



**TEXCHEM**

**TEXCHEM RESOURCES BHD**

Registration No. 197301002868 (16318-K)




DELIVERING COMMITMENT



ANNUAL REPORT 2024



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## CORPORATE STRUCTURE



### INDUSTRIAL DIVISION

#### Texchem Materials Sdn. Bhd.

- Texchem Malaysia Sdn. Berhad
- New Material (Malaysia) Sdn. Bhd.
- PT. Texchem Indonesia
- Texchem Materials (Thailand) Ltd.
- Texchem Materials (Vietnam) Co., Ltd.
- Texchem Singapore Private Limited
- Lifeon Asia Sdn. Bhd.

### RESTAURANT DIVISION

#### Sushi King Holdings Sdn. Bhd.

- Sushi King Sdn. Bhd.
  - Sushi King (East Malaysia) Sdn. Bhd.
- Miraku Sdn. Bhd.
- Kokubu Food Logistics Malaysia Sdn. Bhd.
- PT. Sushi King Asia

#### D&N Coffee and Restaurant Malaysia Sdn. Bhd.

### POLYMER ENGINEERING DIVISION

#### Texchem Polymer Engineering Sdn. Bhd.

- Texchem-Pack (M) Sdn. Bhd.
- Texchem-Pack (Johor) Sdn. Bhd.
- Texchem-Pack (PP) Sdn. Bhd.
  - Texchem Advanced Products Incorporated Sdn. Bhd.
- Texchem-Pack (Thailand) Co., Ltd.
- Texchem-Pack (Vietnam) Co., Ltd.
- Texchem Life Sciences Sdn. Bhd.
- Eye Graphic Sdn. Bhd.

### CORPORATE SERVICES DIVISION

#### Texchem Corporation Sdn. Bhd.

- Texchem Risk Management Sdn. Bhd.

### VENTURE BUSINESS DIVISION

#### Texchem Polymers Sdn. Bhd.

### FOOD DIVISION

#### Texchem Food Sdn. Bhd.

- A.S.K Andaman Limited
- Texchem Food (Myanmar) Limited
- Texchem Marine Labutta Limited
- Texchem Aquaculture (Myanmar) Limited

#### Wilpack Food Services Sdn. Bhd.

- Sea Master Food Sdn. Bhd.

### ASSOCIATES

#### Otafuku Sauce Malaysia Sdn. Bhd. Mascot Industries Company Limited

#### Notes:

1. The above companies are operating subsidiaries and associates of Texchem Resources Bhd. Group.
2. The complete list of Texchem Resources Bhd. Group as at 31 December 2024 is disclosed in Note 5 to the Financial Statements of this Annual Report.

## PRESIDENT'S MANAGEMENT DISCUSSION AND ANALYSIS

### Dear Shareholders,

For the first time as the President and Group CEO of Texchem Resources Bhd, it is my pleasure to share with you the Annual Report for the financial year ended 31 December 2024 ("FY2024") and the President's Management Discussion and Analysis on behalf of the Board of Directors ("Board").



The economic challenges of the previous year have extended into FY2024, with global inflation and aggressive interest rate hikes implemented to combat inflation causing widespread market uncertainty and raising concerns about a potential recession. However, inflation has been easing in 2024, and the global macroeconomic landscape has shown signs of improvement. The interest rate cuts by the United States Federal Reserve in 2024 created a more favourable business environment and boosted consumer sentiment. Texchem persevered and leveraged our experience to navigate through these challenges while capitalizing on the opportunities.

### GROUP OVERVIEW

Established in 1973, Texchem has evolved from its origins as a humble textile chemical trading company into a diversified Malaysian multinational conglomerate. Publicly listed on the Main Market of Bursa Malaysia, Texchem's operations span 5 core business divisions: Industrial, Polymer Engineering, Food, Restaurant, and Venture Business.

The **Industrial Division** provides integrated sourcing and distribution solutions for a wide range of polymers, resins, chemicals, and additives to diverse global and domestic customers.

**Polymer Engineering Division** possesses strong in-house polymer processing technologies and product design capabilities, with 7 strategically located manufacturing facilities across Malaysia, Thailand, and Vietnam. The division serves key strategic industries such as data storage, data memory/ semiconductors, and medical/life sciences.

**Food Division** encompasses a range of food-related businesses, including the processing and marketing of marine products, production for the food service sector, trading, and aquaculture. With a strong commitment to food safety, the Division's processing facilities adhere to international hygiene standards and hold HACCP certification.

**Restaurant Division** operates Malaysia's largest Halal Japanese restaurant chain, Sushi King. As of December 2024, Sushi King boasts an extensive network of 122 outlets nationwide, supported by our integrated supply chain. Sushi King also has a presence in Indonesia, the world's largest halal market, with four outlets at the end of 2024. In addition to Sushi King, the division manages other restaurant brands, including Hoshino Coffee, Doutor Coffee and Miraku in Malaysia.

**Venture Business Division** identifies and cultivates new business opportunities that enhance and align with our core strengths. The Division is currently focused on developing and commercializing TEXa, a United States Department of Agriculture ("USDA") certified sustainable biocomposite that has a patented technology and supports a circular economy.

# PRESIDENT'S MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

## FINANCIAL REVIEW

### Revenue

The Group's revenue came in 12.5% higher year-on-year ("YoY") to RM1.12 billion in FY2024 from RM993.5 million a year ago. The improvement stemmed from better performance from the **Industrial** and **Polymer Engineering Divisions**.

### Revenue & Profit Before Tax ("PBT") Breakdown by Segments

**Industrial Division** continues to account for the lion's share of FY2024 revenue at RM499.3 million or 41.4%. The **Restaurant Division** contributed RM274.4 million or 22.7% to FY2024 total revenue while the **Polymer Engineering Division** accounted for RM231.9 million or 19.2%. Lastly, the **Food Division**, **Venture Business Division** and **Others** contributed the remaining revenue for the financial year under review at RM181.1 million or 15.0%, RM6.0 million or 0.5% and RM14.3 million or 1.2% respectively.

FY2024 revenue from the **Industrial Division** grew 18.3% YoY to RM499.3 million, against RM422.1 million in FY2023, in line with the division's continuous efforts in developing higher value-added product lines with better profit margins, backed by the recovery of global trade. This enabled a growth of 172.9% in the division's PBT to RM6.4 million in FY2024, from RM2.4 million in FY2023.

For **Polymer Engineering Division**, the revenue jumped 25.1% YoY to RM231.9 million in FY2024 vis-à-vis RM185.3 million in FY2023. The double-digit improvement was mainly driven by industry recovery as well as growth demand from our strategic business domains namely data storage, data memory/ semiconductors, and medical/life sciences. Accordingly, the PBT has improved by 8.2 times growth in FY2024 PBT to RM19.3 million from RM2.3 million a year ago.

Revenue from the **Food Division** stood at RM181.1 million in FY2024 versus RM177.0 million last year. In FY2024, the division reported a loss before tax ("LBT") of RM3.3 million compared to a PBT of RM2.6 million in FY2023, adversely impacted by Myanmar's foreign exchange controls and impairment of specific property, plant and equipment.

While our **Restaurant Division** faced demanding consumer and business operating conditions, nevertheless our ongoing efforts towards improving operational efficiencies and effective cost management helped to grow our FY2024 revenue by 4.4% YoY to RM274.4 million from RM262.8 million last year. The improvement was also reflected at the bottom-line with LBT narrowed to RM0.5 million in FY2024 versus RM2.8 million in FY2023.

### PBT and Net Profit Attributable to Shareholders ("Net Profit")

In tandem with the higher revenue, Texchem reported a PBT of RM14.8 million for FY2024 in contrast to a LBT of RM2.7 million posted a year ago, mainly driven by the performance of the **Industrial** and **Polymer Engineering Divisions**. The positive trend was also translated at the net profit level which returned to black at RM5.3 million in FY2024 vis-à-vis a net loss of RM10.9 million in FY2023.

### Cash Flows and Liquidity

Texchem's total cash equivalent continued to be healthy at RM78.4 million as at 31 December 2024. We also generated yet another positive net operating cash flow ("NOCF") of RM72.9 million for FY2024.

## FORGING AHEAD

While the global macroeconomic environment shows signs of improvement, with easing monetary policies potentially boosting business and consumer confidence, challenges persist. Geopolitical uncertainties, a slowdown in China's economy and elevated material and energy costs continue to weigh on businesses. The International Monetary Fund ("IMF") projects modest global growth of 3.3% for 2025 and 2026, acknowledging that global uncertainties hinder effective economic stimulus. On the flip side, Malaysia's economy is expected to remain resilient, with GDP growth forecast 4.5% to 5.5% in 2025, as outlined in Budget 2025.

The ongoing US-China geopolitical tensions will add further uncertainty with tariff and trade policies under renewed scrutiny, and potential implications for global supply chains

## PRESIDENT'S MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

As we head into the new financial year ("FY2025"), we approach the future with cautious optimism while being cognisant of the dynamic landscape ahead. The Group is looking to keep up the earnings recovery momentum and remain focused on the execution of our strategic initiatives, which have been charting good progress.

As the President and Group CEO, I aim to modernize the organization and bring fresh perspectives to propel Texchem to new heights through my new 5 management principles, ensuring our sustained success and growth. This transformation will be guided by these five key principles : *Kasegu*, creating more value, revenue, and income through innovation and a focus on customer-centricity; *Kezuru*, elevating operational efficiency and fully embracing digital transformation to streamline processes; *Fusegu*, proactively identifying and mitigating risks to safeguard our business; *Kiwameru*, striving to be the Best of the Best in all we do, fostering a culture of continuous improvement; and *Sodateru*, investing in our people by nurturing their growth and development to create a supportive environment where talent thrives.

Our **Industrial Division** continues to emphasise on business expansion, high-margin product growth and strategic collaborations to drive long-term value creation. Strengthening supplier partnerships will always be key to bolster supply chain resilience to ensure cost efficiencies.

For **Polymer Engineering Division**, the prospects remain positive as we continue to seize the exciting opportunities ahead. We are focusing on growing our market share in the sectors we serve - data storage, data memory/ semiconductors, and medical/ life sciences. The division is building on the strong set of results posted in FY2024 to chart new horizons moving forward.

While the **Food Division** continues to face headwinds, we are charting good progress in expanding our supply chain to Thailand, ensuring greater flexibility, mitigating risks and improving cost efficiencies.

For the **Restaurant Division**, we focus on refreshing Sushi King's brand identity through strong marketing activities, rebuilding our store portfolio, and optimising our cost structure, undergirded by continuous improvements in new products, customer service, and quality.

Finally, for our TEXa sustainable products under the **Venture Business Division**, we shall continue to strive towards a breakthrough in sustainability and green technology. Aligned with Texchem's ESG commitments, we continue to drive innovation in sustainable solutions and this recognition further underscores TEXa's importance in our sustainability journey.

### DIVIDEND

The Board decides or recommends any dividend payments by carefully examining the profitability, liquidity and cashflow position of the Group. In FY2024, the Group did not declare or propose any dividend.

### RECOGNITION AND APPRECIATION

I would like to commend the operating team at Texchem for an exceptional display of grit, adaptability and competency this year on behalf of the Executive Chairman and the Board. I am proud of all achievements the team managed in FY2024, especially against such a demanding environment.

In closing, I would like to thank our Executive Chairman, my fellow Board members, shareholders and employees for their trust in me. I have good faith that, together, we will be able to steer Texchem towards new horizons.



**Dr. Yuma Konishi**  
President and Group Chief Executive Officer

## BOARD OF DIRECTORS



### TAN SRI DATO' SERI (DR.) FUMIHIKO KONISHI Executive Chairman

#### Gender/Age/Nationality

Male, 81, Japanese

#### Date of appointment to the Board

20 February 1974

#### Membership of Board Committees

Chairman of Executive Committee

#### Working experience/Occupation

- Founder of Texchem Resources Bhd. Group of Companies ("TRB Group")
- He is responsible for the overall business strategy for TRB Group from its humble beginnings in 1973 to a diversified manufacturing, services and trading group
- Instrumental in bringing and promoting many other Japanese joint venture groups to Penang and Malaysia
- Executive Chairman of Restaurant Division, Food Division and Industrial Division of TRB Group
- Chairman of Polymer Engineering Division and Corporate Services Division of TRB Group
- President and Chief Executive Officer of Restaurant Division of TRB Group

#### Academic/Professional Qualification/Membership(s)

- Bachelor of Pharmacy Degree from Tokyo University of Pharmacy and Life Science
- Bestowed an Honorary Fellowship by the Limkokwing University College of Creative Technology in 2001
- Conferred the Honorary Degree of Doctor Of Science by the Universiti Sains Malaysia in 2013

#### Accolades/Recognition

- Granted permanent residency status by the Malaysian Government in 1990
- Bestowed the following honorary titles
  - Darjah Johan Negeri (D.J.N.) by the Governor of Penang in 1991
  - Darjah Setia Pangkuan Negeri (D.S.P.N.) in 1994
  - Darjah Gemilang Pangkuan Negeri (D.G.P.N.) in 2000
  - Darjah Kebesaran Panglima Setia Mahkota (P.S.M.) in 2007
- Awarded Certificate of Commendation by the Minister of Foreign Affairs, Japan in 2007
- Conferred the award "The Order Of The Rising Sun, Gold and Silver Rays" by His Majesty, the Emperor of Japan in 2017
- Minister's Award by the Japan Ministry of Agriculture, Forestry and Fisheries (MAFF) in Tokyo in 2019

#### Directorship in other listed issuers/public companies

- Nil

#### Any family relationship with any director and/or major shareholder of the listed issuer

- Tan Sri Dato' Seri (Dr.) Fumihiko Konishi is the father of Dr Yuma Konishi, the President and Group Chief Executive Officer of TRB
- Tan Sri Dato' Seri (Dr.) Fumihiko Konishi is deemed a major shareholder of TRB and his interest in TRB is set out in the Analysis of Shareholdings section of this Annual Report
- Save as disclosed herein, Tan Sri Dato' Seri (Dr.) Fumihiko Konishi does not have any family relationship with any other director or any major shareholder of TRB

#### Any conflict of interest or potential conflict of interest, including interest in any competing business that the person has with the listed issuer or its subsidiaries

- Nil

#### Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any

- Nil

#### Number of board meetings attended in the financial year

- 5/5

## BOARD OF DIRECTORS (cont'd)



**DR YUMA KONISHI**  
President and  
Group Chief Executive Officer

**Gender/Age/Nationality**  
Male, 47, Japanese

**Date of appointment to the Board**  
1 January 2020

**Membership of Board Committees**  
Member of Executive Committee

### Working experience/Occupation

- Joined Texchem Resources Bhd. Group of Companies ("TRB Group") in 2005. Dr Yuma Konishi has more than 20 years of experience in the plastics industries and almost a decade spearheading Texchem's venture into medical life sciences industry
- Chairman of Venture Business Division of TRB Group
- President and Chief Executive Officer of Polymer Engineering Division of TRB Group

### Academic/Professional Qualification/Membership(s)/Award

- Bachelor of Science in Industrial Engineering from Nihon University, Chiba, Japan
- Master of Science in Polymer Engineering from The University of Akron, Ohio, USA
- Doctor of Engineering in Chemistry and Materials Science from Tokyo Institute of Technology, Tokyo, Japan
- Member of Penang Strategic Investment Advisory Council (PSIAC)
- Member of the Board of Directors of Association of Malaysian Medical Industries (AMMI), Leader of Membership & Industry Development Committee and Member of Government Affairs Committee of AMMI
- Ex-Officio of Penang Skills Development Centre (PSDC) Management Council representing AMMI
- Darjah Johan Negeri (D.J.N.)

### Directorship in other listed issuers/public companies

- Nil

### Any family relationship with any director and/or major shareholder of the listed issuer

- Dr Yuma Konishi is the son of Tan Sri Dato' Seri (Dr.) Fumihiko Konishi, the Executive Chairman and deemed major shareholder of TRB. The direct and deemed interests of Tan Sri Dato' Seri (Dr.) Fumihiko Konishi are set out in the Analysis of Shareholdings section of this Annual Report

### Any conflict of interest or potential conflict of interest, including interest in any competing business that the person has with the listed issuer or its subsidiaries


- Nil

### Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any

- Nil

### Number of board meetings attended in the financial year

- 5/5



**DATO' AZMAN BIN MAHMUD**  
Independent Non-Executive Director

**Gender/Age/Nationality**  
Male, 64, Malaysian

**Date of appointment to the Board**  
1 January 2023

**Membership of Board Committees**  
Chairman of Remuneration Committee

### Working experience/Occupation

- Dato' Azman Bin Mahmud was the former Chief Executive Officer ("CEO") of the Malaysian Investment Development Authority ("MIDA"), Malaysia's investment promotion and industrial development agency, having served in various positions across many divisions within MIDA since 1989 until his retirement on 1 April 2021
- During his tenure with MIDA, he also served in overseas posting. As the CEO of MIDA, he led MIDA in driving the investment agenda of Malaysia to achieve national investment targets from 2014 till 2021. He also led the transformation of MIDA towards a world-class investment promotion agency

### Academic/Professional Qualification/Membership(s)

- Bachelor of Engineering (Agricultural) from the University Putra Malaysia
- Attended several leadership and professional development courses from renowned training institutes such as 'A Cutting Edge of Development Thinking', Harvard Kennedy School, John F. Kennedy School of Government, USA; 'Leading Change & Organisation Renewal', Harvard Business School, USA; Strategy Execution Programme, INSEAD France; APAC Government Leadership Programme (AGLP) in Crotonville, New York, USA; and Temasek Foundation International Asia Leader's Connect, Singapore

### Directorship in other listed issuers/public companies

- Independent Non-Executive Chairman of Panasonic Manufacturing Malaysia Berhad
- Independent Non-Executive Chairman of Cnergex Berhad
- Independent Non-Executive Director of GDEX Berhad
- Independent Non-Executive Chairman of Privasia Technology Berhad

### Any family relationship with any director and/or major shareholder of the listed issuer

- Nil

### Any conflict of interest or potential conflict of interest, including interest in any competing business that the person has with the listed issuer or its subsidiaries

- Nil


### Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any

- Nil

### Number of board meetings attended in the financial year

- 5/5

## BOARD OF DIRECTORS (cont'd)



**MR JONY RAW**  
Independent Non-Executive Director

**Gender/Age/Nationality**  
Male, 69, Malaysian

**Date of appointment to the Board**  
2 May 2019

**Membership of Board Committees**

- Chairman of Audit Committee
- Member of Nomination Committee
- Member of Remuneration Committee

### Working experience/Occupation

- More than 45 years of experience in the areas of audit, financial management, corporate finance and corporate secretarial
- Worked with KPMG, Kuala Lumpur before moving on to hold senior positions in several public listed companies
- Joined Texchem Resources Bhd. ("TRB") from 1988 to 2011 and rose to the position of Group Chief Financial Officer
- Appointed as Joint Company Secretary of TRB from 1999 to 2013

### Academic/Professional Qualification/Membership(s)

- Member of the Malaysian Institute of Certified Public Accountants (Certified Public Accountant)
- Member of the Malaysian Institute of Accountants (Chartered Accountant)

### Directorship in other listed issuers/public companies

- Nil

### Any family relationship with any director and/or major shareholder of the listed issuer

- Nil

### Any conflict of interest or potential conflict of interest, including interest in any competing business that the person has with the listed issuer or its subsidiaries

- Nil

### Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any

- Nil

### Number of board meetings attended in the financial year

- 5/5



**PUAN AZIAN BINTI MOHD YUSOF**  
Independent Non-Executive Director

**Gender/Age/Nationality**  
Female, 67, Malaysian

**Date of appointment to the Board**  
27 January 2022

**Membership of Board Committees**

- Chairperson of Nomination Committee
- Member of Audit Committee

### Working experience/Occupation

- Worked with the Malaysian Investment Development Authority ("MIDA") for more than 30 years in promoting the growth of investments in Malaysia from June 1982 until July 2018
- Served as a Director of various divisions within MIDA from 2007 to 2018
- Held the position of Deputy Chief Executive Officer in charge of Strategic Planning and Coordination in MIDA before retirement in July 2018

### Academic/Professional Qualification/Membership(s)

- Bachelor of Economics from the University of Malaya

### Directorship in other listed issuers/public companies

- Independent Non-Executive Director of Bonia Corporation Berhad
- Independent Non-Executive Director of Solarvest Holdings Berhad
- Independent Non-Executive Director of Wellcall Holdings Berhad

### Any family relationship with any director and/or major shareholder of the listed issuer

- Nil

### Any conflict of interest or potential conflict of interest, including interest in any competing business that the person has with the listed issuer or its subsidiaries

- Nil


### Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any

- Nil

### Number of board meetings attended in the financial year

- 5/5

## BOARD OF DIRECTORS (cont'd)



**PUAN MARIAM BINTI JAMAL**  
Independent Non-Executive Director

**Gender/Age/Nationality**  
Female, 65, Malaysian

**Date of appointment to the Board**  
2 May 2024

**Membership of Board Committees**

- Member of Audit Committee
- Member of Remuneration Committee

**Academic/Professional Qualification/ Membership(s)**

- BA in Political Science from William Smith College, New York, USA
- MBA from the University of Strathclyde, UK

**Directorship in other listed issuers/public companies**

- Nil

**Any family relationship with any director and/or major shareholder of the listed issuer**

- Nil

**Any conflict of interest or potential conflict of interest, including interest in any competing business that the person has with the listed issuer or its subsidiaries**

- Nil

**Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any**


- Nil

**Number of board meetings attended in the financial year**

- 2/2

**Working experience/Occupation**

- Worked for 2 American Multinational Corporations in diverse positions spanning 24 years in various countries
- Started career at General Electric (USA) in Singapore with management assignments in USA and Malaysia
- Subsequently, joined Intel Malaysia in Penang and held positions in different fields with work assignments in the US. Experience includes transferring new C4 manufacturing technology from technology development in the US to Intel's worldwide Assembly and Test chipset factories. Held position as Marketing Director and travelled worldwide to meet customers, grow new businesses and launch new products at technical conferences. Assumed position as General Manager (8 and 16 Bit Microcontrollers) with full P&L responsibilities for Intel Corporation. Last position prior to retirement was as General Manager of the FCBGA factory in Intel Malaysia plus responsibilities as the Package Platform Steering Committee Chairperson for FCBGA Factories (Malaysia, China, Costa Rica)



**MS CYNTHIA OOI GAI SEE**  
Non-Independent Non-Executive Director

**Gender/Age/Nationality**  
Female, 60, Malaysian

**Date of appointment to the Board**  
1 October 2024

**Membership of Board Committees**

- Member of Executive Committee

**Directorship in other listed issuers/public companies**

- Nil

**Any family relationship with any director and/or major shareholder of the listed issuer**

- Nil

**Any conflict of interest or potential conflict of interest, including interest in any competing business that the person has with the listed issuer or its subsidiaries**

- Nil

**Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any**

- Nil

**Number of board meetings attended in the financial year**

- 1/1

**Working experience/Occupation**

- Joined Texchem Resources Bhd. Group of Companies as Chief Human Resources Officer in 2018. In addition, she was appointed as the Group Chief Administrative Officer in 2024
- More than 38 years of experience in talent & leadership development, organization capability development, attraction & retention strategies, total rewards solutions, employee engagement, HR business partnering, HR systems infrastructures, finance & accounting, cost & management accounting and general management
- Worked in multi-national corporations, manufacturing, retail, trading, public accounting firms and professional consultancy services

**Academic/Professional Qualification/Membership(s)**

- Affiliated member of the Association of International Accountants, UK
- Lifetime member of Malaysian Institute of Human Resource Management (MIHRM)
- Certified Coaching & Mentoring Professional (CCMP)
- Trained and accredited in psychometric assessment tools (Harrison / DISC / Hogan)

## KEY SENIOR MANAGEMENT

### MS LOH SAU MUN

**Group Chief Financial Officer and Company Secretary**

**Gender/Age/Nationality**

Female, 48, Malaysian

**Date of appointment to the key senior management position**

1 July 2023

**Membership of Board Committees**

Nil

**Working experience/Occupation**

- More than 25 years of working experience in the areas of audit, accounting, taxation, finance, initial public offering exercise and retail operation

- Started her career as audit assistant in 2000. Over the years, she worked in international accounting firms in Malaysia and China and venture capital company in Singapore before joining Texchem Resources Bhd. Group in 2010

**Academic/Professional Qualification/ Membership(s)**

- Member of the Malaysian Institute of Accountants
- Member of the Association of Chartered Certified Accountants
- Attended Chartered Financial Analyst (CFA) programme

**Directorship in other listed issuers/public companies**

- Nil

**Any family relationship with any director and/or major shareholder of the listed issuer**

- Nil

**Any conflict of interest or potential conflict of interest, including interest in any competing business that the person has with the listed issuer or its subsidiaries**

- Nil

**Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any**

- Nil

### MR YEO AUN HUA

**Chief Operating Officer Industrial Division**

**Gender/Age/Nationality**

Male, 52, Malaysian

**Date of appointment to the key senior management position**

1 September 2024

**Membership of Board Committees**

Member of Executive Committee

**Working experience/Occupation**

- More than 30 years of global leadership experience in the chemicals, electronic and plastics industry. His expertise lies in driving sustainable business growth, strategic market positioning and fostering innovative solutions across various industries, including consumer electronics, data storage, telecommunications,

healthcare, automotive and home appliances

- He was an Executive Director of a chemical manufacturing company before joining Texchem Resources Bhd. Group in 2022

**Academic/Professional Qualification/ Membership(s)**

- Bachelor of Engineering (Hons.) in Mechanical Engineering from University of South Australia (UniSA), Mawson Lake Campus, Adelaide. Graduated with 1<sup>st</sup> Class Honours
- Attended several leadership and management courses such as "Accelerating Leadership Performance (ALP)", "Customer-Centred Leadership (CCL)" from GE Crotonville, "Leading the Business" from London Business School / SABIC Academy and "Advanced Management Program (AMP)" from INSEAD Singapore

**Directorship in other listed issuers/public companies**

- Nil

**Any family relationship with any director and/or major shareholder of the listed issuer**

- Nil

**Any conflict of interest or potential conflict of interest, including interest in any competing business that the person has with the listed issuer or its subsidiaries**

- Nil

**Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any**

- Nil

### MR WINYOO CHAIYAKUL

**Chief Operating Officer Food Division**

**Gender/Age/Nationality**

Male, 51, Thailand

**Date of appointment to the key senior management position**

1 September 2024

**Membership of Board Committees**

Member of Executive Committee

**Working experience/Occupation**

- More than 26 years of working experience in the areas of production, sales and marketing in food, beverages and seafood processing industry
- Started his career with Nippon Ham as

Assistant General & Production Manager in 1999. Over the years, he held several managerial positions in various industries for private companies in Thailand before joining Texchem Resources Bhd. Group in 2024

**Academic/Professional Qualification/ Membership(s)**

- Bachelor Degree of Technology Engineering, Bielefeld University, Germany
- Master Degree of Aviation & Flight Engineering from St Petersburg State University of Aerospace Instrumentation, Russia

**Directorship in other listed issuers/public companies**

- Nil

**Any family relationship with any director and/or major shareholder of the listed issuer**

- Nil

**Any conflict of interest or potential conflict of interest, including interest in any competing business that the person has with the listed issuer or its subsidiaries**

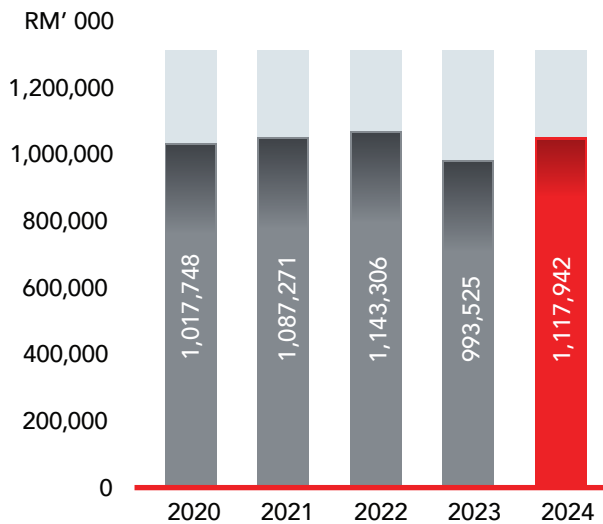
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**Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any**

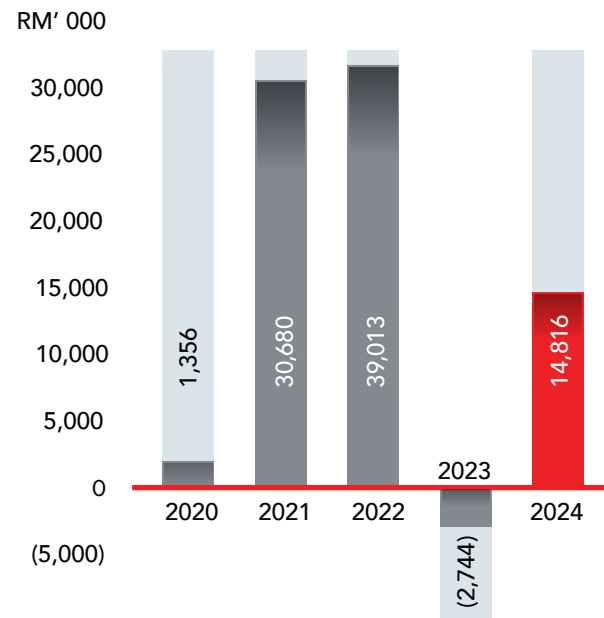
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## GROUP FINANCIAL HIGHLIGHTS

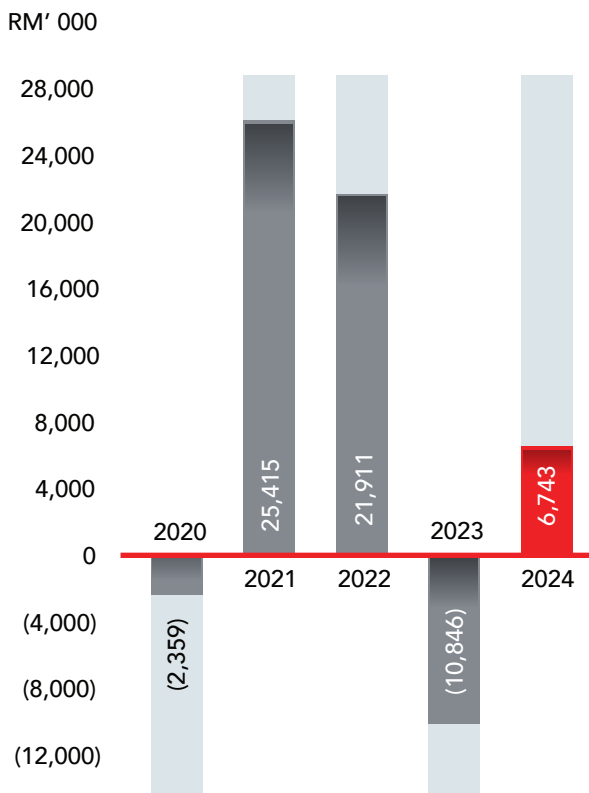
### REVENUE



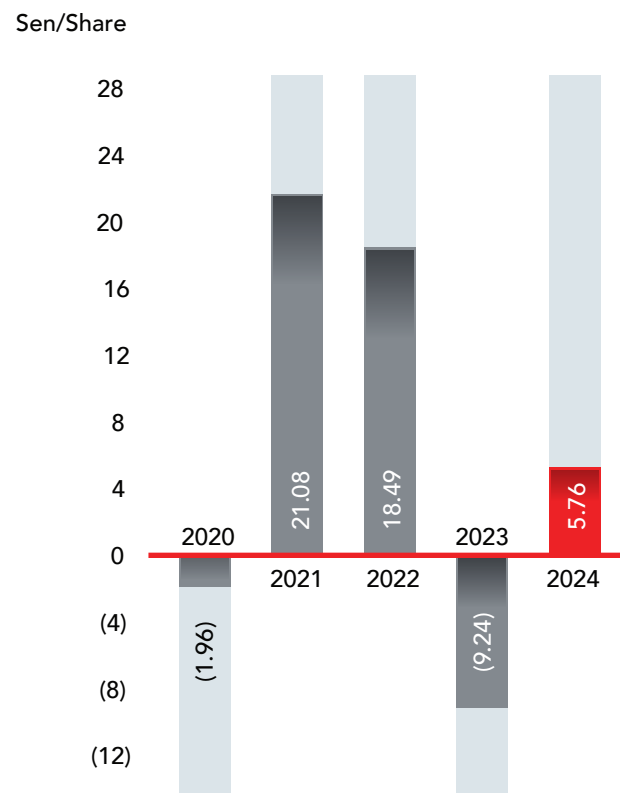
### PROFIT/(LOSS) BEFORE TAX



### NET (LOSS)/PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY



### (LOSS)/EARNINGS PER SHARE (SEN)



## GROUP FINANCIAL HIGHLIGHTS (cont'd)

	2020	2021	2022	2023	2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	1,017,748	1,087,271	1,143,306	993,525	1,117,942
Profit/(Loss) Before Tax	1,356 *	30,680	39,013>	(2,744)^	14,816
Net (Loss)/Profit Attributable to Owners of the Company	(2,359)	25,415	21,911	(10,846)	6,743
Total Equity Attributable to Owners of the Company/Net Assets <sup>®</sup>	247,151	270,823	191,304	177,903	180,651
Net Tangible Assets <sup>®</sup>	191,269	214,941	135,422	122,021	124,769
No. of Ordinary Shares Issued ('000)	124,099	124,099	126,373	126,373	126,373
No. of Ordinary Shares Issued Less Treasury Shares ('000)	120,571	120,571	119,145	117,091	117,091
Dividend per share (sen)	–	10	13	–	–
(Loss)/Earnings Per Share (Sen)	(1.96)	21.08	18.49	(9.24)	5.76
Net Assets Per Share (RM/Share) <sup>#®</sup>	2.05	2.25	1.61	1.52	1.54
Net Tangible Assets Per Share (RM/Share) <sup>#®</sup>	1.59	1.78	1.14	1.04	1.07
Gearing Ratio (Times) <sup>^^</sup>	0.25	0.19	0.30	0.46	0.60

<sup>®</sup> Adjusted for the Company's shares held by a subsidiary of RM Nil (2023: Nil) (2022: Nil) (2021: Nil) (2020: RM3.25 million) included in capital reserve

<sup>#</sup> Divided by number of ordinary shares issued less treasury shares

<sup>^^</sup> Gearing ratio is defined as net borrowings (total loans and borrowings less cash and cash equivalents) divided by total equity including non-controlling interests adjusted for the Company's shares held by a subsidiary of RM Nil (2023: Nil) (2022: Nil) (2021: Nil) (2020: RM3.25 million) included in capital reserve

<sup>\*</sup> Includes gain on deconsolidation of subsidiaries of RM0.80 million

<sup>></sup> Includes share-based payments of RM9.45 million and gain on deconsolidation of a subsidiary of RM1.58 million

<sup>^</sup> Includes share-based payments of RM2.98 million and gain on disposal of an associate of RM2.49 million

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Chairman

Tan Sri Dato' Seri (Dr.) Fumihiko Konishi

#### President and Group Chief Executive Officer

Dr Yuma Konishi

#### Independent Non-Executive Directors

Dato' Azman Bin Mahmud

Jony Raw

Azian Binti Mohd Yusof

Mariam Binti Jamal

#### Non-Independent Non-Executive Director

Cynthia Ooi Gaik See

### EXECUTIVE COMMITTEE

#### Chairman

Tan Sri Dato' Seri (Dr.) Fumihiko Konishi

#### Members

Dr Yuma Konishi

Cynthia Ooi Gaik See

Yeo Aun Hua

Winyoo Chaiyakul

### COMPANY SECRETARIES

Lee Puay Img

Licence No.: LS 0009427

SSM PC No.: 202008001167

Loh Sau Mun

MIA No.: CA22775

SSM PC No.: 202308000826

### PRINCIPAL BANKERS

Malayan Banking Berhad

HSBC Bank Malaysia Berhad

Hong Leong Bank Berhad

AmBank (M) Berhad

CIMB Bank Berhad

RHB Bank Berhad

### AUDIT COMMITTEE

#### Chairman

Jony Raw

#### Members

Azian Binti Mohd Yusof

Mariam Binti Jamal

### REGISTERED OFFICE

Level 18, Menara Boustead Penang

39 Jalan Sultan Ahmad Shah

10050 George Town, Penang

Tel : 604-2296000

Website : [www.texchemgroup.com](http://www.texchemgroup.com)

E-mail : [trb@texchemgroup.com](mailto:trb@texchemgroup.com)

### SOLICITORS

Presgrave & Matthews

Zaid Ibrahim & Co.

### NOMINATION COMMITTEE

#### Chairperson

Azian Binti Mohd Yusof

#### Member

Jony Raw

### SHARE REGISTRAR

Securities Services (Holdings) Sdn. Bhd.

Suite 18.05, MWE Plaza

No. 8 Lebuhr Farquhar

10200 George Town, Pulau Pinang

Tel : 604-2631966

Fax : 604-2628544

E-mail : [info@sshsb.com.my](mailto:info@sshsb.com.my)

### STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia

Securities Berhad

Stock name: **TEXCHEM**

Stock code: 8702

Stock sector: Industrial Products & Services

Sub sector: Diversified Industrials

Listing date: 17 May 1993

### REMUNERATION COMMITTEE

#### Chairman

Dato' Azman Bin Mahmud

#### Members

Jony Raw

Mariam Binti Jamal

### AUDITORS

KPMG PLT

LLP0010081-LCA & AF 0758

Chartered Accountants

Level 18, Hunza Tower

163E, Jalan Kelawei

10250 George Town, Penang

Tel : 604-3751800

Fax : 604-2382222

### SUBSIDIARIES AND ASSOCIATES

Please refer to the Corporate Structure section of this Annual Report for the list of subsidiaries and associates of the Company

## EXECUTIVE COMMITTEE

### TERMS OF REFERENCE

To assist the Board of Directors ("Board") in decision-making by undertaking the necessary business deliberations and operational activities necessary for the day-to-day running of the organisation and to seek necessary Board approvals where applicable.

## AUDIT COMMITTEE

### TERMS OF REFERENCE

#### Objective

1. The principal objective of the Audit Committee (AC) is to assist the Board in fulfilling its oversight responsibilities of the Group's financial reporting process and internal control system.

#### Membership

2. The AC shall be appointed by the Board from among its members and shall consist of no fewer than three (3) non-executive directors. All AC members should be non-executive directors, with a majority of them being independent directors. All members of the AC shall be financially literate and at least one (1) member should be a member of an accountancy association or body.
3. No former audit partner shall be appointed as a member of the Committee before observing a cooling-off period of at least five (5) years.
4. No alternate director shall be appointed as a member of the Committee.
5. The AC shall elect a Chairman from among its members who shall be an Independent Non- Executive Director who is not the Chairman of the Board. In the absence of the Chairman, the remaining members present shall among themselves elect a Chairman who must be an independent director to chair the meeting.
6. In the event of any vacancy in the AC resulting in the non-compliance with 2 above, the Board of Directors shall fill the vacancy within three months.

#### Authority

7. The AC is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.
8. The AC is authorised by the Board to obtain external, legal or independent professional advice and to secure the attendance of such external advisors with relevant experience in meetings, if considered necessary.
9. The AC is authorised to convene meetings with the external auditors, internal auditors or both, without the presence of Management, other directors and employees, whenever deemed necessary.
10. The AC is authorised to have direct communication channels with the external auditors, internal auditors or both.

