

CORPORATE GOVERNANCE OVERVIEW STATEMENT

INTRODUCTION

The Board of Directors (“**the Board**”) of Leform Berhad (“**Leform**” or “**the Company**”) recognises the importance of adopting a sound base for good corporate governance in managing its business affairs so as to build a sustainable business capable of enhancing shareholder value.

This Corporate Governance Overview Statement (“**CGOS**”) provides a summary of the Company’s corporate governance practices during the financial year ended 31 December 2024 (“**FY2024**”) with reference to the following three (3) principles set out in the Malaysian Code on Corporate Governance 2021 (“**MCCG**”):-

Principle A: Board leadership and effectiveness;

Principle B: Effective audit and risk management; and

Principle C: Integrity in corporate reporting and meaningful relationship with stakeholders

The Company is guided by Guidance Note 11 of the ACE Market Listing Requirements (“**AMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and the Corporate Governance Guide (4th edition) issued by Bursa Securities. The CGOS is supplemented with a Corporate Governance Report (“**CG Report**”), in accordance with Rule 15.25 of the AMLR of Bursa Securities and it provides an insight on how the Company maps the application of the Company’s CG practice during the FY2024 against MCCG.

The CGOS shall be read together with the CG Report, available on the Company’s website at <https://www.leformgroup.com.my/>. The detailed explanation on the application of the corporate governance practices is reported under the CG Report.

The Board will continue to take measures to improve compliance with the principles and recommended best practices along with our course of business.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

PART I : BOARD RESPONSIBILITIES

1. BOARD’S LEADERSHIP ON OBJECTIVE AND GOALS

1.1 Board of Directors

The Board is collectively responsible for the long-term success of a company and the delivery of sustainable value to its stakeholders. Therefore, the Group is headed by an experienced and effective Board. It aims to provide an effective oversight of the conduct of Leform Group’s businesses, while ensuring that appropriate risk management and internal control systems are in place as well as regularly reviewing such systems to ensure their adequacy and effectiveness.

Each Director has a legal duty to act in the best interest of the Group and the Directors are aware of their responsibilities to the stakeholders for the manner in which the affairs of the Group are managed.

In performing its roles, the Board is committed to setting a high standard of corporate governance to drive sustainable performance and to meet good market practices and stakeholders’ expectations.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

PART I : BOARD RESPONSIBILITIES (CONT'D)

1. BOARD'S LEADERSHIP ON OBJECTIVE AND GOALS (CONT'D)

1.1 Board of Directors (Cont'd)

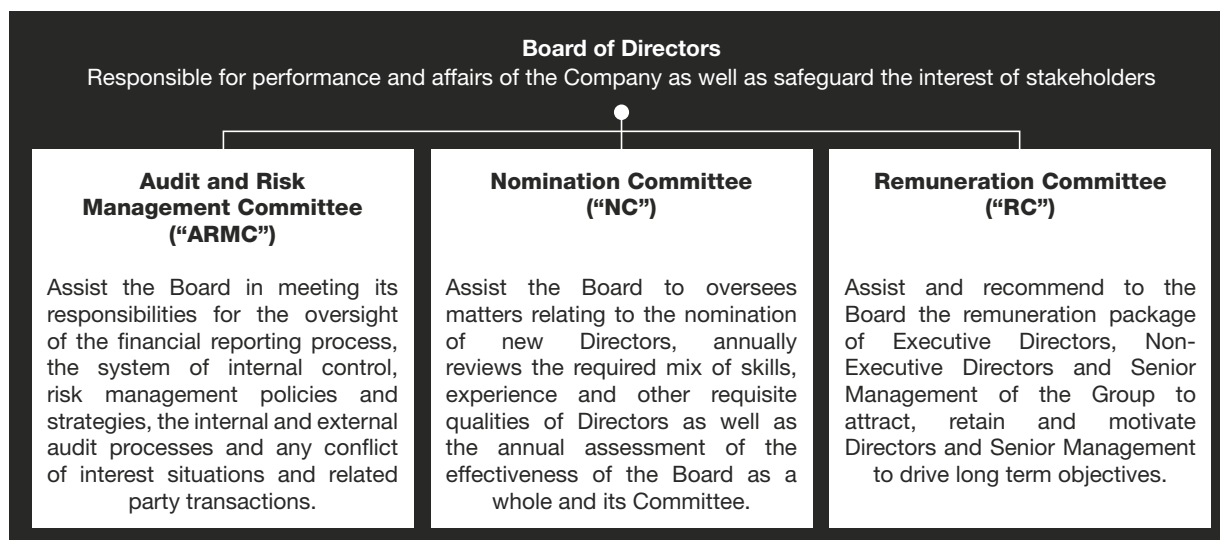
Board Charter

The Board is guided by a Board Charter that defines its roles and responsibilities, the principles for Board's operation, Board's evaluation, remuneration, code of ethics and conduct and matters reserved for the Board. It is accessible through the Company's website at <https://www.leformgroup.com.my/>.

The Board Charter is subject to review by the Board as and when necessary to ensure it complies with all applicable laws, rules and regulations of the regulators and remains consistent with the policies and procedures of the Board.

Board Committees

In order to discharge of its stewardship role effectively, the Board has delegates certain responsibilities to the following Board Committees:-



Each of the Board Committees operates within its respective Terms of Reference ("**TOR**") approved by the Board, which are available on the Company's website. The respective Board Committees report to the Board on matters considered and their recommendation thereon. The ultimate responsibility for decision making, however, lies with the Board.

The presence of Independent Non-Executive Directors in these Committees provides independent advice, bringing impartiality, and contributing to the scrutiny and integrity of Board's deliberations and decision-making processes.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

PART I : BOARD RESPONSIBILITIES (CONT'D)

1. BOARD'S LEADERSHIP ON OBJECTIVE AND GOALS (CONT'D)

1.2 The Chairman of the Board

The Board is chaired by an Independent Non-Executive Chairman namely, Datuk Seri Akhil Bin Bulat. The Chairman is responsible for leading the Board in oversight of Management, representing the Board to shareholders and chairing general meetings of shareholders.

The responsibilities of the Chairman are set out in the Board Charter.

The Board views that the Chairman of the Board should not be involved in any Board Committees. This is to ensure check and balance as well as the objectivity will not be influenced by the Chairman of the Board who also sits on Board Committee(s). Therefore, the Chairman of the Board is not a member of any of the Board Committees which is in line with MCCG.

1.3 Separation of positions of the Chairman and Managing Director ("MD")

The Board Charter has established clear roles and responsibilities of the Board in discharging its fiduciary and leadership function. The positions of the Chairman of the Board and the MD are held by different persons. The Chairman of the Company is Datuk Seri Akhil Bin Bulat, an Independent Non-Executive Chairman whilst the MD is Mr Law Kok Thye. The segregation of roles facilitates a healthy open discussion and exchange of views between the Board and Management in their deliberation of the business, strategic aims and key activities of the Company.

There is a clear division of roles and responsibilities between the Chairman and MD to ensure a balance of power and authority so that no one individual has unfettered powers of decision making. The Chairman is responsible for leadership of the Board in ensuring the effectiveness of all aspects of its role, whilst the MD is responsible for the day-to-day operations of the Group, ensure the effective implementation of the Group's strategic plan and policies established by the Board as well as to manage the daily conduct of the business and affairs to ensure its smooth operations.

1.4 Company Secretaries

The Board is supported by two (2) suitably qualified and competent Company Secretaries, namely Ms. Tai Yit Chan and Ms. Tan Ai Ning.

Both the Company Secretaries are members of the Malaysian Institute of Chartered Secretaries and Administrators and are qualified to act as company secretary under Section 235 of the Companies Act 2016. The Board has access to the advice and services of the Company Secretaries who ensure effective functioning of the Board and compliance of applicable rules and regulations. The Board is also regularly updated and kept informed of the latest developments in the legislation and regulatory framework affecting the Group and is advised on the proposed contents and timing of material announcements to be made to regulatory authorities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

PART I : BOARD RESPONSIBILITIES (CONT'D)

1. BOARD'S LEADERSHIP ON OBJECTIVE AND GOALS (CONT'D)

1.5 Board meetings and Access to Information and Advice

The Board is required to meet on a quarterly basis with additional meetings being convened as and when necessary to consider urgent proposals or matters that require that Board's consideration.

In ensuring the effective functioning of the Board, all Directors have individual and independent access to the advice and support services of the Company Secretaries, Internal Auditors, External Auditors and Independent Advisers, if deemed necessary and may seek advice from the Management on issues under their respective purview. The Board members have full and unrestricted access to all information within the Group in discharging their duties. The Notice of the Board Meeting is served at least seven (7) days prior to the Board Meeting. Relevant Board Papers were usually circulated to all Directors at least five (5) business days prior to the Board Meeting so as to accord sufficient time for the Directors to peruse the Board papers.

The Board papers which include the agendas and reports cover amongst others, areas of strategic, financial, operational and regulatory compliance matters that require the Board's approval.

The attendance for Board meetings in FY2024 was held physically and the breakdown of the Directors' attendance at the Board meetings during the FY2024 is set out below:-

Name of Director	No. of meetings attended
Datuk Seri Akhil Bin Bulat	5/5
Mr Law Kok Thye	5/5
Mr. Lai Chin Yang	5/5
Mr Phang Yew Cheong @ Phang Yew Choong*	1/1
Puan Esmariza Binti Ismail	5/5
Ms Lee Wee Leng	5/5
Ms Chua Leng Leek	5/5
Mr Law Kar Hou**	2/2

* Resigned w.e.f. 13 March 2024

** Appointed w.e.f. 16 July 2024

All proceedings of the Board meetings are duly minuted and circulated to all Directors for their perusal prior to the confirmation of the minutes by the Chairman as a correct record. The Company Secretaries record the proceedings of all meetings including pertinent issues, the substance of inquiries, if any, and responses thereto, members' suggestion and the decision made, as well as the rationale for those decisions. By doing so, the Company Secretaries keep the Board updated on the follow-up actions arising from the Board's decisions and/or requests at subsequent meetings. The Board is therefore able to perform its fiduciary duties and fulfil its oversight role towards instituting a culture of transparency and accountability in the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

PART I : BOARD RESPONSIBILITIES (CONT'D)

1. BOARD'S LEADERSHIP ON OBJECTIVE AND GOALS (CONT'D)

1.6 Code of Conduct and Ethics

The Company has set out a Code of Conduct and Ethics (“**the COCE**”) for its Directors, Management and employees in discharging their duties and responsibilities. The COCE is established to promote the corporate culture which engenders ethical conduct that permeates throughout the Group.

The COCE is published on the Company's website at <https://www.leformgroup.com.my/>.

1.7 Whistleblowing Policy

The Board had formalised a Whistleblowing Policy as the Group places high value on the level of trust and integrity. Therefore, the Whistleblowing Policy provides an avenue for all Directors, employees and stakeholders of the Group to disclose or report any improper conduct and to provide protection for those who report such allegations.

The Whistleblowing Policy can be assessed through the Company's website at <https://www.leformgroup.com.my/>.

1.8 Anti-Bribery and Anti-Corruption Policy

In addition to the COCE, the Company has further established the Anti-Bribery and Anti-Corruption Policy (“**ABAC**”) Policy to comply with enforcement of Section 17A of the Malaysian Anti-Corruption Commission Act. The ABAC Policy is to ensure that all Directors, Management and employees are aware of their obligation to disclose and not to be involved in any corruption, bribes, conflict of interest or similar unethical acts that they may have in order to prevent the occurrence of bribery and corrupt practices in relation to the Group's business.

The ABAC Policy can be accessed through the Company's website at <https://www.leformgroup.com.my/>.

1.9 Sustainability

The Board is aware of its responsibility for Environmental, Social and Governance (“**ESG**”) and sustainability to all various stakeholders and the communities in which it operates. As such, the ESG and sustainability aspects are considered by the Board in its corporate strategies.

The Board continuously and constantly communicates the targets and performance of the ESG and sustainability to all the stakeholders of the Group internally and externally.

The Company's efforts in this regard have been set out in the Sustainability Statement in the Integrated Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

PART II : BOARD COMPOSITION

2. BOARD'S OBJECTIVES

2.1 Composition of the Board

The Company is led by a capable and experienced Board. During the financial year under review, the Board consists of seven (7) members, comprising one (1) Independent Non-Executive Chairman, three (3) Independent Non-Executive Directors, one (1) Managing Director and two (2) Non-Independent Executive Directors, as follows:-

Name	Designation and Directorate	Age	Gender
Datuk Seri Akhil Bin Bulat	Independent Non-Executive Chairman	72	Male
Mr Law Kok Thye	Managing Director	59	Male
Ms Chua Leng Leek	Independent Non-Executive Director	45	Female
Mr Lai Chin Yang	Independent Non-Executive Director	72	Male
Ms Lee Wee Leng	Independent Non-Executive Director	44	Female
Mr Phang Yew Cheong @ Phang Yew Choong*	Non-Independent Executive Director	66	Male
Puan Esmariza Binti Ismail	Non-Independent Executive Director	50	Female
Mr Law Kar Hou	Non-Independent Executive Director	25	Male

* Resigned w.e.f. 13 March 2024

** Appointed w.e.f. 16 July 2024

The composition of the Board complies with Rule 15.02(1) of the AMLR of Bursa Securities and the recommended Practice 5.2 of MCGG.

The Board members are from different backgrounds with diverse perspectives. Such make-up is fundamental to the strategic success of the Group, as each Director has in-depth knowledge and experience in a variety of areas providing valuable direction to the Group. With more than half of the Board comprised of Independent Directors, the Company is able to facilitate greater checks and balances during board meetings deliberations and decision making. The Independent Directors provide the Board with professional judgement, experience and objectivity without being subordinated to operational considerations or the ability to provide independent judgement in the best interest of the Company.

The Independent Directors are free from interest and influences that may conflict with their duties to the Company.

A brief profile of each Director is presented in the Profile of Directors section of the Integrated Annual Report 2024.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

PART II : BOARD COMPOSITION (CONT'D)

2. BOARD'S OBJECTIVES (CONT'D)

2.2 Re-election of Directors

In accordance with the Constitution of the Company, an election of Directors shall take place each year. At the annual general meeting of the Company where one-third (1/3) of the Directors for the time being or if the number is not three (3) or a multiple of three (3) then the number nearest one-third (1/3) shall retire from office provided always that all Directors including a Managing Director shall retire from office once at least in each three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

The Directors to retire in every year shall subject nevertheless as hereinafter provided, be the Directors who have been longest in office since their last election but as between those who became Directors on the same day, the Directors to retire shall (unless they otherwise agree among themselves) be determined by lot. The length of time a Director has been in office shall be computed from his last election or appointment when he has previously vacated office.

The Directors shall have power at any time to appoint any person as Director either to fill a casual vacancy or as an addition to the Board, but so that the total number of Directors shall not be increased beyond the maximum number hereinbefore prescribed. Any Director so appointed shall hold office only until the next annual general meeting and shall then be eligible for re-election but not be taken into account in determining the Directors who are to retire by rotation at the meeting.

Based on the recent annual assessment, including fit and proper evaluations, the NC is satisfied with the performance of the Directors who are standing for re-election and has recommended to the Board their proposed re-election in accordance with the Constitution of the Company. The Board supported the NC's recommendations to re-elect the eligible Directors standing for re-election at the forthcoming Thirtieth ("30th AGM") of the Company. The Directors who are retiring shall abstain from deliberations and decisions on their own eligibility to stand for re-election at the meetings of the Board. The Directors who are standing for re-election at the forthcoming 30th AGM are stated in the Notice of 30th AGM.

2.3 Tenure of Independent Directors

The Board will justify and seek shareholders' approval in the event it retains an Independent Director who has served in that capacity for a cumulative period of more than nine (9) years.

As at the date of this statement, none of the Independent Directors has served the Company beyond nine (9) years.

2.4 Board Appointment

The selection, nomination and appointment of suitable candidates to the Board are made via a formal, rigorous and transparent process and taking into account objective criteria such as skills, knowledge, expertise, experience, professionalism and merit needed on the Board. In the case of Independent Directors, the NC will evaluate the candidates' ability to discharge such responsibilities/functions as are expected from Independent Non-Executive Directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

PART II : BOARD COMPOSITION (CONT'D)

2. BOARD'S OBJECTIVES (CONT'D)

2.4 Board Appointment (Cont'd)

The assessment of the Independent Directors is in accordance with the criteria as set out in the Board Charter and AMLR of Bursa Securities.

2.5 Gender Diversity

There are three (3) female Directors representing 43% on the Board which met the MCCG's recommendation of 30% of female Board members.

2.6 NC

For FY2024, the NC comprises the following members and the details of the meeting attendance of each member are set out below:-

Name	Designation	Directorate	No. of NC meetings attended
Lai Chin Yang	Chairman	Independent Non-Executive Director	1/1
Chua Leng Leek	Member	Independent Non-Executive Director	1/1
Lee Wee Leng	Member	Independent Non-Executive Director	1/1

The NC meeting is held as and when required, but at least once a year. The NC met once during FY2024.

The NC has carried out the following activities during the financial year under review:-

- i. Reviewed and recommended to the Board the adoption of Evaluation Forms for:-
 - Board, Board Committees and each Director Evaluation
 - Audit Committee Evaluation
 - Audit Committee Members' Self and Peer Evaluation
- ii. Assessed and was satisfied with the effectiveness of the Board as a whole and the Board committees and the contribution of each Director.
- iii. Reviewed and was satisfied with the mix of skills, knowledge, expertise and experience, composition and size of the Board in terms of gender, ethnicity and age.
- iv. Assessed the independence of Independent Directors and concluded that the Independent Directors are independent and have complied with the criteria of independence as set out in AMLR of Bursa Securities.
- v. Assessed and was satisfied with the character, experience, integrity, competence and time commitment of Directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

PART II : BOARD COMPOSITION (CONT'D)

2. BOARD'S OBJECTIVES (CONT'D)

2.6 NC (Cont'd)

- vi. Reviewed the terms of office and performance of the ARMC and each of its members and concluded that the ARMC and each of its members have carried out their duties and responsibilities.
- vii. Reviewed and recommended to the Board the re-election of Directors at the Twenty-Ninth Annual General Meeting ("**29th AGM**") of the Company pursuant to the Company's Constitution.
- viii. Reviewed the Directors' training programme for the FY2024.
- ix. Reviewed and recommended to the Board the appointment of new Director in accordance with the Directors' Fit and Proper Policy pursuant to Rule 15.01A of the AMLR of Bursa Securities.

The NC is governed by its TOR approved by the Board which is available on the Company's website at <https://www.leformgroup.com.my/>.

3. OVERALL BOARD EFFECTIVENESS

3.1 Annual Evaluation

The Board, facilitated by NC, will conduct an annual evaluation to review the performance of each individual Director and the effectiveness of the Board and Board Committees as well as the independence of Independent Non-Executive Directors. The annual evaluation will be conducted on self and peer evaluation model through customised questionnaires guided by the Corporate Governance Guide of Bursa Securities.

The results of the annual evaluation and comments by the Directors were tabled and discussed at the NC meeting and thereafter reported at the Board meeting by the Chairman of NC. All evaluations carried out by the NC are properly documented.

Pursuant to Rule 15.20 of the AMLR of Bursa Securities, the NC of a listed issuer must review the terms of office and performance of an ARMC and each of its members annually to determine whether such ARMC and members have carried out their duties in accordance with their terms of reference. The NC had reviewed and assessed the performance of each of the members of the ARMC through and was satisfied with the performance and effectiveness of the ARMC and each of its members.

