



CEKD BERHAD

[Registration No. 201801023077 (1285096-M)]



ANNUAL
REPORT
2023

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CORPORATE GOVERNANCE

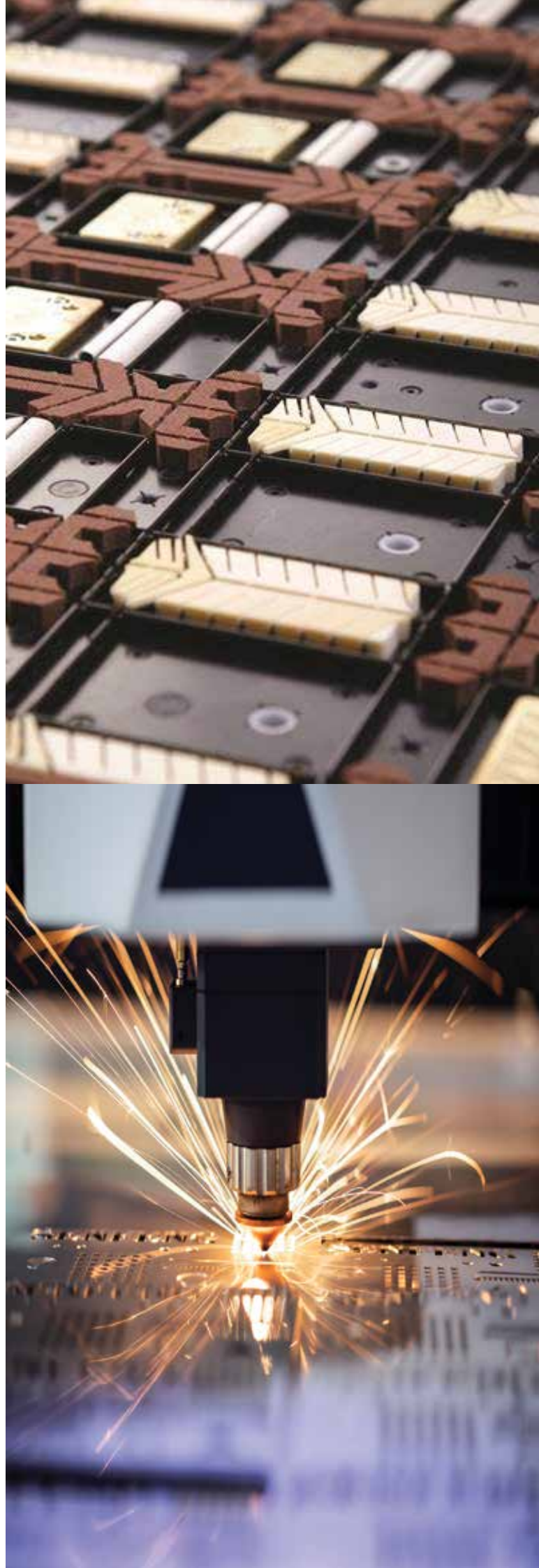
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OUR VISION, MISSION & MOTTO

