GO GREEN

TOPMIX BERHAD
202201011835
(1457532-M)

ANNUAL REPORT 2023

CONTENTS

Join us in our commitment to saving the environment by going paperless.
Scan this QR code now to instantly access our Annual Report 2023.

GO GREEN, GO TOPMIX

OVERVIEW OF TOPMIX

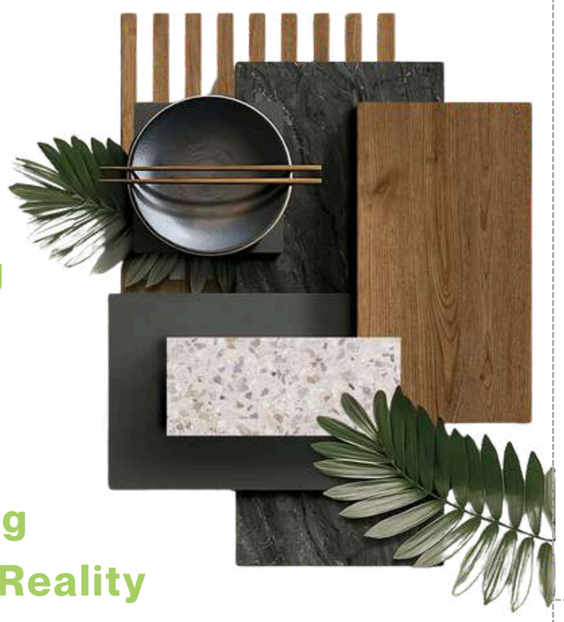
WHO WE ARE: OUR PROFILE, OUR VISION & MISSION

TOPMIX, like a Chameleon, we possess the ability to adapt and embrace change seamlessly. Continuously on the move, we strive for excellence and innovation, relentlessly capturing the essence of market design. This dynamic approach ensures we remain at the forefront, shaping the landscape with our unparalleled vision and ingenuity.

Our journey in high pressure laminate ("HPL") products development dates back to 2006, when we first entered this dynamic market. Over the years, we have evolved from importing, trading, and marketing HPL products to actively exploring avenues for industry growth. As we immerse ourselves in innovative design and market development, we learn, grow, and evolve, continually refining our understanding of great design and the practicality of our products.

After a decade of relentless change, perseverance, hard work, and the dedication of our team, Topmix has emerged as one of the premier HPL brands in Malaysia. Our company remains committed to progress and innovation, offering sustainable, eco-friendly surface decorative products and expanding our brand presence across the Southeast Asia region. We are dedicated to pushing boundaries and embracing new horizons as we continue to shape the future of surface solutions.

Empowering Surfaces, Enriching Futures: Transforming Visions into Reality



VISION

To be the best of the total surface solutions provider in delivering, inspiration and innovation in the world.

MISSION

- Creativity and Innovative
- Maintain the Highest Quality Products
- To Provide the Best Customer Services
- To be the Best Company to Work for whereby Employees are Treated as Part of a Big Family

At Topmix, we embrace five core values - "**PRIME**" that guide our commitment to delivering top-tier products and services to our esteemed stakeholders.

Professionalism

We are dedicated to offering professional product knowledge and guidance to our customers, ensuring they make informed decisions.

Reliability

Our reliability is our cornerstone. We prioritise honesty and uphold our promises, earning the trust and respect of our customers.

Innovation

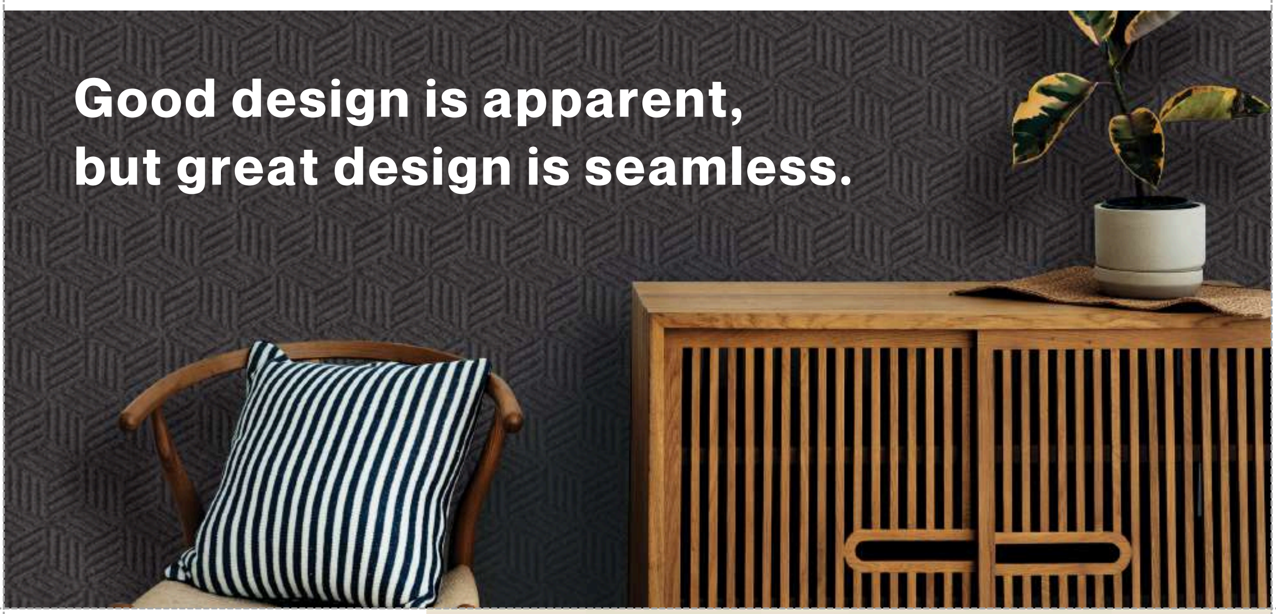
We believe in continuous innovation to enhance and refine our products, staying ahead of the curve in our industry.

Mutual Benefit

We strive for shared success and growth, fostering mutually beneficial relationships with our suppliers, customers, and teams.

Enthusiasm

Passion and a positive attitude propel us toward success, driving our dedication to excellence in all that we do.



Good design is apparent, but great design is seamless.

Our high pressure laminates transcend the ordinary layers of paper, integrating exceptional materials and design elements to transform your vision into flawless reality.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chang Tian Kwang
Independent Non-Executive Chairman

Teo Quek Siang
Managing Director

Tan Lee Hong
Executive Director

Khor Hang Cheng
Independent Non-Executive Director

William Lau Si Yi
Independent Non-Executive Director

Ng Yew Kuan
Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Chairperson
William Lau Si Yi

Members
Khor Hang Cheng
Ng Yew Kuan

REMUNERATION COMMITTEE

Chairperson
Khor Hang Cheng

Members
William Lau Si Yi
Ng Yew Kuan

NOMINATION COMMITTEE

Chairperson
Ng Yew Kuan

Members
Khor Hang Cheng
William Lau Si Yi

REGISTERED OFFICE

Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City
59200 Kuala Lumpur
Tel: 03-2280 6388
Email:
listcomalaysia@acclime.com

HEAD OFFICE

8 & 10, Jalan Bistari 11 Taman Industri Jaya 81300 Skudai Johor
Tel: 07-571 2060

INVESTOR RELATIONS

investor.enquiries@topmixhpl.com
Website: www.topmixhpl.com

COMPANY SECRETARIES

Wong Youn Kim
(MAICSA 7018778)
(SSM PC NO. 201908000410)

Lim Li Heong
(MAICSA 7054716)
(SSM PC NO. 202008001981)

Wong Mee Kiat
(MAICSA 7058813)
(SSM PC NO. 202008001958)

AUDITORS AND REPORTING ACCOUNTANTS

CAS Malaysia PLT
(Registration No. 201606003206 (LLP0009918-LCA) & AF 1476)
B-5-1, IOI Boulevard Jalan Kenari 5 Bandar Puchong Jaya 47170 Puchong Selangor

PRINCIPAL ADVISER, SPONSOR, UNDERWRITER AND PLACEMENT AGENT

M&A Securities Sdn Bhd
(Registration No. 197301001503 (15017-H))
45 & 47, Level 3 and 7, The Boulevard Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur

SOLICITORS FOR OUR IPO

Lee & Tengku Azrina
Unit 13-01, Level 13 Menara Landmark 12, Jalan Ngee Heng 80000 Johor Bahru Johor

SHARE REGISTRAR AND ISSUING HOUSE

Tricor Investor & Issuing House Services Sdn Bhd
(Registration No. 197101000970 (11324-H))
Unit 32-01, Level 32, Tower A Vertical Business Suite, Avenue 3 Bangsar South No. 8, Jalan Kerinchi 59200 Kuala Lumpur
Tel: 03-2783 9299
Email:
is.enquiry@my.tricorglobal.com

INDEPENDENT MARKET RESEARCHER

Providence Strategic Partners Sdn Bhd
(Registration No. 201701024744 (1238910-A))
67-1, Block D, Jaya One No. 72A, Jalan Prof Diraja Ungku Aziz 46200 Petaling Jaya Selangor

STOCK EXCHANGE

ACE Market of Bursa Malaysia Securities Berhad

Listing Date : 23 April 2024
Stock Name : TOPMIX
Stock Code : 0302

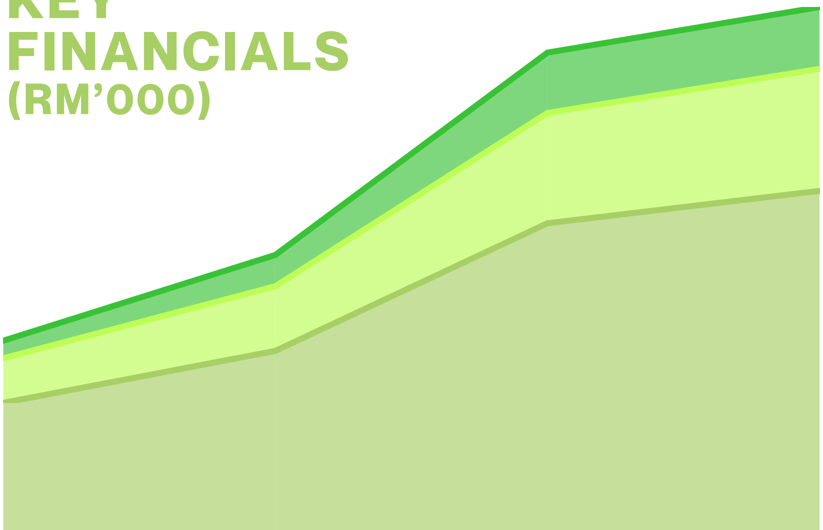
CORPORATE STRUCTURE

TOPMIX BERHAD

- 100% **TOPMIX RESOURCES SDN BHD**
  - 100% **TOPMIX PANELS (MALAYSIA) SDN BHD**
- 100% **TOPMIX PRODUCTS SDN BHD**
- 100% **DEKORACIO TOP SDN BHD**

FINANCIAL HIGHLIGHTS

KEY FINANCIALS (RM'000)



REVENUE

RM72,679

FYE 2022 : RM65,790
FYE 2021 : RM38,595
FYE 2020 : RM27,521

GROSS PROFIT ("GP")

RM25,999

FYE 2022 : RM23,484
FYE 2021 : RM13,775
FYE 2020 : RM9,491

PROFIT FROM OPERATIONS

RM13,171

FYE 2022 : RM12,865
FYE 2021 : RM6,664
FYE 2020 : RM3,750

PROFIT BEFORE TAX ("PBT")

RM11,930

FYE 2022 : RM11,625
FYE 2021 : RM5,869
FYE 2020 : RM3,246

PROFIT AFTER TAX ("PAT")

RM8,391

FYE 2022 : RM8,527
FYE 2021 : RM4,418
FYE 2020 : RM2,362

TOTAL CURRENT ASSETS

RM39,849

FYE 2022 : RM31,281
FYE 2021 : RM23,507
FYE 2020 : RM19,830

TOTAL CURRENT LIABILITIES

(RM12,000)

FYE 2022 : (RM9,514)
FYE 2021 : (RM9,266)
FYE 2020 : (RM5,753)

KEY RATIOS

GP MARGIN (%)

35.77

FYE 2022 : 35.70
FYE 2021 : 35.69
FYE 2020 : 34.49

PBT MARGIN (%)

16.41

FYE 2022 : 17.67
FYE 2021 : 15.21
FYE 2020 : 11.79

To facilitate the 4 years financial highlights for comparison purposes only, EPS is calculated based on PAT divided by the share capital during financial year ended ("FYE") 31 December 2023, represents 311,147,000 shares.

PAT MARGIN (%)

11.55

FYE 2022 : 12.96
FYE 2021 : 11.45
FYE 2020 : 8.58

EARNING PER SHARE ("EPS") (SEN)*

2.70

FYE 2022 : 2.74
FYE 2021 : 1.42
FYE 2020 : 0.76

CURRENT RATIO (TIMES)

3.32

FYE 2022 : 3.29
FYE 2021 : 2.54
FYE 2020 : 3.45

GEARING RATIO (TIMES)

0.68

FYE 2022 : 0.83
FYE 2021 : 1.26
FYE 2020 : 0.84

INVENTORIES TURNOVER DAYS

108

FYE 2022 : 90
FYE 2021 : 133
FYE 2020 : 140

TRADE RECEIVABLES TURNOVER DAYS

66

FYE 2022 : 66
FYE 2021 : 92
FYE 2020 : 100

REVIEW AND OUTLOOK

CHAIRMAN'S STATEMENT

Chang Tian Kwang
Independent Non-Executive Chairman

Dear Esteemed Shareholders,

On behalf of the Board of Directors, it is my pleasure to introduce Topmix Berhad ("Topmix" or "the Group")'s inaugural Annual Report and Audited Financial Statements for the financial year ended 31 December 2023 ("FYE 2023").

This report marks a significant milestone, as it encompasses our achievements since our successful listing on the ACE Market of Bursa Malaysia Securities Berhad on 23 April 2024.

Our initial public offering ("IPO") stands as a landmark milestone in our corporate journey of growth and expansion. We are immensely grateful for the substantial support extended to us by esteemed fund managers, affluent individuals, and every investors. To all our shareholders, we express our heartfelt gratitude for entrusting us and for the overwhelming backing provided during our IPO.

As a prominent total surface decorative provider in Malaysia, we prioritise environmental sustainability in our operations, particularly with our high pressure laminate ("HPL") products. Our commitment is evident through our adherence to rigorous standards such as UL GREENGUARD, UL GREENGUARD Gold Certification, Singapore Green Label, and MyHIJAU standards. These certifications affirm our dedication to producing HPL products with low chemical emissions and eco-friendly attributes, meeting the demands of environmentally conscious consumers.

Our dedication to responsible corporate citizenship is embedded within our business culture. By integrating sustainability initiatives into our operations, we not only deliver quality products to our customers but also contribute positively to the environment and the community. This approach resonates with the growing demand for eco-friendly products among consumers, influencing their purchasing decisions.

Just as our surface decorative services safeguard interior applications, we pledge to be stewards of our planet. We remain committed to being your preferred choice—a reliable guardian of decorative surfaces wherever you need us.

CHAIRMAN'S STATEMENT

Looking ahead, our expanding enterprise remains unwavering in its commitment to delivering superior products and services to our valued customers. Our steadfast allegiance to innovation, excellence, and sustainability within the surface decorative industry underscores our continuous efforts towards a brighter future.

TRANSFORMATIONAL GROWTH

The successful IPO marks the beginning of a new chapter in our expansion journey. With steadfast determination, we have focused on expanding our network within existing markets and exploring opportunities to extend our well-established business model.

Leveraging our proven track record and extensive experience in surface decorative products, we are prepared to capitalise on our strengths while remaining flexible and resilient to overcome challenges and fierce competition in the industry. Our commitment involves implementing forward-thinking transformative strategies to drive progressive growth.

NOTES OF APPRECIATION

In closing, we would like to extend our heartfelt appreciation to our valued shareholders, customers, business partners, associates, financial institutions, consultancies, regulatory authorities and other stakeholders for their unwavering support and trust.

Additionally, we are deeply grateful to Topmix's management and the entire Topmix team for their commitment towards the Group's growth aspirations. It is important to recognise that the successes we have celebrated, including the successful IPO, were made possible by the unwavering support, commitment, and contributions of our exceptional management team and dedicated employees.

Chang Tian Kwang
Independent Non-Executive Chairman

As of 25 April 2024

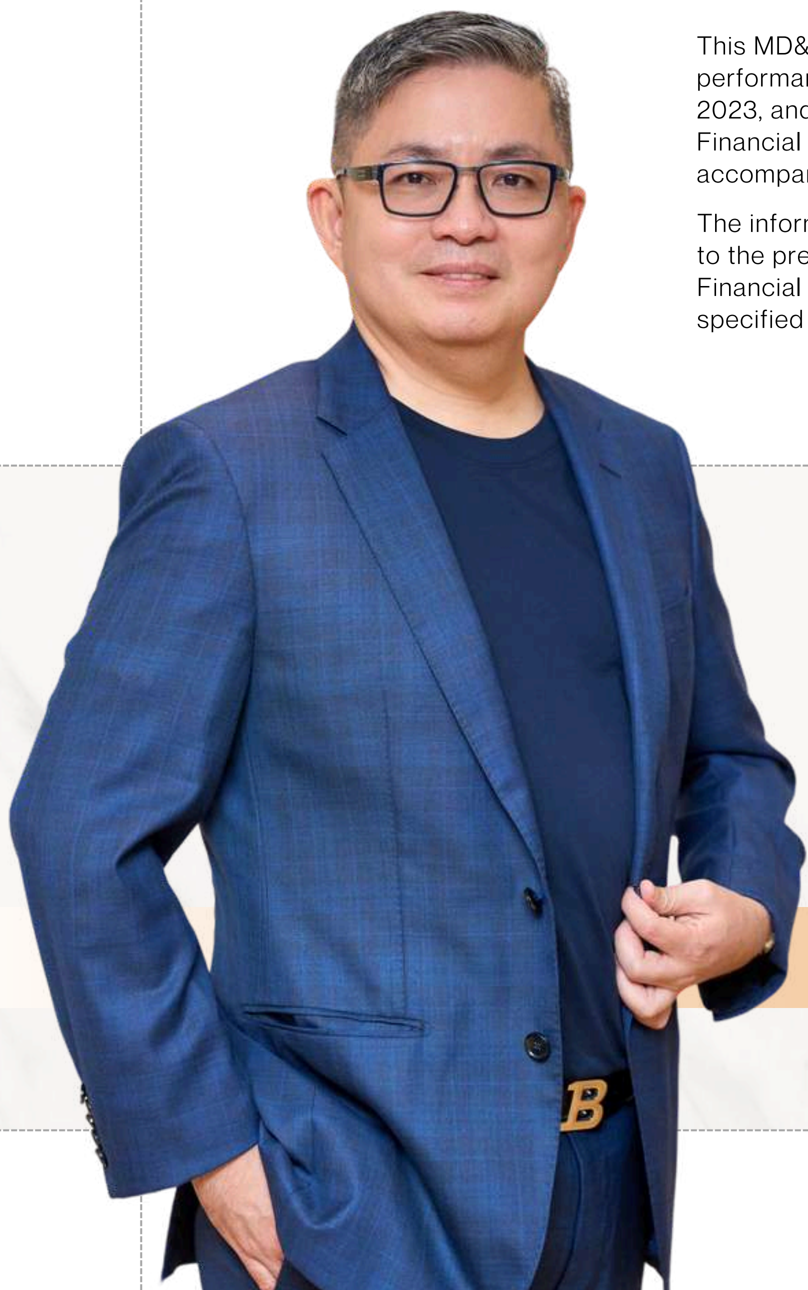
MANAGEMENT DISCUSSION AND ANALYSIS

Dear Valued Shareholders,

On behalf of the Board of Directors of Topmix, I am pleased to present the Management Discussion and Analysis ("MD&A") for the Company and its subsidiaries for the financial year ended 31 December 2023 ("FYE 2023").

This MD&A provides insights into the operational performance and financial status of the Group for FYE 2023, and it should be reviewed alongside the Audited Financial Statements for FYE 2023 and their accompanying notes.

The information within this MD&A, including comparisons to the previous year in 2022, adheres to the Malaysian Financial Reporting Standards ("MFRSs"), unless specified otherwise.



Teo Quek Siang
Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF BUSINESS AND OPERATIONS

Topmix Berhad ("Topmix" or "the Group"), a publicly listed company on the ACE Market of Bursa Malaysia Securities Berhad, is primarily focused on marketing and distributing its proprietary line of surface decorative products under its own brands. The Group also undertake the design of surface decorative products internally as well as in collaboration with third party décor paper suppliers. As a brand owner, we market a diverse range of surface decorative products, including high pressure laminate (“HPL”), compact panels, PVC edging, wall panels, decorative boards, PVC plywood, and kitchen and wardrobe accessories. Our surface decorative products are used in a variety of commercial and residential interior surface applications, including wall panels, counter tops, table tops, furniture as well as fixtures and displays.

Our success stems from our ability to offer customers a wide selection of surface decorative products, featuring various designs, textures, and colours to cater to diverse preferences and budgets. Additionally, we hold exclusive rights to the colourways of jointly designed décor paper used in the production of our HPL products, compact panels and wall panels in Malaysia, allowing us to offer unique designs to our customers, including interior designers, residential and commercial contractors, and carpenters.

With more than ten years of experience in the surface decorative products market since our establishment in 2006, Topmix has garnered a dedicated customer base, predominantly comprising hardware product dealers who source our surface decorative products for retail to their clientele. Their consistent patronage speaks volumes about our product quality and reliability.

Under the guidance of an experienced management team, we have achieved significant milestones in our journey. Our unwavering adherence to stringent quality control standards have solidified our reputation as a dependable provider of surface decorative solutions.

Nowadays, aesthetics play a significant role in both commercial and residential spaces. We value quality and innovative design applied to interior surface applications. Therefore, we continuously strive to innovate our designs through collaboration with third-party décor paper suppliers to better serve our customers while adhering to our sustainability objectives.

Our achievements underscore our dedication to growth, operational excellence, and sustainability principles, positioning us as a leading player in the surface decorative solutions industry.

CORPORATE OBJECTIVES AND STRATEGIES

Recognising the complexities of the macroeconomic landscape, Topmix reaffirms its dedication to creating enduring value for its stakeholders. In line with this commitment, the Group has outlined strategic business initiatives aimed at fostering growth.

Topmix is preparing to implement a series of expansion strategies to enhance its market presence. These include entering the melamine-faced chipboard (“MFC”) product assembly sector, expanding into the northern region of peninsular Malaysia, increasing warehouse capacity in the central region, and improving the functionality of the Topmix HPL mobile application.

These initiatives are strategically aligned with the resurgence and expansion observed in both residential and commercial property markets. The growing demand for surface decorative products is being driven by factors such as increasing affluence and a preference for personalised living and work spaces.

In essence, Topmix's business strategies strive to drive robust financial growth and create significant value for stakeholders. By capitalising on emerging market trends and bolstering competitiveness in the surface decorative solutions arena, Topmix is primed to seize opportunities and nurture sustainable growth in the foreseeable future.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL PERFORMANCE

Review of financial results

For the financial year ended 31 December 2023, ("FYE 2023"), Topmix experienced a notable revenue increase, reaching a total revenue of RM72.68 million,
marking a significant 10.47% rise as compared to FYE 2022 with total revenue of RM65.79 million.

The increase in revenue was mainly due to sales of HPL products which contributed RM68.63 million, representing 94.43% of total revenue for FYE 2023. This was due to the continued sales orders from our existing hardware products dealers and stockists as well as other customers.

The gross profit ("GP") and GP margin stood at RM26.00 million and 35.77% respectively in FYE 2023, representing an increment compared to RM23.48 million and 35.70% respectively in FYE 2022. The increase was primarily due to GP of HPL products increased by RM2.27 million from RM22.06 million in FYE 2022 to RM24.33 million in FYE 2023, while GP margin of HPL products slightly decreased from 35.53% in FYE 2022 to 35.44% in FYE 2023.

Moreover, the Group's profit before tax ("PBT") slightly increased by RM0.31 million or 2.67%, from RM11.62 million in FYE 2022 to RM11.93 million in FYE 2023. The increase in revenue for HPL products and other surface decorative products led to increase in GP and PBT. However, lower increase in PBT was predominantly caused by increase in administrative expenses, driven by the revision in annual salary to existing employees and Directors' remuneration and increase in employee headcounts in order to accommodate our scale of operations.

Review of financial position

As at 31 December 2023, the Group's total assets increased by RM10.18 million or 16.89%, from RM60.28 million in FYE 2022 to RM70.46 million in FYE 2023. This was mainly attributable to the following:

- additional right-of-use assets as a result of cost incurred for construction works at Skudai Factory – Building 2 to be used for MFC assembly and the rental of a warehouse in Skudai;
- increase in inventories due to more purchases of supplies to cater for future sales orders;
- increase in other receivables due to advance payments to the suppliers; and
- increase in cash and cash equivalents due to net cash from operating activities.

The Group retained earnings have further improved, contributing to shareholders' equity of RM37.79 million in FYE 2023 compared to RM30.10 million in FYE 2022.

Total liabilities increased by RM2.48 million or 8.21%, from RM30.19 million in FYE 2022 to RM32.67 million in FYE 2023. The increase was mainly attributable to the increase in other payables due to amount payable to a contractor for construction works for Skudai Factory – Building 2, as well as the accrual of professional fees in relation to the initial public offering ("IPO").

Note that the aforementioned commentary on financial position as at 31 December 2023 did not factor in the RM25.64 million of IPO proceeds as Topmix was only listed on 23 April 2024, which is after the financial close of FYE 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

ANTICIPATED OR KNOWN RISKS

As a prominent surface decorative product solution provider in Malaysia, our organisation faces inherent risks stemming from various factors. However, we remain steadfast and vigilant in acknowledging and addressing these risks.

Competitive Landscape in the Surface Decorative Products Market. In the surface decorative products market, fierce competition is prevalent as we compete with other market players. Our competitive advantage hinges on various factors, encompassing product quality, design diversity, pricing, delivery efficacy, reputation, and customer service. Moreover, our competitors are also involved in diverse activities such as décor paper design, printing, manufacturing, marketing and sales, and installation of surface decorative products. Despite this competitive landscape, Topmix remains committed to both maintaining and enhancing our existing customer relationships, while also actively seeking out new partnerships.

Dependent on Major Suppliers. Our operations are heavily reliant on our suppliers. Therefore, any loss of these crucial suppliers or significant disruptions to their operations could result in supply shortages and have a negative impact on our financial performance. Additionally, while we may seek to replace these major suppliers with new ones or increase orders from existing suppliers, there is no guarantee that we will be able to procure supplies at the same level of specification, quality, pricing or in a timely manner. Nonetheless, we are dedicated to fostering mutually beneficial business relationships with our suppliers to establish long-term engagement.

Exposure to Foreign Exchange Fluctuations Risks. A substantial portion of our total procurement involves sourcing from overseas suppliers, meaning that any notable fluctuations in foreign exchange rates could impact our financial performance. In such cases, if we are unable to promptly or fully pass on increased costs to our customers, our financial results may be affected. Consequently, our Group diligently monitors foreign exchange rate movements on a daily basis. Starting from September 2022, we initiated foreign currency forward contracts with banking institutions to purchase RMB at predetermined exchange rates for fixed durations. This strategic measure aims to mitigate our exposure to foreign currency risks associated with RMB.

Subject to Price Fluctuations or Supply Shortages. As mentioned above, our operations heavily rely on our suppliers, given the necessity to procure adequate supplies promptly to sustain operations and fulfil customer demand. The primary raw materials utilised by our suppliers for manufacturing HPL include décor paper, overlay paper, kraft paper, and resin. Any shortages or disruptions in the supply of these raw materials may lead to price escalations, subsequently impacting our business operations adversely. Nevertheless, we have managed to mitigate these challenges thus far by passing on price increases resulting from fluctuations and supply shortages to our customers. We remain vigilant in monitoring the situation and adapting our strategies accordingly.

Susceptibility to Evolving Market Trends and Customer Preferences. The marketability and demand for our surface decorative products are heavily influenced by consumer preferences and spending trends, which are shaped by factors such as the state of the economy and market demographics, over which we have no control. Designs of surface decorative products are subject to frequent changes based on evolving consumer preferences and market trends. Consequently, we continually stay abreast of the latest market trends and consistently innovate to align with customers' evolving demands and preferences. Our success hinges on our capacity to anticipate, identify, interpret, and adapt to these dynamic market trends, ensuring that our products and designs maintain sufficient market appeal.

Despite the numerous challenges posed by the ever-changing market dynamics, especially in times of economic uncertainty, the Group remains committed to confronting these challenges with optimism. We have implemented robust risk management strategies to effectively mitigate these risks. With a proactive stance on risk management, the Group is

MANAGEMENT DISCUSSION AND ANALYSIS

well-equipped to tackle challenges and safeguard the interests of its stakeholders. By remaining vigilant and adaptable, Topmix is poised to navigate the intricacies of the market landscape successfully.

FORWARD-LOOKING STATEMENT

Looking forward, Topmix is poised for an exciting journey of growth and innovation. With our strategic initiatives in place, including diversifying into MFC product assembly and expanding into new geographical regions, we are well-positioned to capitalise on emerging opportunities in the surface decorative solutions sector.

Furthermore, our commitment to enhancing our HPL mobile application and strengthening sales and marketing activities will enable us to better engage with customers and meet their evolving needs. Additionally, expanding our warehouse capacity in central region of Peninsular Malaysia demonstrates our dedication to improving operational efficiency and meeting growing demand.

As we continue to focus on quality, innovation, and customer satisfaction, we are confident that Topmix will not only sustain its success but also drive sustainable growth in the years ahead. We are excited about the possibilities that lie ahead and remain committed to delivering value to our stakeholders while staying at the forefront of the industry.

Our confidence in business expansion is bolstered by the extensive experience of our management team. While we acknowledge the potential challenges in the upcoming financial year, we remain optimistic about identified business opportunities. Through prudent and cautious decision-making, we are steadfastly committed to ensuring sustained business growth.

Yours sincerely,

Teo Quek Siang
Managing Director

LEADERSHIP

PROFILE OF BOARD OF DIRECTORS

Chang Tian Kwang
Independent Non-Executive Chairman

Malaysian, Age 59, Male
Attendance: 2/2

Date of Appointment
16 May 2023 – Appointed to the Board

Length of Service (as of 31 December 2023)
< 1 year

Academic & Professional Qualification
- Member of Malaysian Institute of Accountants ("MIA")
- Bachelor of Accounting from University of Malaya

Skills and Experience
- Previously served as Independent Non-Executive Director in March 2022 and redesignated as Independent Non-Executive Chairman of K. Seng Seng Corporation Berhad, resigned in October 2022.
- Appointed to the Board of AME Elite Consortium Berhad in September 2018, as Independent Non-Executive Director, a position he presently holds.
- Joined V.S. Industry Berhad in September 1994 as an Accountant and subsequently promoted to Financial Controller in 1996, in-charged of the company's listing on the Main Market of Bursa Securities and later assuming roles as Joint Company Secretary and Alternate Director. Led a team of accountants during the listing of V.S. International Group Limited on the Main Board of the Hong Kong Stock Exchange in 2002. Retired in 2014.
- Joined Vicmark Holdings Sdn Bhd in May 1994 as Financial Controller cum Administration Manager, resigned in August 1994.
- Joined KPMG Peat Marwick (now known as KPMG PLT) in March 1991 as an Audit Assistant, where he advanced to roles as Audit Senior and Audit Supervisor in April 1993 and January 1994, respectively. He left KPMG Peat Marwick in April 1994.
- Initiated his professional journey as an Audit Assistant at Kassim Chan & Co (now known as Deloitte Malaysia) in April 1990 and left in March 1991.

