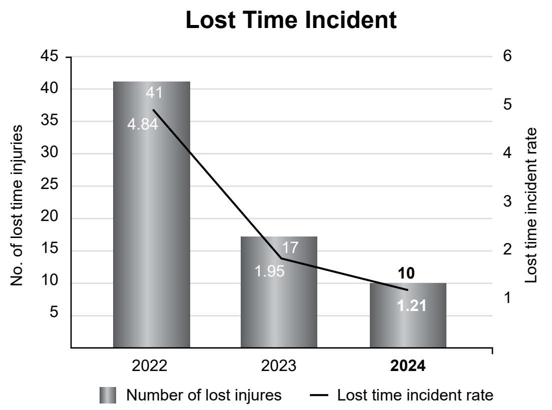
SUSTAINABILITY STATEMENT (continued)

- The Group has implemented dengue prevention activities aimed at reducing the risk of dengue fever within the workplace and surrounding community. This initiative is particularly critical as the Klang area is prone to flooding, which can increase the risk of dengue outbreaks. The program includes daily 5S (Sort, Set in Order, Shine, Standardise, Sustain) activities and cleaning, regular inspections of mosquito breeding sites at the factory compound and workers' hostels, fogging every two (2) months to eliminate mosquito breeding sites and regular sharing of dengue-related information with employees.

In addition to the measures mentioned above, the Group is constantly promoting a safe and healthy culture in the workplace through various initiatives, such as defining clear work process flows, developing supervisor accountability, promoting safety Kaizen and conducting regular line safety audits. Simultaneously, efforts are being made to improve operational safety by addressing near-miss incidents and unsafe acts, behaviour or conditions, to reduce the risk of both minor and major injuries.

The Safety, Health and Environment Policy of the Group outlines its commitment to achieving a 'zero-accident' target in the workplace. In FY2024, the number of workplace accidents dropped to 10 cases, down from 17 cases in FY2023, with no work-related fatalities reported during the period. However, the number of workdays lost increased from 50 days in FY2023 to 66 days in FY2024. This increase is attributed to two (2) incidents that required longer recovery times of 11 days and 36 days, respectively.

The Lost Time Incident Rate (LTIR) improved, decreasing from 1.95 in FY2023 to 1.21 in FY2024. The LTIR covers all accidents within the Group that result in employees being unable to perform their regular duties for at least one (1) full day (excluding the day of the incident) due to workplace injuries or illnesses. Contractors are excluded from this calculation. Additionally, incidents where employees are able to return to work immediately or on the same day, such as those requiring only first aid, are also excluded from the LTIR calculation.



	FY2022	FY2023	FY2024
Number of work-related fatalities	0	0	**0**

The majority of incidents were caused by employee negligence in following established safety protocols. In response to any incident resulting in injury, the Group takes immediate action, which includes investigating the root causes, implementing corrective measures and reviewing safety protocols to prevent similar occurrences in the future. The SHE Department is responsible for evaluating each incident and ensuring that appropriate steps are taken to maintain and improve workplace safety. For incident reporting, the Group adheres to the incident reporting procedure outlined in the Occupational Safety and Health (Notification of Accident, Dangerous Occurrence, Occupational Poisoning and Occupational Disease) Regulations 2004 (NADOPOD).

Road Safety

NHF aims to achieve "zero road accident-related fatalities" among its employees, particularly as over half of its workforce comprises motorcyclists who face greater risks on the road while commuting to and from work. Recognising the potential for significant losses in both human life and in terms of business impact, NHF actively promotes road safety awareness among its employees and their families. By fostering a culture of road safety, NHF aims to mitigate risks, promote responsible driving behavior and ensure the well-being of its workforce, both inside and outside the workplace.

SUSTAINABILITY STATEMENT (continued)

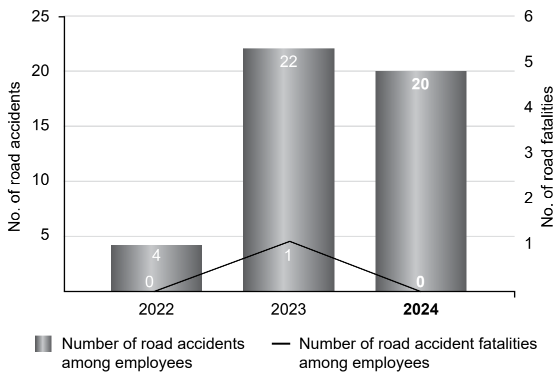
During the financial year, the Group had taken several steps to promote road safety awareness among its employees and foster positive road habits, including:

- Conducting educational sessions for employees on the importance of driving safety, emphasising key factors such as adhering to safe speed limits, using seat belts and helmets and regular vehicle maintenance to ensure safe travel and reduce the risk of accidents.

- Regularly sharing driving safety tips through WhatsApp, including updates on recent road accidents involving employees, along with valuable lessons and preventive measures to reduce similar incidents.

- Mandating employees who are motorcyclists and bicyclists to wear safety vests with light reflectors that were provided to them, particularly during morning and night commutes to and from work.

Road Accidents Among Employees



The number of road accidents involving the Group's employees dropped slightly from 22 cases in FY2023 to 20 cases in FY2024, with no fatalities reported. Moving forward, the Group will continue to run awareness campaigns and initiatives to further promote a culture of road safety and hence reduce road-related accidents among its employees and their communities.

Healthy Week

In FY2024, the Group organised an internal Healthy Week, aimed at promoting employees' overall wellness and raising awareness on various health issues. The programme featured a variety of activities, including the 'Steps Count Challenge', a five (5)-day event designed to encourage employees to stay active by tracking their daily steps, both inside and outside the workplace. The week also included aerobic sessions, a Push-up Challenge and themed days such as Breakfast Day and Fruits Day, all aimed at inspiring healthier lifestyle choices. To complement the physical activities, the Healthy Week also featured a health talk offering valuable insights into healthy eating habits and lifestyles.

(vi) Community engagement

In addition to supporting the employees, the Group is equally committed to making a positive impact on the lives of individuals and communities in which it operates. The Group recognises the importance of contributing to community well-being and strives to engage in initiatives that foster growth, development and sustainability for all.

Blood Donation Drive

As part of its ongoing engagement with the local community, NHF collaborates with Tengku Ampuan Rahimah Hospital, Klang ("HTAR") to organise an annual blood donation campaign and health checks campaign. This initiative not only helps replenish HTAR's blood bank but also raises public awareness about the importance of blood donation while promoting health awareness in the community. In addition to the blood donation drive, free health screenings and pap smear checkups were offered during the event, providing both employees and the public with valuable preventive care services to support their overall health and well-being.

Since its inception in 2007, the event has recorded a total of more than 1,700 successful blood donors. In 2024, the event has recorded a total of 123 successful blood donors.

Successful Blood Donors

	FY2022	FY2023	FY2024
Total number of successful blood donors	0	95	**123**

Note: No blood donation event was held in FY2022 due to movement restrictions resulting from COVID-19.

SUSTAINABILITY STATEMENT (continued)

Community Care Drive

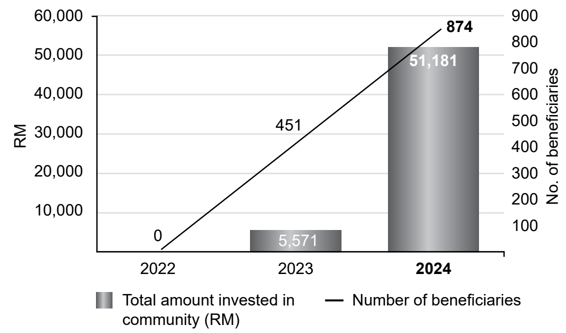
As part of the Group's sustainability commitment under the social pillar, each year, the Group donates to children's homes and old folks' homes to bring cheer and support to the underprivileged. In FY2024, the Group reached out to four (4) charity homes across Klang vicinity, providing assistance to various vulnerable groups, including children, elderly and differently-abled individuals.

The Group's employees also pay visits to these homes, taking the opportunity to engage with the residents and strengthen the connection with the community. In addition to physical donations such as monthly food supplies, mattresses, bed frames, milk, diapers and a water filter, the Group also contributed financial support for physiotherapy sessions and facility improvements. To support these efforts, the Group has adopted a Charitable Cause Policy and Procedures to guide its charitable initiatives, ensuring that donations and contributions are made transparently and consistently in the years to come.

NHF School Holiday Program

The NHF School Holiday Program, part of the Group's commitment to giving back to society, provided a unique opportunity for local students, including some of the employees' children, aged between 13 to 17, to engage in educational and inspiring activities during their school break. Over the course of two days, the students participate in a variety of activities designed to educate, inspire and empower them. These included a plant tour, team-building games and a visit to SHRDC, where they had the opportunity to explore skill development beyond the classroom.

Investment in Community



Notes: No community outreach events were held in FY2022 due to movement restrictions resulting from COVID-19.

(vii) Data privacy and security

As data privacy and security concerns continue to grow globally, protecting sensitive information and adhering to relevant regulations have become central to the Group's operations. The Group collects and processes personal data for various purposes, including sales and services, creating and managing databases, addressing complaints and conducting product promotions. Ensuring the protection of all personal data is crucial, as it involves a wide range of stakeholders, including existing and potential employees, customers, suppliers, shareholders and others. Ensuring data privacy helps prevent unauthorised access, misuse, or breaches of sensitive data, which could result in significant reputational damage, financial loss and regulatory penalties.

The Group is committed to respecting data privacy and adhering to the requirements of the Personal Data Protection Act 2010 and its amendments. To maintain transparency, the Group provides a clear privacy notice to inform its stakeholders about the types of personal data collected, how it is processed and their rights with regard to their personal data. This privacy notice is also published on the Group's website for easy access by all. In addition to regulatory compliance, the Group also implements other measures and practices to ensure data privacy and security. These include:

SUSTAINABILITY STATEMENT (continued)

- Strong access controls: Access to sensitive data is strictly limited to authorised personnel, reducing the risk of unauthorised access or data breaches.

- Employee training: Employees undergo regular training on data privacy best practices, security policies and procedures to ensure that they understand and adhere to the Group's privacy standards.

- Continuous monitoring and improvement: The Group continually reviews and updates its data security measures to address emerging threats and comply with evolving regulations.

In FY2024, there were no reported complaints concerning breaches of customer privacy or losses of customer data. This demonstrates the Group's commitment to maintaining the integrity and confidentiality of personal data entrusted to it by various stakeholders.

Privacy Breach and Data Loss Complaints

	FY2022	FY2023	FY2024
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0	**0**

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SUSTAINABILITY STATEMENT (continued)

KEY SUSTAINABILITY PERFORMANCE DATA

Indicator	Measurement Unit	2022	2023	2024
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Executive	Percentage	96.00	100.00	100.00
Non-executive/Technical Staff	Percentage	87.00	100.00	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	0.00	5,571.05 *	51,180.97
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	0	451 *	874
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Executive Below 20	Percentage	0.00	0.00	0.00
Executive Between 20-30	Percentage	24.00	25.00	27.00
Executive Between 31-40	Percentage	31.00	25.00	31.00
Executive Between 41-50	Percentage	29.00	34.00	26.00
Executive Above 50	Percentage	16.00	16.00	16.00
Non-executive/Technical Staff Below 20	Percentage	1.00	2.00	2.00
Non-executive/Technical Staff Between 20-30	Percentage	41.00	45.00	42.00
Non-executive/Technical Staff Between 31-40	Percentage	40.00	30.00	36.00
Non-executive/Technical Staff Between 41-50	Percentage	14.00	19.00	16.00
Non-executive/Technical Staff Above 50	Percentage	4.00	4.00	4.00
Gender Group by Employee Category				
Executive Male	Percentage	45.00	42.00	41.00
Executive Female	Percentage	55.00	58.00	59.00
Non-executive/Technical Staff Male	Percentage	83.00	83.00	84.00
Non-executive/Technical Staff Female	Percentage	17.00	17.00	16.00
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	67.00	67.00	67.00
Female	Percentage	33.00	33.00	33.00
Between 51-60	Percentage	50.00	33.00	33.00
Above 60	Percentage	50.00	67.00	67.00
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	21,884.00 *	20,443.00 *	21,073.00
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	4.84	1.95	1.21
Bursa C5(c) Number of employees trained on health and safety standards	Number	814 *	878 *	861
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				

SUSTAINABILITY STATEMENT (continued)

KEY SUSTAINABILITY PERFORMANCE DATA (continued)

Indicator	Measurement Unit	2022	2023	2024
Executive	Hours	428	515	574
Non-executive/Technical Staff	Hours	900	156	6,211
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	8.00 *	6.00 *	2.00
Bursa C6(c) Total number of employee turnover by employee category				
Executive	Number	29	27	8
Non-executive/Technical Staff	Number	148	165	81
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	64.00	67.00	71.00
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	111.000000 *	74.000000	69.000000
Bursa (Waste management)				
Bursa C10(a) Total waste generated	Metric tonnes	6,913.00 *	6,736.00 *	6,770.00
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	6,645.00 *	6,527.00 *	6,559.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	268.00 *	209.00 *	211.00
Bursa (Emissions management)				
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	1,622.00 *	1,397.00 *	1,428.00
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	11,223.00 *	10,518.00 *	10,362.00
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	-	994.00
Bursa (Effluents)				
Bursa C12(a) Total volume of water (effluent) discharge over the reporting period	Megalitres	22.000000 *	25.000000 *	33.000000
Bursa (Materials)				
Bursa C13(a) Total weight or volume of materials that are used to produce and package products and services	Metric tonnes	18,132.00 *	17,889.00 *	17,976.00

Internal assurance External assurance No assurance (*)Restated

FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

	2024	2023	2022	2021	2020
Revenue (RM'000)	**282,257**	281,245	290,364	244,225	236,878^
Profit Before Tax (RM'000)	**46,904**	52,638	33,205	25,102	14,496
Profit After Tax (RM'000)	**43,962**	47,707	26,699	19,584	11,555
Total Assets (RM'000)	**655,411**	630,825	595,652	607,254	556,491
Total Borrowings (RM'000)	**-**	-	2,552	37,219	23,422
Share Capital (RM'000)	**82,672**	82,672	82,672	82,672	82,672
Shareholders' Fund (RM'000)	**574,718**	549,159	509,482	489,115	466,666
Basic Earnings Per Share (sen)	**26.6**	28.9*	16.1*	11.8*	7.0*
Net Assets Per Share (RM)	**3.48**	3.32*	6.16*	5.92*	5.64*
Total Dividend (RM'000)	**14,881**	12,401	10,747	7,441	6,614

^ *Comparative figure for 'Revenue' for 2020 has been restated to reflect the reclassification of freight recovery from 'Revenue' to 'Other Operating Income'.*

* *Comparative figure for 'Basic Earnings Per Share' and 'Net Assets Per Share' for 2020 - 2023 have been adjusted after the completion of share split involving the subdivision of every one (1) existing ordinary share into two (2) subdivided ordinary shares on 28 June 2024.*

Market Share Price	2024	2023	2022	2021	2020
Highest (RM)	**4.50**	3.59	2.99	2.34	2.69
Lowest (RM)	**1.80**	2.55	2.12	2.10	1.90
Last Market Day Closing Price (RM)	**1.90**	3.29	2.87	2.26	2.20

Note: NHF share price decreased following the completion of the share split on 28 June 2024. The total value of shareholders' holdings remained unchanged, as the number of shares held increased proportionally.

REVENUE
RM'000

282,257

0.4% increase from FY2023 of RM281,245

PROFIT BEFORE TAX
RM'000

46,904

10.9% decrease from FY2023 of RM52,638

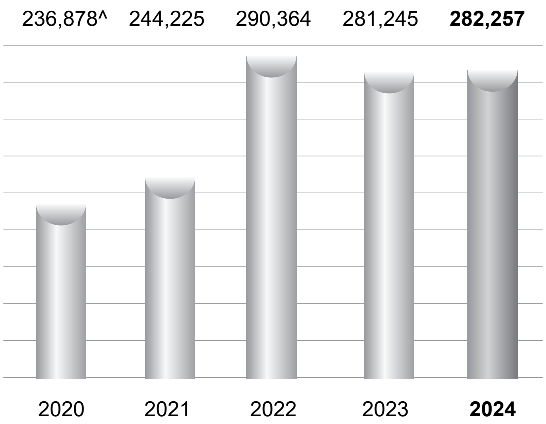
SHAREHOLDERS' FUND
RM'000

574,718

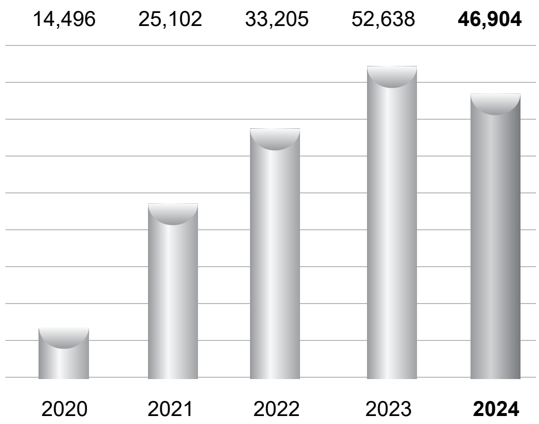
4.7% increase from FY2023 of RM549,159

FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS (continued)

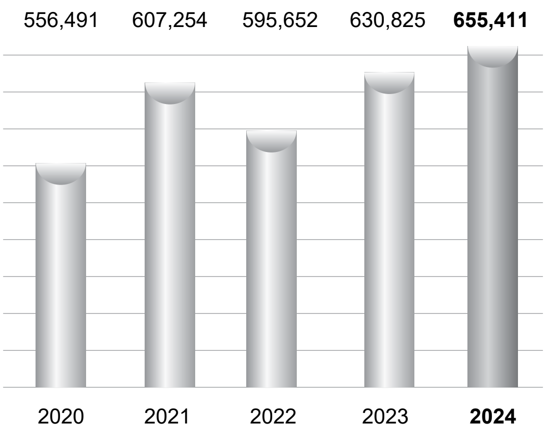
REVENUE (RM'000)



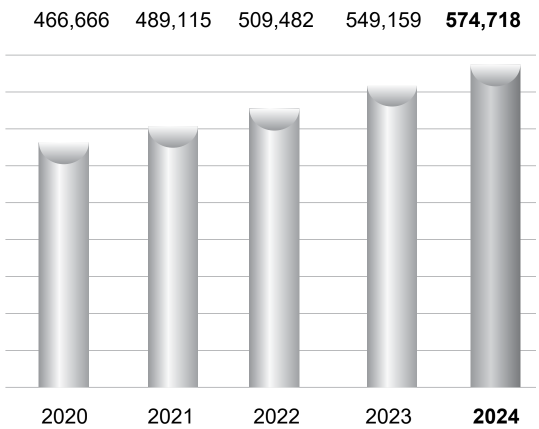
PROFIT BEFORE TAX (RM'000)



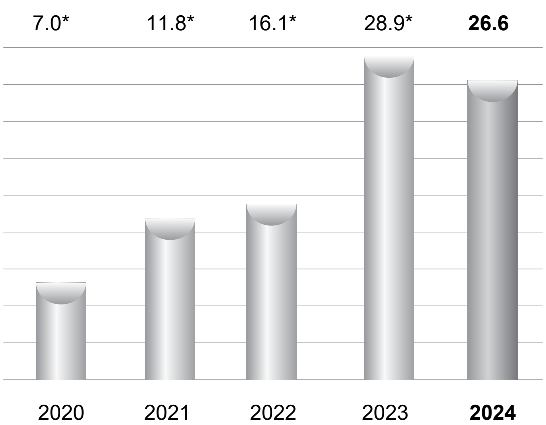
TOTAL ASSETS (RM'000)



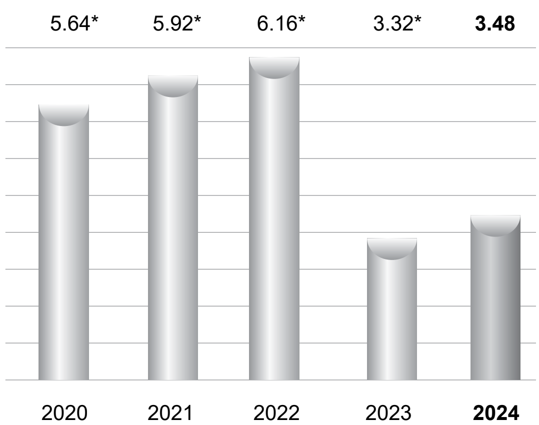
SHAREHOLDERS' FUND (RM'000)



BASIC EARNINGS PER SHARE (SEN)



NET ASSETS PER SHARE (RM)



^ *Comparative figure for 'Revenue' for 2020 has been restated to reflect the reclassification of freight recovery from 'Revenue' to 'Other Operating Income'.*

* *Comparative figure for 'Basic Earnings Per Share' and 'Net Assets Per Share' for 2020 - 2023 have been adjusted after the completion of share split involving the subdivision of every one (1) existing ordinary share into two (2) subdivided ordinary shares on 28 June 2024.*

CALENDAR OF EVENTS 2024

FINANCIAL CALENDAR

DATE	EVENT
18 March	Announcement of a Proposed Share Split
5 April	Payment of the Second Interim Dividend for the Financial Year Ended ("FYE") 31 December 2023
30 April	Issuance of Annual Report 2023 & Circular to Shareholders in relation to the Proposed Share Split
27 May	Announcement of the First Quarter Ended 31 March 2024 Unaudited Results
6 June	Twenty-Seventh (27th) Annual General Meeting
28 June	Completion of the Share Split exercise
15 July	Payment of the Final Dividend for FYE 31 December 2023
27 August	Announcement of the Second Quarter Ended 30 June 2024 Unaudited Results
3 October	Payment of the First Interim Dividend for FYE 31 December 2024
25 November	Announcement of the Third Quarter Ended 30 September 2024 Unaudited Results
23 December	Payment of the Second Interim Dividend for FYE 31 December 2024
27 February 2025	Announcement of the Fourth Quarter Ended 31 December 2024 Unaudited Results
8 April 2025	Payment of the Third Interim Dividend for FYE 31 December 2024

EVENT CALENDAR

DATE	EVENT
28 - 29 February	NHF School Holiday Program
22 - 23 March	Leadership Retreats (Batch 1) at Janda Baik, Bentong, Pahang
4 - 8 March	NHF's Healthy Week
9 March	16th Annual Blood Donation and Free Health Checks
18 - 19 July	Leadership Retreats (Batch 2) at Janda Baik, Bentong, Pahang
31 July	NHF and Selangor Human Resource Development Center ("SHRDC") Outreach Program 2024 with Sekolah Menengah Kebangsaan Kota Kemuning
4 August	Family Day
28 August	Student Visit from Universiti Tunku Abdul Rahman (UTAR)
4 & 11 September	NHF Community Care Drive 2024: Charity Home Visits
17 November	Sports Day
2 - 5 December	Participation in the 2024 Automechanika Shanghai Exhibition
15 December	Bowling Tournament

DIRECTORS' PROFILE

KAM FOONG KENG
Executive Chairman
Aged 61, Female

Madam Kam was appointed to the Board of Directors ("Board") of New Hoong Fatt Holdings Berhad ("NHF") as Executive Director on 8 April 1998, and was later appointed as Executive Chairman on 15 May 2008. She holds a Bachelor's Degree in Business from the South Australia Institute of Technology (now known as the University of South Australia), Australia.

Madam Kam has been a key person in NHF's management and organisation since she joined the Group. As the Executive Chairman of NHF, she is responsible for overseeing the strategic direction, overall performance and business development of the Group, both in Malaysia and overseas operations. She ensures that the operations are managed in line with the Group's mission and vision. Currently, she serves as a Director for all the subsidiaries of NHF. She does not hold any directorships in other public companies or listed issuers.

Madam Kam is the spouse of Mr Chin Jit Sin, sibling of Ms Kam Foong Sim, both are Directors of the Company, and the daughter of Madam Wong Ah Moy @ Wong Yoke Len, a major shareholder of the Company.

Madam Kam is the major shareholder of the Company. She has no material conflict of interest or potential conflict of interest, including interest in any competing business with the Group, other than what has been disclosed to the Board and shareholders in the audited financial statements.

Madam Kam attended all four (4) Board meetings held during the financial year.

CHIN JIT SIN
Managing Director
Aged 63, Male

Mr Chin is the Group Managing Director of NHF. He was first appointed to the Board of NHF as Executive Director on 8 April 1998 and was re-designated as Managing Director on 25 October 2007. As the Group Managing Director, he acts as the Chief Executive Officer of the Group. He holds a Bachelor of Economics (Hons) Degree (major in Business Administration) from the University of Malaya.

Mr Chin was attached to a banking institution prior to joining NHF. His experience covers a variety of industries, including banking and financial institutions, manufacturing and trading. As the Group Managing Director of NHF, he oversees the strategic planning, talent management and operational management of the Group, particularly in operational effectiveness and efficiency, as well as ensuring adherence to the Group's policies and procedures. Currently, he serves as a Director for all the subsidiaries of NHF. Additionally, he is the Vice Chairman of the Automotive Federation Malaysia (AFM) and serves as an Exco member of the Selangor Human Resource Development Centre (SHRDC).

Mr Chin is also a director of another public company, the Malaysian Automotive Component Parts Manufacturers ("MACPMA"), where he has served as the President since August 2022.

Mr Chin is the spouse of Madam Kam Foong Keng, a Director and major shareholder of the Company, and is therefore related to members of her family. He has no direct conflict of interest or potential conflict of interest, including interest in any competing business with the Group.

Mr Chin attended all four (4) Board meetings held during the financial year.

DIRECTORS' PROFILE (continued)

KAM FOONG SIM
Non-Independent Executive Director
Aged 60, Female

Ms Kam was appointed to the Board of NHF as Executive Director on 17 May 2001. She holds a Bachelor's Degree in Economics (major in Accounting) from the University of Adelaide, Australia. She is an accountant by profession and a member of the Certified Practicing Accountant (CPA) Australia and the Malaysian Institute of Accountants ("MIA").

Ms Kam had several years of experience in accounting firms and in the commercial sector before joining the NHF Group in 1991, where she oversees finance and accounts. Currently, she serves as a Director for several subsidiaries of NHF. She does not hold any directorships in other public companies or listed issuers.

Ms Kam is the sibling of Madam Kam Foong Keng, a Director and major shareholder of the Company, and the daughter of Madam Wong Ah Moy @ Wong Yoke Len, a major shareholder of the Company.

Ms Kam has no material conflict of interest or potential conflict of interest, including interest in any competing business with the Group, other than what has been disclosed to the Board and shareholders in the audited financial statements.

Ms Kam attended all four (4) Board meetings held during the financial year.

OEI KOK EONG
Senior Independent Non-Executive Director
Aged 71, Male

Mr Oei was appointed to the Board of NHF as Independent Non-Executive Director on 1 January 2019 and was re-designated as the Senior Independent Non-Executive Director on 8 November 2019. He also serves as the Chairman of the Nomination Committee and is a member of the Audit and Risk Management and Remuneration Committees.

Mr Oei holds a Bachelor's Degree in Mechanical Engineering from the University of Singapore.

In 1977, Mr Oei started his career in Jardine Parrish, Singapore as a Project and Maintenance Engineer. He later returned to Malaysia and joined Tobacco Importers & Manufacturers Sdn. Bhd. (Rothmans).

Mr Oei has more than 30 years of experience in the automotive components industry. In 1983, he joined Kayaba (Malaysia) Sdn. Bhd., a joint venture between an international Japanese public listed company and UMW Berhad, as Operations Manager and was later promoted to General Manager cum Director of the company in 1989.

In 2004, he joined Autoliv (Malaysia) Sdn. Bhd. as Chief Operating Officer, whereby he was responsible for two (2) subsidiaries of the group, which were involved in the manufacturing of safety restraint systems and steering wheels. He was subsequently appointed as Executive Director of APM Holdings Berhad in 2006 where he was responsible for the overseas operations of the group until his retirement in 2011.

Over the years, Mr Oei had served in various positions in MACPMA and working/technical committees of SIRIM. He also initiated and headed the Toyota Suppliers' Club's lean manufacturing activities for several years. He was also the founding Chair of the Malaysian Chapter of the Society of Automotive Engineers in 2000. Mr Oei also used to be a business coach, mentoring a group of business owners and chief executive officers in association with Vistage Malaysia Sdn. Bhd.

Mr Oei holds directorships in two (2) other public listed companies, namely SMIS Berhad and HPMT Holdings Berhad.

Mr Oei has no family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest or potential conflict of interest, including interest in any competing business with the Group.

Mr Oei attended all four (4) Board meetings held during the financial year.

DIRECTORS' PROFILE (continued)

CHIA SWEE YUEN
Independent Non-Executive Director
Aged 67, Male

Mr Chia was appointed to the Board of NHF as Independent Non-Executive Director on 1 January 2019. He also serves as the Chairman of the Remuneration Committee and is a member of the Audit and Risk Management and Nomination Committees.

Mr Chia graduated from the University of Malaya with a Bachelor of Accounting (1st Class Hons). He is a member of MIA and an Associate Fellow of the Asian Institute of Chartered Bankers (AICB).

Mr Chia started his career in 1980 with SGV-Kassim Chan Sdn. Bhd., a management consultancy firm. From 1984 to 1987, he was with Malaysian Resources Corporation Berhad, a diversified listed group with businesses in manufacturing, trading, credit and leasing, credit card, construction and property development. He was in charge of corporate planning, accounting and tax, information technology and general administration.

From 1988 until his retirement in 2015, he was working in the banking sector, heading varied areas of marketing, branch management, credit evaluation, credit operations and risk management with Overseas Union Bank (M) Bhd and AmBank (M) Bhd.

Mr Chia does not hold any directorships in other public companies or listed issuers.

Mr Chia has no family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest or potential conflict of interest, including interest in any competing business with the Group.

Mr Chia attended all four (4) Board meetings held during the financial year.

NG CHEE KIET
Independent Non-Executive Director
Aged 55, Male

Mr Ng was appointed to the Board of NHF as Independent Non-Executive Director on 3 January 2022. He also serves as the Chairman of the Audit and Risk Management Committee and is a member of the Nomination and Remuneration Committees.

Mr Ng graduated with a Bachelor of Economics (Accounting) from Monash University, Australia and he is currently a member of MIA.

Mr Ng started his career in tax consultancy with Arthur Andersen HRM (Tax Services) Sdn. Bhd. before moving into corporate finance and investment banking with Aseambankers Malaysia Berhad (now known as Maybank Investment Bank Berhad), PM Securities Sdn. Bhd. and later MIMB Investment Bank Berhad ("MIMB"). After leaving MIMB in 2012 as the Head of Investment Banking, he joined Malton Berhad as the Director of Corporate Finance and later joined WCT Holdings Berhad as the Director of Corporate Strategy from 2016 to 2020. In January 2021, he joined WYNCORP Advisory Sdn. Bhd., a licensed corporate finance advisory firm, as the Director of Corporate Finance.

Mr Ng currently sits on the Board of a public listed company, namely SAM Engineering & Equipment (M) Berhad as an Independent Non-Executive Director.

Mr Ng has no family relationship with any Director and/or major shareholder of the Company. He has no conflict of interest or potential conflict of interest, including interest in any competing business with the Group.

Mr Ng attended all four (4) Board meetings held during the financial year.

Notes to Directors' Profile:

(1) All of the Directors of the Company are Malaysians.

(2) None of the Directors of the Company has any conviction for offences within the past five (5) years other than traffic offences, if any, or any public sanction or penalty imposed by relevant regulatory bodies during the financial year.

(3) The details of the Directors' shareholdings in the Company are disclosed on page 159 of this Annual Report.

KEY SENIOR MANAGEMENT'S PROFILE

AARON CHIN JUN MIN
Chief Operating Officer
Aged 32, Male

Aaron Chin joined the Group on 5 December 2016 as Senior Executive, Sales. He was promoted to several senior management positions until he held the position of General Manager in 2022 in the trading divisions in Malaysia and Indonesia. In 2024, he assumed the role of Director of Business, and by the end of the year, he was promoted to Chief Operating Officer. He also serves as a Director for several subsidiaries of NHF.

Aaron graduated with a Bachelor's Degree in Business, Management, Marketing and Related Support Services from the Wrexham Glyndwr University, United Kingdom.

Prior to joining NHF Group, Aaron worked as Business Manager at Advanced Aquatics Sdn. Bhd. from 2014 to 2016. He was involved in business development, profitability assessments of business programs and business centers, as well as specialised coaching for individuals.

Aaron is a son of Madam Kam Foong Keng and Mr Chin Jit Sin, a nephew of Ms Kam Foong Sim, all of whom are Directors and shareholders of the Company, and a grandson of Madam Wong Ah Moy @ Wong Yoke Len, a major shareholder of the Company.