#### Duties

11. The duties of the AC shall be
  - (a) Oversight of financial reporting and its process:
    - (i) Review the quarterly unaudited financial statements of the Group with Management and recommend to the Board of Directors for consideration and approval;
    - (ii) Review the annual audited financial statements of the Company and the Group with Management and the external auditors and recommend to the Board of Directors for consideration and approval and;
    - (iii) Review the Group's Statement on Risk Management and Internal Control with Management and the external auditors and present to the Board for consideration and approval for inclusion in the Annual Report.
  - (b) Oversight of external auditors and evaluation of the external audit process:
    - (i) Review with them, their audit plan, scope and areas of audit;
    - (ii) Review with them, their understanding of the internal control environment and systems obtained in the course of designing their audit procedures;
    - (iii) Review with them, their audit report;
    - (iv) Review with them, their management letters and management responses;
    - (v) Review with them, the adequacy of the co-operation given by the Company's officers in the course of the audit;

## AUDIT COMMITTEE (cont'd)

### Duties (cont'd)

11. The duties of the AC shall be (cont'd)
- (b) Oversight of external auditors and evaluation of the external audit process: (cont'd)
    - (vi) Review with Management annually, the appointment/re-appointment of the external auditors based on factors including but not limited to suitability, resources, competency and independence of the external auditors, their audit fee and any questions of their resignation or dismissal; and
    - (vii) Review with Management annually, the non-audit services performed by the external auditors taking into consideration the types of services rendered and their fees in accordance with the Policies and Procedures for the Assessment of Suitability and Independence of External Auditor and to ensure that the independence of the external auditors is not compromised.
  - (c) Oversight of internal auditors and evaluation of the internal audit process:
    - (i) Review the adequacy of the scope, functions, competency and resources of the Internal Audit function, and that it has the necessary authority to carry out its work;
    - (ii) Review the annual Internal Audit plan, process and results of the Internal Audit activities including investigation and their evaluation of the Group's governance, risk management and internal control environment, systems and processes, and where necessary, ensure that appropriate actions are taken by Management on the recommendations of the Internal Audit function;
    - (iii) Review annually the performance of the Internal Audit function;
    - (iv) Review the annual performance appraisal or assessment of the Internal Audit staff including the adequacy of Internal Audit resources;
    - (v) Approve any appointment or termination of senior staff members of the Internal Audit function; and
    - (vi) Take cognizance of the resignation of Internal Audit staff members and provide the resigning staff members an opportunity to submit their reasons for resigning.
  - (d) Sustainability Reporting
    - (i) Review the Group's Sustainability Statement with Management and presenting to the Board for consideration and approval for inclusion in the Annual Report.
  - (e) Corporate Governance Reporting
    - (i) Review the Group's Corporate Governance Overview Statement and Corporate Governance Report with Management and present to the Board for consideration and approval for inclusion in the Annual Report and Company's website respectively.
  - (f) Related Party Transactions and Share Buy-back Statement
    - (i) Review with Management the Circular to Shareholders in relation to the proposed renewal of existing shareholders' mandate for recurrent related party transactions and statement for the proposed renewal of existing share buy-back authority and presenting to the Board for consideration;
    - (ii) Review and approve the inclusion of the AC statements on the procedures for Recurrent Related Party Transactions in the said Circular;
    - (iii) Review with Management to ensure actual related party transactions are within limits approved by shareholders;
    - (iv) Review with Management any related party transaction and conflict of interest situation that arose, persist or may arise within the listed issuer or group including any transaction, procedure or course of conduct that raises questions of management integrity, and the measures taken to resolve, eliminate, or mitigate such conflicts; and
  - (g) To consider any other functions as may be agreed between the AC and the Board of Directors.

### Attendance, Quorum and Frequency of Meeting

12. The Chairman of the AC should engage on a continuous basis with senior Management, such as the Chairman, Group Chief Executive Officer, Group Chief Financial Officer / Group Finance Director, Chief Audit Executive and the external auditors in order to be kept informed of matters affecting the Company and the Group.
13. The Group Chief Financial Officer/Group Finance Director, Chief Audit Executive and representatives of the external auditors shall normally attend the meetings. Other Board members and employees may attend the meetings upon invitation of the AC. However, the AC shall meet with the external and internal auditors without the presence of Executive Board members and Management at least twice a year and whenever necessary.
14. In order to form a quorum in the AC meeting, the majority of members present must be Independent Directors.
15. The Committee shall meet not less than 4 times a year. The external auditors may request for meeting if they consider it necessary.
16. Questions arising at any meeting of the AC shall be decided by a majority of votes of the members present, and in the case of equality of votes, the Chairman of the AC shall have a second or casting vote.

## **AUDIT COMMITTEE (cont'd)**

### **Minutes**

17. The Chief Audit Executive shall act as Secretary to the AC. The Minutes of each AC meeting shall be kept at the registered office and distributed to each member of the AC and other members of the Board. The AC Chairman shall report on each meeting to the Board.
18. The minutes of the AC meetings shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

### **Review of the Term of Reference**

19. The members of the Committee will assess, review and update the above terms of reference periodically or as and when there are changes to the regulatory requirements and changes to the direction or strategies of the Company that may affect the Committee's roles and recommend the changes for approval by the Board.

# REMUNERATION COMMITTEE

## TERMS OF REFERENCE

### Objective

In accordance with the Malaysian Code on Corporate Governance, the Remuneration Committee is set up to provide recommendations to the Board of Directors ("Board") on:

- a) a formal and transparent procedure for developing the remuneration policy that meets the Company's business strategies and long-term objectives.
- b) the remuneration of the Executive Directors and senior management in all its forms such that the component parts of remuneration are structured to link rewards to corporate and individual performance.

Executive Directors should play no part in decisions on their own remuneration while the remuneration of the Non-Executive Directors should be a matter for the Board as a whole to determine. The individuals concerned should abstain from discussion of and voting on his or her own remuneration.

### Size and Composition

The Remuneration Committee shall consist wholly of Non-Executive Directors and a majority of them must be independent Directors. The members of the Remuneration Committee shall elect a Chairman from amongst its members.

### Meetings

The Remuneration Committee shall meet as and when is necessary. The quorum for any meetings shall be two (2) members subject to any laws, guidelines or rules that may be imposed by Bursa Malaysia Securities Berhad and/or any other relevant authority(ies).

### Secretaries

The Company Secretaries shall act as Secretaries of the Remuneration Committee and shall be responsible for keeping minutes of meetings of the Remuneration Committee and circulating them to the Remuneration Committee members.

### Duties and Responsibilities

- 1) To determine and recommend to the Board the framework or broad policy for the remuneration, in all forms, of the Executive Directors, senior management and/or any other persons as the Remuneration Committee is designated to consider by the Board, having regard to the Company's operating results, individual performance, comparable market statistics and drawing from outside advice as necessary.
- 2) To determine and recommend to the Board the remuneration packages and any performance related pay schemes for the Executive Directors, senior management and/or any other persons as the Remuneration Committee is designated to consider by the Board.
- 3) To determine the policy for and scope of service agreements for the Executive and Non-Executive Directors, termination payment and compensation commitments.
- 4) To report to the Board any matters that the Remuneration Committee considers should be brought to the attention of the Board and to provide sufficient information to the Board to ensure that the Board makes an informed decision in relation to the Remuneration Committee's recommendations.
- 5) To produce any required reports as may be required from time to time.
- 6) To recommend to the Board the appointment of the services of such advisers or consultants as it deems necessary to fulfill its responsibilities.
- 7) To carry out other responsibilities, functions or assignments as may be defined by the Board from time to time.
- 8) The Chairman shall attend the Annual General Meetings to answer any questions relating to the Remuneration Committee's activities.

# NOMINATION COMMITTEE

## TERMS OF REFERENCE

### Objective

In accordance with the Malaysian Code on Corporate Governance, the Nomination Committee is set up to provide recommendations to the Board of Directors ("Board") on the candidates for all directorships of Texchem Resources Bhd. ("TRB"). Final decision on the appointment of any directors of TRB shall be made by the Board.

The Nomination Committee shall be responsible in ensuring the appropriate Board balance and size, and that the Board has a required mix of skills, knowledge, experience, independence and diversity (diversity in gender, ethnicity and age) and that candidates for directorships meet the criteria set out in the Directors' Fit and Proper Policy ("F&P Policy"). An annual review of the mix of skills, knowledge, experience and other core competencies of the Board shall be made by the Nomination Committee.

### Size and Composition

The composition of Nomination Committee must not be less than (2) members. The Nomination Committee shall comprise wholly of Non-Executive Directors, the majority of whom are independent. The members of the Nomination Committee shall elect a Chairman from amongst any of its members who shall be an Independent Director. The Chairman shall attend the Annual General Meetings and provide response to questions addressed to the Chairman.

### Meetings

The Nomination Committee shall meet as and when is necessary. The quorum for any meetings shall be two (2) members subject to any laws, guidelines or rules that may be imposed by Bursa Malaysia Securities Berhad and/or any other relevant authority(ies).

The Nomination Committee may from time to time and if deemed appropriate, consider and approve and/or recommend relevant matters via a Circular Resolution in writing in lieu of formally convening a meeting. The Circular Resolution shall be as valid and effectual as if it has been passed by a meeting of the Nomination Committee duly convened.

### Notice

The Company Secretaries shall issue and circulate the notice for the Nomination Committee's meetings at least five (5) working days before each meeting to the members and invitees.

### Secretaries

The Company Secretaries shall act as Secretaries to the Nomination Committee and shall be responsible for keeping minutes of meetings of the Nomination Committee and circulating them to the Nomination Committee members.

## NOMINATION COMMITTEE (cont'd)

### Duties and Responsibilities

- 1) To review regularly the Board structure, size and composition and make recommendations to the Board with regard to any adjustments thereof and/or the appointment of Directors as the Nomination Committee deems necessary.
- 2) To consider, in making its recommendations, candidates for directorships proposed by the President/Managing Director/Chief Executive Officer of TRB, any other senior executive or any other Director or shareholder of TRB or identified via independent sources, as well as make recommendations to put in place the plans for succession, in particular for the Chairman/President and the Managing Director/Chief Executive Officer. Factors to be taken into consideration when evaluating any candidates are as follows:
  - (a) skills, knowledge, expertise, experience, character, professionalism, integrity and such other criteria which are more particularly set out in the F&P Policy;
  - (b) diversity in age, gender and background;
  - (c) any business interest or relationship that may result in a conflict of interest that could affect the execution of the role; and
  - (d) in the case of candidates for the position of independent non-executive directors, the Nomination Committee should also evaluate the candidates' ability to discharge such responsibilities/functions as expected from independent non-executive directors.
- 3) To conduct a performance evaluation annually in order to assist the Board to review the required mix of skills, knowledge, experience, independence, diversity (diversity in gender, ethnicity and age) and other qualities including core competencies which Directors should bring to the Board and to assess the effectiveness of the Board as a whole and any other committees of the Board and the contributions of each individual Director of TRB based on the process and procedures laid out by the Board.
- 4) To review the term of office and performance of the Audit Committee and each of its members annually to determine whether the Audit Committee and members have carried out their duties in accordance with the terms of reference of the Audit Committee.
- 5) To review the induction and training needs of Directors under the continuing education programmes.
- 6) To recommend to the Board for continuation or discontinuation in service of Directors as an Executive Director or Non-Executive Director.
- 7) To recommend Directors who are retiring by rotation to be put forward for re-election.
- 8) To recommend to the Board the Directors to fill the seats on any committees of the Board.
- 9) To recommend to the Board the employment of the services of such advisers as it deems necessary to fulfill the Board's responsibilities.
- 10) To carry out other responsibilities, functions or assignments as may be defined by the Board from time to time.

### Review of the Terms of Reference

The Terms of Reference shall be reviewed and updated as and when necessary and the Nomination Committee shall recommend any change to its Terms of Reference as the Nomination Committee deems appropriate to the Board for approval.

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the 51<sup>st</sup> Annual General Meeting (“51<sup>st</sup> AGM”) of the Company will be held at Grand Ballroom, Level 2, G Hotel Gurney, 168A Persiaran Gurney, 10250 George Town, Penang on Wednesday, 23 April 2025 at 2.30 p.m. for transacting the following businesses:

### 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.  | <b>Please refer to Explanatory Note (i)</b>            |
| 2. To re-elect the following Directors who retire in accordance with Article 22.3 of the Company’s Constitution and being eligible, offer themselves for re-election:<br><br>(i) Tan Sri Dato’ Seri (Dr.) Fumihiko Konishi; and<br>(ii) Dr Yuma Konishi. | <b>Ordinary Resolution 1<br/>Ordinary Resolution 2</b> |
| 3. To re-elect the following Directors who retire in accordance with Article 22.10 of the Company’s Constitution and being eligible, offer themselves for re-election:<br><br>(i) Puan Mariam Binti Jamal; and<br>(ii) Ms Cynthia Ooi Gaik See.          | <b>Ordinary Resolution 3<br/>Ordinary Resolution 4</b> |
| 4. To approve the Directors’ Fees of RM1,000,000 for the financial year ended 31 December 2024 (2023: RM820,000).  | <b>Ordinary Resolution 5</b>                           |
| 5. To approve the payment of Directors’ benefits of RM30,000 to the 3 members of the Audit Committee for the financial year ended 31 December 2024 (2023: RM30,000).   | <b>Ordinary Resolution 6</b>                           |
| 6. To re-appoint Messrs KPMG PLT as Auditors of the Company for the financial year ending 31 December 2025 and to authorise the Directors to fix their remuneration.   | <b>Ordinary Resolution 7</b>                           |

### Special Business

7. To consider and if deemed fit to pass the following Ordinary Resolutions:

- (A) Power to Issue Shares pursuant to Section 75 and Section 76 of the Companies Act 2016** **Ordinary Resolution 8**

“**THAT** subject always to the Companies Act 2016 (“Act”), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the approvals of the relevant regulatory authorities, where such approval is necessary, the Directors be and are hereby authorised and empowered pursuant to Section 75 and Section 76 of the Act to allot and issue shares in the Company from time to time at such price, 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 pursuant to this Resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad AND THAT such authority as abovementioned shall continue in force until the conclusion of the next Annual General Meeting of the Company.”

## NOTICE OF ANNUAL GENERAL MEETING (cont'd)

### **(B) Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature** **Ordinary Resolution 9**

**"THAT** subject always to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with related parties as set out in Part A [section 2.4(a)] of the Circular to the Shareholders of the Company dated 24 March 2025 ("Proposed Mandate") which transactions are necessary for the day-to-day operations and/or in the ordinary course of business of the Company and/or its subsidiaries on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company AND THAT such approval shall only continue to be in force until:

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company following the 51<sup>st</sup> AGM at which time it will lapse unless such authority is renewed by a resolution passed at the next AGM of the Company;
- (ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

**AND THAT** the Directors of the Company, whether solely or jointly, be and are hereby authorised to complete and do all such acts and things including executing such relevant documents as they may consider expedient or necessary to give effect to the Proposed Mandate."

### **(C) Proposed Renewal of Existing Share Buy-Back Authority**

**Ordinary Resolution 10**

**"THAT** subject to the Companies Act 2016 ("Act"), the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Company's Constitution and other applicable laws, rules, regulations and guidelines of the relevant authorities, the Directors of the Company be and are hereby authorised to purchase such amount of ordinary shares ("Texchem Shares") in the Company through Bursa Securities at any time and upon such terms and conditions and for such purposes as the Directors may in their discretion deem fit subject to the following:

- (i) the maximum number of Texchem Shares which may be purchased and/or held by the Company shall not exceed 10% of the total number of issued shares of the Company for the time being;
- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing the Texchem Shares shall not exceed the total retained profits of the Company;
- (iii) the authority conferred by this Resolution will be effective immediately upon the passing of this Resolution and will continue in force until:

## NOTICE OF ANNUAL GENERAL MEETING (cont'd)

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the 51<sup>st</sup> AGM in which the resolution is passed at which time the authority will lapse unless renewed by ordinary resolution, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM is required by law to be held; or
- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier, but so as not to prejudice the completion of purchase(s) by the Company made before the aforesaid expiry date and in any event, in accordance with the provisions of the Main Market Listing Requirements of Bursa Securities or any other relevant authorities;

- (iv) upon completion of the purchase(s) of the Texchem Shares by the Company, the Directors of the Company be and are hereby authorised to deal with the Texchem Shares in the following manner:
  - (a) to cancel the Texchem Shares so purchased; and/or
  - (b) to retain the Texchem Shares so purchased as treasury shares for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities and/or for cancellation subsequently; and/or
  - (c) to retain part of the Texchem Shares so purchased as treasury shares and cancel the remainder; and/or
  - (d) to transfer the Texchem Shares or any of the Texchem Shares for the purposes of or under an employees' share scheme; and/or
  - (e) in such other manner as Bursa Securities and such other relevant authorities may allow from time to time.

**AND THAT** authority be and is hereby given to the Directors of the Company to take all such steps as are necessary including to enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities or as may be deemed necessary by the Directors and to do all such acts and things as the Directors may deem fit and expedient in the interest of the Company."

**FURTHER NOTICE IS HEREBY GIVEN THAT** for the purpose of determining a member who shall be entitled to attend this 51<sup>st</sup> AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd., in accordance with Article 19.9 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 16 April 2025. Only a depositor whose name appears on the Record of Depositors as at 16 April 2025 shall be entitled to attend the said meeting or appoint proxies to attend, speak and/or vote on his/her behalf.

# NOTICE OF ANNUAL GENERAL MEETING (cont'd)

BY ORDER OF THE BOARD

Lee Puay Img  
(Licence No.: LS 0009427)  
(SSM PC No.: 202008001167)  
Company Secretary

Loh Sau Mun  
(MIA No.: CA22775)  
(SSM PC No.: 202308000826)  
Company Secretary

Penang  
Date: 24 March 2025

## NOTES:

- A member of the Company entitled to attend and vote at the meeting may appoint more than one (1) proxy to attend and vote instead of him/her. If a member appoints more than one (1) proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.
- Every member including authorised nominees as defined under the Securities Industry (Central Depositories) Act 1991 and Exempt Authorised Nominees which hold ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account") are entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote instead of him at the 51<sup>st</sup> AGM and that such proxy need not be a member.
- The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing or if the member is a corporation, shall either be executed under its common seal or under the hand of 2 authorised officers, one of whom shall be a director or of its attorney duly authorised in writing. The instrument appointing a proxy authorises the proxy(ies) to demand or join in demanding a poll.
- The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a duly notarised certified copy of that power or authority may be made in hardcopy form or by electronic means in the following manner and shall be received by the Company not less than 48 hours before the time for holding the meeting or any adjournment thereof:
  - In hardcopy form  
The proxy form shall be deposited at the Company's Registered Office at Level 18, Menara Boustead Penang, 39 Jalan Sultan Ahmad Shah, 10050 George Town, Penang, Malaysia.
  - By electronic means  
The proxy form shall be electronically lodged by email to [eservices@sshb.com.my](mailto:eservices@sshb.com.my).
- Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 51<sup>st</sup> AGM of the Company shall be put to vote by way of poll.

## Explanatory Notes on Ordinary Business:

### (i) Audited Financial Statements for the financial year ended 31 December 2024

The Audited Financial Statements are laid in accordance with Section 340(1)(a) of the Act for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be put for voting.

### (ii) Ordinary Resolutions 1 to 4

Article 22.3 of the Company's Constitution provides that 1/3 of the Directors are subject to retirement by rotation or, if their number is not 3 or a multiple of 3, then the number nearest to 1/3 shall retire from office so that all Directors shall retire from office at least once in every 3 years.

Tan Sri Dato' Seri (Dr.) Fumihiko Konishi ("Tan Sri Konishi") and Dr Yuma Konishi ("Dr Yuma") are due to retire at the 51<sup>st</sup> AGM in accordance with Article 22.3 of the Company's Constitution and being eligible, they have offered themselves for re-election.

The Board via the Nomination Committee had conducted assessments on, *inter alia*, individual Directors and considered the results of the assessments based on the criteria set out in the Directors' Fit and Proper Policy ("F&P Policy") which include commitment, contributions, knowledge, integrity and experience and the overall performance of the retiring Directors and was satisfied that both Tan Sri Konishi and Dr Yuma have met the performance criteria set out in the F&P Policy in the discharge of their duties and responsibilities. Accordingly, the Board would like to recommend the re-election of both Tan Sri Konishi and Dr Yuma at the 51<sup>st</sup> AGM.

Article 22.10 of the Company's Constitution provides that any person appointed as a Director to fill a casual vacancy or as an addition to the existing Board shall hold office only until the next following AGM and shall then be eligible for re-election. Following thereto, the following Directors who were appointed in 2024 are due to retire at the 51<sup>st</sup> AGM and being eligible, they have offered themselves for re-election:

No.	Director	Date of Appointment
1.	Puan Mariam Binti Jamal	2 May 2024
2.	Ms Cynthia Ooi Gaik See	1 October 2024

The Board via the Nomination Committee has conducted assessments on, *inter alia*, individual Directors based on the criteria set out in the F&P Policy which include commitment, contributions, knowledge, integrity and experience. The Board was satisfied that Puan Mariam and Ms Cynthia Ooi have met the performance criteria set out in the F&P Policy in the discharge of their duties and responsibilities. The Board is confident that with Puan Mariam and Ms Cynthia Ooi's respective experience and expertise, they would further strengthen the Board composition and dynamics and thus, the Board hereby recommends the re-election of Puan Mariam and Ms Cynthia Ooi at the 51<sup>st</sup> AGM.

The profile of the respective Directors is set out in the Board of Directors' section of the Annual Report.

### (iii) Ordinary Resolutions 5 and 6

Section 230(1) of the Act provides that the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting. Pursuant thereto, shareholders' approval will be sought at this 51<sup>st</sup> AGM on the Directors' fees and the Directors' benefits for the 3 members of the Audit Committee, all of whom are Independent Non-Executive Directors, for the financial year ended 31 December 2024.

The breakdown of the proposed payment of Directors' Fees of RM1,000,000 for the financial year ended 31 December 2024 is as set out below:

Position	Directors' Fees per annum
Executive Chairman/ Group Chief Executive Officer/ President	RM250,000
Independent Non-Executive Director/ Non-Independent Non-Executive Director	RM100,000

The Directors' benefits is RM10,000 per annum for each member of the Audit Committee.

## NOTICE OF ANNUAL GENERAL MEETING (cont'd)

### (iv) Ordinary Resolution 7

The Board, through the Audit Committee, had conducted an annual assessment on the suitability, objectivity and independence of Messrs KPMG PLT and was satisfied with their independence and performance. The Board hereby recommends the re-appointment of Messrs KPMG PLT as external Auditors of the Company at the 51<sup>st</sup> AGM.

#### Explanatory Notes on Special Business:

### (i) Ordinary Resolution 8

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last AGM of the Company held on 29 April 2024 and the said mandate will lapse at the conclusion of this 51<sup>st</sup> AGM.

This proposed Ordinary Resolution, if passed, will give the Directors of the Company from the date of this 51<sup>st</sup> AGM, the authority to allot and issue ordinary shares in the Company up to an aggregate of not exceeding 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being pursuant to Section 75 and Section 76 of the Act ("Renewed Mandate"). This Renewed Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

The Renewed Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placement of shares, for the purpose of funding future investment project(s), working capital and/or acquisitions without any delay and without incurring additional expenses in convening a general meeting to approve the issuance of such shares.

### (ii) Ordinary Resolution 9

This Ordinary Resolution, if passed, will empower the Company and/or its subsidiaries to enter into the recurrent related party transactions under the Proposed Mandate without the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such recurrent related party transactions occur. This would reduce substantially administrative time and expenses in convening such meetings and enhancing the ability to pursue more business opportunities and without compromising the corporate objectives of Texchem Resources Bhd Group of Companies.

This authority, unless revoked or varied at a general meeting of the Company, will expire at the conclusion of the next AGM of the Company.

The details of this proposed Ordinary Resolution are set out in Part A of the Circular to the Shareholders of the Company dated 24 March 2025, which is accessible online on the Company's website at [www.texchemgroup.com](http://www.texchemgroup.com) or on Bursa Malaysia Securities Berhad's website at [www.bursamalaysia.com](http://www.bursamalaysia.com).

### (iii) Ordinary Resolution 10

This Ordinary Resolution, if passed, will enable the Company to purchase its own shares up to 10% of the total number of issued shares of the Company (inclusive of shares that have been purchased and/or retained as treasury shares). This authority, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next AGM of the Company.

The details of this proposed Ordinary Resolution are set out in Part B of the Circular to the Shareholders of the Company dated 24 March 2025, which is accessible online on the Company's website at [www.texchemgroup.com](http://www.texchemgroup.com) or on Bursa Malaysia Securities Berhad's website at [www.bursamalaysia.com](http://www.bursamalaysia.com).

#### Personal Data Privacy

By submitting an instrument appointing proxy(ies) and/or representatives to attend, speak and vote at the 51<sup>st</sup> AGM and/or any adjournment thereof, a member of the Company:- (i) consents to the processing of the member's personal data by the Company (or its agents): (a) for processing and administration of proxies and representatives appointed for the 51<sup>st</sup> AGM; (b) for preparation and compilation of the attendance lists, minutes and other documents relating to the 51<sup>st</sup> AGM (which includes any adjournments thereto); and (c) for the Company's (or its agents') compliance with any applicable laws, listing rules, regulations and/or guidelines (collectively, "the Purposes"); (ii) warrants that he/she has obtained such proxy(ies) and/or representative(s)' prior consent for the Company's (or its agents') processing of such proxy(ies) and/or representative(s)' personal data for the Purposes; and (iii) agrees that the member will indemnify the Company for any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Note: The term "processing" and "personal data" shall have the meaning as defined in the Personal Data Protection Act, 2010.

## **STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING** (Pursuant to Paragraph 8.27(2) of Bursa Malaysia Securities Berhad's Main Market Listing Requirements)

1. Details of individuals who are standing for election as Directors

No individual is seeking election as a Director at the 51<sup>st</sup> Annual General Meeting ("51<sup>st</sup> AGM") of the Company save for Directors standing for re-election.

The profiles of the Directors who are standing for re-election as per Ordinary Resolutions 1 to 4 of the Notice of the 51<sup>st</sup> AGM are stated in the section on the Profile of Directors in this Annual Report.

2. Statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Details of the general mandate to allot securities in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are stated in the Explanatory Notes on Special Business (i) of the Notice of the 51<sup>st</sup> AGM as set out in this Annual Report.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of Texchem Resources Bhd. ("Company") is entirely committed to the maintenance of high standards of corporate governance by supporting and implementing the prescriptions of the principles, practices and guidances set out in the Malaysian Code on Corporate Governance ("Code") revised by the Securities Commission Malaysia on 28 April 2021 to enhance its accountability, transparency and sustainability. In addition, the Board follows the Corporate Governance Guide published by Bursa Malaysia Securities Berhad ("Bursa Securities") and global developments of internationally recognised corporate governance practices and though the Board is already in compliance with many respects, it continually reviews the corporate governance processes adopted by the Company and its subsidiaries (collectively "the Group") and strives to make appropriate adjustments to reflect its position as a good corporate citizen. The key intent is to adopt the substance behind good governance and not merely the form, with the aim of ensuring Board effectiveness in enhancing shareholder value.

The Board presents this statement to provide shareholders with an overview of the corporate governance practices of the Company which were based on the principles and best practices as set out in the Code, the governance standards prescribed in the Main Market Listing Requirements ("Listing Requirements") of Bursa Securities and the requirements under the Companies Act 2016 and applied under the leadership of the Board during the financial year ended 31 December 2024 ("FY 2024").

This statement is to be read together with the Corporate Governance Report 2024 ("CG Report") of the Company which is available on the Company's website at [www.texchemgroup.com](http://www.texchemgroup.com). The detailed explanation on the application of the corporate governance practices are reported under the CG Report.

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

#### I. Board Responsibilities

The Board acknowledges its pivotal role in the stewardship of its direction and operations, and ultimately the enhancement of long-term shareholder value. To fulfil this role, the Board is responsible for the overall corporate governance of the Group, including its strategic direction and the Board oversees the establishment of goals for management and monitors the achievement of these goals. Operational effectiveness, cost rationalisation and human capital management continue to be the key areas of focus for the Group.

The Board is led by the Executive Chairman and the Group Chief Executive Officer ("CEO") whose roles are separated. The Executive Chairman is responsible for running the Board and ensures that all Directors receive sufficient relevant information on financial and non-financial matters to enable them to participate actively in Board decisions and the Executive Chairman works with the Board and the Group CEO to develop strategies for the Group's future growth whereas the Group CEO is responsible for the day to day management of the business as well as the implementation of Board policies and decisions.

In order to ensure orderly and effective discharge of the above functions and responsibilities of the Board, the Board has set up various Board Committees to assist the Board. The Board Committees set up by the Board are:

- (a) Executive Committee ("EXCO")
- (b) Audit Committee ("AC")
- (c) Nomination Committee ("NC")
- (d) Remuneration Committee ("RC")

The EXCO, AC, RC and NC play a pivotal role in channelling pertinent operational and assurance related issues to the Board. The Board Committees partly function as a filter to ensure that only pertinent matters are tabled at the Board level. All Board Committees have written Terms of Reference which can be found at the Company's website, [www.texchemgroup.com](http://www.texchemgroup.com) and in this Annual Report. There is also a formal procedure sanctioned by the Board, whether as a full Board or in their individual capacity, for Directors to obtain independent professional advice at the Company's expense.

The prime objective of the Company's Board Charter is to set out the principles governing the Board and adopts the principles and practices of good corporate governance in the management of the Company. The Board is guided by the Board Charter which outlines, inter alia, the duties and responsibilities of the Board, Board Committees, Chairman, CEO, Individual Directors and management, matters reserved for the Board as well as those which the Board may delegate to the Board Committees, CEO and management.

The Board has also formalised a Code of Conduct and Ethics ("CoCE") to govern the conduct of the Directors, management and employees in the operation of the Company. The CoCE includes mechanism amongst others, the requirement to disclose any actual or potential conflict of interest, and a whistle-blower policy for the Company's Directors and employees as well as external parties to report genuine suspicions of non-compliance without fear of retribution or retaliation.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

With the introduction of the corporate liability provision under Section 17A of the Malaysian Anti-Corruption Commission Act 2009, the Board established the Anti-Corruption Policy and Procedures ("ACPP") which were formulated based on the T.R.U.S.T. principles set out in the Guidelines on Adequate Procedures issued by the Prime Minister's Department. The ACPP including the revised CoCE and the Vendor Code of Conduct were approved by the Board on 15 May 2020. The ACPP was designed to assist Directors and employees to identify and avoid corrupt acts and provide guidance on the standards of behaviour which all Directors and employees must adhere to.

The Board has on 24 October 2024 approved the enhanced version of Anti-Corruption Policy, Whistleblower Policy and Conflict of Interest Policy with the aim to communicate the Group's dedication in maintaining a culture of transparency, accountability and integrity.

Further details pertaining to the Board Charter, CoCE, ACPP, Vendor Code of Conduct, Whistleblower Policy and Conflict of Interest Policy are set out in the CG Report. The Board Charter, CoCE, Vendor Code of Conduct, Anti-Corruption Policy, Whistleblower Policy and Conflict of Interest Policy can be found at the Company's website, [www.texchemgroup.com](http://www.texchemgroup.com).

The Group is committed towards sustainable development and believes that sustainable corporate success requires the highest standard of corporate behaviour including measuring up to public expectations on its economic, environmental, social and corporate governance responsibilities. As a socially responsible citizen, the Company shall approach the process of addressing higher expectations of economic, environmental, social and corporate governance responsibilities as part of how the Company normally works and thinks. This is a key focus area for the Group for the future and the Board will provide the appropriate guidance and oversight to the senior management as they work towards developing a more robust sustainability agenda for the Group. The Group's effort in this regard including the corporate responsibility activities in the financial year under review have been set out in the Sustainability Statement in this Annual Report. A copy of the Sustainability Policy is available on the Company's website at [www.texchemgroup.com](http://www.texchemgroup.com).

Every Director has unhindered access to the advice and services of the Company Secretaries. The Company Secretaries are accountable directly to the Board on all matters to do with the proper functioning of the Board and provide unimpeded advice and services to the Company's Directors, as and when the need arises. The Company Secretaries also ensure that the Board Committees function effectively based on the respective Terms of Reference.

The Board recognises that the decision making process is highly contingent on the quality of information furnished. As such, all Directors have unrestricted access to any information pertaining to the Company and/or the Group. The Directors are provided with relevant and timely information on matters to be discussed or considered at meetings of the Board and Board Committees. The Directors take cognisance of their responsibility for avoiding an actual, potential or perceived conflict of interest and they will declare their interests and abstain from the decision-making process whenever such a conflict arises.

### II. Board Composition

The NC comprised the following members during the financial year under review:

Members	
Azian Binti Mohd Yusof <sup>(1)</sup>	Chairperson, Independent Non-Executive Director
Jony Raw	Independent Non-Executive Director
<u>Former member</u>	
Dr Zarizana @ Izana Binti Abdul Aziz <sup>(2)</sup>	Independent Non-Executive Director

Notes:

<sup>(1)</sup> Appointed as a member and Chairperson of NC on 29 April 2024

<sup>(2)</sup> Retired as a member and Chairperson of NC on 29 April 2024

The NC consists entirely of Non-Executive Directors, all of whom are independent.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

The NC is empowered by the Board and its Terms of Reference to bring to the Board recommendations as to the appointment of new Directors and appointment of Directors to Board Committees. The NC also keeps under review the Board structure, size and composition, the Board succession planning as well as training programmes.

The Company has in place a Directors' Fit and Proper Policy ("F&P Policy") as a guide for assessment of new appointments and re-election of Directors. In assessing the candidates for the Board appointments, the NC will take into account, *inter alia*, the overall composition and the mix of expertise and experience of the Board as a whole and having regard to the criteria set out in the F&P Policy, amongst others, candidates' integrity, qualifications, skills, experience, expertise, competence, time and commitment.

The NC met three (3) times on 24 January 2024, 27 February 2024 and 23 August 2024. The meetings were attended by all members of the NC. The Chairperson of the NC invited the following Directors to attend the NC meetings:

- (a) On 24 January 2024 and 27 February 2024
  - (i) Tan Sri Dato' Seri (Dr.) Fumihiko Konishi;
  - (ii) Dato' Azman Bin Mahmud; and
  - (iii) Puan Azian Binti Mohd Yusof
- (b) On 23 August 2024
  - (i) Tan Sri Dato' Seri (Dr.) Fumihiko Konishi;
  - (ii) Dato' Azman Bin Mahmud; and
  - (iii) Puan Mariam Binti Jamal

The activities undertaken by the NC for FY 2024 and up to the date of this statement were as follows:

1. Reviewed the overall composition of the Board and Board Committees.
2. Conducted the annual assessment and the performance evaluation of the individual Directors, the Board Committees and each of the AC members and the Board as a whole; summarised the results of the annual assessment and the performance evaluation and reported to the Board on the outcome of such assessment.
3. Reviewed the succession planning of Directors and senior management.
4. Reviewed the independence of the Directors.
5. Assessed and made recommendation to the Board for the appointment of Puan Mariam Binti Jamal as a new Independent Non-Executive Director and Ms Cynthia Ooi Gaik See as a Non-Independent Non-Executive Director.
6. Made recommendation to the Board for the re-election of Tan Sri Dato' Seri (Dr.) Fumihiko Konishi, Dr Yuma Konishi, Puan Mariam Binti Jamal and Ms Cynthia Ooi Gaik See who are subject to retirement at the forthcoming Annual General Meeting ("AGM").

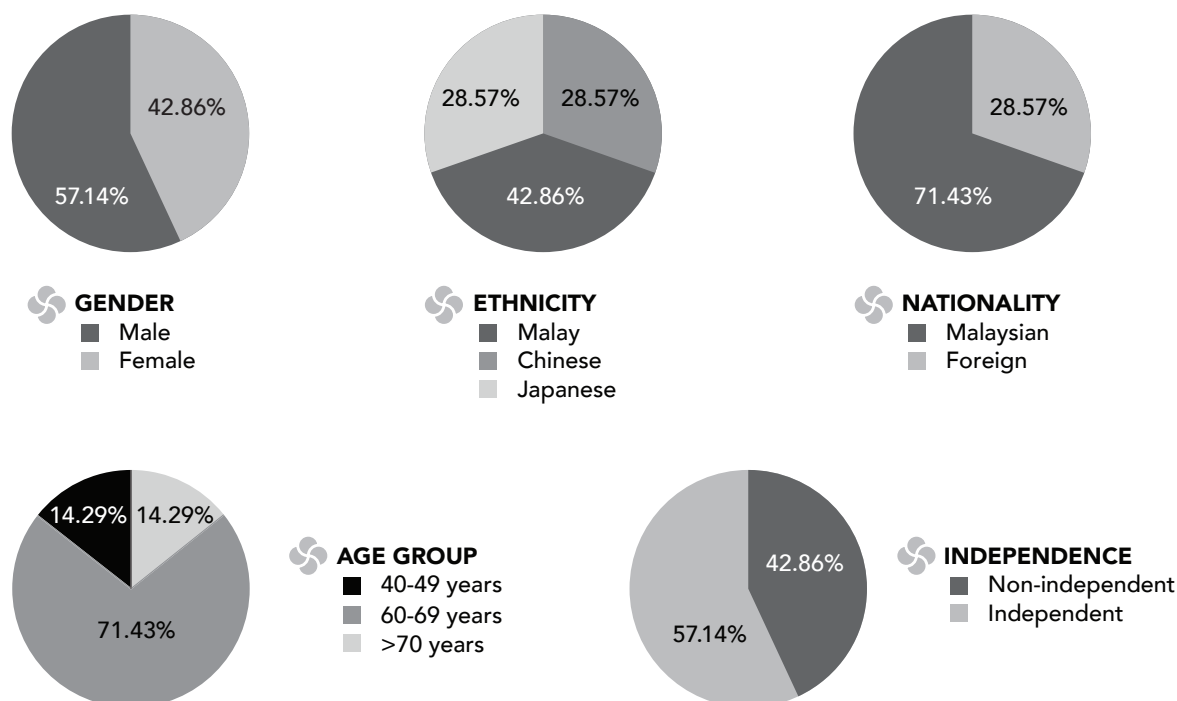
During FY 2024, the Board had undergone the following changes in its composition:

- (a) The retirement of Dr Zarizana @ Izana Binti Abdul Aziz as Independent Non-Executive Director at the 50<sup>th</sup> Annual General Meeting held on 29 April 2024;
- (b) The appointment of Puan Mariam Binti Jamal as Independent Non-Executive Director on 2 May 2024;
- (c) The resignation of Mr Yap Kee Keong as President and Group CEO upon his retirement on 4 September 2024;
- (d) The redesignation of Dr Yuma Konishi to President and Group CEO on 4 September 2024; and
- (e) The appointment of Ms Cynthia Ooi Gaik See as Non-Independent Non-Executive Director on 1 October 2024.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

As at 31 December 2024, the Board consisted of seven (7) members comprising four (4) Independent Non-Executive Directors, two (2) Executive Directors and one (1) Non-Independent Non-Executive Director. The Directors, with their different backgrounds and specialisations, collectively bring with them a wide range of experience and expertise in areas such as chemistry and material science, accountancy, political science, human resource management, corporate finance and economics. A brief profile of each Director is presented in the Profile of Directors section of this Annual Report.

A summary of the Board composition is set out below:



The Board has complied with the recommendation in Practice 5.2 of the Code by having Board composition where majority of the Board comprises independent directors.

The Board has complied with the recommendation in Practice 5.3 of the Code given that the tenure of all 4 Independent Non-Executive Director of the Board does not exceed a term limit of nine (9) years.

Based on the review of the Board's composition, the assessment of individual Directors and the recommendation of the NC, the Board recommended for Tan Sri Dato' Seri (Dr.) Fumihiko Konishi, Dr Yuma Konishi, Puan Mariam Binti Jamal and Ms Cynthia Ooi Gaik See to be re-elected at the 51<sup>st</sup> AGM as they have met the performance criteria set out in the assessments, which comprised the criteria in the F&P Policy, in the discharge of their duties and responsibilities.

In the aspect of gender diversity of the Board, the Board has complied with Practice 5.9 of the Code which provides for at least 30% women directors on the Board and also the requirement of the Enhanced Director Amendments which requires a public listed company to have at least 1 woman director on its board. As at 31 December 2024, the Board has 3 women directors whereby the percentage of women directors on the Board was 42.86%.