Other Present Directorships in Public Companies and Listed Issuers
Listed Companies
Independent Non-Executive Director of AME Elite Consortium Berhad

Public Companies
Nil

Family Relationship with Any Director and/or Major Shareholder
Nil

PROFILE OF BOARD OF DIRECTORS

Teo Quek Siang
Managing Director

Malaysian, Age 46, Male
Attendance: 2/2

Date of Appointment
31 March 2022 – Appointed to the Board

Length of Service (as of 31 December 2023)
1 year 9 months

Academic & Professional Qualification
- Postgraduate Diploma in Business Administration from Training Qualifications UK
- Diploma in Commerce from Southern College

Skills and Experience
- Co-founded Topmix Products Sdn Bhd in 2017 and served as a Director simultaneously.
- Co-founded Dekoracio Top Sdn Bhd in 2016 and held the position of Director concurrently.
- Co-founded NSP Trading & Marketing Sdn Bhd (now known as Topmix Resources Sdn Bhd) in 2006.
- Began his career in August 2001 as a Marketing Executive with ECX Freight Services (M) Sdn Bhd and left in 2009.

Other Present Directorships in Public Companies and Listed Issuers

Listed Companies
Nil

Public Companies
Nil

Family Relationship with Any Director and/or Major Shareholder
Teo Quek Siang is the spouse of Tan Lee Hong and a major shareholder of J And T Resources Sdn Bhd.

PROFILE OF BOARD OF DIRECTORS

Tan Lee Hong
Executive Director

Malaysian, Age 47, Female
Attendance: 2/2

Date of Appointment
31 March 2022 – Appointed to the Board

Length of Service (as of 31 December 2023)
1 year 9 months

Academic & Professional Qualification

- Diploma in Business Studies from HELP Institute

Skills and Experience

- Co-founded Topmix Products Sdn Bhd in 2017 and assumed the role of Director.
- Co-founded Dekoracio Top Sdn Bhd in 2016 and served as a Director simultaneously.
- Held a shareholder position at NSP Trading & Marketing Sdn Bhd (now known as Topmix Resources Sdn Bhd) in August 2011 and concurrently served as a Director.
- Became an independent sales agent at Forever Living Products (M) Sdn Bhd, actively promoting the company's health products in 2000 and ceased involvement in August 2011.

Other Present Directorships in Public Companies and Listed Issuers

Listed Companies
Nil

Public Companies
Nil

Family Relationship with Any Director and/or Major Shareholder
Tan Lee Hong is the spouse of Teo Quek Siang and a major shareholder of J And T Resources Sdn Bhd.

PROFILE OF BOARD OF DIRECTORS

Khor Hang Cheng
Independent Non-Executive Director

Chairperson of Remuneration Committee and Member of Audit and Risk Management Committee and Nomination Committee

Malaysian, Age 74, Male
Attendance: 2/2

Date of Appointment
16 May 2023 – Appointed to the Board

Length of Service (as of 31 December 2023)
< 1 year

Academic & Professional Qualification
- Master of Business Administration from Charles Stuart University, Australia
- Postgraduate Diploma in Business Administration from University of Malaya
- Bachelor of Science from University of London

Skills and Experience
- Previously served as a CEO Coach at Vistage Malaysia Sdn Bhd from July 2015 to January 2024, where he provides executive coaching services to small and mid-size businesses.
- Previously held the role of Marketing Manager at Khind-Mistral (M) Sdn Bhd, now known as Khind Marketing (M) Sdn Bhd, a subsidiary of Khind Holdings Berhad. He was later promoted to various positions including General Manager of the International Trade Division (1993-2003), General Manager (2004-2008), and Director (2009-2015) before retiring in March 2015.
- Former Manager of the Consumer and Sport Division at Guthrie Malaysia Trading Corporation Sdn Bhd, a trading subsidiary of Kumpulan Guthrie Berhad (1985-1992).
- Joined Speria Sdn Bhd as a Marketing Executive in 1984, where he tasked with implementing marketing plans to promote soft drinks products, left in 1985.
- Joined Menard Cosmetic (M) Sdn Bhd as a Marketing Executive in 1982, where he was responsible for implementing marketing plans to promote Menard cosmetic products, left in 1984.
- Co-founded the Blooming Florists in 1981, principally involved in the sale of flowers and floral arrangements, left in 1982.
- Joined Frank Enterprise Sdn Bhd as a Commodity Trading Advisor in 1979, providing advice related to the trading of commodity futures and options.
- Started his career in June 1978 as an Assistant Manager at Sunrise Supermart, progressing through pivotal roles across various organisations throughout his career until 1979.

Other Present Directorships in Public Companies and Listed Issuers

Listed Companies
Nil

Public Companies
Nil

Family Relationship with Any Director and/or Major Shareholder
Nil

PROFILE OF BOARD OF DIRECTORS

William Lau Si Yi
Independent Non-Executive Director

Chairperson of Audit and Risk Management Committee and Member of Nomination Committee and Remuneration Committee

Malaysian, Age 36, Male
Attendance: 2/2

Date of Appointment
16 May 2023 – Appointed to the Board

Length of Service (as of 31 December 2023)
< 1 year

Academic & Professional Qualification
- Company auditor with approval from the Ministry of Finance ("MOF") pursuant to Companies Act 2016
- Member of the Chartered Accountants Australia and New Zealand ("CAANZ")
- Member of the Malaysian Institute of Certified Public Accountants ("MICPA")
- Member of Malaysian Institute of Accountants ("MIA")
- Bachelor of Business and Commerce majoring in Accountancy from Monash University, Australia

Skills and Experience
- Established WLC Tax Consultancy Sdn Bhd in April 2023, handling business management consultancy, accounting, and tax services.
- Assumed the role of sole practitioner at William Lau & Co, an audit firm in November 2022, overseeing its day-to-day operations.
- Joined RSM Malaysia PLT as an Audit Assistant Manager in 2018, advancing to the position of Audit Manager in 2019, and further promoted to Senior Audit Manager in January 2022 and left in November 2022.
- Initiated his professional journey as an Audit Associate at Ernst & Young PLT in January 2012, later progressing to the role of Audit Senior in 2014.

Other Present Directorships in Public Companies and Listed Issuers

Listed Companies
Nil

Public Companies
Nil

Family Relationship with Any Director and/or Major Shareholder
Nil

PROFILE OF BOARD OF DIRECTORS

Ng Yew Kuan
Independent Non-Executive Director

Chairperson of Nomination Committee
Member of Audit and Risk Management Committee and Remuneration Committee

Malaysian, Age 54, Female
Attendance: 2/2

Date of Appointment
16 May 2023 – Appointed to the Board

Length of Service (as of 31 December 2023)
< 1 year

Academic & Professional Qualification
- Member of Malaysian Institute of Accountants ("MIA")
- Member of the Chartered Institute of Management Accountants ("CIMA")
- A-Level qualification from HELP College

Skills and Experience
- Started her tenure at Seepex (M) Sdn Bhd as the Senior Finance Manager in August 2016, subsequently assuming the role of Director in 2022, a position she currently holds.
- Previously assisted in husband's business (computer hardware trading and software development services) between October 2015 to July 2016.
- Previously served as a Finance Consultant at Sanden Air Conditioning (Malaysia) Sdn Bhd, where she played a pivotal role in establishing GST implementation procedures within the company (October 2014-September 2015).
- Joined O.Y.L. Technology Sdn Bhd (now known as Daikin Electronic Devices Malaysia Sdn Bhd) as Finance and Administrative Manager in December 2012 and left in September 2014.
- Joined GEA Ecoflex (Asia) Sdn Bhd as Finance and Administrative Manager in 2006 and left in November 2012.
- Joined Accel Graphic System Sdn Bhd as Finance and Administrative Manager in 2002 and left in 2005.
- Joined Bandag (Malaysia) Sdn Bhd as an Accountant in January 1997 and left in 2001.
- Embarked on her professional journey as an Assistant Accountant at Boral Concrete (Malaysia) Sdn Bhd in 1993 and left in January 1997.

Other Present Directorships in Public Companies and Listed Issuers

Listed Companies
Nil

Public Companies
Nil

Family Relationship with Any Director and/or Major Shareholder
Nil

Notes to Profile of Board of Directors
1. None of the Directors have any conflict of interest with the Company or its subsidiaries.
2. None of the Directors have been convicted for offences within the past 5 years other than traffic offences.
3. None of the Directors have any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

PROFILE OF KEY SENIOR MANAGEMENT

Fong Wang Ying
Operations Manager

Malaysian, Age 46, Female

Academic & Professional Qualification

- Master of Business Administration from University of South Wales
- Certificate of Completion for ABE-Diploma II (The Association of Business Executives) from KTC Group of Institutes
- Diploma in Executive Secretaryship from Raffles Education Group

Skills and Experience

- Joined Topmix Group in June 2019 as Operations Manager, she oversees the comprehensive operational functions of the Group, encompassing administrative, human resource, and warehouse operations management.
- Joined Capital City Property Sdn Bhd, a wholly-owned subsidiary of Capital World Limited (listed on the Catalist Board of the Singapore Exchange) as a Human Resources Manager in August 2017, subsequently promoted to Senior Human Resources Manager in January 2019 and left in May 2019. During her tenure, she was instrumental in setting performance standards, ensuring legal compliance, managing labour costs, overseeing recruitment and training processes, and updating compensation and benefits policies.
- She was also the Human Resource Manager of Syarikat Sin Kwang Plastic Industries Sdn Bhd, a subsidiary of SKP Resources Berhad (listed on the Main Market of Bursa Securities) from June 2016 to May 2017, where she developed and maintained the human resources management system, coordinated recruitment and retention activities, revised compensation and benefits policies, and managed compliance audits.
- During her tenure at Almer Malaysia Sdn Bhd, she served as Assistant Human Resource cum Administrative Manager in May 2013, later promoted to Human Resource/Administrative Manager cum Assistant Warehouse Manager in 2015 until February 2016. In this role, she developed human resource policies, directed employment activities, conducted HACCP audits, and oversaw warehouse operations.
- Her career began at ASM Technology (M) Sdn Bhd (now ASMPT Malaysia Sdn Bhd), where she started as a Human Resource Officer in September 2000, progressing to Senior Human Resource Officer in 2012 until May 2013. In these roles, she assisted in key human resource functions including recruitment, payroll, and general administration under the guidance of the human resources manager.

Other Present Directorships in Public Companies and Listed Issuers

Listed Companies
Nil

Public Companies
Nil

Family Relationship with Any Director and/or Major Shareholder
Nil

PROFILE OF KEY SENIOR MANAGEMENT

Siow Li Ling
Financial Controller

Malaysian, Age 28, Female

Academic & Professional Qualification
- Member of the Malaysian Institute of Accountants ("MIA")
- Diploma in Accounting and Business from the Association of Chartered Certified Accountants ("ACCA")

Skills and Experience
- Joined Topmix Group in January 2022 as Financial Controller, she oversees the planning, implementation, and management of accounting and financial functions within our Group, including business and financial planning, budgeting, forecasting, and financial reporting.
- Previously, she served as an Audit Assistant Manager at KPMG PLT, where she began as an Audit Associate (April 2018 – 2020) and was later promoted to Audit Senior Associate (2020) and Audit Assistant Manager (2021). During her time at KPMG PLT, she participated in audit assignments for both private and public listed companies in Malaysia.
- She also held the position of Audit cum Tax Associate at Koo & Co, where she was engaged in audit assignments for private companies in Malaysia and assisted in the preparation of income tax submissions. (June 2017 – April 2018)
- Her career commenced with JM Consultants PLT, an accounting services firm, where she started as an Account Executive while pursuing her Diploma in Accountancy. Throughout her tenure, she contributed to the preparation of financial reports for statutory audits and income tax submissions. (2014 – June 2017)

Other Present Directorships in Public Companies and Listed Issuers

Listed Companies
Nil

Public Companies
Nil

Family Relationship with Any Director and/or Major Shareholder
Nil

PROFILE OF KEY SENIOR MANAGEMENT

Lee Jia Yong
Marketing and Sales Manager

Malaysian, Age 31, Male

Academic & Professional Qualification
- Sijil Pelajaran Malaysia (SPM) at Sekolah Menengah Kebangsaan Gemas, Negeri Sembilan

Skills and Experience
- In January 2022, he was further promoted to the position of Marketing and Sales Manager (Central Region) with Topmix Products, a role he currently holds. In his role as Marketing and Sales Manager, he spearheads the development of our Group's marketing strategies and actively pursues business growth opportunities in the central region of Peninsular Malaysia. Additionally, he oversees the management of our marketing and sales team at the Subang Sales Office and is responsible for setting and reviewing sales targets for the office.
- He joined our Group in December 2017 as a Marketing and Sales Representative with Topmix Resources, focusing on promoting our surface decorative products. His dedication and contributions led to his promotion to Assistant Manager in July 2019, where he played a key role in planning and executing marketing and sales initiatives.
- His career began in 2013 as a Sales Executive at Topmix Hardware (KL) Sdn Bhd (now Lamigo Resources Sdn Bhd) and left in November 2017, a distributor of hardware products. In this role, he was responsible for promoting the company's HPL products to potential customers and addressing customer inquiries.

Other Present Directorships in Public Companies and Listed Issuers

Listed Companies
Nil

Public Companies
Nil

Family Relationship with Any Director and/or Major Shareholder
Nil

Notes to Profile of Key Senior Management
1. None of the Key Senior Management have any conflict of interest with the Company or its subsidiaries.
2. None of the Key Senior Management have been convicted for offences within the past 5 years other than traffic offences.
3. None of the Key Senior Management have any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

OUR COMMITMENT TO SUSTAINABILITY

ABOUT THE COMPANY

Topmix Berhad ("Topmix" or "the Group"), a prominent surface decorative products solution provider in Malaysia, is dedicated to sustainability, continually improving our efforts to offer eco-friendly solutions and products to our clientele. Our commitment to maintaining superior product and service quality remains steadfast, with our team working closely together to guarantee customer satisfaction while staying true to our environmental stewardship principles.

Our Core Business

The Group focuses primarily on marketing and selling our proprietary brands of surface decorative products. Additionally, we engage in designing surface decorative products internally and in collaboration with third-party décor paper suppliers. Below is an illustration of our business model:

Marketing and Sales

- High Pressure Laminate ("HPL") products
- Compact panels
- Wall panels
- PVC edging
- Decorative boards
- PVC plywood
- Kitchen and wardrobe accessories

Design

- HPL products
- Compact panels
- Wall panels
- Decorative boards

ABOUT THIS STATEMENT

In our inaugural year of sharing our Sustainability Statement ("Statement"), it embodies Topmix's pledge to embrace the foremost standards and values of sustainability across its business endeavours. At Topmix, we are guided by the mantra 'Go Green, Go Topmix'. This principle drives our commitment to creating a brighter future through responsible business practices, steadfast focus on our objectives, and efficient operational management. This statement encapsulates our dedication to fostering a positive impact on the local economy, society, environment, and governance through the collective actions and endeavours of our organisation.

Scope and Basis of Scope

The reporting period of the Statement corresponds with our fiscal year spanning from 1 January to 31 December 2023. This Statement comprehensively addresses the Group's sustainability performance and highlights the progress of our business operations in Malaysia.

Details of the Group's subsidiaries are shown in the table below.

Name of Company	Principal Activities	Country of Incorporation/ Operation
Topmix Resources	• Design, marketing and sales of HPL products, compact panels and wall panels; and • Marketing and sales of decorative boards	Malaysia
Topmix Products	• Marketing and sales of HPL products, PVC edging, wall panels, decorative boards, PVC plywood products, kitchen and wardrobe accessories; and • Marketing, sales and provision of installation services for compact panels	Malaysia
Dekoracio	• Marketing, sales and provision of installation services for compact panels; • Marketing and sales of wall panels, PVC edging, kitchen and wardrobe accessories; and • Design, marketing and sales of decorative boards	Malaysia
Topmix Panels	• Marketing and sales of PVC plywood products	Malaysia

Reporting Framework and Standards

This Statement is prepared in accordance with the Bursa Malaysia Securities Berhad's Sustainability Reporting Guide 3rd Edition and is guided by the Global Reporting Initiatives ("GRI") Standards and in line with the IFRS Foundations - International

Reporting Framework and Standards (cont'd)

Integrated Reporting Framework and Integrated Thinking Principles, as well as the United Nations Sustainable Development Goals ("UN SDGs"). The Company has also started to enhance its climate-related financial disclosure transparency by aligning to the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD").

The Group did not seek external assurance for this sustainability report, instead relying on the verification by the Sustainability Management Team to ensure data accuracy. External assurance is only required for financial year ending on or after 31 December 2025. Nonetheless, the Group remains steadfast in its commitment to achieving full compliance with sustainability reporting requirements in due course.

Feedback

We welcome and encourage our stakeholders to provide feedback pertaining to this Statement and the issues covered to our Sustainability Management Team at investor.enquiries@topmixhpl.com.

SUSTAINABILITY STRATEGY

Sustainability Governance

At Topmix, we prioritise sustainability as a core aspect of our operations and have implemented a robust governance structure to ensure the realisation of our sustainability goals. The Board of Directors ("Board") plays a central role in championing sustainability across the organisation, overseeing our sustainability strategy, and striving to meet key targets. They are also responsible for establishing effective enterprise risk management systems and internal controls.

Complementing the Board's efforts, various committees including the Audit and Risk Management Committee, Nomination Committee, and Remuneration Committee contribute to monitoring performance and risk management within the organisation.

To further bolster our commitment to sustainability, we have established a dedicated Sustainability Management Team. This team is tasked with developing sustainability strategies, assessing risks, evaluating performance, and closely monitoring the implementation of sustainability policies and practices.

Our commitment to establishing a resilient governance framework is evident in the defined roles and responsibilities outlined in the table below.

Board of Directors

- Oversees sustainability aspects across the Group, encompassing sustainability strategy, target setting, materiality assessment, and examination of climate-related risks and opportunities.
- Integrates sustainability considerations into the Group's overall operations and individual business segments, fostering a robust sustainability culture throughout the organisation.
- Assesses Topmix's effectiveness in implementing its risk management system and internal control framework.
- Communicates sustainability strategies, priorities, and targets, along with performance updates against these targets, to both internal and external stakeholders.

Audit and Risk Management Committee	Nomination Committee	Remuneration Committee
Ensures the accuracy and integrity of the Group's financial reporting, ensuring compliance with legal and regulatory requirements, and assessing the effectiveness of the Group's enterprise-wide risk management and internal control framework.	Ensures the establishment of a well-structured and skilled leadership team, promoting diversity and fostering continuous professional development within the organisation.	Ensures the implementation of a fair and effective remuneration structure that aligns with the company's strategic objectives and human resources policies.

Sustainability Management Team

Responsible for crafting sustainability strategies, conducting assessments of sustainability-related risks, evaluating performance and targets, and closely monitoring the implementation of sustainability policies and practices.

Stakeholder Engagement

Topmix recognises that as a sustainable business group, our operations have the potential to impact a variety of stakeholders, including customers, employees, suppliers, investors, government agencies, and local communities. We understand the significance of their perspectives in understanding our activities, identifying areas for improvement, and recognising potential opportunities.

To reaffirm our dedication to fostering positive relationships with stakeholders and cultivating a sustainable business, we prioritise establishing open communication channels. This is accomplished through regular engagements utilising both formal and informal approaches. These interactions are essential for gathering feedback and effectively addressing the needs and concerns of our stakeholders.

Outlined below are the key stakeholders of the Group, along with the different engagement methods and channels employed:

Stakeholder	Areas of Concern/ Interest	Engagement Approach	Our Responses
Customers	• Product Quality and Compliance • Customer Service and Experience	• Customer Relationship Management • Reliable Service and On-time Delivery	• Adhere to quality standards (i.e. ISO 9001:2015 Quality Management Systems, Singapore Green Label, UL GREENGUARD, UL GREENGUARD Gold Certification, and MyHIJAU standards) • Customer Satisfaction Survey
Employees	• Health & Safety • Welfare and Remuneration • Workplace Diversity • Training and Career Development • Value Equal Opportunities	• Performance Appraisal • Management and Staff Meeting • Annual Event • Training Programmes	• Encourage transparent communication with employees • Ensure equal employment opportunities for all individuals without discrimination • Provide reasonable benefits and remuneration package
Suppliers	• Transparent Procurement Practices • Payment Schedule • Anti-Bribery	• Evaluation on Performance • Anti-Bribery Commitment	• Prioritise the establishment of transparent procurement processes • Require suppliers to undergo a due diligence and annual evaluation according to risk profile
Investors	• Financial Performance • Business Strategy • Shareholder Value	• Annual Report • Annual General Meeting • Financial Report • Corporate Website • Company Announcements • Investor Relations activities	• Provide timely updates on the Group's strategy and financial performance through announcements • Uphold good governance practices across the Group
Government Agencies	• Governance Compliance • Environment Management & Compliance • Fair Labour Practices • Policy Matters (Public, Health and Safety) • Anti-Bribery	• Annual Report • Meeting & Seminar • Public Announcement • Inspection/Audit by Local Authority • Anti-Bribery Commitment	• Full compliance with regulatory requirements • Adoption of practices outlined in the Malaysian Code on Corporate Governance & Anti-Bribery Practices
Local Communities	• Impact of Business Operation • Social Issue	• Community Programmes • Customer Relationship and Engagement	• Enhance the welfare and well-being of the community

Materiality Matrix

The Group acknowledges that our key concerns can substantially impact our ability to generate enduring value for our stakeholders, both directly and indirectly. In order to underscore our dedication to sustainable principles, we intend to conduct a thorough evaluation of material issues on an annual basis, commencing in the fiscal year 2023. This endeavour is designed to identify the most impactful sustainability developments pertinent to both our business and our stakeholders. It involves assessing industry dynamics, progress, and both global and local sustainability challenges.

Outlined below are the material topics identified in 2023:

Material Sustainability Matter	Relevant Stakeholders
F1 – Financial/Economic Performance	Investors and Customers
E1 – Climate Change	Employees, Regulatory Agencies and Local Communities
S1 – Customer Experience	Investors and Customers
S2 – Brand Reputation	Investors, Suppliers/Contractors/Vendors, Customers, and Local Communities
S3 – Cybersecurity and Data Protection	Employees and Customers
S4 – Labour Standards and Human Right	Employees and Regulatory Agencies
S5 – Occupational Health and Safety	Employees and Regulatory Agencies
S6 – Training and Development	Employees and Regulatory Agencies
S7 – Social Contribution	Investors and Publlic
G1 – Business Ethics and Compliance	Regulatory Agencies and Local Communities
G2 – Governing Purpose	Regulatory Agencies and Local Communities
G3 – Risk Management	Regulatory Agencies and Local Communities

Sustainability Framework

At Topmix, we place a strong emphasis on adopting a balanced approach that encompasses economic, environmental, and social responsibilities, all while sincerely focusing on the well-being of our stakeholders for a brighter future. In response to the dynamic nature of the business environment, we have embraced the IFRS Foundation's International Integrated Reporting Framework and Integrated Thinking Principles[1]. By utilising the Six Capitals model, we are able to effectively assess and make financial sense of our sustainability performance. This model enables us to generate sustained value for our business and stakeholders, reinforcing our sustainability strategy, policies, and practices, while also aligning with global standards such as the United Nations Sustainable Development Goals ("UN SDGs"). The Six Capitals represent the fundamental sources of value crucial for the Group's value creation. These capitals are defined as follows:

Stakeholder	Our Responses
Financial	Funds available to firm from operations and financing **Financial Highlight** Resources to support the Group's operation and implement other Capitals
Intellectual	Trademark, patent, innovation, human resources, which can determine the organisation's competitive advantage **Marketplace** Implementing sustainability through product quality and compliance
Governance	Governance, internal control system and procedures **Governance** Board engagement on strategy, internal control to enhance the sustainability initiative
Human	Skills, motivation, alignment with organisational goals **Workplace** Creating a safe and supportive working environment, training, and self-development
Social	Relations with key institutions, stakeholder groups, shared norms and values, trust and confidence **Community** Contributing to local community development
Natural	Renewable and non-renewable natural elements, and the eco-system, used as inputs by the firm now or in the past or future, and impact of firm on them **Environment** Improving our environment by utilising greener alternatives

[1] The Integrated Reporting Framework and Integrated Thinking Principles are maintained under the auspices of the IFRS Foundation, a global not-for-profit, public interest organisation established to develop high-quality, understandable, enforceable and globally accepted accounting and sustainability disclosure standards. (https://integratedreporting.ifrs.org/the-iirc-2/)

Management Approach for Material Matters

Economic

Resources to support the Group's operation and implement other Capitals

Topmix's financial performance serves as the foundation for achieving enduring value and advancing the Group's sustainability objectives. We are dedicated to providing exceptional employment opportunities and fostering economic development within local communities. Our overarching goal is to ensure long-term resilience by proficiently managing our assets and equitably distributing the wealth generated among our stakeholders.

The Group's steadfast commitment to maintaining and enhancing robust economic performance remains unwavering. Through vigilant monitoring of our financial performance and the implementation of strategic business initiatives, we continuously endeavour to create lasting value for our stakeholders. Key components of this endeavour include:

Crafting a holistic business strategy to stay in sync with market trends

Sustaining a strong balance sheet and optimal cash flow for financial stability

Embracing technological progress to boost operational efficiency and foster innovation

Taking proactive measures to address identified risks pertinent to our business operations and mitigate potential adverse effects

During FYE 2023, Topmix generated a total economic value of RM72.97 million, marking an approximate 10% increase from the preceding year. However, operating expenses witnessed a modest rise of 17.4%, mainly attributed to increased operational costs and other expenditures. While we celebrate this revenue growth, our dedication to achieving enduring results remains unwavering. The Group is committed to continuously enhancing value and generating greater wealth for our stakeholders.

Below are the financial results of Topmix:

	2021 RM'000	2022 RM'000	2023 RM'000
Economic value generated (e.g., revenue and other income)	39,178	66,343	72,972
Economic value distributed:			
• Cost of sales (e.g., trading of goods)	24,820	42,306	46,680
• Operating expenses (e.g., selling and distribution expenses, administrative expenses, and others)	7,694	11,172	13,121
• Finance costs	795	1,240	1,241
• Payment to government (e.g., tax)	1,451	3,098	3,539
Economic value retained	4,418	8,527	8,391

These outcomes underscore our commitment to delivering value to stakeholders while simultaneously maintaining a robust financial position and pursuing opportunities for sustainable growth.

Marketplace

Implementing sustainability through product quality and compliance

At our company, we recognise the crucial importance of integrating sustainability principles into our product quality. Our commitment to delivering top-tier products and services to our stakeholders remains paramount. We consistently strive to enhance our standards, procedures, and oversight to maintain steadfast levels of quality and sustainability.

Sustainable Operation Management

Topmix places a strong emphasis on both maintaining excellent quality control and implementing sustainable operational management practices. Therefore, we promise to adhere to regulatory standards. Our core objective in sustainable operations is to responsibly source resources, conduct business ethically, and uphold product quality while minimising adverse effects on the environment and local communities.

Product Quality and Compliance

Upholding and delivering exceptional standards of product quality has been an integral aspect of Topmix's commitment to value creation and sustainable business growth. Our steadfast dedication to maintaining industry-leading quality benchmarks has yielded numerous benefits, including heightened customer satisfaction, augmented market value, bolstered reputation, efficient risk mitigation, and an empowered workforce devoted to excellence.

At Topmix, we take immense pride in our commitment to benchmarking our products and services against the highest industry standards. We recognise the significant responsibility that comes with being a reliable and trustworthy organisation, which is why we prioritise maintaining top-notch quality across all aspects of our operations.

With a strong emphasis on quality excellence, we continually conduct thorough assessments, optimise operational efficiency, and meticulously manage waste. Our dedication to quality control is reflected in the following certifications we have achieved:

These certifications underscore our unwavering commitment to upholding stringent quality standards. They demonstrate our dedication to being a dependable and trustworthy organisation, focused on delivering exceptional products and services to our valued customers. By adhering to these rigorous quality control measures and continuously striving for excellence, we aim to strengthen our reputation as an industry leader.

- ISO 9001:2015 from GCL International Ltd
- Singapore Green Label Accreditation from Singapore Environment Council
- MyHIJAU Endorsement from the Malaysian Green Technology and Climate Change Corporation
- UL GREENGUARD Certification from UL, LLC
- UL GREENGUARD Gold Certification from UL, LLC

Singapore Green Label (Low Emission)

MyHijau (Low Emission)

UL GREENGUARD (Low Emission)

UL GREENGUARD (Gold) (Low Emission)

Governance

Board engagement on strategy, internal control to enhance the sustainability initiative

Topmix is firmly committed to exemplary corporate governance practices, adhering to rigorous business ethics and compliance standards across the entire Group. The Board acknowledges the pivotal role of a robust risk management framework and a comprehensive internal control system in nurturing a culture of sound corporate governance based on the Malaysian Code on Corporate Governance ("MCCG") 2021. Through transparent disclosure of pertinent sustainability-related information, we aim to enhance the visibility of our management practices, thereby fostering heightened confidence and trust among our valued customers, stakeholders, and the broader community.

To reinforce our commitment to ethical business practices, we have adopted a zero-tolerance approach towards fraud, bribery, corruption, money laundering, and insider trading. To this end, we have implemented an Anti-Bribery and Corruption Policy and a Whistleblowing Policy. These measures not only enhance the transparency of our group but also create an environment that fosters better governance.

The Group is also a proud member of the following associations:

- Federation of Malaysian Manufacturers
- MIIP-Malaysia Interior Industry Partners Association
- The Associated Chinese Chambers of Commerce and Industry of Malaysia
- JIDA-Johor Interior Designers Association

Workplace

Creating a safe and supportive working environment, training, and self-development

The company places a high regard for our employees, recognising them as the cornerstone of our organisation's ongoing development and prosperity. Therefore, we consider the well-being and overall satisfaction of our employees as a fundamental benchmark in our management approach.

Health and Safety

Ensuring the health and safety of our employees is an utmost priority at Topmix, across all business operations and workplaces. We are resolutely committed to fostering a healthy, secure, and conducive work environment, with the fundamental objective of preventing injuries and illnesses among our workforce. This unwavering dedication to employee well-being directly contributes to enhanced efficiency and productivity, benefiting our organisation holistically.