MARK NG BOON FATT
Chief Strategy Officer
Aged 58, Male

Mark Ng joined the Group on 28 January 2020 as the Director of Business Strategy and later transitioned to the role of Director of Corporate Strategy in early 2024. In 2025, he was promoted to Chief Strategy Officer. He is also serving as a Director for several subsidiaries of NHF.

Mark holds a Bachelor's Degree in Applied Physics with Honors from Universiti Sains Malaysia and a Master of Business Administration from the University of Hull, United Kingdom.

Mark began his career as a Production Engineer at S.E.H. (M) Sdn. Bhd. from 1991 to 1993. He then moved on to become a Sales Engineer and subsequently a Marketing Manager at Castrol (M) Sdn. Bhd. until 2000. For the following two (2) years, he joined ATM Holdings, Inc. (Asiatravelmart), an e-commerce online travel business, as the Senior Vice President of the Business Strategy Department.

From 2002 to 2019, Mark was attached to BP Castrol Lubricants Asia Pacific, where he was responsible for strategy and business operations across Malaysia, Singapore, Philippines, ASEAN and Greater China. His last position with the company was Executive Director.

KEY SENIOR MANAGEMENT'S PROFILE (continued)

LOO LING HONG
Chief Financial Officer
Aged 54, Female

Ms Loo joined the Group on 2 January 2025 as Finance Director and was subsequently redesignated as Chief Financial Officer on 27 February 2025.

Ms Loo holds a Bachelor of Business Administration (Honors) major in Finance from Universiti Utara Malaysia and professional qualification from the Association of Chartered Certified Accountants ("ACCA"). She is a Fellow Member of both ACCA and the Malaysian Institute of Certified Public Accountants, and a member of the Malaysian Institute of Accountants.

Ms Loo brings with her 29 years of extensive experience in corporate and finance functions in several public listed entities. She began her career in 1995 at Hong Leong Finance Berhad as Credit Executive, before moving to Bina Puri Holdings Berhad in 1997 as Manager, Corporate Development. She later joined Equine Capital Berhad as Senior Manager, Corporate Affairs, overseeing accounting and finance, strategic planning and corporate development.

Prior to joining NHF Group, Ms Loo was with Ann Joo Resources Berhad from 2007, where she advanced to several senior management roles, including General Manager and Group Financial Controller. In 2021, she was promoted to Corporate Director. In this role, she was responsible for corporate development and strategic planning, investment appraisal and corporate finance, financial planning and management, tax planning and compliance, industry development and liaison, banker and investor relations, legal services as well as corporate social responsibility initiatives.

HO KOK LEONG
Director of Manufacturing
Aged 51, Male

Mr Ho joined the Group on 2 October 2018 as General Manager, Plastic Operations. He was promoted to Senior General Manager, Plastic Operations in 2021, followed by his appointment as Chief Operating Officer of the Manufacturing Division in 2022. In 2024, he was promoted to Director of Manufacturing.

Mr Ho holds a Master's Degree in Engineering (Material Science) from the University of Manchester Institute of Science and Technology, United Kingdom.

Mr Ho has more than 20 years of experience in manufacturing and production operations. He began his career as a Quality Assurance Executive at George Kent (M) Sdn. Bhd. in 1998, and he subsequently joined Flextronics Technology (Shah Alam) Sdn. Bhd. as a Procured Material Quality Assurance Executive in 2000.

In 2002, Mr Ho joined V.S Technology Industry Park (Zhuhai) Co. Ltd. as a Quality Assurance Manager before joining May-Plastics Manufacturers Sdn. Bhd. During his tenure at May-Plastics from 2004 to 2018, he held various positions, including Quality Manager, Operations Manager and General Manager of Manufacturing.

Notes to Key Senior Management's Profile:

(1) All of the Key Senior Management personnel of the Group are Malaysians.

(2) Save for Mr Aaron Chin Jun Min, none of the Key Senior Management personnel has any family relationship with any Director and/or major shareholder of the Company.

(3) None of the Key Senior Management:

- (a) hold any directorship in other public companies or listed issuers;
- (b) has conflict of interest or potential conflict of interest, including interest in any competing business with the Group; and
- (c) has any conviction for offences within the past five (5) years other than traffic offences, if any, or any public sanction or penalty imposed by relevant regulatory bodies during the financial year.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of New Hoong Fatt Holdings Berhad ("NHF" or "the Company") and its subsidiaries (collectively "the Group") is committed to upholding the high standards of corporate governance throughout the organisation with the ultimate objective of sustaining long-term business success and realising long-term shareholder value and the interests of other stakeholders.

This Corporate Governance Overview Statement sets out an overview of the Company's application of the principles and practices of the Malaysian Code on Corporate Governance ("MCCG") for the financial year ended 31 December 2024 ("FY2024"). This Statement should be read in conjunction with the Corporate Governance ("CG") Report, which provides details on how the Company has implemented each of the MCCG practices for FY2024. The CG Report is available on Bursa Malaysia Securities Berhad ("Bursa Securities")'s website and the Company's website at www.newhoongfatt.com.my.

Summary of Adoption of MCCG Practices

In FY2024, the Company has adopted all MCCG recommended practices throughout the financial year, except for the following:

(1) Practice 4.4 – Performance evaluations of the Board and senior management include a review that addresses the Company's material sustainability risks and opportunities;
(2) Practice 8.2 – To disclose the top five (5) senior management's remuneration in bands of RM50,000 on a named basis; and
(3) Step Up 8.3 – To fully disclose the detailed remuneration of each senior management personnel on a named basis.

The explanation for the departure from the above practices and the adoption of alternative practices to achieve the Intended Outcome are explained in the CG Report.

In order to protect the interests of shareholders and other stakeholders, the Board is committed to and will continue to strengthen its application of best corporate governance practices from time to time.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

Board Duties and Responsibilities

The Board represents and serves the interests of the shareholders. The Board is responsible for reviewing the Group's performance and business strategies, as well as monitoring its operations to ensure the highest possible value creation over time. The duties and responsibilities of the Board include, but are not limited to:

(a) Reviewing and monitoring the strategic plan;
(b) Overseeing the conduct of the business;
(c) Overseeing the risk management and internal control systems;
(d) Promoting good corporate governance and sound sustainability practices;
(e) Ensuring a succession plan is in place for the Board and key positions; and
(f) Ensuring proper investor relations and shareholder communications.

The Board has formed three (3) Board Committees, namely:

(a) Audit and Risk Management Committee ("ARMC");
(b) Nomination Committee ("NC"); and
(c) Remuneration Committee ("RC").

The Board Committees are assigned specific responsibilities and authorities to support the Board in fulfilling its duties and to provide the Board with recommendations and advice. The delegation of authority to the Board Committees enables the Board to achieve operational efficiency, by empowering each Committee to review, report and make recommendations to the Board on matters within their respective roles and responsibilities.

Besides the Board Charter, each Board Committee is also governed by its Terms of Reference ("TOR"), which sets out its functions, duties, composition, rights and meeting procedures. These TORs are reviewed annually in accordance with the Company's requirements, taking into account the changes in the business, governance and legal environments that might affect the Committees' roles. The updated TORs are accessible for reference on the Company's website.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(continued)

The Board aims to strike a balance between its advisory role in shaping the Group's strategic decisions and granting the Management the necessary autonomy to run the Group's operations. Thus, the Board has delegated specific authorities to the Management, as outlined in the Group's Limit of Authority manual. This delegation encompasses capital and operational expenditures, procurement, accounting, financial, administration and legal matters. The Management reports to the Board on any significant issues affecting the Group, even if they fall within the delegated mandate.

These delegations of authority do not absolve the general responsibilities of the Board, as the Board maintains collective oversight over both the Board Committees and the Management at all times.

Separation of the Chairman and Managing Director Positions

The positions of Chairman and Managing Director are held by two (2) different individuals. A clear segregation of their roles and responsibilities is outlined in the Company's Board Charter. This clear demarcation of roles between the Chairman and Managing Director not only ensures a balanced distribution of power and authority but also fosters an open exchange of views and opinions between the Board and the Management in their deliberations of the Group's business, strategies and key operations.

Chairman

The Chairman of the Board ("the Chairman") is not an Independent Director and she holds an executive position. Nonetheless, the Board is of the view that the Chairman has the ability to lead the Board effectively based on her entrepreneurial leadership and extensive experience in the Group's operations over many years. As one of the pioneer members of the Group, the Chairman plays a critical role in providing leadership to the Board and steering the vision, strategic direction and business development of the Group. At the same time, she is guided by the independent advice and perspectives of the Independent Directors, who provide the necessary checks and balances in the Board's decision-making process.

The Chairman's roles include, but are not limited to:

(a) Providing leadership to the Board in all aspects of the Board's roles and responsibilities;
(b) Leading Board meetings and discussions, facilitating the Directors' effective participation and performance at such meetings;
(c) Leading the Board in the adoption and implementation of good corporate governance practices in the Group;
(d) Presiding over general meetings of shareholders and working with the Company Secretaries to set the meeting agenda;
(e) Monitoring the vision, strategic direction and business development of the Group;
(f) Ensuring that the Group's operations conform with the Board's strategic directions, views and corporate policies;
(g) Facilitating communication and understanding between the Board and the Management, and between the Board and the Group's stakeholders; and
(h) Acting in an advisory capacity to the Managing Director and the Management in all matters concerning the interests and management of the Group.

Recognising that the central issue in maintaining a well-governed Board lies in achieving a balance of power and influence among its members, the Executive Directors, including the Chairman, do not hold a majority vote as the Board is composed of an equal number of Executive Directors and Independent Non-Executive Directors. Additionally, the Chairman does not possess a casting vote in the event of an equality of votes. This composition of the Board is structured as such to prevent any individual or group of individuals from exerting undue influence over the Board's decision-making process. Moreover, the appointment of the Senior Independent Non-Executive Director provides an important channel for stakeholders to communicate any concerns relating to any matters that have not been satisfactorily resolved or are inappropriate to be communicated through the normal channels of the Chairman or Managing Director.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(continued)

Managing Director

The Managing Director is responsible for providing leadership and business judgement to the Management, as well as providing a strategic vision for the Group. His other responsibilities include, but are not limited to:

(a) Managing the day-to-day operations of the Group;
(b) Developing business plan, strategies and budget together with the Management for the Board's approval;
(c) Managing the Group's resources, including its human capital, within the guidelines and budget approved by the Board;
(d) Communicating the Group's strategies and policies as approved by the Board to the Management;
(e) Ensuring that risk management and internal control systems are operating effectively;
(f) Driving the Group's sustainability agenda by overseeing performance and managing risks and fostering responsible business practices in areas related to, among others, climate change, health and safety and human rights;
(g) Promoting good governance in pursuit of a sustainable business; and
(h) Reporting financial and key business performance of the Group to the Board.

The Managing Director and the Management update the Board quarterly on the Group's financial performance and the progress of key business areas during the Board meetings. In these sessions, the Managing Director highlights strategic issues impacting the Group and presents other relevant matters to the attention of the Board, including critical risks that have implications for the Group's strategic objectives and business plans.

Company Secretaries

The Board is supported by qualified and competent Company Secretaries who play a crucial role in facilitating the effective functioning of the Board. The Company Secretaries have specific duties to advise the Board on its roles and responsibilities, good governance and board policies and procedures. The main responsibilities of the Company Secretaries are outlined in the Company's Board Charter.

The Company Secretaries are responsible for:

(a) Advising the Board on matters related to compliance with the Companies Act 2016, the Main Market Listing Requirements ("Listing Requirements") of Bursa Securities and other applicable laws and regulations;
(b) Keeping the Board informed on corporate governance developments that affect Directors' duties and responsibilities and the Company's status as a public listed company;
(c) Advising the Board on new and revised statutory and regulatory requirements and relevant guidelines;
(d) Attending all shareholders', Board and Board Committee meetings, ensuring proper conduct and recording discussions on key deliberations and decisions made at these meeting;
(e) Being directly accountable to the Board for the proper functioning of the Board;
(f) Maintaining proper statutory and other important documents of the Company, as well as those of the Board and Board Committees; and
(g) Facilitating communication within the Board and monitoring the implementation of the Board's decisions, where appropriate.

All Directors have full and unrestricted access to the advice and services of the Company Secretaries, and decisions regarding the appointment and removal of the Company Secretaries are matters of the Board as a whole.

The Company Secretaries attend appropriate conferences and training programmes to stay abreast of relevant developments in laws, regulations and corporate governance practices, enabling them to effectively fulfil their advisory role to the Board.

The Board is satisfied with the performance and services provided by the Company Secretaries in assisting the Board in the discharge of its functions, duties and responsibilities.

Board Meeting and Meeting Materials

The Board convenes quarterly meetings and additional meetings are scheduled as necessary. To facilitate planning and ensure optimal attendance, the dates of Board meetings for the upcoming financial year are set a year in advance. There were four (4) Board meetings held during the financial year under review and the attendance of each Board member at the meetings is as follows:

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(continued)

Name of Director	No. of Meetings Attended
Kam Foong Keng	4/4
Chin Jit Sin	4/4
Kam Foong Sim	4/4
Ng Chee Kiet	4/4
Chia Swee Yuen	4/4
Oei Kok Eong	4/4

Board meetings serve as a platform for the exchange of views, where Directors contribute their expertise and independent judgment to discuss and make decisions on various issues. During these meetings, the Board reviews, among other matters, the Group's financial position, corporate policies, risk management, major acquisitions or disposals and reports from the Board Committees, management performance against budget, as well as operational updates from prior meetings. The Board is also briefed on any disclosures or announcements submitted to or issued by Bursa Securities since the last Board meeting. Sufficient time is allotted for the Board to thoroughly address key agenda items, allowing all members to ask questions or provide input.

The conduct of the Board meetings in relation to notice, quorum and voting rights is regulated by the Constitution of the Company. Adequate notice of Board meetings and the agenda for the business to be conducted are circulated via electronic mail to all Directors at least five (5) working days prior to each meeting. Concurrently, the Board papers that provide both financial and non-financial information such as minutes of previous meetings, management reports and financial reports are also circulated together with the notice. This ensures that Directors have sufficient time to review the papers and seek additional clarifications if needed, facilitating informed decision-making and expediting the business proceedings during the meeting. At the Board meetings, the Management is invited to present and brief the Board on the Group's financial and operational matters.

The minutes of meetings are circulated to all Directors for their review or comments within a reasonable timeframe after each meeting. This practice ensures that the minutes accurately capture the deliberations and decisions of the Board, including whether any Director had abstained from voting or deliberating on a particular matter. The minutes are then tabled for confirmation at the subsequent Board meeting and signed by the Chairman. Any outstanding matters arising from the previous meetings are tracked and reviewed by the Board until resolved.

In between Board meetings, matters requiring the Board's approval are addressed by way of circular resolutions. Relevant information pertaining to the subject matter is enclosed and distributed to the Board members for their consideration. All circular resolutions approved by the Board are tabled for notation at the next Board meeting.

Information and Support for Directors

All Directors have the right to access the Company's relevant information and communicate with the Management regarding the Group's business and operations. To fulfill their duties and responsibilities, the Directors may seek independent professional advice at the Company's expense, subject to prior consultation with the Chairman. The Board receives regular updates from the Company Secretaries and External Auditors on recent significant developments in applicable laws, regulations and other corporate matters affecting the Group's businesses or operations.

Board Charter

The Board, in the discharge of its duties, adheres to the guidelines set forth in the Company's Board Charter. The charter delineates various aspects, including the roles and responsibilities of the Board, the Chairman, the Managing Director, the Senior Independent Non-Executive Director, the Board Committees and the Company Secretaries. It also outlines the Board's structure, rights, and procedures governing its meetings. The Board Charter incorporates key governance principles to regulate the Board's conduct and assist in establishing effective operating procedures for the Board. The Board reviews and updates the Board Charter from time to time to ensure alignment with changes in the Company's policies and procedures and adherence to the latest regulations and legislation. The Board Charter was reviewed and updated during the financial year and is accessible for reference on the Company's website.

The Board Charter also sets out the formal schedule of matters reserved exclusively for the Board's decisions and approvals, such as approval of corporate proposals, appointment and removal of the Directors and Company Secretaries, establishment of Board Committees, approval of Directors' and Key Senior Management's remuneration, approval of

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(continued)

major acquisitions and disposals, business strategies, annual budgets and financial reports, convening of general meetings, declaration and recommendation of dividends, approval of new investments, joint ventures, establishment or disposal of subsidiaries, provision of borrowings and guarantees, entry into a memorandum of understanding, involvement in material litigation, amendments to the Constitution of the Company, and approval of corporate policies. These responsibilities underscore the Board's pivotal role in overseeing critical aspects of the Company's operations, strategic decisions and governance framework.

Code of Conduct and Ethics

The Board is committed to establishing a corporate culture that promotes and upholds ethical conduct across the organisation and ensuring that the Group's business is conducted with integrity, transparency and fairness.

In discharging its fiduciary duties, the Board is obligated to act in good faith and in the best interests of the Group, while fulfilling its obligations to shareholders and other stakeholders. All Board members must avoid any conflicts of interest with the Group and promptly disclose any material facts that may potentially influence their actions or decisions. In cases where a Director has a conflict of interest, whether direct or indirect, concerning any matter related to the Company or the Group, they are required to abstain from participating in discussions or making decisions on the matter. Each Director declares their interests, if any, on a quarterly basis at Board meetings. During the financial year, no self-declarations of new conflicts of interest were received from any Directors.

The Board and all employees are guided by the Group's core values, encapsulated in the acronym R.E.C.I.P.E. (Respect, Excellence, Customer Focus, Integrity, Perseverance and Ever-Ready). These values, along with relevant policies and procedures serve as guiding principles for appropriate conduct to all employees within the Group and relevant third parties. The following policies and procedures address key matters such as conflict of interest, corruption, confidentiality, insider trading and competition:

(a) Board Charter;
(b) Corporate Disclosure and Investor Relations Policy;
(c) Financial Management Policy and Strategy;
(d) Investment Policy;
(e) Whistleblowing Policy and Procedures;
(f) Anti-Bribery and Corruption ("ABC") Policy and Procedures;
(g) Related Party Transactions Policy and Procedures;
(h) Conflict of Interest Policy;
(i) Human Resource manual, policies, regulations, and procedures; and terms and conditions of employment;
(j) Quality Policy;
(k) Information Technology ("IT") Policy;
(l) Limit of Authority Manual;
(m) International Organisation for Standardisation (ISO) Quality Manual; and
(n) Safety, Health and Environment Policy.

The policies and manuals are periodically reviewed and updated in accordance with the needs of the Group and to reflect changes in the relevant laws and regulations.

The Group upholds a zero-tolerance stance towards bribery and corruption, affirming its commitment to conducting business professionally, fairly and with integrity in all dealings and relationships. The Board has established the ABC Policy and Procedures to provide practical guidance for all employees and relevant third parties in identifying and addressing bribery and corruption in all business dealings and relationships with the Group. The policy is accessible for reference on the Company's website.

To further mitigate bribery and corruption risks, the Group adopts control measures in accordance with the Guidelines on Adequate Procedures issued pursuant to Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009. These measures encompass annual corruption risk assessments, ABC training and communication, proper documentation of all business transactions, the establishment of reporting channels and supplier and contractor due diligence.

Whistleblowing Policy and Procedures

The Board has established the Whistleblowing Policy and Procedures, which provide a dedicated channel for employees and other stakeholders to report any suspected violation of laws or regulations or any observed illegal acts within the Group. This includes but is not limited to financial malpractice, fraud, bribery or corruption, conflict of interest incidents, non-compliance with regulatory requirements, danger to health, safety, or the environment, criminal activity, and verbal, physical or sexual abuse.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
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This Policy outlines the procedures for reporting genuine concerns about any misconduct that is currently occurring, has occurred or may occur in the future. Reports can be submitted orally or in writing to either the Senior Independent Non-Executive Director or the Chairman of the ARMC.

The Group handles all reports with strict confidentiality and ensures protection for individuals who report such concerns in good faith. The Whistleblowing Policy and Procedures was reviewed and updated during the financial year and is accessible for reference on the Company's website.

During the financial year, no whistleblowing reports were received pertaining to any incidents of misconduct.

Sustainability Risk and Opportunities

The Board is committed to integrating sound sustainability practices into the Group's business strategies and activities, taking into consideration the economic, environmental and social impacts to the Group's operations. In this regard, the Board particularly focuses on sustainability matters that have a significant impact on its operations and revenues, ensuring both risks and opportunities are effectively managed. The Board plays a pivotal role in overseeing the Group sustainability-related strategy, aligning it with business goals and being accountable for sustainability performance and disclosures. The ARMC supports the Board by reviewing sustainability performance, assessing risks, and identifying opportunities to enhance sustainability performance. To drive these initiatives, the Group has established a Sustainability Working Group ("SWG"), which formulates programs, sets targets, tracks progress and integrates sustainability practices into operations. Additionally, the SWG is tasked with identifying, evaluating, monitoring and managing the Group's key sustainability-related risks and opportunities. Regular updates on sustainability performance and initiatives are reported to the ARMC and Board at each quarterly meeting.

In formulating sustainability agendas, the Group has identified its employees, customers, suppliers, shareholders, regulators, financiers and local communities as key stakeholders. The Group engages in a variety of initiatives with both internal and external stakeholders to address their interests, concerns and expectations. Looking ahead, the Board aims to enhance its sustainability strategies and align them with the Group's overall business objectives.

A comprehensive overview of the Group's sustainability initiatives and performance for FY2024 is set out in the Sustainability Statement of this Annual Report.

II. Board Composition

Composition of the Board and Key Senior Management

The Board consists of six (6) members, including the Executive Chairman, the Managing Director, one (1) Executive Director and three (3) Independent Non-Executive Directors. Based on the annual review of the Board's composition conducted by the NC, the Board is satisfied that the current size and composition reflect an appropriate balance of Executive and Non-Executive Directors, which is adequate for the size, scope and nature of the Group's business and operations.

The Board comprises individuals with diverse expertise, skills, and well-rounded experience in different fields relevant to overseeing the Group's business. The Board is committed to ensuring that its members are suitably qualified to contribute effectively to the Board's oversight and stewardship functions. The Board believes that the current mix and composition of its members are appropriate and contribute to the overall effectiveness of the Board. The areas of expertise, skills, and experience of each Board member are as follows:

	KFK	CJS	KFS	NCK	CSY	OKE
Industry knowledge/ experience						
Industry experience	•	•	•			•
Knowledge of sector	•	•	•			•
Global/ Regional exposure	•	•				•
Understanding of legal and regulatory requirements	•	•	•	•	•	
CEO/ Senior management experience	•	•	•	•	•	•
Background						
Strategy development	•	•	•	•	•	•
General business and economics	•	•	•	•	•	•
Law	•	•	•		•	
Corporate governance	•	•	•	•	•	•
Risk management	•	•	•	•	•	•
Accounting and finance	•	•	•	•	•	•
Human resource or talent management	•	•	•		•	•
Sales and marketing	•	•	•		•	•

CORPORATE GOVERNANCE OVERVIEW STATEMENT
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(cont'd)	KFK	CJS	KFS	NCK	CSY	OKE
Information technology or digital strategy	•	•	•		•	
Product and quality assurance	•	•	•			•
Sustainability/ Environmental, Social & Governance ("ESG")	•	•	•	•	•	

Notes:
KFK - Kam Foong Keng
CJS - Chin Jit Sin
KFS - Kam Foong Sim
NCK - Ng Chee Kiet
CSY - Chia Swee Yuen
OKE - Oei Kok Eong

As of the date of this Statement, the Key Senior Management members of the Group comprise:

(a) the Chief Strategy Officer;
(b) the Chief Operating Officer;
(c) the Chief Financial Officer; and
(d) the Director of Manufacturing.

The Key Senior Management team is composed of individuals with suitable qualifications, skills, attributes and well-rounded experience in their respective fields pertinent to the effective management of the Group's day-to-day operations.

The profiles of the Key Senior Management personnel are set out in the Key Senior Management's Profile of this Annual Report.

The diversity composition of the current Board and Key Senior Management with regard to their gender, age, ethnicity and nationality is as follows:

	Board	Key Senior Management
Gender		
Male	4	3
Female	2	1
Age Group		
30 - 39 years	0	1
50 - 59 years	1	3
60 years and above	5	0
Ethnicity		
Chinese	6	4
Nationality		
Malaysian	6	4

The Board is committed to maintaining an appropriate balance in terms of diversity in experience, skills, competence, caliber, ethnicity, age, and gender. This commitment extends throughout all levels of the organisation, aiming to achieve balanced, comprehensive, and thorough decision-making that contributes to the Group's overall success and effectiveness.

The Board acknowledges the importance of gender diversity as an important element contributing to its effective functioning. The Company is committed to maintaining at least one-third (1/3) of female Directors on the Board. In line with this commitment, NHF's Board currently comprises two (2) female Directors, representing 33% of the Board. Additionally, a new female Chief Financial Officer has been appointed to join the Key Senior Management team in 2025, representing 25% of the senior management team. This appointment demonstrates the Board's ongoing commitment to gender diversity and its efforts to increase the representation of women at the Group's senior management level.

This commitment extends to creating an inclusive environment where employees at other levels within the organisation are valued for their unique contributions. The Group is dedicated to providing fair and equal employment opportunities, ensuring that career progression and pay equity are based on individual ability, potential and merit. Promotions, compensation and professional development decisions are made without bias. These practices ensure that all employees, regardless of gender, have the opportunity to thrive, succeed and reach their full potential.

Independent Directors

The Independent Non-Executive Directors are independent of the Management and major shareholders, and free from any business, relationship or circumstance that could materially interfere with their ability to exercise independent judgment or act in the best interest of the Company. The Independent Directors are expected to exercise their oversight responsibilities in the decision-making processes of the Board independently and objectively. They act as a safeguard against the concentration of power and serve to protect the minority shareholders' interests. Each of the Independent Non-Executive Directors has satisfied the independence criteria and other requirements stipulated by the Listing Requirements of Bursa Securities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
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The Company currently has no Independent Director whose tenure exceeds a cumulative term limit of nine (9) years. The Group had adopted a policy limiting the maximum tenure of an Independent Director to nine (9) years, with no further extensions allowed.

Sourcing of Directors and Key Senior Management

The Board annually reviews its composition and considers new appointments of Directors as necessary. In sourcing for new Directors, the NC considers the existing composition and diversity of the Board to determine the qualifications and experience required for potential candidates in order for them to effectively fulfill the Board's responsibilities. Suggestions for potential candidates may come from existing Board members, shareholders, senior management or external sources such as recruitment firms or industry associations.

The NC assesses potential candidates based on established recruitment criteria, including qualifications, skills, industry knowledge, expertise, experience and personal attributes. The Board has adopted the Directors' Recruitment and Fit and Proper Policy, which sets out the fit and proper criteria for the appointment and re-election of Directors onto the Board of the Company and the Group. The Policy serves as a reference for the NC and the Board when evaluating potential candidates and Directors seeking re-election. The Directors' Recruitment and Fit and Proper Policy is periodically reviewed by the Board and is accessible for reference on the Company's website.

In selecting Directors, the NC also considers candidates' ability to devote sufficient time and attention to fulfil their responsibilities. Apart from attending all Board and Board Committees meetings, each Director is expected to be present at all shareholder meetings, major company events, and continuing training programmes. In the case of candidates for the position of Independent Non-Executive Directors, the NC also assesses their ability to fulfil the responsibilities and functions expected of them. Additionally, they must meet the independence criteria set out in the Listing Requirements of Bursa Securities.

Directors are required to disclose the nature and scope of their appointments on other Boards, as well as their direct or indirect interests in the Group and any potential conflict of interest with the Group. Directors are expected to notify the Chairman at least one (1) week before accepting any other external directorship, whether in listed or non-listed companies. This is to ensure that holding multiple directorships does not impair their ability to serve on the Board effectively and independently. Currently, no Director of the Company holds more than five (5) directorships in public listed companies.

The procedures for the nomination and appointment of new Directors are summarised below:

(1) The NC searches across a diverse pool of candidates including any recommendation from various parties.
(2) The NC evaluates potential candidates based on the established criteria approved by the Board.
(3) The NC holds discussions with the potential candidates.
(4) The NC recommends the potential candidates to the Board.
(5) The Board approves the appointment of the candidate as a new Director.
(6) After the appointment, the new Director must attend an induction programme.

The formal procedure for identifying and evaluating potential candidates for directorship is outlined in the Director's Recruitment and Fit and Proper Policy.

Newly appointed Directors must complete the Mandatory Accreditation Programmes ("MAP") as required by Bursa Securities, if they have not already done so. In addition, the new Director needs to undergo a Director Induction Programme to familiarise themselves with the Group's operations, its products and industry. The Company Secretaries ensure that all appointments are properly made and that the new Directors receive all necessary information required for the proper discharge of their duties. They also ensure that the Directors make the requisite declarations and undertakings under the Listing Requirements of Bursa Securities.

The Chairman and the Managing Director are jointly responsible for the identification and development of Key Senior Management personnel, as well as reviewing their succession plan from time to time. The process involves searching for suitable candidates internally within the Group or externally through avenues such as public advertisements, direct approaches or recruitment agencies. Candidates are assessed based on their skills, knowledge,

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(continued)

expertise, experience, compatibility with the Group's core values and their capability to meet the Group's Leadership and Management Expectations. Once a suitable candidate is identified, the recommendation is forwarded to the NC, who will review and subsequently recommend the candidate to the Board for final approval. Following the Board's approval, newly appointed Key Senior Management personnel will undergo induction training and any other relevant programmes in the manner stipulated in the Group's Human Resource Manual.

Evaluation of Board, Board Committees, and Individual Directors

The NC evaluates annually the effectiveness and performance of the Board, Board Committees and individual Directors to assess that the Board is functioning appropriately as a whole. The evaluation is done through internally facilitated assessments, whereby the results of the assessments are collated and submitted to the NC, who subsequently reviews, reports and makes recommendations to the Board.

(a) Self- and Peer-Performance Evaluation

In the evaluation of Directors, all Directors completed a detailed questionnaire covering topics relevant to their individual performance on the Board, such as contribution to interactions, quality of input, understanding of roles, personal disclosure and developments, as well as on the effectiveness of the Chairman of the Board. An evaluation of the Board and each Board Committee was also conducted, assessing elements such as structure, interaction, members' development, meeting procedures, roles and responsibilities and performance of the respective chairman.

The Directors' Performance Evaluation also included a self-assessment of their current knowledge, skills and experience. The skills matrix drawn up from this assessment is presented in the Diversity on Board and Key Senior Management section above, offering insights into potential skills or competency gaps within the Board. Additionally, the NC reviewed the Directors' fit and proper declarations for 2024 made by each Director and concluded that all of them are fit and proper to carry out their roles.

The NC also conducted an evaluation of the independence of all the Independent Non-Executive Directors. Each Independent Director had completed an independence assessment to verify their adherence to the required independence and other necessary criteria. Among the criteria considered in the assessment is the ability of each Independent Non-Executive Director to exercise objectivity in discharging his or her responsibilities in the best interest of the Company. The Board also assessed them in terms of their relationships and dealings with the Company or the Group, ensuring they could continue contributing independent and objective judgment in the Board's deliberations. Additionally, all of them provided an annual written confirmation of their independence pursuant to the Listing Requirements of Bursa Securities.

Based on the results of the assessment and disclosures made during the financial year, the NC concluded that all the Independent Directors have met the independence criteria outlined in the Listing Requirements of Bursa Securities. The NC was also satisfied with the level of independence demonstrated by each of them and concluded that they bring valuable expertise to the Board and consistently act in the best interest of the Company.

(b) Evaluation of the ARMC

The NC had reviewed and evaluated the effectiveness of the ARMC and each of its members through evaluation forms completed by each ARMC and NC member. The ARMC was assessed based on several aspects including composition, skills, competencies, as well as meeting administration and conduct. For ARMC members, the evaluation covered aspects such as quality of contribution, skills, competencies (including financial literacy), personal development and understanding of the Group's financial risks. In addition, the Chairman of the ARMC had completed a checklist to assess whether the ARMC and its members had carried out their duties in accordance with the ARMC's TOR. The NC was satisfied with the current composition of the ARMC and both the ARMC and its members had discharged their duties effectively and in accordance with the TOR.

(c) Re-election of Directors

The NC had assessed the Directors who are subject to retirement by rotation pursuant to Article 101 of the Constitution of the Company at the forthcoming 28th AGM, namely Ms Kam Foong Sim and Mr Ng Chee Kiet. Both Directors had expressed their consent to continue serving on the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(continued)

Following a satisfactory assessment by the NC based on their fit and proper criteria, performance during the financial year, experience, and ability to continue contributing, the Board had recommended their re-election as Directors for shareholders' approval at the upcoming AGM.