The Board ordinarily meets at least four (4) times a year with additional meetings convened when urgent and important decisions need to be made in between the scheduled meetings. During the financial year under review, the Board met five (5) times on 24 January 2024, 27 February 2024, 30 April 2024, 25 July 2024 and 24 October 2024 where it deliberated upon and considered various matters.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

Details of each Director's meeting attendance during FY 2024 are as follows:

Meetings Attended (Out of 5)

Directors		
Current Directors:		
Tan Sri Dato' Seri (Dr.) Fumihiko Konishi	Executive Chairman	5/5
Dr Yuma Konishi	President and Group CEO	5/5
Dato' Azman Bin Mahmud	Independent Non-Executive Director	5/5
Jony Raw	Independent Non-Executive Director	5/5
Azian Binti Mohd Yusof	Independent Non-Executive Director	5/5
Mariam Binti Jamal <sup>(1)</sup>	Independent Non-Executive Director	2/2
Cynthia Ooi Gaik See <sup>(2)</sup>	Non-Independent Non-Executive Director	1/1
Former Directors:		
Dr Zarizana @ Izana Binti Abdul Aziz <sup>(3)</sup>	Independent Non-Executive Director	2/2
Yap Kee Keong <sup>(4)</sup>	President and Group CEO	4/4

Notes:

- <sup>(1)</sup> Appointed as Independent Non-Executive Director on 2 May 2024
- <sup>(2)</sup> Appointed as Non-Independent Non-Executive Director on 1 October 2024
- <sup>(3)</sup> Retired as Independent Non-Executive Director on 29 April 2024
- <sup>(4)</sup> Retired as President and Group CEO on 4 September 2024

Based on the level of time commitment demonstrated by individual Directors in attending Board meetings, Board Committee meetings and AGMs, the Board is confident that the Directors are able to devote sufficient time commitment to their roles and responsibilities as Directors of the Company.

As of the date of this Statement, all Directors have attended and successfully completed the Mandatory Accreditation Programme (MAP): Part 1. All Directors have also attended and successfully completed MAP: Part 2 except for Ms Cynthia Ooi Gaik See who will complete MAP: Part 2 within 18 months from 1 October 2024, the date of her appointment to the Board.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

During the financial year under review, the details of the seminars attended by the Directors to enhance their knowledge and expertise are set out below:

Directors	Training/ Seminars/ Conferences
Current Directors:	
Tan Sri Dato' Seri (Dr.) Fumihiko Konishi	<ul style="list-style-type: none"> <li>• Sustainability Risks &amp; Opportunities</li> <li>• Section 17A of Malaysian Anti-Corruption Commission Act 2009 on Anti-Corruption measures</li> </ul>
Dr Yuma Konishi	<ul style="list-style-type: none"> <li>• Sustainability Risks &amp; Opportunities</li> <li>• Section 17A of Malaysian Anti-Corruption Commission Act 2009 on Anti-Corruption measures</li> <li>• Mandatory Accreditation Programme Part II: Leading for Impact</li> <li>• Exhibition at the Commemoration of the 64th Birthday of His Majesty the Emperor of Japan</li> <li>• Medtec Japan 2024</li> <li>• Interphex Japan 2024</li> <li>• Malaysia Medtech Industry Summit 2024</li> <li>• Semicon Japan 2024</li> </ul>
Dato' Azman Bin Mahmud	<ul style="list-style-type: none"> <li>• Sustainability Risks &amp; Opportunities</li> <li>• Section 17A of Malaysian Anti-Corruption Commission Act 2009 on Anti-Corruption measures</li> <li>• Mandatory Accreditation Programme Part II: Leading for Impact</li> <li>• Understanding the Challenging Role of an Independent Director</li> </ul>
Jony Raw	<ul style="list-style-type: none"> <li>• Sustainability Risks &amp; Opportunities</li> <li>• Section 17A of Malaysian Anti-Corruption Commission Act 2009 on Anti-Corruption measures</li> <li>• Mandatory Accreditation Programme Part II: Leading for Impact</li> </ul>
Azian Binti Mohd Yusof	<ul style="list-style-type: none"> <li>• Sustainability Risks &amp; Opportunities</li> <li>• Section 17A of Malaysian Anti-Corruption Commission Act 2009 on Anti-Corruption measures</li> <li>• Mandatory Accreditation Programme Part II: Leading for Impact</li> <li>• Frameworks and Strategies for Guiding Sustainability: Introduction to Environmental, Social and Governance ("ESG") and Task Force on Climate-Related Financial Disclosures ("TCFD") and ESG Metrics and Reporting</li> </ul>
Mariam Binti Jamal <sup>(1)</sup>	<ul style="list-style-type: none"> <li>• Mandatory Accreditation Programme</li> <li>• Bursa Academy: Conflict of Interest and Governance of Conflict of Interest</li> <li>• Sustainability Risks &amp; Opportunities</li> <li>• Section 17A of Malaysian Anti-Corruption Commission Act 2009 on Anti-Corruption measures</li> </ul>
Cynthia Ooi Gaik See <sup>(2)</sup>	<ul style="list-style-type: none"> <li>• Mandatory Accreditation Programme</li> <li>• Sustainability Risks &amp; Opportunities</li> <li>• Section 17A of Malaysian Anti-Corruption Commission Act 2009 on Anti-Corruption measures</li> </ul>
Former Directors:	
Dr Zarizana @ Izana Binti Abdul Aziz <sup>(3)</sup>	N/A
Yap Kee Keong <sup>(4)</sup>	N/A

### Notes:

<sup>(1)</sup> Appointed as Independent Non-Executive Director on 2 May 2024

<sup>(2)</sup> Appointed as Non-Independent Non-Executive Director on 1 October 2024

<sup>(3)</sup> Retired as Independent Non-Executive Director on 29 April 2024

<sup>(4)</sup> Retired as President and Group CEO on 4 September 2024

The Directors will continue to undergo other relevant training programmes to further enhance their skills and knowledge where relevant.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

### III. Remuneration

The RC comprised the following members during the year under review:

Members	
Dato' Azman Bin Mahmud	Chairman, Independent Non-Executive Director
Jony Raw	Independent Non-Executive Director
Mariam Binti Jamal <sup>(1)</sup>	Independent Non-Executive Director
<u>Former member</u> Dr Zarizana @ Izana Binti Abdul Aziz <sup>(2)</sup>	Independent Non-Executive Director

Notes:

<sup>(1)</sup> Appointed as a member of RC on 2 May 2024

<sup>(2)</sup> Retired as a member of RC on 29 April 2024

The RC consists of Non-Executive Directors, all of whom are independent.

During the financial year under review, the RC met 3 times on 24 January 2024, 27 February 2024 and 23 August 2024 respectively. The meetings were attended by all the members of the RC. Tan Sri Dato' Seri (Dr.) Fumihiko Konishi and Puan Azian Binti Mohd Yusof were invited by the Chairman of the RC to attend the RC meetings.

The RC is responsible for *inter alia* recommending to the Board the remuneration of the Executive Directors and senior management in all its forms such that the component parts of remuneration are structured to link rewards to corporate and individual performance.

The Board has in place a Remuneration Policy and Procedures which is designed to:

- (a) provide an overall remuneration package for Directors and senior management which is able to attract, engage and retain the right talent and to motivate Directors and senior management to drive the Company's long term objectives and to ensure business sustainability and growth; and
- (b) ensure that the Directors and senior management are offered an appropriate level of remuneration which is in line with the Company's strategic objectives and corporate value and which will not give rise to conflicts between the objectives and interests of the Company and the interests of individual Directors and senior management.

The RC assisted the Board to set up and implement the Remuneration Policy and Procedures by developing and administering fair and transparent procedures relating to determining, reviewing, assessing and recommending the remuneration packages for the Directors and senior management.

The Board will recommend the Director's fees and other benefits payable to Directors to the shareholders for approval at the AGM in accordance with Section 230(1) of the Companies Act 2016. Details of the remuneration of Directors and senior management for the year under review are provided in the CG Report.

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

### I. Audit Committee

During the year ended 31 December 2024, the AC of the Company comprised 3 Independent Non-Executive Directors and was chaired by Jony Raw.

The AC is chaired by an Independent Non-Executive Director and is not the Board Chairman. All AC members are financially literate and the AC's composition and performance are reviewed by the NC annually and recommended to the Board for its approval.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

In order to maintain an independent and effective AC, the NC ensures that all AC members appointed are Independent Non-Executive Directors who are financially literate with an appropriate level of expertise and experience and a strong understanding of the Company and Group's business. Further details on the AC are set out in the AC Statement of this Annual Report.

The Audit Committee has formal policies to assess the suitability, objectivity and independence of the external auditors. These policies also include a requirement that a former key audit partner must observe a cooling-off period of five years before being appointed as a member of the Audit Committee. None of the Audit Committee members were formerly audit partners of the Company's external auditors.

In FY 2024, the AC had revised its Terms of Reference to encompass changes related to conflict of interest pursuant to Paragraph 15.12(1)(h) of the Listing Requirements, expanding the role of the AC to review conflict of interest situations that arose or persist within the Group (in addition to those that may arise) and the measures taken to resolve, eliminate, or mitigate the conflict of interest.

### II. Risk Management and Internal Control Framework

The Board fulfils its responsibilities in risk governance by providing oversight of the Group's overall risk management process and risk exposure.

The Divisional Management and the Chief Risk Officer assessed and monitored the suitability and effectiveness of the risk management controls and measures taken whilst the adequacy and compliance of these and related internal controls were reviewed by the AC in conjunction with the activities and reports of the Internal Audit.

The Board is of the view that the system of risk management and internal control in place during the year was sound and sufficient to safeguard the Group's assets, shareholders' investments and the interests of customers, employees and other stakeholders. Details of the Risk Management and Internal Control Framework are set out in the Statement on Risk Management and Internal Control of this Annual Report.

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

### I. Communication with stakeholders

The Company acknowledges the importance of transparent, timely and equal dissemination of quality material information to shareholders, investors and public at large. As such, the Board observed the Corporate Disclosure Guide issued by Bursa Malaysia Berhad which can be viewed from Bursa Securities' website at [www.bursamalaysia.com](http://www.bursamalaysia.com) as well as adhering to and complying with the disclosure requirements of the Listing Requirements.

The Company reaches out to its shareholders through the distribution of its annual report, the announcements on quarterly financial results, circulars to shareholders, press release, analyst briefings and the various disclosures and announcements made to Bursa Securities.

In addition, the Company maintains a corporate website with links to Bursa Securities' website, through which shareholders may access for among others the latest information on the Company, the Board Charter and Terms of Reference of Board Committees.

The Company also maintains Facebook pages "Texchem Group – Official" and "Texchemer ENGAGE" and Sushi King mobile application to foster closer engagement with the stakeholders.

### II. Conduct of General Meetings

The Company's Annual General Meeting ("AGM") is an important means of communication with shareholders. The Company fully recognises the rights of the shareholders and encourages them to exercise their rights at the AGM. Shareholders will be accorded ample opportunity and time to raise questions and concerns, and the Board and senior management will provide appropriate answers and clarifications. The key element of the Company's dialogue with its shareholders at the AGM is the opportunity to gather views of, and answer questions from, both individual and institutional shareholders on all issues relevant to the Company.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

In accordance with the revised 'Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers' issued by the Securities Commission Malaysia on 7 April 2022, the Company's 50<sup>th</sup> AGM in 2024 was held as a virtual meeting through live streaming and online remote voting using the Remote Participation and Voting Facilities ("RPV"). The Notice of the 50<sup>th</sup> AGM was issued more than twenty-eight (28) days before the AGM date.

To ensure effective participation of and engagement with shareholders, the Company encouraged the shareholders and proxies to submit their questions electronically to the Company before and during the AGM. Members of the Board, senior management and external auditors were present at the 50<sup>th</sup> AGM to respond to questions raised by the shareholders or proxies.

The Company had conducted poll voting via RPV for all resolutions set out in the Notice of the 50<sup>th</sup> AGM. The shareholders were provided with the Administrative Guide which sets out the guidelines for shareholders and proxies on the conduct and voting procedures in a virtual meeting together with the Notice of the 50<sup>th</sup> AGM. The results of the poll were verified by the independent scrutineer, Commercial Quest Sdn Bhd. The Company had closely monitored the RPV during the 50<sup>th</sup> AGM to ensure a seamless execution of the 50<sup>th</sup> AGM and also a smooth interaction between the Company and its shareholders. The Company continues to explore on ways to leverage on technology to enhance the quality of engagement with its shareholders and facilitate further participation by shareholders at AGMs of the Company.

This statement was approved by the Board of the Company on 3 March 2025.

# AUDIT COMMITTEE STATEMENT

## MEMBERSHIP

The composition of the Audit Committee during the year was as follows:

Mr. Jony Raw, Chairman, Independent Non-Executive Director  
Puan Azian Binti Mohd. Yusof, Independent Non-Executive Director  
Puan Mariam Binti Jamal, Independent Non-Executive Director

## MEETINGS

During the year, the Audit Committee (AC) convened a total of eight (8) meetings, of which two (2) meetings were with the external and internal auditors without the presence of Management. The AC meetings were held on 26th February, 7th March, 21st March, 29th April, 24th July and 23rd October.

All meetings were held with sufficient notification and with the agenda being distributed to the members. The AC members attended all the meetings.

## SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

During the year, the AC discharged its duties in accordance with its terms of reference as follows:

Oversight of Financial Reporting and its process

- Reviewed with Management before recommending to the Board for consideration, the quarterly unaudited financial statements of the Group and ensured that they were in compliance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and Bursa's Malaysia Main Market Listing Requirements (MMLR)
- Reviewed with Management and external auditors before recommending to the Board for consideration, the annual audited financial statements of the Company and the Group and ensured that they were in compliance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and Bursa Malaysia's Main Market Listing Requirements (MMLR)
- Reviewed with Management and external auditors on changes in or implementation of major accounting policy changes, if any and significant matters relating to financial reporting, significant judgements made by Management, significant and unusual events or transactions and resolution of these matters
- Reviewed with Management and external auditors before presenting to the Board for consideration, the Group's Statement on Risk Management and Internal Control for inclusion in the Annual Report.

Oversight of External Auditors and evaluation of the external audit process

- Reviewed with them, their annual Audit Plan and strategy, scope of work and reporting requirements for the year
- Reviewed with them, their understanding of the system of internal controls obtained in the course of designing their audit procedures, recommendations for improvement, management letters and management responses thereon
- Reviewed with them, their audit report
- Confirmed with them, their audit independence
- Reviewed with them without the presence of Management, matters arising from the external audit or any other issues, of which there were no significant issues that should be brought to the AC and Board's attention
- Reviewed with them without the presence of Management, and confirmed that the cooperation given by the Company's officers during the audit were adequate
- Reviewed with Management, their audit fees and annual evaluation of their performance, technical competency, audit independence and suitability before recommending to the Board their reappointment. Further information on the assessment of the external auditors by the AC is provided in the Corporate Governance Report in accordance with Practice 9.3 of the Malaysian Code of Corporate Governance. In 2024, the non-audit fees incurred amounted to RM33,000 and RM430,000 for the Company and Group constituting approximately 38% and 30% of the total fees of RM86,000 and RM1,412,000 paid respectively. The non-audit fees were mainly for tax compliance and transfer pricing documentation.

## AUDIT COMMITTEE STATEMENT (cont'd)

### Oversight of Internal Auditors and evaluation of the internal audit process

- Reviewed and approved the annual risk based Internal Audit Plan on the audit frequency and timing, work scope, areas of audit focus and adequacy of resources
- Reviewed and approved the annual Internal Audit cost budget
- Reviewed the quarterly Internal Audit Departmental reports and audit progress with Plan
- Reviewed the Internal Audit Reports, audit findings, recommendations for improvement and management's responses to ensure the adequacy and effectiveness of the Group's governance, risk management, whistle blowing, anti-corruption and internal control system
- Reviewed with them without the presence of Management, matters arising from the internal audit or any other issues, of which there were no significant issues that should be brought to the AC and Board's attention
- Conducted an annual evaluation of the performance of the Internal Audit function
- Reviewed the annual performance appraisal and assessment of the Internal Audit staff
- Reviewed the Internal Audit Charter to enhance and upgrade the internal audit activities to be consistent with the mandatory elements of the Institute of Internal Auditors International Professional Practices Framework, including its Standards Core Principles for the Professional Practice of Internal Auditing, Definition of Internal Auditing and Code of Ethics, prior to its recommendation to the Board of Directors for approval.

### Sustainability Reporting

- Reviewed with Management the Group's Sustainability Statement with Management and presented to the Board for consideration and approval for inclusion in the Annual Report.

### Corporate Governance Reporting

- Reviewed with Management the Group's Corporate Governance Overview Statement and Corporate Governance Report and presented to the Board for consideration and approval for inclusion in the Annual Report and Company's website respectively.

### Related Party Transactions and Share Buy-back

- Reviewed with Management the Circular to Shareholders in relation to the proposed renewal of existing shareholders' mandate for recurrent related party transactions and Statement for the proposed renewal of existing share buyback authority and presented to the Board for consideration
- Reviewed and approved the inclusion of the AC statements on the procedures for Recurrent Related Party Transactions in the said Circular
- Reviewed with Management to ensure actual related party transactions were within limits approved by shareholders.

### Conflict of Interest ("COI")

- Reviewed and adopted a COI Policy, together with the 'COI Disclosure Form' for the purpose of identifying, evaluating, disclosure/reporting, monitoring, maintenance and management of COI situations.
- Reviewed the disclosure of actual or potential COI, including interest in any competing business, submitted by the Directors, key senior management of the Company and its subsidiaries and all other employees via the 'COI Disclosure Form' to the Company Secretary and the Group Human Resource Department who then escalated the same to the AC for assessment, conflict management and/or mitigation. The Audit Committee will monitor this potential COI and take the necessary action should the actual conflict of interest materializes in the future. This was subsequently reported to the Board.

## AUDIT COMMITTEE STATEMENT (cont'd)

### INTERNAL AUDIT FUNCTION

The Internal Audit function is established to add value and improve the Group's operations by conducting independent and objective assurance and consulting activities to ensure the adequacy and effectiveness of the Group's governance, risk management and internal control system in achieving corporate objectives.

The in-house Internal Audit function reports administratively to the Group Chief Executive Officer and functionally to the AC which reviews the adequacy of the scope and resources of the Internal Audit function as well as the competency and experience of the internal auditors. Further information on the resources, objectivity and independence of the Chief Audit Executive and internal auditors is set out in the Corporate Governance Report in accordance with Practice 11.2 of the Malaysian Code of Corporate Governance.

During the year, the Internal Audit conducted assurance assignments in accordance with the annual risk based plan. The AC reviewed with Management the audit findings, management's responses and their action plans. Follow-up reviews were also conducted by the Internal Audit function to ensure that audit matters were adequately addressed by Management. More information on the Internal Audit function is set out in the Corporate Governance Report in accordance with Practice 11.1 of the Malaysian Code of Corporate Governance.

In 2024, the total cost of the Internal Audit function comprising staff payroll and benefits, staff training, office rental, travelling and incidental costs amounted to approximately RM439,517 (2023:RM382,223).

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### BOARD'S RESPONSIBILITY

The Board of Directors ("Board") affirms its responsibility for ensuring the integrity, adequacy and effectiveness of Texchem Resources Bhd. Group of Companies ("TRB Group") or (the "Group") risk management and internal control system. This system covers governance, enterprise risk management, organisational, financial, operational, regulatory and compliance controls.

The Board recognises that the system is an ongoing process designed to manage, rather than eliminate the risk of not complying with the Group's policies and achieving its long-term strategic objectives. Therefore, the system provides reasonable, but not absolute assurance against the occurrence of any material misstatement of information, loss or fraud.

During the year, Management has assisted the Board in implementing the Board's policies and procedures on risks and control by:

- Identifying, analysing and evaluating risks
- Designing, executing and monitoring suitable controls to manage key risks
- Identifying emerging risks or changes in risks, taking appropriate remedial action and highlighting them to the Board's attention.

### KEY RISK MANAGEMENT AND INTERNAL CONTROL FEATURES AND PROCESSES

The key features and processes that have been established to ensure the adequacy and effectiveness of the Group's governance, risk management and internal control system are as follows:

- a) Organisational and Reporting Structure
  - The Group has an organisational structure with clearly defined lines of responsibility and delegation of authority. A hierarchical reporting system is in place with appropriate authority limits, proper segregation of duties, annual budgeting, monthly reporting of variances between the actual and budgeted results for corrective action to be taken and human resource management policies. Policies and procedures to ensure compliance with risk management, internal controls and relevant laws and regulations are set out in the standard operating procedures of the individual companies.
- b) Executive Committee
  - An Executive Committee ("EXCO") was established by the Board to manage the Group's key risks and operations in accordance with its annual budget, objectives and strategies as well as the policies and business directions as approved by the Board. The EXCO executes the strategies approved by the Board and addresses issues arising from changes in the external environment and internal operating conditions.
- c) Risk Management Framework
  - The Group has an Enterprise Risk Management ("ERM") framework in line with ISO31000 aligned with corporate objectives which is embedded in the daily operations of individual companies. The ERM system is an ongoing and systematic process to identify, analyse, evaluate, respond, monitor and report on risks.
  - The Group has a Risk Management Policy which is a statement of its overall intention and commitment to adopt and use enterprise risk management to achieve corporate objectives. The policy which is available on the Company's website applies to the Company and its subsidiaries excluding associates which the Company has influence but not control over their operations.
  - The current risk governance structure comprises the following namely:
    - i) Individual companies' management and risk owners who perform and monitor day-to-day risk management activities and controls.
    - ii) Risk and compliance oversight in which the Group Chief Risk Officer and Divisional Management and their risk officers are responsible for designing, reviewing and improving the risk management framework and process to ensure effective risk management.
    - iii) The provision of independent assurance by the Internal Audit function on the adequacy and effectiveness of risk management and internal control system.
    - iv) Board oversight and monitoring of the effectiveness of the Group's risk management activities and internal controls.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (cont'd)

- d) Risk Management Process (Operational, Financial, Anti-Bribery and Corruption)
- At the individual company level, risks were identified, analysed and evaluated using risk (heat) maps currently based on their likelihood of occurrence and severity of consequence expressed as the financial impact on revenue, cash flow, profit, legal and compliance and reputation. Risks were rated as critical, high, moderate and low in which key risks identified would comprise mainly critical, high and moderate risks. Risk controls were delegated to risk owners for execution, monitoring and improving their effectiveness.
  - Every six (6) months, the Management of individual companies will review the relevance of existing risks and assess new ones, if any. The respective company's risk profile is updated after assessing the suitability and effectiveness of the risk controls.
  - The Divisional President/CEO then reviews the divisional risks and their control effectiveness with individual companies' Management. The Risk Report by each Divisional President/CEO is then submitted to the Chief Risk Officer at the corporate headquarters for review.
  - The Chief Risk Officer who is also the Group Chief Financial Officer has reviewed and presented the Group's Risk Report and updated the Board every six (6) months on the status of the Group's enterprise risk management process, changes in risk profiles and their controls in place.
- e) Group's Anti-Corruption Policy and Procedures
- The Group has implemented its Anti-Corruption Policy and Procedures based on the T.R.U.S.T. principles set out in the Guidelines on Adequate Procedures issued by the Prime Minister's Department pursuant to Section 17A of the Malaysian Anti-Corruption Commission Act 2009. The Anti-Corruption Policy and Procedures including the revised Code of Conduct and Ethics and the Vendor Code of Conduct were designed to assist Directors and employees to identify and avoid corrupt acts and provide guidance on the standards of behaviour to which all Directors and employees must adhere to. In the year 2024, the Group has established its Conflict of Interest Policy and Procedures adhere to MMLR, chapter 8,9 and 15. In addition, an awareness training has been conducted to ensure such risks are mitigated. The Group shall continue with its effort in strengthening the measures put in place in relation to its Anti-Corruption Policy and Procedures from time to time.
- f) Risk Management Assurance
- The Group's in-house Internal Audit function has conducted independent audits on major subsidiaries on the adequacy and effectiveness of their governance, enterprise risk management and internal control systems, operational effectiveness, compliance with policies and procedures and highlighted findings of non-compliance, control deficiencies and recommendation for improvement.
  - An enterprise risk based annual audit plan setting out the audit frequency, areas of audit focus and scope of work has been approved by the Audit Committee at the beginning of the year.
  - During the year, the Internal Audit function has provided the Board, Audit Committee and Management with reports on the audit findings, recommendations for improvement and management's responses and action plans. The Internal Audit has also provided the Board and Audit Committee with updates on the subsequent execution of the management's action plans. Audit issues and actions taken by Management were discussed and deliberated during the Audit Committee meetings. Minutes of the Audit Committee meetings which recorded these deliberations were tabled to the Board. A summary of these issues, if material and other matters highlighted by the Internal Audit for the year was also tabled for the Board's attention at year end.
  - As part of its quality assurance and improvement programme, the Internal Audit function conducts an annual internal assessment of its conformance to the International Standards for the Professional Practice of Internal Auditing (the "Standards") and Code of Ethics of the Institute of Internal Auditors (US) and provides the assessment results to Senior Management, Audit Committee and Board at year end. These assessment results are validated independently by an external assessor within a certain time frame.
  - At year end, the Chief Audit Executive has provided assurance to Senior Management, Audit Committee and the Board that during the year the Internal Audit function and activities were conducted in conformance to the Standards and Code of Ethics and the audit assignments were also undertaken objectively and independently, free from any conflict of interest and relationship, and in accordance with the Group's Internal Audit Charter.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (cont'd)

- g) Assurance by the President and Group Chief Executive Officer and Group Chief Financial Officer
- The Board has also received assurance from the President and Group Chief Executive Officer and Group Chief Financial Officer that the risk management and internal control systems of the Company and its subsidiaries were operating adequately and effectively, in all material aspects based on the risk management and internal control system adopted during the year.

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in the Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the Annual Report of the Group for the year ended 31st December 2024, 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 Annual Report of the Group, in all material respects:

- (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 Issues, or
- (b) is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control 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 Board of Directors and Management thereon. The 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 annual report will, in fact, remedy the problems.

This Statement was approved by the Board on 19th March 2025.

This Statement on Risk Management and Internal Control does not cover the associate companies in the financial statements.

### CONCLUSION

The Board is of the view that the risk management and internal control system in place during the year under review and up to the date of approval of this Statement was sound and adequate to safeguard shareholders' investment, the interests of customers, regulators, employees and other stakeholders of the Group.

# SUSTAINABILITY STATEMENT

## Dear Esteemed Stakeholders

I am pleased to share our 2024 Sustainability Report for the financial year ended 31 December 2024 ("FY2024") which details the sustainability initiatives over the past year of Texchem Resources Bhd. Group of Companies ("TRB Group" or "Texchem"). This report reflects our steadfast commitment to building long-term value for our stakeholders by embedding Environmental, Social and Governance ("ESG") principles into our core business strategies and operations.

The global landscape in FY2024 was marked by constant shifts, presenting a mix of challenges, opportunities, along with complex economic and geopolitical developments. Amidst this dynamic environment, sustainability remains a cornerstone of Texchem's strategy, driving us to continually evaluate and enhance our initiatives.

In FY2024, we realised another successful installation of rooftop solar panels, this time at our Thailand factory. We used 3,024 megawatt hours ("MWh") of clean energy generated by these rooftop solar system in FY2024 (FY2023: 2,585 MWh) enabling a carbon footprint reduction of 2,341 tonnes of carbon dioxide equivalent ("CO<sub>2</sub>e") (FY2023:1,652 tonnes CO<sub>2</sub>e reduction).

As part of our commitment to strengthen our ESG reporting, we are proud to have published Texchem's first emissions report in FY2024. This data, covering Scopes 1 and 2 and emissions arising from business travels and employee commuting under Scope 3 emissions, will serve as a foundation for setting reduction targets, identifying opportunities for improvement and enhancing our sustainability initiatives.

Furthermore, with the alignment of our sustainability agenda to Bursa Malaysia Securities Berhad's ("Bursa Malaysia") latest Main Market Listing Requirements from the previous year, our current reporting framework will continue to offer a more transparent and comprehensive view of our sustainability performance while ensuring long-term value for all stakeholders.

Texchem acknowledges the critical need to address climate change as a global priority requiring immediate action. As a responsible corporate entity, we are dedicated to reducing our environmental impact and fostering a sustainable future. We are actively developing strategies to confront climate change by assessing our operations, identifying climate-related risks and seeking solutions to enhance our resilience.

## Looking Forward

Sustainability remains at the heart of our operations, shaping the way we conduct business every day. We are deeply committed to enhancing our ESG performance, ensuring that we not only set ambitious goals but also demonstrate tangible progress through transparent reporting. As we continue to grow, we are dedicated to refining our sustainability disclosures to reflect our evolving initiatives and achievements.

Achieving meaningful, long-term sustainability requires collaboration and collective effort. We are eager to engage with our stakeholders to explore innovative solutions that drive positive change. Ultimately, our goal is to deliver enduring value to all those we serve while contributing to a more sustainable and equitable world for future generations.

Thank you.

**Dr. Yuma Konishi**  
Chairman, Sustainability Steering Committee

## SUSTAINABILITY STATEMENT (cont'd)

The annual Sustainability Statement of Texchem Resources Bhd. Group of Companies (“TRB Group” or “Texchem” or “the Group”) for the financial year from 1 January 2024 to 31 December 2024 (FY2024) offers a comprehensive overview of the Group’s progress in driving our Economic, Environmental, Social and Governance (EESG) agenda.

### Scope and Boundaries

This report covers all business operations and activities of the Group where we have direct management control and excludes our associate companies. This includes our operations which span across South East Asia: Malaysia, Singapore, Thailand, Indonesia, Vietnam, and Myanmar.

### Reporting Standards and Guidelines

This report has been prepared in accordance with:

- Main Market Listing Requirements of Bursa Malaysia Securities Berhad’s Sustainability Reporting Guide 2022 (3<sup>rd</sup> edition)
- Bursa Malaysia Main Market Listing Requirements (Enhanced Sustainability Reporting Requirements: Annexure A Practice Note 9)
- Greenhouse Gas Corporate Accounting and Reporting Standard (GHG Protocol)

This report also draws guidance from:

- United Nations Sustainable Development Goals (UNSDGs)

### Statement of Assurance

In strengthening the credibility of our Sustainability Statement, the following common indicators had been subjected to an internal review by our Group Internal Assurance & Consulting Department:

Subject Matters	Common Indicators
Anti-Corruption	<ul style="list-style-type: none"> <li>• Percentage of employees who have received training on anti-corruption</li> <li>• Confirmed incidents of corruption and action taken</li> </ul>
Community and Society	<ul style="list-style-type: none"> <li>• Total amount invested in the community where the target beneficiaries are external to the listed issuer</li> <li>• Total number of beneficiaries of the investment in communities</li> </ul>
Diversity	<ul style="list-style-type: none"> <li>• Percentage of employees by gender and age group, for each employee category</li> <li>• Percentage of directors by gender and age group</li> </ul>
Health and Safety	<ul style="list-style-type: none"> <li>• Number of work-related fatalities</li> <li>• Number of employees trained on health and safety standards</li> </ul>
Labour Practices and Standards	<ul style="list-style-type: none"> <li>• Percentage of employees that are contractors or temporary staff</li> <li>• Total number of employee turnover by employee category</li> <li>• Number of substantiated complaints concerning human rights violations</li> </ul>
Supply Chain Management	<ul style="list-style-type: none"> <li>• Proportion of spending on local suppliers</li> </ul>
Data Privacy and Security	<ul style="list-style-type: none"> <li>• Number of substantiated complaints concerning breaches of customer privacy losses of customer data</li> </ul>

The boundary of the internal review includes Texchem’s operations in Malaysia, Singapore, Thailand, Indonesia, Vietnam, and Myanmar. This assurance serves to affirm the continued enhancement in our commitment to transparency, accountability and adherence to ethical reporting standards.

# SUSTAINABILITY STATEMENT (cont'd)

## Report Accessibility and Feedback

This report is available on Texchem’s website at <https://texchemgroup.com/investor-relations/>. Any feedback, suggestions, or inquiries in relation to the topics discussed in this statement can be directed to [esg@trbgroup.com](mailto:esg@trbgroup.com).

## Our Journey towards Sustainability

At Texchem, we remain steadfast in our commitment to sustainability, continually refining our approach to integrate Economic, Environmental, Social and Governance (EESG) principles into every aspect of our operations. Our focus is on strengthening our value chain to build a resilient, inclusive economy while generating shared value for all stakeholders. Sustainability is woven into the fabric of our daily business practices, enabling us to cultivate enduring partnerships and contribute to the broader growth and development of the locations where we operate.





## Materiality Assessment

After due deliberation, based on the Texchem’s present operating environment, business model and future business aspiration and opportunities, the Management has approved to retain its material topics and materiality matrix for FY2024.

### 1. Material Matters

Texchem material matters have been refined to align with the Bursa Malaysia Main Market Listing Requirements in relation to enhanced sustainability reporting framework i.e. Common Sustainability Matters.

#### Common Sustainability Matters FY 2024

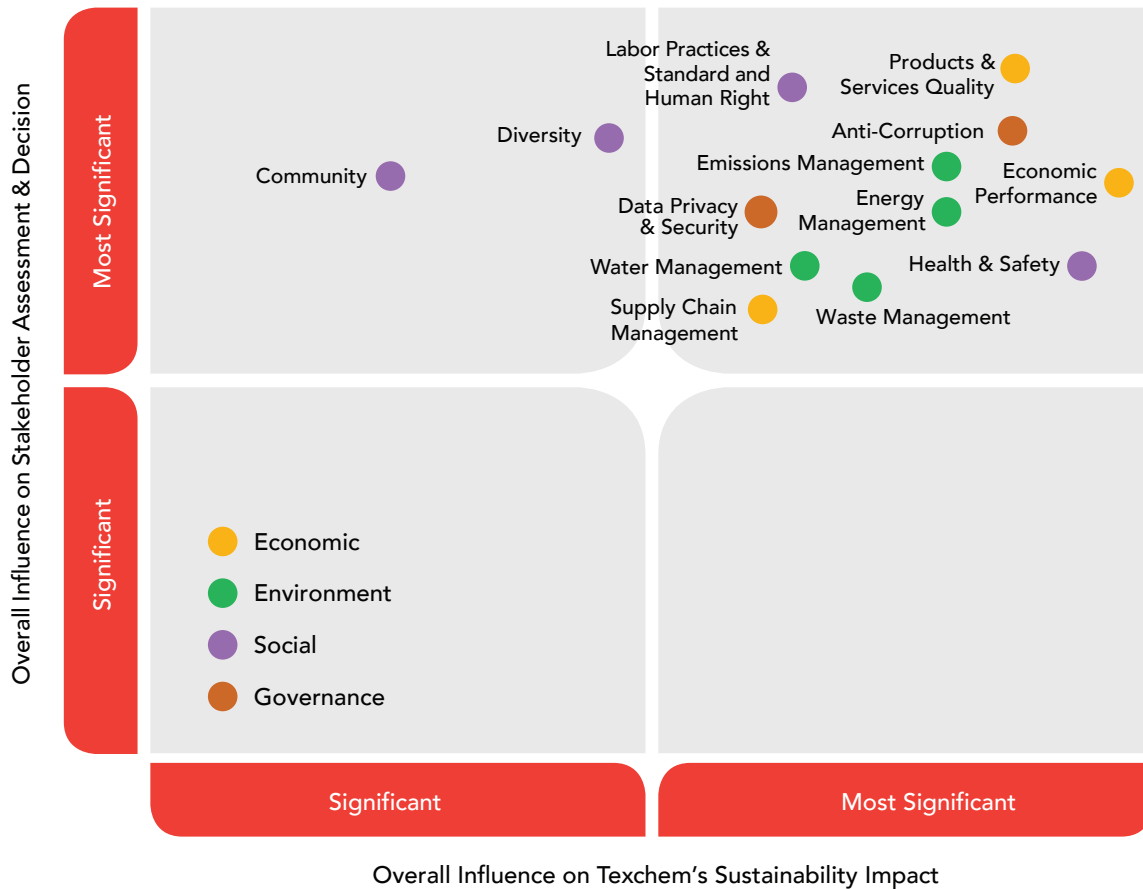
<p style="text-align: center;"><b>ECONOMIC</b></p> <ul style="list-style-type: none"> <li>• Economic Performance</li> <li>• Product &amp; Service Quality</li> <li>• Supply Chain Management</li> </ul> 	<p style="text-align: center;"><b>ENVIRONMENT</b></p> <ul style="list-style-type: none"> <li>• Energy Management</li> <li>• Water Management</li> <li>• Waste Management</li> <li>• Emissions Management</li> </ul> 
<p style="text-align: center;"><b>SOCIAL</b></p> <ul style="list-style-type: none"> <li>• Community</li> <li>• Diversity &amp; Inclusion</li> <li>• Health &amp; Safety</li> <li>• Labour Practices &amp; Standards and Human Rights</li> </ul> 	<p style="text-align: center;"><b>GOVERNANCE</b></p> <ul style="list-style-type: none"> <li>• Anti-corruption</li> <li>• Data Privacy &amp; Security</li> </ul> 

## SUSTAINABILITY STATEMENT (cont'd)

### 2. Assessment Process

Our materiality assessment process was conducted through our evaluation of various stakeholders' engagement throughout the year, peer comparison reviews and cognizance of the current economic, environmental as well as social trends both locally and globally. On top of this, the dynamic business landscape was continually assessed to ensure that we remain vigilant and ever-ready in managing our business risks and harnessing opportunities. This process has allowed us to rank our material matters based on their priority and the severity of impact not only on Texchem's business operation but also to both internal and external stakeholders, with future-proof plans are formulated as part of mitigation strategy.









#### Materiality Matrix



## SUSTAINABILITY STATEMENT (cont'd)

### 2. Assessment Process (cont'd)

#### Stakeholder Engagements (cont'd)

Stakeholder Group	Type of Engagement	Sustainability Concerns
Customers 	<ul style="list-style-type: none"> <li>Dialogue/Conference calls</li> <li>Status Updates and Operational Presentations</li> <li>Customer visits</li> <li>Customer surveys</li> </ul>	<ul style="list-style-type: none"> <li>Competitive prices, quality, product safety</li> <li>Customer satisfaction</li> <li>Creating total solutions</li> <li>Timely delivery</li> </ul>
Board of Directors 	<ul style="list-style-type: none"> <li>Board Meetings</li> <li>Audit and Risk Management Committee Meetings</li> <li>Other Committee Meetings</li> </ul>	<ul style="list-style-type: none"> <li>Revenue and profit growth, financial results</li> <li>Corporate Governance compliance to all relevant Regulations and Law</li> <li>Adequate Procedures on Anti-Corruption and Bribery</li> <li>EESG progress</li> </ul>
Employees 	<ul style="list-style-type: none"> <li>Annual Performance Development Review</li> <li>Employee Engagement activities</li> <li>Education and Training Programs</li> <li>Volunteer and Corporate Social Responsibility ("CSR") programs</li> </ul>	<ul style="list-style-type: none"> <li>Employee development and career planning</li> <li>Building high performance culture</li> <li>Talent management and retention</li> <li>Healthy and safe work environment</li> <li>Building values of empathy among employees</li> </ul>
Investors 	<ul style="list-style-type: none"> <li>Half-yearly results briefing</li> <li>Annual General Meetings</li> </ul>	<ul style="list-style-type: none"> <li>Revenue and profit growth</li> <li>Good dividend payout</li> <li>Good EESG practices</li> </ul>
Vendors/ Suppliers 	<ul style="list-style-type: none"> <li>Supplier qualification and selection</li> <li>Supplier evaluation and periodic audits</li> <li>Engagement and meetings</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable and consistency in supply</li> <li>Quality of goods and services</li> <li>Fair and mutual agreements</li> </ul>
Government/ Regulators 	<ul style="list-style-type: none"> <li>Quarterly results announcements</li> <li>Consultative activities and meetings</li> <li>Industry events and seminars</li> </ul>	<ul style="list-style-type: none"> <li>Adherence to Law and Regulations</li> <li>Corporate Governance and Compliance</li> </ul>
Community 	<ul style="list-style-type: none"> <li>CSR programs</li> <li>Corporate volunteer programs</li> </ul>	<ul style="list-style-type: none"> <li>Uplifting the needy groups in our society</li> <li>Foster better relationships and partnership</li> <li>Good corporate citizen</li> </ul>
Bankers 	<ul style="list-style-type: none"> <li>Timely business and financial updates</li> <li>Periodic dialogues and discussions</li> </ul>	<ul style="list-style-type: none"> <li>Financial performance</li> <li>Good EESG practices</li> <li>Risk management</li> </ul>

## SUSTAINABILITY STATEMENT (cont'd)

### GOVERNANCE

At Texchem, it is our utmost priority to conduct our business ethically by adhering to the highest standards of good governance as it represents our brand value and our commitment to our stakeholders. We recognise the importance to ensure all our business operations are conducted in compliance with all pertinent laws, rules, and regulations, maintaining the highest ethical standards, in all countries that we operate in. We acknowledge that any non-compliance will bring adverse impacts including loss of stakeholder trust and confidence, susceptibility to legal and financial liability, challenges in attracting top talent, and most important, to maintain the license to operate.