At our company, we have established a dedicated Safety Committee to oversee and implement robust safety measures across the organisation. This committee is led by our Production Manager and comprises the Operations Manager, Human Resources representative, and three Warehouse Assistants. Through careful selection and collaboration, these committee members are tasked with spearheading safety initiatives and ensuring a secure working environment for all employees within the Group.

To foster a culture of safety awareness and adherence to health and safety protocols, we have organised comprehensive training sessions for our employees. These training programmes cover critical areas such as Warehouse Safety, Forklift Operation, the importance of wearing Personal Protective Equipment ("PPE"), and Fire Evacuation procedures. In the fiscal year 2023, a total of 62 participants underwent these training sessions, marking a significant increase compared to the previous year. This surge in participation underscores our unwavering commitment to prioritising the well-being of our workforce.

Number of employees trained on health and safety standards		
2021	2022	2023
38	24	62

Our paramount objective is to ensure that every employee returns home safely and without injury at the end of each workday. To achieve this goal, we are dedicated to continuously upholding and enhancing our health and safety standards across all aspects of our operations. Over the past three years, we have consistently maintained zero injury cases, a remarkable achievement that reflects our unwavering dedication to prioritising workforce well-being and fostering a safe and secure working environment for all employees.

Total hours worked		
2021	2022	2023
167,314	198,517	226,006

Number of work-related fatalities Number of lost time injuries Lost time incident rate		
2021	2022	2023
0	0	0

Moving forward, we remain steadfast in our efforts to sustain and further improve our occupational health and safety performance. By continually refining our safety protocols, investing in training and awareness programmes, and fostering a culture of safety-first mindset, we aim to provide the utmost protection for our valued employees, ensuring their well-being and enabling them to perform their duties with confidence and security.

Employee Management

At our Group, we deeply value our employees and consider them the backbone of our organisation's success. We prioritise employee well-being and satisfaction as a fundamental part of our management strategy. This commitment is reflected in our efforts to recruit, develop, and retain high-performing talent within an empowering and conducive work environment. We make significant investments in comprehensive development programmes to ensure our employees remain competitive, progressive, and future-ready. Our approach recognises that a motivated and skilled workforce is crucial for driving innovation, operational excellence, and long-term sustainable growth. By fostering employee well-being and professional development, we cultivate an engaged and high-performing team that delivers exceptional value to our stakeholders.

Topmix prioritises the adherence to labour practices and standards within our current employment terms. Our Human Resources department is dedicated to focusing on three critical aspects of employee management: Training and Development, Remuneration Packages and Performance Management, and Employee Engagement and Initiatives. These pillars serve the primary goal of enhancing employee productivity and promoting ongoing performance enhancement within the workplace.

- **Training and Development**

We firmly believe that investing in workforce development is pivotal for attracting and retaining top talent, ultimately contributing to enhanced financial performance. The Group is committed to prioritising human capital within its operations by dedicating resources to employee training, supporting their growth, and aligning with evolving business needs. Recognising the significance of continuous learning for implementing cutting-edge practices, technologies, and addressing gaps in employees' behavioural, technical, and functional skills, we offer a comprehensive range of both internal and external training programmes. Our objective is to provide a holistic training experience that empowers employees to reach their full potential and acquire the necessary skills for effective performance.

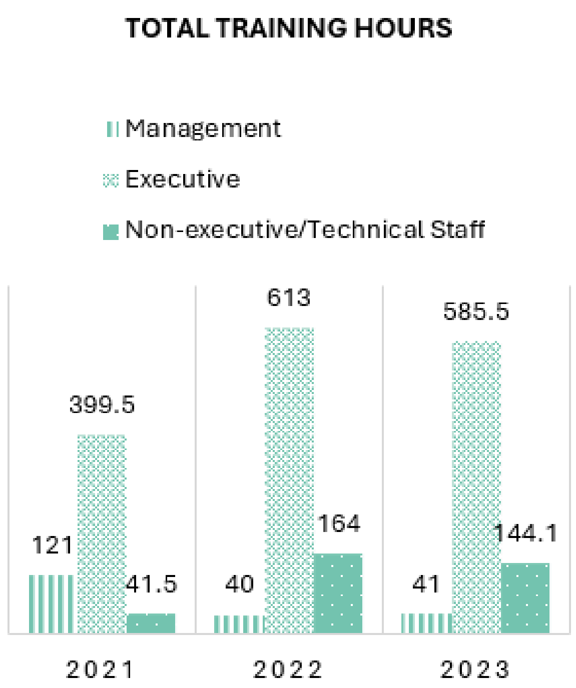
Furthermore, we conduct performance evaluations during new employees' probationary periods and on an annual basis for existing staff. In addition to these periodic assessments, respective Heads of Departments ("HODs") or supervisors can request ad-hoc training based on immediate needs. The HODs also regularly assess employees' training requirements through a competency matrix, ensuring the ongoing relevance and alignment of our training initiatives with organisational objectives.

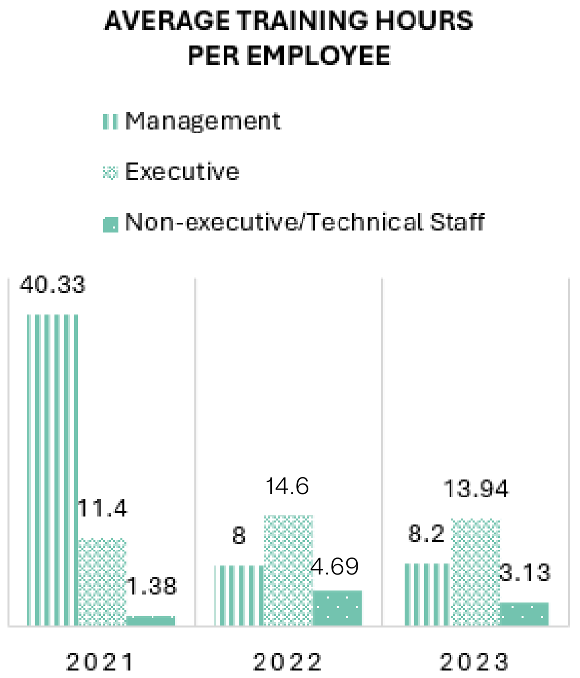
Through this multi-faceted approach to workforce development, we foster an environment that nurtures talent, cultivates continuous improvement, and equips our employees with the skills and knowledge necessary to drive our organisation's success in an ever-evolving business landscape.

Our training and development programmes in FYE 2023 include the following:

- Latest Employment Act and Company Practice
- Company Practice and Work Ethic
- Forklift Training
- Leadership and Supervisory
- ISO Training
- Social Media – Little Redbook Training
- Social Media Marketing Strategies
- Strategic Procurement and Effective Vendor Negotiation Skill
- Product Management Training – Warehouse
- Best Practices on Purchasing, Account Receivable and Debt Collection Management
- Malaysia Budget 2023 and Transfer Pricing
- Business English Communication
- Product Training – Office
- Work Essential Navigation
- 32 Formulas for High EQ
- The Safety of PPE in Workplace
- Critical Thinking
- Public Speaking and Presentation
- Handling Difficult Employees

In total, we have invested a sum of RM50,086 on training and the employees received a total of 770.6 training hours in FYE 2023. The details of the employees' training hours are detailed on the following page:





Overall average training hours per employee		
2021	2022	2023
8.26	9.96	8.29

- **Remuneration Packages and Performance Management**

At Topmix, we deeply respect our employees, viewing them as the foundation of the Group's enduring growth and impressive accomplishments. Anchored in principles of being results-oriented, accountable, collaborative, and embracing shared success, we are dedicated to elevating individual and team performance to unprecedented levels. To instil a culture of excellence, we conduct annual performance and career development evaluations, offering employees valuable opportunities for self-assessment, constructive feedback, coaching, and ongoing support.

Acknowledgment and celebration of outstanding performance, superior results, and exemplary conduct are essential elements of our compensation and recognition system. Our aim is to foster a motivating and supportive atmosphere by providing competitive benefits and compensation packages, attracting and retaining top talent in our industry.

In alignment with our commitment to safeguarding the welfare of our workforce, the Group's current employment terms adhere to standard industry practices. Furthermore, we offer a comprehensive range of employment benefits to our esteemed employees, including:

Leave

- Annual leave
- Marriage leave
- Maternity leave up to 98 days
- Paternity leave
- Compassionate leave
- Examination leave

Others

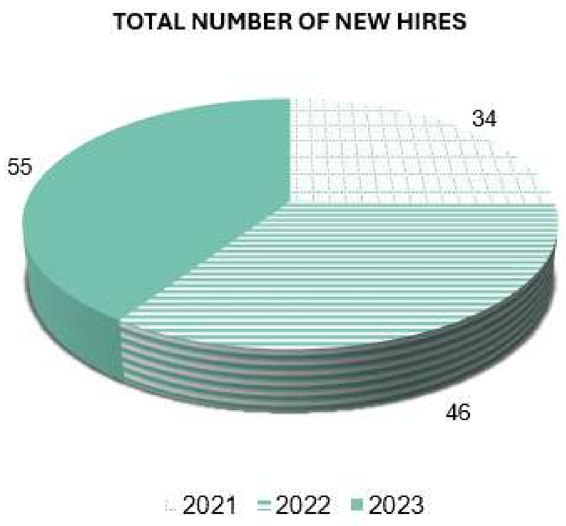
- Marriage gift
- Baby gift
- Birthday gift
- Condolence token
- Training and education assistant programme

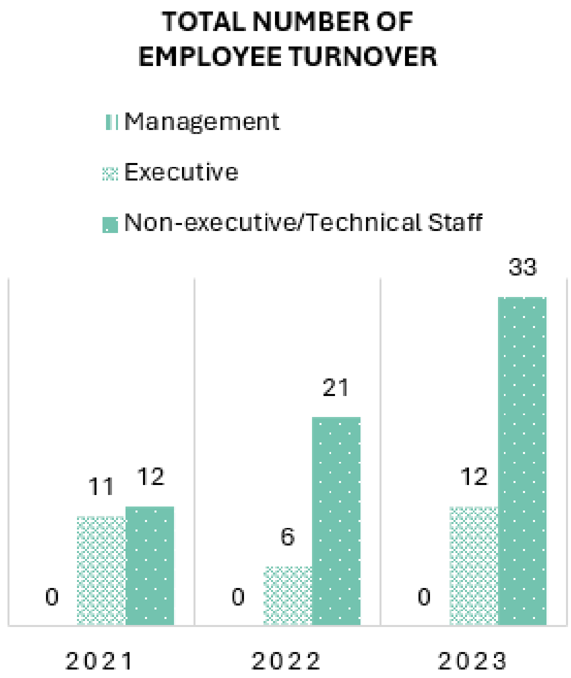
Medical

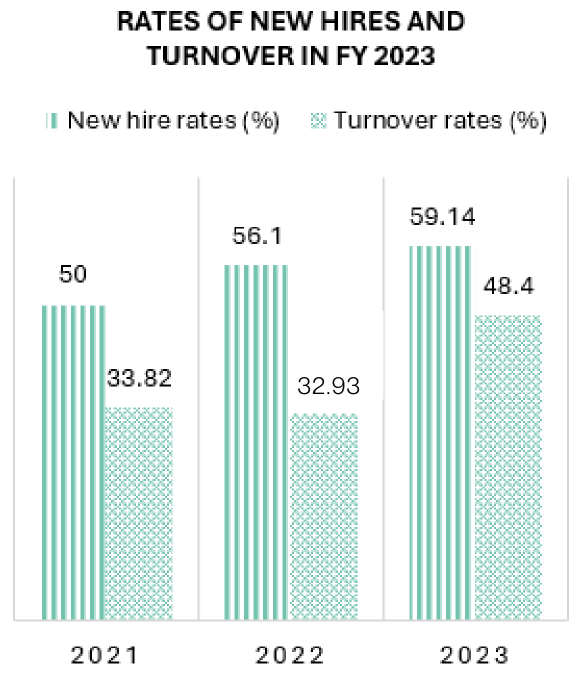
- Medical benefits

Through our steadfast dedication to nurturing a high-performance culture, alongside our commitment to employee well-being and recognition, we endeavour to create an environment conducive to growth, innovation, and a profound sense of shared success. This, in turn, contributes to the long-term sustainability and prosperity of our organisation.

In addition to achieving a 100% completion rate for employee performance reviews, we also take pride in maintaining a highly engaged workforce. The charts provided below present the total number of new hires, employee turnover, and turnover rate over the past three years.







- **Employee Engagement and Initiatives**

Apart from prioritising the health and safety of employees, Topmix also places great importance on their mental well-being. We are staunch supporters of achieving a healthy work-life balance, and as such, we actively organise a range of engagement initiatives aimed at fostering camaraderie and boosting work productivity. We firmly believe that encouraging an active lifestyle is essential for improving the overall health and well-being of our employees, ultimately contributing to the development of a positive and dynamic workplace culture. Some of the employee engagement activities held in FYE 2023 included festive celebrations and monthly birthday commemorations.

Diversity, Equity & Inclusion

Topmix's dedication to fostering a nurturing work environment that vehemently rejects all forms of unlawful discrimination, irrespective of factors such as race, colour, gender, religion, age, disability, or any other legally protected classification, remains steadfast. This unwavering commitment extends to cultivating a culture that promotes inclusivity and provides equal opportunities for all our employees, empowering them to thrive and excel to their fullest potential.

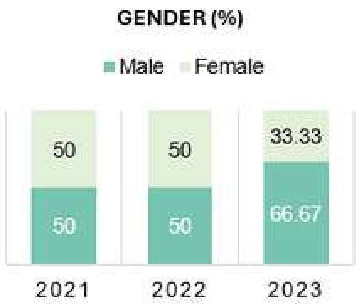
The Group steadfastly upholds principles of fairness and equity in all its dealings, extending this commitment to the treatment of employees, shareholders, customers, suppliers, and competitors alike. Our Diversity and Inclusion Policy explicitly prohibits any form of harassment or discrimination based on protected characteristics. We are committed to nurturing an inclusive environment where employees from diverse backgrounds feel respected, valued, and empowered to contribute their unique perspectives and talents.

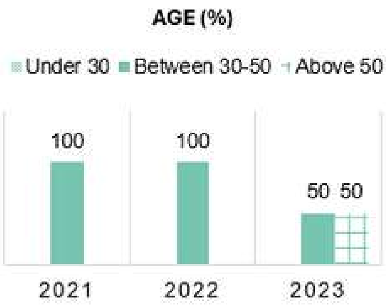
Moreover, we strive to ensure equal access to career advancement opportunities and leadership roles for all employees, regardless of their individual characteristics. Our talent management process involves regular skills assessments and career development planning for everyone, promoting equal chances for professional growth and advancement. This approach not only attracts and retains exceptional talent but also enhances overall business performance.

The charts below showcase the Group's board diversity performance and workforce profile.

Board Diversity

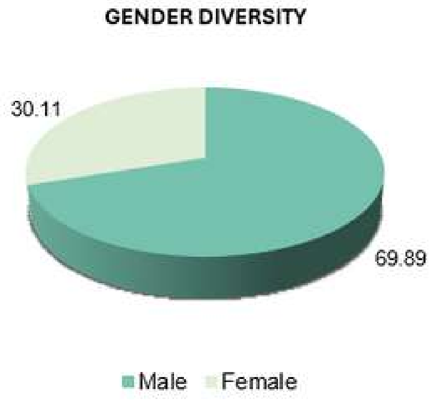
Total Directors of 6 in FYE 2023

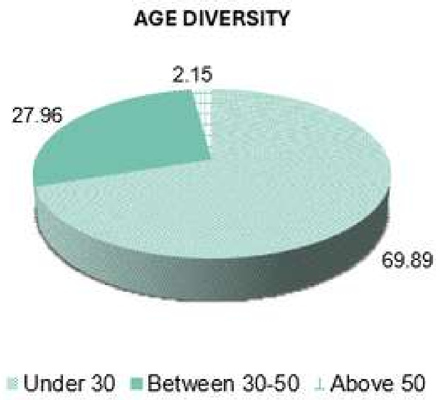




Workforce Profile

Total Employees of 93 in FYE 2023





Community

Contributing to local community development

Acknowledging the vital role of building strong ties between businesses and communities to promote social inclusion and achieve sustainable progress, Topmix is dedicated to actively engaging with the community through a range of diverse programmes. Our primary goal is to enhance our brand image and reputation while effectively addressing their needs and concerns. Our commitment to the community extends beyond merely satisfying their expectations and delivering exceptional products and services; it involves educating them about our core business principles and fostering trust in our efforts. Furthermore, our involvement in welfare-driven initiatives aimed at improving local communities serves to strengthen our relationship with them even further.

Contributing to Local Communities/CSR

Our dedication to community outreach is evident in our contributions to local educational institutions and orphanages. This collaborative effort not only enhances our connection with the community but also plays a vital role in ensuring the well-being of future generations. In FYE 2023, we contributed RM18,000 in monetary and non-monetary donations, which included the provision of HPL products and tables.

Key highlights of Topmix's contributions for the year 2023 are outlined as follows:

- Organised cleaning initiatives and contributed food and furniture donations to orphanage centres
- Sponsoring of HPL products to educational institutions' facilities
- Sponsoring university students and their events

Total amount invested in the community where the target beneficiaries are external to Topmix (RM)		
2021	2022	2023
0	5,000	18,000

Total number of beneficiaries (institutions and categories) of the investment in the communities		
2021	2022	2023
0	2	5

Number of employees participated in community impact programmes		
2021	2022	2023
0	30	25

Total hours spent on community impact		
2021	2022	2023
0	24	16

Customer Satisfaction

The Group recognises that customer satisfaction and loyalty are pivotal elements in attaining long-term success and upholding our reputation as a premier surface solutions provider in the market. With this in mind, we are committed to elevating customer satisfaction by actively soliciting and incorporating their feedback while ensuring stringent adherence to high-quality standards across all our products and services.

Topmix maintains its commitment to improving our customers' experience by actively engaging with them through various channels, including gathering regular feedback and conducting our annual Customer Satisfaction Survey ("CSS"). These initiatives allow us to gain valuable insights into our customers' needs and expectations, thereby enhancing our range of products and services. The CSS covers a range of topics, including but not limited to:

- Products and Services Quality
- Responsiveness
- Timely Delivery
- Overall Performance

Moreover, we strive to align our offerings with sustainability principles to not only enhance customer satisfaction but also contribute positively to environmental and social outcomes. Through this initiative, we aim to demonstrate our commitment to responsible business practices and meet the evolving expectations of our customers in an increasingly sustainability-conscious world.

Environment

Improving our environment by utilising greener alternatives

As passionate supporters of taking care of the environment, we focus on making meaningful contributions to the well-being of our planet. We understand how much energy use and greenhouse gases affect climate change, so we are dedicated to running our operations in a sustainable and responsible way. We are also eager to find ways to move towards using less carbon. By implementing and promoting environmentally friendly initiatives, we are dedicated to reducing our carbon footprint.

Energy, Waste, and Water Management

Despite our operations contributing lower Greenhouse Gas ("GHG") emissions, we remain steadfast in our commitment to mitigating climate change and reducing environmental footprints, delivering lasting value to our business and stakeholders. To this end, we prioritise marketing eco-friendly surface decorative products. Our HPL products boast certifications for low chemical emissions and low level of formaldehyde emissions, ensuring they are environmentally friendly and safe for use. Additionally, our Group's HPL products have obtained certifications compliant with UL GREENGUARD, UL GREENGUARD Gold Certification (since 2015), Singapore Green Label (since 2015), and MyHIJAU standards (since 2022).

In line with our sustainability efforts, we have implemented a range of energy-friendly practices and initiatives to enhance energy efficiency in the workplace. These measures include raising awareness among employees and promoting electricity-saving measures, as well as implementing regular maintenance schedules for the Group's vehicles and forklifts. Furthermore, we adopt a customer-centric approach by inviting potential customers to gather at our showroom rather than commuting to various locations. This approach not only reduces the need for customers to travel but also positively contributes to sales efforts.

Furthermore, we prioritise on managing waste properly on our premises to minimise our environmental footprint and positively impact surrounding communities. Recognising the potential risks associated with inadequate waste management to the environment and human well-being, we have implemented initiatives aimed at fostering recycling habits and promoting responsible waste management practices among our employees. Embracing the principles of the 3Rs – Reduce, Reuse, and Recycle, we integrate recycled pallets within our office and warehousing facilities to minimise waste.

Recognising the strain excessive water consumption places on water resources and its potential for wastewater contamination, we are also dedicated to reducing our water usage. This commitment includes implementing water-saving practices and installing a rainwater harvesting system of 200 gallons in size. These proactive measures aim to contribute positively to water resource conservation and safeguard local ecosystems and communities.

LOOKING FORWARD

As a leading total surface decorative solutions provider, we, as a first-year publicly listed company, are deeply committed to continuous innovation and the delivery of exceptional products that consistently surpass our customers' expectations. With a forward-thinking approach, we pledge to harness cutting-edge technologies, sustainable practices, and strategic partnerships to propel growth, amplify value, and shape the future landscape of surface solutions. Our unwavering pursuit of excellence positions us at the forefront of the industry, enabling us to anticipate market trends and adapt to evolving customer needs with unparalleled agility and distinction.

Upholding transparency and integrity in every facet of our operations is paramount. Thus, our Sustainability Statement also serves as the foundation for engaging stakeholders and providing insight into our sustainability initiatives. To uphold this principle, we have implemented rigorous policies such as the Anti-Bribery and Corruption Policy and Whistleblowing Policy, signalling our steadfast commitment to combatting unethical practices such as fraudulent behaviour, bribery, corruption, money laundering, and insider trading.

Looking forward, our management is wholeheartedly dedicated to enhancing our capabilities to better serve customers and champion sustainable practices throughout our operations. Our sustained focus on sustainability builds upon our strides in minimising our environmental impact and engaging stakeholders on pertinent social and ethical issues. Together, we embark on a journey of innovation and achievement, poised to generate enduring value for our stakeholders, revolutionise spaces globally, and make positive contributions to society and the environment.

RELATIONSHIP WITH UNSDGS

Sustainable Development Goals	Main Activity	Detailed Information
No Poverty	Providing equal work opportunities	• Workplace
Zero Hunger	-	-
Good Health and Well-being	Safe working environment	• Workplace
Quality Education	Training and development for employees, as well as investing in educational institutions	• Workplace • Community
Gender Equality	Employment policy of no discrimination	• Workplace
Clean Water and Sanitation	Promoting water conservation	• Environment
Affordable and Clean Energy	-	-
Decent Work and Economic Growth	Quality control and good management	• Marketplace
Industry, Innovation, and Infrastructure	Collaborate with suppliers that foster innovation products	• Marketplace
Reducing Inequality	Employment policy of no discrimination	• Workplace
Sustainable Cities and Communities	Implementation of pollution prevention initiatives	• Environment
Responsible Consumption and Production	Promise to deliver quality products	• Marketplace • Environment
Climate Action	3Rs (Reduce, Reuse, and Recycle) Initiative	• Environment
Life Below Water	-	-
Life On Land	-	-
Peace, Justice, and Strong Institutions	Compliance with governance laws	• Marketplace • Governance
Partnerships for the Goals	Sustainability report initiative	• Looking Forward

TCFD-ALIGNED DISCLOSURES

(As recommended by IFRS1 and IFRS2, we can continue using the TCFD recommendations)

TCFD Recommendation	Topmix Disclosure	Reference
Governance – Disclose the organisation's governance around climate-related risks and opportunities		
a) Describe the Board's oversight of climate-related risks and opportunities	• Risk management Board skills and experience – Climate change • Sustainability Management Team – role and focus	• Governance
b) Describe management's role in assessing and managing climate-related risks and opportunities.	• Risk management Climate change – Managing risk and opportunity • Sustainability Management Team – role and focus FYE 2023	• Governance • Environment
Strategy – Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material		
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	• Risk factors (climate change, greenhouse gas emissions and energy) • Climate change – managing risk and opportunity	• Materiality Matrix
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	• Risk factors (climate change, greenhouse gas emissions and energy) • Climate change – managing risk and opportunity	• Materiality Matrix
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	• Climate change – evaluating the resilience of our portfolio	• Energy Management & Emissions – initiative stage
Risk management – Disclose how the organisation identifies, assesses, and manages climate-related risks		
a) Describe the organisation's processes for identifying and assessing climate-related risks.	• Risk factors	• Materiality Matrix
b) Describe the organisation's processes for managing climate-related risks.	• Risk factors (climate change, greenhouse gas emissions and energy)	• Materiality Matrix • Energy Management & Emissions – initiative stage
c) Describe how processes for identifying, assessing, and managing climate related risks are integrated into the organisation's overall risk management.	• Risk factors non-financial KPIs – sustainability KPIs • Risk factors (climate change, greenhouse gas emissions and energy)	• ·Materiality Matrix • Energy Management & Emissions – initiative stage
Metrics and targets – Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material		
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	• Non-financial KPIs – Sustainability KPIs	• Energy Management & Emissions – initiative stage
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	• Non-financial KPIs – Sustainability KPIs	• Energy Management & Emissions – initiative stage
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	• Non-financial KPIs – Sustainability KPIs	• Energy Management & Emissions – initiative stage

HOW WE ARE GOVERNED

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("the Board") of Topmix Berhad ("Topmix" or "the Company") is pleased to present the Corporate Governance ("CG") Overview Statement for the financial year ended 31 December 2023 ("FYE 2023"), which has been prepared in compliance with Paragraph 15.25 of the ACE Market Listing Requirements ("AMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and has set out an overview on the application of the Principles of corporate governance as promulgated by the Malaysian Code on Corporate Governance issued in April 2021 ("MCCG"). This CG Overview Statement should be read in conjunction with the Company's CG Report, which has set out details on how the Company has applied the Practices as set out in MCCG and the said documents are available on our website www.topmixhpl.com as well as via announcement on the website of Bursa Malaysia Securities Berhad ("Bursa Securities").

The Company and its subsidiaries ("the Group") firmly believe that good corporate governance is key towards the enhancement of shareholders value, the promotion of the Group's long-term value as well as the building of a sustainable business. To this end, the Board is steadfast towards maintaining high standards of corporate governance within the Group and to uphold the Principles of MCCG towards achieving the Intended Outcome as set out in MCCG.

This CG Overview Statement provides a summary of the corporate governance practices implemented by the Group during the financial year with reference to the three Principles of MCCG whilst explanations on how the Group has applied the Practices promoted by MCCG are disclosed in the CG Report. Where there is a departure from a Practice, explanations for the departure are provided in the CG Report with disclosure on the applicable alternative practice which the Group has adopted.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

The Group acknowledges the vital role played by the Board in the stewardship of governance and the direction of the Group and ultimately the enhancement of long-term shareholders' value. To fulfil this role, the Board is responsible for the overall corporate governance of the Group, including its strategic direction, establishing goals for management and monitoring the achievement of these goals, consideration of significant financial matters, review of the financial and operating performance of the Group and undertaking of major investments and capital expenditures.

I. BOARD RESPONSIBILITIES

The Company has an experienced Board that is primarily responsible for charting and reviewing the strategic direction of the Group and delegates the implementation of these directions to the management. The Board also ensures the implementation of appropriate risk management and internal control systems, including financial, operational and compliance to safeguard the shareholders' interest and the Group's assets.

Board Charter

The Board has adopted certain responsibilities for effective discharge of its functions through formalising its Board Charter on 26 June 2023 (available at the Company's website: www.topmixhpl.com).

The Board Charter sets out the function, authority, roles and responsibilities of the Board and its Board Committees, the role of the Chairman, Managing Director, Executive Director and Independent Non-Executive Directors, the requirements of Directors in carrying out their roles and discharging their duties towards the Company as well as the Board's operating practices.

The Board has established Board Committees namely the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee, which are entrusted with specific oversight responsibilities for Topmix Group's affairs. The Board Committees are granted the authorities to act on each Board's behalf in accordance with their respective Terms of

CORPORATE GOVERNANCE OVERVIEW STATEMENT

I. BOARD RESPONSIBILITIES (CONT'D)

Reference ("TOR") and to report to the Board with the necessary recommendation. The TOR of the Board Committees are available at the Company's website.

Role of Chairman and Managing Director

The Group aims to ensure a balance of power and authority between the Chairman and Managing Director with a clear division of responsibility between the running of the Board and the Company's business respectively. The Group also emphasises and practices a division of responsibility between the Executive and Non-Executive Directors. The distinct and separate roles of the Chairman and Managing Director, with a clear division of responsibilities, ensure a balance of power and authority, such that no one individual has unfettered powers of decision-making.

The Chairman is responsible for ensuring the integrity and effectiveness of the governance process of the Board, acts as facilitator at the meetings and ensure that Board proceedings is in compliance with good conduct and best practices. Whilst the Managing Director holds the primary executive responsibility for the Group's business performance and manages the Group in accordance with the strategies and policies approved by the Board. The Managing Director leads the Executive Director in making and implementing day-to-day operational business decisions, managing resources and risks in pursuing the corporate objectives of the Group. The Managing Director also brings material and other relevant matters to the Board, motivates employees, and drives change/innovation and growth within the Group. The Independent Non-Executive Directors of the Company play a key role in providing unbiased and independent views, advice and contributing their knowledge and experience toward the formulation of policies and in the decision-making process.

Access to Information and Advice

All Directors have unrestricted access to all information pertaining to the Group's business and affair and has full access to management, Company Secretary and External Auditors for information needed to carry out their duties and responsibilities.

The agenda and reports encompassing qualitative and quantitative information are furnished to the Board members prior to meetings to allow the Directors to have sufficient time to peruse the papers for effective discussion and decision-making during meetings.

Governing Sustainability

The Board places great emphasis on corporate sustainability and undertakes full responsibility to embed Economic, Environment and Social factors into the Group's core strategy to deliver sustainable value and goods. The Board keeps themselves abreast with and understand the sustainability issues relevant to the Group and takes into account the sustainability issues when reviewing the Group's strategies and business plans.

A report on the sustainability activities covering the sustainability strategies and priorities is set out in the Sustainability Statement in this Annual Report.

Anti-Bribery and Corruption Policy

In line with the corporate liability provision under Section 17A of the Malaysian Anti-Corruption Commission Act 2009, the Board has reviewed and revised the Anti-Bribery and Corruption Policy on 18 April 2024 to provide guidance to the Group, all its personnel and business associates in order to promote better governance culture and ethical behaviour within the Group and to prevent the occurrence of corrupt practices. The Management will carry out regular assessment on the policy to ensure that it continues to remain relevant, appropriate and effective. The Anti-Bribery and Corruption Policy is available on our website.

Code of Conduct Policy

The Company has reviewed and revised the Code of Conduct Policy ("the Code") on 18 April 2024 to reflects the objective of management to reinforce Group-wide ethical standards and to sustain a work environment that fosters integrity, caring, respect and professionalism. It is to serve the long-term interest of the Group by following the policy strictly to be lawful, highly principled and socially responsible in all business activities. The Code is published on the Company's website.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

I. BOARD RESPONSIBILITIES (CONT'D)

Whistleblowing Policy
The Group has reviewed and revised the Whistleblowing Policy on 18 April 2024. This policy set out various channels for employees or stakeholders to report or disclose any genuine concerns about unethical behaviour, malpractices, illegal acts or failure to comply with regulatory requirements ("reportable misconduct"). The Whistleblowing Policy also provides protection for the party who reported allegations of such malpractices / misconducts / wrongdoings. The Whistleblowing Policy is available on the Company's website.