The NC had upon its annual evaluation conducted in February 2024, conclude that the Directors have discharged their duties satisfactory, objectively and professionally. The NC was also satisfied with the performance of the Board and its Board Committee.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

PART II : BOARD COMPOSITION (CONT'D)

3. OVERALL BOARD EFFECTIVENESS (CONT'D)

3.2 Annual Assessment of Independence

The Board recognises the importance of independence and objectivity in its decision-making process. The Board through the NC has assessed the independence of its Independent Non-Executive Directors based on the criteria set out in the AMLR of Bursa Securities.

The current Independent Directors of the Company have fulfilled the criteria for “independence” as prescribed under Rule 1.01 and Guidance Note 9 of the AMLR of Bursa Securities. The Company has also fulfilled the requirement of at least one-third of its Board members being Independent Non-Executive Directors.

3.3 Directors' Training

The Board acknowledges that continuous education is vital for the Board members to keep abreast with the latest developments in the industry and business environment as well as changes to statutory requirements and regulatory guidelines.

All Directors of the Company have attended and successfully completed the Mandatory Accreditation Programme as required by Bursa Securities. The Directors will continue to identify and attend other training courses to equip themselves effectively to discharge their duties as Directors on a continuous basis.

The training programmes and seminars attended by the Directors during the FY2024 are as follows:-

Name of Directors	Training Programmes Attended	Trainer/Organiser	Date	Duration
Datuk Seri Akhil Bin Bulat	Aligning Risk Management to Strategy & Purpose	Institute of Corporate Directors Malaysia	7 October 2024	4 hours
Law Kok Thye	Aligning Risk Management to Strategy & Purpose	Institute of Corporate Directors Malaysia	7 October 2024	4 hours
Chua Leng Leek	Aligning Risk Management to Strategy & Purpose	Institute of Corporate Directors Malaysia	7 October 2024	4 hours
Lai Chin Yang	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	Institute of Corporate Directors Malaysia	25 & 26 September 2024	16 hours
Lee Wee Leng	Aligning Risk Management to Strategy & Purpose	Institute of Corporate Directors Malaysia	7 October 2024	4 hours
Esmariza Binti Ismail	Aligning Risk Management to Strategy & Purpose	Institute of Corporate Directors Malaysia	7 October 2024	4 hours
Law Kar Hou	Mandatory Accreditation Programme (MAP)	Institute of Corporate Directors Malaysia	14 & 15 August 2024	16 hours

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

PART III : REMUNERATION

4. LEVEL AND COMPOSITION OF REMUNERATION

4.1 Remuneration Policies and Procedures

The RC is responsible for establishing and developing a competitive remuneration policy and packages for the Board and Senior Management in accordance with the duties and responsibilities as stated in its TOR.

Nevertheless, the RC had reviewed the remuneration packages of the Chairman, MD, Executive Directors, Non-Executive Directors and Senior Management, taking into account of individual performance, time commitment, experience, level of responsibilities, as well as the performance of the Group and market conditions and recommend the same for Board approval.

The Non-Executive Directors' remuneration comprises fees that are linked to their expected roles and level of responsibilities. The Directors' annual fees, which are determined by the Board as a whole, are approved by shareholders of the Company at each AGM. All individual Directors shall abstain from making decisions in respect of his own remuneration.

4.2 RC

The RC is primarily responsible for recommending to the Board the remuneration packages of the Chairman, MD, Non-Independent Executive Directors, Independent Non-Executive Directors and Senior Management in all its forms.

For FY2024, the RC comprises the following members and the details of the meeting attendance of each member are set out below:-

Name	Designation	Directorate	No. of RC meetings attended
Lee Wee Leng	Chairperson	Independent Non-Executive Director	1/1
Lai Chin Yang	Member	Independent Non-Executive Director	1/1
Chua Leng Leek	Member	Independent Non-Executive Director	1/1

The RC meeting is held as and when required, but at least once a year. One (1) RC meeting was held during FY2024. The RC has carried out the following activities during the financial year under review:

- Reviewed the directors' fee and benefit payables to the Directors of the Group for the FY2024 and recommended the same to the Board for approval.
- Reviewed the remuneration packages of the Executive Directors and Chief Financial Officer and recommended the same to the Board for approval.

The RC is governed by its TOR approved by the Board which is available on the Company's website at <https://www.leformgroup.com.my/>.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

PART III : REMUNERATION (CONT'D)

5. REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

5.1 Remuneration of Directors

The Board is mindful that fair remuneration is critical to attract, retain and motivate the directors of Leform Group as well as Directors serving as members of the Board committees.

The Company will seek shareholders' approval at the forthcoming 30th AGM for directors' fees for the current financial year and benefits payable to the directors for the period from this 30th AGM until the next AGM of the Company in 2026.

Details of the Directors' remuneration of the Company and the Group includes fees, salary, bonus, benefits in-kind and other emoluments for the FY2024 are disclosed in the Corporate Governance Report of the Company.

5.2 Remuneration of Key Senior Management

In determining the remuneration packages of the Group's Key Senior Management, factors that were taken into consideration included the Senior Management's responsibilities, skills, expertise and contribution to the Group's performance.

Due to confidentiality and sensitivity of information, the Board is of the view that it would not be in its best interest to make such disclosure on named basis in view of the competitive nature of human resource market and the Company should maintain confidentiality on employees' remuneration packages.

As an alternative, the Board decided to disclose the remuneration for the Group's Key Senior Management who are not holding director position, on an unnamed basis in bands of RM50,000, as follows:-

Range of Remuneration	No. of Key Senior Management
RM50,000 to RM100,000	1
RM150,000 to RM200,000	2
RM200,000 to RM250,000	2

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I : AUDIT AND RISK MANAGEMENT COMMITTEE

6. ARMC

6.1 Chairman of ARMC

The ARMC is chaired by an Independent Non-Executive Director namely, Ms Chua Leng Leek who is distinct from the Chairman of the Board. The Chairperson of the ARMC is a professional member of the Institute of Internal Auditors Malaysia since 2015 and member of Malaysian Institute of Accountants.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

PART I : AUDIT AND RISK MANAGEMENT COMMITTEE (CONT'D)

6. ARMC (CONT'D)

6.2 Financial Reporting

The Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Group and ensuring that the financial statements of the Group comply with the Companies Act 2016 and applicable approved financial reporting standards in Malaysia.

The ARMC assists the Board in discharging its fiduciary duties by ensuring that the audited financial statements and quarterly financial reports are prepared in accordance with the Malaysian Financial Reporting Standards and AMLR of Bursa Securities. In presenting the annual audited financial statements and quarterly announcements of results to shareholders, the Board aims to present a balance and fair assessment of the Company's financial position and prospects. The ARMC reviews the Company's quarterly financial results and annual audited financial statements to ensure accuracy adequacy and completeness prior to presentation to the Board for its approval.

The Statement of Directors' Responsibility in respect of the preparation of the annual audited financial statements is set out in the Integrated Annual Report.

6.3 Cooling-Off Period for Former Key Audit Partner

The ARMC recognises the importance of upholding independence of its external auditors and that no possible conflict of interest whatsoever should arise. The TOR of the ARMC states that no former key audit partner shall be appointed as a member of the ARMC before observing a cooling-off period of at least three (3) years in line with the practice of 9.2 of MCCG. Presently, none of the current ARMC members is a former key audit partner involved in auditing of the Group.

6.4 Assessment of Suitability and Independence of External Auditors

The Board maintains a good professional relationship with the external and internal auditors through the ARMC in discussing with them their audit plans, audit findings and financial statements. In addition, the ARMC met with the external auditors during FY2024 without the presence of the Managing Director, Non-Independent Executive Directors and Key Senior Management to discuss on audit findings, audit plans and the Company's financial statements.

The ARMC is responsible for the recommendation on the appointment and re-appointment of the Company's external auditors and the audit fees. The ARMC carried out an assessment of the performance and suitability of the external auditors based on the quality of services, sufficiency of resources, communication and interaction and independence and objectivity.

Messrs Crowe Malaysia PLT, the External Auditors of the Company had resigned and in place thereof, Messrs KPMG PLT had been appointed as the External Auditors of the Company on 14 November 2024. Messrs KPMG PLT have confirmed to the ARMC that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of relevant professional and regulatory requirements.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

PART I : AUDIT AND RISK MANAGEMENT COMMITTEE (CONT'D)

6. ARMC (CONT'D)

6.4 Assessment of Suitability and Independence of External Auditors (Cont'd)

Being satisfied with the external auditors' performance, technical competence and independence, the ARMC recommended the re-appointment of Messrs KPMG PLT as external auditors for the financial year ending 31 December 2025. In view thereof, the Board has recommended the re-appointment of the External Auditors for the approval of shareholders at the forthcoming 30th AGM.

6.5 Composition of the ARMC

The ARMC comprises three (3) Independent Non-Executive Directors. The present members of the ARMC are as follows:-

Designation	Name	Directorship
Chairperson	Chua Leng Leek	Independent Non-Executive Director
Member	Lai Chin Yang	Independent Non-Executive Director
Member	Lee Wee Leng	Independent Non-Executive Director

The members of the ARMC are financially literate, competent and able to understand matters under the purview of the ARMC including the financial reporting process. The summary of activities of ARMC are set out in the ARMC Report.

The ARMC is governed by its TOR approved by the Board which is available on the Company's website at <https://www.leformgroup.com.my/>.

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

7. Effective Risk Management and Internal Control Framework

The Board assumes its overall responsibility in establishing a risk management framework and maintaining a sound system of risk management and internal control throughout the Group which provides reasonable assurance in ensuring the effectiveness and efficiency of the Group's operations that is not limited to financial aspects of the business but also operational and regulatory compliance. The ARMC has been entrusted by the Board in managing the risks and establishment of the internal control system and processes of the Group. The ultimate objectives are to protect the Group's assets and safeguard shareholders' investments.

The Board acknowledges that the internal control system is devised to cater for particular needs of the Company and risk management system is to provide reasonable assurance against material misstatements or loss.

Our Group has outsourced its internal audit function to the independent professional service provider, Messrs Sterling Business Alignment Consulting Sdn Bhd ("**Sterling**"), which reports directly to our ARMC. Sterling carries out its function in accordance with the approved annual internal audit plan approved by the ARMC. The findings of the audits and the recommendations for improvement or actions to be taken by the Management to rectify the issue will be presented in ARMC Meeting.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

7. Effective Risk Management and Internal Control Framework (Cont'd)

Any significant issue affecting the existing risks or emerging risks as well as the changes to the action plans to address the risks identified, will be discussed during the ARMC meetings and brought to the attention of the Board by the Chairperson of ARMC.

The Statement on Risk Management and Internal Control as set out in this Integrated Annual Report provides an overview of the state of risk management and internal controls within the Group.

8. Internal Audit Function

The Company recognises that an internal audit function is essential to ensure the effectiveness of the Group's system of internal control and is an integral part of the risk management process.

The Board has engaged Sterling to assume the Group's risk management and its internal audit function, who reports and assists the ARMC in managing the risks and establishment of the internal control system and processes of the Group. The Board has also ensured that Sterling, is free from any relationship and/or conflict of interest with the Group.

Sterling is headed by Mr Cheng Chean, a Chartered Member of Institute of Internal Auditor ("CMIIA") and a Fellow Member of the Chartered Certified Accountant ("FCCA"). Mr. Cheng has 23 years of hands-on experience in the fields of External Audit, Internal Audit and Internal Control Review.

The Internal Auditor team applied the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control – Integrated Framework as a basis for evaluating the effectiveness of the internal control systems and conduct the internal audit assessment in accordance with the International Professional Practices Framework.

The further details of Internal Audit Function are set out in the ARMC Report of this Integrated Annual Report.

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

9. Communication with Stakeholders

The Board recognises the importance of effective, transparent, regular and timely communication with its shareholders and other stakeholders to keep them informed on the Group's latest financial performance, business and corporate developments.

Our Group endeavours to provide as much information as possible to its shareholders and stakeholders. It is mindful of legal and regulatory framework governing the release of material and price-sensitive information. Such material and price-sensitive information will not be released unless it has been duly announced or made public through proper channels.

The Group maintains a corporate website, <https://www.leformgroup.com.my/> with the intention of building communication channel between our Company with the stakeholders:-

- (a) Announcements submitted to Bursa Securities
- (b) Investor section which provides relevant corporate information

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

9. Communication with Stakeholders (Cont'd)

The Group maintains a corporate website, <https://www.leformgroup.com.my/> with the intention of building communication channel between our Company with the stakeholders (Cont'd):-

(c) General telephone number, fax number and email address

10. Conduct of General Meetings

The principal forum for dialogue and interaction with shareholders is the Company's Annual General Meeting ("AGM") and extraordinary general meeting. The Board encourages and welcomes participation from shareholders to ask questions regarding the resolutions being proposed at the meeting and also other matters pertaining to the business activities of the Group. All Directors, including the Chairman/Chairperson of the ARMC, RC, and NC including the Key Senior Management team, the External Auditors and Sponsor would endeavour to attend the 30th AGM to provide meaningful responses to the questions raised by shareholders.

In line with Practice 13.1 of MCCG, the notice convening the 30th AGM to be held on 23 June 2025 will be circulated to the shareholders at least twenty-eight (28) days before the AGM, which gives shareholders sufficient time to prepare themselves to attend the AGM or to appoint proxy to attend and vote on their behalf. Each item of special business included in the notice of the AGM will be accompanied by an explanatory statement on the effects of the proposed resolution.

The 29th AGM of the Company held on 24 June 2024 was conducted physically at Level 2 (Johor Kedah Room), World Trade Centre Kuala Lumpur, 41, Jalan Tun Ismail, Chow Kit, 50480 Kuala Lumpur. All resolutions set out in the Notice of 29th AGM were put to vote by poll voting and duly passed. The shareholders were informed of their rights to demand for a poll. The outcome of the 29th AGM was announced to Bursa Securities on the same meeting day. The Company had appointed an independent scrutineer, Quantegic Services Sdn Bhd to verify the poll results.

The Chairman of the Board ensures that general meetings support meaningful engagement between the Board, Senior Management and shareholders. The engagement is interactive and include robust discussions on amongst others the Company's financial and non-financial performance as well as the Company's long-term strategies. Shareholders are also provided with sufficient opportunities to pose questions during the general meetings and all the questions received meaningful responses.

The Minutes of the 29th AGM detailing the meeting proceedings, including issues and concerns raised by the shareholders together with the responses from the Company, were published on the Company's corporate website within 30 business days after the conclusion of the 29th AGM.

FUTURE PRIORITIES IN KEY AREAS OF CORPORATE GOVERNANCE PRACTICES

The Board shall continue to strive for high standards of corporate governance throughout the Group for the best interest of all stakeholders.

The areas to be prioritised would be those principles which have not adopted by the Company as disclosed in the CG Report 2024.

This CGOS and the CG Report are made in accordance with the resolution passed by the Board of Directors on 28 April 2025.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The primary objective of the Audit and Risk Management Committee (“**ARMC**” or “**the Committee**”) is to assist and support the Board of Directors (“**the Board**”) in meeting its responsibilities for the oversight of the financial reporting process, the system of Internal Control, the internal and external audit processes, and any conflict of interest situations and related party transactions. The Board of Leform Berhad (“**Leform**” or “**the Company**”) is pleased to present the following ARMC Report which illustrates the insights as to the manner in which the ARMC has discharged their duties and responsibilities during the financial year ended 31 December 2024 (“**FY2024**”). This report is prepared in compliance with Rule 15.15 of the ACE Market Listing Requirements (“**AMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”)

In performing their duties and discharging their responsibilities, the ARMC is guided by its Terms of Reference (“**TOR**”). The ARMC’s TOR is available at the Company’s website at <https://www.leformgroup.com.my/>.

COMPOSITION OF THE ARMC

The ARMC comprises three (3) members, all of whom are Independent Non-Executive Directors which satisfy the requirements of Rule 15.09(1)(a) and (b) of the AMLR of Bursa Securities and Practice 9.4 under Principle B of the Malaysian Code on Corporate Governance.

The members of the ARMC and their respective designation are as follows:-

Name	Designation	Directorship
Chua Leng Leek	Chairperson	Independent Non-Executive Director
Lai Chin Yang	Member	Independent Non-Executive Director
Lee Wee Leng	Member	Independent Non-Executive Director

The ARMC also meets the AMLR which requires that at least one member of the Committee must fulfill the financial expertise requisite of Rule 15.09(c) of the AMLR of Bursa Securities.

The Chairperson of the Committee, Ms Chua Leng Leek, is a professional member of the Institute of Internal Auditors Malaysia since 2015 and a member of the Malaysian Institute of Accountants.

All ARMC members are financially literate with diverse backgrounds, experiences and knowledge and are able to analyse and interpret financial statements to effectively discharge their duties. None of the members were former key audit partners of the Company’s existing External Auditors.

ATTENDANCE OF MEETINGS

The ARMC conducted five (5) meetings during the FY2024. The details of members’ attendance held during FY2024 are as follows:

Members	Total no. of meetings attended
Chua Leng Leek	5/5
Lai Chin Yang	5/5
Lee Wee Leng	5/5

The Executive Directors, Chief Financial Officer, External Auditors, Internal Auditors and relevant personnel from Management were invited to attend ARMC meetings to present their reports and provide updates and developments on issues arising from the audit reports. The ARMC Chairperson thereafter reported the ARMC’s recommendations to the Board for their consideration and also updated the Board on significant matters discussed during the ARMC meetings.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

ATTENDANCE OF MEETINGS (CONT'D)

Discussions and deliberation at the ARMC meetings were recorded in the Minutes of the ARMC meetings and tabled to the Board upon confirmation at each subsequent ARMC meeting.

SUMMARY OF ACTIVITIES

For the FY2024, the main activities undertaken by the ARMC were as follows:

1. Financial Reporting

- (a) Reviewed the unaudited quarterly financial results of the Company and the Group prior to the recommendation to the Board for approval and subsequent release to Bursa Securities.
- (b) Reviewed the draft audited financial statements of the Company and the Group for the financial year ended 31 December 2023 prior to the submission to the Board for their consideration and approval. The review was to ensure that the audited financial statements were drawn up in accordance with the provisions of the Companies Act 2016 and the applicable Financial Reporting Standards in Malaysia.

2. External Audit

- (a) Reviewed the status of the audit for the financial year ended 31 December 2023 with External Auditors including the issues arising from their audit of the annual financial statements and their resolution of such issues as highlighted in their report to the ARMC.
- (b) Reviewed the Audit Planning Memorandum for the FY2024 presented by the External Auditors, entailing mainly the audit scope, key areas of audit emphasis and the audit approach.
- (c) Evaluated the performance of the External Auditors before recommending their re-appointment and remuneration to the Board for approval.
- (d) Reviewed the audit fees and non-audit fees and recommended to the Board for approval.
- (e) Had private sessions with the External Auditors during the financial year, i.e. 27 February 2024 and 18 November 2024 respectively without the presence of the Executive Directors and Management to discuss further with them any issues of concern, if any, arising from the audit.