#### Board Oversight on Sustainability and Governance

Texchem’s Board of Directors plays a vital role in upholding good governance and spearheading sustainability agenda across the Group. Setting a strong “tone from the top”, the Board has oversight on the Group’s economic, environmental, social and governance (EESG) strategies, matters related to climate change, status of EESG implementation and performance. At the Group level, the Sustainability Steering Committee (SSC), supported by the Sustainability Working Committee (SWC), is responsible in establishing the Group’s sustainability strategies and advise the Board accordingly.

Going forward, in ensuring greater ownership and oversight of Texchem’s sustainability agenda and strategies, the Board had initiated discussions to introduce more robust sustainability-linked Key Performance Indicators (KPIs) for the Board as well as Key Management to ensure the KPIs are congruous with Texchem’s diverse business landscape.

<b>Board of Directors</b>	<ul style="list-style-type: none"> <li>• The Board of Directors has oversight on Texchem’s sustainability agenda</li> <li>• Oversees the Group’s sustainability initiatives</li> <li>• Provides final review and approval on sustainability matters related to the Group</li> </ul>
<b>Sustainability Steering Committee (SSC)</b>	<ul style="list-style-type: none"> <li>• Comprises of President and Group Chief Executive Officer (Chair of SSC), Divisional Presidents and CEOs, Group Chief Financial Officer, Group Chief Administrative Officer &amp; Chief Human Resources Officer and Legal Director</li> <li>• Advisor to the Board in matters relation to EESG and climate change</li> <li>• Develops, monitor and review the Group’s overall sustainability agenda and strategies</li> <li>• Ensures sustainability disclosures are aligned with the Listing Requirements</li> </ul>
<b>Sustainability Working Committee (SWC)</b>	<ul style="list-style-type: none"> <li>• Comprises the various department representatives within the Group</li> <li>• Supports the SSC in planning, execution and monitoring of EESG strategies, plans and initiatives</li> <li>• Assists SSC in the preparation of EESG reporting and annual sustainability statement</li> </ul>

#### Corporate Governance and Regulatory Compliance

Our approach to corporate governance is underpinned by a comprehensive suite of policies developed to reinforce ethical business and professional business conduct within Texchem. These policies are applied consistently across Texchem, fostering a shared commitment to good corporate behaviour among all subsidiaries. Relevant policies are also extended to our suppliers and business partners, promoting integrity throughout the supply chain. To this end, our primary focus sets upon adopting the substance of good governance, not merely its form, with the aim of ensuring Texchem’s effectiveness in enhancing shareholder value.

Board Policies	Corporate Policies
<ul style="list-style-type: none"> <li>• Remuneration Policy and Procedures</li> <li>• Director’s Fit and Proper Policy</li> <li>• Policies and Procedures to Assess the Suitability and Independence of External Auditors</li> </ul>	<ul style="list-style-type: none"> <li>• Anti-Corruption Policy</li> <li>• Code of Conduct and Ethics</li> <li>• Conflict of Interest Policy</li> <li>• Whistleblower Policy</li> <li>• Sustainability Policy</li> <li>• Vendor Code of Conduct</li> </ul>

The above policies are accessible at <https://texchemgroup.com/investor-relations/#governance>.

## SUSTAINABILITY STATEMENT (cont'd)

### Anti-Corruption

At Texchem, we believe that by upholding highest standards of transparency, accountability and integrity is good for business and it ensures long-term success and sustainable growth, where our stakeholders will remain confident in the manner we run business. As such, we maintain a stringent zero-tolerance policy to all forms of bribery and corruption in all our business interactions. This no-compromise stance is encapsulated in our Anti-Corruption Policy and Procedures (ACP) founded on the T.R.U.S.T. principles in accordance with Section 17A of the Malaysian Anti-Corruption Commission Act 2009. Our comprehensive framework includes an updated Code of Conduct and Ethics and Vendor Code of Conduct, providing Directors and employees with clear guidance on identifying and avoiding corrupt practices while setting explicit behavioural standards.

The ACP's scope encompasses not only our immediate workforce but also extends throughout our supply chain and business partnerships, establishing a comprehensive shield against corruption risks across all operations. These policies, procedures and guidelines are subject to regular reviews and have been communicated to all employees via various communicating channels. In FY2024, we maintain 100% of our Board members as well as our employees received training on the Anti-Corruption Policy and Procedures, including new hires. To further strengthen our commitment to transparency, the Group's Whistleblowing Policy provides stakeholders with a secure and confidential channel to report potential violations or questionable practices without fear of retaliation. In FY2024, there are no report on our whistleblowing channel and there are no confirmed incidents of corruption and action taken.

### Assessment for Corruption Risks

Recognising the importance of risk assessment in good management practice, top-level management emphasizes the need for effective risk assessment embedded at all organisational levels to ensure the integrity of our business remains intact. As part of its rotational audit planning, our Group Internal Assurance and Consulting Department has conducted a limited assurance on the corruption-risk assessments, with 59% of our total operations covered.

### Data Privacy and Security

As cybersecurity risks continue to rise, safeguarding sensitive data has become an increasingly critical responsibility for Texchem. We are committed to ensuring the protection of data belonging to our clients, customers, and internal teams by adhering to the Personal Data Protection Act 2010 and maintaining rigorous privacy and cybersecurity protocols.

In FY2024, we have experienced a cybersecurity incident whereby some data in the servers were encrypted and access to the data was blocked. The Group took immediate and appropriate action to isolate the network and restore the affected servers. To the best of our knowledge, there were no data leakage and no complaints were received regarding the loss of customer data or violations of privacy. Texchem continually work towards strengthening its cybersecurity infrastructure and address potential gap by reinforcing the current data privacy and security policy and procedures to ensure our network is robust and protected against cybersecurity threats. We remain committed to maintaining the highest standards of data security. In addition, the Texchem Code of Conduct and Ethics addresses the responsibilities of all employees in protecting the company's confidential information including customer details or any information related our business operations, as well as treating third parties' information with the same degree of care.

## ECONOMIC

At Texchem, we strongly believe that financial resilience and business continuity is built upon two integral aspects: satisfied customers and supportive supply chain. These stakeholders are a reflection of how we manage operational excellence, where our efforts are proven through our financial standings and performance.

### Economic Performance

The sustainability of our economic performance is vital to our ability to support long-term value creation and continue to pursue other sustainability agendas. We are mindful of our responsibilities to create decent employment opportunities and promote economic development within the local communities. On this note, Texchem continually generates value for our stakeholders in our commitment to creating sustainable future for all.

## SUSTAINABILITY STATEMENT (cont'd)

In FY2024, Texchem posted a revenue of RM 1,118 million, an increase of 12.5% as compared to preceding year, a testament of our strong commitment in driving business excellence.

	FY2024 RM'mil	FY2023 RM'mil	FY2022 RM'mil
<b>Economic Value Generated</b>			
Total Revenue	1,118	994	1,143
<b>Economic Value Distributed:</b>			
Total Operating Costs (excluding depreciation, impairment, staff costs & benefits, share based payments)	861	761	887
Staff Costs & Benefits (excluding share based payments)	176	172	174
Income Tax Expenses	9	8	15
Dividend Returns to Shareholders	–	–	16

### Product & Service Quality

As a player in the service industry, the quality of our products and services is key to our business sustainability and continuity. We acknowledge that by consistently delivering top-notch products and services certified with globally recognised standards, building trust, and driving customer satisfaction only can we secure a competitive edge in the market. To this end, product services and quality remains the top material matter across all our divisions, where we strive not only to achieve excellence, but to ensure the excellence is sustainable and replicable, and above all, we endeavour for continual improvements in all our operations. Key practices such as customer satisfaction, employee training, waste management, and equipment maintenance are integrated into our operations to maintain efficiency and reliability.

Specifically in our Food and Restaurant Divisions where food safety and control are of serious matter, we have established strategies to ensure highest standards of product services and quality, as well as safeguarding customer health and safety. This includes:

- Established procedures to monitor critical control points (CCP), operational prerequisite programs (OPRP) and scheduled regulatory review to ensure strict adherence to regulatory requirements and food safety standards, minimising food safety hazards
- Obtained relevant certification such as Hazard Analysis and Critical Point (HACCP), Good Manufacturing Practices (GMP), Makanan Selamat Tanggungjawab Industri (MeSTI) etc. ensure our operations are in accordance with industry standards and legal requirements
- Established stringent temperature monitoring, comprehensive laboratory testing, robust hygiene practices, and systematic supplier evaluations
- Committed to zero-tolerance stance on significant downtime. Minimising production downtime and equipment breakdown is significant for maximising productivity, enhanced operational efficiency and maintain a reliable and robust infrastructure
- Established metric and targets to monitor performance and opportunities for improvement
- Invested in comprehensive training for our employees in proper food handling and hygiene through the Sushi King Academy, as well as on-the-job training at our outlets

In FY2024, we are proud to achieved 3 Zeroes across our food and restaurant division: Zero food poisoning cases, zero complaints of product quality per shipment, and zero complaints related to food safety hazards, including microbiological, chemical, or physical issues. The Group remains committed to diligently monitoring and addressing food safety risks, continually strengthening our practices to maintain the clean track record.

## SUSTAINABILITY STATEMENT (cont'd)

### Accreditation and Certification

At Texchem, we take pride in the quality of our products and services. As our business spans across various industries, we ensure our products and services are manufactured in accordance to international standards and codes that are globally recognised. Accreditations also serve as a benchmark of our performance, showcasing our ability to meet stringent requirements while staying competitive in a demanding market. This commitment reflects our focus on maintaining trust among stakeholders and delivering sustainable value across all areas of our operations.

Division	Certification	Total
INDUSTRIAL	ISO 9001:2015	6
	ISO 14001:2015	1
	ISCC Plus	1
	Ecovardis	1
	Global Recycled Standard (4.0)	1
	OEKO-TEX Eco Passport	1
POLYMER ENGINEERING	ISO 9001:2015	6
	EN ISO 134585:2016	5
	ISO 14001:2015	6
	IATF 16949:2016	1
FOOD	Hazard Analysis and Critical Control Point (HACCP)	6
	HACCP (GHPs)	2
	Halal (Myanmar)	14
	Certificate of Good Aquaculture Practice (GAqP)	1
	U.S. Food and Drug Administration Registration	3
	Good Hygiene Practice (GHP) Certificate	2
	ISO 22000	3
	Good Manufacturing Practice (GMP)	1
	Halal MS 1500:2019	29
	Makanan Selamat Tanggungjawab Industri (MeSTI) Certificate	2
	OEM Halal	1
	Veterinary Health Mark (VHM) Cert V283	1
RESTAURANT	ISO 9001:2015	1
	ISO 22000:2018	1
	Halal (Warehouse) MS 2400-2	1
	Halal (Transportation) MS 2400-1	1
	MyFood Tag	1
	HACCP Codex Alimentarius 2020	1
	"Sijil Pengiktirafan BeSS" (Bersih, Selamat dan Sihat bagi Pengusaha Premis Makanan)	3
	Halal MS 1500	116
VENTURE	ISO 9001:2015	1
	ISO 14001:2015	1
	ISO/EC 17025:2017	1

## SUSTAINABILITY STATEMENT (cont'd)

### Halal Certification

Consumers are becoming more mindful of what they consume, increasingly prioritizing transparency in the products they choose. Halal certification, trusted as a verifier of both ingredients and processes, aligns with these expectations by ensuring quality and compliance. The Halal stamp of approval not only builds consumer confidence but also differentiates products, adding value and setting them apart in a competitive market.

In FY2024, the Group continued to advance its halal brands, maintaining strict adherence to certification standards.

### Brands Certified Halal



Brand : **SUSHI KING**  
 Operations : **Restaurant - 117 outlets**  
 Country : **Malaysia**



Brand : **HOSHINO COFFEE**  
 Operations : **Restaurant - 5 outlets**  
 Country : **Malaysia**



Brand : **KOKUBU**  
 Operations : **Food logistics & warehouse operations**  
 Country : **Malaysia**

### Customer Satisfaction

Customer satisfaction is a reflection of our performance. Negative feedback on our product and service quality can jeopardise our brand image and customer relationships, impacting business performance and industry standing. At Texchem, our approach to mitigate these risks is to actively hear from our customers through annual customer satisfaction surveys. In addition, we managed customer feedback through our Customer Complaint Action Form (CCAF) process, which enables thorough investigation, root cause identification, corrective actions, and improvement plans, along with final customer feedback.

### Supply Chain Management

Texchem is deeply committed to sustainability, extending our efforts beyond internal operations to embrace the highest ESG standards throughout our supply chain. Responsible procurement practices are embedded across the procurement lifecycle, enhancing supply chain resilience to contribute to broader economic and environmental goals. Our procurement policies emphasize confidentiality, conflict-of-interest prevention, and fair dealings with suppliers, reflecting our commitment to ethical business practices.

### Supplier Code of Conduct

We acknowledge that any potential non-compliance by our suppliers, vendors and others could directly or indirectly affect our brand reputation, as such, all our vendors are bounded by the Texchem Vendor Code of Conduct. This policy strictly requires all vendors to comply with laws, regulations, and guidelines applicable to them in countries where they operate, providing safe and healthy working environment, protect and treat workers with respect and dignity, and shall be in full compliance with all their respective obligation under any agreement with Texchem.

To reinforce these principles, the Group's Anti-Corruption Programme sets a benchmark for integrity, accountability, and professionalism. All suppliers, vendors, contractors, and third-party partners are required to adhere to Texchem's Anti-Corruption Policy and Procedures (ACP) and comply with Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (MACC Act). Binding anti-corruption commitments are integrated into all third-party agreements, ensuring alignment with relevant laws and standards.

### Supplier Performance and Evaluation

Texchem's Supply Chain Management encompasses a structured and systematic approach across its various divisions, ensuring efficient sourcing, production, and delivery. Each division adheres to established procedures and best practices to maintain highest standards, sustainability, and compliance in its operations. Periodic supplier audits and assessments based on standard operating procedures established are conducted to ensure quality of products and services, timeliness of deliveries, as well as process compliance and efficiency are strictly adhered to.

## SUSTAINABILITY STATEMENT (cont'd)

### Supporting Local Economy through Procurement

In the commitment to sustainable future for all, we are dedicated to supporting local economy by prioritizing and partnering with local suppliers, reducing carbon footprints while fostering community development. In FY2024, 44.5% of our total expenditure on goods and services was with local suppliers. Moving forward, we will continue to expand our supply chain network locally, not only to minimise our carbon footprints, but also to reduce our exposure to climate change risk.

### ENVIRONMENTAL

We acknowledge that our business operations contribute a significant impact to the environment, especially through the natural resources that we consume, emission and waste generation, we are mindful of our carbon footprint. To this end, we at Texchem have embarked on the carbon journey, where we are currently focusing on organisational capacity building and establishing our carbon inventory.

On managing our GHG emissions and carbon inventory, above and beyond direct and indirect emissions which are within our control, we are working towards measuring embodied carbon footprint which stemmed from our supply chain by establishing carbon inventory and procedures.

In FY2024, the Group has organised a training on Sustainability Risks and Opportunities & Section 17A of MACC Act 2009 on Anti-Corruption Measures for top and senior management including those at Vietnam, Thailand, and Myanmar. Moving forward, we will continue to cascade ESG awareness and carbon management not only to our employees, but also to our value chain.

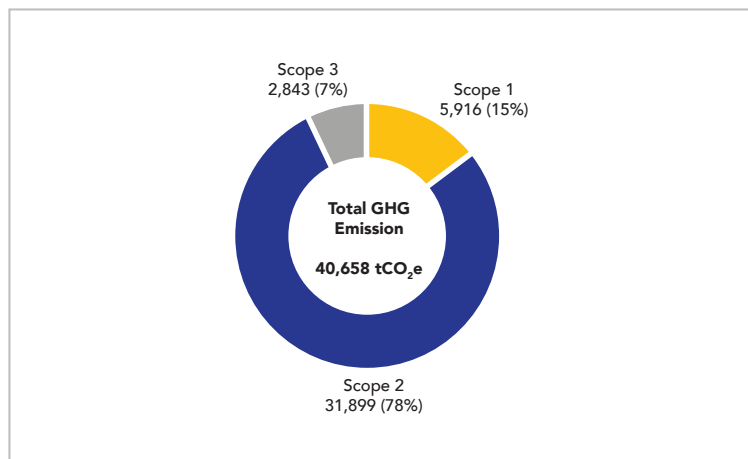
### Energy Management

Climate change is no longer a buzz word which we can afford to ignore as the impacts such as rising temperature, inclement weather, sea level rise are more prominent in recent times. Texchem acknowledges that our energy consumption and GHG emissions contribute to climate change impacts. We recognise that as a corporate citizen, it is our responsibility to reduce our carbon footprint and ensure our business strategies are resilient and adaptable in the face of evolving climate conditions as we continue to thrive in a low-carbon economy.

### Managing Our Emissions

Our data is derived from emission factors published by reputable sources, including the Department of Environment, Food and Rural Affairs (DEFRA) in the United Kingdom, and the Energy Commission (EC). We adopt globally recognised standards set by the World Business Council for Sustainable Development and the World Resources Institute's Greenhouse Gas Protocol (WBCSD/ WRI GHG Protocol) for the calculation of our GHG emissions. FY2024 marked the first emission report by Texchem, with which we aim to improve our disclosures, monitor, and establish reduction targets moving forward.

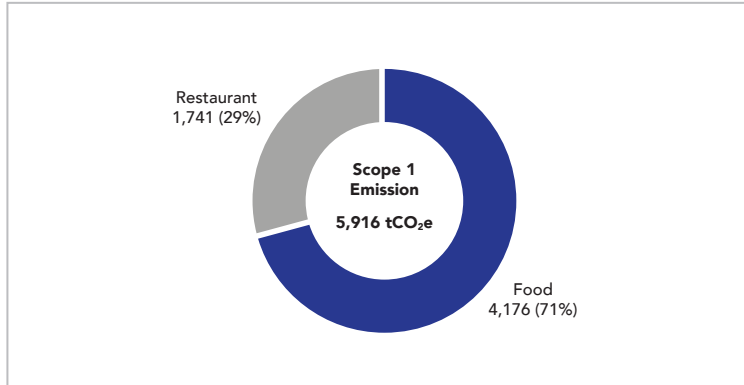
### Total GHG Emissions in FY2024 (tCO<sub>2</sub>e)



## SUSTAINABILITY STATEMENT (cont'd)

### Scope 1 Emissions

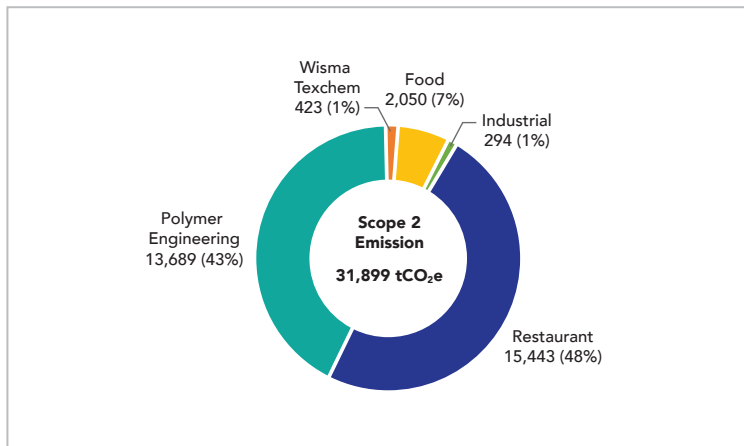
Scope 1 emissions accounts for 15% of our total carbon footprint. Scope 1 emissions include all direct emissions released from fuel consumption at plants and worksites owned or controlled by Texchem. Due to the nature of our business operations, Texchem’s direct emissions contributed by both Restaurant and Food Divisions are mainly from the delivery and transportation fleet.



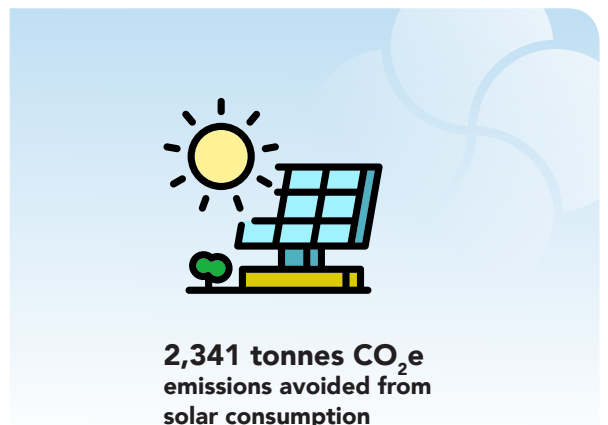
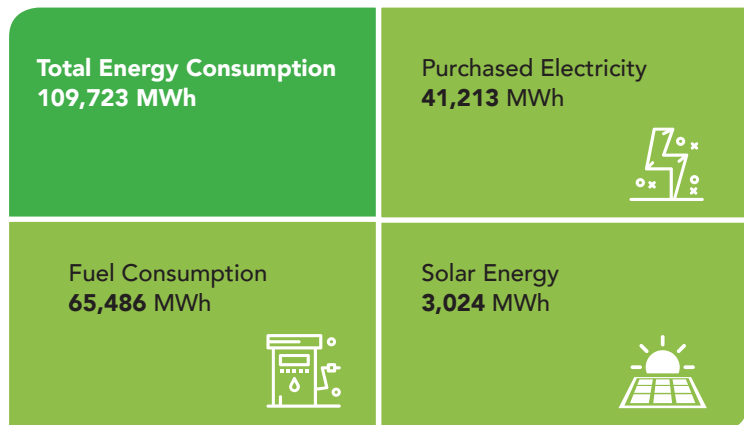
Note: Figures stated may not add up due to rounding of decimals.

### Scope 2 Emissions

Scope 2 emissions accounts for 78% of our total carbon footprint. Scope 2 emissions are contributed from indirect emissions from electricity purchased and consumed at plants and worksites owned or controlled by Texchem.



Note: Emission factor for operations at Singapore, Vietnam, Thailand and Myanmar have been standardised to follow the latest emission factor published by Energy Commission.



Note: Fuel includes diesel, biomass, liquefied petroleum gas (LPG) and petrol consumed for operations

## SUSTAINABILITY STATEMENT (cont'd)

### Scope 3 Emissions

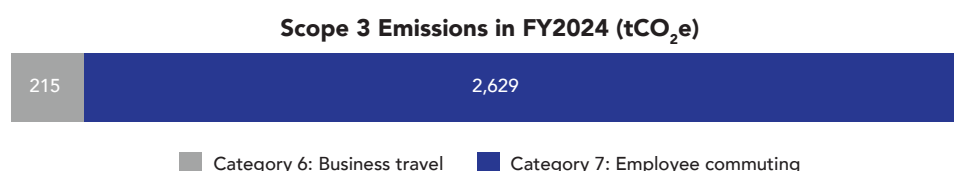
Emissions under Scope 3 include all other indirect emissions generated across our business operations. This year, we have collated 2 categories under Scope 3:

Category	Boundary	Calculation Methodology	
1	Business travel	Texchem Group	Distance-based method
2	Employee commuting	Texchem Group	Distance-based method

### Definition

- **Distance-based method:** Determining the distance and mode of travel, then applying the appropriate emissions factor for the mode used.

Scope 3 Emissions in FY2024 (tCO<sub>2</sub>e)



Note: Figures stated may not add up due to rounding of decimals.

### Progressing in Low Carbon Economy

We are fully committed to reduce our environmental impacts by prioritising energy conservation and improving our energy efficiency. Our initiatives include:

- Energy-saving and cost-effective techniques in manufacturing processes are adopted to reduce operational carbon footprint and energy consumption by adopting new technology and investment in equipment upgrades
- We have made significant operations upgrades at our Polymer Engineering Division by introducing a servo-type vertical injection moulding machine, which enhances efficiency and precision. Additionally, the division replaced its low-efficiency air compressors with high-efficiency Variable Speed Drive (VSD) air compressors, reducing energy consumption. The commitment to sustainability continues with the ongoing use of LED lighting in new production areas, contributing to energy savings and a reduced environmental impact
- Solar photovoltaic (PV) panels installed on our assets where feasible to reduce electricity demand from national grid
- Energy-saving LED lightings installed at our Sushi King restaurants.

While we continue to deploy solar-based energy into our operations, we have embarked on our next phase in energy conservation to identify areas where energy is being wasted and provide a roadmap for improvement opportunities. It involves analyzing energy consumption, identifying potential inefficiencies, and benchmarking against industry standards. We are committed to progressively reduce fossil fuel consumption without compromising our production output and operational efficiency.

### Water Management

Water scarcity is increasingly becoming a significant issue due to various factors such as pollution, change of weather patterns, inefficient water management, overconsumption and rise in demand for freshwater. As water is a key resource in most of our processes, water disruption may affects business operations and productivity.

In FY2024, we have not received any fines and penalties with regards to non-compliance in our water discharges.

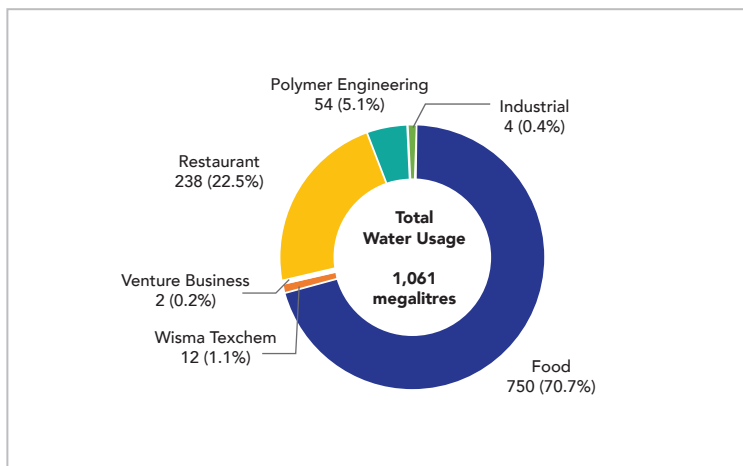
## SUSTAINABILITY STATEMENT (cont'd)

### Water Conservation Initiatives

At Texchem, we have in place initiatives that aim to reduce our demand for potable water and reduce wastages. This includes:

- Water recycling at Polymer Engineering Division where wastewater from production lines is recycled for non-potable application such as toilet flushing
- Create awareness among employees for responsible water usage behaviour at our business and operating sites
- Closely monitor potential leaks and sudden increases in water consumption

We will continue to explore avenues for alternative water source, opportunities for water recycling and reuse, as well as actively reducing our water footprint through process optimisation and improvement.



Note: Figures may not add up due to rounding of decimals

### Waste Management

At Texchem, we recognise the critical importance of responsible waste management as a cornerstone of our operations. Beyond safeguarding the environment and public health, efficient waste management drives cost efficiency through waste reduction and resource recirculation. It also opens avenues to improve operational processes while embracing the principles of a circular economy. By fostering collaboration with the community, we aim to build a more sustainable ecosystem, mitigate environmental impacts, prevent pollution, and conserve precious natural resources.

### Food Waste Management

We actively manage food waste and packaging materials to minimise environmental impact and support circular economy practices. Materials such as cartons, plastic bags, plastic pails, foam boxes, tins, strapping bands, steel, and drums are sold as scrap and subsequently processed into value-added products.

Since October 2024, we have further enhanced these efforts by selling salmon heads to buyers capable of repurposing them for meaningful uses. To close the loop further, we are currently exploring partnerships with animal feed manufacturers to transform salmon waste, including salmon heads into sustainable animal feed, reinforcing our commitment to circularity. Additionally, used cooking oil is collected and sold to third-party suppliers for processing, ensuring it can be repurposed rather than discarded.

Looking ahead, we are dedicated to innovating and implementing new ways to maximise the value of all food waste and by-products. Through recycling and reprocessing initiatives, we aim to transform waste into valuable resources, ensuring that our operations are aligned with resource efficiency and environmental sustainability.

### Industrial Waste Management

The Group recognises that industrial waste can be hazardous and harmful to the environment and nearby communities. As such, we adhere to stringent protocols under the Scheduled Waste Management guidelines outlined in the Environmental Quality Act 1974 for its proper disposal. The eSWIS system is employed to ensure compliance with the Environmental Quality (Scheduled Waste) Regulation 2005, enabling efficient tracking and management of waste disposal. Currently, industrial waste is disposed of monthly to ensure responsible handling and adherence to environmental standards.

## SUSTAINABILITY STATEMENT (cont'd)

At this stage, waste diversion has not yet been implemented. However, it remains a key focus area for improvement. We are actively exploring opportunities and solutions to introduce waste diversion practices, such as recycling and repurposing industrial waste, to align with our broader sustainability objectives. By reducing reliance on landfills and developing innovative methods to process industrial waste, we aim to minimise our environmental impact while advancing a more sustainable and circular economy.

In FY2024, we have diverted 79.4% of total waste generated from landfill disposal and recycled more than 8,690 pieces of used materials, demonstrating our commitment to sustainable waste management and recycling efforts.

We remain steadfast in our commitment to continuous improvement in industrial waste management, ensuring full compliance with regulations while progressing towards more sustainable and efficient waste handling practices.



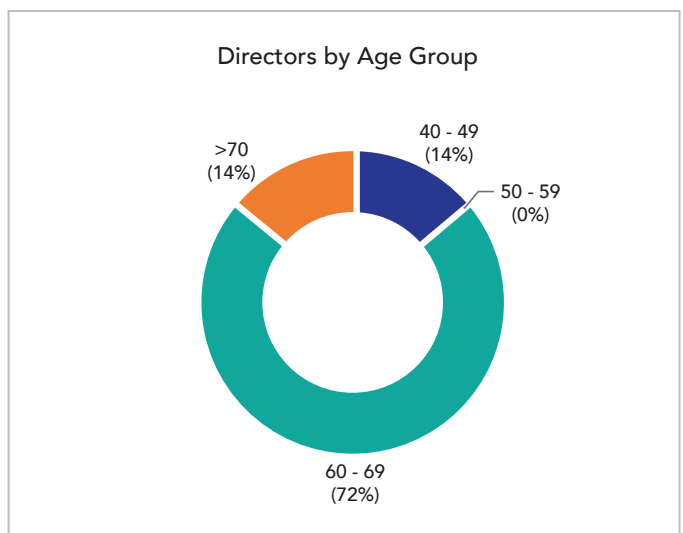
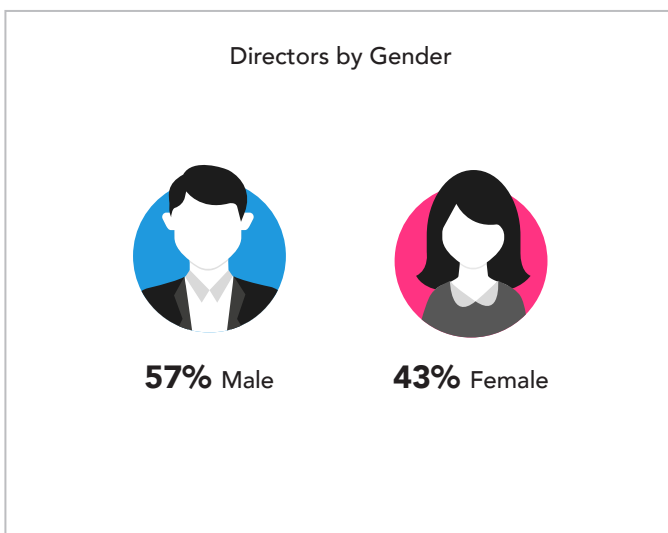
Note: Data on waste generated covers only operating divisions in Malaysia and Myanmar.

## SOCIAL

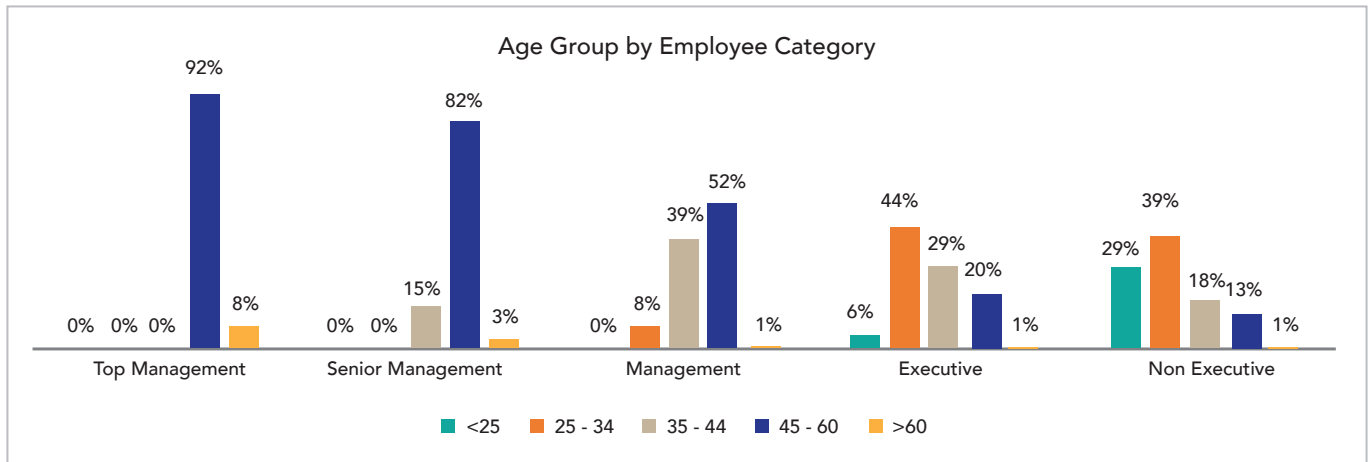
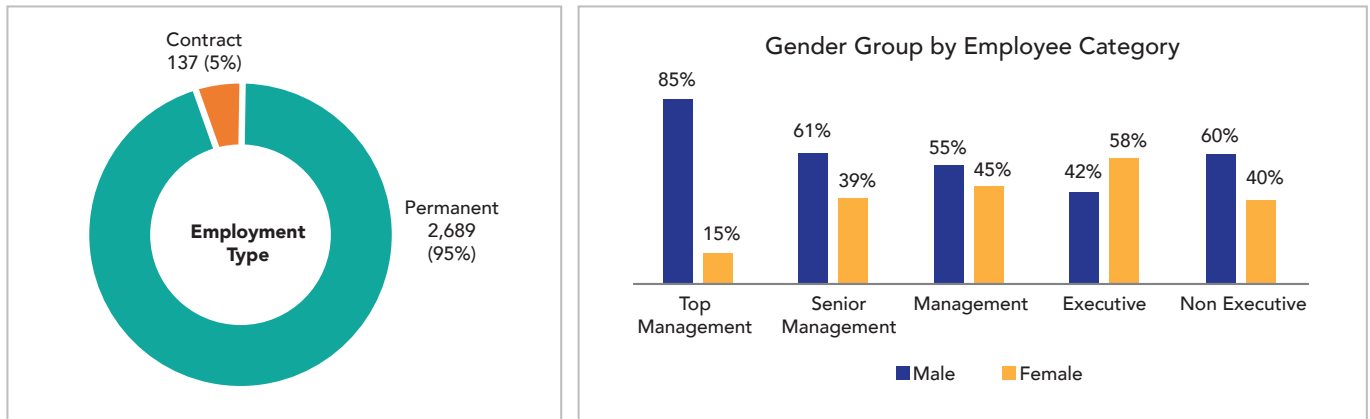
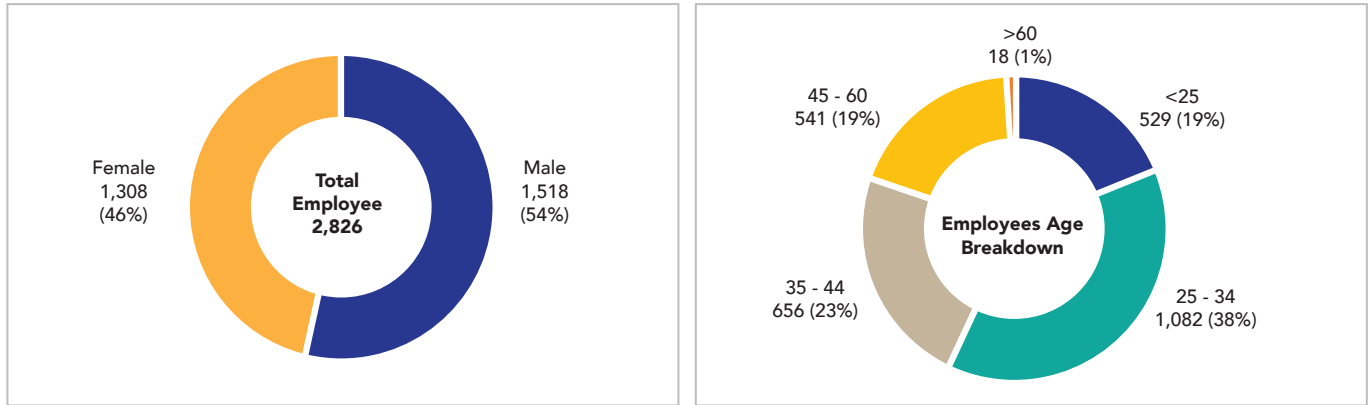
We are committed to upholding social sustainability through creating positive impacts for our employees, stakeholders, and the communities in which we operate. Recognising that employees are our greatest asset, we are committed to provide safe and conducive working environment, respecting human rights and ensuring our labour practices and standards are within the ambit of the applicable legal requirements and guidelines. We aim to be a responsible corporate citizen where we contribute to community enrichment projects, prioritising the well-being of the communities where we operate.

### Diversity and Inclusion

Human capital plays a critical role in the long-term growth of an organisation. We are dedicated to creating a workplace where everyone, regardless of their background, feels valued and empowered to thrive. Our commitment to fairness is reflected in our merit-based approach, where opportunities for growth are available to all, irrespective of age, race, ethnicity, nationality, gender, sexual orientation, or disability. We actively foster a culture that celebrates diversity, embracing all gender identities, respecting cultural traditions, and honouring ethnic sensitivities.



## SUSTAINABILITY STATEMENT (cont'd)



Employee Turnover	2024
Top Management	0.2%
Senior Management	0.4%
Management	1.0%
Executive	7.5%
Non-Executive	22.2%
Total	31.3%

Our overall rate is 31.3% for the reporting period. Due to the nature of the business, our Restaurant Division's employee turnover was at 20.1%. We will continuously work towards improving our turnover rate.

## SUSTAINABILITY STATEMENT (cont'd)

### Talent Development

At Texchem, we continually invest in workforce development, ensuring our employees are equipped to thrive in the dynamic work environment. Through comprehensive development programmes, we support the career growth of our employees to ensure our skill pool remains relevant and future-ready.



Note: Average training hours including part-time staff

### Labour Practices and Standards and Human Rights

At Texchem, we place high priority in ensuring human and labour rights are protected. Our approach is guided by several key commitments to ensure a responsible and ethical work environment:

1. Safe working and living conditions
  - We ensure that the workers' accommodations are established in accordance to the Workers' Minimum Standards of Housing, Accommodations and Amenities (Amendment) Act 2019 (Act 446)
2. Fair compensation
  - We ensure fair compensation for all our workers and in compliance with the Malaysia's Minimum Wage Order 2022 requirements and providing equitable pay for overtime hours. We also ensure full compliance with labour standards of the countries where we operate
3. Freedom of association
  - We respect and support our employees' right to join or affiliate with any non-governmental organisation (NGO), trade or professional association
4. Child labour
  - Child labour is strictly prohibited within all our workplaces

In FY 2024, there has been no reported incident of human rights violation.