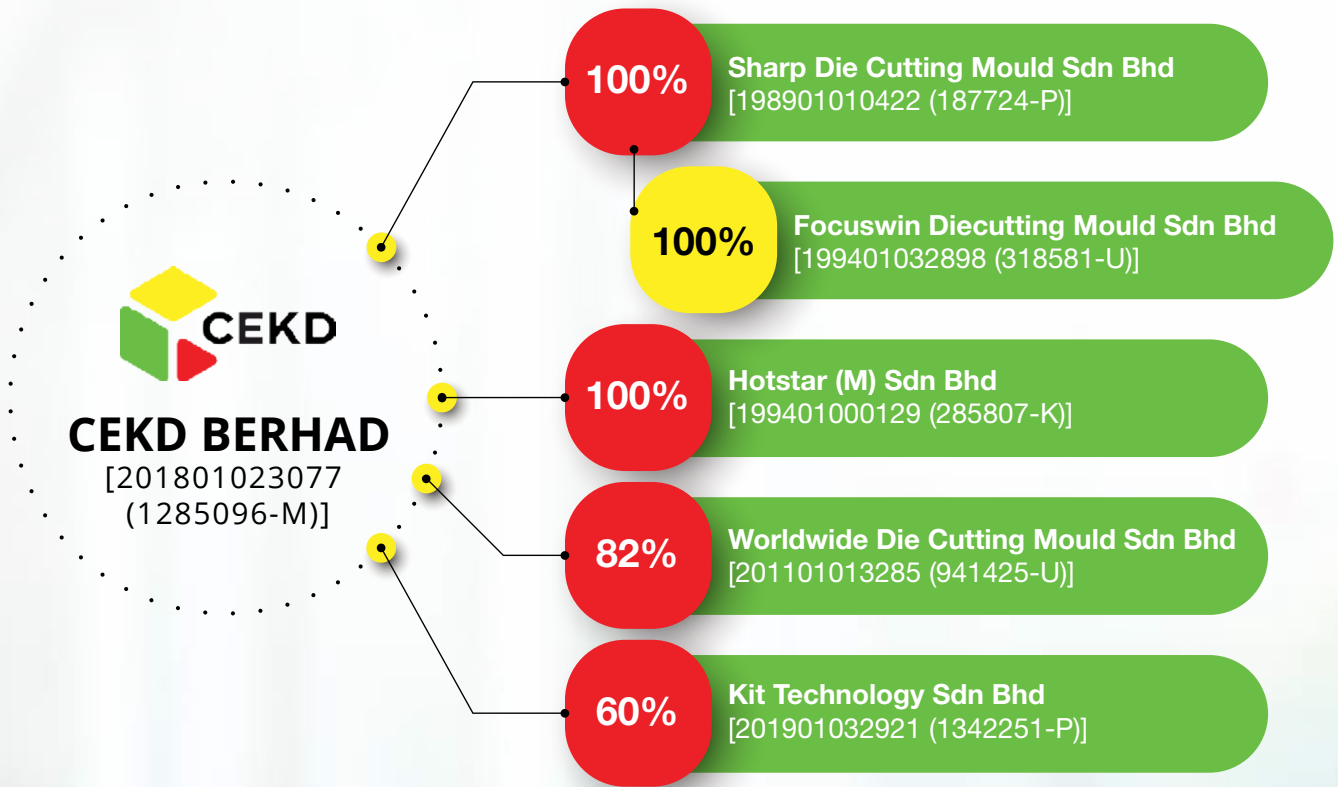
Listed in 2021, CEKD Berhad (“CEKD” or “the Company”) and its subsidiaries (“CEKD Group” or “the Group”) have emerged as one of the leading die-cutting solutions providers in Malaysia today. With a legacy dating back to 1989, we have been continuously growing by prioritising our product quality products and providing exceptional services.

In September 2022, we are proud to highlight that we have expanded our business via the acquisition of two (2) subsidiaries, namely Worldwide Die Cutting Mould Sdn Bhd (“Worldwide”) and Kit Technology Sdn Bhd (“Kit Technology”). Furthermore, we have also expanded our operation capacity with the launch of a new factory in December 2022. As of financial year ended 31 August 2023 (“FYE 2023”), our Group operates from five (5) operating factories located in Kuala Lumpur, Penang and Johor.

Over the years, our commitment to excellence has solidified our position as the industry benchmark. This commitment is reflected in our ISO 9001:2015 certification, underscoring our unwavering dedication to maintain exceptional standards. This commitment is also embedded in our vision, illustrating our dedication to be the best die-cutting solution provider in Asia Pacific.



GROUP STRUCTURE



OUR MILESTONE

Obtained a five-year pioneer status from the Malaysian Investment Development Authority ("MIDA")

* The pioneer status was granted by the Ministry of International Trade and Industry ("MITI") on 6 March 1991 and continued for a period of five (5) years pursuant to the Promotion of Investment Act 1986.