3. Related Party Transactions

- (a) Reviewed the related party transactions (“**RPTs**”), conflict of interest (“**COI**”) and potential COI situations that may arise within the Company or the Group on a quarterly basis, including any transactions, procedure or course of conduct that may raise questions of Management integrity or impartiality.
- (b) Reviewed the RPTs and recurrent RPTs (“**RRPTs**”) entered and/or to be entered by the Group to ensure that the transactions entered into were on an arm’s length basis and not detrimental to the interests of minority shareholders.
- (c) Reviewed the Circular to Shareholders in relation to the Proposed Renewal of Shareholders’ Mandate for existing RRPTs of a Revenue or Trading Nature and Proposed New Shareholders’ Mandate for New RRPTs of a Revenue or Trading Nature prior to submitting the same to the Board for consideration and approval.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

SUMMARY OF ACTIVITIES (CONT'D)

For the FY2024, the main activities undertaken by the ARMC were as follows (Cont'd):

4. Internal Audit

- (a) At the meeting held on 22 February 2024, the ARMC reviewed the adequacy of the scope, functions, competency and resources of the internal audit function to ensure its effectiveness and efficiency.
- (b) Reviewed the reports from the Internal Auditors and assessed the Internal Auditors' findings and the Management's responses and the necessary recommendations.
- (c) Reviewed and discussed the effective implementation of the action plans taken by the Management in response to audit findings and weaknesses identified during the audit review.
- (d) Had private sessions with internal auditors on 27 February 2024 and 18 November 2024 respectively, without the presence of the Executive Directors and Management for discussion on internal audit related matters.

5. Others

- (a) Reviewed the Statement on Risk Management and Internal Control, ARMC Report, Corporate Governance Overview Statement and Corporate Governance Report prior to recommendation for Board's approval for inclusion into the Integrated Annual Report.
- (b) Reviewed conflict of interest ("COI") and potential COI of Directors and Key Senior Management.
- (c) Reported to the Board on significant issues and concerns discussed during the ARMC meeting.

INTERNAL AUDIT FUNCTION

The Company recognised that an internal audit function is essential in ensuring the effectiveness of the Group's system of internal control and is an integral part of the risk management process. The internal audit function of the Group was carried out by Sterling, an independent professional internal audit service provider.

The internal audit function has undertaken independent and systematic audit reviews in accordance with the annual internal audit plan approved by the ARMC before the commencement of work. Sterling reports directly to the ARMC on the adequacy and effectiveness of the risk management and internal control systems of the Group.

For FY2024, Sterling was free from any relationship or conflict of interest, which could impair their objectivity and independence during the internal audit review.

(1) Summary of Works

During the period under review, the Internal Auditors carried out the following activities:-

- a) Performed audit according to the audit plan.
- b) Reviewed business process of the Group and made recommendations to improve their effectiveness.
- c) Performed follow-up reviews in assessing the progress of the agreed Management's action plan and report to the Management and ARMC.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

INTERNAL AUDIT FUNCTION (CONT'D)

(2) Total costs incurred for the financial year ended 31 December 2024

The total cost incurred for the internal audit function for the FY2024 was RM33,500.

(3) Review of Internal Audit Function

The ARMC and the Board were satisfied with the performance of the Internal Auditors for the FY2024.

The ARMC is of the opinion that the internal audit function is independent and the Internal Auditors have performed their audit assignments with impartiality, proficiency and due professional care.

Further details of the activities of internal audit functions are set out in the Statement on Risk Management and Internal Control in this Integrated Annual Report.

This Report is made in accordance with the resolution of the Board dated 28 April 2025.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors (“**Board**”) of Leform Berhad (“**Leform**” or the “**Company**”) is pleased to present the Statement on Risk Management and Internal Control (“**Statement**”) for the financial year ended 31 December 2024 (“**FY2024**”), issued in compliance with Rule 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the Malaysian Code on Corporate Governance (“**MCCG**”) with guidance from the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD RESPONSIBILITY

The Board acknowledges and assumes its overall responsibility for the Group’s risk management and internal control system to safeguard shareholders’ investment and the Group’s assets, including the need to review the adequacy and operating effectiveness of this system in meeting the Group’s objectives. In line with the Guidance 1.1 of the MCCG the Board had discharged its fiduciary duties and responsibilities at all times in the best interest of the Company to ensure a sound framework for risk management and internal control.

The Management Team is responsible for implementing the Group’s policies and procedures on risk management and internal control to identify, evaluate, monitor, and report risks as well as deficiencies and non-compliance with internal controls.

RISK MANAGEMENT FRAMEWORK

The Board regards the management of core risks as an integral and critical part of the day to-day operations of the Group. The experience, knowledge and expertise to identify and manage such risks throughout the financial period under review enables the Group to make cautious, mindful and well-informed decisions through formulation and implementation of requisite action plans and monitoring regime which are imperative in ensuring the accomplishment of the Group objective.

As part of our Risk Management Framework, risk identifying, risk assessment, risk evaluation, risk control measures, risk reporting, etc., are stipulated clearly to guide the management of key risks. The Group maintains a Registry of Risk which stated the principal business risk and key risk area, their impact, likelihood of occurrence, risk owner and risk control actions. The respective risk owners are assigned and responsible for identifying risks as well as ensuring that adequate internal control is implemented to mitigate the risks faced by the Group.

INTERNAL AUDIT FUNCTION (“**IAF**”)

The IAF is being outsource to Sterling Business Alignment Consulting Sdn Bhd (“**Sterling**”). The purpose of the internal audit function is to provide the Board, through ARMC, reasonable assurance of the effectiveness of the system of internal controls of the designated entities of the Group.

Sterling understands our processes, reviews the risks identified by the Management and proposes measures to mitigate those risks. Sterling does not have any direct operational responsibility or authority over the day to day operations of the Group. Sterling reports any identified risks directly to the ARMC. Hence, they are independent and free from any conflicts of interest.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL AUDIT FUNCTION (“IAF”) (CONT'D)

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

- Review the significant risks in relation to the activity's objectives, resources, and operations, and assess how the potential impact of these risks is kept to an acceptable level
- Review and assess the adequacy, efficiency and effectiveness of the Group's governance, risk management and internal control processes as compared to a relevant framework or model
- The opportunities for making significant improvement to the activity's governance, risk management and internal control processes.
- Conduct follow-up visits to ensure that all corrective action plans are implemented
- Highlight findings to the ARMC

Sterling uses the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Internal Control-Integrated Framework as a basis for evaluating the effectiveness of the internal control systems. Internal audit reviews will be conducted according to the approved risk-based internal audit plan, which addresses the critical business processes, internal control gaps, effectiveness, and adequacy of the existing state of internal control, and recommends possible improvements to the internal control processes.

During the financial year, Sterling conducted two internal audit reviews in accordance with its plan which was entailed below and two follow up status reviews on previously reported audit issues.

- Production and Production Planning, Quality Control
- Sales & Marketing

There are no material issues highlighted by Sterling during the financial year under review.

OTHER KEY ELEMENTS OF INTERNAL CONTROL PROCESSES

In addition to the risk management and internal control, the Group had other controls in place such as: -

- Quarterly review of the financial results
- Standard Operating Procedures for various departments are properly documented for guidance and compliance
- Delegation of authority to ensure segregation of power
- Whistle Blowing Policy

ASSURANCE TO THE BOARD MEMBERS

The Board finds the adequacy and effectiveness of the risk management and internal control system to be satisfactory. The Board is of the view that it is able to effectively protect the shareholders' interest and the Group's assets.

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

ASSURANCE TO THE BOARD MEMBERS (CONT'D)

The Board is of the opinion that the Group's risk management and internal control systems are adequate and effective. There is no internal control failure nor any significant weaknesses in the system that has resulted in any loss to the Group during the financial year under review.

The Board will continue monitoring all the major risks affecting the Group and take appropriate action plans to further improve the existing risk management framework and internal control systems.

REVIEW OF THIS STATEMENT BY THE EXTERNAL AUDITORS

The External Auditors have reviewed this Statement for inclusion in the Integrated Annual Report of the Company for the FY2024 pursuant to the scope set out in Audit and Assurance Practice Guide 3 ("**AAPG 3**"), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report as issued by the Malaysian Institute of Accountants and reported to the Board that nothing has come to their attention that caused them to believe that the Statement intended to be included in the Integrated Annual Report of the Company, in all material respect: -

- a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out; or
- b) is factually inaccurate.

AAPG 3 does not require the External Auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system, including the assessment and opinion by the Directors and management thereon. The External Auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Integrated Annual Report will, in fact, remedy those problems.

This Statement is made in accordance with the resolution of the Board dated 28 April 2025.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS

The Company was listed on the ACE Market of Bursa Securities on 30 November 2022 in conjunction with its initial public offering ("IPO") ("Listing"), where the Company undertook a public issue of 311,013,000 new ordinary shares in the Company at an issue price of RM0.23 per share, raising proceeds of RM71.5 million ("IPO Proceeds").

The gross proceeds of RM71.5 million raised from the IPO have been utilised during the financial year ended 31 December 2024.

2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid or payable to the external auditors' firm by the Group and the Company for the financial year ended 31 December 2024 are as follows:-

	Company (RM)	Group (RM)
Audit Fees	163,000	350,000
Non-Audit Fees*	10,000	10,000
Total	173,000	360,000

* Non-audit fees comprise the review of Statement of Risk Management and Internal Control.

3. RECURRENT RELATED PARTY TRANSACTION ("RRPT")

The details for the Recurrent Related Party Transactions of a Revenue or Trading Nature transacted pursuant to the Shareholders' Mandate during the financial year ended 31 December 2024 are stated in Section 2.4 of the Circular to Shareholders dated 30 April 2025, which is available on Bursa Securities' website and the Company's website.

4. MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving the interest of Directors, chief executive who is not a Director or major shareholder, either still subsisting as at the end of the financial year or entered into since the end of the previous financial year.

5. STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS

The Directors are required under Rule 15.26(a) of the ACE Market Listing Requirements of Bursa Securities to issue a statement on its responsibility in the preparation of the annual audited financial statements.

The Directors are responsible for ensuring that the financial statements are properly drawn up in accordance with the provisions of the Companies Act 2016 and applicable Malaysian Financial Reporting Standards approved by the Malaysian Accounting Standards Board in Malaysia so as to give a true and fair view of the financial position of the Group and the Company as at 31 December 2024 and of the financial performance and cash flows of the Group for the year then ended and of the Company for the financial year then ended.

ADDITIONAL COMPLIANCE INFORMATION

5. STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS (CONT'D)

During the preparation of the financial statements for the financial year ended 31 December 2024, the Directors have:

- (i) applied the appropriate and relevant accounting policies consistently and in accordance with applicable approved accounting standards;
- (ii) made judgements and estimates that are reasonable and prudent; and
- (iii) applied the going concern basis for the preparation of the financial statements.

The Directors are also responsible for taking such steps that are necessary and reasonable to safeguard the assets of the Group and of the Company, and to prevent and detect fraud and other irregularities.

The Board is satisfied that it has met its obligation to present a balanced and understandable assessment of the Company's position and prospects in the Directors' Report and the Financial Statements of this Integrated Annual Report.

The Statement is made in accordance with a resolution of the Board of Directors 28 April 2025.



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DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

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

Principal activities

The Company is principally engaged in the businesses of manufacturing of steel products, transport and carrier and scaffolding rental services whilst the principal activities of the Company's subsidiaries are as stated in Note 3 to the financial statements.

Ultimate holding company

The Company is a subsidiary of Tianwen Holdings Sdn. Bhd., of which is incorporated in Malaysia and regarded by the Directors as the Company's ultimate holding company, during the financial year and until the date of this report.

Subsidiaries

The details of the Company's subsidiaries are disclosed in Note 3 to the financial statements.

Results

	Group RM'000	Company RM'000
Profit for the year attributable to:		
Owners of the Company	2,421	5,643
Non-controlling interests	(993)	-
	1,428	5,643

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in Note 23 to the financial statements.

Dividends

No dividend was paid during the financial year and the Directors do not recommend any dividend to be paid for the financial year under review.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

Directors of the Company

Directors who served during the financial year and until the date of this report are:

Datuk Seri Akhil Bin Bulat
Law Kok Thye
Esmariza Binti Ismail
Chua Leng Leek
Lai Chin Yang
Lee Wee Leng
Law Kar Hou (Appointed on 16 July 2024)
Phang Yew Cheong @ Phang Yew Choong (Resigned on 13 March 2024)

Directors of the subsidiaries

The following is a list of directors of the subsidiaries (excluding Directors who are also Directors of the Company) who held office during the financial year and until the date of this report:

Chai Chang Wai
Lam Chung Ming
Yau Kwai Lin

Directors' interests in shares

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including the interests of the spouses or children of the Director who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	At 1.1.2024/ date of appointment	Number of ordinary shares		At 31.12.2024
		Bought	Sold	
Interests in the ultimate holding company				
Law Kok Thye				
- own	1,400,000	-	-	1,400,000
Deemed interests in the Company				
Datuk Seri Akhil Bin Bulat				
- own	350,000	-	-	350,000
Law Kok Thye				
- own	340,549,000	-	-	340,549,000
- others*	755,800,000	6,000,000	-	761,800,000
Law Kar Hou				
- own	100,000	2,000,000	-	2,100,000
Chua Leng Leek				
- own	450,000	-	-	450,000
Lai Chin Yang				
- own	350,000	150,000	-	500,000

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

Directors' interests in shares (Cont'd)

	At 1.1.2024/ date of appointment	Number of ordinary shares		At 31.12.2024
		Bought	Sold	
Deemed interests in the Company				
Lee Wee Leng				
- own	100,000	-	-	100,000
Esmariza Binti Ismail				
- own	210,000	-	-	210,000

* *Deemed interested through spouse's and children's shareholdings in the Company and deemed interested by virtue of his direct substantial shareholding in Tianwen Holdings Sdn. Bhd.*

By virtue of his interests of more than 20% in the shareholdings of the Company, Law Kok Thye is deemed interested in the ordinary shares of its related corporations during the financial year to the extent of the Company's interests, in accordance with Section 8 of the Companies Act 2016.

Directors' benefits

Since the end of previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a Company in which the Director has a substantial financial interest.

The Directors' benefits paid to or receivable by Directors in respect of the financial year ended 31 December 2024 are as follows:

	From the Company RM'000	From subsidiary companies RM'000
Directors of the Company:		
Fees	458	-
Remuneration	2,155	364
Other short-term benefits	265	49
Estimated money value of any other benefits	56	7
	2,934	420

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

Issue of shares and debentures

There were no changes in the issued and paid-up capital of the Company during the financial year. There were no debentures issued during the financial year.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

Options granted over unissued shares

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

Indemnity and insurance costs

There is no indemnity given to or insurance effected for Director, officer or auditor of the Company during the financial year.

Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) all known bad debts have been written off and adequate allowance for impairment losses on receivables, and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected to realise.

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

- i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

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

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

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2024 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

Subsequent events

Refer to Note 31 for subsequent events after the end of the financial year.

Auditors

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The details of the auditors' remuneration of the Group and of the Company during the year are as follows:

	The Group RM'000	The Company RM'000
Audit fees	350	163
Non-audit fees	10	10
	360	173

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

Law Kok Thye

Director

Esmariza Binti Ismail

Director

Date: 28 April 2025

Selangor

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					
Investments in subsidiaries	3	-	-	11,906	8,156
Investment in joint venture	4	-*	-	-	-
Right-of-use assets	5	3,596	-	-	-
Property, plant and equipment	6	164,438	145,110	159,218	140,107
Investment properties	7	9,309	9,533	4,511	4,622
Goodwill	8	2,702	2,702	-	-
Total non-current assets		180,045	157,345	175,635	152,885
Inventories	9	147,103	155,820	136,771	136,501
Trade and other receivables	10	101,885	99,894	101,483	106,177
Contract assets	11	4,737	7,843	-	-
Current tax assets		11,372	11,447	11,038	11,150
Other investments	12	7,584	6,102	6,938	5,581
Cash and cash equivalents	13	4,142	18,096	1,278	13,496
Total current assets		276,823	299,202	257,508	272,905
Total assets		456,868	456,547	433,143	425,790
Equity					
Share capital		146,909	146,909	146,909	146,909
Reserves		72,927	66,910	65,788	56,549
Equity attributable to owners of the Company	14	219,836	213,819	212,697	203,458
Non-controlling interests		1,048	2,141	-	-
Total equity		220,884	215,960	212,697	203,458
Liabilities					
Loans and borrowings	15	9,274	6,368	8,762	6,339
Deferred tax liabilities	16	9,748	9,395	9,480	9,108
Total non-current liabilities		19,022	15,763	18,242	15,447
Trade and other payables	17	56,249	38,788	43,780	21,576
Loans and borrowings	15	160,701	185,603	158,424	184,893
Current tax liabilities	12	17	-	-	-
Derivative liabilities	18	-	416	-	416
Total current liabilities		216,962	224,824	202,204	206,885
Total liabilities		235,984	240,587	220,446	222,332
Total equity and liabilities		456,868	456,547	433,143	425,790

* Amount is less than RM1,000

The notes on pages 115 to 167 are an integral part of these financial statements.

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

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	19	404,386	370,016	334,792	312,806
Cost of sales		(379,458)	(356,774)	(310,733)	(302,196)
Gross profit		24,928	13,242	24,059	10,610
Other income		5,071	11,341	7,196	9,781
Administrative expenses		(14,610)	(15,965)	(13,129)	(14,523)
Net reversal/(loss) on impairment of financial assets		737	(1,320)	496	(856)
Other expenses		(3,403)	(3,745)	(2,894)	(3,394)
Results from operating activities		12,723	3,553	15,728	1,618
Finance income		195	814	924	814
Finance costs	20	(11,286)	(12,663)	(10,897)	(12,360)
Net finance costs		(11,091)	(11,849)	(9,973)	(11,546)
Profit/(Loss) before tax		1,632	(8,296)	5,755	(9,928)
Tax expense	21	(204)	3,155	(112)	3,181
Profit/(Loss) for the year	22	1,428	(5,141)	5,643	(6,747)
Other comprehensive income/(expense), net of tax		1,428	(5,141)	5,643	(6,747)
Items that will not be reclassified subsequently to profit or loss					
Revaluation of properties	23	3,596	-	3,596	-
Other comprehensive income/(expense) for the year, net of tax		5,024	(5,141)	9,239	(6,747)
Total comprehensive income/(expense) for the year		5,024	(5,141)	9,239	(6,747)
Profit/(Loss) attributable to:					
Owners of the Company		2,421	(4,960)	5,643	(6,747)
Non-controlling interests		(993)	(181)	-	-
		1,428	(5,141)	5,643	(6,747)
Total comprehensive income/(expense) attributable to:					
Owners of the Company		6,017	(4,960)	9,239	(6,747)
Non-controlling interests		(993)	(181)	-	-
		5,024	(5,141)	9,239	(6,747)
Earnings/(Loss) per share (Sen)					
Basic/Diluted	24	0.16	(0.33)		

The notes on pages 115 to 167 are an integral part of these financial statements.