### Workplace Health and Safety

We are committed to fostering a safe and healthy workplace for all employees and contractors that sets the foundation for our business to thrive and underpins our financial performance and moral obligations. We acknowledge that any serious occupational health and safety (OSH) incidents can severely impact our license to operate, financials, erosion of stakeholders' confidence and most importantly, our brand reputation.

At Texchem, compliance with legal requirements is integral in our operations and we maintain a zero-tolerance approach to any unsafe acts and conditions at all our workplaces. Our processes and procedures comply with the Occupational Safety and Health Act 1994 (OSHA), as well as applicable legal codes on workplace safety in countries which we operate.

### OSH Management

We recognise that active involvement of our workforce is key to maintaining safe and healthy working environments. As such, Health and Safety committees have been established at all our operational sites. These committees play a crucial role in ensuring effective implementation of Texchem's policies and standard operating procedures, and serve as platform for employees to raise their concerns on workplace safety, where every individual has a part to play in safeguarding the safety and welfare of our workforce. Through our Hazard Identification, Risk Assessment and Risk Control (HIRARC) process, potential workplace hazards and risks are identified and managed with mitigation measures in place to reduce residual risk to a level of as low as reasonably practical.

## SUSTAINABILITY STATEMENT (cont'd)

Our incident reporting procedures outlines the aftermath actions post major OSH incidents which include line of reporting, investigation of incident with recommendations and preventive measures, and communication of lesson learnt to prevent recurrence.

Occupational safety and health trainings are provided regularly for our employees and contractors to equip them with the awareness, knowledge, and skills to carry out their duties safely and handling of emergencies and critical situations.

**Training conducted (but not limited to):**

Ergonomics and manual handling at workplace, workplace crisis management, safe chemicals handling, fire safety and drill, HIRARC etc.

**1,798** employees trained in safety and health standards across all divisions

More than **4,437** hours clocked on safety and health training across all divisions

### OSH Performance

We are proud to report that there were no fatal accidents across all divisions, a testament to our ongoing commitment to safeguard the health, safety, and welfare of our workforce. We will continue to maintain our track record and committed to ensure all our worksites implements the highest safety standards so that our workforce can go home safe everyday.

Occupational Health and Safety	2024	2023
Worked man-hours (hours)	8,035,266	8,971,554
Fatal accidents	0	0
Lost time incident rate (LTIR)	0.42	0.38

Notes:

1. OSH data is scoped to all operational sites
2. LTIR is calculated based on the Bursa Malaysia Sustainability Reporting Guide (3<sup>rd</sup> Edition) recommendation of per 200,000 hours worked

### Community

At Texchem, we believe that corporate success is not solely measured by financial performance but also by the positive impact we create for our communities. Guided by our commitment to sustainability, social responsibility, and inclusivity, our community initiatives focus on improving lives, advocating environmental stewardship, and fostering a culture of giving. Through various programmes, we strive to empower underprivileged communities, champion healthcare access, support environmental resilience, and extend compassion beyond borders.

To inculcate the spirit of volunteerism amongst our workforce, these programmes are carefully curated and executed by our Cultural Ambassadors, fully supported by Texchem employees through active participation. Through these efforts, we continue to strengthen the social fabric of the communities we serve, ensuring a sustainable and equitable future for all.

In FY2024, Texchem’s contributions exceeded RM236,000, channelled through various community initiatives, reaching out to more than 313 beneficiaries through various non-governmental organisations (NGO). Our community efforts have touched many lives, focus on addressing critical social issues such as promoting good health, ensuring access to nutrition, and supporting educational advancement for future generations.

We highlight key initiatives that embody our commitment to driving meaningful and lasting change.

## SUSTAINABILITY STATEMENT (cont'd)

### **Nourishing Young Minds: Back-to-School Healthy Meal Programme**

Texchem remains steadfast in its mission to support underprivileged children through the Back-to-School Healthy Meal Programme, which provided RM53,453 to ensure daily nutritious meals for students from B40 families in selected schools. Proper nutrition is essential for a child's growth, cognitive development, and academic success. This initiative ensures that students receive balanced meals, helping them stay focused in school without the burden of hunger. Studies have shown that children with access to proper nutrition perform better academically and experience overall improved well-being. Beyond health benefits, this programme also alleviates financial pressure on families, enabling parents to focus their limited resources on school supplies and other necessities.



Annual follow-up visit to Sekolah Menengah Kebangsaan Jalan Damai



Annual follow-up visit to Sekolah Kebangsaan Seafield 3

### **Empowering the Visually Impaired: Supporting a Brighter Future**

Texchem contributed a total value of RM5,650 to the Charity Food Carnival 2024, with 14 volunteers actively participating in the event. This includes food donations worth RM3,650 from Sushi King and a cash donation of RM2,000. This initiative supports St. Nicholas' Home Penang, a non-profit organization dedicated to providing care, training, and accommodation for the blind and visually impaired community. By alleviating some of the financial burdens of operating the center, our contribution helps ensure that individuals with visual impairments receive essential support, skills training, and a safe environment to thrive. Texchem remains committed to fostering inclusivity and empowering underserved communities, reinforcing our dedication to meaningful social impact.

### **Extending Care Beyond Healthcare: Adopt a Kidney Dialysis Patient Campaign**

Recognising the financial strain faced by chronic kidney disease (CKD) patients, Texchem launched the Adopt a Kidney Dialysis Patient Campaign in 2017, aiming to raise RM30,000 annually to assist selected dialysis centres in reducing operational costs. This effort directly benefits underprivileged patients by making dialysis treatments more affordable and accessible. Thanks to the overwhelming support from our donors, we exceeded our target and raised an additional RM7,800. In the spirit of community support, this surplus was redirected to an Environmental and Natural Disaster Relief Programme, that aids communities in need. We are deeply grateful to all donors who contributed to improving healthcare accessibility while strengthening disaster relief efforts for those in need.

## SUSTAINABILITY STATEMENT (cont'd)

### A Gesture of Borderless Compassion: Palestinian Aid Through Dine-In Campaign

At Sushi King, we believe that compassion transcends borders. Through our Dine-In for Palestine campaign, RM0.50 from every dine-in transaction was pledged to the Palestinian People’s Humanitarian Trust (AAKRP), raising an incredible RM55,161. This initiative was more than just financial aid—it was a symbol of solidarity, love, and humanity. The funds will support medical aid, food supplies, and rebuilding efforts, offering hope and relief to those affected. We are truly grateful to everyone who dined with us and became part of this meaningful cause. Your support reminds us that even the smallest actions can have a profound, borderless impact.



Official handover of collected funds to the Ministry of Foreign Affairs in Putrajaya.

### Expanding Our Reach: Other CSR Initiatives

Beyond the key initiatives highlighted above, Texchem continues to drive social and environmental impact through various other programmes:

- **Healthcare Support:** Raised funds for cancer patients, participated in a charity run to increase awareness of diabetes and organised a blood donation campaign, collecting 130 pints of blood
- **Environmental Sustainability:** Conducted beach clean-ups, eco-hiking activities, and repurposed used plastic containers for meal distribution in collaboration with The Assembly Soup Kitchen (T.A.S.K).
- **Cultural and Indigenous Support:** Contributions to organisations supporting culture and arts as well as the Penan Orang Asli community.

Each of these initiatives represents Texchem’s unwavering commitment to creating a better, more sustainable world. By aligning our business values with community-driven action, we continue to build a future where corporate success is synonymous with social responsibility.

## SUSTAINABILITY STATEMENT (cont'd)

Indicator	Measurement Unit	2023	2024
<b>Bursa (Anti-corruption)</b>			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Top Management	Percentage	100.00	100.00
Senior Management	Percentage	100.00	100.00
Management	Percentage	100.00	100.00
Executive	Percentage	100.00	100.00
Non-executive	Percentage	100.00	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	39.39	59.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0
<b>Bursa (Data privacy and security)</b>			
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0
<b>Bursa (Supply chain management)</b>			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	42.21	44.50
<b>Bursa (Energy management)</b>			
Bursa C4(a) Total energy consumption	Megawatt	97,121.39	109,723.00
<b>Bursa (Emissions management)</b>			
Bursa C11(a) Scope 1 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	-	5,916.00
Bursa C11(b) Scope 2 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	-	31,899.00
Bursa C11(c) Scope 3 emissions in tonnes of CO <sub>2</sub> e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	2,843.00
<b>Bursa (Water)</b>			
Bursa C9(a) Total volume of water used	Megalitres	1,563.516238	1,061.000000
<b>Bursa (Waste management)</b>			
Bursa C10(a) Total waste generated	Metric tonnes	-	3,695.00
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-	2,936.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	-	759.00
<b>Bursa (Diversity)</b>			
Bursa C3(a) Percentage of employees by gender and age group, for each employee category			
Age Group by Employee Category			
34			
Top Management Under 25	Percentage	No Data Provided	0.00
Top Management Between 25-44	Percentage	No Data Provided	0.00
Top Management Between 35-44	Percentage	12.50	0.00
Top Management Between 45-60	Percentage	68.75	92.00
Top Management Above 60	Percentage	18.75	8.00
25-34			
Senior Management Under 25	Percentage	No Data Provided	0.00
Senior Management Between 25-34	Percentage	No Data Provided	0.00
Senior Management Between 35-44	Percentage	14.63	15.00
Senior Management Between 45-60	Percentage	82.93	82.00
Senior Management Above 60	Percentage	2.44	3.00
Management Under 25	Percentage	No Data Provided	0.00
Management Between 25-34	Percentage	No Data Provided	8.00
Management Between 35-44	Percentage	37.63	39.00
Management Between 45-60	Percentage	50.54	52.00
Management Above 60	Percentage	2.15	1.00
Executive Under 25	Percentage	No Data Provided	6.00
Executive Between 25-34	Percentage	No Data Provided	44.00
Executive Between 35-44	Percentage	27.78	29.00

Internal assurance

External assurance

No assurance

(\*)Restated

## SUSTAINABILITY STATEMENT (cont'd)

Indicator	Measurement Unit	2023	2024
Executive Between 45- 60	Percentage	17.56	20.00
Executive Above 60	Percentage	0.60	1.00
Non-executive Under 25	Percentage	No Data Provided	29.00
Non-executive Between 25-34	Percentage	No Data Provided	39.00
Non-executive Between 35-44	Percentage	17.91	18.00
Non-executive Between 45- 60	Percentage	11.60	13.00
Non-executive Above 60	Percentage	0.75	1.00
<b>Gender Group by Employee Category</b>			
Top Management Male	Percentage	87.50	85.00
Top Management Female	Percentage	12.50	15.00
Senior Management Male	Percentage	60.98	61.00
Senior Management Female	Percentage	39.02	39.00
Management Male	Percentage	61.29	55.00
Management Female	Percentage	38.71	45.00
Executive Male	Percentage	41.37	42.00
Executive Female	Percentage	58.63	58.00
Non-executive Male	Percentage	58.44	60.00
Non-executive Female	Percentage	41.56	40.00
<b>Bursa C3(b) Percentage of directors by gender and age group</b>			
Male	Percentage	71.43	57.00
Female	Percentage	28.57	43.00
Between 40 - 49	Percentage	No Data Provided	14.00
Between 50 - 59	Percentage	No Data Provided	0.00
Between 60 - 69	Percentage	No Data Provided	72.00
Above 70	Percentage	No Data Provided	14.00
<b>Bursa (Labour practices and standards)</b>			
<b>Bursa C6(a) Total hours of training by employee category</b>			
Total Employees	Hours	81,631	69,035
<b>Bursa C6(b) Percentage of employees that are contractors or temporary staff</b>			
	Percentage	20.85	5.00
<b>Bursa C6(c) Total number of employee turnover by employee category</b>			
Top Management	Number	3	4
Senior Management	Number	4	12
Management	Number	30	28
Executive	Number	234	212
Non-executive	Number	764	628
<b>Bursa C6(d) Number of substantiated complaints concerning human rights violations</b>			
	Number	0	0
<b>Bursa (Health and safety)</b>			
<b>Bursa C5(a) Number of work-related fatalities</b>			
	Number	0	0
<b>Bursa C5(b) Lost time incident rate ("LTIR")</b>			
	Rate	0.38	0.42
<b>Bursa C5(c) Number of employees trained on health and safety standards</b>			
	Number	2,089	1,798
<b>Bursa (Community/Society)</b>			
<b>Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer</b>			
	MYR	83,667.00	236,000.00
<b>Bursa C2(b) Total number of beneficiaries of the investment in communities</b>			
	Number	129	313

Internal assurance External assurance No assurance (\*)Restated

**Note:**

- Data for diversity were restated as Texchem has recategorised the age grouping as compared to FY2023

## **DIRECTORS' RESPONSIBILITY STATEMENT IN RESPECT OF THE PREPARATION OF THE AUDITED FINANCIAL STATEMENTS**

The Board is responsible for ensuring that the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2024, and of their financial performance and cash flows for the financial year then ended. In preparing the financial statements, the Directors have ensured that the applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia have been complied with.

In preparing the financial statements, the Directors have selected and applied consistently suitable accounting policies and made reasonable and prudent judgement and estimates. The Directors also have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

## OTHER DISCLOSURES

### MATERIAL CONTRACTS INVOLVING DIRECTORS OR MAJOR SHAREHOLDERS' INTEREST DURING THE FINANCIAL YEAR

There were no material contracts entered into by the Company and/or its subsidiaries involving the interests of the directors or major shareholders (not being contracts entered into in the ordinary course of business), either still subsisting at the end of the financial year ended 31 December 2024 or entered into since the end of the previous financial year.

### RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

Save as disclosed in the Circular to Shareholders dated 24 March 2025 in relation to Part A-Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature, there was no other transaction conducted pursuant to the shareholders' mandate during the financial year ended 31 December 2024.

### EMPLOYEES' SHARE OPTION SCHEME

The shareholders of the Company in its Extraordinary General Meeting held on 22 April 2022 approved the establishment of the Employees' Share Option Scheme ("ESOS") of up to 15% of the total number of issued shares of Texchem Resources Bhd. ("TRB") (excluding treasury shares, if any) ("Total Options") for the eligible Executive Directors and employees of TRB and its subsidiaries (excluding subsidiaries which are dormant, if any) ("TRB Group").

The effective date of implementation of the ESOS was 27 April 2022. The ESOS is for a period of 5 years and would expire on 26 April 2027 subject to an extension in accordance with the By-Laws of the ESOS. On 29 April 2022, a total of 10,806,000 options were offered to the Executive Directors and employees of TRB at the exercise price of RM2.45 each.

During the financial year, the total number of ESOS options granted, exercised, terminated and outstanding under the ESOS are set out in the table below:

Category	Number of options				Balance at 31 December 2024
	Balance at 1 January 2024	Granted	Exercised	Terminated*	
Executive Directors	4,961,000	–	–	–	4,961,000
Employees	2,971,500	–	–	980,000	1,991,500
Total	7,932,500	–	–	980,000	6,952,500

\* The options were terminated as a result of cessation of employment.

During the financial year, no options were granted, exercised or vested pursuant to the ESOS.

Pursuant to the By-Laws of the ESOS, not more than 80% of the Total Options available under the scheme shall be allotted, in aggregate, to the Executive Directors and senior management. During the financial year ended 31 December 2024, no options were granted to the Executive Directors and senior management. Since the date of implementation of the ESOS, 61.5% of the Total Options have been granted to the Executive Directors and senior management of TRB Group.

The By-Laws of the ESOS provide that all Non-Executive Directors of TRB shall not be entitled to participate in the ESOS.

## ANALYSIS OF SHAREHOLDINGS

As at 5 March 2025

Total no. of Issued Shares	-	126,372,735 ordinary shares (including 9,281,800 treasury shares)
Class of Shares	-	Ordinary shares
Voting Rights	-	One vote per ordinary share
No. of Voting Shares	-	117,090,935

### SHAREHOLDING STATISTICS

Size of Holdings	No. of Shareholders	%	Total Holdings <sup>+</sup>	% <sup>+</sup>
Less than 100 shares	254	6.70	9,769	0.01
100 – 1,000 shares	634	16.72	372,848	0.32
1,001 – 10,000 shares	2,051	54.10	9,232,532	7.88
10,001 - 100,000 shares	760	20.05	22,515,479	19.23
100,001 to less than 5% of issued shares	91	2.40	31,640,335	27.02
5% and above of issued shares	1	0.03	53,319,972	45.54
<b>Total</b>	<b>3,791</b>	<b>100.00</b>	<b>117,090,935</b>	<b>100.00</b>

### SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

No.	Name	No. of Shares Held in the Company			
		Direct	% <sup>**</sup>	Deemed	% <sup>**</sup>
1.	Texchem Holdings Sdn. Bhd.	53,319,972	45.54	–	–
2.	Tan Sri Dato' Seri (Dr.) Fumihiko Konishi	525,000	0.45	58,537,494 <sup>(a)</sup>	49.99 <sup>(a)</sup>

### DIRECTORS' INTERESTS IN SHARES AND SHARE OPTIONS HELD UNDER THE EMPLOYEES' SHARE OPTION SCHEME

No.	Name	No. of Shares Held in the Company				Number of Options over Shares	
		Direct	% <sup>**</sup>	Deemed	% <sup>**</sup>	Direct	Deemed
1.	Tan Sri Dato' Seri (Dr.) Fumihiko Konishi	525,000	0.45	58,537,494 <sup>(a)</sup>	49.99 <sup>(a)</sup>	1,228,000	1,633,000 <sup>(b)</sup>
2.	Dr Yuma Konishi	120,000	0.10	–	–	1,633,000	–
3.	Cynthia Ooi Gaik See	340,000	0.29	–	–	560,000	–

#### Notes:

\* Excluding 9,281,800 treasury shares.

\*\* Calculated based on 117,090,935 ordinary shares.

<sup>(a)</sup> Deemed interest by virtue of Tan Sri Dato' Seri (Dr.) Fumihiko Konishi's direct and/or indirect interest in Texchem Holdings Sdn. Bhd. (a substantial shareholder of the Company) and via persons connected with him, i.e. his wife, Puan Sri Datin Seri Atsuko Konishi (a shareholder of Texchem Holdings Sdn. Bhd. and the Company) and his children, Ms Mika Konishi, Ms Mari Konishi and Dr. Yuma Konishi, pursuant to Sections 8 and 59(11)(c) of the Companies Act 2016 respectively.

<sup>(b)</sup> These are options held in the name of the child and are regarded as interests of the Directors in accordance with the Companies Act 2016.

The details of the interests of the Directors (including the interests of the spouses and/or children of the Directors) in the Company's related corporations are the same as the details set out in the section on Directors' Interests in the Directors' Report of this Annual Report.

## ANALYSIS OF SHAREHOLDINGS (cont'd)

As at 5 March 2025

### THIRTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%*
1.	TEXCHEM HOLDINGS SDN BHD	53,319,972	45.54
2.	BLOOD PROTECTION (HOLDING) CO LTD	2,339,884	2.00
3.	ATSUKO KONISHI	2,234,694	1.91
4.	MAN BIN MAT	2,050,000	1.75
5.	MARI KONISHI	1,431,414	1.22
6.	MIKA KONISHI	1,431,414	1.22
7.	PUI CHENG WUI	1,156,200	0.99
8.	EYE CORPORATE PLANNING CO LTD	943,000	0.80
9.	YAP KEE KEONG	900,000	0.77
10.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOOI CHIN BOON	751,700	0.64
11.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG WEI YEE (7004903)	600,000	0.51
12.	CARTABAN NOMINEES (ASING) SDN BHD THE BANK OF NEW YORK MELLON FOR ACADIAN EMERGING MARKETS MICRO-CAP EQUITY MASTER FUND	596,700	0.51
13.	LOW CHU MOOI	530,000	0.45
14.	FUMIHIKO KONISHI	525,000	0.45
15.	TAN AIK CHUAN	501,500	0.43
16.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEE SEE KIM	490,000	0.42
17.	LEONG KONG MIN	480,000	0.41
18.	CHEW KAI TIONG	435,300	0.37
19.	UNITED FORMULA SDN BHD	369,300	0.31
20.	YUTAKA YAMANAKA	359,893	0.31
21.	LIM BEE GEOK	350,100	0.30
22.	CYNTHIA OOI GAIK SEE	340,000	0.29
23.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SIM LEONG THUN (E-SS2)	331,000	0.28
24.	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR FABIAN HUNG HING FUNG	330,000	0.28
25.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN SEOW GEE	320,000	0.27
26.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ABD RASHID BIN SELAMAT	310,000	0.26
27.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HOOI JIA HAO (7010167)	300,000	0.26
28.	GET HOLDINGS SDN BHD	300,000	0.26
29.	LEONG CHON LOONG	300,000	0.26
30.	WOON SEOW LOONG	300,000	0.26
<b>TOTAL:</b>		<b>74,627,071</b>	<b>63.73</b>

**Note:**

\* Excluding 9,281,800 treasury shares and calculated based on 117,090,935 ordinary shares.

## PARTICULARS OF PROPERTIES

Held as at 31 December 2024


Location	Tenure	Area (acre(s))	Description	Approximate Age of Building (years)	Expiry Date	Date of Acquisition/ *Revaluation	Net Book Value (RM'000)
<b>Texchem Materials Sdn. Bhd.</b> No. 6 & 6A, Jalan Tampoi 7/4, Kawasan Perusahaan Tampoi, 81200 Johor Bahru, Johor Darul Takzim.	Freehold	2.54	Office & Warehouse	36	N/A	2 September 1999	4,692
<b>Texchem-Pack (M) Sdn. Bhd.</b> No. 1465, Mukim 11, Lorong Perusahaan Maju 6, Fasa 4, Kawasan Perindustrian Perai, 13600 Perai, Penang.	Leasehold 60 years	3.96	Office & Factory	Between 23 to 32	29 June 2052	*1 December 1994	4,609
<b>Texchem-Pack (PP) Sdn. Bhd.</b> Part of Lot 1241, Phase III, Bayan Lepas Free Industrial Zone, 11900 Penang.	Leasehold 60 years	3.78	Office & Factory	Between 25 to 45	27 August 2041	*26 April 1983	4,260
<b>Texchem-Pack (Johor) Sdn. Bhd.</b> No. 3, Jalan Mutiara 7, Taman Perindustrian Plentong, 81750 Masai, Johor Darul Takzim.	Freehold	0.97	Office & Factory	Between 28 to 29	N/A	21 October 1998	3,830
<b>Eye Graphic Sdn. Bhd.</b> No. 5, Lorong Perusahaan Maju 11, Taman Perusahaan Pelangi, 13600 Perai, Penang.	Freehold	0.27	Office & Factory	28	N/A	16 April 1996	830
<b>Texchem Life Sciences Sdn. Bhd.</b> Lot 3, Jalan P/6, Kawasan Perindustrian Bangi, 43650 Bandar Baru Bangi, Selangor Darul Ehsan.	Leasehold 99 years	2.01	Office, Factory & Store	33	29 September 2086	*7 September 2004	6,644
<b>Texchem-Pack (Thailand) Co., Ltd.</b> 234, Moo 2, Bangpa-in Industrial Estate, Udomsrayut Road, Tambol Klong-jig, Amphur Bangpa-in, Phranakorn Sri Ayutthaya Province, 13160 Thailand.	Freehold	8.56	Office & Factory	31	N/A	3 May 2007	11,252
<b>Wilpack Food Services Sdn. Bhd.</b> No. 2446, Mk 1, Solok Perusahaan Satu, Kawasan Perindustrian Perai, 13600 Perai, Penang.	Leasehold 60 years	1	Office & Factory	42	25 July 2042	15 July 1983	761
Plot 78(a), Perai Industrial Park, Daerah Seberang Perai Tengah, Penang.	Leasehold 60 years	0.19	Store & Canteen	42	20 September 2070	7 May 2008	71
<b>Texchem Corporation Sdn. Bhd.</b> Lot Nos. 808 & 809, Jalan Subang 5, Taman Perindustrian Subang, 47610 Subang Jaya, Selangor Darul Ehsan.	Freehold	5.01	Office & Warehouse	31	N/A	28 October 2015	24,743



# FINANCIAL STATEMENTS



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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 of the Company for the financial year ended 31 December 2024.

### Principal activities

The principal activity of the Company is investment holding whilst the principal activities and details of the subsidiaries are disclosed in Note 5 to the financial statements.

There has been no significant change in the nature of these activities during the financial year.

### Results

	Group RM'000	Company RM'000
Profit for the year attributable to :		
Owners of the Company	6,743	1,197
Non-controlling interests	(1,417)	-
	<u>5,326</u>	<u>1,197</u>

### Reserves and provisions

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

### Dividend

No dividend was paid since the end of the previous financial year end and the Directors do not propose any dividend to be paid for the financial year under review.

## DIRECTORS' REPORT (cont'd)

For the year ended 31 December 2024

### Directors of the Company

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

Tan Sri Dato' Seri (Dr.) Fumihiko Konishi, PSM, DGPN, DSPN, DJN  
 Dr Yuma Konishi, DJN  
 Dato' Azman Bin Mahmud, DPMP, DPSJ, SSP, AMP  
 Jony Raw  
 Azian Binti Mohd Yusof  
 Mariam Binti Jamal (Appointed on 2 May 2024)  
 Cynthia Ooi Gaik See (Appointed on 1 October 2024)  
 Yap Kee Keong (Resigned on 4 September 2024)  
 Dr Zarizana @ Izana Binti Abdul Aziz (Retired on 29 April 2024)

In accordance with Article 22.3 of the Company's Constitution, Tan Sri Dato' Seri (Dr.) Fumihiko Konishi and Dr Yuma Konishi will retire from the Board at the forthcoming Annual General Meeting ("AGM"), and being eligible, offer themselves for re-election.

In accordance with Article 22.10 of the Company's Constitution, Puan Mariam Binti Jamal and Ms Cynthia Ooi Gaik See will retire from the Board at the forthcoming AGM, and being eligible, offer themselves for re-election.

### Directors of the subsidiaries

The directors of the Company's subsidiaries who served on the respective boards of the subsidiaries (excluding directors who are also Directors of the Company) during the financial year until the date of this report are as follows:

Ahmad Fauzi Bin Md Isa	Masanori Hoshino
Chan Weng Kong	Morna Binti Bu Seong
Chang Vui Leong	Myo Min
Chartsiam Srikomolsilp	Naoki Nakajima
Chong Wei Loon	Ng Bak Kuang
Cheow Kok Yin	Ng Kee Hong
(Appointed on 1 January 2025)	Nishan Kumar A/L Balakrishnan
Dr Pun Meng Yan	(Appointed on 1 January 2025)
Gladys Lee Suan See	Saroch Rotjanapanitkij
Goh Bee Sum	Selvam Muniandi
Ho Wei Min	Shunsuke Sakuma
Joseph Yap Ka Choon*	Soh Chiaw Guan
Juriani Binti Haji Drahim	Susumu Sakamaki
Kengo Sakai	Tan Chai Liang
Khow Hong Cheong	Tan Chia Hau*
Koay Leong Seng	Tang Ghee Chong
(Appointed on 1 January 2025)	Takeshi Torita
Kotaro Ando	Winyoo Chaiyakul
Lee Puay Img	(Appointed on 1 May 2024)

## DIRECTORS' REPORT (cont'd)

For the year ended 31 December 2024

### Directors of the subsidiaries (continued)

Lim Chee Khoon	Yeo Aun Hua
Lim Wei Heng	Yeoh Hoon Suan
Loh Sau Mun	Yew Chian Wei

\* Directors of Texchem Food Materials (Vietnam) Co., Ltd., a company that had commenced dissolution process on 8 January 2025.

The directors of the Company's subsidiaries who resigned during the financial year until the date of this report are as follows:

Chua Yean Choo <i>(Resigned on 1 November 2024)</i>	Ooi Khye Soon <i>(Resigned on 1 May 2024)</i>
Lai Yoke Yuen <i>(Resigned on 31 March 2024)</i>	Soo Hoo Beng Toon <i>(Resigned on 1 January 2025)</i>
Lee Eng Phong <i>(Resigned on 14 June 2024)</i>	Takeshi Namiki <i>(Resigned on 18 October 2024)</i>
Lim Siew Kim <i>(Resigned on 1 January 2025)</i>	

### Directors' interests in shares

The interests and deemed interests in the shares and options over 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 and/or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			Balance at 31.12.2024
	Balance at 1.1.2024*	Bought/ Exercised	(Sold)	
<b>The Company</b>				
<u>Direct interest</u>				
Tan Sri Dato' Seri (Dr.) Fumihiko Konishi	525,000	-	-	525,000
Dr Yuma Konishi	120,000	-	-	120,000
Cynthia Ooi Gaik See	340,000*	-	-	340,000
<u>Deemed interest</u>				
Tan Sri Dato' Seri (Dr.) Fumihiko Konishi	58,537,494 <sup>(a)</sup>	-	-	58,537,494 <sup>(a)</sup>

\* At date of appointment

## DIRECTORS' REPORT (cont'd)

For the year ended 31 December 2024

### Directors' interests in shares (continued)

	Number of ordinary shares of Kyats 1,000 each			
	Balance at	Bought	(Sold)	Balance at
	1.1.2024			31.12.2024

#### Related corporations

Tan Sri Dato' Seri (Dr.) Fumihiko Konishi

#### Direct interest

Myanmar Texchem Limited	1 <sup>(b)</sup>	-	-	1 <sup>(b)</sup>
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	Number of ordinary shares of USD1 each			
	Balance at	Bought	(Sold)	Balance at
	1.1.2024			31.12.2024
PT. Texchem Indonesia	1,250 <sup>(b)</sup>	625 <sup>(b)</sup>	-	1,875 <sup>(b)</sup>

	Number of ordinary shares of Thai Baht 100 each			
	Balance at	Bought	(Sold)	Balance at
	1.1.2024			31.12.2024
Texchem Materials (Thailand) Ltd.	1 <sup>(b)</sup>	-	-	1 <sup>(b)</sup>
Texchem-Pack (Thailand) Co., Ltd.	1 <sup>(c)</sup>	-	-	1 <sup>(c)</sup>

	Number of ordinary shares of Rp1,000,000 each			
	Balance at	Bought	(Sold)	Balance at
	1.1.2024			31.12.2024
PT. Sushi King Asia	44 <sup>(d)</sup>	-	-	44 <sup>(d)</sup>

#### Related corporations

Dr Yuma Konishi

	Number of ordinary shares of Thai Baht 100 each			
	Balance at	Bought	(Sold)	Balance at
	1.1.2024			31.12.2024

#### Direct interest

Texchem-Pack (Thailand) Co., Ltd.	1 <sup>(c)</sup>	-	-	1 <sup>(c)</sup>
Texchem Materials (Thailand) Ltd.	-	1 <sup>(b)</sup>	-	1 <sup>(b)</sup>

## DIRECTORS' REPORT (cont'd)

For the year ended 31 December 2024

### Directors' interests in shares (continued)

	Number of options over shares			Balance at 31.12.2024
	Balance at 1.1.2024/*	Granted	(Exercised)	
<b><u>The Company</u></b>				
<b><u>Direct interest</u></b>				
Tan Sri Dato' Seri (Dr.) Fumihiko Konishi	1,228,000	-	-	1,228,000
Dr Yuma Konishi	1,633,000	-	-	1,633,000
Cynthia Ooi Gaik See	560,000 <sup>†</sup>	-	-	560,000
<b><u>Deemed interest</u></b>				
Tan Sri Dato' Seri (Dr.) Fumihiko Konishi	1,633,000 <sup>(e)</sup>	-	-	1,633,000 <sup>(e)</sup>

\* At date of appointment

#### Notes:

- (a) Deemed interest by virtue of Tan Sri Dato' Seri (Dr.) Fumihiko Konishi's direct and/or indirect interest in Texchem Holdings Sdn. Bhd. (a substantial shareholder of the Company) and via persons connected with him, i.e. his wife, Puan Sri Datin Seri Atsuko Konishi (a shareholder of Texchem Holdings Sdn. Bhd. and the Company) and his children, Ms Mika Konishi, Ms Mari Konishi and Dr Yuma Konishi, pursuant to Sections 8 and 59(11)(c) of the Companies Act 2016 respectively
- (b) Share(s) held in trust for Texchem Materials Sdn. Bhd.
- (c) Share held in trust for Texchem Polymer Engineering Sdn. Bhd.
- (d) Shares held in trust for Sushi King Holdings Sdn. Bhd.
- (e) These are options held in the name of the child and are regarded as interests of the Directors in accordance with the Companies Act 2016

By virtue of Tan Sri Dato' Seri (Dr.) Fumihiko Konishi's interests in the shares of the Company, he is also deemed to be interested in the shares in the Company's related corporations to the extent that the Company has an interest.

Save for the above, none of the other Directors holding office at 31 December 2024 had any interest in the shares and options over shares of the Company and of its related corporations during the financial year.

### Directors' benefits

Since the end of the 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, other than those transactions entered in the ordinary course of business between the Company and its related corporations with a company in which a Director has a substantial financial interest.

## DIRECTORS' REPORT (cont'd)

For the year ended 31 December 2024

### Directors' benefits (continued)

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 subsidiaries of the Company RM'000
Directors of the Company:		
Fees	1,000	1,785
Remuneration	1,353	6,126
Benefits-in-kind	80	100
Share-based payments	1	5
	2,434	8,016

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 other than the options granted pursuant to the Employees' Share Option Scheme.

### Issue of shares and debentures

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

### Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year other than the share options granted pursuant to the Employees' Share Option Scheme of the Company as disclosed in the financial statements.

### Employees' Share Option Scheme

At the Extraordinary General Meeting held on 22 April 2022, the Company's shareholders approved the establishment of an Employees' Share Option Scheme ("ESOS") of up to 15% of the total number of issued shares of the Company (excluding treasury shares, if any) for the eligible Executive Directors and employees of the Company and its subsidiaries (excluding subsidiaries which are dormant, if any) ("Eligible Persons").

Vesting period	Number of options '000	ESOS exercise price (RM/share)
29 April 2022 to 26 April 2027	3,240	2.45
1 January 2023 to 26 April 2027	3,240	2.45
1 January 2024 to 26 April 2027	4,326	2.45
	10,806	

## DIRECTORS' REPORT (cont'd)

For the year ended 31 December 2024

### Employees' Share Option Scheme (continued)

The options offered to take up unissued ordinary shares are as follows:

Date of offer	Expiry date	Exercise price (RM)	← Number of options over shares →			
			At 1.1.2024	Granted	(Forfeited)	At 31.12.2024
29.04.2022	26.04.2027	2.45	7,932,500	-	(980,000)	6,952,500

The salient features of the ESOS are as follows:

- The ESOS is for a period of 5 years from 27 April 2022 and would expire on 26 April 2027 ("ESOS Period") subject to an extension at the discretion of the Board of Directors upon the recommendation by the ESOS Committee provided that the ESOS Period shall not in aggregate exceed a duration of 10 years from 27 April 2022 or such longer period as may be prescribed by Bursa Malaysia Securities Berhad.
- The total number of shares which may be issued pursuant to the ESOS shall not exceed 15% of the total number of issued shares of the Company (excluding treasury shares, if any) at any one time during the ESOS Period.
- Eligible Persons are employees employed by and are on the payroll of any corporation in Texchem Resources Bhd Group of Companies (excluding subsidiaries which are dormant) and his/her employment has been confirmed by the Company, who is at least 18 years of age and is not an undischarged bankrupt nor subject to any bankruptcy proceedings.
- The maximum number of ESOS options granted to the Eligible Persons shall be determined entirely at the sole and absolute discretion of the ESOS Committee, subject always to the By-Laws and the following:
  - not more than 80% of the total number of the Company's shares to be issued under the ESOS shall be allocated, in aggregate, to the Executive Directors and senior management personnel of the corporation in Texchem Resources Bhd Group of Companies; and
  - not more than 10% of the total number of shares to be issued under the ESOS shall be allocated to any individual Eligible Persons who, either singly or collectively through persons connected with such Eligible Persons, holds 20% or more of the total number of issued shares of the Company (excluding treasury shares, if any).
- The options granted may be exercised in full or in lesser number of ordinary shares provided that the number shall in multiples of 100 shares.
- The option price shall be determined based on the 5-days volume weighted average market price of the Company's shares immediately preceding the date of offer with a discount of not more than 10%.

## **DIRECTORS' REPORT (cont'd)**

For the year ended 31 December 2024

### **Employees' Share Option Scheme (continued)**

7. The new shares to be allotted and issued upon exercise of the ESOS options shall, upon allotment and issuance, rank equally in all respects with the then existing issued share capital of the Company, save and except that the new shares so allotted and issued will not be entitled to any rights, dividend, allotment and/or distribution which may be declared, made or paid to the shareholders of the Company the entitlement date of which is prior to the date of exercise of the ESOS options.
8. The persons to whom the options have been granted have no right to participate by virtue of the options in any share issue of any other company.

### **Indemnity and insurance for Directors, officers and auditors**

During the financial year, the total cost of insurance effected for the Directors and officers of the Group and of the Company was RM68,500 for a total sum insured of RM50 million.

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

### **Other statutory information**

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

- i) all known bad debts have been written off and adequate provision made for doubtful debts, 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 so 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, and
- 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.

## **DIRECTORS' REPORT (cont'd)**

For the year ended 31 December 2024

### **Other statutory information (continued)**

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, and
- ii) any contingent liability in respect of the Group or 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 (cont'd)

For the year ended 31 December 2024

### Auditors

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

The audit and non-audit remuneration of the Group and of the Company during the year are as follows :

	<b>Group RM'000</b>	<b>Company RM'000</b>
<b>Audit fees</b>		
- KPMG PLT and overseas affiliates	614	53
- Other auditors	368	-
	982	53
<b>Non-audit fees</b>		
- KPMG PLT and local affiliates	241	33
- Other auditors	189	-
	430	33
	----- 1,412	----- 86

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

.....  
**Tan Sri Dato' Seri (Dr.) Fumihiko Konishi,**  
**PSM, DGP, DSPN, DJN**  
 Director

.....  
**Dr Yuma Konishi, DJN**  
 Director

Date : 19 March 2025

## STATEMENTS OF FINANCIAL POSITION

As at 31 December 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Assets</b>					
Property, plant and equipment	3	146,871	150,252	26	171
Right-of-use assets	4	168,154	161,905	-	-
Investments in subsidiaries	5	-	-	437,285	439,549
Investments in associates	5	20,483	5,225	-	-
Intangible assets	6	55,882	55,882	-	-
Deferred tax assets	7	12,747	13,627	-	-
Other receivables	9	8,819	5,977	-	-
<b>Total non-current assets</b>		<b>412,956</b>	<b>392,868</b>	<b>437,311</b>	<b>439,720</b>
Inventories	8	101,495	96,232	-	-
Trade and other receivables	9	156,699	145,835	5,624	17,659
Contract assets	10	1,021	2,237	-	-
Current tax assets		7,009	12,000	8	-
Derivative financial assets	11	101	1	-	-
Cash and cash equivalents	12	92,071	89,225	26	143
<b>Total current assets</b>		<b>358,396</b>	<b>345,530</b>	<b>5,658</b>	<b>17,802</b>
<b>Total assets</b>		<b>771,352</b>	<b>738,398</b>	<b>442,969</b>	<b>457,522</b>
<b>Equity</b>					
Share capital	13	157,853	157,853	157,853	157,853
Reserves	14	22,798	20,050	259,095	257,890
<b>Total equity attributable to owners of the Company</b>		<b>180,651</b>	<b>177,903</b>	<b>416,948</b>	<b>415,743</b>
<b>Non-controlling interests</b>	5	<b>20,017</b>	<b>21,709</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>200,668</b>	<b>199,612</b>	<b>416,948</b>	<b>415,743</b>

## STATEMENTS OF FINANCIAL POSITION (cont'd)

As at 31 December 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Liabilities</b>					
Deferred tax liabilities	7	6,876	6,548	-	-
Loans and borrowings	15	50,569	38,254	-	48
Lease liabilities		145,780	134,284	-	-
Deferred liabilities	16	1,759	3,257	246	388
Provision	17	6,196	6,438	-	-
Other payables	18	9,508	30,000	1,073	10,041
<b>Total non-current liabilities</b>		<u>220,688</u>	<u>218,781</u>	<u>1,319</u>	<u>10,477</u>
Contract liabilities	10	2,042	1,885	-	-
Loans and borrowings	15	161,960	142,026	23,142	20,264
Lease liabilities		25,122	27,684	-	-
Deferred liabilities	16	488	387	-	300
Provision	17	127	11	-	-
Trade and other payables	18	158,725	145,245	1,560	10,713
Current tax liabilities		1,532	2,767	-	25
<b>Total current liabilities</b>		<u>349,996</u>	<u>320,005</u>	<u>24,702</u>	<u>31,302</u>
<b>Total liabilities</b>		<u>570,684</u>	<u>538,786</u>	<u>26,021</u>	<u>41,779</u>
<b>Total equity and liabilities</b>		<u>771,352</u>	<u>738,398</u>	<u>442,969</u>	<u>457,522</u>

The notes on pages 92 to 174 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	<u>1,117,942</u>	<u>993,525</u>	<u>13,780</u>	<u>20,237</u>
<b>Operating profit</b>	19	34,071	15,035	3,052	16,055
Finance costs	20	(20,809)	(18,758)	(1,778)	(2,823)
Share of profit of equity- accounted associates, net of tax		1,554	979	-	-
<b>Profit/(Loss) before tax</b>		<u>14,816</u>	<u>(2,744)</u>	<u>1,274</u>	<u>13,232</u>
Tax expense	21	(9,490)	(8,142)	(77)	(225)
<b>Profit/(Loss) for the year</b>	23	<u>5,326</u>	<u>(10,886)</u>	<u>1,197</u>	<u>13,007</u>
<b>Other comprehensive (expense) /income, net of tax</b>					
<i>Items that are or may be reclassified subsequently to profit or loss</i>					
Foreign currency translation differences for foreign operations		(3,667)	4,345	-	-
Share of foreign currency translation differences of equity- accounted associates		(16)	27	-	-
<b>Total other comprehensive (expense)/income for the year</b>		<u>(3,683)</u>	<u>4,372</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income/ (expense) for the year</b>		<u>1,643</u>	<u>(6,514)</u>	<u>1,197</u>	<u>13,007</u>

## STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (cont'd)

For the year ended 31 December 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Profit/(Loss) attributable to :</b>					
Owners of the Company		6,743	(10,846)	1,197	13,007
Non-controlling interests		(1,417)	(40)	-	-
<b>Profit/(Loss) for the year</b>		<u>5,326</u>	<u>(10,886)</u>	<u>1,197</u>	<u>13,007</u>
<b>Total comprehensive income/(expense) attributable to :</b>					
Owners of the Company		3,155	(6,728)	1,197	13,007
Non-controlling interests		(1,512)	214	-	-
<b>Total comprehensive income/ (expense) for the year</b>		<u>1,643</u>	<u>(6,514)</u>	<u>1,197</u>	<u>13,007</u>
<b>Earnings/(Loss) per share attributable to the owners of the Company (sen)</b>					
- Basic	25	5.76	(9.24)	-	-
- Diluted	25	<u>5.76</u>	<u>(9.24)</u>	<u>-</u>	<u>-</u>

The notes on pages 92 to 174 are an integral part of these financial statements.