(d) Position of Senior Independent Non-Executive Director

Based on the recommendation of the NC, the Board retained Mr Oei Kok Eong as the Company's Senior Independent Non-Executive Director. Mr Oei serves as the focal point through whom shareholders' and stakeholders' concerns may be conveyed.

Directors are expected to participate in ongoing training programmes to enhance their skills and knowledge, staying abreast with the relevant industry developments, changes in the regulatory environment, and other pertinent areas. During the financial year, all Directors had participated in various training programmes. The particulars of the seminars and courses attended are as follows:

Name of Directors	Seminar / Training Course Title	Date
Kam Foong Keng	• The Art of Resilience: A Strategic Approach in Times of Uncertainty and Geopolitical Tension • MAP Part II: Leading for Impact (LIP) • MTC CEO Summit 2024 - Thriving Beyond Borders: Strategic Leadership Amid Trade Resistance	27 January 2024 29 - 30 May 2024 14 November 2024
Chin Jit Sin	• The Art of Resilience: A Strategic Approach in Times of Uncertainty and Geopolitical Tension • MAP Part II: Leading for Impact (LIP) • MTC CEO Summit 2024 - Thriving Beyond Borders: Strategic Leadership Amid Trade Resistance	27 January 2024 13 - 14 May 2024 14 November 2024
Kam Foong Sim	• Virtual Sustainability Reporting Forum - The Next Wave in Corporate Disclosure • The Art of Resilience: A Strategic Approach in Times of Uncertainty and Geopolitical Tension • MAP Part II: Leading for Impact (LIP)	23 January 2024 27 January 2024 29 - 30 May 2024
Ng Chee Kiet	• The SC's solutioning workshop for MSME financing access to capital market • E-invoice: Implementation and Latest Updates • Malaysia's New Cybersecurity Bill 2024 - Impacts to an IPO Applicant from the view of an Internal Control Consultant • Anti-Money Laundering Act (AMLA) & "Anti Bribery & Corruption (ABC)" Made Effective • LHDN E-Invoicing • ESG and Sustainability: Addressing Climate Change as Part of ESG Journey in Malaysia Capital Market • Baker Tilly 2025 Budget and Tax Webinar • Climate-related Litigations and Sustainability Reporting Best Practices and Tips	18 January 2024 19 February 2024 3 May 2024 16 May 2024 25 September 2024 2 October 2024 29 October 2024 6 November 2024
Chia Swee Yuen	• Social Media and the Responsibility of Digital Citizens by MCMC • Navigating the Cyber Security Act 2024	27 November 2024 9 December 2024
Oei Kok Eong	• MAP Part II: Leading for Impact (LIP) • Understanding the New National Sustainability Reporting Framework	4 - 5 March 2024 18 November 2024

CORPORATE GOVERNANCE OVERVIEW STATEMENT
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NOMINATION COMMITTEE

The Board has established the NC to provide advice and support to the Board in matters relating to the appointment of new Directors and Key Senior Management personnel, board composition, Directors' training programme, succession planning for the Board and Key Senior Management, as well as performance evaluation on the effectiveness of the Board, Board Committees, individual Directors, and Key Senior Management. Full details of the NC's duties and responsibilities are stated in its TOR which is accessible for reference on the Company's website.

The NC consists exclusively of three (3) Independent Non-Executive Directors and is chaired by the Senior Independent Non-Executive Director. The composition of the NC is in compliance with Paragraph 15.09 of the Listing Requirements of Bursa Securities. The Board Committee meets as and when required, at least once a year. The composition of the NC and the attendance of each member at the meeting held during the financial year are as follows:

Members	No. of Meetings Attended
Oei Kok Eong (Chairman)	1/1
Chia Swee Yuen	1/1
Ng Chee Kiet	1/1

During the financial year, the NC had carried out the following activities:

(a) Reviewed the evaluation results of the performance of the Board, Board Committees and individual Director, including the term of office and performance of the ARMC and each of its members;
(b) Assessed the independence of the Independent Directors;
(c) Assessed the performance of Ms Kam Foong Sim and Mr Ng Chee Kiet who are retiring by rotation at the upcoming AGM in accordance with Article 101 of the Constitution of the Company, and recommended them to the Board for re-election;
(d) Reviewed the position of the Senior Independent Director;
(e) Reviewed the size of the Board against the size of the Group and the complexity of the business, to assess the impact and effectiveness of the Board size;
(f) Reviewed the proposal for the appointment of the new Finance Director;
(g) Reviewed the performance evaluation of the Key Senior Management personnel;
(h) Review the succession planning for Directors and Key Senior Management personnel;
(i) Noted the training programmes attended by all Directors in 2024;
(j) Reviewed and updated its TOR; and
(k) Reviewed and updated the Succession Planning Policy.

The Managing Director was invited to attend the NC meeting to provide insights into the performance of the Group and Key Senior Management. The NC subsequently reported to the Board all the key issues discussed after the meeting.

III. Remuneration

Remuneration Committee

The RC was established to assist the Board in developing policies and procedures on the remuneration of the Directors and Key Senior Management personnel. Full details of the composition, rights, functions, and duties of the RC are stated in its TOR, which is accessible for reference on the Company's website.

The RC consists exclusively of three (3) Independent Non-Executive Directors. The composition of the RC and the attendance of each member at the meeting held during the financial year are as follows:

Members	No. of Meetings Attended
Chia Swee Yuen (Chairman)	1/1
Oei Kok Eong	1/1
Ng Chee Kiet	1/1

During the financial year, the RC had deliberated on the following matters:

(a) Reviewed and assessed the remuneration package of the Executive Directors and Key Senior Management personnel;
(b) Reviewed and assessed the Directors' fees and benefits payable;
(c) Reviewed and updated the RC's TOR; and
(d) Reviewed and updated the Remuneration Policy.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(continued)

The Managing Director was invited to attend the RC meeting to provide insights into the performance of the Group and Key Senior Management, and to make proposals on their remuneration. The RC subsequently reported to the Board all the key issues discussed after the meeting.

Remuneration Policy

The RC conducts an annual review and recommends to the Board regarding the remuneration packages for Directors and Key Senior Management. In making its recommendation, the RC considers the principles outlined in the Company's Remuneration Policy, which was established with the objective of guiding the Group in attracting, retaining and motivating highly qualified individuals to serve on the Board and in Key Senior Management roles. The Remuneration Policy is subject to annual review and is accessible for reference on the Company's website.

The remuneration framework for the Directors and Key Senior Management is designed to align rewards with individual and overall Group's performances, ensuring adequate compensation for the inherent risks and complexities of their roles. The RC also considers market competitiveness by obtaining data on similar roles at other comparable companies for comparison, whether in size or industry. The remuneration is aligned with market terms, taking into consideration the individual's experience, performance, responsibility as well as the Group's overall performance.

The RC also reviews the proposed bonuses for the Executive Directors and Key Senior Management personnel, taking into account the achievement of their key performance indicator targets, demonstration of the Group's core values and their ability to meet the Leadership and Management Expectations.

The Board as a whole is responsible for approving the remuneration packages of the Directors, except that Directors' fees and benefits payable to Directors are subject to the approval of shareholders at the AGM.

At the Company level, the affected Directors had abstained from discussions and decisions about their own remuneration packages.

Remuneration of Directors

The details of the remuneration of the Directors of the Board (not including Directors of the subsidiaries) for the financial year are as follows:

GROUP	Salaries and Other Emoluments (RM)	Bonus (RM)	Fees (RM)	Attendance Allowance (RM)	Benefits in Kind (RM)	Total (RM)
Executive Directors						
Kam Foong Keng	857,530	182,224	50,000	-	48,568	1,138,322
Chin Jit Sin	802,140	174,000	50,000	-	22,385	1,048,525
Kam Foong Sim	274,000	40,000	6,000	-	7,630	327,630
	1,933,670	**396,224**	**106,000**	**-**	**78,583**	**2,514,477**
Non-Executive Directors						
Ng Chee Kiet	-	-	72,000	18,000	-	90,000
Chia Swee Yuen	-	-	72,000	11,000	-	83,000
Oei Kok Eong	-	-	72,000	11,000	-	83,000
Grand Total	**1,933,670**	**396,224**	**322,000**	**40,000**	**78,583**	**2,770,477**

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(continued)

COMPANY	Salaries and Other Emoluments (RM)	Bonus (RM)	Fees (RM)	Attendance Allowance (RM)	Benefits in Kind (RM)	Total (RM)
Executive Directors						
Kam Foong Keng	829,800	180,000	-	-	-	1,009,800
Chin Jit Sin	802,140	174,000	-	-	-	976,140
Kam Foong Sim	274,000	40,000	-	-	-	314,000
	1,905,940	**394,000**	**-**	**-**	**-**	**2,299,940**
Non-Executive Directors						
Ng Chee Kiet	-	-	72,000	18,000	-	90,000
Chia Swee Yuen	-	-	72,000	11,000	-	83,000
Oei Kok Eong	-	-	72,000	11,000	-	83,000
Grand Total	**1,905,940**	**394,000**	**216,000**	**40,000**	**-**	**2,555,940**

Pursuant to their respective service contracts with the Company, the remuneration packages of the Executive Directors include a compensation payment of up to six (6) months of the Director's last drawn salary in the event of loss of office.

Remuneration of Key Senior Management

The total remuneration for Key Senior Management personnel for the financial year was RM1,599,550 (2023: RM1,750,531), which includes benefits-in-kind amounting to RM58,750 (2023: RM13,371). The remuneration paid to Key Senior Management personnel is based on individual performance, responsibilities, the Group's overall performance and prevailing market rates. The Board, through the RC, conducts an annual review of the remuneration package for Key Senior Management and is satisfied that the current rate is appropriate to attract, motivate, and retain these individuals. In its evaluation, the RC is guided by the principles set out in the Remuneration Policy and considers remuneration practices, trends and conditions of service in comparable organisations or industries.

The disclosure of the remuneration of Key Senior Management on a named basis and in bands of RM50,000 is not provided at this juncture. The Board believes that detailed disclosures of individual Key Senior Management's remuneration could present challenges in retaining talents within the Group. The Company will reassess the appropriateness of such disclosures in the future.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit and Risk Management Committee

The ARMC consists solely of Independent Directors. The composition of the ARMC and the attendance of each member at the ARMC meetings held during the financial year are as follows:

Composition of Committee	No. of Meetings Attended
Ng Chee Kiet (Chairman)	4/4
Chia Swee Yuen	4/4
Oei Kok Eong	4/4

The ARMC consists of members who are financially literate, competent, and possess relevant qualifications, experience and business acumen necessary to effectively oversee matters falling within their purview. To prevent a concentration of power and to uphold objectivity in the Board's deliberation of the ARMC's findings and recommendations, the Chairman of the ARMC is not the Chairman of the Board. This deliberate separation ensures a balanced and independent review process within the governance structure.

A summary of activities carried out by the ARMC during the reporting period is set out in the Audit and Risk Management Committee Report of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(continued)

In general, the ARMC's responsibilities encompass financial reporting, internal and external audits, risk management, internal control, compliance, sustainability and corporate governance. The details of the ARMC's duties and responsibilities are set out in its TOR, which is accessible for reference on the Company's website.

The ARMC maintains continuous engagement with the Management, Internal Auditors and External Auditors to address key issues and ensure timely resolution of matters within its purview.

Oversight of External Auditors

The Board, through the ARMC, maintains a formal and transparent relationship with the Group's External Auditors, BDO PLT. The ARMC is responsible for reviewing and recommending to the Board the appointment, re-appointment, or removal of the External Auditors, as well as determining the terms of their appointment and the appropriate audit fees.

BDO works in coordination with the component auditors to carry out the audit for the Group' subsidiaries in China and Indonesia. The component auditors are responsible for auditing the financial statements of these entities, in accordance with the relevant local regulations and accounting standards. BDO oversees the overall audit process and ensures that the audit approach is consistent across the Group. This collaborative effort allows BDO to gather the necessary information from the component auditors, assess the audit results, and form an opinion on the consolidated financial statements of the entire Group.

The ARMC conducts an annual assessment of the performance and effectiveness of the External Auditors through a Performance and Independence Checklist. This checklist encompasses various assessment criteria such as independence and objectivity, the effectiveness of the audit process, the quality of service, audit fees, and the provision of non-audit services. Additionally, the ARMC considers information presented in their Annual Transparency Report.

To ensure the independence and objectivity of the External Auditors, the ARMC's TOR sets out the nature of permissible non-audit services that can be provided by the External Auditors or their affiliates. The ARMC's TOR also contains a clause requiring a minimum cooling-off period of three (3) years before a former key audit partner can be appointed to the ARMC. None of the current ARMC members are former key audit partners of the Group.

Upon completion of the audit, BDO reports any financial reporting issues to the ARMC and provide reasonable assurance of the true and fair view of the Group's financial statements. They also verify that adequate accounting records are maintained and that appropriate accounting policies are adopted.

To foster open communication and address pertinent matters, the ARMC holds private meetings with BDO, without the presence of the Management and Executive Directors. These sessions allow for in-depth discussions on any issues requiring the attention of the ARMC.

During the financial year, the Group had engaged BDO for a non-statutory audit service, namely a review of the Statement on Risk Management and Internal Control. The Group had also engaged BDO's associate company for tax compliance services. The ARMC believes that these non-audit services did not compromise BDO's independence, as the fees paid were not significant and appropriate safeguards were implemented to address any potential threats to their independence arising from the provision of such services. As an additional measure, the ARMC obtains written assurance from the BDO confirming their professional independence.

The total audit and non-audit fees incurred for the services rendered by the External Auditors and their associate company to the Company and the Group are as follows:

	Group		Company	
	FY2024 RM	**FY2023 RM**	**FY2022 RM**	**FY2021 RM**
Statutory and non-statutory audit fees	220,772	200,171	40,000	36,000
Non-audit fees	47,787	45,346	7,450	7,000
Total	**268,559**	**245,517**	**47,450**	**43,000**

Upon the recommendation of the ARMC, the Board is satisfied with the independence and competence of BDO throughout their audit engagement. Consequently, the Board recommends their re-appointment for shareholders' approval at the forthcoming 28th AGM.

A summary of activities of the ARMC in relation to the External Auditors is set out in the Audit Committee Report of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(continued)

II. Risk Management and Internal Control Framework

The Board acknowledges its responsibility to maintain good governance and effective risk management and internal control framework to safeguard shareholders' interests and the Group's assets. The Board works with the ARMC, the Management and Internal Auditors to ensure the adequacy and effectiveness of the Group's risk management and internal control practices in achieve business objectives. At the same time, the Board is responsible for ensuring that the Group complies with applicable legal and regulatory requirements.

The ARMC provides independent oversight of the Group's risk management and internal control systems, ensuring the integrity of the Group's financial reporting and its overall governance framework. To facilitate effective monitoring, the Board receives quarterly updates from the Management regarding risks related to its business activities that have impacted or are likely to impact the Group's ability to achieve its objectives and strategies.

A detailed overview of the Group's risk management and internal control framework are presented in the Statement on Risk Management and Internal Control of this Annual Report.

Internal Audit Function

The Board has established an independent internal audit function that reports directly to the ARMC. The internal audit function of the Group is performed by Wensen Consulting Asia (M) Sdn. Bhd. ("Wensen" or "Internal Auditors"), an independent outsourced service provider.

The engagement team of the Internal Auditors is headed by two (2) key qualified engagement Directors and supported by a team of four (4) personnel for each audit assignment. None of the engagement members have any relationship or conflict of interest with the Group that could impair their objectivity and independence.

Their audits were conducted in accordance with the International Professional Practices Framework (IPPF) issued by the Institute of Internal Auditors (IIA) and other internationally recognised framework for internal control and risk management. Wensen's audit methodology encompasses the Internal Control and ERM Frameworks of The Committee of Sponsoring Organisations of the Treadway Commission (COSO). This strategic and risk-based methodology forms the basis for evaluating the effectiveness of internal controls and risk management practices of the Group.

The ARMC assessed the Internal Auditors' performance, considering factors such as overall effectiveness of the audit, independence and audit fees. Based on the assessment carried out during the financial year, the ARMC concluded that the internal audit function was effective, with the Internal Auditors consistently demonstrating competence and independence throughout their engagements.

The Internal Auditors provide an independent and objective evaluation of the Group's risk management, internal control and governance processes, based on an agreed-upon scope of work. They also performed follow-up reviews on issues raised in the preceding internal audit to ensure the implementation of proposed action plans by the Management, aiming to mitigate the Group's exposure to risk.

Further details on the scope of work and activities of the Internal Auditors are outlined in the Audit and Risk Management Committee Report of this Annual Report.

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

I. Engagement with Stakeholders

The Company is committed to providing timely, accurate and complete information about both the Company and the Group to its shareholders, stakeholders and the general public. Timely information is critical for establishing and maintaining the Company's corporate credibility, market integrity and investor confidence.

The Company strives to enhancing shareholders' understanding and facilitating informed investment decisions through various investor relations activities. Apart from general meetings, the Company communicates with its shareholders through the following channels:

(a) The Annual Report, which contains information such as the Management Discussion and Analysis, financial statements, information on the ARMC, corporate governance, sustainability, and risk management and internal control;

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(continued)

(b) Various announcements to Bursa Securities, including timely release of quarterly financial results, which are also posted on the Company's website and released to major newspapers and media outlets;
(c) Meetings with financial analysts and fund managers representing individual and institutional shareholders;
(d) Attending to shareholders' and investors' inquiries via email and telephone; and
(e) The Company's website at www.newhoongfatt.com.my under the Investor Relations section, where shareholders can access the Board Charter, annual reports, quarterly announcements, press releases, slide presentations during analyst briefings, analyst coverages and other corporate information. The website also provides contact details for shareholders to direct questions or concerns and shareholders may convey their concerns to the Senior Independent Non-Executive Director.

An overview of the engagement activities with other key stakeholders of the Group is presented in the Sustainability Statement of this Annual Report.

II. Conduct of General Meetings

Notice of General Meeting

General meetings, including AGMs or Extraordinary General Meetings, are important platforms for shareholders to exercise their rights in the Company.

Shareholders are invited to these meetings via a notice of meeting that specifies the agenda items. To facilitate an informed decision-making, the notice is accompanied by explanatory notes on the business items, providing additional details or the Board's recommendations.

The notice of AGM is circulated to shareholders at least 28 days before the meeting. This timeframe is established to maximise shareholders' attendance and allow sufficient time for them to consider the agendas. Concurrently, the notice is also released to Bursa Securities, posted on the Company's website, and advertised in a nationally circulated English daily newspaper.

Attendance of Directors at General Meetings

The AGM is the main platform for shareholders to engage directly with the Board and gain insights into the Company's business and financial position. In order to address all shareholder queries, the Board ensures that all its members and the Chairmen of the Board's Committees, attend the meeting. They are informed of the proposed date for the AGM well in advance, allowing them to plan their schedule. Additionally, the Engaging Partner of the External Auditors and the Key Senior Management personnel are also expected to be present at the AGM.

The Chairman plays a crucial role during the AGM in fostering constructive dialogue between the Board and the shareholders. Specifically, the Chairman ensures that shareholders are given ample opportunity to comment, pose questions, and discuss matters pertaining to the meeting agenda, the Annual Report, and the Group's strategy or developments.

Voting

The Company may hold its general meetings either physically at a convenient location in the city that is easily accessible by shareholders or in a hybrid format. In the event that shareholders are unable to attend, they are encouraged to appoint one (1) or up to two (2) proxies to represent them and vote on their behalf. Shareholders can exercise their voting rights in the meeting by completing and returning the proxy form to the Company, providing options for voting regardless of their ability to attend the meeting.

The Company conducts poll voting for each resolution tabled, where each shareholder is entitled to one (1) vote per share. To ensure the accuracy of the counting of votes, an independent scrutineer is appointed to validate the votes cast at the meeting.

The results of the meeting, including the total votes for or against each resolution, are announced to shareholders after the voting process. These results will be also announced to Bursa Securities on the same day and made available on the Company's website. The Company would later post the minutes of the meeting on its website detailing the meeting proceedings, shareholder questions, the Board's responses and the voting results. This disclosure ensures that shareholders and the public are well-informed of the meeting outcomes.

This Corporate Governance Overview Statement is made in accordance with the resolution of the Board dated 27 February 2025.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The primary role of the Audit and Risk Management Committee ("ARMC") is to assist and advise the Board in fulfilling its oversight responsibilities on matters relating to the Group's financial reporting, internal and external audit functions, risk management, internal control, compliance, sustainability and corporate governance.

DUTIES, RESPONSIBILITIES AND RIGHTS

The ARMC is governed by its Terms of Reference ("TOR"), which is accessible on the Company's website at www.newhoongfatt.com.my.

The ARMC's TOR guides the ARMC in the fulfilment of its roles and responsibilities as well as regulates the conduct of the ARMC and its members. The TOR sets out the composition, functions and duties, rights and meeting procedures of the ARMC. The ARMC reviews its TOR annually, taking into account relevant changes to the regulatory requirements that may affect the ARMC's responsibilities and recommended best practices and thereafter recommends updates and changes to the Board for endorsement.

COMPOSITION AND MEETINGS

The ARMC consists of three (3) members, all of whom are independent non-executive directors. All members of the ARMC are financially literate, competent and possess relevant experience and extensive business acumen, which is vital to support the ARMC in the effective discharge of its functions and duties. The Chairman of the ARMC, Mr Ng Chee Kiet, is a member of the Malaysian Institute of Accountants ("MIA") and he possesses relevant financial experience and expertise to effectively fulfill the role of ARMC Chairman. The composition of the ARMC complies with Paragraphs 15.09 and 15.10 of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities").

Further information on the ARMC members is set out in the Directors' Profile of this Annual Report.

The ARMC met four (4) times during the financial year and believes that the frequency of its meetings is appropriate for monitoring key issues. The composition of the ARMC and the attendance of each member at the meetings are as follows:

Members	No. of Meetings Attended
Ng Chee Kiet Chairman, Independent Non-Executive Director	4/4
Chia Swee Yuen Independent Non-Executive Director	4/4
Oei Kok Eong Senior Independent Non-Executive Director	4/4

The Managing Director, Key Senior Management and the Head of Finance are invited to attend the ARMC meetings, where they present the quarterly financial performance and operational updates, as well as provide clarifications on relevant agenda items. External and internal auditors' representatives also attend certain ARMC meetings to present their audit findings and address any concerns. Following each meeting, the Chairman of the ARMC reports all key issues discussed to the Board.

REVIEW OF THE EFFECTIVENESS OF THE ARMC

The Board, through the Nomination Committee ("NC"), undertakes an annual evaluation of the effectiveness of the ARMC. During the financial year, the NC reviewed and assessed the term of office and performance of the ARMC as a whole and each of its members through formal self- and peer-evaluation questionnaires completed by each ARMC and NC member. The evaluation assessed individual members' skills, competencies, financial literacy, independence, attendance and participation in meetings, as well as the ARMC's composition, functions, duties, oversight of internal and external audits and the meeting administration and conduct. The Chairman of the ARMC also assessed whether the ARMC had performed its duties in accordance with its TOR for the NC's review. Based on the results of these assessments, the NC concluded that the ARMC and its members had discharged their functions effectively and performed their duties in accordance with its TOR.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT
(continued)

In addition, all ARMC members had attended relevant training programmes during the financial year to keep themselves abreast of the latest developments in law, regulations, and business practices, as well as current and emerging issues that may enhance the fulfilment of their roles and responsibilities. The list of training programmes attended by the ARMC members is disclosed in the Corporate Governance Overview Statement of this Annual Report.

SUMMARY OF ACTIVITIES

During the financial year, the ARMC had carried out the following activities:

(1) Financial Reporting

(a) Reviewed the quarterly financial results of the Group against the preceding quarter as well as preceding financial year;

(b) Reviewed the quarterly financial results of the Group against the budget; and

(c) Reviewed the audited financial statements of the Company and of the Group with the External Auditors.

In reviewing the financial reports, the ARMC assessed the reports and discussed with the Management to ensure the use of proper accounting policies and judgments to reflect a true and fair report. The ARMC was satisfied that appropriate accounting policies and financial reporting standards had been applied consistently throughout the financial reports and made recommendations to the Board for approval of the same.

(2) External Audit

(a) Reviewed the external audit plan, scope, and nature of the statutory audit of the Group's financial statements prior to the commencement of audit;

(b) Reviewed the external audit reports together with the auditors' opinion in relation to the financial statements of the Company and the Group;

(c) Reviewed the External Auditors' recommendations, including those for improving internal controls and the Management's responses thereto;

(d) Reviewed and discussed the key audit matters identified by the External Auditors and determined the materiality of the matters raised. The key audit matter highlighted by the External Auditors was the recoverability of trade receivables, which is presented in the Independent Auditors' Report of this Annual Report;

(e) Reviewed the non-audit services provided by the External Auditors' associate company in order to safeguard their audit objectivity and independence. The non-audit service rendered by them was the provision of tax compliance services.

The ARMC concluded that the independence of the External Auditors has not been impaired by the provision of the non-audit service, as the fees paid were not significant and the service was performed by personnel who were not involved in the statutory audit;

(f) Reviewed the audit and non-audit fees and recommended to the Board for approval. The total fees incurred for both audit and non-audit services are set out in the Corporate Governance Overview Statement of this Annual Report;

(g) Briefed by the External Auditors on updates regarding the revised International Standard on Auditing 600 for group financial statements, the use of the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards and related assurance requirements, and the Companies (Amendment) Act 2024;

(h) Met once with the External Auditors without the presence of the Management, except for the Company Secretaries, to discuss any issue arising from the external audit. No significant issues were highlighted to the ARMC and the External Auditors expressed their satisfaction with the working relationship they had with the Management;

(i) Obtained written assurance from the External Auditors confirming their professional independence in relation to the audit engagement of the Company and of the Group; and

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT
(continued)

(j) Made a recommendation to the Board on the re-appointment of the External Auditors after completing their annual assessment through a performance and independence checklist. The assessment considered factors such as the auditors' independence, performance, competence and the experience of the audit team assigned. The ARMC was satisfied with the External Auditors' independence, competence and performance during their tenure in office and recommended their re-appointment for the ensuing financial year, subject to the approval of the Company's shareholders at the next annual general meeting. The External Auditors had confirmed their willingness to continue in office.

(3) Internal Audit

(a) Reviewed the internal audit plan and processes to ensure that the scope of work covers key risk areas;

(b) Reviewed the internal audit reports and the adequacy of the internal controls of the Group, together with the audit issues and recommendations arising from the audit and the Management's responses thereto;

(c) Reviewed the follow-up reports on the status of implementation of action plans by the Management in addressing the areas for improvement as reported from the previous audit reviews; and

(d) Assessed the effectiveness of the internal audit function and Internal Auditors' performance through a formal evaluation form, which covered their independence, competency, performance, sufficiency of resources, adequacy of audit practices and audit fees. The ARMC concluded that the internal audit function for the financial year was effective and that the Internal Auditors remained independent and competent during their tenure in office. Additionally, the ARMC was satisfied that the Head of the Internal Auditors possesses the relevant qualifications and that the internal audit was conducted in accordance with a recognised framework.

(4) Risk Management

(a) Reviewed the Enterprise Risk Management ("ERM") reports of the Group quarterly to assess the effectiveness of its risk management strategies and ensure that key risks were appropriately identified, monitored, mitigated, and reported to the Board. The ARMC also monitored the performance of relevant Key Risk Indicators and Risk Indicators and recommended improvements to enhance risk management processes and implementation of more robust risk mitigation actions to reduce the potential impact on the Group's operations;

(b) Reviewed and updated the Anti-Bribery and Corruption ("ABC") Policies and Procedures;

(c) Reviewed the ABC risk assessment report of the Group, which includes the identification of corruption risks and the appropriate mitigation controls. The ARMC was satisfied that the Group's ABC risk management activities were appropriate and that appropriate mitigating actions were in place to reduce the exposure to corruption risks;

(d) Reviewed the economic, environmental, social and governance risks and opportunities affecting the Group and reported to the Board on a quarterly basis. The ARMC also monitored the implementation of sustainability activities, reviewed sustainability performance on a quarterly basis and discussed improvements to the Group's sustainability framework and strategies, focusing on material issues;

(e) Reviewed the Whistleblowing Policy and Procedures and recommended changes to the Board for approval; and

(f) Reviewed the assessment report from the Management relating to the risk management and internal control system of the Group. The ARMC was satisfied that the Group's risk management and internal control systems for the financial year were operating adequately and effectively.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT
(continued)

(5) Corporate Governance and Others

(a) Reviewed and updated the Related Party Transactions ("RPTs") Policy and Procedures and recommended to the Board for approval;

(b) Reviewed the Recurrent RPTs ("RRPTs") on a quarterly basis and conducted an annual assessment of the nature of relationships, transactions, terms and pricing, and reported to the Board. The ARMC concluded that the recurrent RPTs were transacted based on normal commercial terms and on an arm's length basis. The details of the related parties are set out in the Notes to the Financial Statements of this Annual Report. No new RPTs or RRPTs were noted for the financial year under review;

(c) Reviewed potential conflict of interest ("COI") situations that may arise within the Group based on quarterly declarations made by each Director and reported to the Board. During the financial year, a COI Policy was established to identify, evaluate, approve, report, and monitor COI situations and transactions. No new COI or potential COI situations were identified during the financial year under review;

(d) Reviewed the ARMC Report, Statement on Risk Management and Internal Control and Sustainability Statement for inclusion in this Annual Report and ensured that these reports were prepared in accordance with the applicable requirements;

(e) Reviewed the solvency tests of the Company and the Group before each interim dividend payout;

(f) Completed self-assessment evaluation to identify the ARMC members' skills or knowledge gaps for consideration of the NC;

(g) Completed self-assessment on its performance against ARMC's TOR for consideration of the NC; and

(h) Reviewed and updated the ARMC's TOR and recommended to the Board for approval.

INTERNAL AUDIT FUNCTION

The Group's internal audit function is performed by Wensen Consulting Asia (M) Sdn. Bhd. ("Wensen" or "Internal Auditors"), an independent outsourced service provider. Wensen is not involved in the activities it audits and does not conduct the statutory audit for the Group.

The engagement team of Wensen is headed by two (2) key qualified engagement Directors. Mr Edward Yap, the Partner and Executive Director of Wensen, is a Practicing Member of the Institute of Singapore Chartered Accountants (ISCA), a member of MIA, a Fellow Member of the Association of Chartered Certified Accountants (ACCA) of the United Kingdom and a Chartered Member of the Institute of Internal Auditors Malaysia (IIAM). He is supported by Mr Shawn Lee, the Engagement Director, who has over 12 years of experience in conducting and leading internal audit reviews for both public and private companies or organisations. The engagement team is supported by a team of four (4) personnel for each audit assignment. None of the engagement members have any relationship or COI with the Group, which could impair their objectivity and independence.

The Internal Auditors perform internal audit review in accordance with the International Professional Practices Framework (IPPF) issued by the Institute of Internal Auditors (IIA) and other internationally recognised framework for internal controls and risk management. Wensen's audit methodology encompasses the Internal Control and ERM Frameworks of The Committee of Sponsoring Organisations of the Treadway Commission ("COSO"). The frameworks established by COSO form the basis of the Internal Auditors' strategic and risk-based methodology and approach for evaluating the effectiveness of internal controls and risk management practices of the Group.

The Internal Auditors report directly to the ARMC and provide the ARMC with an independent and objective assurance that the internal controls and systems implemented by the Group are adequate, relevant, and operational in managing key financial, operational, and compliance risks. Their review approach and procedures are also designed to identify opportunities to enhance the effectiveness of the Group's control environment. To perform their duties effectively, the Internal Auditors have direct and unrestricted access to the Group's information, records, physical properties, and personnel, as necessary for their internal audit work and processes.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT
(continued)

The internal audit reviews cover various high-risk business processes of the Group within the internal audit scope of work. The Internal Auditors perform audit reviews on areas outlined in the audit plan, which is approved by the Board upon the recommendation of the ARMC.

In 2024, the Internal Auditors conducted two (2) internal audit reviews to assess the adequacy and effectiveness of key processes and controls in the Plastic Manufacturing Division, Trading Division in Kota Kinabalu ("KK") branch and the Human Resources function, as well as the review of ABC compliance. The scope of reviews covered the following key business processes:

- Procurement management of raw materials and plastic moulds
- Inventory storage and warehouse of raw materials, and moulds and dies
- Production management of bumper, lamp, and grille sections
- Quality assurance and control
- Machinery maintenance
- Sales and collection management
- Purchasing and payment management
- Inventory and warehouse management
- Human Resources management
- ABC compliance

The Internal Auditors concluded that the overall control assessment for all the key business processes was classified as either 'Effective' or 'Moderate'.