Investment in Computerised Numerical Control ("CNC") milling and engraving machines and obtained certificate of ISO 9001:2000

Obtained a die-maker certification from Bobst Mex SA ("Bobst")

Further business expansion via acquisition of Worldwide and Kit Technology as well as increased operational capacity with a new factory

1989

Founded and ventured as manufacturing of die-cutting moulds and trading of related consumables, tools, and accessories

1990

1997

Business expansion to Northern region of Peninsular Malaysia through Focuswin Diecutting Mould Sdn Bhd ("Focuswin") and investment in automatic steel rule processors

2002

2013

Relocation to Jalan Kelang Lama with factory equipped with advanced technology equipment producing 2D and 3D embossing and debossing tools and numerical control dies

2020

2021

Listed on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities")

2022

2023

Emphasis on sustainability commitment with the revision in Group Sustainability Governance Structure

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Zulkifli Bin Adnan
Independent Non-Executive Chairman

Yap Tian Tion
Deputy Executive Chairman

Yap Kai Ning
Managing Director

Yap Kai Min
Executive Director/
Chief Operation Officer

Choo Yem Kuen
Independent Non-Executive Director

Chong Chin Look
Independent Non-Executive Director

Datuk Mak Foo Wei
Independent Non-Executive Director

BOARD COMMITTEE

AUDIT COMMITTEE

Chairman
Chong Chin Look

Member
Choo Yem Kuen
Datuk Mak Foo Wei

NOMINATING COMMITTEE

Chairperson
Choo Yem Kuen

Member
Datuk Mak Foo Wei
Chong Chin Look

REMUNERATION COMMITTEE

Chairman
Datuk Mak Foo Wei

Member
Choo Yem Kuen
Chong Chin Look

SUSTAINABILITY AND RISK MANAGEMENT COMMITTEE

Chairman
Chong Chin Look

Member
Dato' Zulkifli Bin Adnan
Datuk Mak Foo Wei
Yap Kai Ning
Choo Yem Kuen

CORPORATE INFORMATION

HEAD OFFICE

10, Jalan 1/137B
Resource Industrial Centre
Batu 5, Jalan Kelang Lama
58200 Kuala Lumpur
Tel: +6017-988 6450 / 2329

REGISTERED OFFICE

7-1, Jalan 109F
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Tel: +603-7982 2010
Fax: +603-7980 1242
Email: info@amerits.com.my

COMPANY SECRETARIES

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(MAICSA 7018590)
(SSM PC 201908000235)

Lim Jia Huey
(MAICSA 7073258)
(SSM PC 201908000929)

AUDITORS

TGS TW PLT
[202106000004 (LLP0026851-LCA) & AF002345]
Chartered Accountants
Unit E-16-2B, Level 16
ICON Tower (East)
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Fax: +603-9771 4327

PRINCIPAL BANKERS

CIMB Bank Berhad
Alliance Bank Malaysia Berhad

SPONSOR

M & A Securities Sdn Bhd
[197301001503 (15017-H)]
Level 11, No. 45-47,
The Boulevard Offices
Mid Valley City
Lingkar Syed Putra
59200 Kuala Lumpur
Tel: +603-2284 2911

SHARE REGISTRAR

Bina Management (M) Sdn Bhd
[197901005880 (50164-V)]
Lot 10, The Highway Centre
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Tel: +603-7784 3922
Fax: +603-7784 1988
Email: binawin@binamg168.com

BOARD OF DIRECTORS' PROFILE



DATO' ZULKIFLI BIN ADNAN
Malaysian | Male | 65
Independent Non-Executive Chairman

Dato' Zulkifli Bin Adnan was appointed to the Board of Directors ("Board") as the Independent Non-Executive Chairman on 7 February 2020. He also holds the position as a member of the Sustainability and Risk Management Committee ("SRMC").

In 1981, Dato' Zulkifli graduated with a Bachelor of Science in Resource Economics from Universiti Pertanian Malaysia (now known as Universiti Putra Malaysia). Subsequently, he obtained a Diploma in Public Management from the National Institute of Public Administration, Kuala Lumpur in 1982. In 1991, he then completed his education journey with a Master of Arts in Law & Diplomacy from The Fletcher School of Law & Diplomacy, Tufts University, Boston, USA.