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

Group	Note	/-----Attributable to owners of the Company-----/ Non-distributable Distributable					Total equity RM'000
		Share capital RM'000	Revaluation reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interest RM'000	
At 1 January 2023		146,909	45,732	39,467	232,108	2,322	234,430
Loss for the year		-	-	(4,960)	(4,960)	(181)	(5,141)
Total comprehensive expense for the year		-	-	(4,960)	(4,960)	(181)	(5,141)
Distributions to the owners of the Company: - Dividends to owners of the Company	25	-	-	(13,329)	(13,329)	-	(13,329)
Total transactions with owners of the Company		-	-	(13,329)	(13,329)	-	(13,329)
At 31 December 2023/1 January 2024		146,909	45,732	21,178	213,819	2,141	215,960
Revaluation of properties		-	3,596	-	3,596	-	3,596
Total other comprehensive income for the year		-	3,596	-	3,596	-	3,596
Profit/(Loss) for the year		-	-	2,421	2,421	(993)	1,428
Total comprehensive income/(expense) for the year		-	3,596	2,421	6,017	(993)	5,024
Distributions to the owners of the Company: - Dividends by a subsidiary to non-controlling interest	3	-	-	-	-	(100)	(100)
Total transactions with owners of the Company		-	-	-	-	(100)	(100)
At 31 December 2024		146,909	49,328	23,599	219,836	1,048	220,884

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

Company	Note	/--Attributable to owners of the Company--/			Total equity RM'000
		Non-distributable Share capital RM'000	Revaluation reserves RM'000	Distributable Retained earnings RM'000	
At 1 January 2023		146,909	43,943	32,682	223,534
Loss and total comprehensive expense for the year		-	-	(6,747)	(6,747)
Distributions to owners of the Company:					
- Dividends to owners of the Company	25	-	-	(13,329)	(13,329)
Total transactions with owners of the Company		-	-	(13,329)	(13,329)
At 31 December 2023/ 1 January 2024		146,909	43,943	12,606	203,458
Revaluation of properties		-	3,596	-	3,596
Total other comprehensive income for the year		-	3,596	-	3,596
Profit for the year		-	-	5,643	5,643
Total comprehensive income for the year		-	3,596	5,643	9,239
At 31 December 2024		146,909	47,539	18,249	212,697

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash flows from operating activities					
Profit/(Loss) before tax		1,632	(8,296)	5,755	(9,928)
Adjustments for:					
Depreciation of property, plant and equipment	6	7,153	7,430	6,255	6,463
Depreciation of investment properties	7	224	225	111	111
Depreciation of right-of-use-assets	5	30	-	-	-
Net (reversal)/impairment loss on trade receivables and contract assets	22	(737)	1,320	(496)	856
Reversal of allowance for slow-moving and obsolete stock	9	(674)	-	(491)	-
Finance costs	20	11,286	12,663	10,897	12,360
Reversal of inventories previously written down	9	-	(1,082)	-	(1,082)
Unrealised loss on derivatives		-	416	-	416
Gain on disposal of property, plant and equipment		(149)	(70)	-	(50)
Interest income		(195)	(814)	(924)	(814)
Operating profit before changes in working capital		18,571	11,792	21,107	8,332
Increase in inventories		9,391	74,122	221	65,980
Decrease in trade and other receivables		(1,253)	(18,126)	(19,382)	(381)
Increase/(Decrease) in contract assets		3,106	(7,843)	-	-
Increase/(Decrease) in trade and other payables		18,140	(23,211)	15,449	(11,682)
Increase/(Decrease) in amount owing by subsidiaries		-	-	28,743	(22,893)
Increase in amount owing to a subsidiary		-	-	-	558
Net (decrease)/increase in amount owing to holding company		(1,098)	4,011	2,913	-
Cash generated from operations		46,856	40,745	49,051	39,914
Income tax paid		(151)	(3,216)	-	(2,941)
Tax refunded		-	783	-	600
Net cash from operating activities		46,705	38,312	49,051	37,573
Cash flows used in investing activities					
Proceeds from disposal of property, plant and equipment		149	70	-	50
Purchase of property, plant and equipment	(b)	(17,658)	(20,174)	(17,336)	(19,702)
Purchase of right-of-use assets		(3,626)	-	-	-
Investment in joint venture		-*	-	-	-
Increase in investment in subsidiaries		-	-	(3,750)	-
Interest income received		195	814	179	814
Additions of deposits pledged with licensed financial banks or with tenure more than 3 months		(1,482)	9,502	(1,357)	10,023
Net cash used in investing activities		(22,422)	(9,788)	(22,264)	(8,815)

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash flows (used in)/from financing activities					
Repayment of principal for term loans	(a)	(3,088)	(26,421)	(3,088)	(26,421)
Proceeds from drawdown for term loans	(a)	-	100	-	100
Repayment of principal for hire payables	(a)	(1,205)	(1,307)	(976)	(956)
Proceeds from drawdown for bankers' acceptances	(a)	222,232	263,660	212,900	263,049
Repayment of principal for bankers' acceptances	(a)	(247,331)	(248,370)	(239,485)	(248,370)
Proceeds from drawdown of trust receipts	(a)	214,160	166,034	214,160	156,885
Repayment of principal for trust receipts	(a)	(214,981)	(182,454)	(214,981)	(173,305)
Proceeds from drawdown of revolving credit	(a)	-	10,000	-	10,000
Dividend paid		-	(13,329)	-	(13,329)
Interest paid		(11,286)	(12,663)	(10,897)	(12,360)
Dividend paid to non-controlling interests	3	(100)	-	-	-
Net cash used in financing activities		(41,599)	(44,750)	(42,367)	(44,707)
Net decrease in cash and cash equivalents		(17,316)	(16,226)	(15,580)	(15,949)
Cash and cash equivalents at beginning of financial year		12,142	28,368	7,542	23,491
Cash and cash equivalents at end of financial year	13	(5,174)	12,142	(8,038)	7,542

* Amount is less than RM1,000

(a) Reconciliation of movements of liabilities to cash flows arising from financing activities

	At 1 January 2023 RM'000	Net changes from financing cash flows RM'000	At 31 December 2023/ 1 January 2024 RM'000	Net changes from financing cash flows RM'000	Acquisition of new lease RM'000	At 31 December 2024 RM'000
Group						
Term loans	35,128	(26,321)	8,807	(3,088)	-	5,719
Hire purchase payables	2,705	(1,307)	1,398	(1,205)	4,855	5,048
Bankers' acceptance	80,687	15,290	95,977	(25,099)	-	70,878
Trust receipts	86,255	(16,420)	69,835	(821)	-	69,014
Revolving credit	-	10,000	10,000	-	-	10,000
Total liabilities from financing activities	204,775	(18,758)	186,017	(30,213)	4,855	160,659
Company						
Term loans	35,128	(26,321)	8,807	(3,088)	-	5,719
Hire purchase payables	2,226	(956)	1,270	(976)	4,062	4,356
Bankers' acceptance	80,687	14,679	95,366	(26,585)	-	68,781
Trust receipts	86,255	(16,420)	69,835	(821)	-	69,014
Revolving credit	-	10,000	10,000	-	-	10,000
Total liabilities from financing activities	204,296	(19,018)	185,278	(31,470)	4,062	157,870

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

(b) Analysis of purchase of property, plant and equipment

Acquisition of property, plant and equipment during the year were by way of:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Cash	17,658	20,174	17,336	19,702
Hire purchase	4,855	-	4,062	-
	22,513	20,174	21,398	19,702

NOTES TO THE FINANCIAL STATEMENTS

Leform Berhad (the “Company”) is a public limited liability company, incorporated and domiciled in Malaysia. The address of the principal place of business and registered office of the Company is as follows:

Principal place of business

PT16077 and PT16078, Jalan Kesidang 4
Kawasan Perindustrian Sungai Choh
48200 Serendah
Selangor, Malaysia

Registered office

12th Floor, Menara Symphony
No. 5, Jalan Professor Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor, Malaysia

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2024 comprise the Company and its subsidiaries (together referred to as the “Group” and individually referred to as “Group entities”) and the Group’s interests in joint venture.

The Company is principally engaged in the businesses of manufacturing of steel products, transport and carrier and scaffolding rental services whilst the principal activities of the Company’s subsidiaries are as stated in Note 3 to the financial statements.

The Company is a subsidiary of Tianwen Holdings Sdn. Bhd., of which is incorporated in Malaysia and regarded by the Directors as the Company’s ultimate holding company, during the financial year and until the date of this report.

The financial statements were authorised for issue by the Board of Directors on 28 April 2025.

1. Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with the MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board (“MFRS Accounting Standards”), IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, interpretations and amendments of the MFRS Accounting Standards that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group and the Company:

(a) Statement of compliance

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation (Cont'd)

(a) Statement of compliance (Cont'd)

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026 (Cont'd)

- Amendments that are part of Annual Improvements – Volume 11:
 - > Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
 - > Amendments to MFRS 7, *Financial Instruments: Disclosures*
 - > Amendments to MFRS 9, *Financial Instruments*
 - > Amendments to MFRS 10, *Consolidated Financial Statements*
 - > Amendments to MFRS 107, *Statement of Cash Flows*
- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures* – *Contracts Referencing Nature-dependent Electricity*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

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

The Group and the Company plan to apply the abovementioned accounting standards and amendments:

- from the annual period beginning on 1 January 2025 for the amendment that is effective for annual periods beginning on or after 1 January 2025..
- from the annual period beginning on 1 January 2026 for the amendments that are effective for annual periods beginning on or after 1 January 2026.
- from the annual period beginning on 1 January 2027 for the accounting standards that are effective for annual periods beginning on or after 1 January 2027.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items, which are measured based on the measurement bases stated below:

Items	Measurement bases
Derivative financial instruments	Fair value
Freehold land and buildings	Fair value

As of 31 December 2024, the Group and the Company have RM170 million and RM167 million of loans and borrowings with RM161 million and RM158 million, respectively, due within the next 12 months. The preparation of the financial statements on a going concern basis is dependent on the ability of the Group and the Company to utilise available credit facilities and to obtain continuous financial support from their bankers to finance their operations to achieve profitable operations in order to pay its loans and borrowings that are due to be paid within one year. The Group and the Company remains positive that it will be able to generate sufficient cash flows from its existing and new orders secured by its subsidiaries to increase the working capital of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation (Cont'd)

(b) Basis of measurement (Cont'd)

In view of the foregoing, the Directors consider that it is appropriate to prepare the financial statements on a going concern basis and the Group and the Company will be able to meet their liabilities as and when they fall due.

Accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of recorded assets amounts or additional amounts of liabilities that may be necessary if the Group and the Company is unable to continue as a going concern.

(c) Functional and presentation currencies

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency and has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

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

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

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 3 - measurement of the recoverable amounts of investment in subsidiary
- Note 5 – revaluation of leasehold land
- Note 6 – revaluation of freehold land and buildings
- Note 8 – measurement of the recoverable amounts of cash-generating units
- Note 9 – valuation of inventories

2. Changes in material accounting policies

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

The Company has adopted the amendments to MFRS 101, Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants from 1 January 2024. The amendments clarify certain requirements for determining whether a liability should be classified as current or non-current and require new disclosures for non-current loan liabilities that are subject to covenants within 12 months after the reporting period (see Note 15).

The Company has analysed all existing borrowings and determined that the new amendments did not result in a change in the classification of the Company's borrowings. There is also no retrospective impact on the comparative statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

3. Investments in subsidiaries

	Company	
	2024	2023
	RM'000	RM'000
Cost of investment	12,648	8,898
Less: Impairment loss	(742)	(742)
	11,906	8,156

Details of the subsidiaries are as follows:

Name of subsidiary	Principal place of business/Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2024	2023
			%	%
LF Metal Sdn. Bhd. ("LFMSB")	Malaysia	Trading in steel products	100	100
Leform Steel Pipes Sdn. Bhd.	Malaysia	Trading in steel pipes	100	100
Leform CLQ Sdn. Bhd.	Malaysia	Dormant	100	100
Leform Transport Sdn. Bhd.	Malaysia	To carry on the business of transport and carrier	100	100
Leform Metal Sdn. Bhd.	Malaysia	Dormant	85	85
Leform Steel Service Centre Sdn. Bhd. ("LSSCSB")	Malaysia	Trading in steel products	100	100
LF Engineering Sdn. Bhd. ("LFESB")	Malaysia	Manufacturing of guardrails	60	60
Leform Marketing Sdn. Bhd. ("LMKSB")^	Malaysia	Trading of steel pipes and flat steel products	80	80
LF SPV Structure Sdn. Bhd.*	Malaysia	Manufacturing and installation of solar structures	100	-

^ Held through LFMSB

* Not audited by KPMG PLT

On 26 September 2024, Leform CLQ Sdn. Bhd. had increased its issued and paid-up capital from RM100,000 comprising 100,000 ordinary shares to RM3,850,000 comprising 3,850,000 ordinary shares, via the issuance of 3,750,000 new ordinary shares to Leform Berhad.

On 5 December 2024, Leform Berhad had incorporated a wholly-owned subsidiary company, namely LF SPV Structure Sdn. Bhd., under the Companies Act 2016 of Malaysia, with an issued share capital of RM100 comprising 100 ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

3. Investments in subsidiaries (Cont'd)

3.1 Non-controlling interest in subsidiaries

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:

	LFESB RM'000	LMKSB RM'000	Other subsidiaries with immaterial NCI RM'000	Total RM'000
2024				
NCI percentage of ownership interest and voting interest	40%	20%		
Carrying amount of NCI	417	448	183	1,048
Loss allocated to NCI	(986)	(4)	(3)	(993)
2023				
NCI percentage of ownership interest and voting interest	40%	20%		
Carrying amount of NCI	1,402	553	186	2,141
Profit allocated to NCI	(243)	69	(7)	(181)
	LFESB	LMKSB		
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Summarised financial information before intra-group elimination				
As at 31 December				
Non-current assets	1,508	1,398	1,782	1,412
Current assets	18,700	36,524	7,305	10,940
Non-current liabilities	(502)	(274)	(192)	(17)
Current liabilities	(18,664)	(34,142)	(6,653)	(9,571)
Net assets	1,042	3,506	2,242	2,764
Year ended 31 December				
Revenue	25,505	40,643	54,868	53,474
(Loss)/Profit for the year	(2,465)	(606)	(21)	344
Total comprehensive (expense)/income	(2,465)	(606)	(21)	344
Cash flows (used in)/from operating activities	167	655	(224)	(44)
Cash flows used in investing activities	(533)	(4)	(226)	-
Cash flows from/(used in) financing activities	666	(485)	(117)	(71)
Net increase/(decrease) in cash and cash equivalents	300	166	(567)	(115)
Dividends paid to NCI	-	-	(100)	-

NOTES TO THE FINANCIAL STATEMENTS

3. Investments in subsidiaries (Cont'd)

3.2 Material accounting policy information

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses.

3.3 Impairment testing for impairment in a subsidiary

At 31 December 2024, the Company's investment in a subsidiary, LSSCSB, was tested for impairment due to impairment indicators noted as the carrying amount of the investment is higher than the net assets of LSSCSB.

For purposes of the impairment testing, the recoverable amount of the investment in LSSCSB was determined based on its value in use, calculated using a discounting cash flow model. The key assumptions used in the model are based on both external sources and internal historical data which includes:

- Cash flows were projected based on past experience, actual operating results and the 5-year business plan.
- The anticipated annual revenue growth included in the cash flow projections was 8% (2023: 4.2% - 11.2%) per annum.
- Gross profit margin were projected at 0.75% (2023: 0.5%).
- A pre-tax discount rate of 10.69% (2023: 10.1%) was applied in determining the recoverable amount of the unit. The discount rate was based on the Group's weighted average cost of capital.

The above estimates are not particularly sensitive. No impairment was recognised during the year.

4. Investment in joint venture

	Group 2024 RM	2023 RM
Investment in shares	50	-

LF Highway Products Sdn. Bhd., the only joint arrangement in which the Group participates, is principally engaged in the trading of steel and highway railing products in Malaysia. LF Highway Products Sdn. Bhd. is structured as a separate vehicle and provides the Group rights to the net assets of the entity. Accordingly, the Group has classified the investment in LF Highway Products Sdn. Bhd. as a joint venture.

The following table summarises the financial information of the joint venture:

	Group 2024 RM	2023 RM
Percentage of ownership interest	50%	-
Percentage of voting interest	50%	-
Summarised financial information		
As at 31 December		
Current assets	100	-

NOTES TO THE FINANCIAL STATEMENTS

4. Investment in joint venture (Cont'd)

4.1 Material accounting policy information

Investment in joint venture is measured in the Company's statement of financial position at cost less any impairment losses.

5. Right-of-use assets

	Leasehold land RM'000
Group	
At 1 January 2023/31 December 2023/1 January 2024	-
Additions	3,626
Depreciation	(30)
At 31 December 2024	3,596

5.1 Material accounting policy information

(a) Recognition and measurement

Leasehold land are initially measured at cost.

Subsequent to initial recognition, the leasehold land are stated at revalued amounts based on periodic valuations, once in every 3 or 5 years, less subsequent depreciation for building. Surpluses arising from the revaluation are recognised in other comprehensive income and accumulated in equity under the revaluation reserve to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss. Deficits arising from the revaluation to the extent that they are not supported by any previous revaluation surpluses, are recognised in profit or loss.

(b) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of the leasehold land from the date that they are available for use.

The estimated useful life for the current period for the leasehold land is 70 years.

NOTES TO THE FINANCIAL STATEMENTS

6. Property, plant and equipment

Group	Freehold land and buildings	Plant and machineries	Motor vehicles	Furniture and fittings	Office equipment	Computers	Renovation	Sub-total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cost/Valuation								
At 1 January 2023	116,055	53,610	18,407	811	811	540	1,901	192,135
Additions	-	8	468	5	35	88	-	604
Disposals	-	-	(262)	-	-	-	-	(262)
At 31 December 2023/1 January 2024	116,055	53,618	18,613	816	846	628	1,901	192,477
Additions	-	2,209	1,100	2	14	64	-	3,389
Disposals	-	-	(289)	-	-	-	-	(289)
Revaluation	3,968	-	-	-	-	-	-	3,968
At 31 December 2024	120,023	55,827	19,424	818	860	692	1,901	199,545
Accumulated depreciation								
At 1 January 2023	(9,767)	(38,821)	(11,897)	(770)	(670)	(524)	(486)	(62,935)
Depreciation for the year	(1,034)	(3,013)	(2,285)	(10)	(54)	(13)	(190)	(6,599)
Disposals	-	-	262	-	-	-	-	262
At 31 December 2023/1 January 2024	(10,801)	(41,834)	(13,920)	(780)	(724)	(537)	(676)	(69,272)
Depreciation for the year	(1,149)	(2,788)	(2,062)	(7)	(42)	(25)	(190)	(6,263)
Disposals	-	-	289	-	-	-	-	289
At 31 December 2024	(11,950)	(44,622)	(15,693)	(787)	(766)	(562)	(866)	(75,246)
Carrying amount								
At 1 January 2023	106,288	14,789	6,510	41	141	16	1,415	129,200
At 31 December 2023/1 January 2024	105,254	11,784	4,693	36	122	91	1,225	123,205
At 31 December 2024	108,073	11,205	3,731	31	94	130	1,035	124,299

NOTES TO THE FINANCIAL STATEMENTS

6. Property, plant and equipment (Cont'd)

Group	Sub-total RM'000	Tools and equipment RM'000	Electrical fittings RM'000	Moulds RM'000	Cabin hostel RM'000	Capital work- in-progress RM'000	Total RM'000
Cost/Valuation							
At 1 January 2023	192,135	12,871	3,991	18	406	817	210,238
Additions	604	148	114	-	212	19,096	20,174
Disposals	(262)	-	-	-	-	-	(262)
At 31 December 2023/1 January 2024	192,477	13,019	4,105	18	618	19,913	230,150
Additions	3,389	146	3,730	-	-	15,248	22,513
Disposals	(289)	-	-	-	-	-	(289)
Revaluation	3,968	-	-	-	-	-	3,968
At 31 December 2024	199,545	13,165	7,835	18	618	35,161	256,342
Accumulated depreciation							
At 1 January 2023	(62,935)	(11,744)	(3,109)	(18)	(66)	-	(77,872)
Depreciation for the year	(6,599)	(493)	(328)	-	(10)	-	(7,430)
Disposals	262	-	-	-	-	-	262
At 31 December 2023/1 January 2024	(69,272)	(12,237)	(3,437)	(18)	(76)	-	(85,040)
Depreciation for the year	(6,263)	(355)	(522)	-	(13)	-	(7,153)
Disposals	289	-	-	-	-	-	289
At 31 December 2024	(75,246)	(12,592)	(3,959)	(18)	(89)	-	(91,904)
Carrying amount							
At 1 January 2024	129,200	1,127	882	-	340	817	132,366
At 31 December 2023/1 January 2024	123,205	782	668	-	542	19,913	145,110
At 31 December 2024	124,299	573	3,876	-	529	35,161	164,438