For those rated as 'Moderate', several areas for improvement were identified, among others, issues in relation to the disposal of expired chemicals, storage practices, inventory management, and outdated Human Resource manual. In terms of ABC compliance, there were concerns regarding the filing system, communication of the ABC Policy to all customers and insufficient documentation of risk mitigation controls. Recommendations for improvement in these areas were made to the Management, and appropriate measures have been taken to address these weaknesses.

The Internal Auditors also reviewed the implementation status of the follow-up actions undertaken on previous audit findings, ensuring that the Management had implemented corrective actions within the appropriate timeframe. Following the review, all the management action plans were implemented accordingly.

During each audit presentation, the ARMC met with the Internal Auditors without the presence of the Management. No major concerns were raised by the Internal Auditors at these meetings and they confirmed that the Management had provided sufficient resources and full cooperation throughout the audit process.

The total cost incurred for the internal audit function of the Group for the financial year amounted to RM57,300 (2023: RM62,150).

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

BOARD RESPONSIBILITIES

The Board of Directors ("Board") acknowledges its primary duty to maintain a robust and effective framework for risk management and internal control to safeguard shareholders' investments and the Group's assets, as well as to review the adequacy and effectiveness of these systems to support the Group in achieving its business objectives and goals.

The Audit and Risk Management Committee ("ARMC") assists the Board in carrying out its oversight duties, which include reviewing internal control systems in general and assessing the adequacy and effectiveness of the Group's governance, risk management and internal control practices.

The Management supports the Board and the ARMC in implementing processes for identifying, evaluating, monitoring, and reporting strategic, financial and operational risks. This includes ensuring that appropriate corrective actions are taken and providing reasonable assurance to the Board that risk management and internal control practices are effectively implemented and adhered to across the Group.

Given the inherent limitations of any internal control system, the Board acknowledges that these systems are designed to manage the Group's key risks within an acceptable risk appetite rather than eliminate the risks of failure to achieve the Group's business objectives. Thus, the processes can only provide reasonable but not absolute assurance against material misstatement, fraud, or loss.

RISK MANAGEMENT

The Group adopted the Enterprise Risk Management ("ERM") framework to systematically identify, assess, mitigate and monitor existing and potential risks that are critical to its strategic targets and business plans. The framework is guided by ISO 31000 and encompasses all key business areas, such as strategic, financial and operational, as well as compliance with applicable laws, regulations, rules and guidelines.

The ARMC is responsible for overseeing the Group's risk management framework and policies. Composed exclusively of Independent Directors, the ARMC reviews the Group's ERM reports on a quarterly basis. Following these reviews, the committee reports its findings and assessments to the Board, which holds the ultimate oversight and provides strategic direction for the Group's risk management initiatives.

The Group's risk management reporting process is summarised below:

Every quarter, all risk owners, consisting of heads of departments, assess the effectiveness of controls and monitor all existing and emerging risks associated with their unit or department. They are assisted by process owners, who are responsible for identifying and assessing risks, developing and implementing control, and putting in place action plans to eliminate or reduce the negative impact of risks relating to their areas of responsibility through a combination of preventive, detective and corrective measures. The risk owners then submit their reports to the Management, including any new risks identified, for review with the Managing Director at the conclusion of each quarter.

All key risk issues are highlighted to the ARMC, which reviews the risk-mitigating actions deployed by the Management to mitigate these risks. The ARMC assesses the adequacy of existing controls and monitors their implementation to bring these risks down to acceptable levels. Additionally, the ARMC plays a role in identifying key risk areas that may have arisen due to changes in the business environment, industry trends, regulatory developments or other factors impacting the Group. The Group's overall approach to risk assessments is integrated into its quality management system. Risk assessments are conducted in accordance with the ISO 9001:2015 standard, ensuring that risk considerations are embedded throughout all key processes. This integration not only allows the Group to monitor the effectiveness of risk mitigation actions but also enhances the possibility of achieving the Group's quality objectives, thereby ensuring more consistent product output that meets customer requirements.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (continued)

The Group assesses all identified risks based on their potential impact on operations and business objectives, along with their likelihood of occurrence. These risks are categorised as high, medium or low. To facilitate clear and concise reporting of the risks to the ARMC and the Board, the Management utilises a risk matrix, enabling a quick understanding of which risks require immediate attention. The Management prioritises controllable risks with a high impact rating that could negatively impact the Group's business growth, governance or people, irrespective of their likelihood of occurrence. Comprehensive documentation and tracking are maintained for all the Group's risks and their associated controls. Additionally, significant new risks and changes in existing risks are updated and incorporated into the quarterly ERM reports.

The Management uses Key Risk Indicators ("KRIs") and Risk Indicators ("RIs") to systematically monitor risk associated with key business operations. A summary dashboard containing KRIs and RIs is updated quarterly, comparing actual data against the set targets for the year. Indicators such as customer complaints, raw material prices, frequency of information system failures and staff attrition rate are among the indicators currently being monitored. This monitoring serves to detect potential increases in risk exposures at an early stage, helps mitigate potential risks and evaluates the effectiveness of existing controls. The triggers of KRIs or RIs serve as signals that the likelihood of a risk event has increased or that there may be weaknesses in the existing controls. In response, the Management revisits and reassesses the mitigating strategies.

The ERM framework is consistently applied throughout the Group, encompassing both overseas operations in China and Indonesia.

During the financial year, the Management identified geopolitical risks, acknowledging their potential adverse impacts on the Group's business and operations. These risks stem from global economic factors, inflation, supply chain disruptions and ongoing geopolitical conflicts, all of which are expected to persist in the coming years. The consequences of these risks include potential increases in operational costs, delays in production or delivery, disruptions in supply chains and volatility in foreign exchange rates, which may affect the Group's profitability and market position. To mitigate these risks, the Group has implemented several control measures, including enhanced supply chain monitoring, diversification of suppliers and markets, and the development of contingency plans for key operations. Additionally, the Group closely monitors geopolitical developments, adjusting strategies and operational plans as necessary to minimise the impact on its business continuity and financial performance.

Furthermore, the Group also re-evaluated the foreign exchange risks to its business performance due to the prevailing market volatility, fluctuations in currency exchange rates and the impact of global economic uncertainties. This reassessment aims to better understand the potential effects on revenue, costs and profitability. The Group also assessed climate-related risks and opportunities, evaluating the impact of sustainability factors on its long-term strategy and business operations, while also exploring opportunities for growth by adopting sustainable practices.

For the Group's overseas operations, the Management recognised the increased market competition during the financial year. In response, the Management highlighted the need to stay aligned with evolving market trends and customer demands, as well as the shift toward new market channels to access a broader customer base and uncover additional sales opportunities.

The other key risks currently facing the Group and the mitigating actions are outlined in the Management Discussion and Analysis of this Annual Report.

INTERNAL CONTROL SYSTEM

The key internal control activities of the Group are as follows:

1. **Standard Operating Procedures**

   The fundamental operational guidelines for the Group's main work processes are documented in the Standard Operating Procedures ("SOPs"). These SOPs outline processes, workflows, and standardised approaches for various business activities. The SOPs play a crucial role in ensuring the Group's compliance with applicable laws, regulations and standards. In addition to guiding employees in performing their specific tasks, these SOPs serve as a quality control mechanism. They ensure consistency in work processes, aligning them with the Group's internal policies and predetermined standards. The overarching aim is to minimise the need for corrective actions and reduce unnecessary costs.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (continued)

The Internal Auditors are engaged to assess the Group's adherence to the SOPs through internal audits. During this process, the Internal Auditors identify any deficiencies in the design and implementation of the SOPs and provide recommendations to improve the efficiency and effectiveness of the Group's work processes. These SOPs are regularly updated to reflect changes in the organisational structure, processes or equipment and to ensure that the procedures remain relevant and accurate. They are stored in a database and communicated to the relevant individuals within the organisation to foster a shared understanding of the established procedures. The maintenance of the SOPs is entrusted to the Quality Assurance Department.

2. Financial Reporting

The Finance Department holds the responsibility of establishing and maintaining robust internal control measures for the financial reporting processes in order to provide reasonable assurance of the reliability of the Group's financial reporting. In addition to adhering to SOPs related to accounting practices and reporting, the Limits of Authority ("LOA") manual is used consistently throughout the Group.

The LOA clearly outlines the Management's limits and authorities for various key processes and decision-making. Stringent adherence to these guidelines ensures that all transactions are properly authorised, recorded, and executed in accordance with the stipulated procedures. The Finance Department also maintains other rigorous internal policies and procedures, encompassing practices like segregation of duties, access controls, standardised documentation and periodic reconciliations. These policies and procedures collectively safeguard the accuracy, authenticity, security and reliability of the Group's financial information.

As part of its oversight role, the ARMC is responsible for ensuring the integrity of financial reporting and the internal controls system in finance and accounting. The ARMC conducts thorough reviews of both quarterly and annual financial reports of the Company and the Group. Following these reviews, the ARMC recommends them to the Board for approval prior to their filing with the relevant regulatory bodies and subsequent publication.

The Group has a comprehensive planning and budgeting process wherein both the annual budget and any revised budget are subject to the Board's approval. These approved budgets serve as instrumental tools for the Management in controlling income and expenditure, as well as strategically planning the utilisation of available funds and resources to achieve the Group's business objectives. In its oversight capacity, the ARMC reviews the business plans, the annual budget and actual performance against the budget and subsequently reports to the Board.

3. Information and Communication Systems

The Group leverages on information and communication technology ("ICT") to enhance the effectiveness and efficiency of its business operations. Comprehensive data and records from various sources are systematically stored to generate timely, relevant, accurate, and reliable information. This wealth of information supports decision-making across various aspects of the organisation.

The Group employs comprehensive computerised systems to perform various operational functions, encompassing enterprise resource planning, accounting and financial reporting, personnel management and payroll processing. These systems enable the integration of diverse business functions across the Group and foster information sharing.

Continual efforts are implemented to manage the inherent threats and risks associated with the ICT systems. These risks may stem from human errors, sabotage, natural disastersand cyber-attacks. Appropriate security measures are in place to prevent unauthorised access to computer programmes and databases, ensuring the authenticity of information. Employees are regularly reminded to practice good security habits, including the use of strong passwords, safe internet usage and proper handling of sensitive and confidential data, in order to reduce the risk associated with cyberattacks or cybercrimes. Furthermore, the Group has established recovery plans to be implemented in the event of an information system or critical ICT infrastructure failure. These plans are designed to minimise downtime and facilitate swift and effective responses to any disruptions in ICT services. Penetration tests on the Group's network and computer systems are conducted periodically to identify and address vulnerabilities across its external, internal, and E-platform environments, thereby bolstering its overall cybersecurity readiness and resilience.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (continued)

4. **Strategic Business Planning**

   The Group's strategic business plan provides a clear understanding of future goals and strategic objectives. This strategic plan serves as a roadmap for resource allocation, identification of areas for growth and anticipation of potential challenges in achieving long-term business objectives. The Management monitors the Group's progress against set targets through key performance indicators on a quarterly basis. The plan is continuously evaluated, typically during the budgeting process, to ensure alignment with prevailing market and economic conditions, as well as the Group's evolving needs and capabilities. Risks associated with the strategic planning process are managed and discussed during quarterly business review meetings among various department heads. The business plan is communicated and disseminated to departmental heads across all levels within the Group, fostering collective effort to work cohesively toward the achievement of the established objectives.

Other Internal Control Activities

- **Business Continuity Plan ("BCP")**
  The Group's BCP outlines the strategies and actions to be taken in the event of major disruptions, including but not limited to incidents such as fires, floods, technological failures and health crises. This plan describes the roles and responsibilities of employees, specifying essential activities to be carried out to mitigate the risk of business loss and ensure business continuity with minimal disruption during such catastrophic events. The BCP is intricately linked with the Group's Emergency Response Plan, forming a cohesive framework for managing various facets of crisis situations. To ensure effective implementation, the BCP has been communicated to relevant individuals within the Group, fostering awareness and preparedness.

- **Organisational Structure**
  The organisational structure of the Group provides well-defined authorities and accountabilities for each individual, offering clear guidance for the day-to-day conduct and operations. It delineates official reporting lines that govern the workflow and outlines the responsibilities and authority levels for each role within the organisation. This structured framework aids in facilitating efficient operations by providing employees with a comprehensive understanding of their roles and how they contribute to the broader organisational goals.

- **Shared Core Values**
  The Group's core values, encapsulated in the acronym R.E.C.I.P.E. (Respect, Excellence, Customer Focus, Integrity, Perseverance, and Ever-Ready) serve to foster cohesiveness, shape the organisational culture, promote ethical conduct and instill positive morale within the organisation. These values represent the expected behaviours for all employees in carrying out their duties and in making decisions. By embodying these values, the Group establishes a foundation for a harmonious and ethical work environment, reinforcing a shared commitment to these core values across all levels of the organisation.

- **Conduct and Ethics**
  The behaviours and performance of employees within the organisation are governed by the Group's policies, procedures, relevant regulatory requirements, and ethical standards. These guidelines collectively shape and regulate the conduct of employees to ensure alignment with organisational values and industry standards.

  At the Board level, the Board, Board Committees and individual Directors adhere to the principles outlined in the Board Charter and the respective Board Committees' Terms of Reference while discharging their duties and responsibilities. The Chairman of the Board plays a pivotal role in upholding good corporate governance practices and promoting the highest standard of integrity throughout the organisation at all levels. This commitment to governance excellence ensures that the Group operates ethically, transparently, and in accordance with established standards and principles.

- **Whistleblowing Policy and Procedures**
  The Whistleblowing Policy and Procedures stipulates a formal procedure enabling employees and third parties to report suspected violations or breaches of conduct, specifically related to fraud, misconduct or wrongdoings observed within the Group. This Policy serves as a mechanism for individuals to bring attention to potential issues in a confidential and protected manner. Importantly, this Policy offers protection to whistleblowers against any form of retaliation for reporting wrongdoing in good faith. To facilitate this process, concerns or reports can be channeled to the Senior Independent Director or Chairman of the ARMC. This approach ensures a confidential and secure avenue for reporting, reinforcing the organisation's commitment to addressing concerns while safeguarding the individuals who come forward with information.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (continued)

- **Anti-Bribery and Corruption ("ABC") Policy and Procedures**
  The ABC Policy and Procedures provides information and guidelines aimed at mitigating the Group's exposure to bribery and corruption risks. The policy outlines clear information and guidelines to direct employees and third parties to act ethically, professionally, fairly and with integrity in all aspects of their work, business dealings and relationships with the Group. In the event of suspected bribery or corruption cases, the policy stipulates that these incidents may be reported via the designated whistleblowing channel. This reporting mechanism underscores the Group's commitment to transparency and accountability, promoting a culture where unethical conduct is promptly addressed and mitigated.

- **Corporate Disclosure and Investor Relations Policy**
  The Corporate Disclosure and Investor Relations Policy provides guidelines for the handling and disclosure of the Group's material information to the financial markets. According to this Policy, all material information must be verified and approved before being publicly disseminated by the authorised person(s). This is to ensure the accuracy, timeliness, and completeness of the material information and is in compliance with relevant regulatory requirements. By adhering to these guidelines, the Group aims to maintain transparency, foster investor confidence and fulfill its regulatory obligations in the disclosure of significant information to the financial markets.

- **Succession Planning Policy**
  The Succession Planning Policy provides guidelines for identifying and preparing suitable candidates for critical positions within the Group. This involves identifying and developing potential successors for critical roles, ensuring that there are well-prepared individuals ready to step into key positions when needed. The primary objective is to minimise disruptions, maintain organisational continuity and sustain effective leadership in the event of unforeseen changes or departures of key personnel.

- **Confidentiality Agreement and Privy List**
  Directors, employees and key individuals from service providers who have access to the Group's confidential and price-sensitive information are included in the Group's privy list. Directors and employees are required to sign a confidentiality agreement, which formalises their commitment to maintaining the confidentiality of all price sensitive information. This agreement mandates that individuals take all reasonable precautions to prevent unauthorised access or disclosure of confidential information. This approach helps ensure the protection and integrity of the Group's price sensitive information, aligning with best practices for confidentiality and regulatory compliance.

- **Prohibition of Insider Trading**
  Any person in possession of the Group's confidential and price-sensitive information is prohibited from engaging in insider trading. Such individuals may only deal in the Company's securities provided that they comply with the requirements of Paragraph 14.08 of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"). The Company Secretary will notify employees on the privy list before the commencement of a closed period in order to keep them informed of every closed period in relation to the dealing of the Company's securities.

- **Personal Data Protection**
  The Group ensures that personal data privacy and confidentiality are protected in accordance with the Personal Data Protection Act 2010. All personal data is securely used, handled, processed, and stored, with measures in place to prevent unauthorised access or disclosure to third parties. This commitment underscores the Group's dedication to complying with data protection regulations and maintaining the trust and confidence of individuals whose personal information is in its possession.

- **Workplace Safety and Health**
  The Group is committed to providing a safe working environment and prohibits practices that could pose harm to its employees. The Group practices the regular and timely reporting of safety and health incidents and makes continuous efforts to improve its safety and health performance in the workplace. The Safety and Health Officer ensures that all employees adhere to safety procedures and legal requirements for safety and health. Further details on the Group's workplace safety and health measures are outlined in the Sustainability Statement of this Annual Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (continued)

INTERNAL AUDIT

The Internal Auditors help assess the effectiveness of the Group's governance, risk management and internal control systems that address financial, operational and compliance risks. Their assessments provide improvement opportunities to enhance the overall effectiveness of the Group's control environment.

The internal audit reviews cover various business units and are determined based on the risk priorities consistent with the Group's objectives. During the financial year, the Internal Auditors had performed risk-based audit reviews on the audit areas outlined in the audit plan, which was approved by the Board following the ARMC recommendation. The Internal Auditors report directly to the ARMC on findings from each review, provide recommendations to address identified issues, report on Management's responses and monitor the implementation of agreed-upon action plans. The ARMC subsequently reports to the Board. Further details of the internal audit activities carried out during the financial year are provided in the Audit and Risk Management Committee Report of this Annual Report.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Listing Requirements of Bursa Securities, the External Auditors had reviewed this Statement on Risk Management and Internal Control for inclusion in this Annual Report. Their limited assurance review was performed in accordance with the Audit and Assurance Practice Guide ("AAPG") 3: Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by the Malaysian Institute of Accountants.

AAPG 3 does not require the External Auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group. Based on their review, the External Auditors reported to the Board that nothing had come to their attention that caused them to believe that this Statement had not been prepared, in all material respects, in accordance with the disclosures required by Paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is factually inaccurate.

CONCLUSION

The Board had appraised the adequacy, effectiveness and integrity of the risk management and internal control systems of the Group that had been in place during the financial year and up to the date of approval of this Statement. The ARMC had reviewed this annual assessment and reported it to the Board. The Board had also received assurances from the Managing Director and Executive Director that the Group's risk management and internal control systems had been operating adequately and effectively in all material aspects throughout the financial year under review up to the date of this Statement. Accordingly, the Board is of the view that the current risk management and internal control systems of the Group are operating adequately and effectively to support the achievement of its business objectives.

This Statement has been prepared in accordance with the Listing Requirements of Bursa Securities, the requirements of the MCCG, and the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

This Statement is made in accordance with the resolution of the Board dated 27 February 2025.

ADDITIONAL COMPLIANCE INFORMATION

1. **Statement of Directors' Responsibility in respect of the Financial Statements**

    The Board is committed to ensuring the reliability of the Company's and the Group's financial statements. It is responsible for presenting annual financial statements that provide a true and fair view of the Company's and the Group's state of affairs and operational results for the financial year then ended. As required by the Companies Act 2016 and the Listing Requirements of Bursa Securities, the financial statements have been prepared in accordance with applicable and approved financial accounting standards and policies in Malaysia.

    In preparing the financial statements, the Board has applied appropriate accounting policies on a consistent basis and made judgements and estimates that are reasonable and prudent. The financial statements of the Group had been prepared on a going-concern basis.

    The Board is responsible for maintaining accurate accounting records that reasonably represent the financial position of both the Company and the Group.

    The Board is also responsible for taking reasonable measures to safeguard the assets of the Company and the Group, and to prevent and detect any instances of fraud or other irregularities.

2. **Material Contracts involving Directors and/or Major Shareholders**

    Other than those disclosed in the financial statements of the Company and of the Group, there were no material contracts entered into or subsisting between the Company and/or its subsidiaries involving Directors and/or major shareholders' interests during the financial year.

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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 principal activities of the Company are investment holding and provision for management services. The principal activities of the subsidiaries are mainly investment holding, manufacturing of moulds and dies, manufacturing, marketing, importing, exporting, trading and distribution of automotive parts and accessories as well as provision of injection services. There have been no significant changes in the nature of the activities of the Company and its subsidiaries during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	43,962	5,064

DIVIDENDS

Dividends paid, declared and proposed since the end of the previous financial year were as follows:

	RM'000
In respect of the financial year ended 31 December 2023:	
Second interim single tier dividend of four (4) sen per ordinary share, paid on 5 April 2024	3,307
Final single tier dividend of eight (8) sen per ordinary share, paid on 15 July 2024	6,614
In respect of the financial year ended 31 December 2024:	
First interim single tier dividend of two (2) sen per ordinary share, paid on 3 October 2024	3,307
Second interim single tier dividend of three (3) sen per ordinary share, paid on 23 December 2024	4,960
	18,188

On 27 February 2025, the Directors declared a third interim single tier dividend of four (4) sen per ordinary share amounted to RM6,613,781 in respect of the financial year ended 31 December 2024, which is payable on 8 April 2025.

The financial statements for the current financial year do not reflect this declared dividend. Upon declaration, the dividend payment will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2025.

RESERVES AND PROVISIONS

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

DIRECTORS' REPORT (continued)

ISSUE OF SHARES AND DEBENTURES

On 28 June 2024, the Company had completed a subdivision of every one (1) existing ordinary share into two (2) new ordinary shares in the Company ("share split"). Upon completion of the share split, the total number of ordinary shares of the Company increased to 165,344,520 shares.

The new ordinary shares issued rank equally in all respects with the existing ordinary shares of the Company. There were no other issuance of shares during the financial year.

The Company did not issue any 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:

New Hoong Fatt Holdings Berhad

Kam Foong Keng*
Chin Jit Sin*
Kam Foong Sim*
Chia Swee Yuen
Oei Kok Eong
Ng Chee Kiet

* These Directors of the Company are also the Directors of certain subsidiaries of the Company.

Subsidiaries of New Hoong Fatt Holdings Berhad (excluding those who are listed above)

Djaiman
Ng Boon Fatt
Chin Jun Min

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares of the Company and of its related corporations 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:

	Number of ordinary shares				
	Balance as at 1.1.2024	Bought	Share split	Sold	Balance as at 31.12.2024
Shares in the Company					
Direct interests					
Kam Foong Keng	28,183,036	-	28,183,036	-	56,366,072
Chin Jit Sin	1,022,020	-	1,022,020	-	2,044,040
Kam Foong Sim	1,988,167	-	1,988,167	-	3,976,334
Indirect interests					
Kam Foong Keng	497,630[1]	-	497,630[1]	-	995,260[1]
Chin Jit Sin	497,630[1]	-	497,630[1]	-	995,260[1]

Note:
[1] Deemed interested in the ordinary shares held by Chin & Kam Holdings Sdn. Bhd. ("Chin & Kam") pursuant to Section 8(4) of the Companies Act 2016 by virtue of their absolute control over Chin & Kam.

DIRECTORS' REPORT (continued)

DIRECTORS' INTERESTS (continued)

By virtue of Madam Kam Foong Keng's substantial interests in the ordinary shares of the Company, she is deemed to be interested in the ordinary shares of all the subsidiaries to the extent that the Company has an interest.

None of the other Directors holding office at the end of the financial year held any interest in ordinary shares and options over ordinary shares in 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 other than the following:

(a) certain Directors who may be deemed to derive benefits by virtue of trade transactions entered into with companies in which a family member of certain Directors has substantial financial interests; and

(b) certain Directors who received remuneration from the subsidiaries as directors of the subsidiaries.

There were no arrangements made 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

Directors' remuneration of the Group and of the Company for the financial year ended 31 December 2024 were as follows:

	Group RM'000	Company RM'000
Fees	322	216
Other remuneration	2,767	2,737
	3,089	2,953

The estimated monetary value of benefits-in-kind received by the Directors other than in cash from the Group amounted to RM78,583.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Group and the Company effected Directors' and officers' liability insurance during the financial year to protect the Directors of the Group and of the Company against potential costs and liabilities arising from claims brought against the Directors.

During the financial year, the insurance premium paid for the Directors and the officers of the Group and of the Company amounted to RM15,401.

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

DIRECTORS' REPORT (continued)

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 all known bad debts had been 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.

(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 render the amount written off for bad debts or amount of the 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 will or may affect the ability of the Group or of the Company to meet their obligations as and when they 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.

DIRECTORS' REPORT (continued)

SUBSIDIARIES

The details of the subsidiaries are as follows:

Name of companies	Country of incorporation/ Principal place of business	Interest in equity held by Company 2024	Company 2023	Subsidiaries 2024	Subsidiaries 2023	Principal activities
New Hoong Fatt Auto Supplies Sdn. Bhd.	Malaysia	100%	100%	-	-	Marketing, distribution and trading of automotive parts and accessories
Auto Global International Sdn. Bhd.	Malaysia	100%	100%	-	-	Exporting, distribution and marketing of automotive parts and accessories
AG Advanced Tech Sdn. Bhd.	Malaysia	100%	100%	-	-	Inactive
NJ Manufacturing Industries Sdn. Bhd.	Malaysia	100%	100%	-	-	Investment holding company
Jhi Soon Manufacturing Industries Sdn. Bhd.	Malaysia	100%	100%	-	-	Investment holding company
New Hoong Fatt Industries Sdn. Bhd.	Malaysia	100%	100%	-	-	Investment holding company
MJ Manufacturing Industries Sdn. Bhd.	Malaysia	100%	100%	-	-	Manufacturing of moulds and dies
Auto Global Parts Industries Sdn. Bhd.	Malaysia	100%	100%	-	-	Manufacturing and marketing of automotive parts and provision of injection services
NHF Ventures Sdn. Bhd.	Malaysia	100%	100%	-	-	Investment holding company
Subsidiary of New Hoong Fatt Auto Supplies Sdn. Bhd.						
PT. NHF Auto Supplies Indonesia	Indonesia	-	-	100%	100%	Importing, exporting and trading of automotive parts and accessories

DIRECTORS' REPORT (continued)

SUBSIDIARIES (continued)

The details of the subsidiaries are as follows: (continued)

Name of companies	Country of incorporation/ Principal place of business	Interest in equity held by Company 2024	Company 2023	Subsidiaries 2024	Subsidiaries 2023	Principal activities
Subsidiaries of NHF Ventures Sdn. Bhd.						
Ampire Auto Parts (Shanghai) Co. Ltd.	People's Republic of China	-	-	100%	100%	Importing, exporting and trading of automotive parts and accessories
PT. Auto Global Parts Indonesia	Indonesia	-	-	95%	95%	Inactive
Investment of New Hoong Fatt Industries Sdn. Bhd.						
PT. Auto Global Parts Indonesia	Indonesia	-	-	5%	5%	Inactive

AUDITORS

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

Auditors' remuneration of the Group and of the Company for the financial year ended 31 December 2024 were as follows:

	Group RM'000	Company RM'000
Statutory audit	221	40
Other services	5	5
	226	45

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

Kam Foong Keng
Director

Chin Jit Sin
Director

Kuala Lumpur
7 April 2025

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 95 to 154 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 their financial performance and cash flows for the financial year then ended.

On behalf of the Board,

Kam Foong Keng	**Chin Jit Sin**
Director	Director

Kuala Lumpur
7 April 2025

STATUTORY DECLARATION

I, Loo Ling Hong (CA 18362), being the officer primarily responsible for the financial management of New Hoong Fatt Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 95 to 154 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 Kuala Lumpur this	)	
7 April 2025	)	**Loo Ling Hong**

Before me:

Mardhiyyah Abdul Wahab
No. W729
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF NEW HOONG FATT HOLDINGS BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of New Hoong Fatt Holdings Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of 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 95 to 154.

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.

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.

Recoverability of trade receivables

The carrying amount of trade receivables of the Group as at 31 December 2024 were RM41,438,000 as disclosed in Note 8 to the financial statements.

We have 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.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF NEW HOONG FATT HOLDINGS BERHAD
(continued)

Key Audit Matters (continued)

Recoverability of trade receivables (continued)

Audit response

Our audit procedures included the following:

(i) Recomputed the probability of default using historical data and forward-looking information adjustment applied by the Group;

(ii) 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

(iii) Inquiries of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses.

We have determined that there is no key audit matter to be communicated in our report in respect of the audit of the financial statements of the Company.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with 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 NEW HOONG FATT HOLDINGS BERHAD
(continued)

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 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.

(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 NEW HOONG FATT HOLDINGS BERHAD
(continued)

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 3 to the financial statements.

Other Matters

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

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

Pang Zhi Hao
03450/09/2025 J
Chartered Accountant

Kuala Lumpur
7 April 2025

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	1	**328,430**	331,807	**-**	-
Right-of-use assets	2	**58,325**	62,022	**-**	-
Investments in subsidiaries	3	**-**	-	**107,109**	110,309
Investment properties	4	**24,100**	24,100	**-**	-
Other investment	5	**130**	130	**-**	-
Intangible assets	6	**43**	282	**-**	-
Other receivable	8	**-**	-	**320**	-
Deferred tax assets	13	**340**	356	**-**	-
		411,368	418,697	**107,429**	110,309
Current assets					
Inventories	7	**70,136**	66,626	**-**	-
Trade and other receivables	8	**45,735**	46,375	**151**	479
Current tax assets		**2,200**	1,175	**160**	-
Cash and cash equivalents	9	**125,972**	97,952	**2,499**	4,326
		244,043	212,128	**2,810**	4,805
TOTAL ASSETS		**655,411**	630,825	**110,239**	115,114
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	10	**82,672**	82,672	**82,672**	82,672
Reserves	11	**492,046**	466,487	**18,166**	31,290
TOTAL EQUITY		**574,718**	549,159	**100,838**	113,962
LIABILITIES					
Non-current liabilities					
Lease liabilities	2	**146**	-	**-**	-
Employment benefits obligation	12	**280**	259	**-**	-
Other payable	15	**-**	-	**7,039**	-
Deferred tax liabilities	13	**53,935**	57,446	**-**	-
		54,361	57,705	**7,039**	-
Current liabilities					
Lease liabilities	2	**215**	23	**-**	-
Trade and other payables	15	**24,982**	22,968	**2,362**	960
Contract liabilities	16	**102**	66	**-**	-
Current tax liabilities		**1,033**	904	**-**	192
		26,332	23,961	**2,362**	1,152
TOTAL LIABILITIES		**80,693**	81,666	**9,401**	1,152
TOTAL EQUITY AND LIABILITIES		**655,411**	630,825	**110,239**	115,114

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

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

		Group		Company	
		2024	2023	2024	2023
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	18	**282,257**	281,245	**9,437**	10,622
Cost of sales		**(199,532)**	(203,573)	**-**	-
Gross profit		**82,725**	77,672	**9,437**	10,622
Other operating income		**28,775**	28,369	**1,775**	2,408
Net (losses)/gains on impairment of financial assets	20(b)	**(330)**	906	**-**	-
Selling and distribution expenses		**(17,924)**	(12,886)	**-**	-
Administrative expenses		**(46,334)**	(41,401)	**(5,853)**	(3,249)
Finance costs	19	**(8)**	(22)	**(39)**	-
Profit before tax	20	**46,904**	52,638	**5,320**	9,781
Tax expense	21	**(2,942)**	(4,931)	**(256)**	(536)
Profit for the financial year		**43,962**	47,707	**5,064**	9,245
Other comprehensive income/(loss):					
Item that may be reclassified subsequently to profit or loss					
Foreign currency translations		**(223)**	379	**-**	-
Items that will not be reclassified subsequently to profit or loss					
Revaluation gain on land and buildings, net of tax		**-**	2,350	**-**	-
Remeasurement of employment benefits obligation, net of tax		**8**	(12)	**-**	-
Total other comprehensive (loss)/ income, net of tax		**(215)**	2,717	**-**	-
Total comprehensive income		**43,747**	50,424	**5,064**	9,245
Profit attributable to:					
Owners of the parent		**43,962**	47,707	**5,064**	9,245
Total comprehensive income attributable to:					
Owners of the parent		**43,747**	50,424	**5,064**	9,245
Earnings per ordinary share attributable to owners of the parent (sen)					
Basic and diluted	22	**26.59**	28.85#		

For comparative purposes, the earnings per ordinary share for the financial year ended 31 December 2023 has been adjusted for the effect of a share split of one (1) existing ordinary share to two (2) new ordinary shares in the Company, which was completed on 28 June 2024.