He began his career as a trainee bank officer at Malayan Banking Berhad, Kajang in 1981. After that, he pivoted his focus into public service by joining the Malaysian Foreign Service in 1983. He has served in various capacities in Malaysian diplomatic missions overseas in Colombo, New York and The Hague, with notable highlight of being appointed as an Ambassador to Sarajevo, Berlin and Singapore. He then retired from the Foreign Service in 2018.

In recognition of his dedicated services to the country, he was honoured with the Ahli Mangku Negara (A.M.N.), Kesatria Mangku Negara (K.M.N.) and Dato' Paduka Cura Si Manja Kini (D.P.C.M., Perak).

He does not hold directorships in any other public companies and listed issuers. He does not have any family relationship with any Director and/or major shareholder of the Company.

He has attended five (5) out of five (5) Board meetings held during the FYE 2023.

BOARD OF DIRECTORS' PROFILE
(CONT'D)**YAP TIAN TION**Malaysian | Male | 67
Deputy Executive Chairman

Yap Tian Tion is our Deputy Executive Chairman. He was appointed to the Board on 7 February 2020. In his capacity, he is responsible to oversee the overall strategy and business direction of the Group, including all major investments, business strategies, major capital expenditure as well as financing proposals of the Group.

After completing his secondary education at Sekolah Menengah Kebangsaan Tuanku Abdul Rahman, Gemas, Negeri Sembilan in 1976, Mr. Yap furthered his studies through the Federal Evening Class programme at St. John Institution, Kuala Lumpur in 1977 and subsequently obtained his Higher School Certificate in 1978. He was involved in the trading of fruits and car accessories from 1976 to 1984.

In 1984, he and his business partners co-founded Shenway, a company engaged in the manufacture and services of die-cutting tools and die-making supplies for garment, shoe and automotive industry. In view of his extensive expertise in manufacturing various types of die-cutting moulds, he was invited by the shareholders of Sharp Die Cutting Mould Sdn Bhd ("Sharp DCM") to participate as a shareholder of the company in 1994. By accepting the offer, he then became a shareholder of Sharp DCM and joined the company as an Executive Director in the same year.

Upon joining Sharp DCM, he gradually transferred the manufacturing activities of Shenway to Sharp DCM as part of Sharp DCM's strategic expansion plan into the customised die-cutting mould business. Over the years, he has been instrumental in steering the Group towards sustainable growth and success by broadening our target market to include the paper printing and packaging as well as electrical and electronic industries.

He does not hold directorships in any other public companies and listed issuers.

He is the husband of Lim Bee Eng and the father of Yap Kai Ning, Yap Kai Min and Yap Kai Jie, all are major shareholders of the Company. Yap Kai Ning and Yap Kai Min are also our Managing Director and Executive Director/Chief Operation Officer respectively. Saved as disclosed, he has no family relationship with other Director and/or major shareholder of the Company.

He has attended five (5) out of five (5) Board meetings held during the FYE 2023.

YAP KAI NINGMalaysian | Female | 39
Managing Director

Yap Kai Ning was appointed to the Board as the Managing Director on 7 February 2020, where she is responsible to oversee the day-to-day operations of our Group. She is also a member of the SRMC.

Ms. Yap graduated double degree in Commerce and Arts from the Australian National University, Australia in 2006. In the subsequent year, she also completed a Diamond Grading Course from the Gemological Institute of America. In 2014, she obtained her Masters of Business Administration from the University of Southern Queensland in Malaysia.

Her journey with Sharp DCM began in 2008 where she underwent rotations across various departments, including sales and marketing, production, human resources and administration in Sharp DCM. She was exposed to a full spectrum of operations from such experience. In 2011, she was appointed as a Director in Sharp DCM and took full responsibility on human resource matters as well as to assist in the company's daily operations. In 2015, she was promoted to her current position as the Managing Director of Sharp DCM.

She does not hold directorships in any other public companies and listed issuers.

Ms. Yap is the daughter of Yap Tian Tion and Lim Bee Eng and the sister of Yap Kai Min and Yap Kai Jie, all are major shareholders of the Company. Yap Tian Tion and Yap Kai Min are also our Deputy Executive Chairman and Executive Director/Chief Operation Officer respectively. Saved as disclosed, she has no family relationship with other Directors and/or major shareholders of the Company.