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)

For the year ended 31 December 2024

Group	Note	Attributable to owners of the Company										Total equity RM'000
		Non-distributable					Distributable					
		Share capital RM'000	Translation reserve RM'000	Merger reserve RM'000	Capital reserve RM'000	Treasury shares RM'000	Share option reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000	
<b>At 1 January 2024</b>		157,853	19,770	1,092	1,792	(13,796)	9,809	1,383	177,903	21,709	199,612	
Other comprehensive (expense)/income for the year		-	(3,572)	-	-	-	-	-	(3,572)	(95)	(3,667)	
- Foreign currency translation differences for foreign operations		-	(16)	-	-	-	-	-	(16)	-	(16)	
- Share of foreign currency translation differences of equity-accounted associates		-	-	-	-	-	-	6,743	6,743	(1,417)	5,326	
Profit/(Loss) for the year		-	(3,588)	-	-	-	-	6,743	3,155	(1,512)	1,643	
<b>Total comprehensive (expense)/income for the year</b>		-	(3,588)	-	-	-	-	6,743	3,155	(1,512)	1,643	
<b>Contributions by and distributions to owners of the Company</b>		-	-	-	-	-	-	-	-	-	-	
Share-based payment transactions	24	-	-	-	-	-	8	-	8	-	8	
Dividends paid to non-controlling interests		-	-	-	-	-	-	(113)	(113)	(1,225)	(1,225)	
Dilution of interest in an indirect subsidiary		-	-	-	-	-	-	(302)	(302)	113	-	
Dilution of interest in an indirect associate		-	-	-	-	-	-	-	-	302	-	
Issue of shares to non-controlling interest		-	-	-	-	-	-	-	-	630	630	
<b>Total transactions with owners of the Company</b>		-	-	-	-	-	8	(415)	(407)	(180)	(587)	
<b>At 31 December 2024</b>		157,853	16,182	1,092	1,792	(13,796)	9,817	7,711	180,651	20,017	200,668	

The notes on pages 92 to 174 are an integral part of these financial statements.

## STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Note	← Non-distributable →			Distributable	Total equity RM'000
		Share capital RM'000	Treasury shares RM'000	Share option reserve RM'000	Retained earnings RM'000	
<b>Company</b>						
<b>At 1 January 2023</b>		157,853	(9,999)	6,830	254,725	409,409
Profit for the year representing total comprehensive income for the year		-	-	-	13,007	13,007
<b>Contributions by and distributions to owners of the Company</b>						
- Purchase of own shares	14.3	-	(3,797)	-	-	(3,797)
- Share-based payment transactions	24	-	-	2,979	-	2,979
- Dividends paid to owners of the Company	26	-	-	-	(5,855)	(5,855)
<b>Total transactions with owners of the Company</b>		-	(3,797)	2,979	(5,855)	(6,673)
<b>At 31 December 2023/ 1 January 2024</b>		157,853	(13,796)	9,809	261,877	415,743
Profit for the year representing total comprehensive income for the year		-	-	-	1,197	1,197
<b>Contributions by and distributions to owners of the Company</b>						
- Share-based payment transactions	24	-	-	8	-	8
<b>Total transactions with owners of the Company</b>		-	-	8	-	8
<b>At 31 December 2024</b>		157,853	(13,796)	9,817	263,074	416,948
		Note 13	Note 14	Note 14	Note 14	

The notes on pages 92 to 174 are an integral part of these financial statements.

## 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
<b>Cash flows from operating activities</b>					
Profit/(Loss) before tax		14,816	(2,744)	1,274	13,232
Adjustments for :					
Depreciation of :					
- property, plant and equipment	3	21,296	22,232	104	134
- right-of-use assets	4	32,005	31,734	-	-
Impairment loss on :					
- property, plant and equipment	3	3,330	192	-	-
- right-of-use assets	4	610	116	-	-
- investments in subsidiaries	5	-	-	5,168	4,800
Reversal of impairment loss on investments in subsidiaries	5	-	-	-	(4,800)
Provision for Directors' retirement/resignation benefits	16	614	539	128	162
Property, plant and equipment written off		959	624	-	24
Gain on :					
- disposal of property, plant and equipment		(772)	(7)	-	(2)
- disposal of an associate	A	-	(2,488)	-	(1,920)
- termination of leases		(107)	(144)	-	-
Share-based payments	24	8	2,979	1	296
Interest income		(1,066)	(906)	(583)	(951)
Dividend income	19	-	-	(13,780)	(20,237)
Finance costs	20	20,809	18,758	1,778	2,823
Share of profit of equity-accounted associates		(1,554)	(979)	-	-
Operating profit/(loss) before changes in working capital		90,948	69,906	(5,910)	(6,439)

## STATEMENTS OF CASH FLOWS (cont'd)

For the year ended 31 December 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Changes in working capital :					
Inventories		(6,543)	18,377	-	-
Trade and other receivables		(16,369)	10,541	8,518	3,738
Trade and other payables		10,452	(2,870)	(18,121)	(9,416)
Contract assets		1,216	(1,183)	-	-
Contract liabilities		159	390	-	-
<b>Cash generated from/ (used in) operations</b>		<b>79,863</b>	<b>95,161</b>	<b>(15,513)</b>	<b>(12,117)</b>
Dividends received		-	-	14,400	16,837
Income tax paid		(4,572)	(12,957)	(110)	(126)
Directors' retirement/ resignation benefits paid	16	(1,993)	(484)	(570)	(100)
Restoration costs paid	17	(382)	(270)	-	-
<b>Net cash from/(used in) operating activities</b>		<b>72,916</b>	<b>81,450</b>	<b>(1,793)</b>	<b>4,494</b>
<b>Cash flows from investing activities</b>					
Acquisition of non-controlling interest in a subsidiary	B	(20,000)	(25,000)	-	-
Subscription of shares in an associate		(13,720)	(152)	-	-
Proceeds from :					
- disposal of property, plant and equipment		1,089	330	65	32
- disposal of an associate	A	-	98	-	98
Purchase of property, plant and equipment	D	(15,898)	(20,353)	(24)	(22)
Interest received		1,066	906	583	951
<b>Net cash (used in)/from investing activities</b>		<b>(47,463)</b>	<b>(44,171)</b>	<b>624</b>	<b>1,059</b>

## STATEMENTS OF CASH FLOWS (cont'd)

For the year ended 31 December 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Cash flows from financing activities</b>					
Drawdowns of :					
- term loans		16,345	20,632	-	-
- revolving credit		33,179	16,500	2,000	3,000
Repayment of :					
- term loans		(9,533)	(4,712)	-	-
- revolving credit		(12,897)	(4,067)	-	-
- hire purchase creditors		(3,534)	(4,539)	(62)	(12)
- lease liabilities	E	(29,824)	(30,712)	-	-
Drawdowns/(Repayment) of other borrowings		1,408	(5,430)	-	-
Interest paid		(20,809)	(18,758)	(1,778)	(2,823)
Purchase of own shares		-	(3,797)	-	(3,797)
Proceeds from issuance of shares to non-controlling interests		630	-	-	-
Dividends paid to owners of the Company		-	(5,855)	-	(5,855)
Dividends paid to non-controlling interests		(1,225)	(1,715)	-	-
<b>Net cash (used in)/from financing activities</b>		(26,260)	(42,453)	160	(9,487)
<b>Net decrease in cash and cash equivalents</b>		(807)	(5,174)	(1,009)	(3,934)
Cash and cash equivalents at 1 January		81,156	84,928	(7)	3,927
Effects of exchange differences on cash and cash equivalents		(1,935)	1,402	-	-
<b>Cash and cash equivalents at 31 December</b>	F	<u>78,414</u>	<u>81,156</u>	<u>(1,016)</u>	<u>(7)</u>

## STATEMENTS OF CASH FLOWS (cont'd)

For the year ended 31 December 2024

Notes :

### A. Disposal of an associate

On 29 September 2023, the Company entered into a Share Sale Agreement (“SSA”) with ALS Technichem (Malaysia) Sdn. Bhd. (“ALS”) to dispose of 49% equity interest in Merieux Nutrisciences Malaysia Sdn. Bhd. (“MNM”) for a total consideration of RM3.4 million. Consequently, the Group and the Company recognised the gain on disposal of an associate amounting RM2.5 million and RM1.9 million respectively.

On the completion date, ALS paid RM98,000 being part of the consideration to the Company. The balance of the consideration amounting to RM3.3 million has been paid in 2024.

The disposal had the following effects on the Group’s and the Company’s assets and liabilities.

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cost of investment in an associate	-	1,470	-	1,470
Share of post-acquisition reserve	-	(568)	-	-
Net assets disposed	-	902	-	1,470
Gain on disposal of an associate	-	2,488	-	1,920
Total consideration for disposal of an associate	-	3,390	-	3,390
Consideration to be received after the end of reporting date	-	(3,292)	-	(3,292)
Proceed of consideration received at the end of reporting date	-	98	-	98

### B. Accretion of interest in an existing subsidiary

#### Amount owing to AYI

	2024 RM'000	2023 RM'000
As at 1 January	50,000	75,000
Payment made during the year	(20,000)	(25,000)
As at 31 December	30,000	50,000

## STATEMENTS OF CASH FLOWS (cont'd)

For the year ended 31 December 2024

Notes (continued) :

### C. Subscription of shares in subsidiaries - Company

During the financial year, the Company subscribed for additional interests in the following subsidiaries by way of capitalisation of amount due from the subsidiaries.

	2024 RM'000	2023 RM'000
Texchem Polymers Sdn. Bhd.	2,034	3,300
D&N Coffee and Restaurant Malaysia Sdn. Bhd.	870	-
	<u>2,904</u>	<u>3,300</u>

### D. Purchase of property, plant and equipment

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Additions to property, plant and equipment (Note 3)	23,693	22,618	24	96
Purchased by way of hire purchase arrangements	(2,339)	(4,069)	-	(74)
Provision for restoration costs	(263)	(345)	-	-
Unpaid balance				
- current year	(6,335)	(1,142)	-	-
- prior year	1,142	3,291	-	-
Amount paid in cash	<u>15,898</u>	<u>20,353</u>	<u>24</u>	<u>22</u>

### E. Cash outflows for leases as a lessee

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Included in net cash from operating activities :</b>					
Payment relating to short-term leases	23	5,117	5,884	250	383
Payment relating to leases of low-value assets	23	573	607	-	-
Expenses relating to variable lease payments not included in the measurement of lease liabilities	23	2,281	2,227	-	-

## STATEMENTS OF CASH FLOWS (cont'd)

For the year ended 31 December 2024

Notes (continued) :

*E. Cash outflows for leases as a lessee (continued)*

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Included in net cash from financing activities :</b>					
Payment of lease liabilities		29,824	30,712	-	-
Interest paid in relation to lease liabilities	20	7,999	6,800	-	-
		<u>45,794</u>	<u>46,230</u>	<u>250</u>	<u>383</u>

*F. Cash and cash equivalents*

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts :

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Short term deposits	12	9,118	8,925	-	-
Cash and bank balances	12	82,953	80,300	26	143
Bank overdrafts	15	(13,657)	(8,069)	(1,042)	(150)
		<u>78,414</u>	<u>81,156</u>	<u>(1,016)</u>	<u>(7)</u>

The notes on pages 92 to 174 are an integral part of these financial statements.

# NOTES TO FINANCIAL STATEMENTS

## 1. Corporate information

Texchem Resources Bhd. is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad. The address of its registered office and principal place of business is as follows :

### Registered office and principal place

Level 18, Menara Boustead Penang  
39 Jalan Sultan Ahmad Shah  
10050 George Town, Penang

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 associates.

The principal activity of the Company is investment holding whilst the principal activities of the Group entities are stated in Note 5 to the financial statements.

These financial statements were authorised for issue by the Board of Directors on 19 March 2025.

## 2. Basis of preparation

### (a) Statement of compliance

The financial statements of the Group and of the Company have been prepared 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.

The following are accounting standards 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 :

#### ***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*

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 2. Basis of preparation (continued)

#### (a) Statement of compliance (continued)

***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*
- 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 amendments, where applicable in the respective financial years when the abovementioned amendments become effective.

The initial application of the applicable accounting standards and amendments is not expected to have any material financial impacts to the current period and prior period financial statements of the Group and the Company.

#### (b) Basis of measurement

The 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

#### (c) Functional and presentation currency

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

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 2. Basis of preparation (continued)

#### (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 4.3 - Extension options and incremental borrowing rate in relation to leases;
- Note 6 - Intangible assets (measurement of the recoverable amounts of cash generating units); and
- Note 7 - Deferred tax assets/(liabilities).

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 3. Property, plant and equipment

Group	Freehold land RM'000	Buildings, office renovation and land improvements RM'000	Plant and machinery and other equipment RM'000	Furniture, fittings and office and outlet equipment RM'000	Motor vehicles RM'000	Capital expenditure- in-progress RM'000	Total RM'000
<b>Cost</b>							
At 1 January 2023	31,807	143,661	260,671	71,253	13,685	3,423	524,500
Additions	-	6,076	7,929	4,672	2,723	1,218	22,618
Disposals	-	(25)	(1,175)	(723)	(616)	-	(2,539)
Written off	-	(6,510)	(2,764)	(3,150)	(37)	-	(12,461)
Reclassification	-	-	85	-	-	(85)	-
Effect of movements in exchange rates	567	2,041	2,999	435	129	197	6,368
At 31 December 2023/1 January 2024	32,374	145,243	267,745	72,487	15,884	4,753	538,486
Additions	-	3,342	12,178	3,481	2,550	2,142	23,693
Disposals	-	(147)	(4,956)	(385)	(1,708)	-	(7,196)
Written off	-	(3,018)	(6,253)	(2,875)	-	(13)	(12,159)
Reclassification	-	505	4,179	-	-	(4,684)	-
Effect of movements in exchange rates	(303)	(554)	(1,385)	(165)	(100)	(186)	(2,693)
At 31 December 2024	32,071	145,371	271,508	72,543	16,626	2,012	540,131

**NOTES TO FINANCIAL STATEMENTS (cont'd)**

**3. Property, plant and equipment (continued)**

Group	Freehold land RM'000	Buildings, office renovation and land improvements RM'000	Plant and machinery and other equipment RM'000	Furniture, fittings and office and outlet equipment RM'000	Motor vehicles RM'000	Capital expenditure- in-progress RM'000	Total RM'000
<b>Accumulated depreciation and impairment losses</b>							
At 1 January 2023							
Accumulated depreciation	-	95,292	203,096	58,985	9,674	-	367,047
Accumulated impairment losses	-	577	7,217	204	-	-	7,998
	-	95,869	210,313	59,189	9,674	-	375,045
At 31 December 2023							
Depreciation for the year	-	5,374	11,380	4,017	1,461	-	22,232
Impairment loss	-	119	28	45	-	-	192
Disposals	-	(21)	(1,060)	(567)	(568)	-	(2,216)
Written off	-	(6,319)	(2,648)	(2,833)	(37)	-	(11,837)
Effect of movements in exchange rates	-	1,660	2,781	273	104	-	4,818
	-	96,105	213,607	59,921	10,634	-	380,267
Accumulated depreciation	-	577	7,187	203	-	-	7,967
Accumulated impairment losses	-	96,682	220,794	60,124	10,634	-	388,234

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 3. Property, plant and equipment (continued)

Group	Freehold land RM'000	Buildings, office renovation and land improvements RM'000	Plant and machinery and other equipment RM'000	Furniture, fittings and office and outlet and equipment RM'000	Motor vehicles RM'000	Capital expenditure-in-progress RM'000	Total RM'000
<b>Accumulated depreciation and impairment losses</b>							
At 1 January 2024	-	96,105	213,607	59,921	10,634	-	380,267
Accumulated depreciation	-	577	7,187	203	-	-	7,967
Accumulated impairment losses	-	96,682	220,794	60,124	10,634	-	388,234
Depreciation for the year	-	5,399	10,622	3,818	1,457	-	21,296
Impairment loss	-	2,490	581	259	-	-	3,330
Disposals	-	(147)	(4,911)	(325)	(1,496)	-	(6,879)
Written off	-	(2,585)	(5,945)	(2,670)	-	-	(11,200)
Effect of movements in exchange rates	-	(343)	(973)	(131)	(74)	-	(1,521)
At 31 December 2024	-	98,742	213,959	60,731	10,521	-	383,953
Accumulated depreciation	-	2,754	6,209	344	-	-	9,307
Accumulated impairment losses	-	101,496	220,168	61,075	10,521	-	393,260

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 3. Property, plant and equipment (continued)

Group	Freehold land RM'000	Buildings, office renovation and land improvements RM'000	Plant and machinery and other equipment RM'000	Furniture, fittings and office and outlet equipment RM'000	Motor vehicles RM'000	Capital expenditure- in-progress RM'000	Total RM'000
<b>Carrying amounts</b>							
At 1 January 2023	31,807	47,792	50,358	12,064	4,011	3,423	149,455
At 31 December 2023/1 January 2024	32,374	48,561	46,951	12,363	5,250	4,753	150,252
At 31 December 2024	32,071	43,875	51,340	11,468	6,105	2,012	146,871

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 3. Property, plant and equipment (continued)

Company	Office renovation RM'000	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Total RM'000
<b>Cost</b>				
At 1 January 2023	3,621	1,001	123	4,745
Additions	-	12	84	96
Disposal	(17)	(215)	-	(232)
Written off	(3,604)	(183)	-	(3,787)
At 31 December 2023/1 January 2024	-	615	207	822
Additions	-	24	-	24
Disposal	-	(15)	(87)	(102)
Written off	-	(31)	-	(31)
At 31 December 2024	-	593	120	713
<b>Accumulated depreciation</b>				
At 1 January 2023	3,607	761	114	4,482
Depreciation for the year	4	107	23	134
Disposal	(15)	(187)	-	(202)
Written off	(3,596)	(167)	-	(3,763)
At 31 December 2023/1 January 2024	-	514	137	651
Depreciation for the year	-	94	10	104
Disposal	-	(10)	(27)	(37)
Written off	-	(31)	-	(31)
At 31 December 2024	-	567	120	687
<b>Carrying amounts</b>				
At 1 January 2023	14	240	9	263
At 31 December 2023/1 January 2024	-	101	70	171
At 31 December 2024	-	26	-	26

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 3. Property, plant and equipment (continued)

#### 3.1 Impairment of property, plant and equipment - Group

During the current financial year, the plant and equipment of certain subsidiaries amounting to RM3,330,000 (2023 : RM192,000) were impaired and RM959,000 (2023 : RM624,000) were written off mainly due to the temporary cessation of fish farming operation in Food Division and impending closure or closure of certain outlets in the Restaurant Division.

The recoverable amount of the impaired assets estimated by the management was close to RM Nil (2023 : RM Nil) based on the higher of value in use and fair value less cost of disposal, and the impairment recognised was presented as other expenses in profit or loss.

#### 3.2 Material accounting policy information

##### a. Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

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

##### 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. Property, plant and equipment under construction 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 :

	<b>Years</b>
Buildings, office renovation and land improvements	5 to 50
Plant and machinery and other equipment	3 to 10
Furniture, fittings and office and outlet equipment	3 to 10
Motor vehicles	5 to 6

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 4. Right-of-use assets

Group	Land RM'000	Buildings and office space RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Total RM'000
At 1 January 2023	5,640	140,534	975	58	147,207
Remeasurement	-	19,710	64	-	19,774
Additions	-	27,798	197	-	27,995
Depreciation for the year	(132)	(31,284)	(265)	(53)	(31,734)
Derecognition	-	(1,895)	-	-	(1,895)
Effect of present value of deposit paid	-	302	-	-	302
Impairment loss	-	(116)	-	-	(116)
Effect of movements in exchange rates	58	312	-	2	372
At 31 December 2023/ 1 January 2024	5,566	155,361	971	7	161,905
Remeasurement	-	42,775	-	-	42,775
Additions	-	3,517	197	132	3,846
Depreciation for the year	(133)	(31,527)	(312)	(33)	(32,005)
Derecognition	-	(7,478)	-	-	(7,478)
Impairment loss	-	(610)	-	-	(610)
Effect of movements in exchange rates	(212)	(68)	-	1	(279)
At 31 December 2024	5,221	161,970	856	107	168,154

The Group leases land, warehouses, apartments, restaurant outlets, office space, motor vehicles, plant and machinery and factory facilities that run up to 50 years, with an option to renew the lease after the expiry of the initial lease period.

#### 4.1 Variable lease payments based on sales

Certain leases of restaurant outlets contain variable lease payments that are based on the sales that the outlet makes. Such variable payments are common for restaurant outlets located in malls where the Group operates. The fixed and variable rental payments are as follows :

Group	Fixed payments RM'000	Variable payments RM'000	Total payments RM'000	Estimated annual impact on rent of a 1% increase in sales RM'000
<b>2024</b>				
Leases with lease payments based on sales	34,950	2,281	37,231	68

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 4. Right-of-use assets (continued)

#### 4.1 Variable lease payments based on sales (continued)

Group	Fixed payments RM'000	Variable payments RM'000	Total payments RM'000	Estimated annual impact on rent of a 1% increase in sales RM'000
<b>2023</b>				
Leases with lease payments based on sales	33,889	2,227	36,116	75

#### 4.2 Extension options

Certain leases of land, warehouses, apartments, restaurant outlets, office space and factory facilities contain extension options exercisable by the Group ranging from 1 year to 20 years before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

	← 2024 →		← 2023 →	
	Lease liabilities recognised (discounted) RM'000	Potential future lease payments not included in lease liabilities (discounted) RM'000	Lease liabilities recognised (discounted) RM'000	Potential future lease payments not included in lease liabilities (discounted) RM'000
<b>Group</b>				
Buildings	44,891	322	29,314	307

#### 4.3 Significant judgements and assumptions in relation to leases

The Group assesses at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. The Group considers all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 4. Right-of-use assets (continued)

#### 4.3 Significant judgements and assumptions in relation to leases (continued)

The Group also applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. Group entities first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

#### 4.4 Material accounting policy information

##### a. Lease and non-lease component

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

##### b. Recognition exemption

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group and the Company recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

When the Group or the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group or the Company applies the exemption described above, then it classifies the sublease as an operating lease.

### 5. Investments

#### (a) Subsidiaries

	2024 RM'000	2023 RM'000
<b>Company</b>		
Subsidiaries :		
Investments, at cost	547,768	544,864
Less : Impairment loss	(110,483)	(105,315)
	<u>437,285</u>	<u>439,549</u>

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 5. Investments (continued)

#### (a) Subsidiaries (continued)

##### *Impairment loss and subsequent reversal for investment in subsidiaries*

During the financial year, impairment indicators existed as a result of the current business sentiment and weak demand in certain markets which caused certain subsidiaries to make losses. The Company assessed the estimated recoverable amount of its investment in certain loss-making subsidiaries against the carrying amount of its investment in these subsidiaries.

The carrying amount of the Company's investment in a subsidiary relating to the restaurant division was higher than its recoverable amount of RM0.15 million. Accordingly, RM5.2 million was recognised as an impairment loss and presented as other expenses in the profit or loss.

In the previous financial year, the carrying amounts of the Company's investments in certain subsidiaries relating to the restaurant and venture business divisions were higher than their recoverable amounts of RM8.9 million. Accordingly, RM4.8 million was recognised as an impairment loss and presented as other expenses in the profit or loss. On the other hand, the recoverable amount of the Company's investment in a subsidiary relating to the food division of RM35.3 million was higher than its carrying amount. Accordingly, RM4.8 million was recognised as a reversal of impairment loss presented as other income in the profit or loss. The reversal of impairment loss was driven by the favourable result for 3 consecutive years.

The recoverable amount was determined using the value in use ("VIU") method by discounting the future cash flows generated from the continuing use of the cash-generating unit and the projected cash flows were based on a 5-year financial budget and projections prepared by the management and approved by the Board of Directors. The sales growth and margins represent management assessment of future trends of the business and are based on past business performance and management's expectation on market development. The cash flow projections were discounted using a pre-tax discount rates ranging from 12% to 14% (2023 : 12% to 14%) after considering the risks and uncertainties of the projected cash flows. The projected cash flows are therefore inherently uncertain, and changes in the future economic and market conditions could impact on the outcome of the projected cash flows.

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 5. Investments (continued)

#### (a) Subsidiaries (continued)

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 %
<u>Direct subsidiaries of the Company</u>				
Texchem Materials Sdn. Bhd.	Malaysia	Trading in all types of industrial raw materials, chemicals, plastics, electronics and food products including but not limited to rice, food ingredients and additives, healthcare and pharmaceutical products, personal protective equipment and other products connected therewith and investment holding	100.00	100.00
Texchem Food Sdn. Bhd.	Malaysia	Investment holding and sale and marketing of marine products	100.00	100.00
Texchem Corporation Sdn. Bhd.	Malaysia	Investment holding, provision of management services and renting of properties	73.94	73.94

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 5. Investments (continued)

#### (a) Subsidiaries (continued)

Details of the subsidiaries are as follows (continued) :

Name of subsidiary	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2024 %	2023 %
<u>Direct subsidiaries of the Company (continued)</u>				
Sushi King Holdings Sdn. Bhd. <sup>(1)</sup>	Malaysia	Investment holding and provision of management services	97.80	97.80
Texchem Polymers Sdn. Bhd.	Malaysia	Manufacture and sale of extruded plastic sheets and polymer compounds and provision of consultation services	100.00	100.00
Texchem Polymer Engineering Sdn. Bhd.	Malaysia	Investment holding and provision of management services	100.00	100.00
D&N Coffee and Restaurant Malaysia Sdn. Bhd. <sup>(1)</sup>	Malaysia	Operation of a chain of cafes and restaurants	58.00	58.00
Wilpack Food Services Sdn. Bhd.	Malaysia	Provision of food processing services, manufacture, wholesale and export of seafood and other products	100.00	100.00
Texchem Japan, Inc <sup>(1) and (3)</sup>	Japan	Dormant	100.00	100.00
CellSource Malaysia Sdn. Bhd. <sup>(1)</sup>	Malaysia	Dormant	100.00	100.00
<u>Subsidiaries of Sushi King Holdings Sdn. Bhd.</u>				
Sushi King Sdn. Bhd.	Malaysia	Operation of a chain of retail sushi outlets and wholesales of rice	97.80	97.80
Miraku Sdn. Bhd. <sup>(1)</sup>	Malaysia	Operation of a Japanese restaurant	97.80	97.80

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 5. Investments (continued)

#### (a) Subsidiaries (continued)

Details of the subsidiaries are as follows (continued) :

Name of subsidiary	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2024 %	2023 %
<u>Subsidiaries of Sushi King Holdings Sdn. Bhd. (continued)</u>				
Kokubu Food Logistics Malaysia Sdn. Bhd. ("Kokubu")	Malaysia	Operation of food logistics, inventory management, handling of sales orders and warehouse operation services	49.88	49.88
Donburi House Sdn. Bhd. <sup>(1)</sup>	Malaysia	Dormant	97.80	97.80
PT. Sushi King Asia <sup>(1)</sup>	Indonesia	Operation of a chain of retail sushi outlets	97.80	97.80
<u>Subsidiaries of Sushi King Sdn. Bhd.</u>				
Sushi King (East Malaysia) Sdn. Bhd.	Malaysia	Operation of a chain of retail sushi outlets	97.80	97.80
Sushi Kin (BN) Sdn. Bhd. <sup>(1)</sup>	Brunei	Dormant	97.80	97.80
<u>Subsidiaries of Texchem Materials Sdn. Bhd.</u>				
Texchem Singapore Private Limited <sup>(1)</sup>	Singapore	Dealers in chemicals, plastic resins and other products and acting as sales commissions agents	100.00	100.00
Texchem Materials (Thailand) Ltd. <sup>(1)</sup>	Thailand	Trading of chemicals, dyestuffs and resins	100.00	100.00

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 5. Investments (continued)

#### (a) Subsidiaries (continued)

Details of the subsidiaries are as follows (continued) :

Name of subsidiary	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2024 %	2023 %
<u>Subsidiaries of Texchem Materials Sdn. Bhd. (continued)</u>				
Texchem Materials (Vietnam) Co., Ltd. <sup>(2)</sup>	Vietnam	Import, export, distribution retailing and wholesaling of chemicals and food additives	100.00	100.00
Texchem Malaysia Sdn. Berhad <sup>(1)</sup>	Malaysia	Manufacture and sale of textile auxiliaries, chemicals and finishing resins	100.00	100.00
PT. Texchem Indonesia <sup>(1)</sup>	Indonesia	Trading of chemicals, plastic resins and other products	100.00	100.00
New Material (Malaysia) Sdn. Bhd. <sup>(1)</sup>	Malaysia	Trading and acting as agent of foreign and local electronic component parts and general merchandise	100.00	100.00
Myanmar Texchem Limited <sup>(1)</sup>	Myanmar	Dormant	100.00	100.00
Lifeon Asia Sdn. Bhd. <sup>(1)</sup>	Malaysia	Trading of medical devices and equipment	100.00	100.00
Texchem Food Materials (Vietnam) Co., Ltd. <sup>(1)</sup>	Vietnam	Dormant <sup>(5)</sup>	51.00	51.00

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 5. Investments (continued)

#### (a) Subsidiaries (continued)

Details of the subsidiaries are as follows (continued) :

Name of subsidiary	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2024 %	2023 %
<u>Subsidiaries of Texchem Food Sdn. Bhd.</u>				
A.S.K. Andaman Limited <sup>(1)</sup>	Myanmar	Manufacture and marketing of surimi, fishmeal and other marine products	91.00	91.00
Texchem Food (Myanmar) Limited <sup>(1)</sup>	Myanmar	Manufacture and marketing of marine products	91.00	91.00
Texchem Marine Labutta Limited <sup>(1)</sup>	Myanmar	Processing and marketing of marine products such as soft shell crab and hamaguri	65.00	65.00
Texchem Aquaculture (Myanmar) Limited <sup>(1)</sup>	Myanmar	Raising, marketing and sales of fish fries and aquatic barramundi (seabass) farming	100.00	100.00
Sea Master Products Sdn. Bhd. <sup>(1)</sup>	Malaysia	Dormant	100.00	100.00
<u>Subsidiaries of Wilpack Food Services Sdn. Bhd.</u>				
Sea Master Food Sdn. Bhd.	Malaysia	Importing, marketing and trading of foodstuffs, including food products and other consumable products	100.00	100.00
Sea Master International Sdn. Bhd. <sup>(4)</sup>	Malaysia	Dissolved	-	100.00

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 5. Investments (continued)

#### (a) Subsidiaries (continued)

Details of the subsidiaries are as follows (continued) :

Name of subsidiary	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2024 %	2023 %
<u>Subsidiaries of Texchem Polymer Engineering Sdn. Bhd.</u>				
Texchem-Pack (M) Sdn. Bhd.	Malaysia	Manufacturing and sales of thermoformed packaging products and embossed carrier tapes	100.00	100.00
Texchem Life Sciences Sdn. Bhd.	Malaysia	Manufacture of plastic engineering precision parts for medical devices	100.00	100.00
Eye Graphic Sdn. Bhd.	Malaysia	Trading, design and manufacture of flexo photopolymer printing plates	100.00	100.00
Texchem-Pack (Thailand) Co., Ltd. <sup>(1)</sup>	Thailand	Manufacture of thermoformed packaging products, precision injection moulded trays/parts, moulds and toolings	100.00	100.00
Texchem-Pack (Johor) Sdn. Bhd.	Malaysia	Manufacture of thermoformed packaging products	100.00	100.00
Texchem-Pack (PP) Sdn. Bhd.	Malaysia	Manufacture of precision injection moulded trays/parts	100.00	100.00
Texchem-Pack (Vietnam) Co., Ltd. <sup>(2)</sup>	Vietnam	Manufacture thermoformed parts/products, plastic injection moulded parts/products and plastic food tray products	100.00	100.00

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 5. Investments (continued)

#### (a) Subsidiaries (continued)

Details of the subsidiaries are as follows (continued) :

Name of subsidiary	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2024 %	2023 %
<u>Subsidiary of Texchem-Pack (PP) Sdn. Bhd.</u>				
Texchem Advanced Products Incorporated Sdn. Bhd. <sup>(1)</sup>	Malaysia	Development of technology for high precision/ultra clean injection moulded products for silicon wafer handling and transportation and market development of related products	100.00	100.00
<u>Subsidiary of Texchem Corporation Sdn. Bhd.</u>				
Texchem Risk Management Sdn. Bhd. <sup>(1)</sup>	Malaysia	Insurance agents and managers in relation to insurance schemes	73.94	73.94

#### Notes:

<sup>(1)</sup> Not audited by KPMG

<sup>(2)</sup> Audited by member firm of KPMG International

<sup>(3)</sup> Not required to be audited by local law or legislation

<sup>(4)</sup> Dissolved on 25 December 2024

<sup>(5)</sup> Commenced dissolution process on 8 January 2025

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 5. Investments (continued)

#### (a) Subsidiaries (continued)

##### Non-controlling interests in subsidiaries

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

	Sushi King Holdings ("SKH") Group RM'000	Texchem Corporation ("Texcorp") Group RM'000	Other subsidiaries with immaterial NCI RM'000	Total RM'000
<b>2024</b>				
<b>NCI percentage of ownership interest and voting interest</b>	2.20%	26.06%		
Carrying amount of NCI	<u>11,893</u>	<u>8,390</u>	<u>(266)</u>	<u>20,017</u>
Profit/(Loss) allocated to NCI	<u>1,341</u>	<u>608</u>	<u>(3,366)</u>	<u>(1,417)</u>

	SKH Group RM'000	Texcorp Group RM'000
<b>2024</b>		

##### Summarised financial information before intra-group elimination

###### At 31 December

Non-current assets	611,830	52,328
Current assets	97,885	3,505
Non-current liabilities	(210,135)	(3,422)
Current liabilities	(127,639)	(20,216)
Net assets	<u>371,941</u>	<u>32,195</u>

###### Year ended 31 December

Revenue	292,628	16,017
Profit for the year	2,285	2,334
Total comprehensive income	<u>2,285</u>	<u>2,334</u>
Cash flows from operating activities	39,444	407
Cash flows used in investing activities	(35,509)	(2,443)
Cash flows from financing activities	5,462	1,317
Net increase/(decrease) in cash and cash equivalents	<u>9,397</u>	<u>(719)</u>
Dividends paid to NCI	<u>(1,225)</u>	<u>-</u>

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 5. Investments (continued)

#### (a) Subsidiaries (continued)

##### Non-controlling interests in subsidiaries (continued)

	Sushi King Holdings ("SKH") Group RM'000	Texchem Corporation ("Texcorp") Group RM'000	Other subsidiaries with immaterial NCI RM'000	Total RM'000
<b>2023</b>				
<b>NCI percentage of ownership interest and voting interest</b>	2.20%	26.06%		
Carrying amount of NCI	<u>11,374</u>	<u>7,782</u>	<u>2,553</u>	<u>21,709</u>
Profit/(Loss) allocated to NCI	<u>1,011</u>	<u>582</u>	<u>(1,633)</u>	<u>(40)</u>

	SKH Group RM'000	Texcorp Group RM'000
<b>2023</b>		
<b>Summarised financial information before intra-group elimination</b>		
<b>At 31 December</b>		
Non-current assets	561,177	51,849
Current assets	88,272	4,395
Non-current liabilities	(189,391)	(3,846)
Current liabilities	(121,954)	(22,537)
Net assets	<u>338,104</u>	<u>29,861</u>
<b>Year ended 31 December</b>		
Revenue	286,973	16,129
(Loss)/Profit for the year	(2,317)	2,236
Total comprehensive (expense)/income	<u>(2,317)</u>	<u>2,236</u>
Cash flows from operating activities	56,501	1,978
Cash flows from/(used in) investing activities	1,133	(2,845)
Cash flows (used in)/from financing activities	(44,073)	246
Net increase/(decrease) in cash and cash equivalents	<u>13,561</u>	<u>(621)</u>
Dividends paid to NCI	<u>(1,715)</u>	<u>-</u>

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 5. Investments (continued)

#### (a) Subsidiaries (continued)

##### Restrictions imposed by bank covenants

The borrowings undertaken by certain subsidiaries contain covenants which only allow the said subsidiaries to provide advances to other companies within the Group up to certain limit, prohibits the provision of any guarantee without the lender's prior consent and to only allow declaring or distributing dividends up to the current year's profit after tax of the subsidiaries. Any additional dividends thereafter will need the prior consent of the lender.

##### Material accounting policy information

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

#### (b) Associates

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Investments, at cost	17,890	4,170	-	-
Share of post acquisition reserves	2,593	1,055	-	-
	<u>20,483</u>	<u>5,225</u>	<u>-</u>	<u>-</u>

Details of the associates are as follows :

Name of associate	Principal place of business	Principal activities/ Nature of the relationship	Effective ownership interest and voting interest	
			2024 %	2023 %
<u>Associate of Sushi King Holdings Sdn. Bhd.</u>				
Otafuku Sauce Malaysia Sdn. Bhd. ("OSM")	Malaysia	Manufacture, distribution and trading of all kinds of sauces	47.92	47.92
<u>Associate of Texchem Food Sdn. Bhd.</u>				
Mascot Industries Company Limited ("Mascot")	Myanmar	Fishing and aquaculture business	35.00	35.00

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 5. Investments (continued)

#### (b) Associates (continued)

##### *Material accounting policy information*

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

The following table summarises the information of the Group's associates, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the associates.