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

			Non-distributable			*Distributable*	
Group	**Note**	**Share capital RM'000**	**Revaluation reserve RM'000**	**Fair value reserve RM'000**	**Exchange translation reserve RM'000**	**Retained earnings RM'000**	**Total equity RM'000**
Balance as at 1 January 2023		82,672	139,866	47	(724)	287,621	509,482
Profit for the financial year		-	-	-	-	47,707	47,707
Foreign currency translations, net of tax		-	-	-	379	-	379
Revaluation gain on land and buildings, net of tax		-	2,350	-	-	-	2,350
Remeasurement of employment benefits obligation, net of tax		-	-	-	-	(12)	(12)
Total comprehensive income		-	2,350	-	379	47,695	50,424
Transactions with owners							
Final dividend paid for financial year ended 31 December 2022	23	-	-	-	-	(8,267)	(8,267)
First interim dividend paid for financial year ended 31 December 2023	23	-	-	-	-	(2,480)	(2,480)
Total transactions with owners		-	-	-	-	(10,747)	(10,747)
Balance as at 31 December 2023		82,672	142,216	47	(345)	324,569	549,159

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (continued)

		Non-distributable				*Distributable*	
Group	**Note**	**Share capital RM'000**	**Revaluation reserve RM'000**	**Fair value reserve RM'000**	**Exchange translation reserve RM'000**	**Retained earnings RM'000**	**Total equity RM'000**
Balance as at 1 January 2024		**82,672**	**142,216**	**47**	**(345)**	**324,569**	**549,159**
Profit for the financial year		**-**	**-**	**-**	**-**	**43,962**	**43,962**
Foreign currency translations, net of tax		**-**	**-**	**-**	**(223)**	**-**	**(223)**
Remeasurement of employment benefits obligation, net of tax		**-**	**-**	**-**	**-**	**8**	**8**
Total comprehensive (loss)/income		**-**	**-**	**-**	**(223)**	**43,970**	**43,747**
Transactions with owners							
Second interim dividend paid for financial year ended 31 December 2023	23	**-**	**-**	**-**	**-**	**(3,307)**	**(3,307)**
Final dividend paid for financial year ended 31 December 2023	23	**-**	**-**	**-**	**-**	**(6,614)**	**(6,614)**
First interim dividend paid for financial year ended 31 December 2024	23	**-**	**-**	**-**	**-**	**(3,307)**	**(3,307)**
Second interim dividend paid for financial year ended 31 December 2024	23	**-**	**-**	**-**	**-**	**(4,960)**	**(4,960)**
Total transactions with owners		**-**	**-**	**-**	**-**	**(18,188)**	**(18,188)**
Balance as at 31 December 2024		**82,672**	**142,216**	**47**	**(568)**	**350,351**	**574,718**

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

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

	Note	Share capital RM'000	*Distributable* Retained earnings RM'000	Total equity RM'000
Company				
Balance as at 1 January 2023		82,672	32,792	115,464
Profit for the financial year		-	9,245	9,245
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	9,245	9,245
Transactions with owners				
Final dividend paid for financial year ended 31 December 2022	23	-	(8,267)	(8,267)
First interim dividend paid for financial year ended 31 December 2023	23	-	(2,480)	(2,480)
Total transactions with owners		-	(10,747)	(10,747)
Balance as at 31 December 2023/ 1 January 2024		**82,672**	**31,290**	**113,962**
Profit for the financial year		**-**	**5,064**	**5,064**
Other comprehensive income, net of tax		**-**	**-**	**-**
Total comprehensive income		**-**	**5,064**	**5,064**
Transactions with owners				
Second interim dividend paid for financial year ended 31 December 2023	23	**-**	**(3,307)**	**(3,307)**
Final dividend paid for financial year ended 31 December 2023	23	**-**	**(6,614)**	**(6,614)**
First interim dividend paid for financial year ended 31 December 2024	23	**-**	**(3,307)**	**(3,307)**
Second interim dividend paid for financial year ended 31 December 2024	23	**-**	**(4,960)**	**(4,960)**
Total transactions with owners		**-**	**(18,188)**	**(18,188)**
Balance as at 31 December 2024		**82,672**	**18,166**	**100,838**

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

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

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		**46,904**	52,638	**5,320**	9,781
Adjustments for:					
Amortisation of intangible assets	6	**273**	387	**-**	-
Bad debts written off	20	**111**	235	**-**	-
Depreciation of property, plant and equipment	1(b)	**29,913**	30,189	**-**	-
Depreciation of right-of-use assets	2	**1,713**	1,943	**-**	-
Dividend income	18	**-**	-	**(7,000)**	(7,000)
Gain on disposals of property, plant and equipment	20	**(253)**	(89)	**-**	-
Impairment losses on trade receivables	8(h)	**415**	-	**-**	-
Impairment losses on costs of investments in subsidiaries	3(d)	**-**	-	**2,600**	-
Interest expense	19	**8**	22	**39**	-
Interest income	20	**(2,351)**	(1,900)	**(1,771)**	(1,788)
Property, plant and equipment written off	1	**1**	42	**-**	-
Provision for employment benefits obligation	12(a)	**76**	52	**-**	-
Reversal of impairment losses on trade receivables	8(h)	**(85)**	(906)	**-**	-
Reversal of impairment losses on costs of investments in subsidiaries	3(d)	**-**	-	**-**	(601)
Unrealised loss/(gain) on foreign exchange, net		**2,550**	(2,317)	**47**	(19)
Write down of inventories to net realisable value	7(d)	**270**	82	**-**	-
Write back of inventories previously written down to net realisable value	7(c)	**(88)**	(209)	**-**	-
Operating profit/(loss) before changes in working capital		**79,457**	80,169	**(765)**	373
Increase in inventories		**(3,953)**	(3,866)	**-**	-
(Increase)/Decrease in trade and other receivables		**(1,053)**	3,211	**8**	(10)
Increase/(Decrease) in trade and other payables		**3,444**	(483)	**(8)**	(374)
Increase/(Decrease) in contract liabilities		**36**	(72)	**-**	-
Cash generated from/(used in) operations		**77,931**	78,959	**(765)**	(11)
Employment benefits obligation paid	12(b)	**(28)**	(25)	**-**	-
Interest paid		**-**	-	**(39)**	-
Tax paid		**(7,347)**	(5,618)	**(608)**	(121)
Net cash from/(used in) operating activities		**70,556**	73,316	**(1,412)**	(132)

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024
(continued)

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividend received		**-**	-	**7,000**	7,000
Interest received		**2,351**	1,900	**1,771**	1,788
Proceeds from disposals of property, plant and equipment		**268**	95	**-**	-
Purchase of property, plant and equipment	1(c)	**(26,705)**	(26,457)	**-**	-
Purchase of intangible assets	6	**(34)**	(25)	**-**	-
Advances from/(to) subsidiaries		**-**	-	**167**	(84)
Net cash (used in)/from investing activities		**(24,120)**	(24,487)	**8,938**	8,704
CASH FLOWS FROM FINANCING ACTIVITIES					
Interest paid		**-**	(16)	**-**	-
Dividends paid to ordinary shareholders of the Company	23	**(18,188)**	(10,747)	**(18,188)**	(10,747)
Advances from a subsidiary	15(h)	**-**	-	**8,282**	-
Repayments of equity loans by subsidiaries	3(c)	**-**	-	**600**	5,600
Repayments of:					
- bankers' acceptances		**-**	(2,552)	**-**	-
- lease liabilities	2	**(240)**	(453)	**-**	-
Net cash used in financing activities		**(18,428)**	(13,768)	**(9,306)**	(5,147)
Net increase/(decrease) in cash and cash equivalents		**28,008**	35,061	**(1,780)**	3,425
Effects of exchange rate changes on cash and cash equivalents		**12**	668	**(47)**	19
Cash and cash equivalents at beginning of financial year		**97,952**	62,223	**4,326**	882
Cash and cash equivalents at end of financial year	9	**125,972**	97,952	**2,499**	4,326

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Bankers' acceptances RM'000
At 1 January 2023	2,552
Cash flows	(2,552)
As at 31 December 2023/31 December 2024	-

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

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024

1. PROPERTY, PLANT AND EQUIPMENT

2024

Group	Balance as at 1.1.2024 RM'000	Additions RM'000	Depreciation charge for the financial year RM'000	Disposals RM'000	Written off RM'000	Reclassi-fications RM'000	Exchange differences RM'000	Balance as at 31.12.2024 RM'000
Carrying amount								
Freehold land	109,201	-	-	-	-	-	-	109,201
Buildings	85,673	-	(2,968)	-	-	-	(120)	82,585
Plant and machinery	20,884	985	(4,595)	(14)	-	2,470	-	19,730
Tools, equipment and air-conditioners	2,495	33	(498)	-	-	-	(2)	2,028
Renovation	2,712	1,792	(544)	-	-	-	(21)	3,939
Moulds and dies	95,303	4,045	(20,419)	-	-	10,675	-	89,604
Motor vehicles	1,814	877	(583)	-	-	-	(4)	2,104
Furniture, fittings and office equipment	801	759	(366)	(1)	(1)	-	(6)	1,186
Construction-in-progress	12,924	18,274	-	-	-	(13,145)	-	18,053
	331,807	26,765	(29,973)	(15)	(1)	-	(153)	328,430

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024 (continued)

1. PROPERTY, PLANT AND EQUIPMENT (continued)

2023

Group	Balance as at 1.1.2023 RM'000	Additions RM'000	Revaluation gain RM'000	Depreciation charge for the financial year RM'000	Disposals RM'000	Written off RM'000	Reclassi-fications RM'000	Exchange differences RM'000	Balance as at 31.12.2023 RM'000
Carrying amount									
Freehold land	109,201	-	-	-	-	-	-	-	109,201
Buildings	85,673	-	2,765	(2,874)	-	-	-	109	85,673
Plant and machinery	21,657	4,805	-	(5,538)	-	(40)	-	-	20,884
Tools, equipment and air-conditioners	3,059	21	-	(585)	(3)	(1)	-	4	2,495
Renovation	3,103	170	-	(586)	-	-	-	25	2,712
Moulds and dies	95,912	4,793	-	(20,033)	-	-	14,631	-	95,303
Motor vehicles	1,027	1,184	-	(399)	-	-	-	2	1,814
Furniture, fittings and office equipment	661	441	-	(296)	(3)	(1)	-	(1)	801
Construction-in-progress	12,390	15,165	-	-	-	-	(14,631)	-	12,924
	332,683	26,579	2,765	(30,311)	(6)	(42)	-	139	331,807

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024 (continued)

1. PROPERTY, PLANT AND EQUIPMENT (continued)

Group	At 31.12.2024				
2024	Cost RM'000	Valuation RM'000	Accumulated depreciation RM'000	Exchange differences RM'000	Carrying amount RM'000
Freehold land	-	109,201	-	-	109,201
Buildings	-	85,782	(2,968)	(229)	82,585
Plant and machinery	139,968	-	(120,238)	-	19,730
Tools, equipment and air-conditioners	10,127	-	(8,072)	(27)	2,028
Renovation	10,839	-	(6,821)	(79)	3,939
Moulds and dies	304,343	-	(214,739)	-	89,604
Motor vehicles	7,027	-	(4,939)	16	2,104
Furniture, fittings and office equipment	10,275	-	(9,135)	46	1,186
Construction-in-progress	18,053	-	-	-	18,053
	500,632	194,983	(366,912)	(273)	328,430

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024 (continued)

1. PROPERTY, PLANT AND EQUIPMENT (continued)

Group 2023	At 31.12.2023 Cost RM'000	Valuation RM'000	Accumulated depreciation RM'000	Exchange differences RM'000	Carrying amount RM'000
Freehold land	-	109,201	-	-	109,201
Buildings	-	85,782	-	(109)	85,673
Plant and machinery	137,996	-	(117,112)	-	20,884
Tools, equipment and air-conditioners	10,102	-	(7,582)	(25)	2,495
Renovation	9,047	-	(6,277)	(58)	2,712
Moulds and dies	289,623	-	(194,320)	-	95,303
Motor vehicles	6,619	-	(4,825)	20	1,814
Furniture, fittings and office equipment	9,875	-	(9,126)	52	801
Construction-in-progress	12,924	-	-	-	12,924
	476,186	194,983	(339,242)	(120)	331,807

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024 (continued)

1. PROPERTY, PLANT AND EQUIPMENT (continued)

(a) After initial recognition, property, plant and equipment except for freehold land and buildings are stated at cost less accumulated depreciation and any accumulated impairment losses. Freehold land and buildings are stated at revalued amount, which is the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation is calculated to write down the cost of the assets to their residual values on a straight-line basis over their estimated useful lives. The estimated useful lives represent common life expectancies applied in the various business segments of the Group.

The principal depreciation periods and annual rates for property, plant and equipment are as follows:

Buildings	up to 50 years
Plant and machinery	up to 20%
Tools, equipment and air-conditioners	10%
Renovation	10%
Moulds and dies	up to 33%
Motor vehicles	20%
Furniture, fittings and office equipment	up to 33%

Freehold land has unlimited useful life and is not depreciated. Construction-in-progress represents buildings, moulds and dies as well as plant and machinery under development for future production purposes and are stated at cost. Construction-in-progress is not depreciated until such time when the asset is available for use.

(b) Reconciliation of depreciation charge for the financial year is as follows:

	Group	
	2024 RM'000	**2023 RM'000**
Recognised in profit or loss	**29,913**	30,189
Capitalised under moulds and dies	**60**	122
	29,973	30,311

(c) During the financial year, the Group made the following cash payments to purchase property, plant and equipment:

	Group	
	2024 RM'000	**2023 RM'000**
Purchase of property, plant and equipment	**26,765**	26,579
Less non-cash items:		
Depreciation of property, plant and equipment	**(60)**	(122)
	26,705	26,457

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024 (continued)

1. PROPERTY, PLANT AND EQUIPMENT (continued)

(d) The Group performs revaluation of the freehold land and buildings undertaken by professionally qualified valuers every 5 years or when deemed necessary by the management and internal assessments are carried out annually during the intervening period. The carrying amounts of the Group's freehold land and buildings located in Malaysia and Indonesia were based on internal assessments performed by management. The fair value measurement of the freehold land and buildings was based on existing use basis that made reference to recent sales of similar properties in the vicinity on a price per square feet basis, which ranged from RM65 to RM94 (2023: RM43 to RM130). The reference includes a valuation carried out by an external independent valuer on one of the Group's investment properties in the vicinity (2023: The reference included obtaining an update from a professionally qualified valuer on one of the Group's freehold land and building in the vicinity).

A fluctuation of approximately RM7.47 (2023: RM7.52) in the price/cost per square feet, with all other variables held constant, the fair value of freehold land and buildings would have been 10% (2023: 10%) higher or lower.

Had the Group's freehold land and buildings been measured on a historical cost basis, their carrying amounts would have been as follows:

	Group	
	2024 RM'000	2023 RM'000
Freehold land	**29,243**	29,243
Buildings	**36,269**	37,682
	65,512	66,925

(e) The fair value of freehold land and buildings (at valuation) of the Group are categorised as follows:

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2024				
Freehold land	**-**	**-**	**109,201**	**109,201**
Buildings	**-**	**-**	**82,585**	**82,585**
	-	**-**	**191,786**	**191,786**
2023				
Freehold land	-	-	109,201	109,201
Buildings	-	-	85,673	85,673
	-	-	194,874	194,874

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024 (continued)

1. PROPERTY, PLANT AND EQUIPMENT (continued)

(e) The fair value of freehold land and buildings (at valuation) of the Group are categorised as follows: (continued)

(i) Level 3 fair value of freehold land and buildings (at valuation) was based on the highest and best use, which does not differ from their actual use. The freehold land and buildings (at valuation) of the Group are for own use.

(ii) Freehold land and buildings at Level 3 fair value measurements were recommended by the Directors as at the end of the reporting period based on internal assessments performed by management as at 31 December 2024 and 31 December 2023. There were no transfers between levels during the financial years ended 31 December 2024 and 31 December 2023.

(f) The following table shows a reconciliation of Level 3 fair values:

	Group	
	2024 RM'000	**2023 RM'000**
Balance as at 1 January	**194,874**	194,874
Revaluation gain	**-**	2,765
Depreciation during the year	**(2,968)**	(2,874)
Exchange differences	**(120)**	109
Balance as at 31 December	**191,786**	194,874

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NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024 (continued)

2. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group as a lessee

Right-of-use assets

2024 Carrying amount	Balance as at 1.1.2024 RM'000	Modifications RM'000	Depreciation RM'000	Exchange differences RM'000	Balance as at 31.12.2024 RM'000
Leasehold land	**61,960**	**-**	**(1,495)**	**(2,537)**	**57,928**
Buildings	**62**	**599**	**(218)**	**(46)**	**397**
	62,022	**599**	**(1,713)**	**(2,583)**	**58,325**

2023 Carrying amount	Balance as at 1.1.2023 RM'000	Revaluation loss RM'000	Additions RM'000	Remeasurement RM'000	Depreciation RM'000	Exchange differences RM'000	Balance as at 31.12.2023 RM'000
Leasehold land	61,960	(415)	-	-	(1,499)	1,914	61,960
Buildings	471	-	36	(8)	(444)	7	62
	62,431	(415)	36	(8)	(1,943)	1,921	62,022

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024 (continued)

2. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

The Group as a lessee (continued)

Lease liabilities

2024 Carrying amount	Balance as at 1.1.2024 RM'000	Modifications RM'000	Lease payments RM'000	Accretion of interest RM'000	Exchange differences RM'000	Balance as at 31.12.2024 RM'000
Buildings	**23**	**599**	**(240)**	**8**	**(29)**	**361**

2023 Carrying amount	Balance as at 1.1.2023 RM'000	Additions RM'000	Remeasurement RM'000	Lease payments RM'000	Accretion of interest RM'000	Exchange differences RM'000	Balance as at 31.12.2023 RM'000
Buildings	462	36	(8)	(453)	6	(20)	23

Represented by:	2024 RM'000	2023 RM'000
Current liabilities	**215**	23
Non-current liabilities	**146**	-
	361	23
Lease liabilities owing to non-financial institutions	**361**	23

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024 (continued)

2. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

(a) 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 except for leasehold land are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liabilities. Leasehold land is stated at revalued amount, which is the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

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. The lease terms of right-of-use assets are as follows:

Leasehold land	Up to 60 years
Buildings	Up to 4 years

The Group performs revaluation of the leasehold land undertaken by professionally qualified valuers every 5 years or when deemed necessary by the management and internal assessments carried out annually during the intervening period. The carrying amounts of leasehold land located in Malaysia and Indonesia were based on internal assessments performed by management. The fair value measurement of the leasehold land was based on existing use basis that made reference to recent sales of similar properties in the vicinity on a price per square feet basis, which ranged from RM86 to RM244 (2023: RM97 to RM487). The reference includes a valuation carried out by an external independent valuer on one of the Group's investment properties in the vicinity.

A fluctuation of approximately RM12.08 (2023: RM12.86) in the price per square feet, with all other variables held constant, the fair value of leasehold land would have been 10% (2023: 10%) higher or lower.

Had the Group's leasehold land been measured on a historical cost basis, the carrying amount would have been RM36,025,335 (2023: RM36,877,087).

(c) The fair value of leasehold land (at valuation) of the Group is categorised as follows:

Group	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**
2024				
Leasehold land	**-**	**-**	**57,928**	**57,928**
2023				
Leasehold land	-	-	61,960	61,960

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024 (continued)

2. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

(c) (continued):

(i) Leasehold land at Level 3 fair value measurements were recommended by the Directors as at the end of reporting period based internal assessments performed by the management as at 31 December 2024 and 31 December 2023. There were no transfers between levels during the financial years ended 31 December 2024 and 31 December 2023.

(ii) Level 3 fair value of leasehold land (at valuation) was based on the highest and best use, which does not differ from their actual use. The leasehold land (at valuation) of the Group is for own use.

(d) The following table shows a reconciliation of Level 3 fair values:

	Group	
	2024	**2023**
	RM'000	**RM'000**
Balance as at 1 January	**61,960**	61,960
Revaluation loss	**-**	(415)
Depreciation during the year	**(1,495)**	(1,499)
Exchange differences	**(2,537)**	1,914
Balance as at 31 December	**57,928**	61,960

(e) The Group has certain leases of machineries and premises with lease term of twelve (12) months or less. The Group applies the "short-term lease" exemptions for these leases.

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

	Group	
	2024	**2023**
	RM'000	**RM'000**
Depreciation charge of right-of-use assets (included in cost of sales)	**1,510**	1,713
Depreciation charge of right-of-use assets (included in administrative expenses)	**203**	230
Interest expense on lease liabilities (included in finance costs)	**8**	6
Expense relating to short-term leases (included in cost of sales)	**300**	94
Expense relating to short-term leases (included in selling and distribution expenses)	**29**	17
Variable lease payments (included in cost of sales)	**17**	14
Variable lease payments (included in administrative expenses)	**52**	51
	2,119	2,125

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024 (continued)

2. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

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

	Group 2024 RM'000	Group 2023 RM'000
Included in net cash from/(used in) operating activities:		
Payments relating to short-term leases	**329**	111
Payments relating to variable lease payments not included in the measurement of lease liabilities	**69**	65
Included in net cash used in financing activities:		
Payments of lease liabilities	**240**	453
Total cash outflows for leases	**638**	629

(h) The Group has lease contracts for office equipment that contains variable payments based on the usage of the office equipment. Variable payment terms are for office equipment that are used by the Group for its day-to-day operations and the usage is not fixed. Variable lease payments are recognised in profit or loss when the condition that triggers those payments occur. An amount determined based on usage of the office equipment at the agreed rate will be charged to the profit and loss.

A 10% increase in usage would increase the total lease payment by 1.08% (2023: 1.03%).

(i) The currency exposure profile of lease liabilities is as follows:

	Group 2024 RM'000	Group 2023 RM'000
Ringgit Malaysia	**8**	23
Chinese Renminbi	**353**	-
	361	23

(j) The following table sets out the carrying amounts, the weighted average incremental borrowing rates and the remaining maturities of the lease liabilities of the Group that are exposed to interest rate risk:

Group 31 December 2024	Weighted average incremental borrowing rate per annum %	Within 1 year RM'000	1-2 years RM'000	2-5 years RM'000	More than 5 years RM'000	Total RM'000
Lease liabilities						
Fixed rates	**2.13**	**215**	**146**	**-**	**-**	**361**
31 December 2023						
Lease liabilities						
Fixed rates	2.57	23	-	-	-	23

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024 (continued)

2. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

(k) Sensitivity analysis of interest rate risk for lease liabilities as at the end of the reporting period is not presented as fixed rate instruments are not affected by change in interest rates.

(l) Management exercises judgement in determining the incremental borrowing rates whenever the implicit rates of interest in a lease are not readily determinable as well as the lease terms. The incremental borrowing rates used are based on prevailing market borrowing rates. Lease terms are based on management expectations driven by prevailing market conditions and past experience in exercising similar renewal and termination options.

(m) For the purpose of the statements of cash flows, the reconciliation of liabilities arising from financing activities as follows:

	Group	
	2024 RM'000	**2023 RM'000**
At 1 January	**23**	462
Cash flows	**(240)**	(453)
Non-cash flows		
- Additions	**-**	36
- Remeasurement	**-**	(8)
- Modifications	**599**	-
- Accretion of interests	**8**	6
- Exchange differences	**(29)**	(20)
At 31 December	**361**	23

(n) Information on financial risks of lease liabilities is disclosed in Note 28 to the financial statements.

The Group as a lessor

The Group has entered into lease agreements on investment properties and renewable at the end of the lease period subject to an increase clause. The Group has aggregate future minimum lease receivable as at the end of each reporting period as follows:

	Group	
	2024 RM'000	**2023 RM'000**
Less than one (1) year	**550**	574
One (1) to two (2) years	**-**	413
	550	987

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024 (continued)

3. INVESTMENTS IN SUBSIDIARIES

	Company 2024 RM'000	Company 2023 RM'000
Unquoted shares, at cost	**47,192**	47,192
Equity loans to subsidiaries	**63,352**	63,952
	110,544	111,144
Less: Impairment losses of investments in unquoted shares	**(3,435)**	(835)
	107,109	110,309

(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. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(b) Equity loans to subsidiaries are unsecured, subject to floating interest rates of 2.70% (2023: 2.40% to 2.70%) per annum and the subsidiaries have the unconditional right to avoid settlement of the loan in cash and are considered to be part of the investments of the Company in providing the subsidiaries with a long-term source of additional capital.

(c) Movements in equity loans to subsidiaries are as follows:

	Company 2024 RM'000	Company 2023 RM'000
As at 1 January	**63,952**	69,552
Repayments of equity loans	**(600)**	(5,600)
As at 31 December	**63,352**	63,952

(d) Movement in impairment losses is as follows:

	Company 2024 RM'000	Company 2023 RM'000
As at 1 January	**835**	1,436
Charge for the financial year (Note 20)	**2,600**	-
Reversal of impairment losses (Note 20)	**-**	(601)
As at 31 December	**3,435**	835

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024 (continued)

3. INVESTMENTS IN SUBSIDIARIES (continued)

(e) Management reviews the investments in subsidiaries for impairment when there is an indication of impairment. Recoverable amounts of the investments in subsidiaries are assessed by reference to the fair value less cost to sell of the underlying assets or the value-in-use of the respective subsidiaries. Value-in-use is the net present value of the projected future cash flows derived from business operations of the respective subsidiaries discounted at an appropriate pre-tax discount rate. This discounted cash flows method involves the use of estimated future results and a set of assumptions to support their income and cash flows. Impairment losses are made when the carrying amount of the investments in subsidiaries exceed its recoverable amount.

During the financial year, the Company recognised impairment losses amounting to RM2,600,271 on the costs of investments in subsidiaries due to reduction in fair value less cost to sell of certain subsidiaries of the Company.

In the previous financial year, the Company recognised reversal of impairment losses amounted to RM600,994 on the costs of investments in subsidiaries due to the increase in their recoverable amounts.

(f) The details of the subsidiaries are as follows:

Name of companies	Country of incorporation/ Principal place of business	Interest in equity held by Company		Subsidiaries		Principal activities
		2024	2023	2024	2023	
New Hoong Fatt Auto Supplies Sdn. Bhd. [1]	Malaysia	**100%**	100%	**-**	-	Marketing, distribution and trading of automotive parts and accessories
Auto Global International Sdn. Bhd. [1]	Malaysia	**100%**	100%	**-**	-	Exporting, distribution and marketing of automotive parts and accessories
AG Advanced Tech Sdn. Bhd. [1]	Malaysia	**100%**	100%	**-**	-	Inactive
NJ Manufacturing Industries Sdn. Bhd. [1]	Malaysia	**100%**	100%	**-**	-	Investment holding company
Jhi Soon Manufacturing Industries Sdn. Bhd. [1]	Malaysia	**100%**	100%	**-**	-	Investment holding company
New Hoong Fatt Industries Sdn. Bhd. [1]	Malaysia	**100%**	100%	**-**	-	Investment holding company
MJ Manufacturing Industries Sdn. Bhd. [1]	Malaysia	**100%**	100%	**-**	-	Manufacturing of moulds and dies

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024 (continued)

3. INVESTMENTS IN SUBSIDIARIES (continued)

(f) The details of the subsidiaries are as follows: (continued)

Name of companies	Country of incorporation/ Principal place of business	Interest in equity held by Company 2024	Company 2023	Subsidiaries 2024	Subsidiaries 2023	Principal activities
Auto Global Parts Industries Sdn. Bhd. (1)	Malaysia	**100%**	100%	**-**	-	Manufacturing and marketing of automotive parts and provision of injection services
NHF Ventures Sdn. Bhd. (1)	Malaysia	**100%**	100%	**-**	-	Investment holding company
Subsidiary of New Hoong Fatt Auto Supplies Sdn. Bhd.						
PT. NHF Auto Supplies Indonesia (2)	Indonesia	**-**	-	**100%**	100%	Importing, exporting and trading of automotive parts and accessories
Subsidiaries of NHF Ventures Sdn. Bhd.						
Ampire Auto Parts (Shanghai) Co. Ltd. (2)	People's Republic of China	**-**	-	**100%**	100%	Importing, exporting and trading of automotive parts and accessories
PT. Auto Global Parts Indonesia (2)	Indonesia	**-**	-	**95%**	95%	Inactive
Investment of New Hoong Fatt Industries Sdn. Bhd.						
PT. Auto Global Parts Indonesia (2)	Indonesia	**-**	-	**5%**	5%	Inactive

(1) Subsidiaries audited by BDO PLT.
(2) Subsidiaries not audited by BDO PLT or BDO member firm.

(g) Impairment for equity loans to subsidiaries are recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model as disclosed in Note 8(i) to the financial statements. No expected credit loss is recognised arising from the equity loans to subsidiaries as it is negligible.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024 (continued)

3. INVESTMENTS IN SUBSIDIARIES (continued)

(h) Sensitivity analysis of interest rate risk for equity loans to subsidiaries at the end of the reporting period, assuming that all other variables remain constant, is as follows:

	Company	
	2024 RM'000	2023 RM'000
Equity loans to subsidiaries		
Increase/(Decrease) of 100 basis point		
- Profit after tax	**481/(481)**	486/(486)
- Equity	**-**	-

4. INVESTMENT PROPERTIES

2024 **Group**	**Balance as at 1.1.2024/ 31.12.2024 RM'000**
At fair value	
Long-term leasehold land	**21,394**
Buildings	**2,706**
	24,100

2023 **Group**	**Balance as at 1.1.2023/ 31.12.2023 RM'000**
At fair value	
Long-term leasehold land	21,394
Buildings	2,706
	24,100

(a) Investment properties are initially measured at cost, including transaction costs. After initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period and changes in fair value are included in profit or loss.

(b) The Group has developed certain criteria based on MFRS 140 *Investment Property* in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both and are not occupied by the Group.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024 (continued)

4. INVESTMENT PROPERTIES (continued)

(b) (continued)

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

(c) On 31 December 2024, the carrying amount of one of the investment properties was based on valuation carried out by an external independent valuer. The fair value measurement of the property was based on existing use basis that made reference to recent sales of similar properties in the vicinity on a price per square feet basis. The price per square feet basis of the properties ranged from RM244 to RM482.

The carrying amount of another investment property was based on internal valuation performed by management via making reference to a valuation carried out by an external independent valuer on the Group's investment property in the vicinity and the unobservable input is as disclosed above.

In the previous financial year, the carrying amount of the investment properties was based on internal valuations performed by the management. The fair value measurement of the properties was based on existing use basis that made reference to recent sales of similar properties in the vicinity on a price per square feet basis, which ranged from RM279 to RM353. The reference included obtaining an update from a professionally qualified valuer on one of the Group's land and building in the vicinity.

(d) The Group has entered into commercial property leases on its investment properties portfolio. The Group has determined that it retains all the significant risks and rewards of ownership of these properties, which are leased out as operating leases due to the immateriality of the lease period over the investment properties' economic life.

(e) The fair value of investment properties of the Group are categorised as follows:

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2024				
Long-term leasehold land	**-**	**-**	**21,394**	**21,394**
Buildings	**-**	**-**	**2,706**	**2,706**
	-	**-**	**24,100**	**24,100**
2023				
Long-term leasehold land	-	-	21,394	21,394
Buildings	-	-	2,706	2,706
	-	-	24,100	24,100

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024 (continued)

4. INVESTMENT PROPERTIES (continued)

(e) (continued)

Investment properties at Level 3 fair value were recommended by the Directors as at the end of reporting period based on valuation exercise carried out by an independent property valuer. (2023: based on internal valuations performed by the management). There were no transfers between levels during the financial years ended 31 December 2024 and 31 December 2023.

(f) The following table shows a reconciliation of Level 3 fair values:

	Group	
	2024 RM'000	**2023 RM'000**
Balance as at 1 January/31 December	**24,100**	24,100

(g) Rental income generated from rental of investment properties of the Group during the financial year amounted to RM889,100 (2023: RM841,500).

(h) Direct operating expenses arising from investment properties generating rental income during the financial year amounted to RM73,469 (2023: RM68,878).

5. OTHER INVESTMENT

	Group	
	2024 RM'000	**2023 RM'000**
Fair value through other comprehensive income		
- Club membership	**130**	130

(a) Club membership, which is not held for trading for which the Group has irrevocably elected to recognise at fair value through other comprehensive income. This is strategic investment for which the Group considers this classification to be appropriate and relevant.