Directors' Fit and Proper Policy
The Board adopted a Directors' Fit and Proper Policy on 26 June 2023 to ensure that Directors possess the character, integrity, relevant range of skills, knowledge, experience, competence and time commitment to carry out their roles and responsibilities effectively in the best interest of the Group and its stakeholders. The Nomination Committee shall conduct the fit and proper assessment prior to the appointment of any candidates as a Director or making a recommendation for the re-election of an existing Director of the Group. The Directors' Fit and Proper Policy is available on the Company's website.

Conflict of Interest Policy
The Company has adopted a Conflict of Interest Policy on 26 June 2023 to provide guidance in identifying and manage any actual, potential and perceived conflict of interest situations as they arise. This policy applies to all Directors and employees of Topmix (including staff on contract terms, temporary staff, and those on internship).

The Directors are aware that they have to declare their interests in transactions with the Group and abstain from deliberation and voting in respect of such transactions at Board or general meetings convened to consider the matter. The Audit and Risk Management Committee reviews all related party transactions and conflict of interest situation that arose, persist or may arise within the Group that may challenge the Group's integrity.

II. BOARD COMPOSITION

As at the date of this report, the Board comprises six (6) Directors, comprising of one (1) Managing Director, one (1) Executive Director, one (1) Independent Non-Executive Chairman and three (3) Independent Non-Executive Directors. The Independent Non-Executive Directors fulfilled the criteria of "Independence" as prescribed under the AMLR. This is in compliance with Paragraph 15.02(1) of the AMLR which requires at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, are Independent Directors. All Independent Non-Executive Directors are independent of management and have no family or business relationships with the Executive Directors and major shareholders which would interfere with the exercise of their independent judgment.

Diversity and Inclusion Policy
The Board are committed to maintaining a diverse workplace to recognise the benefits arising from board and employee diversity. Diversity includes, but not limited to age, gender, experience, education, background, expertise, origin, disability, race, nationality, and culture. Inclusion is a sense of belonging and behaviours to respond to the people in order to ensure that individual feel included, engaged and connected in the workplace. The Diversity and Inclusion Policy has established on 26 June 2023 and is available on the Company's website.

As the date of this Annual Report, the Board comprised of six (6) Directors, of whom two (2) are female, providing a representation rate of 33.33% which complies with the new requirement of ACE Market Listing Requirements of Bursa Securities to have at least one (1) woman Director on the Board.

Meeting and Time Commitment
During the financial year ended 31 December 2023, a total of two (2) Board meetings were held and the details of each Director's attendance at the Board meetings are as follows (following page):-

CORPORATE GOVERNANCE OVERVIEW STATEMENT

II. BOARD COMPOSITION (CONT'D)

Name of Directors	Attendance	Percentage of attendance (%)
Chang Tian Kwang	2/2	100%
Teo Quek Siang	2/2	100%
Tan Lee Hong	2/2	100%
Khor Hang Cheng	2/2	100%
William Lau Si Yi	2/2	100%
Ng Yew Kuan	2/2	100%

Directors' Training

All Directors are encouraged to participate in relevant training programmes for continuous professional development and to further enhance their skills and knowledge. All Directors have attended the Mandatory Accreditation Programme prescribed by Bursa Securities. The Directors are aware that they shall receive appropriate training which may be required from time to time to keep them abreast with the current developments in the industry as well as new statutory and regulatory developments including changes in accounting standards.

Training programmes and seminars attended by the Directors of the Company during the financial year ended 31 December 2023 ("FYE 2023") are as follows:-

Name of Directors	Training Programmes/ Seminars/Workshops/ Conferences Attended	Date
Chang Tian Kwang	• Board Sustainability Training & Framework Endorsement • Bursa Malaysia Immersive Experience. The Board 'Agender' • Good Governance through Continuous Assurance • Elevating Accountants as Strategic Decision Makers • ESG Advocates Circle 2023 : Talent Management • Tax Controversy and Dispute Resolution Webinar • Board Oversight of Climate Risks And Opportunities • Navigating AI Governance and ESG Reporting for Future	· 24 February 2023 · 13 March 2023 · 19 April 2023 · 13 September 2023 · 21 September 2023 · 6 October 2023 · 10 October 2023 · 17 October 2023
Teo Quek Siang	• Corporate strategy & Growth development	· 20 – 22 October 2023
Tan Lee Hong	• Corporate strategy & Growth development	· 20 – 22 October 2023
William Lau Si Yi	• Understanding Internal Controls and Test of Control • Modified Auditors Opinion Vs Modified Audit Report • 2024 Budget Seminar	· ·31 October 2023 · 6 November 2023 · 13 December 2023
Ng Yew Kuan	• Financial Analysis as Strategic and Operational Management Tool • Can You Survive a Transfer Pricing Audit?	· 10 January 2023 · 20 July 2023

During FYE 2023, all Directors were updated on the recent developments in the areas of statutory and regulatory requirements from the briefing by the external auditors, the internal auditors and the Company Secretaries during the Board and Board Committees' meetings. The Directors will continue to undergo relevant training programmes to enhance their skills and knowledge.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

II. BOARD COMPOSITION (CONT'D)

Board Independence

Independent Directors play a leading role in Board Committees. The four (4) Independent Directors namely, Mr. Chang Tian Kwang, Mr. Khor Hang Cheng, Mr. William Lau Si Yi, and Ms. Ng Yew Kuan were appointed to the Board on 16 May 2023. The legal adviser had conducted an in-depth assessment and due diligence such as interview session, solvency and company searches and etc. before they were appointed to the Board. As the Company was newly listed, none of the Independent Directors had served the Company for a cumulative term of 9 years. Notwithstanding that, the Board acknowledges the recommendation of the MCCG that the tenure of an Independent Director should not exceed a cumulative term of 9 years. In the event the Independent Director continues to serve the Board after serving for 9 years, the Board should provide justification and seek annual shareholders' approval through a two-tier voting process or the said Independent Director will be re-designated as Non-Independent Director.

Company Secretary

The Board is supported by three (3) qualified secretaries who are the Fellow members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and are qualified to act as Company Secretary under the Companies Act, 2016. As a practicing Company Secretaries, they have also attended continuous professional development programmes as required by MAICSA and Companies Commission of Malaysia.

They are also responsible for ensuring that the Company's Constitution, procedures, policies and regulations are complied with. Also ensuring that, all obligations required by the regulatory and under the AMLR are fulfilled in a timely manner. The Board is regularly updated and advised by the Company Secretaries on any new statutory and regulatory requirements in relation to their duties and responsibilities. The Company Secretaries also attend all Board and Board Committees meetings and ensure the meetings are properly convened and all deliberations and decisions made by the Board and Board Committees are accurately minuted, recorded and kept.

The Board recognises that the Company Secretaries are suitably qualified and capable of carrying out the duties as required. The Board is satisfied with the service and support rendered by the Company Secretaries in discharging her functions.

Nomination Committee

The Board has established a Nomination Committee ("NC") to assist the Board in their responsibilities in nomination new nominees to the Board and to assess the performance of the Board, the Board Committees and the Directors of the Company on an on-going basis. Full details of the NC duties and responsibilities are stated in its TOR which is available on the Company's website.

The NC comprises solely Independent Non-Executive Directors as follows:-

1. Ng Yew Kuan (Chairperson)
2. Khor Hang Cheng
3. William Lau Si Yi

The NC is responsible for the Board evaluation process covering the Board, the Board Committees and individual Director, on an annual basis.

The Terms of Reference of the NC is available on the Company's website.

The Company's Constitution provides that one-third (1/3) or nearest to one-third (1/3) of the Directors for the time being shall retire from office and be eligible for re-election provided always that all the Directors shall retire from office at least once in every three (3) years, but shall be eligible for re-election. All the retiring Directors will abstain from deliberations and decisions on their own eligibility to stand for re-election at the Board Meeting.

In considering whether to recommend a Director who is eligible to stand for re-election, the NC would consider a variety of factors, including:

- the Director's contributions to the Board and ability to continue to contribute productively;
- the Director's attendance at Board and committee meetings;
- the Director's compliance with the Code;
- the Director's skills, knowledge, expertise and experience, professionalism, reputation and competencies;
- whether the Director continues to possess the attributes, capabilities and qualifications considered necessary or desirable for Board service; and
- the independence of the Director.

There was no committee meeting held during FYE 2023 as the Company was only listed on the ACE Market of Bursa Securities on 23 April 2024. There has yet to have a

CORPORATE GOVERNANCE OVERVIEW STATEMENT

II. BOARD COMPOSITION (CONT'D)

full year of activity for annual and performance evaluation on the Board, Board Committees and individual director.

Remuneration Committee

The Remuneration Committee ("RC") comprises solely Independent Non-Executive Directors. The members of the RC are as follows:-

1. Khor Hang Cheng (Chairperson)
2. William Lau Si Yi
3. Ng Yew Kuan

The RC is responsible for evaluating, deliberating and recommending to the Board the compensation and benefits that are fairly guided by market norms and industry practices for the business the company is in. The RC is also responsible for evaluating the Executive Directors' remuneration which is linked to the performance of the Executive Director and performance of the Group. Individual Director do not participate in the discussion and decision making of his own remuneration to avoid conflict of interest.

The Terms of Reference of the RC is available on the Company's website.

The Company aims to set remuneration at levels which are sufficient to attract and retain the Directors and Key Senior Management needed to run the Company successfully, taking into consideration all relevant factors including the skill function, workload and responsibilities involved, and after giving due consideration to the Group's performance.

Pursuant to Section 230(1) of the Companies Act, 2016, fees and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

The remuneration of Directors of the Company, including the remuneration for services rendered to the Group and the Company for the financial year ended 31 December 2023 are as follows:-

Category	Fees	Meeting Allowances	Salaries	Defined Contribution Plans	Social Security Contribution	Benefit-in-kinds	Total
	RM	RM	RM	RM	RM	RM	RM
Executive Directors							
Teo Quek Siang	-	-	600,000	72,000	2,318	33,550	707,868
Tan Lee Hong	-	-	600,000	72,000	2,318	29,500	703,818
Independent Non-Executive Director							
Chang Tian Kwang	40,000	500	-	-	-	-	40,500
Khor Hang Cheng	32,000	500	-	-	-	-	32,500
William Lau Si Yi	32,000	500	-	-	-	-	32,500
Ng Yew Kuan	32,000	500	-	-	-	-	32,500

CORPORATE GOVERNANCE OVERVIEW STATEMENT

II. BOARD COMPOSITION (CONT'D)

The remuneration of the Key Senior Management (including salary, bonus, benefit in kind and other emoluments) are disclosed in each successive bands of RM50,000.00 during the financial year ended 31 December 2023 as follows:-

Range of Remuneration (RM)	Number of Key Senior Management
150,001 – 200,000	2
200,001 – 250,000	1

There was no committee meeting held during FYE 2023 as the Company was only listed on the ACE Market of Bursa Securities on 23 April 2024.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit and Risk Management Committee

The Board is assisted by the Audit and Risk Management Committee ("ARMC") which comprises solely Independent Non-Executive Directors, to oversee the integrity of the financial statements, compliance with relevant accounting standards and the Group's risk management and internal controls.

The members of ARMC are as follows:

1. William Lau Si Yi (Chairperson)
2. Khor Hang Cheng
3. Ng Yew Kuan

The position of the ARMC Chairman is distinct and separate from that of the Board Chairman to enhance the objectivity of the Board's review of the ARMC's findings and recommendations. To-date, the Company has not appointed any former audit partner to be a member of the ARMC.

The composition of the ARMC is reviewed annually with the view to maintain an independent and effective ARMC, and in line with the principles of the MCCG. The

ARMC members are expected to continuously update their knowledge and enhance their skills.

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

II. Suitability and Independence of External Auditors

The External Auditors report to the ARMC in respect of their audit on each year's statutory financial statements on matters that require the attention of the ARMC. At least once a year, the ARMC will have a separate session with the External Auditors without the presence of the Executive Directors and Management. The External Auditors are required to declare their independence annually to the ARMC as specified by the By-Laws issued by the Malaysian Institute of Accountants. The External Auditors had provided the declaration in their annual audit plan presented to the ARMC. The ARMC reviews the appointment, performance and fees of the External Auditors before recommending the re-appointment of the External Auditors of the Company to the Board and shareholders for approval. The factors considered by the ARMC in its assessment include, adequacy of professionalism and experience of the staff, the resources, the fees and the independence of and the level of non-audit services rendered to the Group.

III. Risk Management and Internal Control Framework

The Board affirms its responsibilities over the Group's system of risk management and internal control and acknowledges that such system is an integral part of effective management practice. To this end, the Board confirms that the Group has implemented an ongoing process of identifying, evaluating, monitoring and managing the significant risks faced by the Company and the Group under its risk management and internal control framework. Details of

CORPORATE GOVERNANCE OVERVIEW STATEMENT

III. Risk Management and Internal Control Framework (cont'd)
the Group's risk management and internal control framework are set out in the Statement on Risk Management and Internal Control in the Annual Report.

The Board has delegated the review on the adequacy and effectiveness of the Group's risk management and internal control framework to the ARMC.

IV. Internal Audit Function
The Group has outsourced the internal audit function to Talent League Sdn Bhd, an independent professional consulting firm to assist the ARMC in managing risk and establishing the internal control system and processes of the Group. The outsourced Internal Auditors report independently and directly to the ARMC in respect of the internal audit function of the Group.

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

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

I. Engagement with Stakeholders
The Company aims to ensure that the shareholders and investors are kept informed of all major corporate developments, financial performance, and other material information by promptly disseminating such information to shareholders and investors via announcements to Bursa Securities and the Company's website at www.topmixhpl.com.

The Board believes that a constructive and effective investor relationship is essential in enhancing shareholder value and recognises the importance of timely dissemination of information to shareholders or stakeholders. The Board is accountable to shareholders as well as other stakeholders of the Company for the performances and operations of the Company. As such, the Board endeavours to provide timely and accurate disclosure of all material information of the Group to the shareholders and investors.

II. Conduct of General Meetings
The Annual General Meeting ("AGM") represents the principal forum for dialogue and interaction with shareholders. At the AGM, the Board presents the performance and progress of the Company and provides ample opportunity for shareholders to raise questions pertaining to the business activities of the Company. All the Directors and key management personnel are available to provide responses to questions raised by the shareholders during the AGM.

As recommended by the MCCG, the notice of AGM will be sent to shareholders at least twenty-eight (28) days before the AGM, to allow shareholders to have additional time to go through the Annual Report and make the necessary attendance and voting arrangements. The notice of AGM, which sets out the business to be transacted at the AGM, is also published in a major local newspaper.

The Board will ensure that each item of special business included in the notices of the AGM or Extraordinary General Meeting is accompanied by a full explanation of the effects of any proposed resolution. In line with Rule 8.31A of the AMLR of Bursa Securities, all resolutions set out in the notice of general meeting will be put to vote by poll. The Company will also appoint an independent scrutineer to validate the vote cast in the general meeting. The outcome of the general meeting will then be announced to Bursa Securities on the same meeting day while the minutes of the general meeting will be uploaded on the Company's website within thirty (30) business days from the date of the general meeting.

As the Company was only listed on 23 April 2024, the upcoming AGM will be the Company's first AGM as a public listed company. Barring unforeseen circumstances, all Directors will present at the forthcoming AGM of the Company to enable the shareholders to raise questions and concerns directly to the Board.

COMPLIANCE STATEMENT

Saved as disclosed above, the Board is satisfied that the Company, though listed on 23 April 2024 has substantially complied with and applied with the principals and recommendations of the MCCG, where necessary and appropriate. The Board acknowledges that achieving excellence in corporate governance is a continuous process and is committed to play a pro-active role in steering the Group towards the highest level of integrity and ethical standards.

This Corporate Governance Overview Statement was approved by the Board on 25 April 2024.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors ("The Board") of Topmix Berhad ("Topmix" or "the Company") is pleased to present the Audit and Risk Management Committee ("ARMC") Report for the financial year ended 31 December 2023 ("FYE 2023") in compliance with Paragraph 15.15 of the ACE Market Listing Requirements ("AMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

The ARMC assists the Board in its oversight of the Group's financial statements and reporting in fulfilling its fiduciary responsibilities relating to internal controls, financial reporting practices, risk management framework and policies.

COMPOSITION AND DESIGNATION OF ARMC MEMBERS

The ARMC was established by the Board on 26 June 2023 as part of its preparation for listing of the Company on the ACE Market of Bursa Securities. The ARMC is comprised of three (3) members, all of whom are Independent Non-Executive Directors. The ARMC members are as below: -

Chairperson

William Lau Si Yi
(Independent Non-Executive Director)

Members

Khor Hang Cheng
(Independent Non-Executive Director)

Ng Yew Kuan
(Independent Non-Executive Director)

All members of the ARMC are financially literate. None of the members were former key audit partners of the Company's existing External Auditors, Messrs. CAS Malaysia PLT. The ARMC Chairman is not the Chairman of the Board of Directors of the Company.

The Chairman of the ARMC, Mr. William Lau Si Yi is a chartered accountant and a member of Malaysian Institute of Accountants ("MIA") and a member of the Malaysian Institute of Certified Public Accountants ("MICPA"). Whilst Ms Ng Yew Kuan, a member of the ARMC, is a member of MIA and a member of Chartered Institute of Management Accountants ("CIMA"). Profiles of the ARMC members are set out in the Directors' Profile Section of this Annual Report.

TERMS OF REFERENCE

The duties and responsibilities of the ARMC are set out in the Terms of Reference of the ARMC which was adopted by the Board on 26 June 2023, a copy of which is available for viewing on our website at www.topmixhpl.com.

MEETINGS AND ATTENDANCE

The Company was listed on the ACE Market of Bursa Securities on 23 April 2024. During FYE 2023, the ARMC held a total of one (1) meeting prior to the listed on the ACE Market of Bursa Securities. The members of the ARMC and their attendance at the meetings are set out below:

Members	Attendance	Percentage of Attendance (%)
William Lau Si Yi	1/1	100
Khor Hang Cheng	1/1	100
Ng Yew Kuan	1/1	100

During FYE 2023, the representatives of the External Auditors and Internal Auditors, Directors, Financial Controller and the representative of a consulting advisory firm were invited to attend the ARMC meeting to facilitate direct communication on matters under the consideration of the ARMC, or which, in their opinion, should be brought to the attention of the ARMC. The Chairman of the ARMC reported on key issues and matters discussed at the ARMC meeting as well as the ARMC's recommendations, to the Board for consideration after the ARMC meeting. All deliberations during the ARMC meetings were minuted.

SUMMARY OF ACTIVITIES OF THE ARMC DURING THE FINANCIAL YEAR

In preparation for the Company's initial public offering, the following activities were carried out during FYE 2023:-

- Reviewed and approved the audit plan of the group for FYE 2023 prepared by the External Auditors entailing mainly the Group's significant risks and areas of audit focus, internal control plan and audit timeline to ensure that the scope of work is adequate.
- Reviewed the internal audit report, including audit findings and recommendations for improvement prepared by the Internal Auditors and the corresponding actions taken by the Management, including follow-up reviews carried out by the Internal Auditors.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

Internal Audit Function

The Group's internal audit function, which reports directly to the ARMC, is outsourced to Talent League Sdn Bhd ("Talent League"), to assist the ARMC in undertaking systematic and independent assessment on the adequacy, efficiency and effectiveness of the Group's system of risk management and internal control. They were free from any relationships or conflicts of interest, which could impair their objectivity and independence.

The internal audit team reports the audit findings and recommendations, with Management Action Plan to the ARMC. It performs follow-up on the status of implementation by Management of the Group on the observations raised in preceding cycles of internal audit and reports the status of corrective actions undertaken to the ARMC. During this financial year, the costs incurred for the internal audit function was RM27,000.00 (exclude out of pocket expenses and service tax).

Further details on the risk management, internal controls and internal audit functions, please refer to the Statement on Risk Management and Internal Control in this Annual Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors ("The Board") of Topmix Berhad ("Topmix" or "the Group") is pleased to present its Statement on Risk Management and Internal Control of the Group for the financial year ended 31 December 2023 ("FYE 2023"), which has been prepared pursuant to Rule 15.26 (b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and in accordance with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("SORMIC Guidelines"). The statement below outlines the nature and scope of risk management and internal control of the Company during the financial year under review.

BOARD RESPONSIBILITIES

The Board reaffirms its overarching duty to supervise the risk management and internal control systems ("Systems") of the Company and its subsidiaries (collectively referred to as "Group"), essential for safeguarding shareholders' investments, maintaining customer satisfaction, and protecting the Group's assets. This duty includes thoroughly assessing the effectiveness, adequacy, and dependability of these systems.

Recognising the vital importance of a robust risk management and internal control framework, as well as aligning with the best practices outlined in the Malaysian Code on Corporate Governance, 2021, the Board extends its oversight to all subsidiaries within the Group. This framework encompasses not only financial controls but also operational and compliance controls, ensuring a sound internal control system across the Group's operations. However, due to inherent limitations of the system of internal control, it is designed to manage rather than to eliminate the risk that may fail to meet the Group's business objectives. Hence, it can only offer reasonable but not absolute assurance against material misstatement of financial information, loss or fraud.

The Board, through the Audit and Risk Management Committee ("ARMC"), to assist the Board in oversight the process of identifying, evaluating, and managing the significant risks, including the implementation of internal control measures to safeguard shareholders' investments and the Group's assets.

RISK MANAGEMENT FRAMEWORK

Topmix currently adheres to the ISO 31000 Risk Management System, designed to foster the development and execution of contemporary management strategies while fostering innovation across the Group's operations and business ventures to preserve and enhance Topmix's objectives and value. Our risk management processes and procedures, encompassing the identification, analysis, evaluation, and treatment of significant risks, are seamlessly integrated into our operational and business environment. Management at all levels conducts regular monitoring and review of the suitability, adequacy, and effectiveness of our risk management endeavours, ensuring a dynamic and continual process.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The key aspects of our risk management framework are:

1) Risk Identification
Objectives, processes, and the associated risks in relation to the key business activities for each division/ department are identified. Risks are then segregated into the respective defined categories, i.e. Financial, Information Technology, Operational, Regulatory, Reputation, Strategic and Human Capital.

2) Risk Assessment
Each risk is assessed in terms of its likelihood and the impact of the risk to the Group. Likelihood is expressed as either a probability for a single event, condition, or a frequency of occurrences for repeated events; whilst impact is an estimate of the severity of adverse effects, either financial or non-financial, to the Group.

3) Risk Ownership and Responses
Each risk is assigned to an accountable internal stakeholder, i.e., Risk Owner, who is responsible to manage and mitigate identified risk within the acceptable risk tolerance.

4) Risk Treatment and Control
Decision about how to deal with risks, either in the external or internal environment, by means of risk reduction, risk avoidance, risk acceptance and risk transfer. Controls are put in place based on the risk treatments chosen for each risk.

5) Reporting and Monitoring
Risks are compiled and recorded into the Risk Register, which is used for reporting and continuous monitoring purposes. The risk status is reviewed and updated on a periodical basis.

INTERNAL CONTROL SYSTEM

The Board acknowledges the crucial importance of a robust internal control system in ensuring the Group's business is managed effectively and efficiently. This approach is implemented in a top-down manner, with internal control principles permeating from the strategic management level all the way down to the foundational operational level.

INTERNAL AUDIT FUNCTION

The Board places significant importance on the Internal Audit function and has enlisted the expertise of an independent professional consulting firm, Talent League Sdn Bhd. (“the Internal Auditors”), to assist the Board and ARMC in reviewing the adequacy and effectiveness of the Group’s internal control system.

During the financial year under review, the scope of the risk based internal audit review (“Audit”) conducted by the Internal Auditors covered Human Resources Management and Corporate Liability Review. The findings from this audit was thoroughly discussed and resolved in conjunction with the Management. Representing the Board, the ARMC routinely examines internal control matters identified and recommendations provided in both internal and external audit reports.

REVIEW OF EFFECTIVENESS

The Managing Director and the Financial Controller have provided assurances to the Board and ARMC that the Group's risk management processes and internal control measures have been operating in an adequate and effective manner in all material aspects. They further confirmed that no significant losses resulted from any deficiencies in internal controls that would necessitate disclosure in this report.

REVIEW OF STATEMENT ON INTERNAL CONTROL BY EXTERNAL AUDITORS

The External Auditors have reviewed this statement for inclusion in the Annual Report for the financial year ended 31 December 2023 in accordance with the Malaysian Approved Standard on Assurance Engagements, International Standard on Audit Engagement ("**ISAE**") 3000 (Revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide 3 ("AAPG 3") Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by the Malaysian Institute of Accountants (“MIA”).

Based on their review, the external auditor reported to the Board that nothing has come to their attention that causes them to believe that this statement is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the SORMIC Guidelines to be set out, nor is the statement factually inaccurate.

AAPG 3 does not require the external auditors to, and they did not consider whether this statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control systems including the

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

REVIEW OF STATEMENT ON INTERNAL CONTROL BY EXTERNAL AUDITORS (CONT'D)

assessment and opinion by the Board of Directors and management thereon. They are also not required to consider whether the process described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

CONCLUSION

Considering the Audit conducted by the Internal Auditors, the ARMC's review of outcomes of the Audit as well as of the external audit and the internal control review, the assurance obtained from the Managing Director and the Financial Controller, and the input from the relevant parties including reports, findings, and feedback from the External Auditor, the Board is of the view that the risk management and internal control system of the Group is adequate and operating effectively, in all material aspect, to safeguard the shareholders' investments and the Group's assets, for the financial year under review, and up to the issuance of this statement. The Board is not aware of any material misstatements, financial losses or fraud during the financial under review as a result of weaknesses in internal control that would require disclosure in the Annual Report.

However, the Board acknowledges the importance of an ongoing evolution in the Group's risk management and internal control system, necessitated by the shifting business landscape. Consequently, the Board remains committed to monitoring all significant risks affecting the Group and will take necessary actions to mitigate them while continuously enhancing the adequacy and effectiveness of the Group's risk management and internal control systems.

This statement was approved by the Board of Directors on 25 April 2024.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEED

There is no utilisation of proceeds received from corporate proposal as at 31 December 2023 as the Company was listed on the ACE Market of Bursa Malaysia Securities Berhad on 23 April 2024.

In conjunction with the listing exercise, the Company undertook a public issue of 82,709,000 new ordinary shares at an issue price of RM0.31 per share, raising gross proceeds of RM25.64 million which shall be utilised in the following manner:

Detail of use of proceeds	Proposed utilisation (RM'000)	Actual utilisation (RM'000)	Estimated timeframe for utilisation (from the date of listing)
Expansion into assembly of melamine faced chipboard (MFC) products	5,318	N/A	Within 60 months
Business expansion, marketing and sales	5,978	N/A	Within 24 months
General working capital	11,344	N/A	Within 24 months
Estimated listing expenses	3,000	N/A	Within 1 month
	25,640	**N/A**	

The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 27 March 2024.

2. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE NATURE

During the financial year under review, the Group has not entered into any recurrent related party transactions of revenue or trading nature.

3. AUDIT AND NON-AUDIT SERVICES

The amount of the external audit fees and non-audit fees incurred for the FY2023 were as follows:-

	Group (RM)	Company (RM)
Audit fees	100,000	16,000
Non-audit fees [1]	84,910	39,550
	184,910	55,550

[1] The non-audit fees of the Group and of the Company were incurred mainly for the advisory services in connection with the proposed listing on the ACE Market of Bursa Securities, special audit review and review of SORMIC.

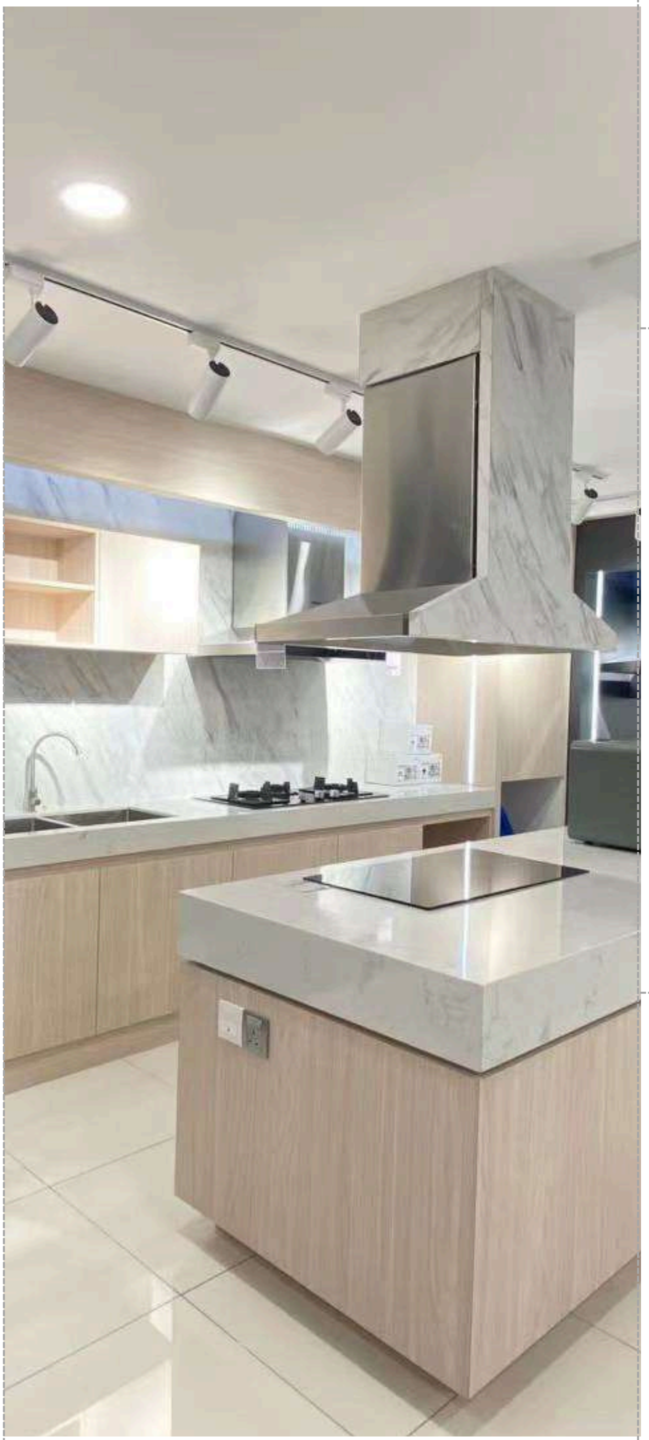
4. MATERIAL CONTRACT

There were no material contracts entered into by the Group involving the interests of the Directors and major shareholder during the financial year.:-

STATEMENT ON DIRECTORS' RESPONSIBILITY

IN RELATION TO THE AUDITED FINANCIAL STATEMENTS

Pursuant to the Companies Act 2016 ("the Act") and Paragraph 15.26(a) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the Directors are required to prepare the financial statements for each financial year in accordance with the applicable Malaysian Financial Reporting Standards ("MFRSs"), the International Financial Reporting Standards ("IFRSs") and the requirements of the Act in Malaysia.