	OSM RM'000	Mascot RM'000	Total RM'000
<b>2024</b>			
<b>Direct interest held by a subsidiary</b>	49.00%	35.00%	
<b>Group</b>			
<b>Summarised financial information</b>			
<b>At 31 December</b>			
Non-current assets	30,042	2,009	32,051
Current assets	23,958	3,363	27,321
Non-current liabilities	(11,950)	-	(11,950)
Current liabilities	(1,463)	(3,673)	(5,136)
Net assets	<u>40,587</u>	<u>1,699</u>	<u>42,286</u>
<b>Year ended 31 December</b>			
Profit from continuing operations	3,110	85	3,195
Other comprehensive expense	-	(46)	(46)
<b>Total comprehensive income</b>	<u>3,110</u>	<u>39</u>	<u>3,149</u>
<b><i>Included in the total comprehensive income is :</i></b>			
Revenue	<u>12,572</u>	<u>-</u>	<u>12,572</u>
<b>Reconciliation of net assets to carrying amount</b>			
<b>At 31 December</b>			
Group's share of net assets	19,888	595	20,483
Carrying amount in the consolidated statement of financial position	<u>19,888</u>	<u>595</u>	<u>20,483</u>

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 5. Investments (continued)

#### (b) Associates (continued)

	OSM RM'000	Mascot RM'000	Total RM'000	
<b>2024</b>				
<b>Group's share of results</b>				
<b>Year ended 31 December</b>				
Group's share of profit from continuing operations	1,524	30	1,554	
Share of total comprehensive expense	-	(16)	(16)	
Group's share of total comprehensive expense	<u>1,524</u>	<u>14</u>	<u>1,538</u>	
	<b>MNM RM'000</b>	<b>OSM RM'000</b>	<b>Mascot RM'000</b>	<b>Total RM'000</b>
<b>2023</b>				
<b>Direct interest held by a subsidiary</b>	49.00%	49.00%	35.00%	
<b>Group</b>				
<b>Summarised financial information</b>				
<b>At 31 December</b>				
Non-current assets	-	7,376	2,183	9,559
Current assets	-	16,536	8,644	25,180
Non-current liabilities	-	(13,454)	-	(13,454)
Current liabilities	-	(980)	(9,168)	(10,148)
Net assets	-	<u>9,478</u>	<u>1,659</u>	<u>11,137</u>
<b>Year ended 31 December</b>				
Profit/(Loss) from continuing operations	261	917	(651)	527
Other comprehensive income	-	-	77	77
<b>Total comprehensive income/(expense)</b>	<u>261</u>	<u>917</u>	<u>(574)</u>	<u>604</u>
<b>Included in the total comprehensive income is :</b>				
Revenue	<u>6,220</u>	<u>9,210</u>	<u>-</u>	<u>15,430</u>

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 5. Investments (continued)

#### (b) Associates (continued)

	MNM RM'000	OSM RM'000	Mascot RM'000	Total RM'000
<b>2023</b>				
<b>Reconciliation of net assets to carrying amount</b>				
<b>At 31 December</b>				
Group's share of net assets	-	4,644	581	5,225
Carrying amount in the consolidated statement of financial position	-	4,644	581	5,225
<b>Group's share of results</b>				
<b>Year ended 31 December</b>				
Group's share of profit/(loss) from continuing operations	128	449	(228)	349
Share of total comprehensive income	-	-	27	27
Gain on bargain purchase	-	-	630	630
Group's share of total comprehensive income	128	449	429	1,006

### 6. Intangible assets - Group

	Goodwill RM'000	Trademark RM'000	Total RM'000
<b>Cost</b>			
At 1 January 2023/31 December 2023	39,809	21,500	61,309
At 1 January 2024/31 December 2024	39,809	21,500	61,309
<b>Impairment loss</b>			
At 1 January 2023/31 December 2023	5,427	-	5,427
At 1 January 2024/31 December 2024	5,427	-	5,427
<b>Carrying amounts</b>			
At 1 January 2023/31 December 2023	34,382	21,500	55,882
At 1 January 2024/31 December 2024	34,382	21,500	55,882

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 6. Intangible assets - Group (continued)

The trademark which relates to the Sushi King chain of restaurant outlets is assessed to have indefinite useful life as there is no foreseeable limit as to the period over which the asset is expected to generate cash inflows to the Group.

#### **Impairment testing for cash generating units ("CGU") containing goodwill and trademark**

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

The carrying amount of goodwill is allocated to each unit as follows :

	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Polymer Engineering Division		
- Thermoformed packaging business	7,265	7,265
- Flexo photopolymer printing plates business	2,710	2,710
Industrial Division	13,377	13,377
Food Division	4,314	4,314
Restaurant Division	6,716	6,716
	<u>34,382</u>	<u>34,382</u>

Management has assessed the recoverable amounts of the goodwill and trademark based on value in use ("VIU") of the CGUs in which these non-current assets are associated with. The VIU has been calculated by discounting the future cash flows covering a period of 5 years plus a terminal value of the respective CGUs.

The VIU calculations involved applying judgement on key assumptions (e.g. estimated selling prices, sales growth, gross profit margins and the availability of supplies for seafood products) used in projecting the future cash flows. The judgement made on key assumptions represents the Directors' and management's assessment of future trends of the respective CGUs after considering both external and internal factors. The projected cash flows are therefore inherently uncertain, and changes in the future economic and market conditions could impact on the outcome of the projected cash flows.

Pre-tax discount rates ranging from 10% to 14% (2023 : 10% to 14%) were applied to the projected cash flows in determining the recoverable amounts of the respective CGUs.

The estimated recoverable amounts of the CGUs exceeded their carrying amounts and the Directors consider that it is not reasonably possible for the key assumptions to change so significantly to cause an impairment of goodwill or trademark.

#### **6.1 Material accounting policy information**

##### **(a) Recognition and measurement**

Intangible assets, other than goodwill, that are acquired by the Group, which comprises of trademark which has infinite useful life, is measured at cost less any accumulated impairment losses.

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 7. Deferred tax assets/(liabilities)

#### Recognised deferred tax assets/(liabilities)

Deferred tax assets/(liabilities) are attributable to the following :

Group	Assets		Liabilities		Net	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Property, plant and equipment	-	-	(6,094)	(5,732)	(6,094)	(5,732)
- capital allowance	-	-	(782)	(816)	(782)	(816)
- revaluation	-	-	(37,236)	(36,880)	(37,236)	(36,880)
Right-of-use assets	39,353	38,604	-	-	39,353	38,604
Lease liabilities	5,438	7,338	-	-	5,438	7,338
Tax losses carry-forward	708	1,714	-	-	708	1,714
Capital allowance carry-forward	4,484	2,851	-	-	4,484	2,851
Other temporary differences						
Deferred tax assets/(liabilities)	49,983	50,507	(44,112)	(43,428)	5,871	7,079
Set-off of tax	(37,236)	(36,880)	37,236	36,880	-	-
Net deferred tax assets/(liabilities)	12,747	13,627	(6,876)	(6,548)	5,871	7,079

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the Group entities can utilise the benefits therefrom.

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 7. Deferred tax assets/(liabilities) (continued)

#### Recognised deferred tax assets/(liabilities) (continued)

Movements in temporary differences during the year :

Group	At 1.1.2023 RM'000	Recognised in profit or loss (Note 21) RM'000	Effect of movements in exchange rates RM'000	At 31.12.2023/ 1.1.2024 RM'000	Recognised in profit or loss (Note 21) RM'000	Effect of movements in exchange rates RM'000	At 31.12.2024 RM'000
Property, plant and equipment							
- capital allowance	(5,826)	95	(1)	(5,732)	(364)	2	(6,094)
- revaluation	(1,163)	347	-	(816)	34	-	(782)
Right-of-use assets	(32,955)	(3,909)	(16)	(36,880)	(360)	4	(37,236)
Lease liabilities	34,456	4,132	16	38,604	755	(6)	39,353
Tax losses carry-forward	7,562	(224)	-	7,338	(1,900)	-	5,438
Capital allowance carry-forward	539	1,175	-	1,714	(1,006)	-	708
Other temporary differences	3,594	(752)	9	2,851	1,637	(4)	4,484
	6,207	864	8	7,079	(1,204)	(4)	5,871

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 7. Deferred tax assets/(liabilities) (continued)

#### *Unrecognised deferred tax assets - Group*

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

	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Unutilised reinvestment allowance	1,448	1,448
Tax losses carry-forward	74,826	73,237
Capital allowance carry-forward	21,078	19,688
	<u>97,352</u>	<u>94,373</u>

The capital allowance carry-forward of the Group entities are available indefinitely for offsetting against future taxable profits, subject to no substantial change in shareholdings of those entities and guidelines issued under the Income Tax Act, 1967.

The unutilised reinvestment allowance and tax losses carry-forward can only be carry-forward for a maximum period of 7 and 10 consecutive years of assessment respectively. Any amounts not utilised upon expiry of the 7 and 10 years' period will be disregarded.

The unutilised reinvestment allowance will expire in the following year of assessment under the tax legislation of Malaysia :

	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<i>Year of Assessment :</i>		
2025	<u>1,448</u>	<u>1,448</u>

The tax losses carry-forward will expire in the following years of assessment under the tax legislation of Malaysia and Indonesia :

	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<i>Year of Assessment :</i>		
2024	89	91
2028	44,417	47,226
2029	8,303	8,303
2030	6,123	6,123
2031	3,187	3,187
2032	3,162	3,161
2033	5,146	5,146
2034	4,399	-
	<u>74,826</u>	<u>73,237</u>

Deferred tax assets have not been recognised in respect of the above items as it is not probable that future taxable profits will be available against which the Group entities can utilise the benefits therefrom.

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 7. Deferred tax assets/(liabilities) (continued)

#### 7.1 Material accounting policy information

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. Deferred tax assets and liabilities are not discounted.

### 8. Inventories - Group

	2024 RM'000	2023 RM'000
Raw materials	22,412	22,150
Work-in-progress	2,298	1,490
Manufactured inventories	23,207	26,063
Trading inventories	37,716	29,800
Food and beverages	15,862	16,729
	<u>101,495</u>	<u>96,232</u>
Recognised in profit or loss :		
Inventories recognised as cost of sales	710,655	629,839
Inventories (written back)/written down	<u>(497)</u>	<u>863</u>

#### 8.1 Material accounting policy information

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

The cost of inventories is calculated using the first-in, first-out method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity.

### 9. Trade and other receivables

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Non-current</b>					
<b>Non-trade</b>					
Deposits		8,819	5,977	-	-

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 9. Trade and other receivables (continued)

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Current</b>					
<b>Trade</b>					
Trade receivables		127,195	111,514	-	-
Amount due from associates	9.1	200	161	-	-
		<u>127,395</u>	<u>111,675</u>	<u>-</u>	<u>-</u>
<b>Non-trade</b>					
Amount due from subsidiaries	9.2	-	-	4,554	13,090
Deposits		7,253	10,121	8	8
Prepayments		12,913	10,113	1,062	1,269
Other receivables		9,138	13,926	-	3,292
		<u>29,304</u>	<u>34,160</u>	<u>5,624</u>	<u>17,659</u>
		<u>156,699</u>	<u>145,835</u>	<u>5,624</u>	<u>17,659</u>
Total trade and other receivables		<u>165,518</u>	<u>151,812</u>	<u>5,624</u>	<u>17,659</u>
<b>Financial instruments :</b>					
Trade and other receivables (excluding prepayments)		152,605	141,699	4,562	16,390
Add : Cash and cash equivalents	12	92,071	89,225	26	143
Total financial assets measured at amortised cost		<u>244,676</u>	<u>230,924</u>	<u>4,588</u>	<u>16,533</u>

#### 9.1 Amounts due from associates

The trade amount due from associates is subject to normal trade terms.

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 9. Trade and other receivables (continued)

#### 9.2 Amount due from subsidiaries

Included in amount due from subsidiaries is RM1,550,000 (2023 : RM7,088,000) which earns interest at rates ranging from 5.15% to 7.95% (2023 : 5.58% to 7.95%) per annum. Other than as disclosed, the non-trade amount due from subsidiaries is unsecured, interest-free and repayable on demand.

### 10. Contracts with customers - Group

	2024 RM'000	2023 RM'000
<b>Current</b>		
Contract assets	<u>1,021</u>	<u>2,237</u>
Contract liabilities	<u>(2,042)</u>	<u>(1,885)</u>

The contract assets related to the Group's right to consideration for work performed on moulds but yet to be billed at the reporting date.

Included in the contract liabilities amounting to RM1,511,000 (2023 : RM1,294,000) was advance consideration received from customers for which revenue is recognised over time.

Included in the contract liabilities amounting to RM531,000 (2023 : RM591,000) was the reward points under the customer loyalty programme awarded by the Group's restaurant division, estimated based on the fair value of food and beverages to be redeemed which also represents the aggregate amount of transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) as at the end of the financial year. The contract liabilities will be recognised as revenue when the points are redeemed or upon expiry of the redemption period, whichever earlier.

### 11. Derivative financial assets - Group

	← 2024 →		← 2023 →	
	Nominal value RM'000	Assets RM'000	Nominal value RM'000	Assets RM'000
Derivatives held for trading at fair value through profit or loss				
- Forward exchange contracts	<u>8,046</u>	<u>101</u>	<u>8,432</u>	<u>1</u>

Forward exchange contracts are used to manage the foreign currency exposures arising from the Group's receivables and payables denominated in currencies other than the functional currency of Group entities. The forward exchange contracts have maturities of less than one year after the end of the reporting period.

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 12. Cash and cash equivalents

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Short term deposits		9,118	8,925	-	-
Cash and bank balances		82,953	80,300	26	143
Cash and cash equivalents in the statements of financial position		92,071	89,225	26	143
Bank overdrafts	15	(13,657)	(8,069)	(1,042)	(150)
Cash and cash equivalents in the statements of cash flows		78,414	81,156	(1,016)	(7)

### 13. Share capital - Group/Company

	2024		2023	
	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
Issued and fully paid ordinary shares with no par value classified as equity instruments	126,373	157,853	126,373	157,853

#### 13.1 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. In respect of the Company's treasury shares that are held by the Group (see Note 14.3), all rights are suspended until those shares are reissued.

### 14. Reserves

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<i>Non-distributable :</i>					
Translation reserve	14.1	16,182	19,770	-	-
Merger reserve		1,092	1,092	-	-
Capital reserve	14.2	1,792	1,792	-	-
Treasury shares	14.3	(13,796)	(13,796)	(13,796)	(13,796)
Share options reserve	14.4	9,817	9,809	9,817	9,809
		15,087	18,667	(3,979)	(3,987)
<i>Distributable :</i>					
Retained earnings		7,711	1,383	263,074	261,877
		22,798	20,050	259,095	257,890

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 14. Reserves (continued)

The movements in the reserves are disclosed in the statements of changes in equity.

#### 14.1 Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

#### 14.2 Capital reserve

The capital reserve of RM1,792,000 (2023 : RM1,792,000) represents the statutory reserve of foreign subsidiaries as required by the respective foreign legislations.

#### 14.3 Treasury shares

The shareholders of the Company, by an ordinary resolution passed in the Annual General Meeting ("AGM") held on 30 April 2015, approved the Company's plan to repurchase its own shares. The authority granted by the shareholders was subsequently renewed during subsequent AGMs of the Company including the last AGM held on 17 May 2023. The Directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

During the financial year ended 31 December 2024, the Company did not repurchase any ordinary shares from the open market.

During the financial year ended 31 December 2023, the Company repurchased its issued ordinary shares from the open market as follows:

	No. of shares '000	Cost <sup>(N1)</sup> RM'000	← Purchase price →		
			Highest RM	Lowest RM	Average RM
<b>2023</b>					
At beginning of the financial year	7,228	9,999	1.96	0.40	1.38
Purchased during the financial year :					
January 2023	460	1,002	2.21	1.87	2.18
February 2023	540	916	1.73	1.62	1.70
March 2023	1,054	1,879	1.82	1.62	1.78
	2,054	3,797			
At end of the financial year	9,282	13,796	2.21	0.40	1.49

<sup>(N1)</sup> Cost includes share price, stamp duty, brokerage fee, clearing fee and services tax.

The repurchased transactions were financed by internally generated funds. The repurchased ordinary shares were held as treasury shares.

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 14. Reserves (continued)

#### 14.4 Share option reserve

The share options reserve represents the fair value of the share options granted to eligible Directors and employees of the Group and the Company as disclosed in Note 24.

### 15. Loans and borrowings

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Unsecured</b>					
<b>Non-current :</b>					
Term loans					
- Variable rate		23,152	20,089	-	-
- Fixed rate		-	672	-	-
Revolving credits		22,900	12,133	-	-
Hire purchase creditors		4,517	5,360	-	48
		<u>50,569</u>	<u>38,254</u>	<u>-</u>	<u>48</u>
<b>Current :</b>					
Bank overdrafts	12	13,657	8,069	1,042	150
Bankers' acceptances		49,968	47,864	-	-
Revolving credits		69,546	60,117	22,100	20,100
Term loans					
- Variable rate		10,832	6,487	-	-
- Fixed rate		653	673	-	-
Trust receipts		7,259	8,551	-	-
Other borrowings		7,076	6,943	-	-
Hire purchase creditors		2,969	3,322	-	14
		<u>161,960</u>	<u>142,026</u>	<u>23,142</u>	<u>20,264</u>
Total loans and borrowings		<u>212,529</u>	<u>180,280</u>	<u>23,142</u>	<u>20,312</u>

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 15. Loans and borrowings (continued)

#### 15.1 Reconciliation of movements of liabilities to cash flows arising from financing activities

Group	At 1 January 2023 RM'000	Net changes from financing cash flows RM'000	Derecognised due to termination of lease arrangements RM'000	Assets acquired under hire purchase arrangements RM'000	Remeasurement of existing leases RM'000	New leases obtained RM'000	Foreign exchange movements RM'000	At 31 December 2023 RM'000
Bankers' acceptances	48,826	(962)	-	-	-	-	-	47,864
Revolving credits	59,673	12,433	-	-	-	-	144	72,250
Term loans	11,962	15,920	-	-	-	-	39	27,921
Trust receipts	9,566	(1,199)	-	-	-	-	184	8,551
Other borrowings	9,805	(3,269)	-	-	-	-	407	6,943
Hire purchase creditors	9,148	(4,539)	-	4,069	-	-	4	8,682
	148,980	18,384	-	4,069	-	-	778	172,211
Lease liabilities	146,596	(30,712)	(2,039)	-	19,774	27,995	354	161,968
	295,576	(12,328)	(2,039)	4,069	19,774	27,995	1,132	334,179

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 15. Loans and borrowings (continued)

#### 15.1 Reconciliation of movements of liabilities to cash flows arising from financing activities (continued)

Group	At 1 January 2024 RM'000	Net changes from financing cash flows RM'000	Derecognised due to termination of lease arrangements RM'000	Assets acquired under hire purchase arrangements RM'000	Remeasurement of existing leases RM'000	New leases obtained RM'000	Foreign exchange movements RM'000	At 31 December 2024 RM'000
Bankers' acceptances	47,864	2,104	-	-	-	-	-	49,968
Revolving credits	72,250	20,282	-	-	-	-	(86)	92,446
Term loans	27,921	6,812	-	-	-	-	(96)	34,637
Trust receipts	8,551	(1,008)	-	-	-	-	(284)	7,259
Other borrowings	6,943	312	-	-	-	-	(179)	7,076
Hire purchase creditors	8,682	(3,534)	-	2,339	-	-	(1)	7,486
	172,211	24,968	-	2,339	-	-	(646)	198,872
Lease liabilities	161,968	(29,824)	(7,585)	-	42,775	3,846	(278)	170,902
	334,179	(4,856)	(7,585)	2,339	42,775	3,846	(924)	369,774

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 15. Loans and borrowings (continued)

#### 15.1 Reconciliation of movements of liabilities to cash flows arising from financing activities (continued)

	At 1 January 2023 RM'000	Assets acquired under hire purchase arrangements RM'000	Net changes from financing cash flows RM'000	At 31 December 2023/ 1 January 2024 RM'000	Assets acquired under hire purchase arrangements RM'000	Net changes from financing cash flows RM'000	At 31 December 2024 RM'000
<b>Company</b>							
Revolving credits	17,100	-	3,000	20,100	-	2,000	22,100
Hire purchase creditors	-	74	(12)	62	-	(62)	-
	17,100	74	2,988	20,162	-	1,938	22,100

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 16. Deferred liabilities

Directors' retirement/resignation benefits

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At 1 January	3,644	3,558	688	626
Provision during the year	614	539	128	162
Amount paid during the year	(1,993)	(484)	(570)	(100)
Effect of movements in exchange rates	(18)	31	-	-
At 31 December	<u>2,247</u>	<u>3,644</u>	<u>246</u>	<u>688</u>
Total at 31 December	2,247	3,644	246	688
Less : Amount payable within the next 12 months presented as current liabilities	(488)	(387)	-	(300)
	<u>1,759</u>	<u>3,257</u>	<u>246</u>	<u>388</u>

### 17. Provision - Group

	2024 RM'000	2023 RM'000
<i>Provision for site restoration costs</i>		
At 1 January	6,449	6,374
Provision made during the year	263	345
Provision utilised during the year	(382)	(270)
Effect of movements in exchange rate	(7)	-
	(126)	75
At 31 December	<u>6,323</u>	<u>6,449</u>
Presented as :		
Non-current	6,196	6,438
Current	127	11
	<u>6,323</u>	<u>6,449</u>

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 17. Provision - Group (continued)

The site restoration costs for the rented premises are provided based on historical experience of expenses incurred. The Group expects to incur the liability when the leases expire or when they are terminated.

The amount provided for restoration costs is reviewed and updated annually based on the current cost of restoring the premises and for any leases terminated or extended.

Provision for restoration costs is classified as current liabilities if it is expected to be utilised within 12 months after the reporting date when the leases are expected to be terminated.

### 18. Trade and other payables

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Non-current</b>					
<b>Non-trade</b>					
Amount due to subsidiaries	18.1	-	-	1,073	10,041
Other payable	18.3	9,508	30,000	-	-
		<u>9,508</u>	<u>30,000</u>	<u>1,073</u>	<u>10,041</u>
<b>Current</b>					
<b>Trade</b>					
Trade payables		72,553	66,342	-	-
		<u>72,553</u>	<u>66,342</u>	<u>-</u>	<u>-</u>
<b>Non-trade</b>					
Amount due to :					
- subsidiaries	18.1	-	-	178	9,281
- associates	18.2	1,691	1,307	-	-
Other payables	18.3	50,187	39,783	41	55
Accrued expenses		34,294	37,813	1,341	1,377
		<u>86,172</u>	<u>78,903</u>	<u>1,560</u>	<u>10,713</u>
		<u>158,725</u>	<u>145,245</u>	<u>1,560</u>	<u>10,713</u>
		<u>168,233</u>	<u>175,245</u>	<u>2,633</u>	<u>20,754</u>

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 18. Trade and other payables (continued)

	Note	Group		Company	
		2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
<b>Financial instruments</b>					
Trade and other payables		168,233	175,245	2,633	20,754
Add : Loans and borrowings	15	212,529	180,280	23,142	20,312
Deferred liabilities	16	2,247	3,644	246	688
Total financial liabilities measured at amortised cost		<u>383,009</u>	<u>359,169</u>	<u>26,021</u>	<u>41,754</u>

#### 18.1 Amounts due to subsidiaries

Included in the non-current amount due to subsidiaries is RM800,000 (2023 : RM9,764,000) which is unsecured, bears interest at a rate of 6.00% (2023 : ranging from 5.00% to 8.10%) per annum and is not repayable within the next twelve (12) months. Other than as disclosed, the non-current amount due to subsidiaries is unsecured, interest-free and is not repayable within the next twelve (12) months.

In the previous financial year, included in the current amount due to subsidiaries was RM8,959,000 which borne interest at rates ranging from 5.00% to 7.74% per annum. Other than as disclosed, the current amount due to subsidiaries is unsecured, interest-free and repayable on demand.

#### 18.2 Amounts due to associates

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

#### 18.3 Other payables

Included in the current and non-current other payable amounting to RM30 million (2023 : RM50 million) was the remaining balance for the acquisition of non-controlling interest in a subsidiary which is subject to interest charge of 4.08% (2023 : 4.08%) per annum. Besides, included in the current other payable amounting to RM6.3 million (2023 : RM1.1 million) was for the acquisition of plant and equipment.

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 19. Revenue and operating profit

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue from contracts with customers	19.1	1,116,955	992,625	-	-
<i>Other revenue :</i>					
- Dividend income		-	-	13,780	20,237
- Rental income		987	900	-	-
		987	900	13,780	20,237
<b>Total revenue</b>	19.1	<u>1,117,942</u>	<u>993,525</u>	<u>13,780</u>	<u>20,237</u>
Cost of sales		(841,234)	(744,831)	-	-
Gross profit		<u>276,708</u>	<u>248,694</u>	<u>13,780</u>	<u>20,237</u>
Distribution costs		(131,826)	(128,875)	-	-
Administrative expenses		(117,049)	(116,220)	(6,672)	(7,469)
Other expenses		(3,940)	(308)	(5,168)	(4,800)
Other income		10,250	11,742	1,112	8,087
Net (loss)/gain on impairment of financial instruments - at amortised cost		(72)	2	-	-
<b>Operating profit</b>		<u><u>34,071</u></u>	<u><u>15,035</u></u>	<u><u>3,052</u></u>	<u><u>16,055</u></u>

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 19. Revenue and operating profit (continued)

#### 19.1 Disaggregation of revenue - Group

	Industrial RM'000	Restaurant RM'000	Polymer Engineering RM'000	Food RM'000	Venture Business RM'000	Others RM'000	Total RM'000
<b>2024</b>							
<b>Primary geographical markets</b>							
Malaysia	181,806	271,314	70,885	24,936	86	1,257	550,284
Singapore	56,530	-	14,299	1,668	231	-	72,728
Thailand	82,261	-	71,284	-	12	-	153,557
Vietnam	85,133	-	31,155	-	121	-	116,409
China	53,303	-	7,381	10,630	-	-	71,314
Myanmar	1,983	-	15	32,758	-	-	34,756
Indonesia	19,992	1,167	1,177	-	-	-	22,336
Japan	356	-	10,356	36,046	1,131	-	47,889
United States of America	-	-	7,783	1,142	-	-	8,925
Philippines	1,260	-	1,759	-	-	-	3,019
Australia	1,310	-	2,170	-	-	-	3,480
Italy	2,617	-	-	6,373	-	-	8,990
Taiwan	813	-	747	5,426	-	-	6,986
India	3,920	-	3,234	-	-	-	7,154
Germany	-	-	2,244	-	-	-	2,244
Switzerland	-	-	3,029	-	-	-	3,029
Others	1,027	-	2,828	-	-	-	3,855
	<b>492,311</b>	<b>272,481</b>	<b>230,346</b>	<b>118,979</b>	<b>1,581</b>	<b>1,257</b>	<b>1,116,955</b>

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 19. Revenue and operating profit (continued)

#### 19.1 Disaggregation of revenue - Group (continued)

2024	Industrial RM'000	Restaurant RM'000	Polymer Engineering RM'000	Food RM'000	Venture Business RM'000	Others RM'000	Total RM'000
<b>Major products and service lines</b>							
Chemicals, plastic resins and other industrial related products	492,311	-	-	-	-	-	492,311
Food and beverages	-	244,047	-	-	-	-	244,047
Medical life science related plastic products	-	-	82,244	-	-	-	82,244
Non-medical life science related plastic products	-	-	138,341	-	1,581	-	139,922
Surimi, fishmeal, seafood and other processed foods	-	-	-	118,979	-	-	118,979
Mould and tooling	-	-	9,761	-	-	-	9,761
Provision of services*	-	28,434	-	-	-	1,257	29,691
	<b>492,311</b>	<b>272,481</b>	<b>230,346</b>	<b>118,979</b>	<b>1,581</b>	<b>1,257</b>	<b>1,116,955</b>

\* The provision of services include management services, warehousing services and services rendered as insurance agents.

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 19. Revenue and operating profit (continued)

#### 19.1 Disaggregation of revenue - Group (continued)

2024	Industrial RM'000	Restaurant RM'000	Polymer Engineering RM'000	Food RM'000	Venture Business RM'000	Others RM'000	Total RM'000
<b>Timing and recognition</b>							
At a point in time	492,311	242,915	220,585	118,979	1,581	1,257	1,077,628
Over time	-	29,566	9,761	-	-	-	39,327
Revenue from contracts with customers	492,311	272,481	230,346	118,979	1,581	1,257	1,116,955
Other revenue	-	-	-	-	-	987	987
Total revenue	492,311	272,481	230,346	118,979	1,581	2,244	1,117,942

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 19. Revenue and operating profit (continued)

#### 19.1 Disaggregation of revenue - Group (continued)

2023

#### Primary geographical markets

	Industrial RM'000	Restaurant RM'000	Polymer Engineering RM'000	Food RM'000	Venture Business RM'000	Others RM'000	Total RM'000
Malaysia	144,729	261,756	58,742	30,429	99	1,281	497,036
Singapore	72,082	-	12,058	3,808	27	-	87,975
Thailand	70,187	-	50,168	-	21	-	120,376
Vietnam	50,416	-	35,515	207	89	-	86,227
China	48,164	-	4,740	13,563	97	-	66,564
Myanmar	2,685	-	-	11,866	-	-	14,551
Indonesia	11,394	-	1,284	-	-	-	12,678
Japan	1,050	-	8,531	57,667	606	-	67,854
United States of America	4	-	4,025	702	-	-	4,731
Philippines	1,741	-	799	485	-	-	3,025
Australia	125	-	1,447	-	-	-	1,572
Italy	10,756	-	-	4,725	-	-	15,481
Taiwan	910	-	394	2,546	-	-	3,850
India	2,273	-	2,365	-	-	-	4,638
Germany	-	-	1,105	-	-	-	1,105
Others	1,258	-	2,809	895	-	-	4,962
	417,774	261,756	183,982	126,893	939	1,281	992,625

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 19. Revenue and operating profit (continued)

#### 19.1 Disaggregation of revenue - Group (continued)

	Industrial RM'000	Restaurant RM'000	Polymer Engineering RM'000	Food RM'000	Venture Business RM'000	Others RM'000	Total RM'000
<b>2023</b>							
<b>Major products and service lines</b>							
Chemicals, plastic resins and other industrial related products	417,627	-	-	-	-	-	417,627
Food and beverages	-	236,016	-	-	-	-	236,016
Medical life science related plastic products	147	-	62,325	-	-	-	62,472
Non-medical life science related plastic products	-	-	113,797	-	939	-	114,736
Surimi, fishmeal, seafood and other processed foods	-	-	-	126,893	-	-	126,893
Mould and tooling	-	-	7,860	-	-	-	7,860
Provision of services*	-	25,740	-	-	-	1,281	27,021
	<u>417,774</u>	<u>261,756</u>	<u>183,982</u>	<u>126,893</u>	<u>939</u>	<u>1,281</u>	<u>992,625</u>

\* The provision of services include management services, warehousing services and services rendered as insurance agents.

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 19. Revenue and operating profit (continued)

#### 19.1 Disaggregation of revenue - Group (continued)

2023

#### Timing and recognition

	Industrial RM'000	Restaurant RM'000	Polymer Engineering RM'000	Food RM'000	Venture Business RM'000	Others RM'000	Total RM'000
At a point in time	417,774	236,516	176,122	126,893	939	1,281	959,525
Over time	-	25,240	7,860	-	-	-	33,100
Revenue from contracts with customers	417,774	261,756	183,982	126,893	939	1,281	992,625
Other revenue	-	-	-	-	-	900	900
Total revenue	417,774	261,756	183,982	126,893	939	2,181	993,525

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 19. Revenue and operating profit (continued)

#### 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 recognise revenue	Significant payment terms	Variable element in consideration	Obligation for returns or refunds	Warranty
Chemicals, plastic resins and other industrial related products	Revenue is recognised at a point in time when the goods are delivered and accepted by the customers.	Credit period of 30 days to 60 days from invoice date.	Not applicable.	Not applicable.	Not applicable.
Food and beverages	Revenue is recognised at a point in time when the food and beverages are served/delivered and accepted by the customers.	Cash term.	Not applicable.	Not applicable.	Not applicable.
Medical life science related plastic products	Revenue is recognised at a point in time when the goods are delivered and accepted by the customers.	Cash term or credit period of 30 days to 60 days from invoice date.	Not applicable.	Not applicable.	Not applicable.
Non-medical life science related plastic products	Revenue is recognised at a point in time when the goods are delivered and accepted by the customers.	Cash term or credit period of 30 days to 60 days from invoice date.	Not applicable.	Not applicable.	Not applicable.

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 19. Revenue and operating profit (continued)

#### 19.2 Nature of goods and services (continued)

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Obligation for returns or refunds	Warranty
Surimi, fishmeal, seafood and other processed foods	Revenue is recognised at a point in time when the goods are delivered and accepted by the customers.	Credit period of 14 days to 60 days from invoice date.	Not applicable.	Not applicable.	Not applicable.
Moulds and toolings	Revenue is recognised over time as performance obligations are satisfied. These contracts would meet the no alternative use criteria and the Group has rights to payment for work performed.	Credit period of 30 days to 60 days from invoice date.	Not applicable.	Not applicable.	Not applicable.
Services as described in Note 19.1	Revenue is recognised overtime when the services are performed or rendered.	Cash term or credit period of 30 days from invoice date.	Not applicable.	Not applicable.	Not applicable.

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

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 20. Finance costs

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss	12,810	11,958	1,778	2,823
Interest expense on lease liabilities	7,999	6,800	-	-
	<u>20,809</u>	<u>18,758</u>	<u>1,778</u>	<u>2,823</u>

### 21. Tax expense

Major components of tax expense include :

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Current tax expense</b>				
- current year	9,067	9,574	80	140
- prior years	(781)	(568)	(3)	85
Total current tax	8,286	9,006	77	225
<b>Deferred tax expense</b>				
- current year	1,364	(396)	-	-
- prior years	(160)	(468)	-	-
Total deferred tax	1,204	(864)	-	-
Total tax expense	<u>9,490</u>	<u>8,142</u>	<u>77</u>	<u>225</u>

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 21. Tax expense (continued)

#### Reconciliation of tax expense

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit/(Loss) for the year	5,326	(10,886)	1,197	13,007
Total tax expense	9,490	8,142	77	225
Profit/(Loss) excluding tax	<u>14,816</u>	<u>(2,744)</u>	<u>1,274</u>	<u>13,232</u>
Tax calculated using Malaysian tax rate at 24%	3,556	(659)	306	3,176
Effect of different tax rate in foreign jurisdictions	(453)	(150)	-	-
Non-deductible expenses	7,891	10,029	3,114	2,288
Results of equity-accounted associates	(373)	(235)	-	-
Non-taxable income	(809)	(807)	(3,340)	(5,324)
Deferred tax assets not recognised	715	1,357	-	-
Effect of tax incentives	-	(309)	-	-
Other items	(96)	(48)	-	-
(Over)/Under provision in prior years	(941)	(1,036)	(3)	85
Total tax expense	<u>9,490</u>	<u>8,142</u>	<u>77</u>	<u>225</u>

A foreign subsidiary which is involved in the processing, production and sale of marine products has been granted income tax exemption for an initial period of 5 years from 2 May 2016 under the local investment law of the country in which the said subsidiary operates. The tax exemption period has been subsequently extended to 7 years and had expired on 2 May 2023.

### 22. Employee information

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Staff costs (including key management personnel)	164,134	159,551	1,525	1,708
Contributions to Employees Provident Fund	11,582	11,997	135	157
Share-based payments (Note 24)	8	2,979	1	296
	<u>175,724</u>	<u>174,527</u>	<u>1,661</u>	<u>2,161</u>

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 23. Profit/(Loss) for the year

Profit/(Loss) for the year is arrived at after charging/(crediting) :

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Auditors' remuneration				
- Audit fees				
- KPMG PLT in Malaysia	421	376	53	50
- Overseas affiliates of KPMG PLT in Malaysia	193	194	-	-
- Other auditors	368	360	-	-
- Non-audit fees				
- KPMG PLT in Malaysia	20	17	20	17
- Local affiliates of KPMG PLT in Malaysia	221	164	13	21
- Other auditors	189	157	-	-
<b>Material expenses/(income)</b>				
Directors' emoluments				
- fees	2,785	2,410	1,000	820
- others	7,479	5,766	1,353	1,023
- share-based payments	6	2,090	1	296
Inventories (written back)/written down (Note 8)	(497)	863	-	-
Impairment loss on :				
- Right-of-use assets (Note 4)	610	116	-	-
- Investment in subsidiaries (Note 5)	-	-	5,168	4,800
Reversal of impairment loss on investment in subsidiaries (Note 5)	-	-	-	(4,800)
Property, plant and equipment :				
- Impairment loss (Note 3)	3,330	192	-	-
- Written off	959	624	-	24
Loss on foreign exchange, net	1,150	226	3	-
Gain on :				
- disposal of property, plant and equipment	(772)	(7)	-	(2)
- disposal of an associate	-	(2,488)	-	(1,920)
Interest income	(1,066)	(906)	(583)	(951)
<b>Expenses/(Income) arising from leases</b>				
Expenses relating to :				
- short-term leases (Note a)	5,117	5,884	250	383
- leases of low-value assets (Note a)	573	607	-	-
- variable lease payments not included in the measurement of lease liabilities	2,281	2,227	-	-
Gain on termination of leases	(107)	(144)	-	-

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 23. Profit/(Loss) for the year (continued)

Profit/(Loss) for the year is arrived at after charging/(crediting) (continued) :

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Expenses/(Income) arising from leases (continued)</b>				
Rental income from premises	(1,163)	(1,043)	-	-
<b>Net loss/(gain) on impairment of financial instruments</b>				
Impairment/(Reversal) on trade receivables	<u>72</u>	<u>(2)</u>	<u>-</u>	<u>-</u>

The estimated monetary value of Directors' benefits-in-kind of the Group and the Company are RM180,000 (2023 : RM166,000) and RM80,000 (2023 : RM65,000) respectively.

#### Note a

The Group and the Company lease office space, apartments, storage facilities and equipment with contract terms of not more than 1 year. These leases are short-term and/or leases of low-value items. The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for these leases.

### 24. Employee benefits - Group/Company

#### Share-based payments arrangement

The Company granted share options to eligible Executive Directors and employees of the Group to purchase shares in the Company under the Employees' Share Option Scheme ("ESOS") approved by the shareholders at an Extraordinary General Meeting of the Company held on 22 April 2022.

The ESOS shall be in force for a duration of 5 years, commencing from 27 April 2022.

	Number of options granted and accepted ('000)	Vesting period	Exercise price (RM/Share)
Granted on 29 April 2022			
- Tranche 1	3,240	29 April 2022 to 26 April 2027	2.45
- Tranche 2	3,240	1 January 2023 to 26 April 2027	2.45
- Tranche 3	4,326	1 January 2024 to 26 April 2027	2.45
	<u>10,806</u>		

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 24. Employee benefits - Group/Company (continued)

#### Share-based payments arrangement (continued)

The movements of the ESOS during the year are as follows:

	Weighted average exercise price 2024	Number of options (‘000) 2024	Weighted average exercise price 2023	Number of options (‘000) 2023
Outstanding at 1 January	2.45	7,932	2.45	8,532
Forfeited during the year	2.45	(980)	2.45	(600)
Outstanding at 31 December	2.45	<u>6,952</u>	2.45	<u>7,932</u>
Exercisable at 31 December		<u>6,952</u>		<u>3,606</u>

The fair value of services received in return for the ESOS granted is based on the fair value of share options granted, measured using the Binomial Option Pricing Model, with the following inputs :

	2024 RM	2023 RM
<b>Fair value of share options and assumptions</b>		
Fair value at grant date	<u>1.1505</u>	<u>1.1505</u>
Weighted average share price	2.4500	2.4500
Share price at grant date	2.6525	2.6525
Option life	5 years	5 years
Expected volatility	53.22%	53.22%
Expected dividends	3.37%	3.37%
Risk-free interest rate (based on Malaysian government bonds)	<u>3.89%</u>	<u>3.89%</u>

No share options were granted in the current financial year.