(b) The fair value of the investment of the Group is categorised as follows:

Group	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**
2024/2023				
Club membership	**-**	**130**	**-**	**130**

Level 2 fair value measurement of club membership is estimated by reference to current available quotation of the same investment. There were no transfers between levels during the financial years ended 31 December 2024 and 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024 (continued)

6. INTANGIBLE ASSETS

2024

Group	Balance as at 1.1.2024 RM'000	Additions RM'000	Amortisation charge for the financial year RM'000	Balance as at 31.12.2024 RM'000
Carrying amount				
Computer software	**28**	**34**	**(19)**	**43**
Sales order platform	**254**	**-**	**(254)**	**-**
	282	**34**	**(273)**	**43**

	At 31.12.2024			
	Cost RM'000	Accumulated amortisation RM'000	Exchange differences RM'000	Carrying amount RM'000
Computer software	**2,268**	**(2,226)**	**1**	**43**
Sales order platform	**1,142**	**(1,142)**	**-**	**-**
	3,410	**(3,368)**	**1**	**43**

2023

Group	Balance as at 1.1.2023 RM'000	Additions RM'000	Amortisation charge for the financial year RM'000	Balance as at 31.12.2023 RM'000
Carrying amount				
Computer software	10	25	(7)	28
Sales order platform	634	-	(380)	254
	644	25	(387)	282

	At 31.12.2023			
	Cost RM'000	Accumulated amortisation RM'000	Exchange differences RM'000	Carrying amount RM'000
Computer software	2,234	(2,207)	1	28
Sales order platform	1,142	(888)	-	254
	3,376	(3,095)	1	282

(a) Intangible assets are initially measured at cost. After initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

(b) Computer software and sales order platform are treated as intangible assets as they do not form integral parts of the related hardware of the Group and can be separately identified. Amortisation is calculated to write down the cost of the computer software and sales order platform to their residual values over the estimated useful life of three (3) years using straight-line method. The estimated useful lives represent common life expectancies applied in the various business segments of the Group.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024 (continued)

7. INVENTORIES

	Group	
	2024	**2023**
	RM'000	**RM'000**
At cost		
Raw materials	**18,349**	19,667
Work-in-progress	**6,660**	5,917
Finished goods	**44,726**	40,249
Consumables	**172**	190
	69,907	66,023
At net realisable value		
Finished goods	**229**	603
	70,136	66,626

(a) Inventory costs are determined on a weighted average cost basis and stated at the lower of cost and net realisable value. The cost of raw materials and consumables comprises all costs of purchase plus the cost incurred in bringing the inventories to their present location and condition. The cost of work-in-progress and finished goods includes the cost of raw materials, direct labour, other direct cost and a proportion of production overheads based on normal operating capacity of the production facilities.

(b) During the financial year, inventories of the Group recognised as cost of sales amounted to RM199,243,011 (2023: RM203,278,811).

(c) Certain subsidiaries within the Group reversed RM87,916 (2023: RM209,456) in respect of inventories written down in the previous financial years that were subsequently not required as the subsidiaries were able to sell those inventories above their carrying amounts.

(d) The subsidiaries within the Group had written down certain inventories by RM269,869 (2023: RM81,884) to their net realisable value.

8. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Non-current				
Other receivable				
Amount owing by a subsidiary	**-**	-	**320**	-
Current				
Trade receivables				
Third parties	**42,066**	43,938	**-**	-
Less: Impairment losses	**(628)**	(298)	**-**	-
	41,438	43,640	**-**	-

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024 (continued)

8. TRADE AND OTHER RECEIVABLES (continued)

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Other receivables				
Amounts owing by subsidiaries	**-**	-	**149**	467
Third parties	**880**	1,423	**-**	-
Refundable deposits	**447**	400	**2**	2
	1,327	1,823	**151**	469
Total receivables (current)	**42,765**	45,463	**151**	469
Prepayments	**2,970**	912	**-**	10
Total trade and other receivables (current)	**45,735**	46,375	**151**	479
Total trade and other receivables (non-current and current)	**45,735**	46,375	**471**	479

(a) Total receivables 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 ranged from 30 days to 90 days (2023: 30 days to 90 days). They are recognised at their original invoice amounts, which represent their fair values on initial recognition.

(c) Included in trade receivables of the Group were amounts of RM21,500 (2023: RM14,710) owing by companies in which a family member of the Executive Directors of the Company has substantial financial interests. These amounts were non-interest bearing and the normal trade credit terms granted by the Group ranged from 30 days to 60 days (2023: 30 days to 60 days).

(d) Non-current amount owing by a subsidiary represents non-trade advances and payments on behalf, which are unsecured, bear interest at a rate of 2.70% (2023: Nil) per annum. These advances together with the interest receivable thereon are not receivable within the next twelve (12) months.

Current amounts owing by subsidiaries of the Company represent non-trade advances and payments on behalf, which are unsecured, receivable within next twelve (12) months in cash and cash equivalents and bear interest at a rate of 2.70% (2023: 2.70%) per annum except for an amount owing a subsidiary of RM29,990 (2023: RM19,990), which is interest free.

(e) The currency exposure profile of total receivables is as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Ringgit Malaysia	**30,807**	34,500	**471**	469
United States Dollar	**8,936**	7,757	**-**	-
Indonesian Rupiah	**1,854**	1,954	**-**	-
Chinese Renminbi	**861**	924	**-**	-
New Taiwan Dollar	**307**	328	**-**	-
	42,765	45,463	**471**	469

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024 (continued)

8. TRADE AND OTHER RECEIVABLES (continued)

(f) 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 based on grouping of customers sharing the same credit risk characteristics and past due days. Expected loss rates are calculated using the roll rate method separately for exposure in different segments based on geographic region.

The expected loss rates are based on the Group's historical credit losses experience over the three (3) years period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers. The Group has identified the gross domestic product ("GDP"), lending interest rate and inflation rate as the key macroeconomic factors.

During this process, the probability of non-payment by the trade receivables is adjusted by forward-looking information 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 a separate impairment account with the loss being recognised 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.

Significant judgement is required in determining the probability of default by trade receivables and appropriate forward-looking information.

Lifetime expected loss provisions for trade receivables of the Group are as follows:

		Past due				
	Current	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**More than 90 days**	**Total RM'000**
2024						
Expected loss rate	**0.10%**	**0.93%**	**9.49%**	**0%**	**91.53%**	
Gross carrying amount (RM'000)	**38,619**	**2,687**	**158**	**-**	**602**	**42,066**
Impairment (RM'000)	**(37)**	**(25)**	**(15)**	**-**	**(551)**	**(628)**
	38,582	**2,662**	**143**	**-**	**51**	**41,438**
2023						
Expected loss rate	0.06%	0.45%	6.22%	11.11%	100.00%	
Gross carrying amount (RM'000)	39,906	3,554	225	9	244	43,938
Impairment (RM'000)	(23)	(16)	(14)	(1)	(244)	(298)
	39,883	3,538	211	8	-	43,640

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024 (continued)

8. TRADE AND OTHER RECEIVABLES (continued)

(g) During the financial year, the Group did not renegotiate the terms of any trade receivables.

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

	Group	
	2024 RM'000	2023 RM'000
As at 1 January	**298**	1,204
Charge for the financial year (Note 20)	**415**	-
Reversal of impairment losses (Note 20)	**(85)**	(906)
As at 31 December	**628**	298

(i) Impairment for other receivables including refundable deposits, amounts owing by subsidiaries and equity loans to subsidiaries are recognised based on the general approach of MFRS 9. 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 by comparing the risk of default occurring over the expected life with the risk of default since initial recognition.

For balances in which the credit risk has not increased significantly since initial recognition of the financial asset, 12-month expected credit losses along with gross interest income are recognised. For balances 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 twelve-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the twelve months after the end of 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 and the Company defined significant increase in credit risk based on operating performance of the receivables, changes to contractual terms, payments trends and past due information.

The Group and the Company consider a receivable as credit impaired when one or more events that have a detrimental impact on the estimated cash flow have occurred, which includes receivables who are in significant financial difficulties or have defaulted on payments.

The probability of non-payment by other receivables including refundable deposits, amounts owing by subsidiaries and equity loans to subsidiaries is adjusted by forward-looking information and multiplied by the amount of the expected loss arising from default to determine the twelve-month or lifetime expected credit loss for other receivables including refundable deposits, amounts owing by subsidiaries and equity loans to subsidiaries.

Significant judgement is required in determining the probability of default by other receivables including refundable deposits, amounts owing by subsidiaries and equity loans to subsidiaries as well as the use of appropriate forward-looking information and significant increase in credit risk. The Group has identified the GDP, lending interest rate and inflation rate as the key macroeconomic factors.

No expected credit loss is recognised arising from other receivables including refundable deposits, amounts owing by subsidiaries and equity loans to subsidiaries as it is negligible.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024 (continued)

8. TRADE AND OTHER RECEIVABLES (continued)

(j) The carrying amounts of current trade and other receivables and non-current other receivable are reasonable approximation of fair value, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

(k) The following table sets 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 amounts owing by subsidiaries that are exposed to interest rate risk:

Company	WAEIR per annum %	Repayable within 1 year RM'000	1 - 2 years RM'000	Total RM'000
2024				
Floating rates				
Amounts owing by subsidiaries	**2.70**	**119**	**320**	**439**
2023				
Floating rates				
Amounts owing by subsidiaries	2.70	447	-	447

(l) Sensitivity analysis of interest rate for amounts owing by subsidiaries at the end of the reporting period, assuming that all other variables remain constant, are as follows:

	Company	
	2024 RM'000	2023 RM'000
Amounts owing by subsidiaries		
Increase/(Decrease) of 100 basis point		
- Profit after tax	**3/(3)**	3/(3)
- Equity	**-**	-

(m) Information on financial risks of trade and other receivables is disclosed in Note 28 to the financial statements.

9. CASH AND CASH EQUIVALENTS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Money market funds	**47,649**	-	**1,505**	-
Short term funds	**39,967**	-	**-**	-
Cash and bank balances	**38,356**	97,952	**994**	4,326
	125,972	97,952	**2,499**	4,326

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024 (continued)

9. CASH AND CASH EQUIVALENTS (continued)

(a) Investments in money market funds in Malaysia represent short term investments in highly liquid money market. These investments are readily convertible to cash and have insignificant risk of changes in value with original maturities of three months or less.

(b) Short term funds are investments in income fund in Malaysia. The fund invests in highly liquid asset, which is readily convertible to known amount of cash with insignificant changes in value.

(c) Money market funds and short term funds are classified as financial assets at fair value through profit or loss, and subsequently remeasured to fair value with changes in fair value being recognised in profit or loss. The fair value of money market funds and short term funds are measured based on the month end market prices in active market and was fair valued within Level 1 of the fair value hierarchy.

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

(e) The currency exposure profile of cash and cash equivalents is as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Ringgit Malaysia	**111,734**	75,347	**2,385**	3,548
United States Dollar	**11,944**	19,902	**64**	537
Chinese Renminbi	**1,460**	2,060	**50**	241
Indonesian Rupiah	**834**	643	**-**	-
	125,972	97,952	**2,499**	4,326

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

(g) For the purpose of the statements of cash flows, cash and cash equivalents comprise money market funds, short term funds and cash and bank balances.

(h) Information on financial risks of cash and cash equivalents is disclosed in Note 28 to the financial statements.

10. SHARE CAPITAL

	Group and Company	
	2024 '000	2023 '000
Number of ordinary shares:		
At 1 January	**82,672**	82,672
Share split of existing ordinary shares	**82,672**	-
At 31 December	**165,344**	82,672

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024 (continued)

10. SHARE CAPITAL (continued)

	Group and Company	
	2024 RM'000	2023 RM'000
Issued and fully paid ordinary shares with no par value:		
At 1 January/31 December	**82,672**	82,672

(a) On 28 June 2024, the Company had completed a subdivision of every one (1) existing ordinary share into two (2) new ordinary shares in the Company ("share split"). Upon completion of the share split, the total number of ordinary shares of the Company increased to 165,344,520 shares.

(b) The new ordinary shares issued rank equally in all respects with the existing ordinary shares of the Company. There were no other issuance of shares during the financial year.

(c) The holders of ordinary shares 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 equally with regard to the residual assets of the Company.

11. RESERVES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-distributable				
Revaluation reserve	**142,216**	142,216	**-**	-
Fair value reserve	**47**	47	**-**	-
Exchange translation reserve	**(568)**	(345)	**-**	-
	141,695	141,918	**-**	-
Distributable				
Retained earnings	**350,351**	324,569	**18,166**	31,290
	492,046	466,487	**18,166**	31,290

(a) Revaluation reserve

The revaluation reserve is used to record the changes in the fair value of land and buildings.

(b) Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of club membership measured at fair value through other comprehensive income ("FVTOCI").

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024 (continued)

11. RESERVES (continued)

(c) Exchange translation reserve

Exchange translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the presentation currency of the Group. It is also used to record the exchange differences arising from monetary items which form part of the net investment of the Group in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operations.

12. EMPLOYMENT BENEFITS OBLIGATION

	Group	
	2024 RM'000	2023 RM'000
Non-current liabilities		
Employment benefits obligation	**280**	259

A foreign subsidiary of the Group, PT. NHF Auto Supplies Indonesia provides post-employment benefits ("Benefits") in accordance with Indonesia's Government Regulation No. 35/2021 that implements the provisions of Perppu No. 2/2022 on Job Creation in 2022 and Law No. 6/2023 on Job Creation in 2022. The number of employees entitled to the Benefits in 31 December 2024 and 31 December 2023 were 37 and 36 people, respectively.

A defined benefit plan is a pension plan that defines an amount of pension benefits to be provided usually as a function of one or more factors such as age, years of service, or compensation.

The liabilities recognised in the statements of financial position are the present value of the defined benefits obligations as at the end of the reporting date.

The defined benefits obligations are calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefits obligations is determined by discounting the estimated future cash outflows using interest rates of government bonds (considering currently there is no deep market for high-quality corporate bonds) that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

The Group recognised all actuarial gains or losses through other comprehensive income and presented as part of equity.

Past service costs are recognised immediately in the profit or loss, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortised on a straight-line basis over the vesting period.

The provision for employment benefits obligation recognised in the statements of financial position is determined as follows:

	Group	
	2024 RM'000	2023 RM'000
Present value of employment benefits obligation	**280**	259

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024 (continued)

12. EMPLOYMENT BENEFITS OBLIGATION (continued)

The provision for employment benefits obligation recognised in the statements of financial position is determined as follows: (continued)

(a) Total expense recognised in profit or loss are as follows:

	Group	
	2024 RM'000	**2023 RM'000**
Current service costs	**61**	37
Interest costs	**15**	15
Total expense recognised in profit or loss (Note 20)	**76**	52
Actuarial (gain)/loss recognised in other comprehensive loss/(income)	**(10)**	15
Total expense	**66**	67

(b) The movements during the financial year in the amounts recognised in the statements of financial position in respect of the employment benefits obligation are as follows:

	Group	
	2024 RM'000	**2023 RM'000**
Balance as at 1 January	**259**	206
Recognised in profit or loss (Note 20)	**76**	52
Employee benefits obligation paid	**(28)**	(25)
Actuarial (gain)/loss recognised in other comprehensive loss/(income)	**(10)**	15
Exchange differences	**(17)**	11
Balance as at 31 December	**280**	259

(c) The cost of providing post-employment benefits is calculated by an independent actuary and the latest actuarial valuation of the plan was carried out in 2024. The actuarial valuation was carried out using the following key assumptions:

	Group	
	2024	**2023**
Discount rate	**7.10%**	6.80%
Salary increment rate	**5%**	5%
Mortality rate	**Indonesian Mortality Table 4 (2019)**	Indonesian Mortality Table 4 (2019)
Disability rate	**5% of Mortality Table**	5% of Mortality Table
Resignation rate	**5% per annum up to age 20 and decreasing linearly to 1% per annum at age 54**	5% per annum up to age 20 and decreasing linearly to 1% per annum at age 54
Normal retirement age	**56 years old**	56 years old

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024 (continued)

12. EMPLOYMENT BENEFITS OBLIGATION (continued)

(d) Significant assumptions for the determination of the present value of the employment benefits obligation are discount rate and salary increment rate. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, assuming that all other assumptions remain constant.

	Group			
	2024		2023	
	Increase 100 basis point RM'000	Decrease 100 basis point RM'000	Increase 100 basis point RM'000	Decrease 100 basis point RM'000
Impact on the net defined benefits obligations				
- discount rate	**(24)**	**27**	(23)	26
- salary increment rate	**29**	**(26)**	27	(24)

Sensitivity analysis may not be representative of the actual change in the employee benefit obligation as it is unlikely that the changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

13. DEFERRED TAX

(a) The deferred tax (assets) and liabilities of the Group are made up of the following:

	Group	
	2024 RM'000	2023 RM'000
Balance as at 1 January	**57,090**	58,830
Recognised directly in other comprehensive income	**2**	(3)
Recognised in profit or loss (Note 21):		
- current year	**(3,275)**	(1,572)
- over provision in prior years	**(234)**	(158)
	(3,509)	(1,730)
Exchange differences	**12**	(7)
Balance as at 31 December	**53,595**	57,090
Presented after appropriate offsetting:		
Deferred tax assets	**(340)**	(356)
Deferred tax liabilities	**53,935**	57,446
	53,595	57,090

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024 (continued)

13. DEFERRED TAX (continued)

(b) The components and movements of deferred tax liabilities and (assets) of the Group during the financial year are as follows:

Deferred tax liabilities of the Group	Property, plant and equipment RM'000	Right-of-use assets RM'000	Investment properties RM'000	Others RM'000	Offsetting RM'000	Total RM'000
As at 1 January 2024	**50,827**	**6,919**	**1,458**	**176**	**(1,934)**	**57,446**
Recognised in profit or loss	**(1,983)**	**73**	**-**	**(175)**	**(1,426)**	**(3,511)**
As at 31 December 2024	**48,844**	**6,992**	**1,458**	**1**	**(3,360)**	**53,935**
As at 1 January 2023	52,191	6,773	1,458	65	(1,279)	59,208
Recognised in profit or loss	(1,364)	146	-	111	(655)	(1,762)
As at 31 December 2023	50,827	6,919	1,458	176	(1,934)	57,446

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024 (continued)

13. DEFERRED TAX (continued)

(b) The components and movements of deferred tax liabilities and (assets) of the Group during the financial year are as follows: (continued)

Deferred tax assets of the Group	Property, plant and equipment RM'000	Right-of-use assets RM'000	Unabsorbed capital allowances RM'000	Others RM'000	Offsetting RM'000	Total RM'000
As at 1 January 2024	**(190)**	**(132)**	**(16)**	**(1,952)**	**1,934**	**(356)**
Recognised in other comprehensive income	**-**	**-**	**-**	**2**	**-**	**2**
Recognised in profit or loss	**28**	**(73)**	**(79)**	**(1,300)**	**1,426**	**2**
Exchange differences	**-**	**-**	**-**	**12**	**-**	**12**
As at 31 December 2024	**(162)**	**(205)**	**(95)**	**(3,238)**	**3,360**	**(340)**
As at 1 January 2023	(185)	(3)	(67)	(1,402)	1,279	(378)
Recognised in other comprehensive income	-	-	-	(3)	-	(3)
Recognised in profit or loss	(5)	(129)	51	(540)	655	32
Exchange differences	-	-	-	(7)	-	(7)
As at 31 December 2023	(190)	(132)	(16)	(1,952)	1,934	(356)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024 (continued)

13. DEFERRED TAX (continued)

(c) The amount of temporary differences for which no deferred tax assets have been recognised in the statements of financial position is as follows:

	Group	
	2024	**2023**
	RM'000	**RM'000**
Unused tax losses		
- Expires by 31 December 2024	**-**	483
- Expires by 31 December 2025	**1,122**	1,122
- Expires by 31 December 2026	**317**	317
- Expires by 31 December 2027	**1,178**	1,178
- Expires by 31 December 2028	**881**	881
- Expires by 31 December 2029	**2,106**	-
	5,604	3,981

Deferred tax assets of certain subsidiaries have not been recognised in respect of this item as it is not probable that future taxable profits of the subsidiaries would be available against which the deductible temporary differences could be utilised.

Unrecognised deferred tax assets arising from unused tax losses from the financial year 2019 amounting to RM192,243 expired in the current financial year.

The unused tax losses of the foreign subsidiaries are allowed to be carried forward to offset future taxable profits up to a maximum of five (5) years.

(d) A subsidiary of the Group is entitled to claim reinvestment allowance under Schedule 7A Income Tax Act, 1967 and Green Investment Tax Allowance (GITA). Reinvestment allowance of RM35,397,150 (2023: RM30,182,131) were utilised during the current financial year. At the end of the financial year, the carrying amount of reinvestment allowance amounted to RM54,992,595 (2023: RM78,370,713).

14. FINANCIAL GUARANTEE CONTRACTS

(a) Financial guarantee contracts issued are initially measured at fair value. Subsequently, they are measured at higher of:

(i) the amount of the loss allowance; and
(ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, *Revenue from Contracts with Customers*.

(b) The carrying amounts of financial guarantee contracts are negligible as at the end of each reporting period.

(c) Information on financial risks of financial guarantee contracts is disclosed in Note 28 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024 (continued)

15. TRADE AND OTHER PAYABLES

	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Non-current				
Other payables				
Amount owing to a subsidiary	**-**	-	**7,039**	-
Current				
Trade payables				
Third parties	**8,514**	10,831	**-**	-
Other payables				
Third parties	**4,659**	4,010	**2**	31
Accruals	**11,809**	8,127	**950**	929
Amount owing to subsidiaries	**-**	-	**1,410**	-
	16,468	12,137	**2,362**	960
Total trade and other payables (current)	**24,982**	22,968	**2,362**	960
Total trade and other payables (non-current and current)	**24,982**	22,968	**9,401**	960

(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 ranged from 30 days to 120 days (2023: 30 days to 120 days) from date of invoice.

(c) Included in trade payables of the Group are amounts of RM82,799 (2023: RM73,249) owing to companies in which a family member of the Executive Directors of the Company has substantial financial interests.

(d) Non-current non-trade amount owing to a subsidiary represent advances and payments on behalf, which are unsecured and bear interest of 2.70% (2023: Nil) per annum. The advances together with the interest payable thereon are not payable within the next twelve (12) months.

Current non-trade amounts owing to subsidiaries represent advances and payments on behalf, which are unsecured, payable within the next twelve (12) months in cash and cash equivalents and bear interest ranging of 2.70% (2023: Nil) per annum except for amounts owing to certain subsidiaries of RM166,700 (2023: Nil), which is interest free.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024 (continued)

15. TRADE AND OTHER PAYABLES (continued)

(e) The currency exposure profile of trade and other payables is as follows:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Ringgit Malaysia	**21,204**	19,205	**9,401**	960
Chinese Renminbi	**394**	473	**-**	-
United States Dollar	**3,078**	3,135	**-**	-
New Taiwan Dollar	**211**	50	**-**	
Indonesian Rupiah	**95**	105	**-**	-
	24,982	22,968	**9,401**	960

(f) 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 amounts owing to subsidiaries that are exposed to interest rate risk:

2024	**WAEIR per annum %**	**Repayable within 1 year RM'000**	**1 - 2 years RM'000**	**2 - 3 years RM'000**	**3 - 4 years RM'000**	**> 4 years RM'000**	**Total RM'000**
Floating rates							
Amounts owing to subsidiaries	**2.70**	**1,243**	**2,000**	**2,000**	**2,000**	**1,039**	**8,282**

(g) Sensitivity analysis of interest rate risk for amounts owing to subsidiaries at the end of the reporting period, assuming that all other variables remain constant, is as follows:

	Company	
	2024	**2023**
	RM'000	**RM'000**
Amounts owing to subsidiaries		
(Increase)/Decrease of 100 basis point		
- Profit after tax	**(63)/63**	-
- Equity	**-**	-

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024 (continued)

15. TRADE AND OTHER PAYABLES (continued)

(h) For the purpose of statements of cash flows, the reconciliation of liabilities arising from financing activities are as follows:

	Amounts owing to subsidiaries/ Total RM'000
At 1 January 2024	**-**
Cash flows	**8,282**
At 31 December 2024	**8,282**

(i) Information on financial risks of trade and other payables is disclosed in Note 28 to the financial statements.

16. CONTRACT LIABILITIES

	Group	
	2024 RM'000	2023 RM'000
Deferred revenue from customer loyalty points (Note 18)	**102**	66

(a) The contract liabilities in relation to deferred revenue from customer loyalty points represent the aggregate amount of transaction price allocated to customer loyalty points outstanding as at the end of each reporting period, which revenue is recognised at a point in time upon redemption or as and when the customer loyalty points lapsed. The validity of the customer loyalty points is one (1) year.

(b) A reconciliation of the deferred revenue from customer loyalty points is as follows:

	Group	
	2024 RM'000	2023 RM'000
Balance as at 1 January	**66**	130
Additions during the financial year	**1,056**	664
Redemptions during the financial year	**(867)**	(526)
Lapsed during the financial year	**(153)**	(202)
Balance as at 31 December	**102**	66

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024 (continued)

17. CAPITAL COMMITMENTS

	Group 2024 RM'000	Group 2023 RM'000
Capital expenditure in respect of purchase of property, plant and equipment:		
- Contracted but not provided for	**5,093**	14,368
- Approved but not contracted for	**21,934**	11,130

18. REVENUE

	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Revenue from contracts with customers				
- Sale of goods	**282,359**	281,311	**-**	-
- Services rendered	**-**	-	**2,437**	3,622
- Deferred revenue from customer loyalty points (Note 16)	**(102)**	(66)	**-**	-
	282,257	281,245	**2,437**	3,622
Other revenue				
- Dividend income	**-**	-	**7,000**	7,000
	282,257	281,245	**9,437**	10,622
Timing of revenue recognition				
Recognised at a point in time	**282,257**	281,245	**-**	-
Recognised over time	**-**	-	**2,437**	3,622
Others	**-**	-	**7,000**	7,000
	282,257	281,245	**9,437**	10,622

(a) Revenue from contracts with customers

(i) Sale of goods

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024 (continued)

18. REVENUE (continued)

(a) Revenue from contracts with customers (continued)

(ii) Services rendered

Revenue in respect of the rendering of management services is recognised when performance obligation is satisfied over time.

(iii) Revenue from customer loyalty points

The Group's loyalty points programme allows customers to accumulate points that can be redeemed for products.

The loyalty points give rise to a separate performance obligation as they provide a material right to the customer. A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognised as a contract liability until the points are redeemed. Revenue is recognised at a point in time upon redemption or expiry of the customer loyalty points by the customer.

When estimating the stand-alone selling price of the loyalty points, the Group considers the likelihood that the customer will redeem the points. The Group updates its estimates of the points that will be redeemed on a regular basis and any adjustments to the contract liabilities balances are charged against revenue.

(b) Other revenue

<u>Dividend income</u>

Dividend income is recognised when right to receive payment is established.

19. FINANCE COSTS

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Interest expense on:				
- bankers' acceptances	**-**	16	**-**	-
- lease liabilities (Note 2)	**8**	6	**-**	-
- amount owing to a subsidiary	**-**	-	**39**	-
	8	22	**39**	-

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024 (continued)

20. PROFIT BEFORE TAX

(a) Other than those disclosed elsewhere in the financial statements, the following amounts have been included in arriving at profit before tax:

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit before tax is arrived at after charging:					
Amortisation of intangible assets	6	**273**	387	**-**	-
Auditors' remuneration:					
- statutory audits					
- auditors of the Company		**174**	150	**40**	36
- other auditors		**47**	50	**-**	-
- other services		**5**	5	**5**	5
Bad debts written off		**111**	235	**-**	-
Depreciation of property, plant and equipment	1(b)	**29,913**	30,189	**-**	-
Depreciation of right-of-use assets	2	**1,713**	1,943	**-**	-
Impairment losses on costs of investments in subsidiaries	3(d)	**-**	-	**2,600**	-
Write down of inventories to net realisable value	7(d)	**270**	82	**-**	-
Loss on foreign exchange:					
- realised		**1,954**	614	**3**	-
- unrealised		**7,048**	4,601	**47**	-
Property, plant and equipment written off	1	**1**	42	**-**	-
Provision for employment benefits obligation	12(a)	**76**	52	**-**	-
Rental of:					
- equipment		**69**	65	**-**	-
- forklift		**29**	17	**-**	-
- premises		**300**	94	**-**	-
And crediting:					
Fair value gain on money market funds		**602**	-	**4**	-
Fair value gain on short term funds		**187**	-	**-**	-
Gain on disposals of property, plant and equipment		**253**	89	**-**	-
Gain on foreign exchange:					
- realised		**753**	2,112	**-**	-
- unrealised		**4,498**	6,918	**-**	19
Interest income from:					
- short-term placements		**2,351**	1,900	**45**	56
- subsidiaries		**-**	-	**1,726**	1,732
Rental income from investment properties	4(g)	**889**	842	**-**	-

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024 (continued)

20. PROFIT BEFORE TAX (continued)

(a) Other than those disclosed elsewhere in the financial statements, the following amounts have been included in arriving at profit before tax: (continued)

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
And crediting: (continued)					
Write back of inventories previously written down to net realisable value	7(c)	**88**	209	**-**	-
Reversal of impairment losses on costs of investments in subsidiaries	3(d)	**-**	-	**-**	601
Sundry income		**19,059**	16,305	**-**	-

(b) Net (losses)/gains on impairment of financial assets recognised in profit or loss were as follows:

		Group	
	Note	2024 RM'000	2023 RM'000
Impairment losses on trade receivables	8(h)	**(415)**	-
Reversal of impairment losses on trade receivables	8(h)	**85**	906
Net (losses)/gains on impairment of financial assets		**(330)**	906

(c) Interest income

Interest income is recognised as it accrues, using the effective interest method.

(d) Rental income

Rental income is recognised on a straight-line basis over the lease term of an ongoing lease.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024 (continued)

21. TAX EXPENSE

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current tax expense based on profit for the financial year:				
- current year	**6,407**	6,769	**266**	547
- under/(over) provision in prior years	**44**	(108)	**(10)**	(11)
	6,451	6,661	**256**	536
Deferred tax (Note 13(a)):				
- relating to origination and reversal of temporary differences	**(3,275)**	(1,572)	**-**	-
- over provision in prior years	**(234)**	(158)	**-**	-
	(3,509)	(1,730)	**-**	-
	2,942	4,931	**256**	536

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

(b) Tax expense for other taxation authorities are calculated at the rates prevailing in those respective jurisdictions.

(c) The numerical reconciliation between the applicable tax rate and average effective tax rate is as follows:

	Group		Company	
	2024 %	2023 %	2024 %	2023 %
Applicable tax rate	**24.0**	24.0	**24.0**	24.0
Tax effects in respect of:				
Non-taxable income	**(1.1)**	(1.2)	**(19.6)**	(18.7)
Non-allowable expenses	**0.9**	1.7	**0.6**	0.3
Tax losses not recognised	**1.1**	-	**-**	-
Utilisation of previously unrecognised tax losses	**(0.2)**	(0.9)	**-**	-
Utilisation of tax incentives and allowances	**(18.1)**	(13.7)	**-**	-
Tax effects in respect of:				
Different tax rates in foreign jurisdiction/other authorities	**0.1**	-*	**-**	-
	6.7	9.9	**5.0**	5.6

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024 (continued)

21. TAX EXPENSE (continued)

(c) The numerical reconciliation between the applicable tax rate and average effective tax rate is as follows: (continued)

	Group 2024 %	Group 2023 %	Company 2024 %	Company 2023 %
Under/(Over) provision in prior years				
- income tax	**0.1**	(0.2)	**(0.2)**	(0.1)
- deferred tax	**(0.5)**	(0.3)	**-**	-
Average effective tax rate	**6.3**	9.4	**4.8**	5.5

* Less than 0.1%

(d) Tax savings of the Group are as follows:

	Group 2024 RM'000	Group 2023 RM'000
Utilisation of previously unrecognised tax losses	**78**	475
Utilisation of tax incentives and allowances	**8,495**	7,199

(e) Tax on each component of other comprehensive income is as follows:

2024	Group Before tax RM'000	Group Tax effect RM'000	Group After tax RM'000
Item that may be reclassified subsequently to profit or loss			
Foreign currency translations	**(223)**	**-**	**(223)**
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of employment benefits obligation	**10**	**(2)**	**8**

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024 (continued)

21. TAX EXPENSE (continued)

(e) Tax on each component of other comprehensive income is as follows: (continued)

2023	Group Before tax RM'000	Group Tax effect RM'000	Group After tax RM'000
Item that may be reclassified subsequently to profit or loss			
Foreign currency translations	379	-	379
Items that will not be reclassified subsequently to profit or loss			
Revaluation gain on land and buildings	2,350	-	2,350
Remeasurement of employment benefits obligation	(15)	3	(12)

22. EARNINGS PER ORDINARY SHARE

(a) Basic

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

	Group 2024	Group 2023
Profit attributable to equity holders of the parent (RM'000)	**43,962**	47,707
Number of ordinary shares in issue at beginning of the year ('000)	**82,672**	82,672
Share split of shares ('000)	**82,672**	82,672#
Adjusted weighted average number of ordinary shares applicable to basic earnings per ordinary share ('000)	**165,344**	165,344#
Basic earnings per ordinary share (sen)		
- Before share split	**n/a**	57.71
- After share split	**26.59**	28.85#

For comparative purposes, the earnings per share for the financial year ended 31 December 2023 has been adjusted for the effect of a share split of one (1) existing ordinary share to two (2) new ordinary shares in the Company, which was completed on 28 June 2024.