The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year. In preparing the financial statements, the Directors ensured that the Management has:

- adopted appropriate accounting policies in accordance with applicable approved accounting standards and applied them consistently;
- made judgements and estimates that are reasonable and prudent; and
- prepared the financial statements on a going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors have the responsibility to ensure that the Group and the Company to keep accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the provisions of the Act. The Directors are responsible for taking such steps which are reasonably available to them to safeguard the assets of the Group and of the Company, and to detect and prevent fraud and other irregularities.

This Statement is approved by the Board of Directors on 25 April 2024.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors have pleasure in presenting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The Company is engaged in the business as investment holding company.

The information of the name, place of incorporation, principal activities and percentage of issued and paid-up share capital held by the holding company in each subsidiaries are as disclosed in Note 8 to the financial statements.

FINANCIAL RESULTS

	Group 2023 RM	Company 2023 RM
Profit/(loss) for the financial year	8,391,110	(966,939)
Attributable to:	8,391,110	(966,939)
Owners of the Company	-	-
Non-controlling interests	8,391,110	(966,939)

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature other than those as disclosed in the notes to the financial statements.

RESERVES AND PROVISIONS

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

DIVIDENDS

In respect of the financial year ended 31 December 2023:

	RM
Final single tier dividend of RM3.40 per ordinary share amounting to RM700,000 was declared on 10 January 2023 and paid on 12 January 2023	700,000

Since the end of the previous financial year, an interim dividend (single-tier) in respect of the financial period ended 30 September 2023, of 0.096 sens on 311,147,000 ordinary shares, amounting to a dividend of RM300,000 has been approved and declared by the directors on 26 February 2024 and has been paid on 29 February 2024. The financial statements for the current year do not reflect this dividend and will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2024.

The Directors do not recommend the payment of any final dividend in respect of the current financial year.

DIRECTORS' REPORT

SHARES AND DEBENTURES

During the financial year, the Company issued 311,146,800 new ordinary shares at a price of RM0.10 per ordinary for the acquisition of 100% equity interest in Topmix Resources Sdn. Bhd., Topmix Products Sdn. Bhd. and Dekoracio Top Sdn. Bhd. pursuant to conditional share sale agreements dated 17 May 2023.

There were no debentures issued 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.

DIRECTORS

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

Teo Quek Siang	(First Director)
Tan Lee Hong (f)	(First Director)
Chang Tian Kwang	(Appointed on 16 May 2023)
Khor Hang Cheng	(Appointed on 16 May 2023)
William Lau Si Yi	(Appointed on 16 May 2023)
Ng Yew Kuan (f)	(Appointed on 16 May 2023)

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, the interests of directors in office at the end of the financial year in the ordinary shares of the Company during the financial year were as follows:

	Number of ordinary shares			
Shareholdings in the name of directors	**As at 01.01.2023**	**Acquired**	**Sold**	**As at 31.12.2023**
Direct interest				
Teo Quek Siang	100	55,677,800	-	55,677,900
Tan Lee Hong (f)	100	38,848,200	-	38,848,300
Indirect interest				
Teo Quek Siang*	-	255,469,100	-	255,469,100
Tan Lee Hong (f)*	-	272,298,700	-	272,298,700

*Deemed interest represents shareholdings held by his or her spouse and by a company in which he or she has substantial financial interest.

The other directors in office at the end of the financial year did not have any interest in the shares of the Company or its related corporations during the financial year.

DIRECTORS' REMUNERATIONS

The details of the directors' remuneration paid or payable to the directors of the Group and of the Company during the financial year are disclosed in Note 26 to the financial statements.

The details of the other benefits otherwise than in cash received or receivable from the Group and the Company by the directors of the Group and of the Company during the financial year are disclosed in Note 26 to the financial statements.

No payment has been paid to or payable to any third party in respect of the services provided to the Group and the Company by the directors or past directors of the Group and of the Company during the financial year.

DIRECTORS' REPORT

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 8 to the financial statements. The auditors' report on the audited financial statement of the Company's subsidiaries did not contain any qualification or any adverse comments.

INDEMNITY AND INSURANCE COSTS

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been the director, officer or auditor of the Company.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the objects of enabling directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any body corporate.

Since the end of the previous financial year/period, none of the directors of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by the directors shown in the financial statements or the fixed salary of a full-time employee of the Company as shown in Note 26 to the financial statements) 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.

During the financial year, the fees and other benefits received and receivables by the directors of the Group are as follows:

	Group 2023 RM	Company 2023 RM
Directors of the Company		
Non-Executive directors:		
- Fee	136,000	136,000
- Allowance	2,000	2,000
	138,000	138,000
Executive directors:		
- Salaries	1,200,000	-
- Defined contribution plans	144,000	-
- Social security contributions	4,636	-
	1,348,636	-

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that no known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to be realised at their book values in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION (CONT'D)

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

(i) which would render it necessary to write off for any bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent in respect of the financial statements of the Group and of the Company; or

(ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or

(iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(iv) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

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

(i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability in respect of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability 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 its obligations as and when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the financial year in which this report is made.

SIGNIFICANT EVENT SUBSEQUENT TO THE FINANCIAL YEAR/PERIOD

The significant event subsequent to the financial year/period is disclosed in Note 35 to the financial statements.

AUDITORS

The auditors, CAS Malaysia PLT, Chartered Accountants have indicated their willingness to continue in office.

The auditors' remuneration of the Group and the Company for the financial year ended 31 December 2023 were as follows:

	Group RM	**Company RM**
Statutory audit	100,000	16,000
Non-audit fees	84,910	39,550
	184,910	55,550

Signed on behalf of the Board of Directors in accordance with a resolution of the directors dated 25 April 2024.

TEO QUEK SIANG
Director

TAN LEE HONG (f)
Director

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, TEO QUEK SIANG and TAN LEE HONG (f), being the two directors of TOPMIX BERHAD., do hereby state that, in the opinion of the directors, the accompanying financial statements as set out on pages 65 to 145 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors dated 25 April 2024.

TEO QUEK SIANG
Director

TAN LEE HONG (f)
Director

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, TEO QUEK SIANG, being the director primarily responsible for the accounting records and financial management of TOPMIX BERHAD, do solemnly and sincerely declare that the accompanying financial statements set out on pages 65 to 145 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
TEO QUEK SIANG)
at Petaling Jaya in the state of Selangor Darul Ehsan)
on 25 April 2024)

TEO QUEK SIANG

Before me,

LILY YII LING CHOO
Commissioner for Oath

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TOPMIX BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of TOPMIX BERHAD., which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 65 to 145.

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 2023, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Company Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current 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.

Key audit matters	How the matter was addressed in the audit
1. Inventories valuation	
Refer to Note 3.5 – Summary of Material Accounting Policies, Note 4.3 Significant Accounting Judgements, Estimate and Assumptions and Note 11 - Inventories Inventories are significant to the Group as these represent approximately 22% of the total assets. The key associated risk is the valuation of the inventories due to possible slow moving and obsolete inventories. Obsolete inventories may due to phasing out of older models or inventories that are not commercially viable. The valuation of inventories is a key audit matter because management exercises their judgement in determining appropriateness of method used.	Our audit procedures include: (i) Obtained an understanding of: • the Group's inventory policy; • the Group's identification and assessment of inventory writes downs; and • the Group's accounting estimates for inventory writes downs. (ii) Review the consistency of the application of management's methodology in determining and estimating the provision from year to year; (iii) Attended year end stock count to observe the stock count procedures and identify damaged and obsolete inventories;

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TOPMIX BERHAD

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters (cont'd)

Key audit matters	How the matter was addressed in the audit
1. Inventories valuation (cont'd)	
Judgement also required in determining the accuracy of provisions for slow moving and obsolete goods and making in an assessment of its adequacy, involving determination of appropriate provision percentage.	Our audit procedures include: (iv) Reviewed and tested the net realisable of inventories on sampling basis; (v) Made inquiries of management pertaining to their plans to clear the slow moving and obsolete inventories; (vi) Evaluated the reasonableness and adequacy of the inventories write downs; and (vii) Evaluated the adequacy and appropriateness of the disclosures made in the financial statements.
2.. Impairment of trade receivables	
Refer to Note 3.8 – Summary of Material Accounting Policies, Note 4.4 Significant Accounting Judgements, Estimate and Assumptions and Note 12 - Trade receivables Trade receivables are significant to the Group as these represent approximately 19% of the total assets. The management applied the expected credit loss ("ECL") model to determine the extent of ECL allowance required as at 31 December 2023. This is considered a key audit matter due to the inherent subjectivity that is involved in making significant judgements and critical estimates made by the management to determine the level of ECL allowance.	Our audit procedures include: (i) Reviewed the receivables aging analysis and tested the reliability thereof; (ii) Circularisation of receivables for confirmation of balances; (iII) Evaluated subsequent year end receipts and recoverability of outstanding trade receivables; (iv) Made inquiries with the management pertaining to the recoverability of significant and overdue debts; (v) Evaluated the basis and evidence used by management for the impairment test and adequacy of allowance for impairment made; (vi) Assessed the reasonableness of the Group's Expected Credit Loss ("ECL") model by reviewing the probability of default using relevant data and forward-looking information adjustment applied by the Group; (vii) Identified any loss events subsequent to the end of reporting period for indications of increase in credit risk;

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TOPMIX BERHAD

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters (cont'd)

Key audit matters	How the matter was addressed in the audit
2. Impairment of trade receivables (cont'd)	Our audit procedures include (cont'd): (viii) Made inquiries of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses; and (ix) Evaluated the adequacy and appropriateness of the disclosures made in the financial statements.

Information Other than the Financial Statements and Auditors' Report thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TOPMIX BERHAD

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

(d) Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF TOPMIX BERHAD

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

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

Other Matters

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

CAS MALAYSIA PLT
[201606003206 (LLP0009918-LCA) & (AF 1476)]
Chartered Accountants

CHEN VOON HANN
[No. 02453/07/2025(J)]
Chartered Accountants

Date: 25 April 2024

Puchong

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	Group As at 31.12.2023 RM	Group As at 31.12.2022 RM	Company As at 31.12.2023 RM	Company As at 31.12.2022 RM
NON-CURRENT ASSETS					
Property, plant and equipment	5	9,257,365	9,784,472	-	-
Right-of-use assets	6.1	18,757,679	16,650,352	-	-
Investment properties	7	2,362,047	2,402,602	-	-
Investment subsidiaries	8	-	-	31,114,680	-
Other investments	9	22,000	31,900	-	-
Deferred tax assets	10	209,669	133,632	-	-
		30,608,760	29,002,958	31,114,680	-
CURRENT ASSETS					
Inventories	11	15,661,172	11,955,000	-	-
Trade receivables	12	13,677,262	12,529,943	-	-
Other receivables	13	2,240,146	767,509	240,268	-
Fixed deposits with licensed banks	14	483,313	472,148	-	-
Cash and bank balances	15	7,786,628	5,556,187	20	20
		39,848,521	31,280,787	240,288	20
TOTAL ASSETS		70,457,281	60,283,745	31,354,968	20

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	Group As at 31.12.2023 RM	Group As at 31.12.2022 RM	Company As at 31.12.2023 RM	Company As at 31.12.2022 RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	16	31,114,700	20	31,114,700	20
Invested equity	17	-	700,100	-	-
Merger reserves	18	(30,414,580)	-	-	-
Retained earnings/ (Accumulated losses)	19	37,086,929	29,395,819	(1,676,537)	(709,598)
Total equity/(deficit) attributable to owners of the Company		37,787,049	30,095,939	29,438,163	(709,578)
NON-CURRENT LIABILITIES					
Loan and borrowings	20	20,384,507	20,645,140	-	-
Lease liabilities	6.2	274,107	-	-	-
Deferred tax liabilities	10	11,766	29,090	-	-
		20,670,380	20,674,230	-	-
CURRENT LIABILITIES					
Trade payables	21	2,637,884	1,993,010	-	-
Other payables	21	3,430,147	2,062,333	684,436	453,372
Amount due to a subsidiary company/ related party	22	-	-	1,232,369	256,226
Loan and borrowings	20	5,029,425	4,384,148	-	-
Lease liabilities	6.2	75,281	-	-	-
Current tax liabilities		827,115	1,074,085	-	-
		11,999,852	9,513,576	1,916,805	709,598
TOTAL LIABILITIES		32,670,232	30,187,806	1,916,805	709,598
TOTAL EQUITY AND LIABILITIES		70,457,281	60,283,745	31,354,968	20

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		Group		Company	
	Note	01.01.2023 to 31.12.2023 RM	01.01.2022 to 31.12.2022 RM	01.01.2023 to 31.12.2023 RM	31.03.2022 to 31.12.2022 RM
Revenue	23	72,679,314	65,789,770	-	-
Cost of sales		(46,680,158)	(42,306,185)	-	-
Gross profit		25,999,156	23,483,585	-	-
Other income		292,613	553,087	-	-
Selling and distribution expenses		(2,635,382)	(2,331,662)	-	-
Administrative expenses		(9,198,471)	(7,702,669)	(966,939)	(709,598)
Other operating expenses		(1,286,773)	(1,137,873)	-	-
Profit/(loss) from operations		13,171,143	12,864,468	(966,939)	(709,598)
Finance costs	24	(1,240,762)	(1,239,608)	-	-
Profit/(loss) before taxation	25	11,930,381	11,624,860	(966,939)	(709,598)
Tax expense	27	(3,539,271)	(3,098,032)	-	-
Profit/(loss) for the financial year/period, representing total comprehensive income/(expense) for the financial year/period		8,391,110	8,526,828	(966,939)	(709,598)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		Group		Company	
	Note	01.01.2023 to 31.12.2023 RM	01.01.2022 to 31.12.2022 RM	01.01.2023 to 31.12.2023 RM	31.03.2022 to 31.12.2022 RM
Profit/(loss) for the financial year/period, attributable to:					
Owners of the Company		8,391,110	8,526,828	(966,939)	(709,598)
Non-controlling interest		-	-	-	-
		8,391,110	8,526,828	(966,939)	(709,598)
Total comprehensive income/ (expense) for the financial year/period attributable to:					
Owners of the Company		8,391,110	8,526,828	(966,939)	(709,598)
Non-controlling interest		-	-	-	-
		8,391,110	8,526,828	(966,939)	(709,598)
Earnings per share					
Basic earning per ordinary share attributable to owners of the Company (RM)	28	0.03	12.17		
Diluted earnings per ordinary share attributable to owners of the Company (RM)	29	0.03	12.17		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Group		**Attributable to owners of the Company**				
		Non-distributable			**Distributable**	
	Note	**Share capital RM**	**Invested equity RM**	**Merger reserves RM**	**Retained earnings RM**	**Total equity RM**
Balance as at 1 January 2022		-	700,100	-	20,868,991	21,569,091
Total comprehensive income for the financial year		-	-	-	8,526,828	8,526,828
Transaction with owners						
Issue of share capital	16	20	-	-	-	20
Balance as at 31 December 2022		20	700,100	-	29,395,819	30,095,939
Total comprehensive income for the financial year		-	-	-	8,391,110	8,391,110
Transaction with owners						
Issuance of shares pursuant to acquisition of subsidiaries	16,17,18	31,114,680	(700,100)	(30,414,580)	-	-
Dividend paid	30	-	-	-	(700,000)	(700,000)
Balance as at 31 December 2023		31,114,700	-	(30,414,580)	37,086,929	37,787,049

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Company	Note	Attributable to owners of the Company		
		Non-distributable		
		Share capital RM	Accumulated losses RM	Total equity RM
Issuance of subscriber's shares on the date of incorporation		20	-	20
Total comprehensive expenses for the financial period		-	(709,598)	(709,598)
Balance as at 31 December 2022		20	(709,598)	(709,578)
Total comprehensive expense for the financial year		-	(966,939)	(966,939)
Transaction with owners				
Issuance of shares pursuant to acquisition of subsidiaries	16	31,114,680	-	31,114,680
Balance as at 31 December 2023		31,114,700	(1,676,537)	29,438,163

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		Group		Company	
	Note	01.01.2023 to 31.12.2023 RM	01.01.2022 to 31.12.2022 RM	01.01.2023 to 31.12.2023 RM	31.03.2022 to 31.12.2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(loss) before taxation		11,930,381	11,624,860	(966,939)	(709,598)
Adjustments for:					
Impairment losses on:					
Trade receivables	12	65,440	48,962	-	-
Bad debts written off	25	1,553	5,714	-	-
Bad debt recovered	25	-	(14,722)	-	-
Dividend income	25	-	(900)	-	-
Depreciation					
Property, plant and equipment	5	829,563	792,742	-	-
Right-of-use assets	6.1	263,957	199,715	-	-
Investment properties	7	40,555	40,555	-	-
Reversal of impairment losses on:					
Trade receivables	12	(48,962)	(99,635)	-	-
Finance costs					
Bankers' acceptances interest	24	164,794	153,740	-	-
Bank overdrafts interest	24	20,723	121,585	-	-
Hire purchases interest	24	48,017	51,556	-	-
Lease liabilities interest	24	14,833	-	-	-
Term loans interest	24	992,395	912,727	-	-
Interest income	25	(52,681)	(20,014)	-	-
Fair value (gain)/loss on other investments	9	(7,500)	17,150	-	-
Gain on disposal of property, plant and equipment	25	(27,000)	(148,000)	-	-
Gain on disposal of other investments	9	(8,100)	-	-	-
Unrealised gain on foreign exchange	25	(4,318)	(8,952)	-	-

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		Group		Company	
	Note	01.01.2023 to 31.12.2023 RM	01.01.2022 to 31.12.2022 RM	01.01.2023 to 31.12.2023 RM	31.03.2022 to 31.12.2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES (cont'd)					
Property, plant and equipment written off	25	361	-	-	-
Slow-moving and obsolete inventories written down	11	41,436	26,825	-	-
Operating profit before working capital changes		14,265,447	13,703,908	(966,939)	(709,598)
Working capital changes:					
Increase in receivables		(2,637,987)	(232,452)	(240,268)	-
Increase in inventories		(3,747,608)	(3,010,640)	-	-
Increase in payables		1,686,245	1,579,938	231,064	453,372
Cash generated from/(used in) operations		9,566,097	12,040,754	(976,143)	(256,226)
Interest paid	25	(1,240,762)	(1,239,608)	-	-
Income tax paid		(3,879,602)	(2,760,937)	-	-
Net cash generated from/(used in) operating activities		4,445,733	8,040,209	(976,143)	(256,226)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		Group		Company	
	Note	01.01.2023 to 31.12.2023 RM	01.01.2022 to 31.12.2022 RM	01.01.2023 to 31.12.2023 RM	31.03.2022 to 31.12.2022 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividend income	25	-	900	-	-
Interest received	25	52,681	20,014	-	-
Movement on fixed deposit pledged to bank		(11,165)	(15,180)	-	-
Proceed from disposal of other investment	9	25,500	-	-	-
Proceed from disposal of property, plant and equipment		27,000	148,000	-	-
Purchase of property, plant and equipment	5	(76,117)	(635,375)	-	-
Purchase of right-of-use assets	6.1	(714,222)	-	-	-
Net cash used in investing activities		(696,323)	(481,641)	-	-
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividend paid	30	(700,000)	-	-	-
Proceed from Issuance of share capital		-	20	-	20
Repayment of lease liabilities		(48,917)	-	-	-
Drawndown of term loans		-	1,500,000	-	-
Repayment of term loans		(1,034,108)	(2,496,750)	-	-
Repayment of hire purchases		(300,216)	(377,338)	-	-
Drawndown of bankers' acceptances		12,502,000	9,721,000	-	-
Repayment of bankers' acceptances		(11,810,000)	(8,379,000)	-	-
Advances from a subsidiary company/related party		-	-	976,143	256,226
Repayment to directors		-	(100,000)	-	-
Net cash (used in)/generated from financing activities		(1,391,241)	(132,068)	976,143	256,246

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group 01.01.2023 to 31.12.2023 RM	Group 01.01.2022 to 31.12.2022 RM	Company 01.01.2023 to 31.12.2023 RM	Company 31.03.2022 to 31.12.2022 RM
Net increase in cash and cash equivalents		2,358,169	7,426,500	-	20
Cash and cash equivalents as at beginning of the financial year/period		5,428,459	(1,998,041)	20	-
Cash and cash equivalents as at end of the financial year/period		7,786,628	5,428,459	20	20
Cash and cash equivalents comprise of:					
Fixed deposits with licensed banks	14	483,313	472,148	-	-
Cash and bank balances		7,786,628	5,556,187	20	20
Bank overdrafts	20	-	(127,728)	-	-
		8,269,941	5,900,607	20	20
Pledged fixed deposits with maturity of more than 3 months	14	(483,313)	(472,148)	-	-
		7,786,628	5,428,459	20	20

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Reconciliation of movement of liabilities to cash flow arising from financing activities

Group

	At 1 January 2023 RM	Repayment RM	Drawdown RM	At 31 December 2023 RM
Lease liabilities	-	(48,917)	398,305	349,388
Term loans	20,887,027	(1,034,108)	927,996	20,780,915
Hire purchase liabilities	1,073,533	(300,216)	226,700	1,000,017
Bankers' acceptances	2,941,000	(11,810,000)	12,502,000	3,633,000
Total liabilities from financing activities	24,901,560	(13,193,241)	14,055,001	25,763,320

	At 1 January 2023 RM	Repayment RM	Drawdown RM	At 31 December 2023 RM
Term loans	21,883,777	(2,496,750)	1,500,000	20,887,027
Hire purchase liabilities	686,171	(377,338)	764,700	1,073,533
Bankers' acceptances	1,599,000	(8,379,000)	9,721,000	2,941,000
Total liabilities from financing activities	24,168,948	(11,253,088)	11,985,700	24,901,560

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

1. GENERAL INFORMATION

Topmix Berhad ("the Company") was incorporated in Malaysia under the Companies Act 2016 on 31 March 2022, as a private limited liability company, and is domiciled in Malaysia. On 29 May 2023, the Company was converted to a public limited liability company and assumed its present name of Topmix Berhad.

The principal activity of the Company is investment holding. The principal activities of its subsidiary companies are set out in Note 8 to the financial statements.

The registered office of the Company is located at Level 5, Tower 8, Avenue 5, Horizon 2 Bangsar South City, 59200 Kuala Lumpur.

The principal place of business of the Company is located at No. 8 & 10, Jalan Bistari 11, Taman Industri Jaya, 81300 Skudai, Johor.

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the “Group”). The financial statements of the Company as at and for the financial year ended 31 December 2023 do not include other entities.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 25 April 2024.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 ("CA 2016") in Malaysia.

The accounting policies adopted by the Group and the Company are consistent with those adopted in the previous financial year/period.

2.2 Adoption of Amendments to MFRSs and Annual Improvements

At the beginning of the financial period, the Group and the Company adopted the following Amendments to MFRSs and Annual Improvements which are mandatory for the financial periods beginning on or after 1 January 2023:

Amendments to MFRS 101	Presentation of Financial Statements - *Disclosure of Accounting Policies*
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors - *Definition of Accounting Estimates*
Amendments to MFRS 112	Income Taxes - *Deferred Tax related to Assets and Liabilities arising from Single Transaction and International Tax Reform - Pillar Two Model Rules*
MFRS 17	Insurance Contracts

The adoption of the above new and amended IFRSs, interpretations and annual improvements did not have any significant effect on the financial statements of the Group and of the Company except those as disclosed below:

a) Disclosure of Accounting Policies

The amendments to MFRS 101 Making Materiality Judgements provide guidance and examples to help the Group and the Company apply materiality judgements to accounting policy disclosures. The amendments aim to help the Group and the Company provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONT'D)

2.2 Adoption of Amendments to MFRSs and Annual Improvements (cont'd)

a) Disclosure of Accounting Policies (cont'd)

The amendments have had an impact on the Group's and Company's disclosures of accounting policies as shown in Note 3 and Note 4, but not on the measurement, recognition or presentation of any items in the Group's and Company's financial statements.

b) Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Group and the Company have adopted the Deferred Tax related to Assets and Liabilities from a Single Transaction (Amendments to MFRS 112) from 1 January 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences arising from certain transactions such as the recognition of a lease.

Previously, the Group and the Company had recognised any resulting deferred tax asset or liability in respect of leases on a net basis. In view of the said amendment, the Group and the Company have recognised the deferred tax asset in respect of lease liabilities and deferred tax liabilities in respect of the Right-of-Use Assets separately. There was, however, no impact on the Statement of Financial Position as the balances of the deferred tax asset and deferred tax liabilities qualify for offset under MFRS 112 Para 74. There was also no impact on the opening retained earnings as at 1 January 2022. The key impact for the Group and the Company is on the disclosure of the deferred tax assets and liabilities as shown in Note 10.

2.3 Standards issued but not yet effective

The Group and the Company have not adopted the following Standards, Amendments and Annual Improvements that have been issued but are not yet effective by the Malaysian Accounting Standards Board ("MASB").

Effective for financial periods beginning on or after 1 January 2024

Amendments to MFRS 7	Financial Instruments: Disclosures - *Supplier Financing Arrangements*
Amendments to MFRS 16	Leases - *Lease liability in a Sales and Leaseback*
Amendments to MFRS 101	Presentation of Financial Statements - *Non-current Liabilities with Covenants and Classification of Liabilities as Current and Non-Current*
Amendments to MFRS 107	Statement of Cash Flows - *Supplier Financing Arrangements*

Effective for financial periods beginning on or after 1 January 2025

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

Effective date to be determined by MASB

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

The Group and the Company will adopt the above mentioned standards, Amendments or Interpretations, if applicable, when they become effective in respective financial periods. The Directors do not expect any material impact to the financial statements upon adoption of the above pronouncements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONT'D)

2.4 Basis of measurement

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

2.5 Functional and presentation currency

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

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently to all the financial year/period presented in the financial statements of the Group and of the Company.

3.1 Basis of preparation for the general purpose consolidated and combined financial statements

3.1.1 Business combination

The consolidated and combined financial statements comprise the financial statements of the Company and the operating entities as at the reporting dates. The financial statements of the Company and the operating entities used in the preparation of the consolidated and combined financial statements are prepared for the same reporting date, using consistent accounting policies to like transactions and events in similar circumstances.

The Group applies the merger method of accounting.

A business combination involving entities under common control is a business combination in which all the operating entities or subsidiaries are ultimately controlled by the same party and parties both before and after the business combination, and that control is not transitory. Subsidiaries acquired which have met the criteria for pooling of interest are accounted for using merger accounting principles. Under the merger method of accounting, the results of subsidiaries are presented as if the business combination had been affected throughout the current and previous financial years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. On consolidation, the difference between costs of acquisition over the nominal value of share capital of the subsidiaries is taken to merger reserve or merger deficit.

The consolidated financial statements comprise the financial statements of the Group as at 31 December 2023 and Topmix Resources Sdn. Bhd. ("TRSB") and its subsidiary as at 31 December 2022.

The financial statements of each of the subsidiary are prepared for the same reporting date as the Company, using consistent accounting policies to like transactions and events in similar circumstances.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

3.1 Basis of preparation for the general purpose consolidated and combined financial statements (cont'd)

a) Subsidiaries and business combination

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group has power over the entity, has exposure to or rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company has such power over another entity.

In TRSB's separate financial statements, investments in subsidiaries are stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.4 below. On disposal of such investments, the difference between the net disposal proceeds and their carrying amounts is recognised in profit or loss.

Subsidiary of TRSB are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group and de-consolidated from the date that control ceases. The consideration is measured at the fair value of the assets given, equity instruments issued and liabilities incurred at the date of exchange.

The cost of an acquisition is measured as the aggregate of the consideration transferred measured at fair value on the date of acquisition and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquirer's identifiable net assets at the acquisition date. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is remeasured at fair value on the date of acquisition and any resulting gain or loss is recognised in profit or loss or other comprehensive income ("OCI").

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 Financial Instruments, is measured at fair value with changes in fair value recognised in either profit or loss or as a change to OCI. If the contingent consideration is not within the scope of MFRS 9, it is measured in accordance with the appropriate MFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for noncontrolling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

3.1 Basis of preparation for the general purpose consolidated and combined financial statements (cont'd)

a) Subsidiaries and business combination

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.4.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. If the Group losses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts;
- Derecognises the carrying amount of any non-controlling interest in the former subsidiary;
- Derecognises the cumulative foreign exchange translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained in the former subsidiary;
- Recognises any surplus or deficit in the profit or loss; and
- Reclassifies the parent's share of components previously recognised in other comprehensive income ("OCI") to profit or loss or retained earnings, if required in accordance with other MFRSs.

All of the above will be accounted for from the date when control is lost.

b) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

3.2 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to the profit or loss during the financial year in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

3.2 Property, plant and equipment (cont'd)

Depreciation on the property, plant and equipment is calculated so as to write off the cost or valuation of the assets to their residual values on a straight line basis over the expected useful lives of the assets, summarised as follows:

Machinery and equipment	10% - 20%
Motor vehicles	20%
Office equipment, furniture and fittings	10% - 20%
Computer equipment	20%
Renovation	20%

Depreciation of an asset begins when it is ready for its intended use.

Freehold land is not depreciated as it has an infinite life.

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each reporting date.

At each reporting date, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 3.4 on impairment of non-financial assets.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the profit or loss.

3.3 Investment properties

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are stated at cost less any accumulated depreciation and any accumulated impairment losses, consistent with the accounting policy for property, plant and equipment as stated in accounting policy Note 3.2 to the financial statements.

Depreciation is charged to profit and loss on a straight-line basis over the estimated useful lives of the investment properties, summarised as follows:

Buildings	2%

Freehold land is not depreciated as it has an infinite life.

The useful lives and residual value of the investment properties are reassessed annually.

Investment property is derecognised when either it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment up to the date of change in use.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

3.4 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

For goodwill, property, plant and equipment that are not yet available for use, the recoverable amount is estimated at each financial year end or more frequently when indicators of impairment are identified.

An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets or cash generating units ("CGUs").

In assessing value in use, the estimated future cash flows expected to be generated by the assets are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

Impairment losses in respect of goodwill are not reversed. For other assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only when there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of that asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3.5 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are determined on the first-in first-out basis.

Cost consists of all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price in the ordinary course of business less all estimated costs of completion and estimated costs necessary to make the sale.

3.6 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term fixed deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value with original maturities of three months or less, and are used by the Group and the Company in management of their short term funding requirements. These also include bank overdrafts that form an intergral part of the Group's cash management.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

3.7 Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), and fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15.

The Group's and the Company's business model for managing financial assets refer to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

For the purpose of subsequent measurement under MFRS 9, financial assets are classified as follows:

3.7.1 Financial assets at amortised cost

Financial assets shall be measured at amortised cost if both of the following conditions are met:

a) the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost includes trade and other receivables, cash and bank balances and fixed deposits with a licensed bank.