#### Value of employee services received for issue of share options

	Group		Company	
	RM'000 2024	RM'000 2023	RM'000 2024	RM'000 2023
Share option reserve recognised	8	2,979	8	2,979
Less: Allocation of expenses to subsidiaries	-	-	(7)	(2,683)
Total expenses recognised as share-based payments	<u>8</u>	<u>2,979</u>	<u>1</u>	<u>296</u>

The share options expense re-charged to the subsidiaries benefiting from the services of the employees is not recognised in the profit or loss of the Company.

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 25. Basic/Diluted earnings/(loss) per ordinary share - Group

#### *Basic earnings/(loss) per ordinary share*

The calculation of basic earnings or loss per ordinary share is based on the profit attributable to ordinary shareholders of RM6,743,000 (2023 : loss attributable to ordinary shareholders of RM10,846,000) and on the weighted average number of ordinary shares outstanding during the year of 117,091,000 (2023 : 117,369,000) calculated as follows :

	<b>2024</b> <b>RM'000</b>	<b>2023</b> <b>RM'000</b>
Profit/(Loss) attributable to ordinary shareholders	<u>6,743</u>	<u>(10,846)</u>
Weighted average number of ordinary shares at 31 December ('000)	<u>117,091</u>	<u>117,369</u>
Basic earnings/(loss) per ordinary share (sen)	<u>5.76</u>	<u>(9.24)</u>

#### **Weighted average number of ordinary shares :**

	<b>2024</b> <b>'000</b>	<b>2023</b> <b>'000</b>
Issued ordinary shares at 1 January	126,373	126,373
Effect of treasury shares repurchased	(9,282)	(9,004)
Weighted average number of ordinary shares at 31 December	<u>117,091</u>	<u>117,369</u>

#### *Diluted earnings/(loss) per ordinary share*

The calculation of diluted earnings or loss per ordinary share is based on the profit or loss attributable to ordinary shareholders and on the weighted average number of ordinary shares outstanding after adjusting the effect of all dilutive potential ordinary shares, calculated as follows :

	<b>2024</b> <b>RM'000</b>	<b>2023</b> <b>RM'000</b>
Profit/(Loss) attributable to ordinary shareholders	<u>6,743</u>	<u>(10,846)</u>
	<b>2024</b> <b>'000</b>	<b>2023</b> <b>'000</b>
Weighted average number of ordinary shares at 31 December (basic)	117,091	117,369
Effect of exercise of ESOS	*	*
Weighted average number of ordinary shares at 31 December (diluted)	<u>117,091</u>	<u>117,369</u>
Diluted earnings/(loss) per ordinary share (sen)	<u>5.76</u>	<u>(9.24)</u>

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 25. Basic/Diluted earnings/(loss) per ordinary share - Group (continued)

#### *Diluted earnings/(loss) per ordinary share (continued)*

\* The Group's diluted earnings/(loss) per ordinary share is assumed to be the same as basic earnings/(loss) per ordinary share as the potential new ordinary shares are deemed to be anti-dilutive since the current market share price is lower than the ESOS's exercise price.

### 26. Dividends

During the previous financial year, the Company declared and paid the following dividends :

	Sen per share (single tier)	RM'000	Date of declaration	Date of payment
Dividend paid :				
<b>2023</b>				
Interim 2022	5.0	<u>5,855</u>	23 February 2023	24 March 2023

### 27. Related parties

#### Identity of related parties

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

The Group has related party relationships with its significant investor, Texchem Holdings Sdn. Bhd. in which Tan Sri Dato' Seri (Dr.) Fumihiko Konishi has a substantial financial interest, subsidiaries and associates as disclosed in the financial statements.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include certain Directors of the Group and of the Company.

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 27. Related parties (continued)

#### Significant related party transactions

The significant related party transactions of the Group and of the Company are shown below. Related party transactions have been entered in the normal course of business under negotiated terms.

#### A. Subsidiaries

	2024 RM'000	2023 RM'000
<b>Company</b>		
- Advances to subsidiaries	4,064	5,950
- Interest income	277	588
- Interest expense	603	1,941
- Dividend income	13,780	20,237
- Management fee expense	1,500	1,500
- Share options expense re-charged to subsidiaries	7	2,683
- Subscription of shares in subsidiaries	<u>2,904</u>	<u>3,300</u>

#### B. Texchem Holdings Sdn. Bhd.

	2024 RM'000	2023 RM'000
<b>Company</b>		
- Rental expense (premises)	<u>180</u>	<u>180</u>
<b>Group</b>		
- Rental expense (premises)	924	924
- Insurance premium income	117	146
- Service income	<u>28</u>	<u>28</u>

#### C. Associates

	2024 RM'000	2023 RM'000
<b>Group</b>		
- Management fee income	18	66
- Sales	1,670	1,161
- Service income	38	53
- Insurance premium income	48	40
- Rental income	1	178
- Storage and logistic income	63	59
- Purchases	2,400	2,424
- Lab expenses	-	5
- Rental expenses	<u>-</u>	<u>159</u>

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 27. Related parties (continued)

#### Significant related party transactions (continued)

##### D. Key management personnel

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Directors				
- Fees	2,785	2,410	1,000	820
- Remuneration	7,479	5,766	1,353	1,023
- Estimated value of benefits-in-kind	180	166	80	65
- Share-based payments	6	2,090	1	296
	<u>10,450</u>	<u>10,432</u>	<u>2,434</u>	<u>2,204</u>
Other key management personnel				
- Fees	125	87	-	-
- Remuneration	1,877	3,099	-	-
- Estimated value of benefits-in-kind	20	60	-	-
- Share-based payments	2	689	-	-
	<u>2,024</u>	<u>3,935</u>	<u>-</u>	<u>-</u>
	<u>12,474</u>	<u>14,367</u>	<u>2,434</u>	<u>2,204</u>

There were no transactions with the key management personnel other than the remuneration package paid to them in accordance with the terms and conditions of their appointment as disclosed above and the Directors' retirement/resignation benefits payable as disclosed in Note 16 to the financial statements.

The balances related to the above transactions are shown in Notes 9 and 18 to the financial statements. All the amounts outstanding are unsecured and are expected to be settled in cash. There was no impairment provided in respect of related party balances at the end of the reporting period.

### 28. Operating segments

The Group has five reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products or services, and are managed separately because they require different technology, operational and marketing strategies.

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 28. Operating segments (continued)

For each of the strategic business units, the Group's Chief Executive Officer (the chief operating decision maker ("CODM")) reviews internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments :

- Industrial
- Restaurant
- Polymer Engineering
- Food
- Venture Business

There are varying levels of integration between the segments such as the transfers of raw materials, rental of premises and shared distribution and administrative services. Inter-segment pricing is determined on negotiated basis.

Performance is measured based on segment profit or loss before tax, as included in the internal management reports that are reviewed by the CODM. Segment profit or loss is used to measure performance as management believes that such information is the most relevant in evaluating the results of the segments relative to other entities that operate within these industries.

Other non-reportable segments comprise investment holding activities and the provision of intra-group management services. None of these segments met the quantitative thresholds for reporting segments in both financial years 2024 and 2023.

#### **Segment assets**

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

#### **Segment liabilities**

Segment liabilities information is neither included in the internal management reports nor provided regularly to the CODM. Hence, no disclosure is made on segment liabilities.

#### **Segment capital expenditure**

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment, right-of-use assets and intangible assets other than goodwill.

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 28. Operating segments (continued)

2024

	Industrial RM'000	Restaurant RM'000	Polymer Engineering RM'000	Food RM'000	Venture Business RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Revenue from external customers	492,311	272,481	230,346	118,979	1,581	2,244	-	1,117,942
Inter-segment revenue	6,978	1,913	1,512	62,106	4,370	12,082	(88,961)	-
<b>Total revenue</b>	<b>499,289</b>	<b>274,394</b>	<b>231,858</b>	<b>181,085</b>	<b>5,951</b>	<b>14,326</b>	<b>(88,961)</b>	<b>1,117,942</b>
Profit/(Loss) before share of results of equity-accounted associates	6,421	(2,067)	19,250	(3,349)	(3,003)	(3,990)	-	13,262
Share of profit of equity-accounted associates, net of tax	-	1,524	-	30	-	-	-	1,554
<b>Segment profit/(loss)</b>	<b>6,421</b>	<b>(543)</b>	<b>19,250</b>	<b>(3,319)</b>	<b>(3,003)</b>	<b>(3,990)</b>	<b>-</b>	<b>14,816</b>
Included in the measure of segment profit/(loss) are :								
- Inventories (written back)/written down	(2)	(38)	(600)	18	125	-	-	(497)
- Impairment loss on trade receivables	46	-	26	-	-	-	-	72
- Impairment loss on property, plant and equipment	-	1,549	-	1,781	-	-	-	3,330
- Impairment loss on right-of-use assets	-	428	-	182	-	-	-	610
- Property, plant and equipment written off	-	791	37	1	91	39	-	959
- Depreciation of property, plant and equipment	862	9,601	7,338	1,899	349	1,247	-	21,296
- Depreciation of right-of-use assets	1,262	29,392	858	137	-	356	-	32,005
<b>Segment assets</b>	<b>155,296</b>	<b>299,875</b>	<b>197,743</b>	<b>75,854</b>	<b>4,157</b>	<b>38,427</b>	<b>-</b>	<b>771,352</b>
Included in the measure of segment assets are :								
- Investments in associates	-	19,888	-	595	-	-	-	20,483
- Additions to property, plant and equipment	707	7,740	12,604	1,440	243	959	-	23,693
- Additions to right-of-use assets	-	3,658	188	-	-	-	-	3,846

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 28. Operating segments (continued)

2023

	Industrial RM'000	Restaurant RM'000	Polymer Engineering RM'000	Food RM'000	Venture Business RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Revenue from external customers	417,774	261,756	183,982	126,893	939	2,181	-	993,525
Inter-segment revenue	4,295	1,029	1,359	50,068	3,918	12,157	(72,826)	-
<b>Total revenue</b>	<b>422,069</b>	<b>262,785</b>	<b>185,341</b>	<b>176,961</b>	<b>4,857</b>	<b>14,338</b>	<b>(72,826)</b>	<b>993,525</b>

Profit/(Loss) before share of results of equity-accounted associates

Share of profit of equity-accounted associates, net of tax

	2,353	(3,229)	2,345	2,204	(3,416)	(3,980)	-	(3,723)
	-	449	-	402	-	128	-	979
<b>Segment profit/(loss)</b>	<b>2,353</b>	<b>(2,780)</b>	<b>2,345</b>	<b>2,606</b>	<b>(3,416)</b>	<b>(3,852)</b>	<b>-</b>	<b>(2,744)</b>

Included in the measure of segment profit/(loss) are :

- Inventories written down/(written back)
- Reversal of impairment loss on trade receivables
- Impairment loss on property, plant and equipment
- Impairment loss on right-of-use assets
- Property, plant and equipment written off
- Depreciation of property, plant and equipment
- Depreciation of right-of-use assets
- Gain on disposal of an associate

	148	115	932	(293)	(39)	-	-	863
	(2)	-	-	-	-	-	-	(2)
	-	192	-	-	-	-	-	192
	-	116	-	-	-	-	-	116
	139	309	87	31	3	55	-	624
	876	10,017	7,549	2,391	392	1,007	-	22,232
	940	28,738	1,184	137	-	735	-	31,734
	-	-	-	-	-	2,488	-	2,488
<b>Segment assets</b>	<b>150,207</b>	<b>274,116</b>	<b>173,739</b>	<b>89,644</b>	<b>7,358</b>	<b>43,334</b>	<b>-</b>	<b>738,398</b>

Included in the measure of segment assets are :

- Investments in associates
- Additions to property, plant and equipment
- Additions to right-of-use assets

	-	4,644	-	581	-	-	-	5,225
	874	9,528	5,871	1,525	370	4,450	-	22,618
	-	27,817	178	-	-	-	-	27,995

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 28. Operating segments (continued)

#### Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers. Segment assets are based on the geographical location of the assets. The amounts of non-current assets do not include financial instruments, investments in associates and deferred tax assets.

Geographical information	Revenue RM'000	Non-current assets RM'000
<b>2024</b>		
Malaysia	551,273	315,945
Singapore	72,727	13,265
Thailand	153,556	18,135
Vietnam	116,408	4,618
China	71,314	-
Myanmar	34,756	13,997
Indonesia	22,335	4,947
Japan	47,889	-
United States of America	8,925	-
Italy	8,990	-
Others	29,769	-
	1,117,942	370,907
<b>2023</b>		
Malaysia	497,936	315,557
Singapore	87,975	13,559
Thailand	120,376	17,616
Vietnam	86,227	3,675
China	66,564	-
Myanmar	14,551	17,607
Indonesia	12,678	25
Japan	67,854	-
United States of America	4,731	-
Italy	15,481	-
Others	19,152	-
	993,525	368,039

#### Major customer

During the current and previous financial year, there was no revenue from one-single customer that contributed to more than 10% of the Group's revenue.

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 29. Capital management

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.

The debt-to-equity ratio are as follows:

	2024 RM'000	2023 RM'000
<b>Group</b>		
Total loans and borrowings (Note 15)	212,529	180,280
Less: Cash and cash equivalents (Note 12)	(92,071)	(89,225)
	<u>120,458</u>	<u>91,055</u>
Total equity of the Group	<u>200,668</u>	<u>199,612</u>
Debt-to-equity ratio	<u>0.60</u>	<u>0.46</u>

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

### 30. Capital commitment - Group

	2024 RM'000	2023 RM'000
Contracted but not provided for - Property, plant and equipment	<u>8,828</u>	<u>9,366</u>

### 31. Financial instruments

#### 31.1 Categories of financial instruments

Trade and other receivables (excluding prepayments) and cash and cash equivalents are categorised as financial assets at amortised cost (Note 9) while trade and other payables, deferred liabilities, loans and borrowings are categorised as financial liabilities measured at amortised cost (Note 18).

Derivative financial assets are categorised as fair value through profit or loss (Note 11).

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 31. Financial instruments (continued)

#### 31.2 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 assets measured at amortised cost	994	908	583	951
Financial liabilities measured at amortised cost	(13,960)	(12,184)	(1,778)	(2,823)
Fair value through profit or loss :				
- designated upon initial recognition	101	1	-	-
	<u>(12,865)</u>	<u>(11,275)</u>	<u>(1,195)</u>	<u>(1,872)</u>

#### 31.3 Financial risk management

The Group and the Company have exposure to the following risks from its use of financial instruments :

- Credit risk
- Liquidity risk
- Market risk

#### 31.4 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 the individual characteristics of each customer. The Company's exposure to credit risk arises principally from advances to subsidiaries and financial guarantees given to banks and suppliers for banking and trade facilities granted to subsidiaries. There are no significant changes as compared to prior year.

##### 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 credit evaluations are performed on customers requiring credit over a certain amount.

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

The gross carrying amount 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 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.

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 31. Financial instruments (continued)

#### 31.4 Credit risk (continued)

##### Trade receivables and contract assets (continued)

##### *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 statements of financial position.

The exposure to credit risk for trade receivables and contract assets as at the end of the reporting period by geographical region was :

<b>Group</b>	<b>2024 RM'000</b>	<b>2023 RM'000</b>
Malaysia	55,159	48,596
Thailand	27,964	24,374
Vietnam	14,726	11,271
China	10,390	9,155
Singapore	6,144	8,026
Japan	4,275	3,313
Indonesia	2,666	2,375
Myanmar	1,300	431
Others	5,792	6,371
	<u>128,416</u>	<u>113,912</u>

##### *Recognition and measurement of impairment loss*

The Group uses an allowance matrix to measure Expected Credit Loss ("ECLs") of trade receivables and contract assets for all segments. Consistent with the debt recovery process, invoices which are past due more than 120 days or 180 days as applicable to the relevant Group entities will be considered as credit impaired.

The Group will initiate appropriate debt recovery procedures on past due balances which are monitored by the sales management team. Where necessary, the Group will also commence legal proceeding against the customers.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to 120/180 days past due.

Loss rates are based on actual credit loss experienced over the past three years. 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.

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 31. Financial instruments (continued)

#### 31.4 Credit risk (continued)

##### Trade receivables and contract assets (continued)

##### Recognition and measurement of impairment loss (continued)

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.

	Gross carrying amount RM'000	Loss allowances RM'000	Net balance RM'000
<b>2024</b>			
<b>Group</b>			
Current (not past due)	100,176	-	100,176
1 - 30 days past due	20,624	-	20,624
31 - 120 days past due	7,184	-	7,184
More than 120 days past due	432	-	432
	<u>128,416</u>	<u>-</u>	<u>128,416</u>
<b>Credit impaired</b>			
Individually impaired	1,021	(1,021)	-
	<u>129,437</u>	<u>(1,021)</u>	<u>128,416</u>
Trade receivables	128,416	(1,021)	127,395
Contract assets	1,021	-	1,021
	<u>129,437</u>	<u>(1,021)</u>	<u>128,416</u>
<b>2023</b>			
<b>Group</b>			
Current (not past due)	80,583	-	80,583
1 - 30 days past due	21,531	-	21,531
31 - 120 days past due	9,993	-	9,993
More than 120 days past due	1,805	-	1,805
	<u>113,912</u>	<u>-</u>	<u>113,912</u>
<b>Credit impaired</b>			
Individually impaired	1,027	(1,027)	-
	<u>114,939</u>	<u>(1,027)</u>	<u>113,912</u>
Trade receivables	112,702	(1,027)	111,675
Contract assets	2,237	-	2,237
	<u>114,939</u>	<u>(1,027)</u>	<u>113,912</u>

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 31. Financial instruments (continued)

#### 31.4 Credit risk (continued)

##### Trade receivables and contract assets (continued)

##### *Recognition and measurement of impairment loss (continued)*

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

<b>Group</b>	<b>2024 Credit impaired RM'000</b>	<b>2023 Credit impaired RM'000</b>
At 1 January	1,027	1,057
Written off	(58)	(58)
Loss allowance recognised/(reversed)	72	(2)
Effect of movements in exchange rates	(20)	30
At 31 December	1,021	1,027

##### Cash and cash equivalents

The cash and cash equivalents 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 statements of financial position.

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 risk on other receivables is mainly arising from deposits paid for the Restaurant Division's outlets and warehouses' rental and advances to suppliers for securing the continuing supply of raw materials. The deposits will be received at the end of the lease term while advances for supplies will be set off against total amount due when the raw materials are delivered to the Group.

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

##### Financial guarantees

##### *Risk management objectives, policies and processes for managing the risk*

The Group and the Company provide unsecured financial guarantees to banks and suppliers in respect of banking and trade facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to service their loans and payables on an individual basis.

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 31. Financial instruments (continued)

#### 31.4 Credit risk (continued)

##### Financial guarantees (continued)

###### *Exposure to credit risk, credit quality and collateral*

The maximum exposure to credit risk amounted to RM201.3 million (2023 : RM176.3 million) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

The Group and the Company also issued corporate guarantees to the suppliers of certain subsidiaries amounting to RM11.8 million and RM1.0 million (2023 : RM16.7 million and RM1.0 million) respectively to secure the continuing supply of raw materials and/or services.

The financial guarantees are provided as credit enhancements to the subsidiaries' banking facilities/payables.

###### *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.

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

As at the end of the reporting period, there was no indication that any subsidiaries would default on repayment.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

##### Inter-company advances

###### *Risk management objectives, policies and processes for managing the risk*

The Company provides unsecured advances to subsidiaries. The Company monitors the ability of the subsidiaries to repay the 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.

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

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 31. Financial instruments (continued)

#### 31.4 Credit risk (continued)

##### Inter-company advances (continued)

###### *Recognition and measurement of impairment loss*

Generally, the Company considers advances to subsidiaries to 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' advances, the Company considers the advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's advance to be credit impaired when :

- The subsidiary is unlikely to repay its 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 advances individually using internal information available.

The inter-company advances of RM4,554,000 as at 31 December 2024 (2023 : RM13,090,000) is regarded to be of low credit risk.

#### 31.5 Liquidity risk

Liquidity risk is the risk that 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.

The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 31. Financial instruments (continued)

#### 31.5 Liquidity risk (continued)

##### Maturity analysis

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

2024 Group	Carrying amount RM'000	Contractual interest rates/ Discount rates/ per annum %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
<i>Non-derivative financial liabilities</i>							
Bank overdrafts	13,657	6.25 - 8.14	13,657	13,657	-	-	-
Bankers' acceptances	49,968	3.25 - 6.63	49,968	49,968	-	-	-
Revolving credits	92,446	4.51 - 6.80	92,446	69,546	11,400	11,500	-
Trust receipts	7,259	3.46 - 7.30	7,259	7,259	-	-	-
Term loans	34,637	2.00 - 8.90	35,293	11,809	10,776	12,708	-
Hire purchase creditors	7,486	3.78 - 6.45	8,145	3,291	2,701	2,153	-
Lease liabilities	170,902	4.00 - 6.00	215,825	31,947	26,579	61,636	95,663
Other borrowings	7,076	4.11 - 7.40	7,076	7,076	-	-	-
Other payables	29,508	4.08	30,000	20,000	10,000	-	-
Trade and other payables	138,725	-	138,233	138,233	-	-	-
Deferred liabilities	2,247	-	2,247	488	180	849	730
Financial guarantees	-	-	11,805	11,805	-	-	-
	553,911		611,954	365,079	61,636	88,846	96,393
<i>Derivative financial assets</i>							
Forward exchange contracts:							
- outflow	-		8,046	8,046	-	-	-
- inflow	(101)		(8,147)	(8,147)	-	-	-
	553,810		611,853	364,978	61,636	88,846	96,393

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 31. Financial instruments (continued)

#### 31.5 Liquidity risk (continued)

##### *Maturity analysis (continued)*

2024	Company	Carrying amount RM'000	Contractual interest rates/ Discount rate per annum %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
<i>Non-derivative financial liabilities</i>								
	Bank overdrafts	1,042	7.65 - 7.99	1,042	1,042	-	-	-
	Revolving credits	22,100	4.53 - 5.51	22,100	22,100	-	-	-
	Trade and other payables	1,833	-	1,833	1,560	273	-	-
	Amount due to subsidiaries	800	6.00	800	-	800	-	-
	Deferred liabilities	246	-	246	-	-	100	146
	Financial guarantees	-	-	202,300	202,300	-	-	-
		<u>26,021</u>		<u>228,321</u>	<u>227,002</u>	<u>1,073</u>	<u>100</u>	<u>146</u>

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 31. Financial instruments (continued)

#### 31.5 Liquidity risk (continued)

##### Maturity analysis (continued)

2023 Group	Carrying amount RM'000	Contractual interest rates/ Discount rates/ per annum %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
<i>Non-derivative financial liabilities</i>							
Bank overdrafts	8,069	6.65 - 8.35	8,069	8,069	-	-	-
Bankers' acceptances	47,864	3.02 - 7.67	47,864	47,864	-	-	-
Revolving credits	72,250	4.16 - 8.70	72,250	60,117	4,400	7,733	-
Trust receipts	8,551	3.74 - 7.90	8,551	8,551	-	-	-
Term loans	27,921	2.00 - 8.90	31,063	8,470	10,611	11,982	-
Hire purchase creditors	8,682	3.61 - 6.68	9,380	3,712	3,279	2,389	-
Lease liabilities	161,968	4.00 - 6.00	209,371	34,267	24,835	47,716	102,553
Other borrowings	6,943	4.11 - 7.67	6,943	6,943	-	-	-
Other payables	50,000	4.08	50,000	20,000	20,000	10,000	-
Trade and other payables	125,245	-	125,245	125,245	-	-	-
Deferred liabilities	3,644	-	3,644	387	1,380	1,403	474
Financial guarantees	-	-	16,720	16,720	-	-	-
	521,137		589,100	340,345	64,505	81,223	103,027
<i>Derivative financial assets</i>							
Forward exchange contracts:							
- outflow	-		8,432	8,432	-	-	-
- inflow	(1)		(8,433)	(8,433)	-	-	-
	521,136		589,099	340,344	64,505	81,223	103,027

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 31. Financial instruments (continued)

#### 31.5 Liquidity risk (continued)

##### *Maturity analysis (continued)*

2023	Company	Carrying amount RM'000	Contractual interest rates/ Discount rate per annum %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
<i>Non-derivative financial liabilities</i>								
	Bank overdrafts	150	7.65 - 7.99	150				
	Revolving credits	20,100	4.60 - 5.53	20,100				
	Hire purchase creditors	62	2.56	68		17	34	
	Trade and other payables	2,031	-	2,031				
	Amount due to subsidiaries	18,723	5.00 - 8.10	8,959	9,764			
	Deferred liabilities	688	-	688	300	280		108
	Financial guarantees	-	-	177,310				
		41,754		219,070	208,867	10,061	34	108

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 31. Financial instruments (continued)

#### 31.6 Market risk

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

#### 31.6.1 Currency risk

The Group incurs foreign currency risk on sales, purchases, borrowings and cash and bank balances that are denominated in Indonesia Rupiah (IDR), US Dollar (USD), Japanese Yen (JPY), Singapore Dollar (SGD) and Myanmar Kyat (KYAT). In respect of other monetary assets and liabilities held in currencies other than RM, the Group ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

The Group occasionally hedges its foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities. The Group occasionally uses forward exchange contracts with maturities of less than one year after the end of the financial reporting period for this purpose.

#### *Exposure to foreign currency risk*

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

	IDR RM'000	USD RM'000	JPY RM'000	SGD RM'000	KYAT RM'000
<b>Group</b>					
<b>2024</b>					
Trade and other receivables	933	13,812	2,286	1,887	3,263
Cash and bank balances	1,204	8,140	786	1,960	1,029
Trade and other payables	(488)	(22,926)	(640)	(698)	(1,337)
Loans and borrowings	-	(983)	-	-	-
<b>Net exposure</b>	<b>1,649</b>	<b>(1,957)</b>	<b>2,432</b>	<b>3,149</b>	<b>2,955</b>
<b>2023</b>					
Trade and other receivables	704	16,317	1,892	2,682	5,247
Cash and bank balances	1,764	8,067	667	1,262	574
Trade and other payables	(802)	(24,575)	(294)	(642)	(3,720)
Loans and borrowings	-	-	-	(457)	-
<b>Net exposure</b>	<b>1,666</b>	<b>(191)</b>	<b>2,265</b>	<b>2,845</b>	<b>2,101</b>

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 31. Financial instruments (continued)

#### 31.6 Market risk (continued)

##### 31.6.1 Currency risk (continued)

###### *Currency risk sensitivity analysis*

A 5% strengthening of the RM against the following currencies at the end of the reporting period would have increased/(decreased) pre-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

Group	Profit or loss	
	2024 RM'000	2023 RM'000
IDR	(82)	(83)
USD	98	10
JPY	(122)	(113)
SGD	(157)	(142)
KYAT	<u>(148)</u>	<u>(105)</u>

A 5% weakening of the RM 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.

##### 31.6.2 Interest rate risk

The Group's and the Company's fixed rate borrowings are exposed to a risk of change in their fair values due to changes in interest rates. The Group's and the Company'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 and the Company are presently enjoying competitive interest rates which are reviewed and negotiated on a yearly basis. The Group and the Company manage their interest rate risk by having a combination of borrowings with fixed and floating rates. The Group's and the Company's surplus funds are placed in deposits with licensed banks and financial institutions.

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 31. Financial instruments (continued)

#### 31.6 Market risk (continued)

##### 31.6.2 Interest rate risk (continued)

###### *Exposure to interest rate risk*

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

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Fixed rate instruments</b>				
Financial assets	9,118	8,925	1,550	7,088
Financial liabilities	(365,298)	(357,603)	(22,900)	(38,885)
	<u>(356,180)</u>	<u>(348,678)</u>	<u>(21,350)</u>	<u>(31,797)</u>
<b>Floating rate instruments</b>				
Financial liabilities	<u>(47,641)</u>	<u>(34,645)</u>	<u>(1,042)</u>	<u>(150)</u>

###### *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. 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) pre-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant. There is no impact to equity arising from exposures to interest rate risk.

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 31. Financial instruments (continued)

#### 31.6 Market risk (continued)

##### 31.6.2 Interest rate risk (continued)

*Interest rate risk sensitivity analysis (continued)*

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

	← Group		Company →	
	Profit or loss			
	100 bp increase RM'000	100 bp decrease RM'000	100 bp increase RM'000	100 bp decrease RM'000
<b>2024</b>				
Floating rate instruments	<u>(476)</u>	<u>476</u>	<u>(10)</u>	<u>10</u>
<b>2023</b>				
Floating rate instruments	<u>(346)</u>	<u>346</u>	<u>(2)</u>	<u>2</u>

#### 31.7 Fair value information

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

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 31. Financial instruments (continued)

#### 31.7 Fair value information (continued)

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

2024	Group	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Carrying amount
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
	<b>Financial assets</b>							
	Deposits	-	-	-	-	7,696	-	8,819
	Forward exchange contracts	-	101	-	-	-	-	101
		-	101	-	-	7,696	-	8,920
	<b>Financial liabilities</b>							
	Term loans							
	- variable rate	-	-	-	-	(33,984)	(33,984)	(33,984)
	- fixed rate	-	-	-	-	(653)	(653)	(653)
	Hire purchase creditors	-	-	-	-	(7,500)	(7,500)	(7,486)
	Revolving credits	-	-	-	-	(92,446)	(92,446)	(92,446)
	Other payables	-	-	-	-	(30,000)	(30,000)	(29,508)
	Deferred liabilities	-	-	-	-	(2,247)	(2,247)	(2,247)
		-	-	-	-	(166,830)	(166,830)	(166,324)
	<b>Company</b>							
	<b>Financial liabilities</b>							
	Deferred liabilities	-	-	-	-	(246)	(246)	(246)
	Amount due to subsidiaries	-	-	-	-	(1,073)	(1,073)	(1,073)
		-	-	-	-	(1,319)	(1,319)	(1,319)

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 31. Financial instruments (continued)

#### 31.7 Fair value information (continued)

Group	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Carrying amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
<b>2023</b>							
<b>Financial assets</b>							
Deposits	-	-	-	-	5,305	-	5,977
Forward exchange contracts	-	1	-	-	-	-	1
	-	1	-	-	5,305	-	5,978
<b>Financial liabilities</b>							
Term loans							
- variable rate	-	-	-	-	(26,576)	(26,576)	(26,576)
- fixed rate	-	-	-	-	(1,345)	(1,345)	(1,345)
Hire purchase creditors	-	-	-	-	(8,756)	(8,756)	(8,682)
Revolving credits	-	-	-	-	(72,250)	(72,250)	(72,250)
Other payables	-	-	-	-	(50,000)	(50,000)	(50,000)
Deferred liabilities	-	-	-	-	(3,644)	(3,644)	(3,644)
	-	-	-	-	(162,571)	(162,571)	(162,497)
<b>Company</b>							
<b>Financial liabilities</b>							
Deferred liabilities	-	-	-	-	(688)	(688)	(688)
Hire purchase creditors	-	-	-	-	(62)	(62)	(62)
Amount due to subsidiaries	-	-	-	-	(10,041)	(10,041)	(10,041)
	-	-	-	-	(10,791)	(10,791)	(10,791)

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 31. Financial instruments (continued)

#### 31.7 Fair value information (continued)

##### Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

There has been no transfer between the levels in fair value during the financial year (2023 : no transfer in either direction).

##### *Non-derivative financial liabilities*

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. For borrowings, the market rate of interest is determined by reference to similar borrowing arrangements.

##### *Derivatives*

The fair value of the forward exchange contracts is estimated by reference to the market rate for similar contracts obtained from the banks which the Group contracted with.

##### Level 3 fair value

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

The carrying amount of floating rate term loans approximate its fair value as their effective interest rates change accordingly to movements in the market interest rate. The fair value of non-current deposits, hire purchase creditors, fixed rate term loan, revolving credit, non-current other payables, deferred liabilities and non-current amount due to subsidiaries are calculated using discounted cash flows where the market rate of interest is determined by reference to similar borrowing arrangements which ranges from 3.78% to 6.45% (2023 : 3.61% to 6.68%).

### 32. Tax matters

Texchem Resources Bhd. ("TRB") and certain of its subsidiaries ("claimant companies") previously claimed for group relief under Section 44A(3) of the Income Tax Act 1967 ("the ITA").

During the financial years ended 2019 and 2020, the Inland Revenue Board ("IRB") reviewed and disallowed the group relief claimed by TRB and the claimant companies for the assessment years 2009 to 2014 under the ITA. The additional taxes raised (including penalty) amounted to RM3.4 million and RM2.3 million were fully paid by the Group during the financial years ended 31 December 2019 and 31 December 2020 respectively. Of the RM5.7 million paid to the IRB, the Group had expensed off RM0.6 million and the remaining RM5.1 million was recognised as current tax assets in view that the claimant companies have a good case to contend that there is no legal or factual basis for the IRB to disallow the claims and to raise the tax assessments that were time-barred.

## NOTES TO FINANCIAL STATEMENTS (cont'd)

### 32. Tax matters (continued)

On 23 October 2023, the Group entered into settlement agreement with IRB. In the previous financial year, the Group was waiting for refund from IRB amounting to RM4.9 million out of RM5.1 million which was recognised as current tax assets as at 31 December 2023. The difference of RM0.2 million was expensed off in the previous financial year.

During the financial year, the Group has received the full tax refund amounting to RM4.9 million from IRB.

## 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 79 to 174 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 of 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 :

.....  
**Tan Sri Dato' Seri (Dr.) Fumihiko Konishi,**  
**PSM, DGPN, DSPN, DJN**  
Director

.....  
**Dr Yuma Konishi, DJN**  
Director

Date : 19 March 2025

## **STATUTORY DECLARATION PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016**

I, **Loh Sau Mun**, the Group Chief Financial Officer, primarily responsible for the financial management of Texchem Resources Bhd., do solemnly and sincerely declare that the financial statements set out on pages 79 to 174 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 abovenamed **Loh Sau Mun**, NRIC: 770905-14-5740, MIA CA22775, at George Town in the State of Penang on 19 March 2025.

.....  
**Loh Sau Mun**  
Group Chief Financial Officer

Before me :

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TEXCHEM RESOURCES BHD.

(REGISTRATION NO. 197301002868 (16318 - K))  
(INCORPORATED IN MALAYSIA)

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Texchem Resources Bhd., which comprise the statements of position as at 31 December 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive financial 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 79 to 174.

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.

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TEXCHEM RESOURCES BHD. (cont'd)

(REGISTRATION NO. 197301002868 (16318 - K))  
(INCORPORATED IN MALAYSIA)

## Key Audit Matters

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

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

## Information Other than the Financial Statements and Auditors' Report Thereon

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

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

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the annual report, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and 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.

## 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.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TEXCHEM RESOURCES BHD. (cont'd)

(REGISTRATION NO. 197301002868 (16318 - K))  
(INCORPORATED IN MALAYSIA)

### Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and 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 TEXCHEM RESOURCES BHD. (cont'd)**

(REGISTRATION NO. 197301002868 (16318 - K))  
(INCORPORATED IN MALAYSIA)

### **Auditors' Responsibilities for the Audit of the Financial Statements (continued)**

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our 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 5 to the financial statements.

### **Other Matter**

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

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

**Chong Chen Kian**  
Approval Number : 03232/02/2026 J  
Chartered Accountant

Penang

Date : 19 March 2025

# PROXY FORM

CDS Account No.	No. of Shares Held
-----------------	--------------------

I/We (full name in capital letters) \_\_\_\_\_ NRIC No./Passport No./Company No. \_\_\_\_\_  
 of (full address) \_\_\_\_\_

being a member/members of TEXCHEM RESOURCES BHD. hereby appoint (full name in capital letters) \_\_\_\_\_  
 NRIC No./Passport No. \_\_\_\_\_

of (full address) \_\_\_\_\_

and/or failing him/her (full name in capital letters) \_\_\_\_\_ NRIC No./Passport No. \_\_\_\_\_  
 of (full address) \_\_\_\_\_

or failing him/her, the Chairman of the Meeting as my/our proxy/proxies to vote in my/our name(s) and on my/our behalf at the 51<sup>st</sup> Annual General Meeting ("51<sup>st</sup> AGM") of TEXCHEM RESOURCES BHD. to be held at Grand Ballroom, Level 2, G Hotel Gurney, 168A Persiaran Gurney, 10250 George Town, Penang on Wednesday, 23 April 2025 at 2.30 p.m. or any adjournment thereof.

My/Our proxy/proxies is/are to vote as indicated below with an "X".

NO. ORDINARY RESOLUTIONS		FOR	AGAINST	ABSTAIN
1.	Re-election of Tan Sri Dato' Seri (Dr.) Fumihiko Konishi who retires pursuant to Article 22.3 of the Company's Constitution			
2.	Re-election of Dr Yuma Konishi who retires pursuant to Article 22.3 of the Company's Constitution			
3.	Re-election of Puan Mariam Binti Jamal who retires pursuant to Article 22.10 of the Company's Constitution			
4.	Re-election of Ms Cynthia Ooi Gaik See who retires pursuant to Article 22.10 of the Company's Constitution			
5.	Approval of Directors' fees			
6.	Approval of Directors' benefits			
7.	Re-appointment of Auditors and authorisation of Directors to fix their remuneration			
8.	Power to Issue Shares pursuant to Section 75 and Section 76 of the Companies Act 2016			
9.	Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature			
10.	Proposed Renewal of Existing Share Buy-Back Authority			

The proportion of my/our holding to be represented by my/our proxy/proxies is/are as follows:

First Proxy - \_\_\_\_\_ %  
 Second Proxy - \_\_\_\_\_ %  
 \_\_\_\_\_ 100 %

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2025. Signature or Common Seal \_\_\_\_\_  
 Telephone No.: \_\_\_\_\_

#### NOTES:

- A member of the Company entitled to attend and vote at the meeting may appoint more than one (1) proxy to attend and vote instead of him/her. If a member appoints more than one (1) proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.
- Every member including authorised nominees as defined under the Securities Industry (Central Depositories) Act 1991 and Exempt Authorised Nominees which hold ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account") are entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote instead of him at the 51<sup>st</sup> AGM and that such proxy need not be a member.
- The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing or if the member is a corporation, shall either be executed under its common seal or under the hand of 2 authorised officers, one of whom shall be a director or of its attorney duly authorised in writing. The instrument appointing a proxy authorises the proxy(ies) to demand or join in demanding a poll.
- The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a duly notarised certified copy of that power or authority may be made in hardcopy form or by electronic means in the following manner and shall be received by the Company not less than 48 hours before the time for holding the meeting or any adjournment thereof:
  - In hardcopy form
  - By electronic means

The proxy form shall be deposited at the Company's Registered Office at Level 18, Menara Boustead Penang, 39 Jalan Sultan Ahmad Shah, 10050 George Town, Penang, Malaysia.

The proxy form shall be electronically lodged by email to [eservices@sshb.com.my](mailto:eservices@sshb.com.my).
- Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 51<sup>st</sup> AGM of the Company shall be put to vote by way of poll.

#### Personal Data Privacy

By submitting an instrument appointing proxy(ies) and/or representatives to attend, speak and vote at the 51<sup>st</sup> AGM and/or any adjournment thereof, a member of the Company:- (i) consents to the processing of the member's personal data by the Company (or its agents): (a) for processing and administration of proxies and representatives appointed for the 51<sup>st</sup> AGM; (b) for preparation and compilation of the attendance lists, minutes and other documents relating to the 51<sup>st</sup> AGM (which includes any adjournments thereto); and (c) for the Company's (or its agents') compliance with any applicable laws, listing rules, regulations and/or guidelines (collectively, "the Purposes"); (ii) warrants that he/she has obtained such proxy(ies) and/or representative(s)' prior consent for the Company's (or its agents') processing of such proxy(ies) and/or representative(s)' personal data for the Purposes; and (iii) agrees that the member will indemnify the Company for any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Note: The term "processing" and "personal data" shall have the meaning as defined in the Personal Data Protection Act, 2010.

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**TEXCHEM RESOURCES BHD**

Registration No. 197301002868 (16318-K)

Level 18, Menara Boustead Penang  
39 Jalan Sultan Ahmad Shah  
10050 George Town, Penang, Malaysia  
Tel: 604-229 6000

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