NOTES TO THE FINANCIAL STATEMENTS

6. Property, plant and equipment (Cont'd)

Company	Freehold land and buildings RM'000	Plant and machineries RM'000	Motor vehicles RM'000	Furniture and fittings RM'000	Office equipment RM'000	Computers RM'000	Sub-total RM'000
Cost/Valuation							
At 1 January 2023	113,055	48,910	11,308	801	746	530	175,350
Additions	-	8	-	5	35	88	136
Disposals	-	-	(217)	-	-	-	(217)
At 31 December 2023/1 January 2024	113,055	48,918	11,091	806	781	618	175,269
Additions	-	2,209	-	-	1	64	2,274
Revaluation	3,968	-	-	-	-	-	3,968
At 31 December 2024	117,023	51,127	11,091	806	782	682	181,511
Accumulated depreciation							
At 1 January 2023	(9,767)	(34,905)	(6,417)	(761)	(618)	(513)	(52,981)
Depreciation for the year	(1,034)	(2,816)	(1,568)	(9)	(51)	(13)	(5,491)
Disposals	-	-	217	-	-	-	217
At 31 December 2023/1 January 2024	(10,801)	(37,721)	(7,768)	(770)	(669)	(526)	(58,255)
Depreciation for the year	(1,149)	(2,599)	(1,369)	(7)	(39)	(26)	(5,189)
At 31 December 2024	(11,950)	(40,320)	(9,137)	(777)	(708)	(552)	(63,444)
Carrying amount							
At 1 January 2023	103,288	14,005	4,891	40	128	17	122,369
At 31 December 2023/1 January 2024	102,254	11,197	3,323	36	112	92	117,014
At 31 December 2024	105,073	10,807	1,954	29	74	130	118,067

NOTES TO THE FINANCIAL STATEMENTS

6. Property, plant and equipment (Cont'd)

Company	Sub-total RM'000	Renovation RM'000	Tools and equipment RM'000	Electrical fittings RM'000	Cabin hostel RM'000	Capital work- in-progress RM'000	Total RM'000
Cost/Valuation							
At 1 January 2023	175,350	1,821	10,200	3,616	395	817	192,199
Additions	136	-	144	114	212	19,096	19,702
Disposals	(217)	-	-	-	-	-	(217)
At 31 December 2023/1 January 2024	175,269	1,821	10,344	3,730	607	19,913	211,684
Additions	2,274	-	146	3,730	-	15,248	21,398
Revaluation	3,968	-	-	-	-	-	3,968
At 31 December 2024	181,511	1,821	10,490	7,460	607	35,161	237,050
Accumulated depreciation							
At 1 January 2023	(52,981)	(432)	(9,110)	(2,744)	(64)	-	(65,331)
Depreciation for the year	(5,491)	(182)	(457)	(323)	(10)	-	(6,463)
Disposals	217	-	-	-	-	-	217
At 31 December 2023/1 January 2024	(58,255)	(614)	(9,567)	(3,067)	(74)	-	(71,577)
Depreciation for the year	(5,189)	(182)	(354)	(518)	(12)	-	(6,255)
At 31 December 2024	(63,444)	(796)	(9,921)	(3,585)	(86)	-	(77,832)
Carrying amount							
At 1 January 2023	122,369	1,389	1,090	872	331	817	126,868
At 31 December 2023/ 1 January 2024	117,014	1,207	777	663	533	19,913	140,107
At 31 December 2024	118,067	1,025	569	3,875	521	35,161	159,218

NOTES TO THE FINANCIAL STATEMENTS

6. Property, plant and equipment (Cont'd)

6.1 Security

At 31 December 2024, freehold land and buildings of the Group and of the Company with a carrying amount of RM108,071,375 and RM105,071,375 (2023: RM97,413,038 and RM94,413,038) have been pledged to licensed banks as security for banking facilities granted to the Group and the Company as disclosed in Note 15 to the financial statements.

6.2 Leased plant and machineries

At 31 December 2024, the net carrying amount of leased plant and machineries under hire purchase of the Group and the Company was RM6,299,254 and RM5,266,532, respectively (2023: RM1,935,055 and RM1,824,962, respectively).

6.3 Fair value information

Fair value of freehold land and buildings are categorised as follows:

	2024		2023	
	Level 3 RM'000	Total RM'000	Level 2 RM'000	Total RM'000
Group				
Freehold land and buildings	108,072	108,072	105,254	105,254
Company				
Freehold land and buildings	105,072	105,072	102,254	102,254

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

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

Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Market comparison approach: Sales price of comparable land are adjusted for differences in key attributes such as land size. The most significant input into this valuation approach is price per square foot.	Average price per square foot (2024: RM40 – RM170, 2023: RM30 – RM140).	The estimated fair value would increase (decrease) if the price per square foot is higher (lower).

NOTES TO THE FINANCIAL STATEMENTS

6. Property, plant and equipment (Cont'd)

6.3 Fair value information (Cont'd)

Transfers between Level 2 and Level 3 fair values

In the previous financial year, the fair values of the freehold land and buildings of the Group and the Company were within level 2 of the fair value hierarchy and were arrived based on the market comparison approach that reflects recent transaction prices for similar properties. The most significant input into this valuation approach is price per square foot of comparable properties.

On 16 December 2024, the Group's and the Company's freehold land and buildings were revalued by independent professional valuers. The surpluses arising from the revaluations, net of deferred taxation have been credited to other comprehensive income as disclosed in Note 23 to the financial statements and accumulated in equity under the revaluation reserve.

If the freehold land and buildings were measured using the cost model, the carrying amounts would be as follows:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Freehold land	20,872	20,872	19,860	19,860
Buildings	38,305	39,454	38,305	39,454
	59,177	60,326	58,165	59,314

6.4 Material accounting policy information

(a) Recognition and measurement

All items of property, plant and equipment are initially measured at cost. Subsequent to initial recognition, all property, plant and equipment, other than freehold land and buildings, are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Freehold land and buildings are stated at revalued amounts based on periodic valuations, at least once in every 3 or 5 years, less subsequent depreciation for buildings. Surpluses arising from the revaluation are recognised in other comprehensive income and accumulated in equity under the revaluation reserve to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss. Deficits arising from the revaluation to the extent that they are not supported by any previous revaluation surpluses, are recognised in profit or loss.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

NOTES TO THE FINANCIAL STATEMENTS

6. Property, plant and equipment (Cont'd)

6.4 Material accounting policy information (Cont'd)

(b) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated. Capital work-in-progress are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

• buildings	50 years
• plant and machineries	5 - 10 years
• motor vehicles	5 years
• furniture and fittings	5 - 10 years
• office equipment	5 - 10 years
• computers	5 years
• renovation	5 - 10 years
• tools and equipment	5 years
• electrical fittings	5 - 10 years
• moulds	5 years
• cabin hostel	50 years

7. Investment properties

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cost				
At 1 January/31 December	11,626	11,626	5,920	5,920
Accumulated depreciation				
At 1 January	(1,563)	(1,338)	(768)	(657)
Depreciation for the year	(224)	(225)	(111)	(111)
At 31 December	(1,787)	(1,563)	(879)	(768)
Accumulated impairment losses				
At 1 January/31 December	(530)	(530)	(530)	(530)
	9,309	9,533	4,511	4,622

7.1 Nature of leasing activities

Investment properties comprise a number of commercial properties that are leased to subsidiaries and third parties.

NOTES TO THE FINANCIAL STATEMENTS

7. Investment properties (Cont'd)

7.2 Restrictions on investment properties

The buildings of the Group and of the Company with a carrying value of RM5,649,065 and RM1,114,560 (2023: RM8,875,056 and RM4,233,430) have been pledged to licensed banks as security for banking facilities granted to the Group and the Company as disclosed in Note 15 to the financial statements.

7.3 Other income/expenses recognised in profit or loss in relation to investment properties

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Lease income	254	264	86	94
Direct operating expenses:				
- income generating investment properties	(20)	(21)	(6)	(6)

7.4 Maturity analysis of operating lease payments

	Group	
	2024 RM'000	2023 RM'000
Less than one year	217	251
One to two years	90	110
Two to three years	-	45
Total undiscounted lease payments	307	406

7.5 Fair value information

Fair value of investment properties are categorised as follows:

	2024		2023	
	Level 3 RM'000	Total RM'000	Level 3 RM'000	Total RM'000
Group				
Land and buildings	12,141	12,141	12,561	12,561
Company				
Land and buildings	4,773	4,773	5,228	5,228

NOTES TO THE FINANCIAL STATEMENTS

7. Investment properties (Cont'd)

7.5 Fair value information (Cont'd)

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

Valuation processes applied by the Group for Level 3 fair value

The fair value of the Group's investment properties not pledged to licensed banks has been estimated by the Directors based on Directors' assessment of the current year prices in an active market for the respective properties within each vicinity. In estimating the fair values, adjustments have been made to these listing prices to reflect differences in land or floor sizes, designs, location, and other features between the Group's properties and the comparable properties. The fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

The fair value of investment properties pledged to licensed banks is determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The valuation company provides the fair value of the Group's selected investment property portfolio every 2 to 3 years.

7.6 Material accounting policy information

(a) Recognition and measurement

Investment properties are initially measured at cost. Subsequent to the initial recognition, the investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

(b) Depreciation

Depreciation is calculated using straight-line method to allocate the depreciable amounts over the estimated useful lives. The principal annual depreciation periods of buildings are 50 years.

8. Goodwill

	Group	
	2024 RM'000	2023 RM'000
Cost		
At 1 January/31 December	2,788	2,788
Accumulated impairment loss		
At 1 January/31 December	(86)	(86)
	2,702	2,702

NOTES TO THE FINANCIAL STATEMENTS

8. Goodwill (Cont'd)

8.1 Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The aggregate carrying amounts of goodwill allocated to each unit are as follows:

	Group	
	2024 RM'000	2023 RM'000
Trading	2,024	2,024
Multiple units without significant goodwill	678	678
	2,702	2,702

The recoverable amount of the trading unit was based on its value in use, determined by discounting future cash flows to be generated by the trading unit. The carrying amount of the unit were determined to be lower than its recoverable amount. No impairment was recognised during the year.

Value in use of the trading unit was determined by discounting the future cash flows expected to be generated from the continuing use of the unit and was based on the following key assumptions:

- Cash flows were projected based on past experience, actual operating results and the 5-year business plan.
- The anticipated annual revenue growth included in the cash flow projections was 8% (2023: 4.2% - 11.2%) per annum.
- Gross profit margin were projected at 0.75% (2023: 0.5%).
- A pre-tax discount rate of 10.69% (2023: 10.1%) was applied in determining the recoverable amount of the unit. The discount rate was based on the Group's weighted average cost of capital.

The values assigned to the key assumptions represent management's assessment of future trends in the cash-generating units and are based on both external sources and internal historical data.

The above estimates are not particularly sensitive.

8.2 Material accounting policy information

Goodwill is initially measured at cost less any accumulated impairment losses. A bargain purchase gain is recognised in profit or loss immediately.

NOTES TO THE FINANCIAL STATEMENTS

9. Inventories

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Finished goods	53,372	56,049	43,269	36,995
Raw materials	74,471	92,267	74,243	91,820
Good-in-transit	18,403	7,707	18,402	7,707
Consumables	1,458	1,072	1,458	1,071
	147,704	157,095	137,372	137,593
Less: Allowance for slowmoving and obsolete stock	(601)	(1,275)	(601)	(1,092)
	147,103	155,820	136,771	136,501
<i>Recognised in profit or loss:</i>				
Inventories recognised as cost of sales	230,460	223,428	292,323	286,601
Reversal of allowance for slow-moving and obsolete stock (included in cost of sales)	(674)	-	(491)	-
Reversal of inventories previously written down (included in cost of sales)	-	(1,082)	-	(1,082)

9.1 Reversal of allowance for slow-moving and obsolete stock

The reversal of allowance for slow-moving and obsolete stock was in respect of slow-moving inventories sold during the financial year.

9.2 Reversal of inventories previously written down

The net realisable value ("NRV") of inventories was determined based on estimated selling price of the product less the estimated cost to make the sale. In the previous financial year, following a change in selling price, RM1,082,000 of the write-down was reversed.

9.3 Significant judgements and assumptions in relation to valuation of inventories

For the allowance for slow-moving and obsolete inventories, reviews are made periodically by management considering the inventory provision policy and ageing. For the finished goods, calculations in arriving at the net realisable values are assessed by management using the estimated selling prices with reference to selling prices for sales subsequent to the reporting date.

These reviews require significant judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

9.4 Material accounting policy information

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using the weighted average cost method and comprises all costs of purchase, cost of conversion plus other costs incurred in bringing the inventories to their present location and condition.

NOTES TO THE FINANCIAL STATEMENTS

10. Trade and other receivables

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current					
Trade					
Trade receivables from contracts with customers		84,595	87,449	66,938	52,973
Less: Impairment losses		(474)	(1,211)	(360)	(856)
		84,121	86,238	66,578	52,117
Amount due from subsidiaries	10.1	-	-	6,086	27,702
		84,121	86,238	72,664	79,819
Non-trade					
Amount due from subsidiaries	10.2	-	-	10,948	14,301
Other receivables		492	1,568	1,766	208
Deposits	10.3	1,036	1,561	1,376	1,403
Prepayments	10.4	16,236	10,527	14,729	10,446
		17,764	13,656	28,819	26,358
		101,885	99,894	101,483	106,177

10.1 Amount due from subsidiaries – Trade

The trade amount due from subsidiaries are unsecured, interest free and subjected to normal trade credit terms.

10.2 Amount due from subsidiaries – Non-trade

The non-trade amount due from subsidiaries are unsecured, interest-free and repayable on demand except for the amount due from LF Engineering Sdn. Bhd. of RM10,855,911 (2023:RM14,123,293) which is unsecured, subject to interest of 5.32% (2023: 5.32%) per annum and repayable on demand.

10.3 Deposits

Included in deposits of the Group and of the Company are amounts of RM611,034 and RM611,034, respectively (2023: RM1,207,184 and RM1,207,184, respectively) which represented deposits paid in respect of purchase of property, plant and equipment.

10.4 Prepayments

Included in prepayments of the Group and of the Company are amounts of RM13,929,864 and RM13,929,864, respectively (2023: RM8,300,546 and RM8,300,546, respectively) which represented advance payment to suppliers for future supply of goods. The amount will be offset against future purchases from suppliers.

NOTES TO THE FINANCIAL STATEMENTS

11. Contract assets

	Group	
	2024 RM'000	2023 RM'000
At 1 January	8,459	616
Performance obligations performed	14,314	23,349
Transfer to trade receivables	(17,420)	(15,506)
	5,353	8,459
Allowance for impairment losses	(616)	(616)
At 31 December	4,737	7,843

The contract assets primarily relate to the Group's right to consideration for work completed on construction contracts but not yet billed at the reporting date, subject to certification of the milestone achieved for billing. Typically, the amount will be billed within 30 days and payment is expected within 60 days from invoice date.

Included in contract assets at 31 December 2024 are retentions of RM1,991,336 (2023: RM1,345,528) relating to construction work-in-progress. Retentions are unsecured, interest free and are expected to be collected as follows:

	Group	
	2024 RM'000	2023 RM'000
Within 1 year	1,991	1,345

12. Other investments

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current				
Deposits with licensed banks:				
- Amortised cost	7,584	6,102	6,938	5,581

12.1 Security

The deposits with licensed banks are pledged as security for banking facilities granted to the Group and the Company as disclosed in Note 15.

12.2 Material accounting policy information

The Group classifies deposits with licensed banks pledged to a licensed bank as a security granted to the Group and the Company as other investments.

NOTES TO THE FINANCIAL STATEMENTS

13. Cash and cash equivalents

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Bank balances		4,142	18,096	1,278	13,496
Cash and cash equivalents in the statements of financial position		4,142	18,096	1,278	13,496
Bank overdraft	15	(9,316)	(5,954)	(9,316)	(5,954)
Cash and cash equivalents in the statements of cash flows		(5,174)	12,142	(8,038)	7,542

14. Capital and reserves

Share capital	Group and Company			
	Number of shares	Amount	Number of shares	Amount
	2024 '000	2024 RM'000	2023 '000	2023 RM'000
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares				
At 1 January/31 December	1,481,013	146,909	1,481,013	146,909

14.1 Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Reserves

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revaluation reserve	49,328	45,732	47,539	43,943
Retained profits	23,599	21,178	18,249	12,606
	72,927	66,910	65,788	56,549

14.2 Revaluation reserve

The revaluation reserve relates to the revaluation of freehold land and buildings of the Group and of the Company (net of deferred tax, where applicable) presented under property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

15. Loans and borrowings

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-current					
Term loans	15.1	5,391	5,719	5,391	5,719
Hire purchase		3,883	649	3,371	620
		9,274	6,368	8,762	6,339
Current					
Term loans	15.1	328	3,088	328	3,088
Hire purchase		1,165	749	985	650
Bankers' acceptance and trust receipts	15.2	139,892	165,812	137,795	165,201
Revolving credit		10,000	10,000	10,000	10,000
Bank overdraft	13	9,316	5,954	9,316	5,954
		160,701	185,603	158,424	184,893
		169,975	191,971	167,186	191,232

15.1 Term loans

Security

The bank loans are secured over land and buildings (see Note 6), investment properties (see Note 7) and fixed deposits with licensed banks (see Note 12).

15.2 Bankers' acceptance and trust receipts

Security

The bankers' acceptance and trust receipts are secured over a facility agreement, land and buildings (see Note 6), investment properties (see Note 7) and fixed deposits with licensed banks (see Note 12).

The Company provides financial guarantee amounting to RM2,097,000 (2023: RM611,000) as at the reporting date to a financial institution for the banking facilities granted to a subsidiary.

15.3 Significant loan covenant

The term loans and bankers' acceptance contain a bank covenant which requires the Group to maintain a maximum debt-to-equity ratio of 1.5 of which as at 31 December 2024, the debt to equity ratio as disclosed in Note 28 was 0.76 (2023:0.82).

NOTES TO THE FINANCIAL STATEMENTS

16. Deferred tax assets/(liabilities)

16.1 Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2024	2023	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group						
Property, plant and equipment	-	-	(4,146)	(3,516)	(4,146)	(3,516)
Revaluation of freehold land and buildings	-	-	(6,250)	(5,879)	(6,250)	(5,879)
Other items	648	-	-	-	648	-
Tax assets/(liabilities)	648	-	(10,396)	(9,395)	(9,748)	(9,395)
Set-off of tax	(648)	-	648	-	-	-
Net tax liabilities	-	-	(9,748)	(9,395)	(9,748)	(9,395)
Company						
Property, plant and equipment	-	-	(4,077)	(3,428)	(4,077)	(3,428)
Revaluation of freehold land and buildings	-	-	(6,051)	(5,680)	(6,051)	(5,680)
Other items	648	-	-	-	648	-
Tax assets/ (liabilities)	648	-	(10,128)	(9,108)	(9,480)	(9,108)
Set-off of tax	(648)	-	648	-	-	-
Net tax liabilities	-	-	(9,480)	(9,108)	(9,480)	(9,108)

16.2 Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group	
	2024	2023
	RM'000	RM'000
Unutilised tax losses	3,378	2,753
Other deductible temporary differences	1,735	1,454
	5,113	4,207

Deferred tax assets have not been recognised in the financial year in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits thereon.

NOTES TO THE FINANCIAL STATEMENTS

16. Deferred tax assets/(liabilities) (Cont'd)

16.2 Unrecognised deferred tax assets (Cont'd)

Pursuant to the Finance Act 2021, the ability to carry forward unutilised tax losses is extended to a maximum period of ten consecutive Years of Assessment ("YA"), effective YA 2019.