3.7.2 Financial assets at FVOCI

Debt instruments

Debt instruments are measured at FVOCI if both of the following conditions are met:

a) the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

3.7 Financial assets (cont'd)

3.7.2 Financial assets at FVOCI (cont'd)

Debt instruments (cont'd)

For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and other comprehensive income and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group and the Company did not hold any debt instruments at FVOCI in the current and previous financial year/period.

Equity instruments

This category comprises investment in equity that is not held for trading, and the Group and the Company irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

The Group and the Company did not hold any equity instruments at FVOCI in the current and previous financial year/period.

3.7.3 Financial assets at FVTPL

Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets categorised as FVTPL are measured in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at FVOCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if:

a) the economic characteristics and risks are not closely related to the host;

b) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and

c) hybrid contract is not measured at FVTPL.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

3.7 Financial assets (cont'd)

3.7.3 Financial assets at FVTPL (cont'd)

Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

The Group's financial assets at FVTPL includes investment in quoted shares.

Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expired or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to other party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

3.8 Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECL") for all financial assets measured at amortised cost, debt instruments measured at FVOCI. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

The Group measures loss allowance at an amount equal to lifetime ECL, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balances and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. For trade receivables, contract assets and lease receivables, loss allowance are measured based on lifetime ECLs at each reporting date. The Group estimates the ECLs on trade receivables using a provision matrix with reference to historical credit loss experience, adjusted for forward looking factor specific to the debtors and the economic environment.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of the asset, while the 12-month ECLs are the portion of the ECLs that result from default events that are possible within the 12 months after the reporting date.

In determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort.

An impairment loss in respect of the financial assets measured at amortised cost and debt investments measured at FVOCI are recognised in profit or loss. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows of the financial asset.

At each reporting date, the Group assesses whether the financial assets carried at amortised cost and debt securities carried at FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

3.8 Impairment of financial assets (cont'd)

a) Simplified approach for trade receivables

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

Significant increase in credit risk

The Group considers the probability of default upon initial recognition of the asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The assessment considers available, reasonable and supportable forward-looking information such as:

- internal credit rating/assessment;
- external credit rating (as far as available);
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- actual or expected significant changes in the operating results of the debtor (where available);
- significant increases in credit risk on other financial instruments of the same debtor;
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements; and
- significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor in the Group and changes in the operating results of the debtor.

The Group considers a receivable as credit impaired when one or more events that have a detrimental impact on the estimated cash flow have occurred. These instances include adverse changes in the financial capability of the debtor and default or significant delay in payments. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off to profit or loss when there is no reasonable expectation of recovering the contractual cash flows.

Grouping of instruments for ECL measured on collective basis

Collective assessment

To measure ECL, trade receivables are grouped into categories. The categories are differentiated by the different business risks and are subject to different credit assessments. Contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group considers the expected loss rates for trade receivables as a reasonable approximation of the loss rates for contract assets with similar risk characteristics.

Individual assessment

Trade receivables which are in default or credit-impaired are assessed individually.

Note 12 sets out the measurement details of ECL.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

3.8 Impairment of financial assets (cont'd)

b) General 3-stages approach for other receivables,

At each reporting date, the Group measures ECL through loss allowance at an amount equal to 12 months ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required.

Note 13 set out the measurement details of ECL.

3.9 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

The categories of financial liabilities at an initial recognition are as follows:

3.9.1 Financial liabilities at FVTPL

On initial recognition, the Group and the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost at FVTPL:

a) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;

b) a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group's and the Company's key management personnel; or

c) if a contract contains one or more embedded derivative and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

Financial liabilities categorised as FVTPL are subsequently measured at fair value with gains or losses, including any interest expense are recognised in the profit or loss.

For financial liabilities where it is designated as FVTPL upon initial recognition, the Group and the Company recognise the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

The Group and the Company did not have any financial liabilities at FVTPL in the current and previous financial year/period.

3.9.2 Amortised cost

Other financial liabilities not categorised as FVTPL are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

3.9 Financial liabilities (cont'd)

3.9.3 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

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

a) the amount of the loss allowance; and

b) the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, Revenue from Contracts with Customers.

Liabilities arising from financial guarantees are presented together with other provisions.

Derecognition

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expired. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

3.10 Share capital

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received at issuance and classified as equity. Transaction costs directly related to the issuance of equity instrument are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to profit or loss. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

3.11 Leases

3.11.1 Leases in which the Group is a lessee

At inception of a contract, the Group assesses whether a contract is, or contains, a lease based on whether the contract conveys to the user the right to control the use of an identified asset for a period of time in exchange for consideration. If a contract contains more than one lease component, or a combination of leasing and servicing elements, the consideration is allocated to each of the lease and non-lease components and on each subsequent re-measurement of the contract on the basis of their relative stand-alone selling prices. For a contract that is, or contains, a lease, an entity shall account for each lease component within the contract as a lease separately from non-lease components of the contract.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

3.11 Leases (cont'd)

3.11.1 Leases in which the Group is a lessee (cont'd)

a) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less accumulated depreciation and accumulated impairment losses and, if applicable adjusted for any remeasurement of the lease liability. The cost of the right-of-use asset comprises of the amount of lease liabilities adjusted for the lease payments that are paid at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to be incurred for dismantling and removing the underlying asset or restoring the underlying asset or the site on which it is located, less any lease incentives received. If the Group is reasonably certain that the ownership of the underlying asset will be transferred to them by the end of the lease term, the right-of-use asset are depreciated from the commencement date to the end of the useful life of the underlying asset. Otherwise, the right-of-use asset are depreciated on a straight-line basis from the commencement date to the earlier of the end of its useful life or the end of the lease term.

Depreciation on the right-of-use assets are calculated using straight-line basis over the earlier of the estimated useful lives of the right-of-use assets of the end of the lease term. The lease terms of right-of-use assets are as follows:

Leasehold land	Over the remaining leasehold period
Leasehold buildings	2%
Factory building	5 years

Building under construction for leasehold building are not depreciated as these assets are not yet available for use.

b) Lease liability

The Group recognises lease liability, which is measured at the present value of the lease payments to be made over the lease term, at the commencement date. The lease payments include fixed payments including in-substance fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, less lease incentives receivable. The lease payments also include the exercise price of purchase option if the Group is reasonably certain to exercise, and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

The lease payments are discounted using incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined. After the commencement date, the Group measures the lease liability by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made. The carrying amount of lease liabilities is remeasured in order to reflect any reassessment or lease modifications.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

3.11 Leases (cont'd)

3.11.1 Leases in which the Group is a lessee (cont'd)

c) Short-term leases and leases of low-value assets

The Group elected to apply exemption to those short term leases in which the lease term is 12 months or less from the commencement date and without purchase option. Besides, exemption is also applied for the lease of low value assets. The lease payments incurred on the exempted leases are recognised as expenses on a straight-line basis over the lease term.

d) Lease term

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

Under some of the leases, the Group is offered with the option to extend the lease term for additional one to three years. The Group applies judgement in considering all relevant facts and circumstances that create an economic incentive to exercise the extension option or not to exercise the termination option, to evaluate whether it is reasonably certain that the option will be exercised. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise the option to renew or not to terminate.

3.11.2 Leases in which the Group is a lessor

Lease in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on straight-line basis over the leases term and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3.12 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred with any difference between the initial fair value and proceeds (net of transaction costs) being charged to profit or loss at initial recognition. In subsequent periods, borrowings are stated at amortised cost using the effective interest method with the difference between the initial fair value and the redemption value is recognised in the profit or loss over the period of the borrowings.

Profit, interest, dividends, losses and gains relating to a financial instrument, or a component part, classified as a liability is reported within finance cost in the profit or loss.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the financial position date.

Borrowing costs incurred to finance the construction of property, plant and equipment are capitalised as part of the cost of the asset during the period of time that is required to complete and prepare the asset for its intended use. All other borrowing costs are expensed.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

3.12 Borrowings (cont'd)

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

3.13 Income tax

3.13.1 Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group and the Company operate and generate taxable income.

Current income tax relating to items recognised directly in equity is recognised inequity and not in the statements of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.13.2 Deferred tax

Deferred tax is provided using the liability method on temporary differences at the financial year end between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

(i) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

(ii) In respect of taxable temporary differences associated with investment in subsidiary companies, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

(i) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

(ii) In respect of deductible temporary differences associated with investment in subsidiary companies, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

3.13 Income tax (cont'd)

3.13.2 Deferred tax (cont'd)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group and the Company offset deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.14 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each financial year end adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.15 Revenue recognition and other income

The Group recognises revenue from contracts with customers for goods or services based on the five-step model as set out in this standard:-

(i) Identify contracts with a customer.
(ii) Identify performance obligations in the contract.
(iii) Determine the transaction price.
(iv) Allocate the transaction price to the performance obligation in the contract.
(v) Recognise revenue when the Group satisfies a performance obligation.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

3.15 Revenue recognition and other income (cont'd)

The Group satisfies a performance obligation and recognise revenue over time if the Group's performance:-

(i) Do not create an asset with an alternative use to the Group and have an enforceable right to payment for performance completed to-date; or
(ii) Create or enhance an asset that the customer controls as the asset is created or enhanced; or
(iii) Provide benefits that the customer simultaneously receives and consumes as the Group perform.

For performance obligations where any one of the above conditions not met, revenue is recognised at a point in time at which the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised goods or services, it creates a contract based on asset for the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

Revenue is measured at fair value of consideration received or receivable. The following describe the performance obligation in contracts with customers:-

3.15.1 Sale of goods

Revenue from sale of goods is recognised at the point in time when the customer obtains control of goods, which is generally at the time of delivery. Revenue is measured at the fair value of the consideration received or receivable, net of discounts and taxes applicable to the revenue.

3.15.2 Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis using effective interest method in profit or loss.

3.15.3 Rental income

Rental income is recognised on a straight-line basis over the term of the tenancy agreement subject to revision of rental rate.

3.16 Employee benefits

3.16.1 Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as expense in the financial period in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

3.16.2 Defined contribution plans

Defined contribution plans are post-employment benefits plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial periods. The contributions are charged as an expense in the financial period in which the employees render their services. As required by law, the Group makes such contributions to the Employees Provident Fund ("EPF").

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

3.17 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in issue during the financial year plus the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares from convertible securities.

During the financial year, the Group does not have any convertible securities, therefore, no diluted earnings per share is calculated.

3.18 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services and the geographical locations which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Group, who regularly reviews the segment results in order to allocate resources to the segments and to assess the segment performance.

3.19 Contingencies

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and of the Company in the current and previous financial year/period end.

3.20 Foreign currency

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and of the Company in the current and previous financial year end.

3.20.1 Functional and presentation currency

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

3.20 Foreign currency (cont'd)

3.20.2 Foreign currency transactions (cont'd)

Transactions in currencies other than the Group's functional currency ("foreign currencies") are recorded in the functional currency using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated. Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period. Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity.

3.21 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group and the Company.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the financial year end.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

3.22 Related parties

A party is related to an entity if:-

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

(i) directly, or indirectly through one or more intermediaries, the party:-
- controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
- has an interest in the entity that gives it significant influence over the entity; or
- has joint control over the entity;

(ii) the party is an associate of the entity;

(iii) the party is a joint venture in which the entity is a venturer;

(iv) the party is a member of the key management personnel of the entity or its parent;

(v) the party is a close member of the family of any individual referred to in (i) or (iv);

(vi) the party is an entity that is controlled, joint controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v);

(vii) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity; or

(viii) the party is a part provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with entity.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

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

4.1 Depreciation of property, plant and equipment, right-of-use assets and investment properties

The costs of property, plant and equipment, right-of-use assets and investment properties are depreciated on a straight-line basis over the asset's estimated economic useful lives. Management estimates the useful lives of these property, plant and equipment and right-of-use assets within a range of 2 to 50 years. The estimation useful lives of investment properties are over the lease period. These are common life expectancies applied in this industry.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)

4.1 Depreciation of property, plant and equipment, right-of-use assets and investment properties (cont'd)

Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets and therefore future depreciation charges could be revised. The carrying amounts of the Group's property, plant and equipment, right-of-use assets and investment properties at the reporting date are disclosed in Note 5, Note 6 and Note 7 to the financial statements respectively.

4.2 Impairment of non-financial assets

When recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

4.3 Write down for obsolete or slow moving inventories

The Group writes down its obsolete or slow moving inventories based on assessment of their estimated net selling price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts could not be recovered. Reviews are made periodically by management to evaluate the adequacy of the write down for obsolete or slow moving inventories. Where expectations differ from the original estimates, the differences would impact the carrying amount of inventories.

4.4 Provision for expected credit losses ("ECL") of trade receivables and other receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geographical region, product type, customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 12 and Note 13 to the financial statements respectively.

4.5 Income taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognised tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)

4.6 Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that future taxable profits would be available against which the tax losses, capital allowances and other deductible temporary differences could be utilised. Significant management judgement is required to determine the amount of deferred tax assets that could be recognised, based on the likely timing and extent of future taxable profits together with future tax planning strategies. Total carrying value of unrecognised tax losses, unabsorbed capital allowances and other taxable temporary differences of the Group are disclosed in Note 10 to the financial statements.

4.7 Listing expenses incurred for Initial Public Offering ("IPO")

The listing expenses incurred for the IPO as disclosed in Note 13. The listing expenses are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided. The costs of an equity transaction that is abandoned are recognised as an expense.

The listing expenses will be accounted for as a deduction from equity upon the completion of the IPO.

The determination of whether the expenses incurred are directly attributable to the equity transaction under the IPO and the basis used by management on allocation of common cost involved a significant degree of judgements and assumptions.

4.8 Determining the lease term of contracts with renewal options – the Group as lessee

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.

4.9 Leases - Estimating the incremental borrowing rate

The Group applied judgement and assumptions in determining the incremental borrowing rate of the respective lease. The Group 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

5. PROPERTY, PLANT AND EQUIPMENT

Group

As at 31.12.2023	Freehold land RM	Machinery and equipment RM	Motor vehicles RM	Office equipment, furniture and fittings RM	Computer equipment RM	Renovation RM	Total RM
At cost							
Balance as at 1 January 2023	7,216,355	523,765	2,426,699	1,185,477	263,971	1,618,704	13,234,971
Additions	-	9,500	265,727	21,641	5,949	-	302,817
Written off	-	-	-	(3,904)	(7,460)	-	(11,364)
Balance as at 31 December 2023	7,216,355	533,265	2,692,426	1,203,214	262,460	1,618,704	13,526,424
Less: Accumulated depreciation							
Balance as at 1 January 2023	-	168,386	1,450,334	702,026	156,564	973,189	3,450,499
Charge for the financial year	-	68,762	368,974	139,441	35,704	216,682	829,563
Written off	-	-	-	(3,543)	(7,460)	-	(11,003)
Balance as at 31 December 2023	-	237,148	1,819,308	837,924	184,808	1,189,871	4,269,059
Net carrying amount							
Balance as at 31 December 2023	7,216,355	296,117	873,118	365,290	77,652	428,833	9,257,365

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

5. PROPERTY, PLANT AND EQUIPMENT

Group (cont'd)

As at 31.12.2022	Freehold land RM	Machinery and equipment RM	Motor vehicles RM	Office equipment, furniture and fittings RM	Computer equipment RM	Renovation RM	Total RM
At cost							
Balance as at 1 January 2022	7,216,355	245,905	1,943,556	1,137,156	213,965	1,466,959	12,223,896
Additions	-	277,860	872,143	48,321	50,006	151,745	1,400,075
Disposal	-	-	(389,000)	-	-	-	(389,000)
Balance as at 31 December 2022	7,216,355	523,765	2,426,699	1,185,477	263,971	1,618,704	13,234,971
Less: Accumulated depreciation							
Balance as at 1 January 2022	-	109,816	1,511,283	552,193	121,122	752,343	3,046,757
Charge for the financial year	-	58,570	328,051	149,833	35,442	220,846	792,742
Disposal	-	-	(389,000)	-	-	-	(389,000)
Balance as at 31 December 2022	-	168,386	1,450,334	702,026	156,564	973,189	3,450,499
Net carrying amount							
Balance as at 31 December 2022	7,216,355	355,379	976,365	483,451	107,407	645,515	9,784,472

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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

(i) The cost of fully depreciated property, plant and equipment that are still in used are as follows:

	Group	
	As at 31.12.2023 RM	As at 31.12.2022 RM
Machinery and equipment	81,323	38,306
Motor vehicles	804,496	558,118
Office equipment, furniture and fittings	277,168	200,176
Computer equipment	90,989	57,986
	1,253,976	854,586

(ii) Purchase of property, plant and equipment

	Group	
	As at 31.12.2023 RM	As at 31.12.2022 RM
Cost of property, plant and equipment purchased	302,817	1,400,075
Less: Amount financed through loan and borrowings	(226,700)	(764,700)
Cash disbursed for purchase of property, plant and equipment	76,117	635,375

(iii) The freehold lands are charged to banks for banking facilities as disclosed in Note 20.

(iv) The net carrying amount of assets acquired under hire purchase included under property, plant and equipment of the Group as follows:

	Group	
	As at 31.12.2023 RM	As at 31.12.2022 RM
Motor vehicles	873,118	976,365

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

6. LEASES

6.1 Right-of-use assets

The Group as lessee

As at 31.12.2023	Leasehold land RM	Leasehold buildings RM	Factory building RM	Building under construction RM	Total RM
At cost					
Balance as at 1 January 2023	9,999,517	7,683,126	-	-	17,682,643
Addition	-	-	398,305	1,972,979	2,371,284
Balance as at 31 December 2023	9,999,517	7,683,126	398,305	1,972,979	20,053,927
Less: Accumulated depreciation					
Balance as at 1 January 2023	143,079	609,082	-	-	752,161
Charged for the financial year	46,054	153,661	64,242	-	263,957
Balance as at 31 December 2023	189,133	762,743	64,242	-	1,016,118
Less: Accumulated impairment losses					
Balance as at 1 January 2023	-	280,130	-	-	280,130
Balance as at 31 December 2023	-	280,130	-	-	280,130
Net carrying amount					
Balance as at 31 December 2023	9,810,384	6,640,253	334,063	1,972,979	18,757,679

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

6. LEASES (CONT'D)

6.1 Right-of-use assets (cont'd)

The Group as lessee (cont'd)

As at 31.12.2022	**Leasehold land RM**	**Leasehold buildings RM**	**Factory building RM**
At cost			
Balance as at 1 January 2022	9,999,517	7,683,126	17,682,643
Balance as at 31 December 2022	9,999,517	7,683,126	17,682,643
Less: Accumulated depreciation			
Balance as at 1 January 2022	97,025	455,421	552,446
Charge for the financial year	46,054	153,661	199,715
Balance as at 31 December 2022	143,079	609,082	752,161
Less: Accumulated depreciation			
Balance as at 1 January 2022	-	280,130	280,130
Balance as at 31 December 2022	-	280,130	280,130
Net carrying amount			
Balance as at 31 December 2022	9,856,438	6,793,914	16,650,352

(a) Leasehold land and buildings

The Group lease a number of land and buildings that run between 99 years to 991 years.

The leasehold land and buildings are charged to banks for banking facilities as disclosed in Note 20.

(b) Leasehold land and buildings

The Group leases factory building that run for a period of two (2) years, with an option to renew the lease for another three (3) years after that date. 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

6. LEASES (CONT'D)

6.1 Right-of-use assets (cont'd)

The Group as lessee (cont'd)

(c) Building under construction

Building under construction is an extension of leasehold building located at No.28, Jalan Hang Lekir 12, Taman Industri Jaya, 81300 Skudai, Johor. Depreciation is not applied to the building during its construction phase. It becomes eligible for depreciation only upon completion, when it is ready for use.

Purchase of right-of-use assets

	As at 31.12.2023 RM	As at 31.12.2022 RM
Cost of right-of-use-asset purchased	2,371,284	-
Less: Amount financed through lease liability	(398,305)	-
Less: Amount financed through term loan	(927,996)	-
Less: Accrual of construction cost (Note 21)	(330,761)	-
Cash disbursed for purchase of right-of-use assets	714,222	-

6.2 Lease liabilities

The Group as lessee

As at 31.12.2023	Factory Building RM	Total RM
Carrying amount		
Balance as at 1 January 2023	-	-
Addition	398,305	398,305
Lease payments	(63,750)	(63,750)
Lease liabilities interest	14,833	14,833
Balance as at 31 December 2023	349,388	349,388

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

6. LEASES (CONT'D)

6.2 Lease liabilities (cont'd)

The Group as lessee (cont'd)

Represented by:

	As at 31.12.2023 RM	As at 31.12.2022 RM
Current liabilities		
Unsecured		
Lease liabilities	75,281	-
	75,281	-
Non-current liabilities		
Unsecured		
Lease liabilities	274,107	-
	274,107	-
Total lease liabilities		
Unsecured		
Lease liabilities	349,388	-
	349,388	-

Rates of interest charged per annum:

	As at 31.12.2023 %	As at 31.12.2022 %
Lease liabilities owing to non-financial institutions	4.67	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

6. LEASES (CONT'D)

6.2 Lease liabilities (cont'd)

The Group as lessee (cont'd)

	As at 31.12.2023 RM	As at 31.12.2022 RM
Minimum lease payment		
- Not later than one year	90,000	-
- Later than one year and not later than five years	296,250	-
	386,250	-
Future finance charges on lease liabilities	(36,862)	-
Present value of lease liabilities	349,388	-

Present value of lease liabilities is analysed as follows:

	As at 31.12.2023 RM	As at 31.12.2022 RM
Current liabilities		
- Not later than one year	75,281	-
Non-current liabilities		
- Later than one year and not later than five years	274,107	-
	349,388	-

(a) The Group has certain low value assets and short leases of equipment and software with amount of RM20,000 and below. The Group applies the "lease of low-value assets" and short term leases exemptions for these leases.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

6. LEASES (CONT'D)

6.2 Lease liabilities (cont'd)

The Group as lessee (cont'd)

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

	01.01.2023 to 31.12.2023 RM	01.01.2022 to 31.12.2022 RM
Depreciation of right-of-use assets (included in other operating expenses)	263,957	199,715
Interest on lease liabilities (included in finance costs)	14,833	-
Expense relating to short-term lease and low-value assets (included in administrative expenses)	27,410	6,760
	306,200	206,475

(c) At the end of the financial year, the Group had total cash outflow for lease as follows:

	01.01.2023 to 31.12.2023 RM	01.01.2022 to 31.12.2022 RM
Lease liabilities	63,750	-
Expense paid for short-term lease and low-value of assets	27,410	6,760

6.3 The Group as a lessor

The Group has entered into operating leases on its investment properties portfolio consisting freehold land and buildings. These leases have terms of between one and three years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. The lessees are not required to provide any residual value guarantee on the properties. Lease income recognised by the Group during the year is disclosed in Note 7 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

6. LEASES (CONT'D)

6.3 The Group as lessee (cont'd)

Future minimum lease receivable under non-cancellable operating leases are as follows:

	01.01.2023 to 31.12.2023 RM	01.01.2022 to 31.12.2022 RM
Not later than one year	138,000	105,100
Later than one year and not later than five years	242,600	132,000
	380,600	237,100

7. INVESTMENT PROPERTIES

	Group	
	As at 31.12.2023 RM	As at 31.12.2022 RM
Freehold land and buildings		
At cost		
Balance as at beginning of the financial year	2,646,082	2,646,082
Balance as at end of the financial year	2,646,082	2,646,082
Less: Accumulated depreciation		
Balance as at beginning of the financial year	243,480	202,925
Charge for the financial year	40,555	40,555
Balance as at end of the financial year	284,035	243,480
Net carrying amount		
Balance as at end of the financial year	2,362,047	2,402,602
Represented by:-		
Freehold land	618,344	618,344
Freehold buildings	1,743,703	1,784,258
	2,362,047	2,402,602

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

7. INVESTMENT PROPERTIES (CONT'D)

Fair value information

The Group's investment properties and fair value hierarchy as at 31 December 2023 and 31 December 2022 are as follow:

Group

	31.12.2023			
	Level 1 RM	**Level 2 RM**	**Level 3 RM**	**Level 4 RM**
Freehold land and buildings	-	3,400,000	-	3,400,000

	31.12.2022			
	Level 1 RM	**Level 2 RM**	**Level 3 RM**	**Level 4 RM**
Freehold land and buildings	-	3,400,000	-	3,400,000

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.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active market for identical investment properties that the entity can assesses at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the investment properties, either directly or indirectly.

Level 2 fair value of land and buildings have been generally derived using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for the differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the investment properties.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

7. INVESTMENT PROPERTIES (CONT'D)

Fair value information (cont'd)

Fair value as at 31 December 2023

The Directors estimate the fair value of the Group's investment properties without the involvement of independent valuers based on current year prices in an active market for the respective properties within each vicinity. In estimating the fair values, adjustments have been made to these listing prices to reflect differences in land or floor sizes, designs, location, and other features between the Group's properties and the comparable properties. The fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

Fair value as at 31 December 2022

The fair value of the investment properties was determined by an external independent property valuer, having appropriate recognised professional qualification and recent experience in the location and catergories of property being valued.

The fair values for the freehold land and buildings are estimated by taking into account sales price of comparable properties in close proximity adjusted for the differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties which was derived from limited market activity for comparable properties as at the reporting date.

All investment properties valued using comparison method are categoried as Level 2 in the fair value hierarchy.

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

	Group	
	01.01.2023 to 31.12.2023 RM	01.01.2022 to 31.12.2022 RM
Lease income	128,000	103,900
Direct operating expenses		
Insurance	(3,140)	(2,994)
Quit rent and assessments	(14,981)	(14,771)
	109,879	86,135

The freehold land and buildings are charged to bank for banking facilities as disclosed in Note 20 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

8. INVESTMENT IN SUBSIDIARIES

	Company	
	As at 31.12.2023 RM	As at 31.12.2022 RM
Unquoted shares, at cost	31,114,680	-

8.1 Details of subsidiaries

Details of the subsidiaries, all of which are incorporated and domiciled in Malaysia, are as follows :-

	Effective equity interest		
Name of subsidiaries	**As at 31.12.2023**	**As at 31.12.2022**	**Principal activities**
Topmix Resources Sdn. Bhd.^ ("TRSB")	100%	-	Design, marketing and sales of high-pressure laminate products, compact panels and wall panels; and Marketing and sales of decorative boards.
Topmix Products Sdn Bhd.^ ("TPSB")	100%	-	Marketing and sales of high pressure laminate products, polyvinyl chloride edging, wall panels, decorative boards, polyvinyl chloride plywood products, kitchen and wardrobe accessories; and Marketing, sales and provision of installation services for compact panels.
Dekoracio Top Sdn. Bhd.^ ("DTSB")	100%	-	Marketing, sales and provision of installation services for compact panels. Marketing and sales of wall panels, decorative boards, polyvinyl chloride edging, kitchen and wardrobe accessories; and Design, marketing and sales of decorative boards.
Topmix Panels (Malaysia) Sdn. Bhd ("TPMSB")^*	100%	-	Marketing and sales of polyvinyl chloride plywood products.

^ Audited by CAS Malaysia PLT.

* Being wholly owned subsidiary of Topmix Resources Sdn. Bhd.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

8.2 Acquisition of subsidiary companies during the financial year

On 17 May 2023, the Company entered into a share sale agreement with the Teo Quek Siang, Tan Lee Hong and J And T Resources Sdn. Bhd. ("Vendors") to acquire the entire equity interest in TRSB, TPSB and DTSB from Teo Quek Siang and Tan Lee Hong for a total purchase consideration RM31,114,680.

The total purchase consideration of RM31,114,680 for the Acquisition of Subsidiaries was arrived after taking into consideration the combined audited net assets of Subsidiaries as at 31 December 2022 amounting to RM31,114,790 and shall be satisfied by the issuance of 311,146,800 new Shares to the Vendors at an issue price of RM0.10 per share.

The Acquisition of Subsidiaries was completed on 17 May 2023.

The acquisitions of TRSB, TPSB and DTSB represent common control combinations and for the purpose of the preparation of the Group's financial statements, these subsidiaries are consolidated under the principles of merger accounting as disclosed under policy Note 3.1.

9. OTHER INVESTMENTS

	Group	
	As at 31.12.2023 RM	**As at 31.12.2022 RM**
Quoted shares in Malaysia, at fair value:-		
Balance as at beginning of the financial year	31,900	49,050
Disposal	(25,500)	-
Disposal gain	8,100	-
Fair value gain/(loss)	7,500	(17,150)
Balance as at end of the financial year	22,000	31,900

(i) Investment in quoted shares of the Group are designated as fair value through profit or loss. Fair value of these equity shares are determined by reference to published price quotations in an active market.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

10. DEFERRED TAX ASSETS/(LIABILITIES)

Group

Recognised deferred tax assets/(liabilities)

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

	As at 31.12.2023 RM	As at 31.12.2022 RM
Deferred tax assets, net	209,669	133,632
Deferred tax liabilities, net	(11,766)	(29,090)
	197,903	104,542

Movement of temporary difference during the financial year

Deferred tax assets

Other temporary difference

	As at 31.12.2023 RM	As at 31.12.2022 RM
Balance as at beginning of the financial year	146,622	92,412
Recognised in profit or loss	67,557	54,210
Balance as at end of the financial year	214,179	146,622

Deferred tax liabilities

Property, plant and equipment

	As at 31.12.2023 RM	As at 31.12.2022 RM
Balance as at beginning of the financial year	42,080	81,330
Recognised in profit or loss	(25,804)	(39,250)
Balance as at end of the financial year	16,276	42,080

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

10. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

Group (cont'd)

Movement of temporary difference during the financial year (cont'd)

Net movement

	As at 31.12.2023 RM	As at 31.12.2022 RM
Balance as at beginning of the financial year	104,542	11,082
Recognised in profit or loss (Note 27)	93,361	93,460
Balance as at end of the financial year	197,903	104,542

Unrecognised deferred tax assets

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

	As at 31.12.2023 RM	As at 31.12.2022 RM
Plant and equipment	19,927	10,826
Unabsorbed capital allowance	50,122	40,584
Unutilised tax losses	442,649	220,315
Other temporary differences	79,793	36,860
	592,491	308,585
Unrecognised deferred tax assets at 15%-17% (31.12.2022: 17%)	91,177	52,460

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

10. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

Group (cont'd)

Unrecognised deferred tax assets (cont'd)

The unabsorbed capital allowances can be carried forward indefinitely, and unutilised tax losses can be carried forward up for a maximum period of seven (7) consecutive Years of Assessment ("YA") effective from year 2019 and it can only be utilised against income from the same business source. Pursuant to Section 8 of the Finance Act 2021, the unutilised tax losses is allowed to be carried forward for a period of maximum of ten (10) consecutive years of assessment. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which the Group can utilise the benefits. The availability of unabsorbed capital allowances and unutilised tax losses for the offsetting against future taxable profits of the Group is subject to requirements under the Income Tax Act,1967 and guidelines issued by the tax authority, as follows:

	As at 31.12.2023 RM	As at 31.12.2022 RM
Utilisation period		
Indefinite	149,842	88,270
Expired by YA 2032	220,315	220,315
Expired by YA 2033	222,334	-
	592,491	308,585

11. INVENTORIES

	Group	
	As at 31.12.2023 RM	As at 31.12.2022 RM
At cost		
Raw Materials	205,614	209,843
Finished goods	15,455,558	11,745,157
	15,661,172	11,955,000
Recognised in profit or loss:		
Inventories recognised as cost of sales	46,511,747	42,175,031
Slow-moving and obsolete inventories written down	41,436	26,825

Slow-moving and obsolete inventories written down are included into cost of sales.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

12. TRADE RECEIVABLES

	Group	
	As at 31.12.2023 RM	As at 31.12.2022 RM
Trade receivables - gross	13,742,702	12,578,905
Less: Allowance for impairment losses	(65,440)	(48,962)
Trade receivables - net	13,677,262	12,529,943

Movement in the allowance for impairment losses

The allowance account in respect of the trade receivables are used to record impairment losses. The creation and release of allowance for impaired receivables have been included in 'other operating expenses' in the profit or loss. Unless the Group is satisfied that recovery of the amount is possible, then the amount considered irrecoverable is written off against the receivable directly.