(b) Diluted

Diluted earnings per ordinary share equals basic earnings per ordinary share as there were no dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024 (continued)

23. DIVIDENDS

	Group and Company 2024 RM'000	2023 RM'000
In respect of the financial year ended 31 December 2022:		
Final single tier dividend of ten (10) sen per ordinary share, paid on 14 July 2023	**-**	8,267
In respect of the financial year ended 31 December 2023:		
First interim single tier dividend of three (3) sen per ordinary share, paid on 22 December 2023	**-**	2,480
Second interim single tier dividend of four (4) sen per ordinary share, paid on 5 April 2024	**3,307**	-
Final single tier dividend of eight (8) sen per ordinary share, paid on 15 July 2024	**6,614**	-
In respect of the financial year ended 31 December 2024:		
First interim single tier dividend of two (2) sen per ordinary share, paid on 3 October 2024	**3,307**	-
Second interim single tier dividend of three (3) sen per ordinary share, paid on 23 December 2024	**4,960**	-
	18,188	10,747

On 27 February 2025, the Directors declared a third interim single tier dividend of four (4) sen per ordinary share amounted to RM6,613,781 in respect of the financial year ended 31 December 2024, which is payable on 8 April 2025.

The financial statements for the current financial year do not reflect this declared dividend. Upon declaration, the dividend payment will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2025.

24. EMPLOYEES BENEFITS

Total employees benefits recognised in profit or loss are as follows:

	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Salaries, wages, overtime, bonuses, allowances and commissions	**42,402**	44,417	**2,500**	2,552
Contributions to defined contribution plan	**4,007**	4,114	**254**	299
Social security contributions	616	590	**3**	3
	47,025	49,121	**2,757**	2,854

(a) Included in the employees benefits of the Group and of the Company are Executive Directors' remuneration amounting to RM2,726,859 (2023: RM2,822,703) and RM2,696,905 (2023: RM2,791,600) respectively.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024 (continued)

24. EMPLOYEES BENEFITS (continued)

(b) The remuneration of Directors and other key management personnel during the financial year was as follows:

	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Executive Directors:				
- fees	**106**	106	**-**	-
- other remuneration	**2,727**	2,823	**2,697**	2,792
	2,833	2,929	**2,697**	2,792
Non-executive Directors:				
- fees	**216**	207	**216**	207
- other remuneration	**40**	40	**40**	40
	256	247	**256**	247
Other key management personnel:				
- other remuneration	**1,541**	1,737	**-**	-
	1,541	1,737	**-**	-
	4,630	4,913	**2,953**	3,039

The estimated monetary value of benefits-in-kind received by the Directors and other key management personnel other than in cash from the Group amounted to RM78,583 and RM58,750 (2023: RM75,891 and RM13,371) respectively.

25. 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 could be individuals or other parties.

The Company has controlling related party relationship with its direct and indirect subsidiaries.

The relationships between the Group and the related parties, other than those disclosed elsewhere in the financial statements, are as follows:

Identities of related parties	Relationship with the Group
Pong Codan Marketing Sdn. Bhd. Pong Codan Rubber (M) Sdn. Bhd.	Companies in which a family member of the Executive Directors of the Company has substantial financial interests.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024 (continued)

25. 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:

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Sales to:				
- Pong Codan Marketing Sdn. Bhd.	**7**	5	**-**	-
- Pong Codan Rubber (M) Sdn. Bhd.	**88**	81	**-**	-
Purchases from:				
- Pong Codan Marketing Sdn. Bhd.	**(531)**	(620)	**-**	-
- Pong Codan Rubber (M) Sdn. Bhd.	**(170)**	(190)	**-**	-
Dividend income received from subsidiaries	**-**	-	**7,000**	7,000
Interest income receive from subsidiaries	**-**	-	**1,726**	1,732
Management fee received from subsidiaries	**-**	-	**2,437**	3,622
Interest expense charged by a subsidiary	**-**	-	**39**	-

The related party transactions described above were entered into in the normal course of business carried out based on negotiated terms and conditions and are mutually agreed with respective parties.

(c) Compensation of key management personnel

The key management personnel comprise the Executive and Non-Executive Directors and other key management personnel of the Group and their remuneration during the financial year are disclosed in Note 24(b) to the financial statements.

26. SEGMENT INFORMATION

Operating segment reporting is not separately presented as the Group is principally engaged in the manufacturing and trading of automotive parts and accessories, which are substantially within a single operating segment.

For the purpose of resources allocation and performance assessment, the chief operating decision-maker reviews the profit from operations of the Group as disclosed in the statements of profit or loss and other comprehensive income.

(a) Geographical segments

The Group operates mainly in Malaysia, ASEAN and Non-ASEAN (such as Middle East, Central and South America, Europe, Africa and China). The revenue disclosed in geographical segments is based on the geographical location of its customers.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024 (continued)

26. SEGMENT INFORMATION (continued)

(a) Geographical segments (continued)

The following table provides an analysis of the Group's segment revenue, non-current assets and capital expenditure by geographical segment:

	Revenue		Non-current assets		Capital expenditure	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Malaysia	**147,767**	147,208	**363,011**	365,980	**26,699**	26,527
ASEAN	**50,783**	53,353	**47,803**	52,621	**16**	45
Non-ASEAN	**83,707**	80,684	**554**	96	**84**	32
	282,257	281,245	**411,368**	418,697	**26,799**	26,604

(b) Major customers

There are no major customers, which contributed equal or more than 10% of the Group's revenue. As such, information on major customers is not presented.

27. CAPITAL MANAGEMENT

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

The Group manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2024 and 31 December 2023.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group targets gearing ratio of less than 40% determined as the proportion of net debt to equity. The Group and the Company include within net debt, borrowings, less cash and cash equivalents. Capital represents equity attributable to the owners of the parent.

The gearing ratio was not presented as there were no borrowings as at the end of each reporting period.

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of more than twenty-five per centum (25%) of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40.0 million. The Group has complied with this requirement during the financial year ended 31 December 2024.

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

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024 (continued)

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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.

The Group operates within an established risk management framework and clearly defined guidelines that are regularly reviewed by the Board of Directors and does not trade in derivative financial instruments. Financial risk management is carried out through risk review programmes, internal control system, insurance programmes and adherence to the Group financial risk management policies. The Group is exposed mainly to foreign currency risk, liquidity and cash flow risk, credit risk and interest rate risk. Information on the management of the related exposures is detailed below.

(i) Foreign currency risk

The Group is exposed to transactional currency risk. Such exposures arise from substantial purchases of raw materials and moulds from Taiwan, China, Thailand and South Korea. These purchases are mainly invoiced in Renminbi ("RMB"), New Taiwan Dollar ("NTD") and United States Dollar ("USD"). The Group's exports to ASEAN and Non-ASEAN regions are mainly denominated in USD.

The Company is exposed to foreign currency risk on bank balances that are denominated in a currency other than the functional currency of the Company.

The Group's and the Company's exposures to foreign currency risk (a currency, which is other than the functional currency of the subsidiaries) arising from foreign currency balances as at the end of the reporting period is represented by the following carrying amounts:

Group	RM/USD RM'000	RM/NTD RM'000	RM/RMB RM'000	RM/IDR[2] RM'000	IDR/USD RM'000	Total RM'000
2024						
Trade and other receivables	**8,936**	**307**	**861**	**1,854**	**-**	**11,958**
Cash and cash equivalents	**11,944**	**-**	**1,460**	**834**	**-**	**14,238**
Trade and other payables	**(3,078)**	**(211)**	**(394)**	**(95)**	**-**	**(3,778)**
Lease liabilities	**-**	**-**	**(353)**	**-**	**-**	**(353)**
Inter-company balances[1]	**-**	**-**	**7,403**	**17,060**	**19,963**	**44,426**
	17,802	**96**	**8,977**	**19,653**	**19,963**	**66,491**
2023						
Trade and other receivables	7,757	328	924	1,954	-	10,963
Cash and cash equivalents	19,902	-	2,060	643	-	22,605
Trade and other payables	(3,135)	(50)	(473)	(105)	-	(3,763)
Inter-company balances[1]	-	-	8,453	16,269	19,028	43,750
	24,524	278	10,964	18,761	19,028	73,555

(1) The Group is also exposed to foreign currency risk arising from inter-company balances between the companies domiciled in Malaysia and the overseas subsidiaries in Indonesia and China.
(2) IDR denotes as Indonesian Rupiah.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024 (continued)

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(i) Foreign currency risk (continued)

The Group's and the Company's exposures to foreign currency risk (a currency, which is other than the functional currency of the subsidiaries) arising from foreign currency balances as at the end of the reporting period is represented by the following carrying amounts: (continued)

Company	RM/USD RM'000	RM/RMB RM'000	Total RM'000
2024			
Cash and cash equivalents	**64**	**50**	**114**
2023			
Cash and cash equivalents	537	241	778

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's and Company's profit after tax and equity and for a 5% (2023: 5%) strengthening of the following functional currencies of the entities of the Group and of the Company against the respective foreign currencies, with all other variables held constant.

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit after tax				
RM/USD	**(673)**	(930)	**(2)**	(20)
RM/NTD	**(4)**	(11)	**-**	-
RM/RMB	**(326)**	(396)	**(2)**	(9)
RM/IDR	**(648)**	(618)	**-**	-
IDR/USD	**(759)**	(723)	**-**	-
Equity				
RM/USD	**(3)**	(2)	**-**	-
RM/NTD	**-**	-	**-**	-
RM/RMB	**(15)**	(21)	**-**	-
RM/IDR	**(99)**	(95)	**-**	-
IDR/USD	**-**	-	**-**	-

A 5% weakening of the functional currency of the entities of the Group and of the Company against the above foreign currencies at the end of the reporting period would have had equal but opposite effect to the amounts shown above, on the basis that all other variables remained constant.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024 (continued)

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(ii) Liquidity and cash flow risk

It is the Group's policy to ensure its ability to service its cash obligation in the future by way of measures and forecasts of its cash commitments, monitoring and maintaining a level of cash and cash equivalents deemed adequate to the Group's operations and development activities. The Group also maintains flexibility in funding by keeping committed credit lines available.

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

Group	On demand or within one year RM'000	One to five years RM'000	Total RM'000
2024			
Financial liabilities			
Lease liabilities	**220**	**160**	**380**
Trade and other payables	**24,982**	**-**	**24,982**
Total undiscounted financial liabilities	**25,202**	**160**	**25,362**
2023			
Financial liabilities			
Lease liabilities	24	-	24
Trade and other payables	22,968	-	22,968
Total undiscounted financial liabilities	22,992	-	22,992

Company	On demand or within one year RM'000	One to five years RM'000	Total RM'000
2024			
Financial liabilities			
Trade and other payables	**2,585**	**7,475**	**10,060**
Financial guarantee contracts	**7,423**	**-**	**7,423**
Total undiscounted financial liabilities	**10,008**	**7,475**	**17,483**
2023			
Financial liabilities			
Trade and other payables	960	-	960
Financial guarantee contracts	5,810	-	5,810
Total undiscounted financial liabilities	6,770	-	6,770

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024 (continued)

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) Credit risk

Exposure to credit risk arises mainly from sales made on credit terms, deposits with licensed banks and financial guarantees given to banks for banking facilities granted to subsidiaries. The Group controls the credit risk on sales by ensuring that its customers have sound financial position and credit history. The Group also seeks to invest cash assets safely and profitably with approved financial institutions in line with the policy of the Group.

Exposure to credit risk

At the end of each reporting period, no collateral has been obtained by the Group. The maximum exposure to credit risk of the Group and of the Company is represented by the carrying amount of each class of financial assets recognised in the statements of financial position. Information regarding credit enhancement for trade and other receivables is disclosed in Note 8 to the financial statements.

Credit risk concentration profile

At the end of each reporting period, there were no significant concentrations of credit risk other than amounts owing by subsidiaries representing 99.6% (2023: 99.6%) of the total receivables of the Company. The Company does not anticipate the carrying amount recorded at the reporting period to be significantly different from the values that would eventually be received.

The maximum exposure to credit risk in relation to financial guarantee contracts provided as credit enhancements to the subsidiaries amounted to RM7,423,175 (2023: RM5,809,774) represents the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

Recognition and measurement of impairment loss of financial guarantee contracts

The Company assumes that there is a significant increase in credit risk when the financial position of the subsidiaries deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

(a) the subsidiaries are unlikely to repay its credit obligation to the bank in full; or

(b) the subsidiaries are continuously loss making and are having a deficit shareholders' fund.

The Company determines the probability of default of the subsidiaries using internal information available. No impairment loss is recognised arising from financial guarantees as it is negligible.

(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 primary interest rate risk of the Group and of the Company relates to lease liabilities, equity loans, amounts owing by subsidiaries and amounts owing to subsidiaries. The floating rate deposits of the Group and of the Company are exposed to a risk of change in cash flows due to changes in interest rates. The Group does not use derivative financial instruments to hedge its risk.

The interest rate profile and sensitivity analysis of interest rate risk have been disclosed in Notes 2, 3, 8 and 15 to the financial statements respectively.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024 (continued)

29. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

29.1 New MFRSs adopted during the financial year

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

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

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

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

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

The Group and the Company anticipate that the abovementioned new MFRSs and Amendments to MFRS will be adopted in the annual financial statements of the Group and of the Company when they become effective. The Group and the Company are still in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable in future financial years.

30. CORPORATE INFORMATION

New Hoong Fatt Holdings Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Level 13, Menara 1 Sentrum, 201, Jalan Tun Sambanthan, Brickfields, 50470 Kuala Lumpur. The principal place of business of the Company is located at Lot 5043, Jalan Teratai, Meru, 41050 Klang, Selangor Darul Ehsan.

The consolidated financial statements for the financial year ended 31 December 2024 comprise the Company and its subsidiaries. These financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 7 April 2025.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2024 (continued)

31. PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision for management services. The principal activities of the subsidiaries are mainly investment holding, manufacturing of moulds and dies, manufacturing, marketing, importing, exporting, trading and distribution of automotive parts and accessories as well as provision of injection services. Further details of the subsidiaries are set out in Note 3 to the financial statements. There have been no significant changes in the nature of the activities of the Company and its subsidiaries during the financial year.

32. 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 Amendments to MFRSs during the financial year. The Amendments to MFRSs adopted during the financial year are set out in Note 29.1 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.

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LIST OF PROPERTIES
As at 31 December 2024

Location	Description/ Existing Use	Land Area/ Built-Up Area	Tenure/ Approximate Age of Building	Date of Last Revaluation or Acquisition	Carrying Amount (RM'000)
HS(M) 22101 No. PT 29778 & GM 1827 (Lot 5026 - Lot 5028) Mukim of Kapar District of Klang Selangor	Industrial land and building/ Office and factory	31,240 sq m/ 28,545 sq m	Freehold/ 24 - 33 years	31.12.22	50,642
GM 3890 Lot 5043 Mukim of Kapar District of Klang Selangor	Industrial land and building/ Office and warehouse	10,918 sq m/ 9,486 sq m	Freehold/ 22 years	31.12.22	17,621
GM 1672 Lot 5044 Mukim of Kapar District of Klang Selangor	Industrial land and building/ Warehouse	10,031 sq m/ 19,037 sq m	Freehold/ 22 years	31.12.22	24,642
HS(M) 35401 No. PT 54723 (Lot 5045) Mukim of Kapar District of Klang Selangor	Industrial land and building/ Factory	10,085 sq m/ 7,269 sq m	Freehold/ 24 years	31.12.23	14,775
GM 1859 Lot 5046 Mukim of Kapar District of Klang Selangor	Industrial land and building/ Office and factory	10,669 sq m/ 8,527 sq m	Freehold/ 22 years	31.12.22	16,702
HS(M) 36093 No. PT 56761 (Lot 5047 - 5048) Mukim of Kapar District of Klang Selangor	Industrial land and building/ Factory	20,109 sq m/ 12,447 sq m	Freehold/ 14 years	31.12.22	29,082
GM 5108 Lot 5060 Mukim of Kapar District of Klang Selangor	Vacant agricultural land	12,141 sq m/ -	Freehold/ -	31.12.22	5,200

LIST OF PROPERTIES
As at 31 December 2024 (continued)

Location	Description/ Existing Use	Land Area/ Built-Up Area	Tenure/ Approximate Age of Building	Date of Last Revaluation or Acquisition	Carrying Amount (RM'000)
GM 5105 Lot 5061 Mukim of Kapar District of Klang Selangor	Vacant agricultural land	12,141 sq m/ -	Freehold/ -	31.12.22	5,200
GM 5592 Lot 5062 Mukim of Kapar District of Klang Selangor	Vacant agricultural land	12,141 sq m/ -	Freehold/ -	31.12.22	5,200
GM 5582 Lot 5065 Mukim of Kapar District of Klang Selangor	Vacant industrial land	10,179 sq m/ -	Freehold/ -	31.12.22	10,400
Pajakan Negeri (WP) 26293 - 26295 Lot 47051 - 47053 Mukim Batu District of Kuala Lumpur Wilayah Persekutuan KL	Industrial land and building/ Rented out as office and warehouse	4,425 sq m/ 2,334 sq m	Leasehold of 99 years expiring on 16.06.2067/ 51 years	31.12.22	13,300
Pajakan Negeri (WP) 26296 - 26297 Lot 47054 - 47055 Mukim Batu District of Kuala Lumpur Wilayah Persekutuan KL	Industrial land and building/ Rented out as office and warehouse	2,839 sq m/ 2,726 sq m	Leasehold of 99 years expiring on 16.06.2067/ 51 years	31.12.24	10,800
PN 24531 & PN 27157 Lot 16474 & 16475 Mukim Batu District of Kuala Lumpur Wilayah Persekutuan KL	Industrial land and building/ Office and warehouse	4,590 sq m/ 4,932 sq m	Leasehold of 99 years expiring on 16.06.2067/ 12 years	31.12.22	16,792

LIST OF PROPERTIES
As at 31 December 2024 (continued)

Location	Description/ Existing Use	Land Area/ Built-Up Area	Tenure/ Approximate Age of Building	Date of Last Revaluation or Acquisition	Carrying Amount (RM'000)
Pajakan Negeri CL015413797 Miles 5 ½ Tuaran Road District of Kota Kinabalu, Sabah	Industrial land and building/ Office and warehouse	3,565 sq m/ 1,812 sq m	Leasehold of 60 years expiring on 31.12.2072/ 18 years	31.12.22	6,158
Hak Milik No. 5223 - 5230 Jl. Raya Kamal Muara Kelurahan Kamal Muara Kec. Penjaringan Kotamadya Jakarta Utara DKI Indonesia	Industrial land and building/ Office and warehouse	11,830 sq m/ 7,540 sq m	Leasehold of 30 years expiring on 07.01.2043, renewable upon expiry/ 36 years	30.12.22	25,453
Kawasan Industri Jababeka Jl. Tekno Boulevard Blok A2.B, Kelurahan Pasirgombang Kec. Cikarang Utara Kota Bekasi Jawa Barat Indonesia	Vacant industrial land	24,575 sq m/ -	Leasehold of 30 years expiring on 24.09.2027, renewable upon expiry/-	30.12.22	21,846

ANALYSIS OF SHAREHOLDINGS
As at 2 April 2025

Issued Share Capital	:	RM82,672,260.00
Class of Shares	:	Ordinary shares
No. of Shareholders	:	1,653
Voting Rights	:	One (1) vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS
(Based on the Record of Depositors)

Size of Shareholdings	Shareholders	%	Shareholdings	%
1 - 99	181	10.96	2,506	0.01
100 - 1,000	224	13.55	94,990	0.06
1,001 - 10,000	770	46.58	3,546,604	2.14
10,001 - 100,000	388	23.47	11,290,640	6.83
100,001 - less than 5% of issued shares	87	5.26	59,462,376	35.96
5% and above of issued shares	3	0.18	90,947,404	55.00
TOTAL	**1,653**	**100.00**	**165,344,520**	**100.00**

Note: 5% of issued shares = 8,267,226 shares

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS
(Based on the Register of Substantial Shareholders)

	No. of Shares Held			
Name	Direct	%	Indirect	%
Kam Foong Keng	56,366,072	34.09	995,260[1]	0.60
Wong Ah Moy @ Wong Yoke Len	22,081,332	13.35	-	-
Yeoman 3-Rights Value Asia Fund VCC	12,500,000	7.56	-	-
Yeoman Capital Management Pte. Ltd.	253,000	0.15	12,600,000[2]	7.62
Yeo Seng Chong	924,000	0.56	12,853,000[3]	7.77
Lim Mee Hwa	-	-	13,777,000[4]	8.33

Notes:

1 Deemed interested in the shares held by Chin & Kam Holdings Sdn. Bhd. ("Chin & Kam") pursuant to Section 8(4) of the Companies Act 2016 by virtue of her control over Chin & Kam.

2 Deemed interested in the shares held on behalf of all its clients (including Yeoman 3-Rights Value Asia Fund VCC) in its role as an investment manager and Yeoman Capital Management Pte. Ltd. ("YCMPL") has voting control over all the said shares.

3 Deemed interested in the direct and indirect interests held by YCMPL pursuant to Section 8(4) of the Companies Act 2016 through his 50% shareholding in YCMPL.

4 Deemed interested in the direct and indirect interests held by YCMPL pursuant to Section 8(4) of the Companies Act 2016 through her 50% shareholding in YCMPL and the direct interest held by her spouse, Yeo Seng Chong.

ANALYSIS OF SHAREHOLDINGS
As at 2 April 2025 (continued)

DIRECTORS' INTERESTS
(Based on the Register of Directors' Shareholdings)

	No. of Shares Held			
Name	**Direct**	**%**	**Indirect**	**%**
Kam Foong Keng	56,366,072	34.09	995,260[1]	0.60
Chin Jit Sin	2,044,040	1.24	995,260[1]	0.60
Kam Foong Sim	3,976,334	2.40	-	-
Chia Swee Yuen	-	-	-	-
Oei Kok Eong	-	-	-	-
Ng Chee Kiet	-	-	-	-

Note:

1 Deemed interested in the shares held by Chin & Kam pursuant to Section 8(4) of the Companies Act 2016 by virtue of their absolute control over Chin & Kam.

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ANALYSIS OF SHAREHOLDINGS
As at 2 April 2025 (continued)

THIRTY (30) LARGEST SHAREHOLDERS
(Based on the Record of Depositors)

Name	Shareholdings	%
1. Kam Foong Keng	56,366,072	34.09
2. Wong Ah Moy @ Wong Yoke Len	22,081,332	13.35
3. DB (Malaysia) Nominee (Asing) Sdn. Bhd. Deutsche Bank AG Singapore for Yeoman 3-Rights Value Asia Fund (PTSL)	12,500,000	7.56
4. HSBC Nominees (Tempatan) Sdn. Bhd. Exempt an for BNP Paribas Singapore Branch (Local)	6,129,674	3.71
5. Kam Fong Mei	3,770,334	2.28
6. Patricia Lim Pek Yew	3,586,440	2.17
7. Wong Fong Ngoh	3,167,120	1.92
8. CIMB Group Nominees (Asing) Sdn. Bhd. Exempt an for DBS Bank Ltd (SFS)	2,764,000	1.67
9. Kam Foong Sim	2,491,334	1.51
10. Chin Jit Sin	2,044,040	1.24
11. Lim Pei Tiam @ Liam Ahat Kiat	2,000,000	1.21
12. Wong Fong Ngoh	1,636,800	0.99
13. Chan Mei Xian	1,580,000	0.96
14. Kam Foong Sim	1,485,000	0.90
15. HLB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lim Pay Kaon	1,479,400	0.89
16. Lim Pin Kong	1,336,500	0.81
17. Lee Kam Tai	1,185,834	0.72
18. Amsec Nominees (Asing) Sdn. Bhd. Pledged Securities Account for Lien, Li-Yu	1,006,260	0.61
19. Amsec Nominees (Asing) Sdn. Bhd. Pledged Securities Account for Lin, Chih-Chun	1,001,100	0.61
20. Chin & Kam Holdings Sdn. Bhd.	995,260	0.60
21. Lim Khuan Eng	920,000	0.56
22. Affin Hwang Nominees (Asing) Sdn. Bhd. DBS Vickers Secs (S) Pte. Ltd. for Yeo Seng Chong	858,000	0.52
23. Lim Pin Kong	858,000	0.52
24. Koay Keng Ling	774,180	0.47
25. Lim Ying Ying	743,420	0.45
26. Kasem Suthichitranont	680,000	0.41
27. Diong Sing Peng	675,400	0.41
28. Affin Hwang Nominees (Asing) Sdn. Bhd. DBS Vickers Secs (S) Pte. Ltd. for Little Rain Assets Limited	658,200	0.40
29. CGS International Nominees Malaysia (Asing) Sdn. Bhd. Exempt an for CGS International Securities Singapore Pte. Ltd. (Retail Clients)	658,000	0.40
30. Koay Keng Huat	600,820	0.36
TOTAL	**136,032,520**	**82.30**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Eighth (28th) Annual General Meeting ("AGM") of **NEW HOONG FATT HOLDINGS BERHAD** ("the Company") will be held at Function Room 1, Setia City Convention Centre, No. 1, Jalan Setia Dagang AG, U13/AG Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor, Malaysia on Wednesday, 4 June 2025 at 10.00 a.m., for the following purposes:

A G E N D A

ORDINARY BUSINESS

1. To lay before the meeting the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon.

2. To re-elect Ms Kam Foong Sim as Director of the Company, who is retiring by rotation pursuant to Article 101 of the Constitution of the Company, and who being eligible, has offered herself for re-election. **Ordinary Resolution 1**

3. To re-elect Mr Ng Chee Kiet as Director of the Company, who is retiring by rotation pursuant to Article 101 of the Constitution of the Company, and who being eligible, has offered himself for re-election. **Ordinary Resolution 2**

4. To approve the payment of Directors' Fees for the Non-Executive Directors ("NEDs") up to an aggregate amount of RM250,000 for the period commencing from 5 June 2025 until the next AGM of the Company to be held in 2026. **Ordinary Resolution 3**

5. To approve the payment of Directors' Benefits Payable for NEDs up to an aggregate amount of RM50,000 for the period commencing from 5 June 2025 until the next AGM of the Company to be held in 2026. **Ordinary Resolution 4**

6. To re-appoint Messrs BDO PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 5**

SPECIAL BUSINESS

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

7. **AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 ("THE ACT")** **Ordinary Resolution 6**

   "THAT pursuant to Sections 75 and 76 of the Act and subject to the approval of relevant regulatory authorities, if necessary, the Directors of the Company be and are hereby authorised to allot and issue shares in the Company at any time until the conclusion of the next AGM upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being, subject always to the approval of all relevant regulatory bodies being obtained for such allotment and issue.

   THAT pursuant to Section 85 of the Act, to be read together with Article 66 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Sections 75 and 76 of the Act, AND THAT the Directors exempted from the obligation to offer such new shares first to the existing shareholders of the Company.

NOTICE OF ANNUAL GENERAL MEETING
(continued)

AND FURTHER THAT the Directors, whether solely or jointly, be authorised to complete and do all such acts, deeds and things (including executing such relevant documents) as he/they may consider necessary, expedient or in the best interest of the Company to give effect to the aforesaid mandate."

8. **PROPOSED AMENDMENT TO THE CONSTITUTION OF THE COMPANY** **Special Resolution**

"THAT approval be and is hereby given to amend the Constitution of the Company in the form and manner as set out in Annexure A, which is included in the Company's Annual Report 2024.

AND THAT the Directors be and hereby authorised to do all such acts, deeds and things and take all such steps that may be necessary or expedient to give effect to the Proposed Amendment to the Constitution of the Company with full power to assent to any modifications, variations and/or amendments as may be required or imposed by the relevant authorities."

9. To transact any other business for which due notice has been given in accordance with the Act and the Constitution of the Company.

By Order of the Board

TEO MEE HUI (SSM PC No.: 202008001081) (MAICSA 7050642)
TAN BEE HWA (SSM PC No.: 202008001174) (MAICSA 7058049)
Company Secretaries

Kuala Lumpur
25 April 2025

Notes:

1. Only a depositor whose name appears in the Company's Record of Depositors as at 27 May 2025 shall be regarded as a member and entitled to attend, speak and vote at this AGM or appoint proxy(ies) to attend and vote on his/her behalf in respect of the number of shares registered in his/her name.

2. Every member entitled to attend and vote at this AGM is entitled to appoint up to two (2) proxies to attend and vote for him/her. There shall be no restriction as to the qualification of the proxy. A proxy may but need not be a member of the Company but shall be of full age. If a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.

3. Where a member of the Company is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("Authorised Nominee"), it may appoint up to two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

4. Where a member of the Company is an Exempt Authorised Nominee holding ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies the Exempt Authorised Nominee may appoint for each Omnibus Account it holds.

5. The Proxy Form must be signed by the appointer or his attorney duly authorised in writing or if the appointer is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.

NOTICE OF ANNUAL GENERAL MEETING
(continued)

6. The appointment of a proxy/corporate representative/attorney may be made in hard copy form or by electronic means in the following manner and must be received by the Company not less than 48 hours before the time fixed for holding the AGM, i.e., not later than 10.00 a.m. on Monday, 2 June 2025:

   (i) In hard copy form
   The hardcopy Proxy Form must be deposited with the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") located at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, the drop-in box provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

   OR

   (ii) By electronic means
   The Proxy Form can be electronically lodged with Tricor via its TIIH Online website at **https://tiih.online**. Please refer to the Administrative Guide for the AGM on the procedures for the electronic lodgement of Proxy Form via the TIIH Online.

7. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), all the resolutions set out in the Notice of the AGM will be put to vote by way of poll.

EXPLANATORY NOTES

1. **Ordinary Resolutions 1 and 2 - Re-election of Directors**

   Ms Kam Foong Sim ("Ms Kam") and Mr Ng Chee Kiet ("Mr Ng") are retiring by rotation pursuant to Article 101 of the Constitution of the Company and are standing for re-election at this AGM. Their profiles are set out in the Directors' Profile of this Annual Report 2024.

   In recommending their re-election, the Nomination Committee ("NC") of the Company had assessed their performance, contribution, and whether they meet the fit-and-proper criteria for re-election as Directors of the Company. The NC concluded that both Ms Kam and Mr Ng had made valuable contributions to the Board, meet the required fit-and-proper criteria and are able to continue contributing to the Board's decision-making processes. The Board (save for the Directors concerned) had endorsed the NC's recommendation for the re-election of Ms Kam and Mr Ng as Directors of the Company.

2. **Ordinary Resolutions 3 and 4 - Payment of Directors' Fees and Benefits Payable**

   Shareholders' approval is sought at this AGM for the payment of Directors' Fees for NEDs of the Company, up to an aggregate amount of RM250,000 for the period commencing from 5 June 2025 until the next AGM of the Company to be held in 2026. The Directors' Fees consist of a monthly director's fee for duties performed as Directors.

   The Benefits Payable to NEDs amounting to RM50,000 for the period commencing from 5 June 2025 until the next AGM of the Company to be held in 2026. This amount consists of attendance allowances for Board meetings, Board Committee meetings and general meetings.

   The estimated total of RM300,000 is based on the current size of the Board and the estimated number of scheduled and additional unscheduled Board, Board Committee and general meetings during the period. The Remuneration Committee of the Company and the Board had reviewed the proposed amount and determined that the fees and benefits payable are in the best interests of the Company and in accordance with the principles outlined in the Company's Remuneration Policy.

NOTICE OF ANNUAL GENERAL MEETING
(continued)

3. **Ordinary Resolution 6 - Authority to allot and issue shares pursuant to Sections 75 and 76 of the Act**

   The Ordinary Resolution 6 is a renewal of the general mandate for issuance of shares by the Company under Sections 75 and 76 of the Act.

   This general mandate will provide flexibility for the Company and empower the Directors to allot and issue new shares in the Company speedily up to an amount not exceeding in total ten percent (10%) of the total number of issued shares of the Company for such purposes as the Directors consider would be in the interest of the Company. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM of the Company.

   This authority will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares for the purpose of funding investment project(s), working capital and/or acquisition(s).