Unutilised tax losses for YA 2018 and before may be utilised for the purpose of deduction for YA 2021 and subsequent years of assessment until the YA 2028 and any amount which has not been utilised shall be disregarded. The unabsorbed capital allowances do not expire under current tax legislation.

16.2.1 Unutilised tax losses

Unutilised tax losses of the Company is subject to Income Tax Act 1967 of which the accumulated losses can be carried forward up to 10 years as shown below:

	Group	
	2024	2023
	RM'000	RM'000
Year of assessment in which the unutilised tax losses will expire:		
- 2029	487	918
- 2030	324	324
- 2031	107	107
- 2032	170	170
- 2033	1,234	1,234
- 2034	1,056	-
	3,378	2,753

16.3 Movement in temporary differences during the year

	At 1 January 2023 RM'000	Recognised in profit or loss (Note 21) RM'000	At 31 December 2023/ 1 January 2024 RM'000	Recognised in profit or loss (Note 21) RM'000	Recognised in other comprehensive income (Note 23) RM'000	At 31 December 2024 RM'000
Group						
Property, plant and equipment	(5,516)	2,000	(3,516)	(629)	-	(4,145)
Revaluation of freehold land and buildings	(5,879)	-	(5,879)	-	(372)	(6,251)
Other items	-	-	-	648	-	648
	(11,395)	2,000	(9,395)	19	(372)	(9,748)

NOTES TO THE FINANCIAL STATEMENTS

16. Deferred tax assets/(liabilities) (Cont'd)

16.3 Movement in temporary differences during the year (Cont'd)

	At 1 January 2023 RM'000	Recognised in profit or loss (Note 21) RM'000	At 31 December 2023/ 1 January 2024 RM'000	Recognised in profit or loss (Note 21) RM'000	Recognised in other comprehensive income (Note 23) RM'000	At 31 December 2024 RM'000
Company						
Property, plant and equipment	(5,428)	2,000	(3,428)	(648)	-	(4,076)
Revaluation of freehold land and buildings	(5,680)	-	(5,680)	-	(372)	(6,052)
Other items	-	-	-	648	-	648
	(11,108)	2,000	(9,108)	-	(372)	(9,480)

16.4 Material accounting policy information

Where freehold land and buildings are carried at fair value, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying values at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

17. Trade and other payables

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Trade					
Trade payables		44,156	28,672	32,351	17,243
Amount due to subsidiaries	17.1	-	-	3,052	750
		44,156	28,672	35,403	17,993
Non-trade					
Other payables		2,334	1,359	2,153	571
Accrued expenses		6,846	4,746	2,587	3,012
Amount due to ultimate holding company	17.2	2,913	4,011	2,913	-
Amount due to subsidiaries	17.3	-	-	724	-
		12,093	10,116	8,377	3,583
		56,249	38,788	43,780	21,576

NOTES TO THE FINANCIAL STATEMENTS

17. Trade and other payables (Cont'd)

17.1 Amount due to subsidiaries – Trade

The trade amount due to subsidiaries are unsecured, interest free and subjected to normal trade credit terms.

17.2 Amount due to ultimate holding company and amount due to subsidiaries – Non-trade

The non-trade amount due to ultimate holding company are unsecured, subject to interest of 5.32% (2023: nil) and repayable on demand.

17.3 Amount due to subsidiaries – Non-trade

The non-trade amount due to subsidiaries are unsecured, interest-free and repayable on demand.

18. Derivative financial liabilities

	2024		2023	
	Nominal value RM'000	Liabilities RM'000	Nominal value RM'000	Liabilities RM'000
Group and Company				
Derivatives at fair value through profit or loss				
- Forward exchange contracts	-	-	38,419	416

In the previous financial year, forward exchange contracts were used to manage the foreign currency exposures arising from the Group's payables denominated in currencies other than the functional currencies of Group entities. Most of the forward exchange contracts have maturities of less than one year after the end of the reporting period. Where necessary, the forward contracts are rolled over at maturity.

19. Revenue

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue from contracts with customers	404,386	370,016	334,792	312,806

19.1 Disaggregation of revenue from contracts with customers

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Major products and service lines				
Construction contracts	14,314	23,349	-	-
Sales of steel products	389,284	346,574	334,792	312,806
Rendering of transport and courier services	788	93	-	-
	404,386	370,016	334,792	312,806

NOTES TO THE FINANCIAL STATEMENTS

19. Revenue (Cont'd)

19.1 Disaggregation of revenue from contracts with customers (Cont'd)

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Timing of recognition				
At a point in time	390,072	346,667	334,792	312,806
Over time	14,314	23,349	-	-
	404,386	370,016	334,792	312,806

19.2 Nature of goods and services

The following information reflects the typical transactions of the Group:

Nature of goods or services	Timing of recognition or method used to recognised revenue	Significant payment terms	Variable element in consideration	Obligation for returns or refunds	Warranty
Construction contracts	Revenue is recognised over time when the services are rendered using the input method by reference to the progress towards complete satisfaction of that performance obligation if control of the asset transfers over time.	Based on agreed milestones, certified by architects. Credit period of 60 days from invoice date.	Not applicable.	Not applicable.	Defect liability period of 12 to 24 months is given to the customer.
Sale of steel products	Revenue is recognised at a point in time when the goods are delivered and accepted by the customers at their premises.	Credit period of 14 to 150 days from invoice date.	Discounts are given to customers where the customers pay within the specified credit term and sales quota per sales invoice are met.	Some sales contracts allow customers to return the goods within a specified period.	Not applicable.
Rendering of transport and courier services	Revenue is recognised at a point in time upon completion of the service and acceptance by customers.	Credit period of 30 days from invoice date.	Not applicable.	Not applicable.	Not applicable.

19.3 Transaction price allocated to the remaining performance obligations

The Group applies the practical expedients on the exemption on disclosure of information on remaining performance obligations that have original expected durations of one year or less.

NOTES TO THE FINANCIAL STATEMENTS

20. Finance costs

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Interest expense in financial liabilities that are not at fair value through profit or loss	11,286	12,663	10,897	12,360

21. Tax expense

21.1 Recognised in profit or loss

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current tax expense				
- Current year	183	175	112	-
- Under/(Over) provision in prior year	40	(1,330)	-	(1,181)
	223	(1,155)	112	(1,181)
Deferred tax expense				
- Origination and reversal of temporary differences	2,235	(2,000)	2,235	(2,000)
- Over provision in prior year	(2,254)	-	(2,235)	-
	(19)	(2,000)	-	(2,000)
Total income tax expense/(credit)	204	(3,155)	112	(3,181)

21.2 Reconciliation of tax expense

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit/(Loss) before tax	1,632	(8,296)	5,755	(9,928)
Income tax calculated using Malaysian tax rate of 24% (2023: 24%)	392	(1,991)	1,381	(2,383)
Non-deductible expenses	2,241	585	1,398	383
Tax exempt income	(432)	(37)	(432)	-
Deferred tax assets not recognised during the year	225	48	-	-
Utilisation of temporary differences previously not recognised	(8)	(430)	-	-
Under/(Over) provision in prior years				
- current tax	40	(1,330)	-	(1,181)
- deferred tax	(2,254)	-	(2,235)	-
	204	(3,155)	112	(3,181)

NOTES TO THE FINANCIAL STATEMENTS

21. Tax expense (Cont'd)

21.3 Income tax recognised directly in equity

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revaluation of freehold land and buildings - deferred tax	16	372	-	372	-

22. Profit/(Loss) for the year

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit/(Loss) for the year is arrived after charging/(crediting):					
Auditors' remunerations					
Audit fees:					
- KPMG PLT		350	-	163	-
- Other auditors		-	280	-	130
Non-audit fees:					
- KPMG PLT		10	-	10	-
- Local affiliates of KPMG PLT		70	-	17	-
- Other auditors		-	67	-	31
Material expenses/ (income)					
Gain on disposal of property, plant and equipment		(149)	(70)	-	(50)
Depreciation of property, plant and equipment	6	7,153	7,430	6,255	6,463
Depreciation of investment properties	7	224	225	111	111
Depreciation of right-of-use assets	5	30	-	-	-
Personnel expenses (including key management personnel):					
- Short-term employee benefits		14,904	12,144	10,834	8,166
- Defined contribution benefits		645	594	468	429
Unrealised loss on derivatives		-	416	-	416
Realised gain on foreign exchange		(774)	(426)	(624)	(335)
Interest income		(195)	(814)	(924)	(814)
Net (gain)/loss on impairment of financial instruments and contract assets					
Financial asset at amortised cost		(737)	704	(496)	856
Contract assets		-	616	-	-

NOTES TO THE FINANCIAL STATEMENTS

23. Other comprehensive income

Group and Company 2024	Before tax RM'000	Tax expense RM'000	Net of tax RM'000
Items that will not be reclassified subsequently to profit or loss			
Revaluation of properties	3,968	(372)	3,596

24. Earnings/(Loss) per ordinary share

24.1 Basic earnings/(loss) per ordinary share

The calculation of basic earnings/(loss) per ordinary share was based on the profit/(loss) attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	2024	2023
	RM'000	RM'000
Profit/(Loss) for the year attributable to owners of the Company	2,421	(4,960)

	Group	
	2024	2023
	000	000
Weighted average number of ordinary shares as at 31 December	1,481,013	1,481,013

	Group	
	2024	2023
	sen	sen
Basic earnings/(loss) per ordinary share	0.16	(0.33)

24.2 Diluted earnings/(loss) per ordinary share

The diluted earnings/(loss) per ordinary share is equal to the basic earnings/(loss) per share because there were no dilutive potential ordinary shares during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

25. Dividends

Dividends recognised by the Company:

	Sen per share RM	Total amount RM'000	Date of payment
2023			
Final 2023 ordinary	0.9	13,329	17 February 2023

There were no dividends recognised in the current financial year.

26. Operating segments

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Chief Operating Decision Maker ("CODM") (i.e. the Group's Managing Director) reviews internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- **Manufacturing** Involved in manufacturing of steel products comprising steel pipes, guardrails and flat steel products.
- **Trading** Involved in trading of steel products which are deemed complementary to its manufacturing segment.
- **Others** Involved in provision of transport and carrier services of the Group's finished steel products.

Performance is measured based on segment results (profit before interest and tax), as included in the internal management reports that are reviewed by the CODM. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis excluding tax asset and tax liabilities. Unallocated items comprise of corporate assets, liabilities and expenses.

Segment assets

The total of segment asset is measured based on all assets (including goodwill) excluding tax assets of a segment, as included in the internal management reports that are reviewed by the CODM. Segment total asset is used to measure the return on assets of each segment.

Segment liabilities

The total of segment liabilities is measured based on all liabilities excluding tax liabilities of a segment, as included in the internal management reports that are reviewed by the CODM.

Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

26. Operating segments (Cont'd)

	Manufacturing RM'000	Trading RM'000	Others RM'000	Total RM'000
2024				
Segment profit	14,383	354	66	14,803
Included in the measure of segment profit are:				
Revenue from external customers	288,732	115,530	124	404,386
Inter-segment revenue	72,468	1,600	2,493	76,561
Depreciation of property, plant and equipment	6,640	283	230	7,153
Depreciation of investment properties	110	114	-	224
Depreciation of right-of-use assets	-	30	-	30
Gain on disposal of property, plant and equipment	(149)	-	-	(149)
Realised gain on foreign exchange	(774)	-	-	(774)
Reversal of impairment losses on trade receivables	(737)	-	-	(737)
Not included in the measure of segment profit but provided to CODM				
Interest income	940	-	-	940
Interest expenses	(12,034)	(8)	-	(12,042)
Tax expense	(112)	(92)	-	(204)
Segment assets	427,326	28,353	1,424	457,103
Included in the measure of segment assets are:				
Additions to non-current assets other than financial instruments and deferred tax assets	21,953	4,187	-	26,140
Segment liabilities	215,327	10,919	151	226,397
2023				
Segment profit	1,977	1,918	192	4,087
Included in the measure of segment profit are:				
Revenue from external customers	264,461	105,462	93	370,016
Inter-segment revenue	88,988	221	2,361	91,570
Depreciation of property, plant and equipment	6,720	326	384	7,430
Depreciation of investment properties	111	113	1	225
Impairment loss on trade receivables	856	-	-	856
Impairment loss on contract assets	616	-	-	616
Unrealised loss on derivatives	416	-	-	416
Gain on disposal of property, plant and equipment	(50)	-	(20)	(70)
Realised gain on foreign exchange:	(426)	-	-	(426)
Reversal of impairment losses on trade receivables	(85)	(67)	-	(152)
Reversal of inventories previously written down	(1,082)	-	-	(1,082)

NOTES TO THE FINANCIAL STATEMENTS

26. Operating segments (Cont'd)

	Manufacturing RM'000	Trading RM'000	Others RM'000	Total RM'000
2023 (Cont'd)				
Not included in the measure of segment profit but provided to CODM				
Interest income	814	-	-	814
Interest expenses	(12,655)	(5)	(3)	(12,663)
Tax expense	3,168	(68)	55	3,155
Segment assets	434,160	17,721	1,269	453,150
Included in the measure of segment assets are:				
Additions to non-current assets other than financial instruments and deferred tax assets	19,706	468	-	20,174
Segment liabilities	229,382	1,967	62	231,411

Reconciliations of reportable segment revenue, profit or loss, assets and liabilities

	Group	
	2024 RM'000	2023 RM'000
Profit or loss		
Total profit or loss for reportable segments	14,803	4,087
Elimination of inter-segment profits	(2,080)	(534)
Finance costs	(11,286)	(12,663)
Finance income	195	814
Consolidated profit/(loss) (excluding tax)	1,632	(8,296)
Segment assets		
Total assets for reportable segments	457,103	453,150
Unallocated assets:		
- current tax assets	11,372	11,447
Consolidation adjustment	(11,607)	(8,050)
Consolidated total assets	456,868	456,547
Segment liabilities		
Total liabilities for reportable segments	226,397	231,411
Unallocated liabilities:		
- current tax liabilities	12	17
- deferred tax liabilities	9,748	9,395
Consolidation adjustment	(173)	(236)
Consolidated total assets	235,984	240,587

NOTES TO THE FINANCIAL STATEMENTS

26. Operating segments (Cont'd)

Geographical segments

The trading segments are managed on a worldwide basis but operate manufacturing facilities and sales offices in Malaysia (country of domicile).

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers.

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Geographical information				
Cambodia	-	339	-	-
Malaysia	404,386	368,602	334,792	312,806
New Zealand	-	1,075	-	-
	404,386	370,016	334,792	312,806

Major customer

There are no major customer with revenue equal to or more than 10% of the Group's total revenue.

27. Financial instruments

27.1 Categories of financial instruments

The table below provides an analysis of financial instruments as at 31 December 2024 categorised as follows:

- (a) Amortised cost ("AC")
- (b) Fair value through profit or loss ("FVTPL")
 - Mandatorily required by MFRS 9

	Carrying amount RM'000	AC RM'000	Mandatorily at FVTPL RM'000
Group			
2024			
Financial assets			
Trade and other receivables (exclude prepayment)	85,649	85,649	-
Other investments	7,584	7,584	-
Cash and cash equivalents	4,142	4,142	-
	97,375	97,375	-

NOTES TO THE FINANCIAL STATEMENTS

27. Financial instruments (Cont'd)

27.1 Categories of financial instruments (Cont'd)

	Carrying amount RM'000	AC RM'000	Mandatorily at FVTPL RM'000
Group (Cont'd)			
2024			
Financial liabilities			
Trade and other payables	(56,249)	(56,249)	-
Loans and borrowings	(169,975)	(169,975)	-
	(226,224)	(226,224)	-
2023			
Financial assets			
Trade and other receivables (exclude prepayment)	89,367	89,367	-
Other investments	6,102	6,102	-
Cash and cash equivalents	18,096	18,096	-
	113,565	113,565	-
Financial liabilities			
Trade and other payables	(38,788)	(38,788)	-
Loans and borrowings	(191,971)	(191,971)	-
Derivative liabilities	(416)	-	(416)
	(231,175)	(230,759)	(416)
Company			
2024			
Financial assets			
Trade and other receivables (exclude prepayment)	86,754	86,754	-
Other investments	6,938	6,938	-
Cash and cash equivalents	1,278	1,278	-
	94,970	94,970	-
Financial liabilities			
Trade and other payables	(43,780)	(43,780)	-
Loans and borrowings	(167,186)	(167,186)	-
	(210,966)	(210,966)	-

NOTES TO THE FINANCIAL STATEMENTS

27. Financial instruments (Cont'd)

27.1 Categories of financial instruments (Cont'd)

	Carrying amount RM'000	AC RM'000	Mandatorily at FVTPL RM'000
2023			
Financial assets			
Trade and other receivables (exclude prepayment)	95,731	95,731	-
Other investments	5,581	5,581	-
Cash and cash equivalents	13,496	13,496	-
	114,808	114,808	-
Financial liabilities			
Trade and other payables	(21,576)	(21,576)	-
Loans and borrowings	(191,232)	(191,232)	-
Derivative liabilities	(416)	-	(416)
	(213,224)	(212,808)	(416)

27.2 Net gains and losses arising from financial instruments

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Net gains/(losses) on:				
Financial liabilities at FVTPL:				
- Mandatorily required by MFRS 9	416	(416)	416	(416)
Financial assets at AC	970	110	1,420	(42)
Financial liabilities at AC	(10,966)	(12,237)	(10,689)	(12,025)
	(9,580)	(12,543)	(8,853)	(12,483)

27.3 Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

NOTES TO THE FINANCIAL STATEMENTS

27. Financial instruments (Cont'd)

27.4 Credit risk

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

Trade receivables and contract assets

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally financial guarantees given by shareholders or directors of customers are obtained, and credit evaluations are performed on customers requiring credit over a certain amount.

At each reporting date, the Group or the Company assesses whether any of the trade receivables and contract assets are credit impaired.

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

There are no significant changes as compared to previous year.

Exposure to credit risk, credit quality and collateral

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

Recognition and measurement of impairment losses

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within the specified credit terms. The Group's debt recovery process is as follows:

- a) Above 60 days past due after credit term, the Group will start to initiate a structured debt recovery process which is monitored by the sales management team
- b) Above 120 days past due, the Group will commence a legal proceeding against the customer.

The Group adopts the simplified approach and uses an allowance matrix to measure ECLs of trade receivables for all segments. Consistent with the debt recovery process, invoices which are past due 90 days will be considered as credit impaired.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to 90 days past due.

NOTES TO THE FINANCIAL STATEMENTS

27. Financial instruments (Cont'd)

27.4 Credit risk (Cont'd)

Trade receivables and contract assets (Cont'd)

Recognition and measurement of impairment losses (Cont'd)

The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables. Nevertheless, the Group believes that these factors are immaterial for the purpose of impairment calculation for the year.

For construction contracts, as there are only a few customers, the Group assessed the risk of loss of each customer individually based on their financial information, past trend of payments and external credit ratings, where applicable. All of these customers have low risk of default.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets which are grouped together as they are expected to have similar risk nature.