An impairment analysis is performed at each reporting date using a provision matrix to measure ECLs. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The movement in the allowance for impairment losses of trade receivables during the financial year are as follows:

Group

As at 31.12.2023	Lifetime ECL RM	Credit impaired RM	Total RM
Balance as at beginning of the financial year	48,962	-	48,962
Allowance for impairment losses	65,440	-	65,440
Reversal during the financial year*	(48,962)	-	(48,962)
Balance as at end of the financial year	65,440	-	65,440

As at 31.12.2022			
Balance as at beginning of the financial year	99,635	-	99,635
Allowance for impairment losses	48,962	-	48,962
Reversal during the financial year*	(99,635)	-	(99,635)
Balance as at end of the financial year	48,962	-	48,962

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

12. TRADE RECEIVABLES (CONT'D)

Movement in the allowance for impairment losses (cont'd)

* During the current and previous financial year, the Group managed to collect from some of the trade receivables which have been impaired in previous financial year. As a result, the allowance for impairment losses on trade receivables had been reversed during the financial year.

The allowance for impairment losses of trade receivables are those trade receivables that are individually impaired. These trade receivables are in significant difficulties and have defaulted on payments. They are not secured by any collateral or credit enhancement.

Based on the Group's historical collection experience, the amounts of trade receivables presented on the statements of financial position represent the amount exposed to credit risk. The management believes that no additional credit risk beyond the amounts provided for collection losses is inherent in the net trade receivables.

The ageing of the receivables and allowance for impairment losses provided for above are as follows:

Group

		Allowance for impairment losses		
	Gross carrying amount RM	ECL (Collectively assessed) RM	ECL (Individually assessed) RM	Net balance RM
As at 31.12.2023				
Neither past due	9,820,619	-	-	9,820,619
Past due 1 - 30 days	3,170,294	(21,695)	-	3,148,599
Past due 31 - 60 days	616,712	(19,748)	-	596,964
Past due 61 - 90 days	15,723	(12,596)	-	3,127
More than 90 days past due	119,354	(11,401)	-	107,953
	13,742,702	(65,440)	-	13,677,262

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

12. TRADE RECEIVABLES (CONT'D)

Movement in the allowance for impairment losses (cont'd)

Group (cont'd)

	Gross carrying amount RM	Allowance for impairment losses: ECL (Collectively assessed) RM	Allowance for impairment losses: ECL (Individually assessed) RM	Net balance RM
As at 31.12.2022				
Neither past due	8,278,162	-	-	8,278,162
Past due 1 - 30 days	3,102,080	-	-	3,102,080
Past due 31 - 60 days	1,000,163	(36,661)	-	963,502
Past due 61 - 90 days	34,473	(5,567)	-	28,906
More than 90 days past due	164,027	(6,734)	-	157,293
	12,578,905	(48,962)	-	12,529,943

The maximum exposure of credit risk at the reporting date is the carrying value of receivables mentioned above. The Group does not hold any collateral as security.

The Group's normal trade credit terms range from 30 to 60 days (31.12.2022: 30 to 60 days). Other credit terms are assessed and approved on a case-by-case basis.

13. OTHER RECEIVABLES

	Note	Group As at 31.12.2023 RM	Group As at 31.12.2022 RM	Company As at 31.12.2023 RM	Company As at 31.12.2022 RM
Other receivables		1,192	-	-	-
Deposits	(a)	994,571	525,601	-	-
Prepayments	(b)	1,244,383	241,908	240,268	-
Total other receivables		2,240,146	767,509	240,268	-

Other receivables represented non-trade transactions which are unsecured, interest free and repayable on demand.

Management has performed an assessment on other receivables as at the reporting date and noted that there was no impairment losses on the financial statements.

(a) Deposit

Included in the deposits was an amount of RM500,146 (31.12.2022: Nil) being partial deposits paid for the acquisition of plant and machinery which yet to be delivered as at financial year end. The remaining outstanding contractual payment has disclosed in Note 31 of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

13. OTHER RECEIVABLES (CONT'D)

(b) Prepayment

Included in the prepayment was an amount paid relating to listing expenses incurred for the Initial Public Offering ("IPO") purpose amounting to RM231,523 (31.12.2022: Nil). The transaction cost will be accounted for as a deduction from equity upon the completion of the IPO.

14. FIXED DEPOSITS WITH LICENSED BANKS

	Group	
	As at 31.12.2023 RM	As at 31.12.2022 RM
Fixed deposits		
With maturity of more than 3 months	483,313	472,148

The fixed deposits with licensed banks of RM483,313 (31.12.2022: RM472,148) have been pledged to the licensed banks as security credit facilities granted to the Group as disclosed in Note 20 to the financial statements.

The effective interest rates and maturity period of the fixed deposits with a licensed bank at the reporting date are as follows:

	Group	
	As at 31.12.2023 %	As at 31.12.2022 %
Effective interest rates	2.30 - 2.60	1.85
Maturity period	12 months	12 months

15. CASH AND BANK BALANCES

	Group		Company	
	As at 31.12.2023 RM	As at 31.12.2022 RM	As at 31.12.2023 RM	As at 31.12.2022 RM
Cash in hand	13,288	21,294	20	20
Cash at bank	7,773,340	5,534,893	-	-
	7,786,628	5,556,187	20	20

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

16. SHARE CAPITAL

		Group/Company			
		As at 31.12.2023	As at 31.12.2022	As at 31.12.2023	As at 31.12.2022
	Note	Number of shares (units)		RM	RM
Issued and fully paid up:					
Balance as at beginning of the financial year/period		200	-	20	-
Issuance of ordinary shares	(a)	311,146,800	200	31,114,680	20
Balance as at end of the financial year/period		311,147,000	200	31,114,700	20

(a) During the financial year ended 31 December 2023, the Company increased its share capital from RM20 to RM31,114,700 through issuance of 311,146,800 new ordinary shares of RM0.10 each for acquisition of subsidiaries.

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

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

17. INVESTED EQUITY

		Group			
		As at 31.12.2023	As at 31.12.2022	As at 31.12.2023	As at 31.12.2022
	Note	Number of shares (units)		RM	RM
Issued and fully paid up:					
Balance as at beginning of the financial year		700,100	700,100	700,100	700,100
Adjustment pursuant to restructuring exercise	8.2	(700,100)	-	(700,100)	-
Balance as at end of the financial year		-	700,100	-	700,100

18. MERGER RESERVES

The merger reserves arise from the difference between the carrying value of the investment in subsidiaries and the nominal value of shares of the Group's subsidiaries upon consolidation under the merger accounting principle.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

19. RETAINED EARNINGS

The entire retained earnings of the Group as at 31 December 2023 and 31 December 2022 may be distributed as dividends under the single tier system.

The Company is in an accumulated lossess position as at reporting date.

20. LOAN AND BORROWINGS

		Group	
		As at 31.12.2023	As at 31.12.2022
	Note	RM	RM
Current liabilities			
Secured:-			
Bank overdrafts		-	127,728
Bankers' acceptances		3,633,000	2,941,000
Term loans		1,130,116	1,039,187
Hire purchases		266,309	276,233
		5,029,425	4,384,148

		Group	
		As at 31.12.2023	As at 31.12.2022
	Note	RM	RM
Non-current liabilities			
Secured:-			
Term loans		19,650,799	19,847,840
Hire purchases		733,708	797,300
		20,384,507	20,645,140
Total borrowings			
Secured:-			
Bank overdrafts	(a)	-	127,728
Bankers' acceptances	(a)	3,633,000	2,941,000
Term loans	(b)	20,780,915	20,887,027
Hire purchases	(c)	1,000,017	1,073,533
		25,413,932	25,029,288

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

20. LOAN AND BORROWINGS (CONT'D)

The following are the rates of interest charged per annum:

	Note	Group As at 31.12.2023 %	Group As at 31.12.2022 %
Bank overdrafts		7.92 - 8.20	7.17 - 7.45
Bankers' acceptances		3.70 - 4.70	3.51 - 4.85
Term loans		3.05 - 7.92	3.05 - 7.67
Hire purchases		3.73 - 6.70	3.73 - 6.70

(a) Bank overdrafts and bankers' acceptance

The bank overdrafts and bankers' acceptances are secured by way of:-

(i) pledged fixed deposits as disclosed in Note 14 to the financial statements.

(ii) secured by charged over the company's property of the Group as disclosed in Note 5, Note 6 and Note 7 to the financial statements.

(iii) Joint and several guarantee by all the directors and shareholders.

(iv) Corporate guarantee by a related company/combining entity.

(b) Term loans

	Group As at 31.12.2023 RM	Group As at 31.12.2022 RM
Current		
- Not later than one year	1,130,116	1,039,187
Non-current		
- later than one year but not later than five years	4,394,722	4,199,920
- later than five years	15,256,077	15,647,920
	19,650,799	19,847,840
Total term loan	20,780,915	20,887,027

The term loans are secured by way of the first legal charge over the Group's property, plant and equipment, right-of-use assets and investment properties as disclosed in Note 5, Note 6 and Note 7 respectively to the financial statements and are joint and several guarantee by all the directors and shareholders.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

20. LOAN AND BORROWINGS (CONT'D)

(c) Hire Purchases

	Group	
	As at 31.12.2023 RM	**As at 31.12.2022 RM**
Minimum lease payment		
- Not later than one year	309,064	321,816
- Later than one year and not later than five years	791,497	854,330
- More than five years	5,788	23,357
	1,106,349	1,199,503
Future finance charges on hire purchases	(106,332)	(125,970)
Present value of hire purchase	1,000,017	1,073,533

	Group	
	As at 31.12.2023 RM	**As at 31.12.2022 RM**
Present value of hire purchase is analysed as follows:		
Current		
- Not later than one year	266,309	276,233
Non-current		
- Later than one year and not later than five years	727,986	774,854
- More than five years	5,722	22,446
	1,000,017	1,073,533

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

21. TRADE AND OTHER PAYABLES

	Group		Company	
	As at 31.12.2023 RM	As at 31.12.2022 RM	As at 31.12.2023 RM	As at 31.12.2022 RM
Trade payables (a)	2,637,884	1,993,010	-	-
Other payables:				
Other payables	1,119,225	558,689	442,711	239,045
Other payables - retention sums	164,222	-	-	-
Accruals (b)	2,123,700	1,467,444	241,725	214,327
Deposits received	23,000	36,200	-	-
	3,430,147	2,062,333	684,436	453,372
Total trade and other payables	6,068,031	4,055,343	684,436	453,372

(a) The trade payables are non-interest bearing and the normal trade credit terms received by the Group range from 30 to 60 days (31.12.2022: 30 to 60 days).

(b) Included in the accruals is an amount of RM330,761 relating to the accrual of cost for building under construction as disclosed in Note 6.1 which the work done has been completed as at year end, but pending invoice from contractor.

22. AMOUNT DUE TO A SUBSIDIARY COMPANY/RELATED PARTY

The amount due to a subsidiary company/related party represented non-trade transaction which are unsecured, interest-free and repayable on demand.

23. REVENUE

	Group	
	01.01.2023 to 31.12.2023 RM	01.01.2022 to 31.12.2022 RM
Trading of goods	72,679,314	65,789,770
Timing of revenue recognition:		
- At point in time	72,679,314	65,789,770

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

23. REVENUE (CONT'D)

Nature of goods and services

The following information reflects the typical transaction of the Group:

Nature of goods or services	Timing if recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Obligation for return and refunds	Warranty
Sales of high-pressure laminate products and a range of other related products.	Revenue are recognised when control of the products has been transferred, being when the products are delivered to the customer, and the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products.	No significant element of financing is deemed present as the sales are made with a credit term of 30 to 60 days, which is consistent with market practice.	Sales rebates incentive are given to certain customers when the customer meets the agreed monthly sales target at the end of every month. Revenue from these sales is recognised based on the price specified in the contract, net of the sales rebates.	Not applicable	Not applicable

24. FINANCE COSTS

	Group 01.01.2023 to 31.12.2023 RM	01.01.2022 to 31.12.2022 RM
Interest on bankers' acceptances	164,794	153,740
Interest on bank overdrafts	20,723	121,585
Interest on hire purchases	48,017	51,556
Interest on lease liabilities	14,833	-
Interest on term loans	992,395	912,727
	1,240,762	1,239,608

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

25. PROFIT/(LOSS) BEFORE TAXATION

	Group		Company	
	01.01.2023 to 31.12.2023 RM	01.01.2022 to 31.12.2022 RM	01.01.2023 to 31.12.2023 RM	31.03.2022 to 31.12.2022 RM
Profit /(loss) before taxation is arrived at:				
After charging/(crediting):				
Auditors' remuneration:				
- Statutory audit	100,000	73,800	16,000	3,800
- Special audit	54,000	94,000	8,640	54,200
- Other services	8,000	-	8,000	-
- Overprovision in previous year	-	(600)	-	-
Bad debt written off	1,553	5,714	-	-
Depreciation:				
- Property, plant and equipment (Note 5)	829,563	792,742	-	-
- Right-of-use assets (Note 6.1)	263,957	199,715	-	-
- Investment properties (Note 7)	40,555	40,555	-	-
Expenses relating to short-term and lease low-value-assets (Note 6.2)	27,410	6,760	-	-
Fair value (gain)/loss on other investment (Note 9)	(7,500)	17,150	-	-
Finance costs (Note 24)	1,240,762	1,239,608	-	-
Impairment losses on:				
- Trade receivables (Note 12)	65,440	48,962	-	-
Key management personnel remuneration (Note 26)	2,088,386	1,451,512	138,000	-
Listing expenses	631,056	619,105	631,056	619,105
Loss on foreign exchange - realised	85,343	32,887	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

25. PROFIT/(LOSS) BEFORE TAXATION (CONT'D)

	Group		Company	
	01.01.2023 to 31.12.2023 RM	01.01.2022 to 31.12.2022 RM	01.01.2023 to 31.12.2023 RM	31.03.2022 to 31.12.2022 RM
Property, plant and equipment written off (Note 5)	361	-	-	-
Slow-moving and obsolete inventories written off (Note 11)	41,436	26,825	-	-
Staff cost:				
- Salaries, allowances and bonus	4,036,180	3,383,440	-	-
- Defined contribution plans	371,960	422,914	-	-
- Other benefit	91,042	74,018	-	-
Bad debt recovered	-	(14,722)	-	-
Dividend income	-	(900)	-	-
Gain on disposal of other investment (Note 9)	(8,100)	-	-	-
Gain on disposal of property, plant and equipment	(27,000)	(148,000)	-	-
Gain on foreign exchange - unrealised	(4,318)	(8,952)	-	-
Government wages subsidy	-	(154,580)	-	-
Interest income	(52,681)	(20,014)	-	-
Lease income (Note 7)	(128,000)	(103,900)	-	-
Reversal of impairment losses on trade receivables (Note 12)	(48,962)	(99,635)	-	-

26. KEY MANAGEMENT PERSONNEL REMUNERATION

The aggregate amounts of emoluments received and receivable by key management personnels' of the Group and of the Company during the financial year/period are as follows:

	Group		Company	
	01.01.2023 to 31.12.2023 RM	01.01.2022 to 31.12.2022 RM	01.01.2023 to 31.12.2023 RM	31.03.2022 to 31.12.2022 RM
Non-Executive directors:				
- Fee	136,000	-	136,000	-
- Allowance	2,000	-	2,000	-
	138,000	-	138,000	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

26. KEY MANAGEMENT PERSONNEL REMUNERATION (CONT'D)

	Group		Company	
	01.01.2023 to 31.12.2023 RM	01.01.2022 to 31.12.2022 RM	01.01.2023 to 31.12.2023 RM	31.03.2022 to 31.12.2022 RM
Executive directors:				
- Salaries	1,200,000	840,000	-	-
- Defined contribution plans	144,000	102,000	-	-
- Social security contributions	4,636	4,008	-	-
	1,348,636	946,008	-	-
Other key management personnel:				
- Salaries	534,592	448,906	-	-
- Defined contribution plans	63,681	53,592	-	-
- Social security contributions	3,477	3,006	-	-
	601,750	505,504	-	-
Total key management personnel remuneration	2,088,386	1,451,512	138,000	-

The estimated money value of benefit-in-kind not included in the above received by directors of the Group was RM63,050 (31.12.2022: RM62,380)

The estimated money value of benefit-in-kind not included in the above received by other key management personnel of the Group was RM945 (31.12.2022: Nil)

27. TAX EXPENSE

	Group		Company	
	01.01.2023 to 31.12.2023 RM	01.01.2022 to 31.12.2022 RM	01.01.2023 to 31.12.2023 RM	31.03.2022 to 31.12.2022 RM
Current				
Provision for current financial year/period	3,489,114	3,115,334	-	-
Under provision in previous financial year/period	143,518	76,158	-	-
	3,632,632	3,191,492	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

27. TAX EXPENSE (CONT'D)

	Group		Company	
	01.01.2023 to 31.12.2023 RM	01.01.2022 to 31.12.2022 RM	01.01.2023 to 31.12.2023 RM	31.03.2022 to 31.12.2022 RM
Deferred taxation (Note 10)				
Recognised in the profit or loss	(104,726)	(24,307)	-	-
Under/(Over) provision in previous financial year/period	11,365	(69,153)		
	(93,361)	(93,460)	-	-
Tax expenses for current financial year/period	3,539,271	3,098,032	-	-

The domestic statutory tax rate will be 15% (31.12.2022: 17%) on first RM150,000 (31.12.2022:RM600,000), 17% on the subsequent RM450,000 chargeable income (31.12.2022: Nil) and 24% on remaining chargeable income.

The reconciliation of income tax expenses applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:

	Group		Company	
	01.01.2023 to 31.12.2023 RM	01.01.2022 to 31.12.2022 RM	01.01.2023 to 31.12.2023 RM	31.03.2022 to 31.12.2022 RM
Profit/(loss) before taxation	11,930,381	11,624,860	(966,939)	(709,598)
Tax expense at statutory tax rate of 15%	(122,406)	-	(145,041)	-
Tax expense at statutory tax rate of 17%	153,000	73,861	-	(120,632)
Tax expense at statutory tax rate 24% for remaining balances	2,819,432	2,685,692	-	-
Differential in tax rate	21,632	-	-	-
Non-deductible expenses	479,637	321,074	145,041	120,632
Non-taxable income	(5,624)	(39,506)	-	-
Deferred tax assets not recognised during the financial year/period	38,717	49,906	-	-
Under provision of taxation in previous financial year/period	143,518	76,158	-	-
Under/(Over) provision of deferred taxation in previous financial year/period	11,365	(69,153)	-	-
Tax expenses for current financial year/period	3,539,271	3,098,032	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

28. EARNINGS PER SHARE

(a) Basic earnings per ordinary share

The calculation of basic earnings per ordinary share is based on the earnings attributable to owners of the Group and divided by weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	01.01.2023 to 31.12.2023 RM	01.01.2022 to 31.12.2022 RM
Profit attributable to owners of the Company (RM)	8,391,110	8,526,828
Weighted average number of ordinary shares (units)	311,147,000	700,300
Basic earnings per ordinary share attributable to owners of the Company (sen)	0.03	12.17

(b) Diluted earnings per ordinary share

The diluted earnings per ordinary share of the Group is similar to the basic earnings per ordinary share as the Group has no potential dilutive ordinary shares for the current and previous financial years. The Group does not have outstanding warrant and option which may dilute its basis earnings per ordinary share.

29. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Identities of related parties

The Group and the Company have related party relationships with its directors, key management personnel and entities within the same group of companies.

The outstanding balances arising from related parties transactions as at the reporting date are disclosed in Note 22.

(b) In addition to the information detailed elsewhere in the financial statements, the Group and the Company carried out the following transactions with its related parties during the financial year/period:

	Group		Company	
	As at 31.12.2023 RM	As at 31.12.2022 RM	As at 31.12.2023 RM	As at 31.12.2022 RM
Subsidiary company/related party				
Transaction with directors purchase of trademark	-	(5,000)	-	-
Advance received from a subsidiary company	-	-	1,232,369	-
Advance received from a company in which directors have financial interest	-	-	-	256,226

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

29. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

(c) The key management personnel of the Group and of the Company comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly, whose remuneration during the year are disclosed in Note 26.

The directors of the Group and of the Company are of the opinion that the related parties transactions have been entered into the normal course of business on an arm's length basis and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

30. DIVIDENDS

	Group	
	As at 31.12.2023 RM	As at 31.12.2022 RM
Final single tier dividend of RM3.40 per ordinary share amounting to RM700,000 was declared on 10 January 2023 and paid on 12 January 2023	700,000	-
	700,000	-

Since the end of the previous financial year, an interim dividend (single-tier) in respect of the financial year ended 31 December 2022, of RM0.90 on 500,000 ordinary shares, amounting to a dividend of RM450,000 and RM2.50 on 100,000 ordinary shares, amounting to a dividend of RM250,000 have been approved and declared by the directors on 10 January 2023 and has been paid on 12 January 2023. The financial statements for the current year has reflected this dividend and has accounted for in equity as an appropriation of retained earnings in the financial year ended 31 December 2023.

Since the end of the previous financial year, an interim dividend (single-tier) in respect of the financial period ended 30 September 2023, of 0.096 sens on 311,147,000 ordinary shares, amounting to a dividend of RM300,000 has been approved and declared by the directors on 26 February 2024 and has been paid on 29 February 2024. The financial statements for the current year do not reflect this dividend and will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2024.

The Directors do not recommend the payment of any final dividend in respect of the current financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

31. CAPITAL COMMITMENTS

The Group has made commitments for the following capital expenditures:

	As at 31.12.2023 RM	As at 31.12.2022 RM
Approved and contracted for:		
Property, plant and equipment	1,252,142	1,580,400
Right-of-use assets	134,730	-
	1,386,872	1,580,400

32. SEGMENT INFORMATION

The Board of Directors is the Group's chief operating decision maker. For management purposes, the segment information is presented in respect of the Group's business segments. The primary format, business segment, is based on the Group's management and internal reporting structure.

Segment revenues, expenses and results included transfers between segments. The prices charged on intersegment transactions are at arm's length and not materially different for similar goods to parties outside of the economic entity. These transfers are eliminated on combination.

Segment assets and liabilities include items directly attribute to a segment as well as those that can be allocated on a reasonable basis.

(a) Geographical segments

No segmental reporting by geographical regions has been prepared as the Group's assets and revenue are located in Malaysia

(b) Business segments

The Group comprises the following main business segments:

Trading : Wholesale and trading of high pressure laminated sheets and merchandise of all kinds.

Others : Investment holding.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

32. SEGMENT INFORMATION (CONT'D)

(b) Business segments (cont'd)

Segment revenue, profit/(loss) before taxation and the assets employed are as follows:

	Trading RM	Others RM	Total operations RM	Elimination RM	Total RM
As at 31.12.2023					
Revenue					
External revenue	72,679,314	-	72,679,314	-	72,679,314
Inter-segment revenue	21,209,145	-	21,209,145	(21,209,145)	-
Total revenue	93,888,459	-	93,888,459	(21,209,145)	72,679,314
Results					
Segment profit/(loss)	15,830,937	(966,939)	14,863,998	(611,461)	14,252,537
Depreciation:					
- Property, plant and equipment (Note 5)	(834,773)	-	(834,773)	5,210	(829,563)
- Right-of-use assets (Note 6.1)	(401,207)	-	(401,207)	137,250	(263,957)
- Investment properties (Note 7)	(164,328)	-	(164,328)	123,773	(40,555)
Finance income (Note 25)	123,153	-	123,153	(70,472)	52,681
Finance cost (Note 24)	(1,321,356)	-	(1,321,356)	80,594	(1,240,762)
Profit/(loss) before taxation	13,232,426	(966,939)	12,265,487	(335,106)	11,930,381
Tax expense	(3,608,145)	-	(3,608,145)	68,874	(3,539,271)
Profit/(loss) after taxation	9,624,281	(966,939)	8,657,342	(266,232)	8,391,110
Assets					
Segment assets	78,267,347	31,354,968	109,622,315	(41,839,135)	67,783,180
Addition property, plant and equipment (Note 5)	302,817	-	302,817	-	302,817
Addition right-of-use assets (Note 6.1)	1,314,075	-	1,314,075	1,057,209	2,371,284
Addition investment properties (Note 7)	1,972,979	-	1,972,979	(1,972,979)	-
Total assets	81,857,218	31,354,968	113,212,186	(42,754,905)	70,457,281
Liabilities					
Segment liabilities	41,769,059	1,916,805	43,685,864	(11,015,632)	32,670,232

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

32. SEGMENT INFORMATION (CONT'D)

(b) Business segments (cont'd)

Segment revenue, profit/(loss) before taxation and the assets employed are as follows: (cont'd)

	Trading RM	Others RM	Total operations RM	Elimination RM	Total RM
As at 31.12.2023					
Other information					
Bad debt written off (Note 25)	1,553	-	1,553	-	1,553
Fair value gain on other investment (Note 9)	(7,500)	-	(7,500)	-	(7,500)
Impairment losses on:					
- Trade receivables (Note 12)	65,440	-	65,440	-	65,440
Loss on foreign exchange - realised (Note 25)	85,343	-	85,343	-	85,343
Property, plant and equipment written off (Note 25)	361	-	361	-	361
Slow-moving and obsolete inventories written down (Note 11)	41,436	-	41,436	-	41,436
Gain on disposal of other investments	(8,100)	-	(8,100)	-	(8,100)
Gain on disposal of property, plant and equipment (Note 25)	(15,333)	-	(15,333)	(11,667)	(27,000)
Gain on foreign exchange - unrealised	(4,318)	-	(4,318)		(4,318)
Gain on termination of lease	(427)	-	(427)	427	
Reversal of impairment losses on trade receivables (Note 12)	(48,962)	-	(48,962)	-	(48,962)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

32. SEGMENT INFORMATION (CONT'D)

(b) Business segments (cont'd)

Segment revenue, profit/(loss) before taxation and the assets employed are as follows: (cont'd)

	Trading RM	Others RM	Total operations RM	Elimination RM	Total RM
As at 31.12.2022					
Revenue					
External revenue	65,789,770	-	65,789,770	-	65,789,770
Inter-segment revenue	17,643,676	-	17,643,676	(17,643,676)	-
Total revenue	83,433,446	-	83,433,446	(17,643,676)	65,789,770
Results					
Segment profit/(loss)	15,000,829	(709,598)	14,291,231	(413,765)	13,877,466
Depreciation:					
- Property, plant and equipment (Note 5)	(798,419)	-	(798,419)	5,677	(792,742)
- Right-of-use assets (Note 6.1)	(322,758)	-	(322,758)	123,043	(199,715)
- Investment properties (Note 7)	(164,328)	-	(164,328)	123,773	(40,555)
Finance income (Note 25)	47,057	-	47,057	(27,043)	20,014
Finance cost (Note 24)	(1,283,702)	-	(1,283,702)	44,094	(1,239,608)
Profit/(loss) before taxation	12,478,679	(709,598)	11,769,081	(144,221)	11,624,860
Tax expense	(3,156,120)	-	(3,156,120)	58,088	(3,098,032)
Profit/(loss) after taxation	9,322,559	(709,598)	8,612,961	(86,133)	8,526,828
Assets					
Segment assets	66,818,868	20	66,818,888	(7,935,218)	58,883,670
Addition property, plant and equipment (Note 5)	1,400,565	-	1,400,565	(490)	1,400,075
Addition right-of-use assets (Note 6.1)	33,871	-	33,871	(33,871)	-
Total assets	68,253,304	20	68,253,324	(7,969,579)	60,283,745
Liabilities					
Segment liabilities	37,138,428	709,598	37,848,026	(7,660,220)	30,187,806

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

32. SEGMENT INFORMATION (CONT'D)

(b) Business segments (cont'd)

Segment revenue, profit/(loss) before taxation and the assets employed are as follows: (cont'd)

	Trading RM	Others RM	Total operations RM	Elimination RM	Total RM
As at 31.12.2022					
Other information					
Bad debt recovered (Note 25)	5,714	-	5,714	-	5,714
Fair value loss on other investment (Note 9)	17,150	-	17,150	-	17,150
Impairment losses on:					
- Trade receivables (Note 12)	48,962	-	48,962	-	48,962
Loss on foreign exchange - realised (Note 25)	32,887	-	32,887	-	32,887
Gain on foreign exchange - realised (Note 25)	(8,952)	-	(8,952)	-	(8,952)
Slow-moving and obsolete inventories written down (Note 11)	26,825	-	26,825	-	26,825
Gain on disposal of property, plant and equipment (Note 25)	(148,000)	-	(148,000)	-	(148,000)
Reversal of impairment losses on trade receivables (Note 12)	(99,635)	-	(99,635)	-	(99,635)
Dividend income (Note 25)	(900)	-	(900)	-	(900)

(c) Major customer

During the current and previous financial year, the Group does not have any customer with revenue equal to or more than 10% of total Group's revenue.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's and of the Company's businesses whilst managing its risks.

The main areas of the financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows:

33.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of the changes in market interest rates. The Group's exposure to interest rate risk relates to interest-bearing financial assets and liabilities. Interest-bearing financial assets includes fixed deposits with a licensed bank. Interest-bearing liabilities includes lease liabilities, hire purchases, bankers' acceptances, bank overdrafts and term loans.

The bank overdraft, bankers' acceptance and term loan at floating rates expose the Group to cash flows interest rate risk whilst lease liabilities and hire purchase at fixed rates expose the Group to fair value interest rate risk.

The interest rates per annum on the hire purchases, banker's acceptances, overdrafts and term loans are disclosed in Note 20 while the interest rates per annum on the lease liabilities are disclosed in Note 6 to the financial statements.

The Group adopts a strategy of mixing fixed and floating rate borrowing to minimise exposure to interest rate risk. The Group also review its debt portfolio to ensure favourable rates are obtained.