   By voting in favour of Ordinary Resolution 6, shareholders of the Company will also agree to waive their statutory pre-emptive rights under Section 85 of the Act and Article 66 of the Constitution of the Company over all new shares to be allotted and issued by the Directors pursuant to this mandate.

   As at the date of this Notice, no new shares were issued pursuant to the general mandate granted to the Directors of the Company at the last AGM held on 6 June 2024, which will lapse at the conclusion of the 28th AGM to be held on 4 June 2025.

4. **Special Resolution - Proposed Amendment to the Constitution of the Company**

   The proposed amendment to the Constitution of the Company aims to enhance administrative efficiency and provide greater clarity, ensuring alignment with the relevant provisions of the Act and Listing Requirements of Bursa Securities.

   Key amendments include:

   (i) Updating the process for general meetings of members to include provisions for virtual meeting arrangements.
   (ii) Excluding the declaration of dividends from the business at a meeting of members.
   (iii) Removing the provision for resolutions to be decided by a show of hands to align with the Listing Requirements of Bursa Securities.
   (iv) Allowing the instrument appointing a proxy to be submitted or made in electronic format.
   (v) Permitting an increase in Non-Executive Directors' fees and benefits, provided such increase remains within the threshold approved by shareholders.
   (vi) Clarifying the treatment of matters in the event of a tie during Directors' and Directors' Committee meetings, where the Chairman does not have a casting vote.
   (vii) Allowing the register, book, or record to be maintained in hard copy or electronic format.
   (viii) Updating provisions for the declaration of dividends by Directors.

   The full details of the amendments are set out in Annexure A, which is included in the Company's Annual Report 2024.

   To pass this special resolution, it requires the approval of not less than seventy-five percent (75%) of the members entitled to vote, either in person or by proxy.

NOTICE OF ANNUAL GENERAL MEETING
(continued)

STATEMENT ACCOMPANYING NOTICE OF AGM
(Pursuant to Paragraph 8.27(2) of the Listing Requirements of Bursa Securities)

1. There are no individuals seeking election as Directors at this AGM. The profiles of the Directors who are standing for re-election at this AGM are set out in the Directors' Profile of this Annual Report.

2. Details of the general mandate for the issue of securities in the Company pursuant to Sections 75 and 76 of the Act are set out in Explanatory Note 3 of the Notice of AGM.

Personal data privacy:

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

(i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes");

(ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and

(iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

ANNEXURE A: PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY

The Constitution of the Company shall be amended in the following manner: -

Article No.	Existing Provisions	Proposed Amendments	Rationale
Cover page	Constitution of New Hoong Fatt Holdings Berhad (Company No. 425709-K)	Constitution of New Hoong Fatt Holdings Berhad **[**(~~Company~~ **Registration** No. **199701010213 (**425709-K)**]**	Inserted the new Register of Companies' 12-digit registration number and replaced the term 'Company No.' with 'Registration No.' to align with the term used in the Companies Act ("CA") 2016.
2	Interpretation	Interpretation	
	"Company": New Hoong Fatt Holdings Berhad (Company No. 425709-K)	"Company": New Hoong Fatt Holdings Berhad **[**(~~Company~~ **Registration** No. **199701010213 (**425709-K)**]**	Inserted the new Register of Companies' 12-digit registration number and replaced the term 'Company No.' with 'Registration No.' to align with the term used in the CA 2016.
	"Market Day": A day on which the Exchange is open for trading in securities	"Market Day": A day on which the Exchange is open for trading in securities, **which may include a Surprise Holiday, a day that is declared as a public holiday in the Federal Territory of Kuala Lumpur that has not been gazetted as a public holiday at the beginning of the calendar year**	Amended the definition of 'Market Day' to reflect the amended definition by the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") to include Surprise Holiday.
	"Record of Depositors": The record provided by the Central Depository to the Company under Chapter 24.0 of the Rules	"Record of Depositors": The record **of depositors** provided by the Central Depository to the Company under Chapter 24.0 of the Rules	Finetuned for clarity.

ANNEXURE A: PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY (continued)

8	<u>Alteration of Share Capital</u> Subject always to the provisions in this Constitution, the Company shall have power to increase or reduce the capital, to consolidate or sub-divide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share and to issue all or any part of the original or any additional capital as fully paid or partly paid shares, and with any special or preferential rights or privileges, or subject to any special terms or conditions and either with or without any special designation, and also from time to time to alter, modify, commute, abrogate or deal with any such rights, privileges, terms, conditions or designations in accordance with the regulations for the time being of the Company.	<u>Alteration of Share Capital</u> Subject always to the provisions in this Constitution, the Company shall have power to increase or reduce the capital, to consolidate or sub-divide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share and to issue all or any part of the original or any additional capital as fully paid or partly paid shares, and with any special or preferential rights or privileges, or subject to any special terms or conditions and either with or without any special designation, and also from time to time to alter, modify, commute, abrogate or deal with any such rights, privileges, terms, conditions or designations in accordance with **this Constitution** ~~the regulations for the time being of the Company.~~	Finetuned to directly make reference to the Company's formal governing document.
15	<u>Modification of class rights</u> If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of seventy-five per cent (75%) of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of Members of the holders of the shares of the class. To every such separate meeting of Members, the provisions of this Constitution relating to meetings of Members shall mutatis mutandis apply, but so that the necessary quorum shall be two (2) persons at least holding or representing by proxy, one-third (1/3) of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. To every such special resolution the provisions of Section 292 of the Act shall, with such adaptation as are necessary apply.	<u>Modification of class rights</u> If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of seventy-five per cent (75%) of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of Members of the holders of the shares of the class. To every such separate meeting of Members, the provisions of this Constitution relating to meetings of Members shall ~~mutatis mutandis~~ apply **with the necessary adjustments**, but so that the necessary quorum shall be two (2) persons at least holding or representing by proxy, one-third (1/3) of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. To every such special resolution, the provisions of Section 292 of the Act shall, with such adaptations as are necessary apply.	Replaced the term 'mutatis mutandis' with simpler terms for clarity.

ANNEXURE A: PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY (continued)

16	Ranking of Class Rights The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking as regards to participation in the profits or assets of the Company in some or in all respects pari passu therewith.	Ranking of Class Rights The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking **equally** as regards to participation in the profits or assets of the Company in some or in all respects ~~pari passu therewith~~.	Replaced the term 'pari passu' with 'equally' for clarity.
22	Jumbo certificates The Company may issue jumbo certificates in respect of shares or securities in favour of the Central Depository as may be directed by the Securities Commission or the Central Depository pending the crediting of shares or securities into the Securities Account of the person entitled to such shares or securities or as may be prescribed by the Central Depositories Act and the Rules.	Jumbo certificates The Company may issue jumbo certificates in respect of shares or securities in favour of the Central Depository **or its nominee company** as may be directed by the Securities Commission or the Central Depository pending the crediting of shares or securities into the Securities Account of the person entitled to such shares or securities or as may be prescribed by the Central Depositories Act and the Rules.	Added that jumbo certificates may be issued to the Bursa Malaysia Depository or its nominee company.
68	Power to alter capital The Company may from time to time by ordinary resolution: (a) consolidate and divide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived; (b) convert all or any of its paid-up shares into stock and may reconvert that stock into paid-up shares; or (c) subdivide its shares or any of the shares, whatever is in the subdivision, the proportion between the amount paid and the amount, if any, unpaid on	Power to alter capital The Company may from time to time by ordinary resolution: (a) consolidate and divide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived; (b) **cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled or in such manner allowed by law;**	Added a provision to allow the Company to cancel shares that are not taken up.

ANNEXURE A: PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY (continued)

	each subdivided share shall be the same as it was the case of the share from which the subdivided share is derived.	**(c)** convert all or any of its paid-up shares into stock and may reconvert that stock into paid-up shares; or **(d)** subdivide its shares or any of the shares, whatever is in the subdivision, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was the case of the share from which the subdivided share is derived.	
71	<u>Annual General Meeting</u> An annual general meeting of the Company shall be held every year in addition to any other meetings held in that year, in accordance with the provisions of the Act. Such meeting of its members may be held at more than one (1) venue using any technology or method that allows all Members of the Company to participate and to exercise the members' rights to speak and vote at the meeting, and using any available technology to provide notice, conduct and record or facilitate voting at that meeting or any adjournment of that meeting of Members subject to rules, regulations and laws prevailing. The main venue of the meeting shall be in Malaysia and the Chairman shall be present at the main venue of the meeting.	<u>Annual General Meeting</u> **(1)** An annual general meeting of the Company shall be held every year in addition to any other meetings held in that year, in accordance with the provisions of the Act. Such meeting of its members may be held at more than one (1) venue using any technology or method that allows all Members of the Company to participate and to exercise the members' rights to speak **(using audio-visual communication, type text or any other form of electronic means)** and vote at the meeting, and using any available technology to provide notice, conduct and record or facilitate voting at that meeting or any adjournment of that meeting of Members subject to rules, regulations and laws prevailing. **A general meeting may be held and conducted in one (1) of the following modes, unless otherwise required by applicable rules, regulations, or laws:** **(i)** **Physical Meeting where meeting participants, including Members and/or proxies, attend in person at one (1) or more designated meeting location(s).**	Finetuned the process for an Annual General Meeting to include provisions for virtual meeting arrangements.

ANNEXURE A: PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY (continued)

		(ii) Virtual Meeting where certain persons as may be decided by the Directors, attend in person at the location where the virtual meeting is being broadcast, while other Members and/or proxies attend remotely via electronic means (such as video conferencing or an online platform) simultaneously. **(iii) Fully Virtual Meeting where all meeting participants, including Members and/or proxies attend remotely via electronic means.** **(iv) Hybrid Meeting where meeting participants, including Members and/or proxies simultaneously attend either in person at one (1) or more meeting location(s) or remotely via electronic means.** **(2)** The main venue of the meeting shall be in Malaysia and the Chairman shall be present at the main venue of the meeting, **the broadcast venue of the meeting held in Malaysia, or the online meeting platform located in Malaysia, whichever is applicable.**	
73(3)	Notice of Meeting In the case of special business shall also specify the general nature of that business and shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business.	Notice of Meeting In the case of special business, **the notice** shall also specify the general nature of that business and shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business.	Finetuned for clarity.

ANNEXURE A: PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY (continued)

78	Business at Meetings Subject always to the provisions of the Act, no business shall be transacted at a meeting of Members except business of which notice has been given in the notice convening the meeting; and no business shall be transacted at an annual general meeting other than business of which notice has been given aforesaid, with the exception of declaring dividend, the laying of the audited financial statements and the reports of the Directors and Auditors, the election of Directors in place of those retiring by rotation, fixing the fees and/or benefits of the Directors and the appointment and fixing of the remuneration of the Auditors.	Business at Meetings Subject always to the provisions of the Act, no business shall be transacted at a meeting of Members except business of which notice has been given in the notice convening the meeting.~~; and n~~**N**o business shall be transacted at an annual general meeting other than business of which notice has been given aforesaid, with the exception of ~~declaring dividend~~, the laying of the audited financial statements and the reports of the Directors and Auditors, the election of Directors in place of those retiring by rotation, fixing the fees and/or benefits of the Directors and the appointment and fixing of the remuneration of the Auditors.	Deleted 'declaring dividend' as a business to be transacted at a meeting of Members because the declaration of dividend no longer requires approval in a meeting of Members under Section 132 of the CA 2016.
83	Voting at meeting of Members At any meeting of Members, a resolution put to the vote of the meeting shall be decided on a show of hands unless before or on the declaration of the result of the show of hands, a poll is demanded: (a) by the Chairman; (b) by at least three (3) Members present in person or by proxy; (c) by any Member or Members present in person or by proxy and representing not less than ten per cent (10%) of the total voting rights of all the Members having the right to vote at the meeting; or (d) by a Member of Members holding shares in the Company conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than ten per cent (10%) of the total paid up shares conferring that right.	Voting at meeting of Members At any meeting of Members, a resolution put to the vote of the meeting shall be decided on ~~a show of hands unless before or on the declaration of the result of the show of hands, of hands,~~ a poll ~~is demanded is demanded:~~ ~~(a) by the Chairman;~~ ~~(b) by at least three (3) Members present in person or by proxy;~~ ~~(c) by any Member or Members present in person or by proxy and representing not less than ten per cent (10%) of the total voting rights of all the Members having the right to vote at the meeting; or~~ ~~(d) by a Member of Members holding shares in the Company conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than ten per cent (10%) of the total paid up shares conferring that right.~~	Deleted the provision allowing resolutions to be decided by a show of hands to align with the Listing Requirements of Bursa Securities, which mandate that all resolutions set out in the notice of any general meeting must be voted on by poll.

ANNEXURE A: PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY (continued)

	Unless a poll is so demanded, a declaration by the Chairman of the meeting that a resolution has on a show of hands been carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolutions. The demand for a poll may be withdrawn.	~~Unless a poll is so demanded, a declaration by the Chairman of the meeting that a resolution has on a show of hands been carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolutions. The demand for a poll may be withdrawn.~~	
84(1)	How a poll is to be taken If a poll is duly demanded, it shall be taken in such manner and either forthwith or after an interval or adjournment or otherwise as the Chairman directs and the result of the poll shall be the resolution of the meeting at which the poll was taken, but a poll demanded on the election of chairman or on a question of adjournment shall be taken forthwith. The Company shall appoint at least one (1) scrutineer for the purposes of a poll in accordance with Applicable Laws, and may, in addition to the power of adjourning meetings contained in this Constitution, hereof adjourn the meeting to some place and time fixed for the purpose of declaring the result of the poll.	How a poll is to be taken ~~If a~~ **A** poll ~~is duly demanded, it~~ shall be taken in such manner and either forthwith or after an interval or adjournment or otherwise as the Chairman directs and the result of the poll shall be the resolution of the meeting at which the poll was taken, but a poll demanded on the election of chairman or on a question of adjournment shall be taken ~~forthwith~~ **immediately**. The Company shall appoint at least one **independent** (1) scrutineer ~~for the purposes of a poll~~ **to validate the votes cast at the meeting**, in accordance with Applicable Laws**.**~~,~~ ~~and~~ **The Chairman** may, in addition to the power of adjourning meetings contained in this Constitution, hereof adjourn the meeting to some place and time fixed for the purpose of declaring the result of the poll.	Finetuned for clarity and align with the proposed amendments to Article 83.
87	Equality of votes In the case of an equality of votes, whether on a show of hands or a poll, the Chairman of the meeting of Members at which the show of hands takes place or at which the poll is taken or demanded shall not be entitled to a second or casting vote.	Equality of votes In the case of an equality of votes, ~~whether on a show of hands or a poll~~, the Chairman of the meeting of Members ~~at which the show of hands takes place or at which the poll is taken or demande~~d shall not be entitled to a second or casting vote.	Finetuned to align with the proposed amendments to Article 83.

ANNEXURE A: PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY (continued)

96(2)	Instrument appointing proxy The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Office or at such other place within Malaysia as is specified for that purpose in the notice convening the meeting, not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy of other authority shall not be treated as valid.	Instrument appointing proxy The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Office or at such other place within Malaysia, **or sent by electronic communication or electronic means using any technology or method that enables the appointment of proxy, on such terms and subject to such conditions as the Directors consider fit**, as is specified for that purpose in the notice convening the meeting, not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy of other authority shall not be treated as valid.	Finetuned to allow the instrument appointing a proxy to be submitted or made in electronic format.
100	Number of Directors Unless otherwise determined by a meeting of Members, the number of Directors shall not be less than two (2) and not more than nine (9) all of whom shall be natural persons.	Number of Directors Unless otherwise determined by a meeting of Members, the number of Directors shall not be less than two (2) and not more than nine (9) all of whom shall be natural persons **of full age**.	Added 'of full age' to specify that Directors must be at least eighteen (18) years old.
110	Remuneration of Director The fees and any benefits payable to the Directors including any compensation for loss of employment of a Director or former Director shall be subject to annual shareholder approval at a meeting of Members and such fees shall (unless such resolution otherwise provides) be divided among the Directors in such proportions and manner as the Directors may determine PROVIDED ALWAYS that:	Remuneration of Director The fees and any benefits payable to the Directors including any compensation for loss of employment of a Director or former Director shall be subject to annual shareholder approval at a meeting of Members and such fees shall (unless such resolution otherwise provides) be divided among the Directors in such proportions and manner as the Directors may determine PROVIDED ALWAYS that:	Extended Article 110(a) to allow an increase in the Non-Executive Directors' fees and benefits payable, provided it remains within the threshold approved by shareholders.

ANNEXURE A: PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY (continued)

	(a) Fees payable to Non-Executive Directors shall be by a fixed sum and not by a commission on or percentage of profits or turnover. (b) Fees and any benefits payable to Directors shall not be increased except pursuant to a resolution passed at a meeting of Members, where notice of the proposed increase has been given in the notice convening the meeting. (c) Any fee paid to an Alternate Director shall be agreed between himself and the Director nominating him and shall be paid out of the fees of the latter. Notwithstanding that the salaries payable to Executive Directors are not subject to the approval at a meeting of Members, it may not include a commission on or percentage of turnover.	(a) Fees **and any benefits** payable to Non-Executive Directors shall be by a fixed sum and not by a commission on or **a** percentage of profits or turnover, **and shall not exceed the amount approved by shareholders in a meeting of Members**. ~~(b) Fees and any benefits payable to Directors shall not be increased except pursuant to a resolution passed at a meeting of Members, where notice of the proposed increase has been given in the notice convening the meeting.~~ **(b) The remuneration, emoluments and other benefits, including bonuses or any other elements payable to the Executive Directors holding an executive office in the Company under a contract of service need not be determined by the Company in a meeting of Members. Notwithstanding that the salaries payable to Executive Directors are not subject to approval at a meeting of Members, they shall not include a commission on or percentage of turnover.** (c) Any fee paid to an Alternate Director shall be agreed between himself and the Director nominating him and shall be paid out of the fees of the latter. ~~Notwithstanding that the salaries payable to Executive Directors are not subject to the approval at a meeting of Members, it may not include a commission on or percentage of turnover.~~	Replaced Article 110(b) with a provision explaining that fees payable to the Executive Directors pursuant to a contract of service do not require shareholders' approval.

ANNEXURE A: PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY (continued)

125(3)	Meeting of Directors Directors may participate in a meeting of the Directors by means of a conference telephone or similar electronic tele-communicating equipment by means of which all persons participating in the meeting can hear each other and participate throughout the duration of the communication between the Directors and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.	Meeting of Directors Directors may participate in a meeting of the Directors by means of a conference telephone, **video conference**, or ~~similar electronic tele-communicating equipment~~ by means of **any communication technology** which **allows** all ~~persons~~ participa**nts**~~ting~~ in the meeting ~~can hear~~ **to communicate with** each other ~~and participate~~ throughout the ~~duration of the communication between the Directors and~~ **meeting**. **P**articipation in a meeting pursuant to this provision shall constitute presence in person at such meeting.	Finetuned for clarity.
129	Chairman not to have casting vote Subject to this Constitution, any question arising at any meeting of Directors shall be decided by a majority of votes and a determination by a majority of Directors shall for all purposes be deemed a determination of the Directors. In case of an equality of votes, the Chairman of the meeting shall not have a second or casting vote.	Chairman not to have casting vote Subject to this Constitution, any question arising at any meeting of Directors shall be decided by a majority of votes and a determination by a majority of Directors shall for all purposes be deemed a determination of the Directors. In case of an equality of votes, the Chairman of the meeting shall not have a second or casting vote **and the question arising at the meeting shall be deemed to have been lost or not carried.**	Extended the Article to clarify that, in the event of a tie during a Directors' meeting, where the Chairman does not have a casting vote, the issue will not be carried forward.
139	Retirement, resignation and removal of Managing Director A Managing Director shall be subject to retirement by rotation and shall be taken into account in determining the rotation or retirement of Directors, and he shall, subject to provision of any contract between him and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company and if he ceases to hold the office of Director from any cause, he shall ipso facto and immediately cease to be a Managing Director.	Retirement, resignation and removal of Managing Director A Managing Director shall be subject to retirement by rotation and shall be taken into account in determining the rotation or retirement of Directors, and he shall, subject to **the** provision of any contract between him and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company and if he ceases to hold the office of Director from any cause, he shall ~~ipso facto and~~ immediately cease to be a Managing Director.	Deleted the term 'ipso facto' for clarity.

ANNEXURE A: PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY (continued)

141	Meeting of Committees A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in the case of equality of votes the Chairman shall have a second or casting vote, except where only two (2) Directors are competent to vote on the question at issue.	Meeting of Committees A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in the case of equality of votes, the Chairman shall have a second or casting vote, except where only two (2) Directors are ~~competent~~ **eligible** to vote on the question at issue, **in which case the Chairman shall not have a casting vote and the question arising at the meeting shall be deemed to have been lost or not carried.**	Extended the Article to clarify that, in the event of a tie during a Directors' Committee meeting where only two (2) Directors are eligible to vote and the Chairman does not have a casting vote, the issue will not be carried forward
143	Directors' act to be valid All acts bona fide done by any meeting of the Directors or a committee of Directors or by any person acting as a Director shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.	Directors' act to be valid All acts ~~bona fide done~~ **carried out in good faith** by any meeting of the Directors or a committee of Directors or by any person acting as a Director shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.	Replaced the term 'bona fide' for clarity.
144	Resolution in Writing A resolution in writing signed by a majority of the Directors (whether or not present in Malaysia) shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted, provided that where a Director has an alternate, then such resolution may also be signed by such alternate. All such resolutions shall be described as "Directors' Circular Resolution" or "Directors' Resolution In Writing" and shall be forwarded or otherwise delivered to the Secretary without delay and shall be recorded by him in the Company's minutes book. Any such resolutions may consist of several documents in like form, each signed by one (1) or more Directors. The expressions "in writing" or "signed" include approval by legible	Resolution in Writing A resolution in writing signed by a majority of the Directors (whether or not present in Malaysia) shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted, provided that where a Director has an alternate, then such resolution may also be signed by such alternate. All such resolutions shall be described as "Directors' Circular Resolution" or "Directors' Resolution In Writing" and shall be forwarded or otherwise delivered to the Secretary without delay and shall be recorded by him in the Company's minutes book. Any such resolutions may consist of several documents in like form, each signed **or approved** by one (1) or more Directors. The expressions "in writing", ~~or~~ "signed" **or** "**approved**"	Finetuned for clarity.

ANNEXURE A: PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY (continued)

	confirmed transmission by letter, electronic mail, telefax or other forms of electronic communications as may be determined or approved by the Directors.	include approval by legible confirmed transmission by letter, electronic mail, telefax or other forms of electronic communications as may be determined or approved by the Directors.	
149	<u>Register of Directors, Managers and Secretaries</u> The Company shall in accordance with the provisions of the Act, keep at the Office or such other place provided notice has been given to the Registrar of Companies, a register containing such particulars with respect to the Directors, Managers and Secretaries of the Company as are required by the Act and shall from time to time notify the Registrar of Companies of any change in such register and of the date of such change in manner prescribed by the Act.	<u>Register of Directors, Managers and Secretaries</u> **(1)** The Company shall in accordance with the provisions of the Act, keep at the Office or such other place provided notice has been given to the Registrar of Companies, a register containing such particulars with respect to the Directors, Managers and Secretaries of the Company as are required by the Act and shall from time to time notify the Registrar of Companies of any change in such register and of the date of such change in manner prescribed by the Act. **(2) Any register, index, minute book, accounting record or other book pursuant to the Act or the provisions of this Constitution to be kept by or on behalf of the Company may, subject to and in accordance with the Act, be kept either in hard copy form or in electronic form, and arranged in the manner that the Directors think fit. If such records are kept in electronic form, the Directors shall ensure that they are capable of being reproduced in hard copy form, and shall provide for the manner in which the records are to be authenticated and verified.**	Added numbering for the existing paragraph as Article 149(1). Added a new paragraph as Article 149(2) to clarify that any register, book, or record can be kept in either hard copy or electronic form.

ANNEXURE A: PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY (continued)

151	Appointment of Secretary The Secretary shall, in accordance with the Act, be appointed by the Directors for such term, at such remuneration, and upon such conditions as the Directors think fit. The Directors may from time to time by resolution appoint a temporary substitute for the Secretary who shall be deemed to be the Secretary during the term of his appointment.	Appointment of Secretary The Secretary **or Secretaries** shall, in accordance with the Act, be appointed by the Directors for such term, at such remuneration, and upon such conditions as the Directors think fit **and any Secretary or Secretaries so appointed may be removed by them**. The Directors may from time to time by resolution appoint a temporary substitute for the Secretary **or Secretaries** who shall be deemed to be the Secretary during the term of his appointment.	Added a provision allowing the Directors to remove the Secretary or Secretaries.
161(1)	Distribution of dividends out of profit The Company may make a distribution of dividends to the Members out of profits of the Company available provided that the Company is solvent, and no dividend shall exceed the amount recommended by the Directors.	Distribution of dividends out of profit The Company may make a distribution of dividends to the Members out of profits of the Company available provided that the Company is solvent, and no dividend shall exceed the amount ~~recommended~~ **authorised** by the Directors.	Replaced the term 'recommended' with 'authorised' to align with Section 132 of the CA 2016, which stipulates that the distribution of dividends must be authorised by the Directors.
162	Interim Dividend The Directors may from time to time declare and pay to the Members such interim dividends as appear to the Directors to be justified by the profits of the Company. If at any time the share capital of the Company is divided into different classes, the Directors may pay such interim dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferential rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend and provided that the Directors act bona fide they shall not incur any responsibility to the holders of shares conferring any preferential rights for any damage that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non-preferential rights. The Directors may also pay half-yearly or at other suitable intervals to be settled by	~~Interim Dividend~~ ~~The Directors may from time to time declare and pay to the Members such interim dividends as appear to the Directors to be justified by the profits of the Company. If at any time the share capital of the Company is divided into different classes, the Directors may pay such interim dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferential rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend and provided that the Directors act bona fide they shall not incur any responsibility to the holders of shares conferring any preferential rights for any damage that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non-preferential rights. The Directors may also pay half-yearly or at other suitable intervals to be settled by~~	Deleted the Article as the Article 161 sufficiently addresses the authority of the Directors to declare dividends in alignment with the Company's profits.

ANNEXURE A: PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY (continued)

	them any dividend which may be payable at a fixed rate if they are of the opinion that the profits justify the payment.	~~them any dividend which may be payable at a fixed rate if they are of the opinion that the profits justify the payment.~~	
171	Power of applications of undivided profits Whenever such a resolution as aforesaid in Article 170 shall have been passed, the Directors shall make all appropriations and applications of the undivided profits resolved to be capitalised, and all allotments and issues of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto, with full power to the Directors to make such provision by the issue of fractional shares or by payment in cash in discharging debentures of the Company or otherwise as they think fit for the case of shares or debentures becoming distributable in fractions, and also to authorise any person to enter on behalf of all the Members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalisation, or (as the case may require) for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such Members.	Power of applications of undivided profits Whenever such a resolution as aforesaid in Article ~~170~~ **169** shall have been passed, the Directors shall make all appropriations and applications of the undivided profits resolved to be capitalised, and all allotments and issues of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto, with full power to the Directors to make such provision by the issue of fractional shares or by payment in cash in discharging debentures of the Company or otherwise as they think fit for the case of shares or debentures becoming distributable in fractions, and also to authorise any person to enter on behalf of all the Members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalisation, or (as the case may require) for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such Members.	Updated the Article number to reflect the new corresponding reference.
176(4)	Who may receive notice of meeting of Members The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by any person entitled to receive notice shall not invalidate proceedings at that meeting.	Who may receive notice of meeting of Members ~~The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by any person entitled to receive notice shall not invalidate proceedings at that meeting.~~	Deleted the Article as it repeats the provision covered in Article 77.

ANNEXURE A: PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY (continued)

177	<u>Notice and/or document given by advertisement</u> Any notice and/or document required by a court of law or otherwise required or allowed to be given by the Company to the Members or any of them, and not expressly provided for by this Constitution or which cannot for any reason be served in the manner referred to in this Constitution shall be sufficiently given if given by advertisement, and any notice and/or document required to be or which may be given by advertisement, shall be deemed to be duly advertised once advertised in a widely circulated newspaper in Malaysia in the national language or English language.	<u>Notice and/or document given by advertisement</u> Any notice and/or document required by a court of law or otherwise required or allowed to be given by the Company to the Members or any of them, and not expressly provided for by this Constitution or which cannot for any reason be served in the manner referred to in this Constitution shall be sufficiently given if given by advertisement, and any notice and/or document required to be or which may be given by advertisement, shall be deemed to be duly ~~advertised~~ **served or delivered** once ~~advertised~~ **published** in a widely circulated newspaper in Malaysia in the national language or English language.	Finetuned for clarity.

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NHF

PROXY FORM

I/We ……………………………………………………………………………… (full name), NRIC/Passport/Company No.

………………………………………………… of ………………………………………………………………………………

…….

(full address) being a member of **NEW HOONG FATT HOLDINGS BERHAD** ("the Company"), hereby appoint:

Full name (in Block Letters)	NRIC/Passport No.	Address	% of Holdings
		TOTAL	**100%**

or failing him/her, the Chairman of the Meeting, as my/our proxy/proxies to attend and vote for me/us on my/our behalf at the Twenty-Eighth (28th) Annual General Meeting ("AGM") of the Company to be held at Function Room 1, Setia City Convention Centre, No. 1, Jalan Setia Dagang AG, U13/AG Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor, Malaysia on Wednesday, 4 June 2025 at 10.00 a.m. or at any adjournment thereof, and to vote as indicated below:

	AGENDA	FOR	AGAINST
Ordinary Resolution 1	Re-election of Ms Kam Foong Sim as Director		
Ordinary Resolution 2	Re-election of Mr Ng Chee Kiet as Director		
Ordinary Resolution 3	Approval of Directors' Fees for Non-Executive Directors of RM250,000		
Ordinary Resolution 4	Approval of Benefits Payable for Non-Executive Directors of RM50,000		
Ordinary Resolution 5	Re-appointment of Messrs BDO PLT as Auditors of the Company		
Ordinary Resolution 6	Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016		
Special Resolution	Amendment to the Constitution of the Company		

Please indicate with an 'X' in the spaces provided how you wish your vote to be cast in relation to the above resolutions. If you do not do so, the proxy may vote or abstain from voting at his/her discretion.

Signed this ………….. day of ……………………… 2025

CDS Account No.	
No. of Shares Held	
Telephone No.	
Email Address	

…………………………………………………

Signature/Common Seal of Member

Fold this flap for sealing

Notes:

1. Only a depositor whose name appears in the Company's Record of Depositors as at 27 May 2025 shall be regarded as a member and entitled to attend, speak and vote at this AGM or appoint proxy(ies) to attend and vote on his/her behalf in respect of the number of shares registered in his/her name.
2. Every member entitled to attend and vote at this AGM is entitled to appoint up to two (2) proxies to attend and vote for him/her. There shall be no restriction as to the qualification of the proxy. A proxy may but need not be a member of the Company but shall be of full age. If a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.
3. Where a member of the Company is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("Authorised Nominee"), it may appoint up to two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member of the Company is an Exempt Authorised Nominee holding ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies the Exempt Authorised Nominee may appoint for each Omnibus Account it holds.
5. The Proxy Form must be signed by the appointer or his attorney duly authorised in writing or if the appointer is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.
6. The appointment of a proxy/corporate representative/attorney may be made in hard copy form or by electronic means in the following manner and must be received by the Company not less than 48 hours before the time fixed for holding the AGM, i.e., not later than 10.00 a.m. on Monday, 2 June 2025:
   (i) <u>In hard copy form</u>
   The hardcopy Proxy Form must be deposited with the Share Registrar of the Company, Tricor Investor & Issuing House Sdn. Bhd. ("Tricor") located at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, the drop-in box provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
   OR
   (ii) <u>By electronic means</u>
   The Proxy Form can be electronically lodged with Tricor via its TIIH Online website at **https://tiih.online**. Please refer to the Administrative Guide for the AGM on the procedures for the electronic lodgement of Proxy Form via the TIIH Online.
7. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, all the resolutions set out in the Notice of the AGM will be put to vote by way of poll.

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NHF

AFFIX
STAMP

THE SHARE REGISTRAR OF
NEW HOONG FATT HOLDINGS BERHAD
Registration No. 199701010213 (425709-K)

c/o Tricor Investor & Issuing House Services Sdn. Bhd.
Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Malaysia

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New Hoong Fatt Holdings Berhad
Registration No. 199701010213 (425709-K)

Lot 5043, Jalan Teratai, Meru,
41050 Klang, Selangor, Malaysia
Tel: 603 3392 6818 | Fax: 603 3392 6808
Email: enquiries@newhoongfatt.com.my
Website: www.newhoongfatt.com.my