Group	Gross carrying amount RM'000	Loss allowances RM'000	Net balance RM'000
2024			
Current (not past due)	73,375	(168)	73,207
1 to 90 days past due	15,846	(195)	15,651
	89,221	(363)	88,858
Credit impaired			
More than 90 days past due	727	(727)	-
	89,948	(1,090)	88,858
Trade receivables	84,595	(474)	84,121
Contract assets	5,353	(616)	4,737
	89,948	(1,090)	88,858

NOTES TO THE FINANCIAL STATEMENTS

27. Financial instruments (Cont'd)

27.4 Credit risk (Cont'd)

Trade receivables and contract assets (Cont'd)

Recognition and measurement of impairment losses (Cont'd)

Group (Cont'd)	Gross carrying amount RM'000	Loss allowances RM'000	Net balance RM'000
2023			
Current (not past due)	73,645	(673)	72,972
1 to 90 days past due	21,253	(183)	21,070
	94,898	(856)	94,042
Credit impaired			
More than 90 days past due	1,010	(971)	39
	95,908	(1,827)	94,081
Trade receivables	87,449	(1,211)	86,238
Contract assets	8,459	(616)	7,843
	95,908	(1,827)	94,081

The movements in the allowance for impairment in respect of trade receivables and contract assets during the year are shown below.

Group	Trade receivables Lifetime ECL RM'000	Credit impaired RM'000	Contract asset Lifetime ECL RM'000	Total RM'000
At 1 January 2023	101	406	616	1,123
Net remeasurement of loss allowance	755	(51)	-	704
At 31 December 2023/1 January 2024	856	355	616	1,827
Net remeasurement of loss allowance	(493)	(244)	-	(737)
At 31 December 2024	363	111	616	1,090

Cash and cash equivalents and deposits with licensed banks

The cash and cash equivalents and deposits are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

27. Financial instruments (Cont'd)

27.4 Credit risk (Cont'd)

Cash and cash equivalents and deposits with licensed banks (Cont'd)

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Other receivables

Credit risks on other receivables are mainly arising from insurance receivables and deposits paid for hire purchase arrangement. The Group and the Company manage the credit risk together with the hire purchase arrangement.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

As at the end of the reporting period, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Financial guarantees

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

- the amount of the loss allowance; and
- 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*.

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to a bank in respect of banking facilities granted to a subsidiary. The Company monitors the ability of the subsidiary to service their loans on an individual basis.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM2,097,000 (2023: RM611,000) representing the outstanding banking facilities of the subsidiary as at the end of the reporting period.

The financial guarantees are provided as credit enhancements to the subsidiary's secured loans.

Recognition and measurement of impairment loss

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- The subsidiary is unlikely to repay its credit obligation to the bank in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

NOTES TO THE FINANCIAL STATEMENTS

27. Financial instruments (Cont'd)

27.4 Credit risk (Cont'd)

Cash and cash equivalents and deposits with licensed banks (Cont'd)

Financial guarantees (Cont'd)

Recognition and measurement of impairment loss (Cont'd)

The Company determines the probability of default of the guaranteed loans individually using internal information available.

As at the end of the reporting period, the Company is of the view that the loss allowance is not material and hence, it is not provided for.

Inter-company loans and advances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to subsidiaries. The Company monitors the ability of the subsidiaries to repay the loans and advances on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Loans and advances provided are not secured by any collateral or supported by any other credit enhancements.

Recognition and measurement of impairment loss

Generally, the Company considers loans and advances to subsidiaries have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's loan or advance to be credit impaired when:

- The subsidiary is unlikely to repay its loan or advance to the Company in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default for these loans and advances individually using internal information available.

As at the end of the reporting period, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

NOTES TO THE FINANCIAL STATEMENTS

27. Financial instruments (Cont'd)

27.5 Liquidity risk

Liquidity risk is the risk where the Group and the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

As of 31 December 2024, the Group and the Company have RM170 million and RM167 million of loans and borrowings with RM161 million and RM158 million, respectively, due within the next 12 months. The preparation of the financial statements on a going concern basis is dependent on the ability of the Group and the Company to utilise available credit facilities and to obtain continuous financial support from their bankers to finance their operations to achieve profitable operations in order to pay its loans and borrowings that are due to be paid within one year. The Group and the Company remains positive that it will be able to generate sufficient cash flows from its existing and new orders secured by its subsidiaries to increase the working capital of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

27. Financial instruments (Cont'd)

27.5 Liquidity risk (Cont'd)

Maturity analysis

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

Group	Carrying amount RM'000	Contractual interest rate/ discount rate %	Contractual cash flow RM'000	Within 1 year RM'000	1 - 5 years RM'000	Over 5 years RM'000
2024						
<i>Non-derivative financial liabilities</i>						
Trade and other payables	53,336	-	53,336	53,336	-	-
Amount due to ultimate holding company	2,913	5.32	2,913	2,913	-	-
Bankers' acceptances and trust receipts	139,892	4.75 - 7.70	139,892	139,892	-	-
Hire purchase payables	5,048	3.88 - 6.99	5,634	1,547	3,948	139
Bank overdrafts	9,316	7.74 - 8.30	9,316	9,316	-	-
Revolving credit	10,000	5.12 - 5.17	10,000	10,000	-	-
Term loans	5,719	4.62 - 5.20	7,970	612	2,347	5,011
	226,224		229,061	217,616	6,295	5,150

NOTES TO THE FINANCIAL STATEMENTS

27. Financial instruments (Cont'd)

27.5 Liquidity risk (Cont'd)

Maturity analysis (Cont'd)

Group	Carrying amount RM'000	Contractual interest rate/ discount rate %	Contractual cash flow RM'000	Within 1 year RM'000	1 - 5 years RM'000	Over 5 years RM'000
2023						
<i>Non-derivative financial liabilities</i>						
Trade and other payables	38,788	-	38,788	38,788	-	-
Bankers' acceptances and trust receipts	165,812	4.23 - 5.83	165,812	165,812	-	-
Bank overdrafts	5,954	7.76 - 8.30	5,954	5,954	-	-
Hire purchase payables	1,398	3.88 - 4.74	1,456	790	666	-
Revolving credit	10,000	5.15	10,000	10,000	-	-
Term loans	8,807	4.62 - 5.20	11,437	3,454	2,378	5,605
	230,759		233,447	224,798	3,044	5,605
<i>Derivative Financial Liability</i>						
Forward currency contracts (gross settled):						
- Outflow	416	-	38,419	38,419	-	-
- Inflow	-	-	(38,003)	(38,003)	-	-
	231,175		233,863	225,214	3,044	5,605

NOTES TO THE FINANCIAL STATEMENTS

27. Financial instruments (Cont'd)

27.5 Liquidity risk (Cont'd)

Maturity analysis (Cont'd)

Company	Carrying amount RM'000	Contractual interest rate/ discount rate %	Contractual cash flow RM'000	Within 1 year RM'000	1 - 5 years RM'000	Over 5 years RM'000
2024						
<i>Non-derivative financial liabilities</i>						
Trade and other payables	40,867	-	40,867	40,867	-	-
Amount due to ultimate holding company	2,913	5.32	2,913	2,913	-	-
Bankers' acceptances and trust receipts	137,795	4.23 - 5.83	139,892	139,892	-	-
Bank overdrafts	9,316	7.74 - 8.30	9,316	9,316	-	-
Hire purchase payables	4,356	4.00 - 6.99	4,856	1,344	3,374	138
Revolving credit	10,000	5.12 - 5.17	10,000	10,000	-	-
Term loans	5,719	4.62 to 5.20	7,970	612	2,347	5,011
Financial guarantee contracts in relation to corporate guarantee given to a subsidiary	-	-	2,097	2,097	-	-
	210,966		217,911	207,041	5,721	5,149

NOTES TO THE FINANCIAL STATEMENTS

27. Financial instruments (Cont'd)

27.5 Liquidity risk (Cont'd)

Maturity analysis (Cont'd)

Company	Carrying amount RM'000	Contractual interest rate/ discount rate %	Contractual cash flow RM'000	Within 1 year RM'000	1 - 5 years RM'000	Over 5 years RM'000
2023						
<i>Non-derivative financial liabilities</i>						
Trade and other payables	21,576	-	21,576	21,576	-	-
Bankers' acceptances and trust receipts	165,201	4.23 - 5.83	165,201	165,201	-	-
Bank overdrafts	5,954	7.76 - 8.30	5,954	5,954	-	-
Hire purchase payables	1,270	3.88 - 4.16	1,324	687	637	-
Revolving credit	10,000	5.15	10,000	10,000	-	-
Term loans	8,807	4.62 - 5.20	11,437	3,454	2,378	5,605
Financial guarantee contracts in relation to corporate guarantee given to a subsidiary	-	-	611	611	-	-
	212,808		216,103	207,483	3,015	5,605
<i>Derivative Financial Liability</i>						
Forward currency contracts (gross settled):						
- Outflow	416	-	38,419	38,419	-	-
- Inflow	-	-	(38,003)	(38,003)	-	-
	213,224		216,519	207,899	3,015	5,605

NOTES TO THE FINANCIAL STATEMENTS

27. Financial instruments (Cont'd)

27.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Group's financial position or cash flows.

27.6.1 Currency risk

The Group is exposed to foreign currency risk on sales, purchases and cash and cash equivalents that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily U.S. Dollar ("USD").

Risk management objectives, policies and processes for managing the risk

The Group maintains a natural hedge, whenever possible, by buying materials and selling its products and services in similar currencies other than its functional currency. In addition, the Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes. In the previous financial year, the Group purchases forward foreign exchange contracts to hedge foreign transactions.

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period are as follows:

Denominated in Group	USD	
	Group RM'000	Company RM'000
2024		
Balances recognised in the statement of financial position		
Trade and other receivables	86	86
Cash and cash equivalents	185	-
Net exposure	271	86
2023		
Balances recognised in the statement of financial position		
Trade and other receivables	438	-
Cash and cash equivalents	1	-
Trade and other payables	(4,640)	(480)
Net exposure	(4,201)	(480)

NOTES TO THE FINANCIAL STATEMENTS

27. Financial instruments (Cont'd)

27.6 Market risk (Cont'd)

27.6.1 Currency risk (Cont'd)

Currency risk sensitivity analysis

A 5% (2023: 5%) strengthening of the MYR against the following currencies at the end of the reporting period would have increased/(decreased) equity and post-tax profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted transactions.

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
USD	(10)	160	(3)	18

A 5% (2023: 5%) weakening of USD against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

27.6.2 Interest rate risk

The Group's investments in fixed deposits and its fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group adopt a policy of obtaining the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

Exposure to interest rate risk

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

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Fixed rate instruments				
Financial assets	7,584	6,102	17,794	19,704
Financial liabilities	(7,961)	(5,409)	(7,269)	(1,270)
	(377)	693	10,525	18,434

NOTES TO THE FINANCIAL STATEMENTS

27. Financial instruments (Cont'd)

27.6 Market risk (Cont'd)

27.6.2 Interest rate risk (Cont'd)

Exposure to interest rate risk (Cont'd)

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

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Floating rate instruments				
Financial liabilities	(164,927)	(190,573)	(162,830)	(189,962)

Interest rate risk sensitivity analysis

(a) *Fair value sensitivity analysis for fixed rate instruments*

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

(b) *Cash flow sensitivity analysis for variable rate instruments*

A change of 100 basis points ("bp") in interest rates at the end of the reporting period would have increased/(decreased) equity and post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	2024		2023	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
	RM'000	RM'000	RM'000	RM'000
Group				
Floating rate instruments	(1,253)	1,253	(1,448)	1,448

NOTES TO THE FINANCIAL STATEMENTS

27. Financial instruments (Cont'd)

27.7 Fair value information

The carrying amounts of cash and cash equivalents, deposits with licensed banks, short term receivables and payables and short-term borrowings reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

The tables below analyses other financial instruments at fair value.

Group and Company 2023	Fair value of financial instruments carried at fair value		Total fair value	Carrying amount
	Level 2 RM'000	Total RM'000	RM'000	RM'000
Financial liabilities				
Forward exchange contracts	416	416	416	416

Level 2 fair value

Derivatives

The fair value of forward exchange contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

NOTES TO THE FINANCIAL STATEMENTS

28. Capital management

There was no change in the Group's approach to capital management during the financial year.

For the purpose of the Group's capital management, capital includes share capital and all other equity reserves attributable to the equity holders of the parent.

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and are determined to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

During 2024, the Group's strategy, which was unchanged from 2023, was to maintain the debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratios at 31 December 2024 and at 31 December 2023 were as follows:

		Group	
	Note	2024 RM'000	2023 RM'000
Loans and borrowings	15	169,975	191,971
Amount due to ultimate holding company	17	2,913	4,011
Less: Cash and cash equivalents	13	(4,121)	(18,096)
Net debt		168,767	177,886
Total equity		220,884	215,960
Debt-to-equity ratios		0.76	0.82

The Group is also required to maintain a maximum debt-to-equity ratio of 1.5 to comply with a bank covenant, failing which, the bank may call an event of default (refer Note 15.3).

29. Capital commitments

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Contracted but not provided for				
Purchase of equipment	2,742	3,196	2,742	3,196
Construction of property	1,758	14,082	1,758	14,082
	4,500	17,278	4,500	17,278

NOTES TO THE FINANCIAL STATEMENTS

30. Related parties

Significant related party transactions

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions of the Group and the Company are shown below. The balances related to the below transactions are shown in Notes 10 and 17.

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
A. Subsidiaries				
Sales of steel products	-	-	72,469	88,988
Labour charges	-	-	217	420
Sales of scrap	-	-	1	303
Rental of factory	-	-	74	74
Carriage outward	-	-	(2,287)	(2,040)
Interest income on loans	-	-	745	-
B. Key management personnel Directors				
- Fees	488	784	458	744
- Remuneration	3,433	3,397	2,155	2,452
- Other short-term employee benefits	363	365	265	281
	4,284	4,546	2,878	3,477
Other key management personnel				
Short-term employee benefits	902	761	902	761
	902	761	902	761
	5,186	5,307	3,780	4,238

Other key management personnel comprise persons other than the Directors of Group entities, having authority and responsibility for planning, directing and controlling the activities of the Group entities either directly or indirectly.

In addition to their salaries the Group also provides non-cash benefits to key management personnel. The estimated monetary value of Directors' benefit-in-kind for the Group and the Company are RM133,168 and RM56,028, respectively (2023: RM58,450 and RM51,950).

NOTES TO THE FINANCIAL STATEMENTS

31. Subsequent events

a) **LF Highway Products Sdn. Bhd. from joint venture to 70% owned subsidiary of LFESB**

On 25 January 2025, Nursofiah binti Md Yusof transferred 20% of her equity interest, comprising of 20 ordinary shares, in LF Highway Products Sdn. Bhd. to LF Engineering Sdn. Bhd. for a consideration of RM20. Consequently, LF Highway Products Sdn. Bhd. became a 70%-owned subsidiary of LFESB.

b) **Private placement**

On 28 February 2025, the Company announced that the Board had proposed to undertake a private placement of up to 10% of the total number of issued shares of Leform (excluding treasury shares, if any) to third party investor(s) to be identified later at an issue price to be determined and announced later, in accordance with Sections 75 and 76 of the Companies Act 2016 ("Private Placement").

On 25 March 2025, Bursa Malaysia Securities Berhad had resolved to approve the listing and quotation of up to 148,101,300 ordinary shares in Leform to be issued pursuant to the Private Placement. The Company has yet to place out any shares pursuant to the Private Placement as at the reporting date.

c) **Acceptance of appointment of LFESB as a subcontractor from IJM Construction Sdn. Bhd. ("IJMC") for the provision of plant, labour & material for guardrail works at Section 3 of West Coast Expressway (the "Subcontract")**

On 21 April 2025, the Company announced LFESB had on even date accepted a Letter of Acceptance from IJMC for the appointment of LFESB as a subcontractor for the Subcontract. The sum awarded to LFESB for the Subcontract is RM3,007,427 for a project duration of approximately 21 months commencing from April 2025 to December 2026.

STATEMENT BY DIRECTORS & STATUTORY DECLARATION

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

In the opinion of the Directors, the financial statements set out on pages 108 to 167 are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of their financial performance and cash flows for the financial year then ended.

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

Law Kok Thye
Director

Esmariza Binti Ismail
Director

Date: 28 April 2025
Selangor

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

I, **Wong Kian Ning**, the Officer primarily responsible for the financial management of Leform Berhad, do solemnly and sincerely declare that the financial statements set out on pages 108 to 167 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the above Wong Kian Ning, MIA CA 38344 at Rawang in Selangor on 28 April 2025.

Wong Kian Ning

Before me:
Lt Kol Ismail Bin Yahya (B)
Commissioner for Oaths
No. B640

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LEFORM BERHAD

(REGISTRATION NO. 199501001582 (330776-K))
(INCORPORATED IN MALAYSIA)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Leform 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 year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 108 to 167.

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 year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' 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 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.

Valuation of inventory

Refer to Note 9 – Inventories

The key audit matter	How the matter was addressed in our audit
As at 31 December 2024, the Group's and the Company's carrying amount of inventories finished goods were RM49 million and RM43 million respectively. Inventories of the Group and the Company were valued at the lower of cost and net realisable value. The net realisable value was determined by the Group and the Company by taking into account the estimated selling prices and the estimated cost necessary to make the sale.	We performed the following audit procedures, among others: • Evaluated the Group's and the Company's process for identifying and writing down inventories to their net realisable value. • Evaluated the calculations in arriving at the net realisable values of finished goods by assessing the estimated selling prices with reference to selling prices for sales subsequent to the reporting date on a sample basis. • Tested the ageing profile of the inventories on a sample basis to the respective stock receiving notes.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LEFORM BERHAD

(REGISTRATION NO. 199501001582 (330776-K))
(INCORPORATED IN MALAYSIA)

Key Audit Matters (Cont'd)

Valuation of inventory (Cont'd) Refer to Note 9 – Inventories

Given that inventories - finished goods represented 11% and 10% respectively of the Group's and the Company's total assets as at 31 December 2024, and the valuation process involves significant judgement, it has been identified as a key audit matter.	How the matter was addressed in our audit (Cont'd) - Assessed the adequacy of the Group's and the Company's allowance for slow-moving and obsolete inventories per the Group's and the Company's policy. - Assessed the reasonableness of the Group's and the Company's policy with reference to the utilisation of finished goods in the prior year.
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Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Directors' Report, Statement on Risk Management and Internal Control, and Chairman's Statement (but does not include the financial statements of the Group and of the Company and our auditors' report thereon), which we obtained prior to the date of this auditors' report, and the remaining parts of the annual report, which are expected to be made available to us after that date.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will 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 identified above 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 on the other information that we obtained prior to the date of this auditors' report, 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.

When we read the remaining parts of the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors of the Company and take appropriate actions in accordance with approved standards on auditing in Malaysia and International Standards on Auditing.