<u>Sensitivity analysis for interest rate risk</u>

If the interest rate had been 100 basis point higher/lower and all other variables held constant, the Group's and the Company's profit before taxation would change by approximately RM244,139 (31.12.2022: RM239,558) as a result of exposure to floating rate borrowings.

If the interest rate had been 100 basis point higher/lower and all other variables held constant, the Group's equity would change by approximately RM185,546 (31.12.2022: RM182,064) as a result of exposure to floating rate borrowings.

33.2 Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk mainly arises from its receivables below. For bank balances, the Group and the Company minimise credit risk by dealing exclusively with reputable financial institution.

(a) Trade receivables

Credit risk is minimised by monitoring the financial standing of the debtors on an ongoing concern basis through the review of receivables ageing.

The Group does not have any major concentration of credit risks related to any individual customer and counterparty. The maximum exposure to credit risk is disclosed in Note 12 to the financial statements, representing the carrying amount of the trade receivables recognised on the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

33.2 Credit risk (cont'd)

(b) Other receivables

Credit risk is minimised by monitoring the financial standing of the debtors on an ongoing concern basis. The maximum exposure to credit risk is disclosed in Note 13 to the financial statements, representing the carrying amount of the other receivables recognised on the statements of financial position.

(c) 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 statement 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.

33.3 Foreign currency risk

The Group is not significantly exposed to foreign currency risk as the majority of the Group's transactions, assets and liabilities are denominated in Ringgit Malaysia. The currencies giving rise to this risk are primarily United States Dollar ("USD") and China Renminbi ("CNY").

The Group may use forward exchange contracts to hedge its foreign currency risk where necessary. Most of the forward exchange contracts have maturity of less than one year after the end of the reporting period. Where necessary, the forward exchange contracts are rolled over at maturity.

The net unhedged financial assets of the Group at year end that are not denominated in Ringgit Malaysia are as follows:

Group

	USD RM	CNY RM	Other RM	Total RM
As at 31.12.2023				
Cash and bank balances	16,354	969,967	-	986,321
Trade payables	(141,716)	(1,013,922)	-	(1,155,638)
	(125,362)	(43,955)	-	(169,317)

	USD RM	CNY RM	Other RM	Total RM
As at 31.12.2022				
Cash and bank balances	8,063	100	15	8,178
Trade payables	(18,002)	(708,435)	-	(726,437)
	(9,939)	(708,335)	15	(718,259)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

33.3 Foreign currency risk (cont'd)

Sensitivity analysis for foreign currency risk

If the above foreign currencies had strengthened/weakened by 10 percent and all other variables held constant, the Group's and the Company's profit before taxation would change by approximately RM16,932 (31.12.2022: RM71,826).

If the above foreign currencies had strengthened/weakened by 10 percent and all other variables held constant, the Group's equity would change by approximately RM10,804 (31.12.2022: RM54,391).

33.4 Liquidity and cash flow risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group and the Company manage liquidity risk by maintaining sufficient cash. In addition, the Group and the Company maintain bank facilities such as working capital lines deemed adequate by the management to ensure it will have sufficient liquidity to meet its liabilities when they fall due.

Group

	Carrying amount RM	Contractual interest rate %	Contractual cash flow RM	Not later than 1 year RM	Later than 1 year but not more than 5 years RM	More than 5 years RM
As at 31.12.2023						
Trade and other payables	6,068,031	-	6,068,031	6,068,031	-	-
Lease liabilities	349,388	4.67	386,250	90,000	296,250	-
Hire purchases	1,000,017	3.73 - 6.70	1,100,561	309,064	791,497	-
Bankers' acceptances	3,633,000	3.70 - 4.70	3,633,000	3,633,000	-	-
Term loans	20,780,915	3.05 - 7.92	20,780,915	1,130,116	4,394,722	15,256,077
	31,831,351		31,968,757	11,230,211	5,482,469	15,256,077
As at 31.12.2022						
Trade and other payables	4,055,343	-	4,055,343	4,055,343	-	-
Hire purchases	1,073,533	3.73 - 6.70	1,199,503	321,816	854,330	23,357
Bank overdrafts	127,728	7.17 - 7.45	127,728	127,728	-	-
Bankers' acceptances	2,941,000	3.51 - 4.85	2,941,000	2,941,000	-	-
Term loans	20,887,027	3.05 - 7.67	20,887,027	1,039,187	4,199,920	15,647,920
	29,084,631		29,210,601	8,485,074	5,054,250	15,671,277

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

33.3 Foreign currency risk (cont'd)

Company

	Carrying amount RM	Contractual interest rate %	Contractual cash flow RM	Not later than 1 year RM	Later than 1 year but not more than 5 years RM	More than 5 years RM
As at 31.12.2023						
Other payables	684,436	-	684,436	684,436	-	-
Amount due to a subsidiary company	1,232,369	-	1,232,369	1,232,369	-	-
	1,916,805		1,916,805	1,916,805	-	-
As at 31.12.2022						
Other payables	453,372	-	453,372	453,372	-	-
Amount due to a related party	256,226	-	256,226	256,226	-	-
	709,598		709,598	709,598	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

33.5 Classification of financial instruments

The table below provides an analysis of financial instruments categorised as follows:-

(i) Financial assets measured at fair value through profit or loss
(ii) Financial assets measured at amortised cost
(iii) Financial liabilities measured at amortised cost

	Group		Company	
	As at 31.12.2023 RM	As at 31.12.2022 RM	As at 31.12.2023 RM	As at 31.12.2022 RM
Financial assets				
At fair value through profit or loss				
Other investments	22,000	31,900	-	-
Amortised costs				
Trade receivables	13,677,262	12,529,943	-	-
Other receivables	995,763	525,601	-	-
Fixed deposits with licensed banks	483,313	472,148	-	-
Cash and bank balances	7,786,628	5,556,187	20	20
	22,942,966	19,083,879	20	20
Financial liabilities				
Amortised costs				
Trade payables	2,637,884	1,993,010	-	-
Other payables	3,430,147	2,062,333	684,436	453,372
Loan and borrowings	25,413,932	25,029,288	-	-
Lease liabilities	349,388	-	-	-
Amount due from a subsidiary company/related party	-	-	1,232,369	256,226
	31,831,351	29,084,631	1,916,805	709,598

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

33.6 Fair value of financial instruments

The carrying amounts of cash and cash equivalents, short term receivables and payables approximate fair values due to the relatively short term nature of these financial instruments.

The table below analyses financial instruments that are carried at fair value.

	Financial instruments that are carried at fair value			
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group				
As at 31.12.2023				
Financial asset				
Other investments	22,000	-	-	22,000
As at 31.12.2022				
Financial asset				
Other investments	31,900	-	-	31,900

The table below analyses financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value.

	Financial instruments that are not carried at fair value and whose carrying amount are reasonable approximation of fair value			
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group				
As at 31.12.2023				
Financial liabilities				
Loan and borrowings	-	-	25,413,932	25,413,932
Lease liabilities	-	-	349,388	349,388
	-	-	25,763,320	25,763,320

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

33.6 Fair value of financial instruments (cont'd)

	Financial instruments that are not carried at fair value and whose carrying amount are reasonable approximation of fair value			
	Level 1 RM	**Level 2 RM**	**Level 3 RM**	**Total RM**
Group (cont'd)				
As at 31.12.2022				
Financial liability				
Loan and borrowings	-	-	25,029,288	25,029,288

Policy on transfer between levels

The fair value of an asset or liability to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

The fair value of an asset or liability to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Transfer between Level 1 and Level 2 fair values

There has been no transfer between Levels 1 and 2 fair values during the financial year (31.12.2022: no transfer in either directions).

Level 3 fair value

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

Loan and borrowings and lease liability

The fair value of these financial instruments which is determine for disclosure purposes, are estimated by discounting expected future cash flows at market increment lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

The responsibility for managing the above risks is vested with the directors.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

34. CAPITAL MANAGEMENT

The primary objective of the Group's and of the Company's capital management is to ensure that they maintain a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group and the Company manage the capital structure and make adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the financial year ended 31 December 2023.

The Group and the Company monitor capital using a debt-to-equity ratio, which is net debts divided by total equity. The Group's and the Company's net debts include total loan and borrowings and lease liabilities less cash and bank balances. Total equity comprises share capital and reserves attributable to equity holders of the Group and of the Company.

The debt-to-equity ratio of the Group and the Company as at the end of the financial year/period were as follow:

	Group		Company	
	As at 31.12.2023 RM	As at 31.12.2022 RM	As at 31.12.2023 RM	As at 31.12.2022 RM
Total loan and borrowings (Note 20)	25,413,932	25,029,288	-	-
Lease liability	349,388	-	-	-
Total debts	25,763,320	25,029,288	-	-
Less: Cash and cash equivalents	(7,786,628)	(5,556,187)	(20)	(20)
Net debt	17,976,692	19,473,101	(20)	(20)
Total equity	37,787,049	30,095,939	29,438,163	(709,578)
Debt-to-equity ratio	0.48	0.65	-	-

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

35. SIGNIFICANT EVENT SUBSEQUENT TO THE FINANCIAL YEAR/PERIOD

On 27 March 2024, the Company issued its Prospectus and undertook an initial public offering comprising:

(i) Public issue of 82,709,000 new ordinary shares at the initial public offering of RM0.31 per ordinary share allocated in the following manner:

(a) 19,693,000 new ordinary shares available for application by the Malaysian public;

(b) 7,877,000 new ordinary shares made available for application by the eligible directors and employees of the Group and persons who have contributed to the success of the Group; and

(c) 55,139,000 new ordinary shares made available by way of private placement to selected Bumiputera Investors approved by the Ministry of International Trade and Industry Malaysia and selected investors.

(ii) Offer for sale of 19,693,000 existing shares at the initial public offering price of RM0.31 per ordinary share by way of private placement to the selected Bumiputera investors approved by Ministry of International Trade and Industry Malaysia and selected investors.

On 23 April 2024, the Company was listed on the ACE Market of Bursa Malaysia Securities Berhad comprising public issue of 82,709,000 new ordinary shares.

36. COMPARATIVE FIGURES

Group

The comparative figures of the Group were presented based on the financial statements of subsidiaries which were accounted for by using the merger method of accounting as these subsidiaries were under common control by the same parties both before and after the acquisition by the Company, and that control is not transitory.

Company

The financial statements of the Company were prepared for a period of twelve (12) months ended 31 December 2023 and nine (9) months ended 31 December 2022, Accordingly, the comparative amounts of the financial statements and related note may not be comparable.

ADDITIONAL INFORMATION

LIST OF MATERIAL PROPERTIES
AS AT 31 DECEMBER 2023

No.	Property Title Details/ Address	Description and Existing Use	Tenure	Age of Building (Approxi-mately)	Land Area/ Built-up Area (sq. ft.)	Net Book Value as a 31 December 2023 (RM)	Date of Acquisition
1	PN 13617 Lot 66393, Mukim of Pulai, District of Johor Bahru, State of Johor / No. 8, Jalan Bistari 11, Taman Industri Jaya, 81300 Skudai, Johor	1 unit of 1 ½-storey semi-detached factory For use as our head office, showroom and warehouse	Leasehold for 991 years expiring 3 September 2911	8	21,798/ 17,053	2,736,959	3 November 2015
2	PN 13616 Lot 66392, Mukim of Pulai, District of Johor Bahru, State of Johor / No. 10, Jalan Bistari 11, Taman Industri Jaya, 81300 Skudai, Johor	1 unit of 1 ½-storey semi-detached factory For use as our office, showroom and warehouse	Leasehold for 991 years expiring 3 September 2911	8	21,787/ 16,513	3,550,161	29 March 2018
3	HSD 283589 PT 359, Mukim of Pekan Penaga, District of Petaling, State of Selangor / No. 3, Jalan Subang 7, Taman Perindustrian Subang, 47600 Subang Jaya, Selangor	1 unit of 2 ½-storey semi-detached factory For use as our office, showroom and warehouse	Leasehold for 99 years expiring 16 September 2111	10	13,347/ 7,900	4,870,268	17 August 2020
4	PN 13385 Lot 66381, Mukim of Pulai, District of Johor Bahru, State of Johor / No. 28, Jalan Hang Lekir 12, Taman Industri Jaya, 81300 Skudai, Johor	Building 1 An intermediate single storey detached factory with 2-storey office, 1 unit of pump house and refuse room For use as our warehouse Building 2 1 unit of single storey factory For future manufacturing operations	Leasehold for 991 years expiring 3 September 2911	5	43,563/ 10,392 (Building 1); 9,964 (Building 2)	7,266,227	5 November 2021

LIST OF MATERIAL PROPERTIES
AS AT 31 DECEMBER 2023

No.	Property Title Details/ Address	Description and Existing Use	Tenure	Age of Building (Approximately)	Land Area/ Built-up Area (sq. ft.)	Net Book Value as a 31 December 2023 (RM)	Date of Acquisition
5	Geran 340342 Lot 53757, Mukim of Senai, District of Kulai, State of Johor / No. 550, Jalan Seelong, Taman Perindustrian Senai, 81400 Seelong, Johor	A parcel of vacant land For future use	Freehold	-	86,626/ -	3,577,730	30 September 2021
6	Geran 340344 Lot 53758, Mukim of Senai, District of Kulai, State of Johor / No. 551, Jalan Seelong, Taman Perindustrian Senai, 81400 Seelong, Johor	A parcel of vacant land For future use	Freehold	-	84,036/ -	3,638,625	30 September 2021
7	HSD 577805 PTD 196246, Mukim of Tebrau, District of Johor Bahru, State of Johor / No. 23, Jalan Ekoperniagaan 2/8, Taman Ekoperniagaan, 81100 Johor Bahru, Johor	1 unit of 1 ½-storey cluster factory Held as investment property and rented to a third-party tenant	Freehold	5	9,042/ 5,225	1,751,194	2 February 2018
8	HSD 58359 PTD 103154, Mukim of Senai, District of Kulai, State of Johor / No. 573, Jalan Idaman 3/7, Taman Perindustrian Senai, 81400 Senai, Johor	1 unit of 1 ½-storey semi-detached factory Held as investment property and rented to a third-party tenant	Freehold	10	10,689/ 8,630	610,854	16 April 2014

ANALYSIS OF SHAREHOLDINGS
AS AT 18 APRIL 2024

Issued and Paid-Up Share Capital	:	RM56,754,490
Number of Issued Shares	:	393,856,000 ordinary shares
Class of Shares	:	Ordinary shares
Number of Shareholders	:	5,518
Voting Rights	:	One (1) vote per ordinary share held

ANALYSIS BY SIZE OF SHAREHOLDINGS AS AT 18 APRIL 2024

Size of Shareholdings	No. of Shareholders	Percentage (%)	No. of Shares	Percentage (%)
Less than 100	0	0.000	0	0.000
100 - 1,000	137	2.483	59,800	0.015
1,001 - 10,000	4,845	87.804	20,476,800	5.199
10,001 – 100,000	452	8.191	20,555,300	5.219
100,001 – 19,692,799*	81	1.468	61,310,100	15.567
19,692,800 and above**	3	0.054	291,454,000	74.000
TOTAL	5,518	100.00	393,856,000	100.00

Notes:-

* *Less than 5% of the issued and paid-up share capital.*

** *5% and above of the issued and paid-up share capital.*

DIRECTORS' SHAREHOLDINGS
AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS AS AT 18 APRIL 2024

Name of Directors	No. of Shares (Direct)	Percentage (%)	No. of Shares (Indirect)	Percentage (%)
Teo Quek Siang	45,831,400	11.636	245,622,600[(a)]	62.364
Tan Lee Hong	29,001,800	7.363	262,452,200[(a)]	66.637
Chang Tian Kwang	500,000	0.126	-	-
Ng Yew Kuan	300,000	0.076	-	-
William Lau Si Yi	300,000	0.076	-	-
Khor Hang Cheng	300,000	0.076	-	-

Notes:
[(a)]Deemed interested by virtue of his/her spouse's shareholdings pursuant to Section 59(11)(c) of the Companies Act 2016 and J And T Resources Sdn Bhd pursuant to Section 8(4) of the Companies Act 2016

SUBSTANTIAL SHAREHOLDERS
AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 18 APRIL 2024

Name of Substantial Shareholders	No. of Shares (Direct)	Percentage (%)	No. of Shares (Indirect)	Percentage (%)
J And T Resources Sdn. Bhd.	216,620,800	55.000	-	-
Teo Quek Siang	45,831,400	11.636	245,622,600[(a)]	62.364
Tan Lee Hong	29,001,800	7.363	262,452,200[(a)]	66.637

Notes:
[(a)]Deemed interested by virtue of his/her spouse's shareholdings pursuant to Section 59(11)(c) of the Companies Act 2016 and J And T Resources Sdn Bhd pursuant to Section 8(4) of the Companies Act 2016

ANALYSIS OF SHAREHOLDINGS

THIRTY (30) LARGEST SHAREHOLDERS AS AT 18 APRIL 2024

No.	Name of Shareholders	No. of Shares	Percentage (%)
1	J AND T RESOURCES SDN. BHD.	216,620,800	55.000
2	TEO QUEK SIANG	45,831,400	11.636
3	TAN LEE HONG	29,001,800	7.363
4	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR SAHAM AMANAH SABAH (ACC 2-940410)	6,240,000	1.584
5	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM SARAWAK	4,800,000	1.218
6	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOH YONG HUAT	4,500,000	1.142
7	BIMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PERMODALAN RISDA BERHAD (MGNM84201)	4,000,000	1.015
8	BIMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - PERMODALAN RISDA BERHAD FOR YAYASAN ISLAM NEGERI KEDAH (MGNM84201)	4,000,000	1.015
9	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD CHUA RAY-MEN	3,550,000	0.901
10	PHILLIP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD	3,550,000	0.901
11	BIMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - PERMODALAN RISDA BERHAD FOR YAYASAN NEGERI SEMBILAN (MGNM84201)	3,000,000	0.761
12	MAYBANK NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR MTRUSTEE BERHAD (ETHEREAL CAPITAL SDN BHD)	1,910,000	0.484
13	MAYBANK NOMINEES (TEMPATAN) SDN BHD MTRUSTEE BERHAD FOR ETHEREAL-ALPHA EQ FUND (445329)	1,375,000	0.349
14	MAYBANK NOMINEES (TEMPATAN) SDN BHD MTRUSTEE BERHAD FOR ETHEREAL-OMEGA EQ FUND (445330)	1,375,000	0.349
15	UOBM NOMINEES (ASING) SDN BHD UOB ASSET MANAGEMENT (MALAYSIA) BERHAD FOR FWD AGGRESSIVE FUND	1,300,000	0.330
16	MAYBANK NOMINEES (TEMPATAN) SDN BHD MTRUSTEE BERHAD FOR ETHEREAL CAPITAL SDN. BHD. (C39) (447833)	1,200,000	0.304
17	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR MANULIFE FLEXI INVEST FUND	1,074,800	0.272
18	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR MANULIFE INVESTMENT GROWTH FUND (4074)	1,052,700	0.267
19	PERBADANAN USAHAWAN JOHOR SDN BHD	1,000,000	0.253
20	CHAN KOK SAN	820,000	0.208

ANALYSIS OF SHAREHOLDINGS

THIRTY (30) LARGEST SHAREHOLDERS AS AT 18 APRIL 2024

No.	Name of Shareholders	No. of Shares	Percentage (%)
21	CARTABAN NOMINEES (TEMPATAN) SDN BHD RHB TRUSTEES BERHAD FOR TRADEVIEW SUSTAINABILITY FUND	810,000	0.205
22	THIAN POH LAN	754,000	0.191
23	KENANGA NOMINEES (TEMPATAN) SDN BHD ONG WEE KHIANG	670,000	0.170
24	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR MANULIFE INVESTMENT REGULAR SAVINGS FUND (4710)	544,600	0.138
25	CHANG TIAN KWANG	500,000	0.126
26	CIMB GROUP NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR DBS BANK LTD (SFS)	500,000	0.126
27	CIMB ISLAMIC NOMINEES (TEMPATAN) SDN BHD PMB INVESTMENT BERHAD FOR MAJLIS AMANAH RAKYAT	500,000	0.126
28	PELABURAN MARA BERHAD	500,000	0.126
29	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR MANULIFE INVESTMENT - ML FLEXI F UND (250283)	488,600	0.124
30	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR AL ABQARY SDN. BHD. (MI0046)	400,000	0.101
	TOTAL	341,868,700	86.800

NOTICE OF THE SECOND ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Second Annual General Meeting of the Company will be held at Ground Floor, Dewan Inderaputera, Pulai Springs Resort Johor Bahru, 20km, Jalan Pontian Lama 81110 Pulai, Johor on Monday, 10 June 2024 at 10:00 a.m. to transact the following business:

AGENDA
As Ordinary Business

1 To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of the Directors and Auditors thereon. **Please refer to Note B**

2 To approve and ratify the payment of Directors' fees of up to RM221,000.00 and benefits of up to RM16,500.00 for the Non-Executive Directors for the period from 1 May 2023 to 10 June 2024. **Ordinary Resolution 1** (Please refer to Note C)

3 To approve the payment of Directors' fees of up to RM204,000.00 and benefits of up to RM18,000.00 for the Non-Executive Directors for the period from 11 June 2024 until the date of the next Annual General Meeting of the Company to be held in 2025, to be payable on a monthly basis. **Ordinary Resolution 2** (Please refer to Note D)

4 To re-elect the following Directors who retire in accordance with Article 95 of the Company's Constitution and being eligible, offer themselves for re-election:-
(a) Mr. Teo Quek Siang **Ordinary Resolution 3**
(b) Ms. Tan Lee Hong **Ordinary Resolution 4**

5 To re-appoint Messrs. CAS Malaysia PLT as the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **Ordinary Resolution 5**

As Special Business
To consider and, if thought fit, to pass with or without modifications, the following Resolutions:

ORDINARY RESOLUTIONS

6 **Authority to allot and issue shares pursuant to Section 75 and Section 76 of the Companies Act, 2016** **Ordinary Resolution 6** (Please refer to Note E)

"**THAT** pursuant to Sections 75 and 76 of the Companies Act, 2016 and the approvals of the relevant government and/or regulatory authorities, the Directors of the Company be and are hereby authorised to issue and allot shares in the Company at any time until the conclusion of the next Annual General Meeting upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being, subject always to the approval of all relevant regulatory bodies being obtained for such allotment and issue.

AND THAT the Directors of the Company whether solely or jointly, be authorised to complete and do all such acts and things (including executing such relevant documents) as he/they may consider necessary, expedient or in the interest of the Company to give effect to the aforesaid mandate.

AND FURTHER THAT pursuant to Section 85 of the Companies Act, 2016 read together with Article 8 of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company and to offer new shares arising from the issuance and allotment of the new shares pursuant to Sections 75 and 76 of the Companies Act, 2016 **AND THAT** the Board of Directors of the Company is exempted from the obligation to offer such new shares first to the existing shareholders of the Company."

NOTICE OF THE SECOND ANNUAL GENERAL MEETING

ORDINARY RESOLUTIONS (CONT'D)

7 To transact any other business for which due notice shall have been given in accordance with the Company's Constitution and the Act.

By Order of the Board

WONG YOUN KIM
(MAICSA 7018778)
(SSM Practising Certificate No. 201908000410)
Company Secretary

Kuala Lumpur
30 April 2024

Notes:-

A. Proxy

1 *A proxy may but need not be a member of the Company.*

2 *To be valid, this form, duly completed must be deposited at the Registered Office of the Company, Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur, not less than 24 hours before the time for holding the meeting Provided That in the event the member(s) duly executes the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/her/their proxy, Provided Always that the rest of the proxy form, other than the particulars of the proxy/proxies have been duly completed by the member(s).*

3 *A member may appoint up to two (2) proxies to attend and vote at the same meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*

4 *Where a member of the Company is an authorised nominee as defined under the Central Depositories Act, it may appoint at least 1 proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*

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

6 *If the appointor is a corporation, this form must be executed under its common seal or under the hand of an attorney duly authorised.*

7 *Only depositors whose names appear in the Record of Depositors as at 4 June 2024 shall be entitled to attend the Second AGM.*

B. Audited Financial Statements

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

C. Ordinary Resolution 1
Payment of Directors' Fees and benefits

Pursuant to Board of Directors' Meeting No. 2/2023 held on 26 June 2023, the payment of Directors' fees and benefits of Non-Executive Directors of up to an aggregate amount of RM221,000.00 and RM16,500.00 respectively for the period from May 2023 to 10 June 2024 shall be approved by the shareholders. The payment has been made to the Non-Executive Directors. In this respect, the shareholders' approval and ratification shall be sought at this 2nd AGM on the Directors' Fees and benefits under Ordinary Resolution 1.

NOTICE OF THE SECOND ANNUAL GENERAL MEETING

D. *Ordinary Resolution 2*
Proposed Payment of Directors' Fees and benefits

Pursuant to Section 230(1) of the Act, the Directors' Fees and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved by the shareholders at a general meeting. The benefits is the meeting allowances payable to the Directors.

Explanatory Notes on Special Business

E. *Resolution 6 – Authority to allot and issue shares pursuant to Sections 75 and 76 of the Act*

The Ordinary Resolution 6 proposed under Item 6 above, if passed, is to give the Directors of the Company flexibility to issue and allot shares up to an amount not exceeding ten per centum (10%) of the Company's total number of issued share capital for the time being upon such terms and conditions and for such purposes and to such person or persons as Directors of the Company in their absolute discretion consider to be in the interest of the Company, without having to convene a separate general meeting so as to avoid incurring additional cost and time. The purpose of this general mandate is for possible fund-raising exercises including but not limited to further placement of shares for purposes of funding current and/or future investment projects, working capital and/or acquisitions.

The Board is of the opinion that the issue and allot shares up to an amount not exceeding ten per centum (10%) is in the best interest of the Company.

This authority will expire at the conclusion of the next Annual General Meeting of the Company or at the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever is earlier.

The approval of the issuance and allotment of the new shares under Sections 75 and 76 of the Companies Act, 2016 shall have the effect of the shareholders having agreed to waive their statutory pre-emptive rights pursuant to Section 85 of the Companies Act, 2016 and Article 8 of the Constitution of the Company, the shareholders of the Company hereby agree to waive and are deemed to have waived their statutory pre-emptive rights pursuant to Section 85 of the Companies Act, 2016 and Article 8 of the Constitution of the Company pertaining to the issuance and allotment of new shares under Sections 75 and 76 of the Companies Act 2016, which will result in a dilution to their shareholding percentage in the Company.

By adding the above paragraph, the shareholders of the Company shall agree to waive and deemed to have waived their statutory pre-emptive rights pursuant to Section 85 of the Companies Act, 2016.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member disclose the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained prior consent of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

NOTICE OF THE SECOND ANNUAL GENERAL MEETING

STATEMENT ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING

1 Second Annual General Meeting of the Company will be held at Ground Floor, Dewan Inderaputera, Pulai Springs Resort Johor Bahru, 20km, Jalan Pontian Lama 81110 Pulai, Johor on Monday, 10 June 2024 at 10:00 a.m..

2 The Directors who are standing for re-election at the Second Annual General Meeting of the Company pursuant to Article 95 of the Company's Constitution are:

(i) Mr. Teo Quek Siang
(ii) Ms. Tan Lee Hong

The details of the above Directors seeking re-election are set out in the Board of Directors' Profile as disclosed in this Annual Report 2023.

3 The details of the above Directors' interest in the securities of the Company are set out in the Analysis of Shareholdings as disclosed in this Annual Report 2023.

4 The details of attendance of the Directors of the Company at Board of Directors' Meetings held during the financial year ended 31 December 2023 are set out in the Statement on Corporate Governance as disclosed in this Annual Report 2023.

PROXY FORM

CDS Account No.	
No. of Shares Held	

*I/We ______________________________ *NRIC No./Co. No. ______________________________
(FULL NAME IN BLOCK LETTERS)

of ____
(FULL ADDRESS)

Telephone No. ______________________ Email Address: ______________________

being a *member / members of Topmix Berhad [Registration No. 202201011835 (1457532-M)] ("the Company"), hereby appoint the following person(s):

Name of Proxy	NRIC No	Address	No. of Shares to be represented
1.			
2.			

or failing him/her, THE CHAIRMAN OF THE MEETING as *my/our proxy to vote for *me/us on *my/our behalf at the Second Annual General Meeting of the Company to be held at Ground Floor, Dewan Inderaputera, Pulai Springs Resort Johor Bahru, 20km, Jalan Pontian Lama 81110 Pulai, Johor on Monday, 10 June 2024 at 10:00 a.m. or at any adjournment thereof and to vote as indicated below:

		FIRST PROXY		SECOND PROXY	
		For	Against	For	Against
Resolution 1	To approve and ratify the payment of Directors' fees of up to RM221,000.00 and benefits of up to RM16,500.00 for the Non-Executive Directors for the period from 1 May 2023 to 10 June 2024.				
Resolution 2	To approve the payment of Directors' fees of up to RM204,000.00 and benefits of up to RM18,000.00 for the Non-Executive Directors for the period from 11 June 2024 until the date of the next Annual General Meeting of the Company to be held in 2025, to be payable on a monthly basis.				
Resolution 3	Re-election of Mr. Teo Quek Siang				
Resolution 4	Re-election of Ms. Tan Lee Hong				
Resolution 5	Re-appointment of Messrs. CAS Malaysia PLT as the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration				
Resolution 6	Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016				

(Please indicate with an "X" in the spaces provided above on how you wish your vote to be cast. If no instruction as to voting is given, the proxy will vote or abstain from voting at his/her discretion).

**Strike out whichever is not desired.*

Dated this_____day of ____________2024

____
Signature of Shareholder(s) / Common Seal

PROXY FORM

Notes:

1. *A proxy may but need not be a member of the Company.*

2. *To be valid, this form, duly completed must be deposited at the Registered Office of the Company, Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur, not less than 24 hours before the time for holding the meeting Provided That in the event the member(s) duly executes the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/her/their proxy, Provided Always that the rest of the proxy form, other than the particulars of the proxy/proxies have been duly completed by the member(s).*

3. *A member may appoint up to two (2) proxies to attend and vote at the same meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*

4. *Where a member of the company is an authorised nominee as defined under the Central Depositories Act, it may appoint at least 1 proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*

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

6. *If the appointor is a corporation, this form must be executed under its common seal or under the hand of an attorney duly authorised.*

7. *Only depositors whose names appear in the Record of Depositors as at 4 June 2024 shall be entitled to attend the Second Annual General Meeting*

Personal Data Privacy
By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 30 April 2024.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

TOPMIX BERHAD
Registration No. 202201011835 (1457532-M)

Registered Office
Acclime Corporate Services Sdn Bhd
Level 5, Tower 8, Avenue 5, Horizon 2,
Bangsar South City,
59200 Kuala Lumpur,
Wilayah Persekutuan Kuala Lumpur.

1st fold here

TOPMIX BERHAD
Registration No. 202201011835 (1457532-M)

No 8 & 10, Jalan Bistari 11, Taman Industri
Jaya, 81300 Skudai, Johor, Malaysia.

Tel +607- 571 2060
Fax +607- 511 3080
Email investor.enquiries@topmixhpl.com

www.topmixhpl.com