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 MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of 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 LEFORM BERHAD

(REGISTRATION NO. 199501001582 (330776-K))
(INCORPORATED IN MALAYSIA)

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.
- 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 gives a true and fair view.
- 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 LEFORM BERHAD

(REGISTRATION NO. 199501001582 (330776-K))
(INCORPORATED IN MALAYSIA)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' 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

1. The financial statements of the Company as at and for the year ended 31 December 2023 were audited by another chartered accountant who expressed an unmodified opinion on those statements on 22 April 2024.
2. 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.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Petaling Jaya, Selangor

Date: 28 April 2025

Soo Tho Pei Yin
Approval Number: 03699/12/2026 J
Chartered Accountant

LIST OF PROPERTIES

Location	Descriptions	Land Area (Sq m)	Tenure/ Expiry Date	NBV (RM'000)	Age of building (Years)	Date of last revaluation	Date of acquisition
HSD 45503, PT16078 Seksyen 20, Bandar Serendah, Daerah Ulu Selangor, Selangor	Factory, office, warehouse	17,935	Freehold	31,500	15	2024	2006
HSD 45479, PT16077 Seksyen 20, Bandar Serendah, Daerah Ulu Selangor, Selangor	Factory, warehouse	12,143	Freehold	18,028	14	2022	2007
Geran 40090, Lot 4314 Mukim Serendah, Daerah Ulu Selangor, Selangor	Worker's accommodation	4,048	Freehold	3,250	8	2024	2006
Geran No. GM3398, Lot No:858, Mukim Serendah, Daerah Hulu Selangor	Factory, warehouse, office	16,702	Freehold	24,345	7	2022	2010
GM 4325, Lot 859, Tempat Sungai Choh, Mukim Serendah, Daerah Hulu Selangor, Selangor	Vacant Land	36,927	Freehold	19,900	-	2022	2009
GM 3631, Lot 857, Tempat Sungai Chul, Mukim Serendah, Daerah Hulu Selangor, Selangor	Vacant Land	16,693	Freehold	7,841	-	-	2022
GM 3740, Lot 893, Sungei Chul, Mukim Serendah, Daerah Hulu Selangor, Selangor	Vacant Land	16,946	Freehold	3,000	-	2023	2008
Geran 101961, No M1, Tingkat 8, Petak 8, Lot 2262, Bandar George Town, Seksyen 4, Daerah Timor Laut, Pulau Pinang	Condominium	414	Freehold	2,094	13	-	2016
Geran 149803, Lot 5804 Seksyen 20, Bandar Serendah, Daerah Ulu Selangor, Selangor	Vacant Land	1,805	Freehold	389	-	-	2016
No 15 & 17, Lorong Tasek Harmoni 1, Taman Tasek Harmoni, 14100 Simpang Ampat, Pulau Pinang	Double storey shop lot	302	Freehold	1,115	8	-	2017
Geran 185061, No L33, 18141, Seksyen 18, Bandar Rawang, Daerah Gombak, Selangor	3 storey link house	143	Freehold	914	5	-	2019
Geran 337110, 337111, 337112, 337113, 337115, Lot 41293, 41294, 41295, 41296, 41298, Seksyen 20, Bandar Serendah Daerah Ulu Selangor, Selangor	3 storey shop office	715	Freehold	4,106	6	-	2018
HSD 70665 PT 7910 Seksyen 19, Bandar Rawang, Daerah Gombak, Negeri Selangor	Service apartment	1,999	Freehold	48	18	-	2012
HSD 70665 PT 7910 Seksyen 19, Bandar Rawang, Daerah Gombak, Negeri Selangor	Stratified ground floor shop lot	3,998	Freehold	422	17	-	2007
HSD 70602 PT 7847 Seksyen 19, Bandar Rawang, Daerah Gombak Negeri Selangor	Services apartment	2,041	Freehold	215	18	-	2012
HSD 64846 PT 18254, Bandar Serendah, Daerah Ulu Selangor, Negeri Selangor	Vacant land	8,096	Leasehold/ 4 January 2095	3,597	-	-	2024

ANALYSIS OF SHAREHOLDINGS AS AT 28 MARCH 2025

Issued Shares : 1,481,013,000 ordinary shares
 Class of Shares : Ordinary Shares
 Voting Rights : One vote per share
 Number of Shareholders : 3,605

ANALYSIS BY SHAREHOLDINGS

Distribution of shareholdings according to size:

Size of Holdings	No. of Shareholders/ Depositors	% of Shareholders/ Depositors	No. of Shares Held	% of Issued Capital
1 - 99	0	0.00	0	0.00
100 - 1,000	606	16.81	274,300	0.02
1,001 - 10,000	1,086	30.12	7,105,300	0.48
10,001 - 100,000	1,482	41.11	59,408,500	4.01
100,001 to less than 5% of issued shares	429	11.90	568,824,900	38.41
5% and above of issued shares	2	0.06	845,400,000	57.08
Total	3,605	100.00	1,481,013,000	100.00

SUBSTANTIAL SHAREHOLDERS

(As per Register of Substantial Shareholders)

Name of Shareholder	<----- Direct ----->		<----- Indirect ----->	
	No. of Shares Held	% of Issued Capital	No. of Shares Held	% of Issued Capital
Tianwen Holdings Sdn Bhd ("THSB")	755,400,000	51.01	-	-
Law Kok Thye ("LKT")	340,549,000	22.99	761,800,000 ⁽¹⁾	51.44

Note:

⁽¹⁾ Deemed interested through his spouse's and children's shareholding in the Company and deemed interested by virtue of his direct substantial shareholding held through THSB pursuant to Section 8 of the Companies Act 2016 ("the Act").

SHAREHOLDING OF DIRECTORS AND CHIEF EXECUTIVE

	<----- Direct ----->		<----- Indirect ----->	
	No. of Shares Held	% of Issued Capital	No. of Shares Held	% of Issued Capital
Directors				
Datuk Seri Akhil Bin Bulat	350,000	0.02	-	0.00
Law Kar Hou	2,100,000	0.14	-	0.00
Law Kok Thye	340,549,000	22.99	761,800,000 ⁽¹⁾	51.44
Chua Leng Leek	450,000	0.03	-	0.00
Lai Chin Yang	500,000	0.03	-	0.00
Lee Wee Leng	100,000	0.01	-	0.00
Esmariza Binti Ismail	210,000	0.01	-	0.00
Chief Financial Officer				
Wong Kian Ning	30,000	0.002	-	0.00

Note:

⁽¹⁾ Deemed interested through his spouse's and children's shareholding in the Company and deemed interested by virtue of his direct substantial shareholding held through THSB pursuant to Section 8 of the Act.

ANALYSIS OF SHAREHOLDINGS AS AT 28 MARCH 2025

THIRTY (30) LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares Held	% of Issued Capital
1.	Tianwen Holdings Sdn Bhd	755,400,000	51.01
2.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Law Kok Thye	90,000,000	6.08
3.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Law Kok Thye	60,000,000	4.05
4.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Law Kok Thye (7006615)	60,000,000	4.05
5.	Mercsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Law Kok Thye	40,000,000	2.70
6.	Maybank Nominees (Tempatan) Sdn Bhd Maybank Private Wealth Management for Law Kok Thye (12024083) (448366)	36,549,000	2.47
7.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Law Kok Thye	30,000,000	2.03
8.	Apex Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Law Kok Thye (Margin)	24,000,000	1.62
9.	Hoh Ding Wei	23,350,000	1.58
10.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ng Chee Yee	19,250,000	1.30
11.	Lex-Bridge Industries Sdn. Bhd.	13,655,000	0.92
12.	HSBC Nominees (Asing) Sdn Bhd Exempt an for the Hongkong and Shanghai Banking Corporation Limited (HBAP-SGDIV-ACCL)	9,000,000	0.61
13.	Lim Soon Tut	7,377,000	0.50
14.	Yap Swee Sang	7,207,000	0.49
15.	Hoh Ding Wei	6,661,500	0.45
16.	Ng Khai Hoong @ Lee Khai Hoong	5,920,000	0.40
17.	Tan Thean Hock	5,479,700	0.37
18.	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Chiew Kee	5,412,700	0.37
19.	DL Advance Metal Sdn. Bhd.	5,051,800	0.34
20.	Chuah Kok Hin	3,913,700	0.26
21.	Hoh Ding Wei	3,415,000	0.23
22.	TG Advance Metal Sdn Bhd	3,355,500	0.23
23.	Low Kim Tang	3,288,400	0.22
24.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chua Ling Ling	3,192,000	0.22
25.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chin Chin Seong (7014455)	3,000,000	0.20
26.	Lee Sok Bun	3,000,000	0.20
27.	Yeo Poh Gaik	3,000,000	0.20
28.	Chuah Kok Hin	2,990,500	0.20
29.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chiau Beng Teik	2,966,000	0.20
30.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chooi Yoey Sun	2,606,600	0.18
Total		1,239,041,400	83.68

NOTICE OF THIRTIETH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirtieth (“30th”) Annual General Meeting (“AGM”) of Leform Berhad (“Leform” or “Company”) will be held at Level 2 (Johor Kedah Room), World Trade Centre Kuala Lumpur, 41, Jalan Tun Ismail, Chow Kit, 50480 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur on Monday, 23 June 2025 at 10.00 a.m. for the following purposes:-

AGENDA

As Ordinary Business

- | | | |
|----|--|---|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon. | Please refer to
Explanatory Note 1 |
| 2. | To approve the payment of Directors’ fees and benefits payable of RM240,000 to the Directors of the Company and its subsidiaries for the period from the date of the forthcoming 30 th AGM until the conclusion of the next AGM of the Company. | Ordinary Resolution 1

Please refer to
Explanatory Note 2 |
| 3. | To re-elect Ms Lee Wee Leng who retires in accordance with Clause 95 of the Constitution of the Company and being eligible, has offered herself for re-election.

Mr Lai Chin Yang who retires pursuant to Clause 95 of the Constitution of the Company has expressed his intention not to seek re-election. | Ordinary Resolution 2

Please refer to
Explanatory Note 3 |
| 4. | To re-elect Mr Law Kar Hou who retires in accordance with Clause 101 of the Constitution of the Company and being eligible, has offered himself for re-election. | Ordinary Resolution 3

Please refer to
Explanatory Note 3 |
| 5. | To re-appoint Messrs KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. | Ordinary Resolution 4 |

As Special Business

To consider and, if thought fit, to pass the following resolutions:

- | | | |
|----|--|---|
| 6. | Authority under Sections 75 and 76 of the Companies Act 2016 (“the Act”) for the Directors to allot and issue shares

“THAT pursuant to Sections 75 and 76 of the Act, the Directors be and are hereby authorised to allot and issue shares in the Company at any time until the conclusion of the next AGM and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being and that the Directors be and are hereby also empowered to obtain approval from the Bursa Malaysia Securities Berhad (“Bursa Securities”) for the listing and quotation of the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next AGM of the Company,” | Ordinary Resolution 5

Please refer to
Explanatory Note 4 |
|----|--|---|

NOTICE OF THIRTIETH ANNUAL GENERAL MEETING

THAT pursuant to Section 85 of the Act, read together with Clause 5 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 ranking equally to the existing issued shares of the Company arising from issuance of new shares pursuant to this Mandate.

AND THAT the new shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares.”

7. **Proposed Renewal of Shareholders’ Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature**

Ordinary Resolution 6

**Please refer to
Explanatory Note 5**

“**THAT** approval be and is hereby given to the Company and its subsidiaries (“Group”) to enter into and give effect to the recurrent related party transactions of a revenue or trading nature with the related parties as specified in Section 2.4 of the Circular to Shareholders dated 30 April 2025, provided that:

- (a) such arrangements and/or transactions are necessary for the Group’s day-to-day operations;
- (b) such arrangements and/or transactions undertaken are in the ordinary course of business, at arm’s length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to third party;
- (c) such arrangements and/or transactions are not detrimental to the minority shareholders of the Company; and
- (d) the disclosure is made in the Integrated Annual Report 2024 on the aggregate value of transactions conducted pursuant to the shareholders’ mandate during the financial year in relation to:
 - (i) the related transacting parties and their respective relationship with the Company; and
 - (ii) the nature of the recurrent transactions.

THAT such authority shall continue to be in force until:

- (a) the conclusion of the next AGM, unless the authority is renewed by a resolution passed at the next AGM; or
- (b) the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Act (but will not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

NOTICE OF THIRTIETH ANNUAL GENERAL MEETING

whichever is the earlier.

AND THAT the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution.”

Any Other Business

8. To transact any other business that may be transacted at the 30th AGM of which due notice shall have been given in accordance with the Act and the Constitution of the Company.

BY ORDER OF THE BOARD

TAI YIT CHAN (MAICSA7009143) (SSM PC No.: 202008001023)
TAN AI NING (MAICSA7015852) (SSM PC No.: 202008000067)
COMPANY SECRETARIES

SELANGOR DARUL EHSAN
30 April 2025

Explanatory Notes

(1) Audited Financial Statements

This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval of the shareholders. Hence, this item is not put forward for voting.

(2) Ordinary Resolution 1 – Directors’ fees and benefits payable to Directors

The estimated Directors’ fees are calculated based on the current Board size, the duties and responsibilities of the Directors, the number of scheduled Board and/or Committee meetings to be held. The resolution is to facilitate the payment of Directors’ fees and benefits payable for the period commencing from the date of the 30th AGM until the next AGM of the Company.

If in the event that the proposed amounts are insufficient due to more meetings or an enlarged Board size, approval will be sought at the next AGM for such shortfall.

(3) Ordinary Resolutions 2 and 3 – Re-election of Directors

Pursuant to the Malaysian Code on Corporate Governance 2021, the profiles of the Directors who are standing for re-election as per Agenda items no. 3 and 4 are set out in the Board of Directors’ profile of the Integrated Annual Report 2024.

NOTICE OF THIRTIETH ANNUAL GENERAL MEETING

Based on the recommendation of the Nomination Committee, the Board is satisfied with the performance and contributions of the following Directors and supports the re-election based on the following justifications:-

Ordinary Resolution 2 – Re-election of Ms Lee Wee Leng as Independent Non-Executive Director

- a) Ms Lee Wee Leng fulfils the requirements of independence set out in the AMLR of Bursa Securities as well as the Malaysian Code on Corporate Governance 2021. She has demonstrated her independence through her engagement in the meetings by proactively giving valuable insights to the Management in developing the Group's business strategies.
- b) She also exercised her due care and carried out her professional duties proficiently during her tenure as an Independent Non-Executive Director of the Company.

Ordinary Resolution 3 – Re-election of Mr Law Kar Hou as Non-Independent Executive Director

- a) Mr Law Kar Hou is in charge of overseeing the production planning of the Group's manufacturing division, whereby under his leadership, the Group has successfully enhanced its operational efficiency. He has also played a pivotal role in assisting the Managing Director to chart the growth and strategic direction of the Group. The Board is confident that his re-election will further strengthen the Group's ability to achieve its long-term objectives.
- b) He has exercised due care and carried out his professional duties during his tenure as a Non-Independent Executive Director of the Company.

(4) Ordinary Resolution 5 – Authority pursuant to Sections 75 and 76 of the Act for the Directors to Allot and Issue Shares

The Ordinary Resolution 5 proposed under item 6 of the Agenda is to obtain a general mandate for issuance of shares by the Company under Sections 75 and 76 of the Act. The Ordinary Resolution 5, if passed, will provide flexibility for the Company and empower the Directors to allot and issue new shares in the Company up to an amount not exceeding in total ten per centum (10%) of the total number of issued shares of the Company for the purpose of raising funds for project(s), investment(s), acquisition(s), repayment of borrowings, working capital and/ or general corporate purposes as deemed necessary.

This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM or at the expiry of the period within the next AGM is required to be held after the approval was given.

The waiver of pre-emptive rights pursuant to Section 85 of the Act will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer new shares to all the existing shareholders of the Company prior to issuance of new shares in the Company under the general mandate.

At this juncture, there is no decision to issue new shares. If there should be a decision to issue new shares after the general mandate is obtained, the Company will make an announcement in respect thereof.

(5) Ordinary Resolution 6 – Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature

For further information on Ordinary Resolution 6, please refer to the Circular to Shareholders dated 30 April 2025 accompanying the Integrated Annual Report 2024 of the Company for the financial year ended 31 December 2024.

NOTICE OF THIRTIETH ANNUAL GENERAL MEETING

NOTES:

- (1) Pursuant to Rule 8.31A of the ACE Market Listing Requirements (“AMLR”) of Bursa Securities, all the resolutions set out in the Notice of AGM will be put to vote by way of poll. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.
- (2) A member entitled to attend and vote at the 30th AGM may appoint another person as his proxy to attend and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a meeting shall have the same rights as the member to speak at the meeting.
- (3) A member shall be entitled to appoint not more than 2 proxies to participate, speak and vote at the meeting. Where a member appoints 2 proxies, the appointment shall not be valid unless the member specifies the proportion of his shareholding to be represented by each proxy.
- (4) Where a member is an Exempt Authorised Nominee which holds shares in the Company for multiple beneficial owners in one securities account (“omnibus account”) as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (5) The proxy form shall be in writing, executed by or on behalf of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
- (6) The proxy form 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 of the Company’s Share Registrar, Boardroom Share Registrars Sdn Bhd of 11th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time for holding the 30th AGM or adjourned 30th AGM at which the person named in the proxy form proposes to vote, and in default the proxy form shall not be treated as valid.
- (7) For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available a Record of Depositors as at 16 June 2025 and only members whose names appear on such Record of Depositors shall be entitled to attend, speak and vote at this meeting and entitled to appoint proxy or proxies.

Personal data privacy:

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

Proxy Form

No. of shares held	
CDS Account No.	

I/We*, _____ (full name of shareholder, in capital letters)

NRIC No./Passport No./Company No.* _____ of _____

_____ (full address)

telephone no. _____ and email address _____

being a member/ members* of LEFORM BERHAD hereby appoint(s):-

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address	Telephone No.		

and/or*

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address	Telephone No.		

or failing him/her*, the Chairman of the Meeting as my/our* proxy to vote for me/us* on my/our* behalf at the Thirtieth Annual General Meeting ("30th AGM") of the Company to be held at Level 2 (Johor Kedah Room), World Trade Centre Kuala Lumpur, 41, Jalan Tun Ismail, Chow Kit, 50480 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur on Monday, 23 June 2025 at 10.00 a.m. or at any adjournment thereof in respect of my/our shareholding in the manner indicated below:-

No.	RESOLUTION		FOR	AGAINST
1.	To approve the payment of Directors' fees and benefits payable of RM240,000 to the Directors of the Company and its subsidiaries for the period from the date of the forthcoming 30 th AGM until the conclusion of the next AGM of the Company.	Ordinary Resolution 1		
2.	To re-elect Ms Lee Wee Leng as Director.	Ordinary Resolution 2		
3.	To re-elect Mr Law Kar Hou as Director.	Ordinary Resolution 3		
4.	To re-appoint Messrs KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	Ordinary Resolution 4		
5.	To approve the authority pursuant to Sections 75 and 76 of the Companies Act 2016 for the Directors to allot and issue shares.	Ordinary Resolution 5		
6.	To approve the Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature.	Ordinary Resolution 6		

*Strike out whichever is not desired.

[Please indicate with an "X" in the spaces provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.]

Signature/Common Seal of Member/(s) _____

Number of shares held: _____

Date: _____



Notes :

1. Pursuant to Rule 8.31A of the ACE Market Listing Requirements of Bursa Securities, all the resolutions set out in the Notice of 30th AGM will be put to vote by way of poll. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.

2. A member entitled to attend and vote at the 30th AGM may appoint another person as his proxy to attend and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a meeting shall have the same rights as the member to speak at the meeting.

3. A member shall be entitled to appoint not more than 2 proxies to participate, speak and vote at the meeting. Where a member appoints 2 proxies, the appointment shall not be valid unless the member specifies the proportion of his shareholding to be represented by each proxy.

4. Where a member is an Exempt Authorised Nominee which holds shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

5. The proxy form shall be in writing, executed by or on behalf of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.

6. The proxy form and the power of attorney or other authority, if any, under which it is signed or a notorially certified copy of that power or authority shall be deposited at the office of the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd of 11th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time for holding the 30th AGM or Adjourned 30th AGM at which the person named in the proxy form proposes to vote, and in default the proxy form shall not be treated as valid.

7. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available a Record of Depositors as at 16 June 2025 and only members whose names appear on such Record of Depositors shall be entitled to attend, speak and vote at this meeting and entitled to appoint proxy or proxies.
- Personal Data Privacy:**
- By submitting an instrument appointing a proxy(ies) and /or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of 30th AGM dated 30 April 2025.
- Then fold here
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- The Share Registrar
LEFORM BERHAD
[Registration No: 199501001582 (330776-K)]
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia
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