She has attended four (4) out of five (5) Board meetings held during the FYE 2023.

BOARD OF DIRECTORS' PROFILE (CONT'D)

YAP KAI MIN

Malaysian | Female | 34

Executive Director/Chief Operation Officer

Yap Kai Min was appointed to the Board as an Executive Director on 25 October 2022. With her extensive experience in sales, procurement and operations for more than eight (8) years, she is entrusted to oversee the Group's daily operations.

In 2012, she graduated with a Bachelors of Commerce and Science, majoring in Management and Psychology from the University of Western Australia, Australia. In the same year, she embarked on her career path as a management trainee at Allianz Life Insurance Malaysia Berhad. During her tenure there, she gained valuable experience in general management and insurance business.

Ms. Yap joined Sharp DCM as a sales and marketing executive in 2014 and was responsible for liaising with existing and potential customers. In 2016, she was then promoted as the supply chain manager of Sharp DCM where she was responsible to oversee the supply chain management of the company.

Additionally, she has completed the ISO 9001:2008 and ISO 9001:2015 internal quality auditor trainings in 2014 and 2017 respectively. This demonstrates her commitment in ensuring the continuous integration and implementation of ISO-compliant quality management system within the Group.

In 2020, she was promoted as the Chief Operation Officer of the Group. In the following year, she was then appointed as the Alternate Director to the Deputy Executive Chairman, Yap Tian Tion. In 2022, she ceased her role as Alternate Director to Yap Tian Tion upon her appointment as the Executive Director of the Company.

She does not hold directorships in any other public companies and listed issuers.

She is the daughter of Yap Tian Tion and Lim Bee Eng and the sister of Yap Kai Ning and Yap Kai Jie, all are major shareholders of the Company. Yap Tian Tion and Yap Kai Ning are also our Deputy Executive Chairman and Managing Director respectively. Saved as disclosed, she has no family relationship with other Director and/or major shareholder of the Company.

She has attended four (4) out of four (4) Board meetings held during the FYE 2023 after her appointment to the Board on 25 October 2022.

DATUK MAK FOO WEI

Malaysian | Male | 58

Independent Non-Executive Director

Datuk Mak Foo Wei joined our Board as the Independent Non-Executive Director on 7 February 2020. He is also the Chairman of our Remuneration Committee ("RC") and a member of the Audit Committee ("AC"), Nominating Committee ("NC") and SRMC.

He graduated with a Bachelor of Laws (Honours) from University of Birmingham, UK in 1990. He was then qualified as a Barrister-at-Law at Lincoln's Inn London, England in 1991 and was subsequently called to the Malaysian Bar in 1992.

Datuk Mak began his career by practicing as an advocate and solicitor at Manjit Singh Sachdev, Mohammad Radzi & Partners in 1992. In 1994, he left the firm and established his own practice, Mak & Company (now known as Mak Farid & Company) which specialises in corporate and conveyancing matters. Since 2018, he has also been serving as the Executive Councillor for a non-profit organisation, Malaysia Crime Prevention Foundation.

He also holds executive directorship in several companies with businesses involved in property development of both industrial and residential projects, notably Riverville Residences, Metro Cheras, Balakong Jaya Industrial Park I and II and Alam Damai Industrial Park. Currently, he also holds directorship in several private limited companies but he does not hold directorships in any other public companies and listed issuers.

He has no family relationship with any Director and/or major shareholder of the Company.

He has attended three (3) out of five (5) Board meetings held during the FYE 2023.

BOARD OF DIRECTORS' PROFILE (CONT'D)

CHONG CHIN LOOK

Malaysian | Male | 60

Independent Non-Executive Director

Chong Chin Look was appointed to the Board as an Independent Non-Executive Director on 7 February 2020. He is also the Chairman for both our AC and SRMC and a member of the RC and NC.

Mr. Chong graduated with a Bachelor of Economics degree with a major in Business Administration from the University of Malaya in 1987. In addition, he is a member of the Malaysian Institute of Certified Public Accountants ("MICPA") and a Chartered Accountant with the Malaysian Institute of Accountants ("MIA").

Upon his graduation, he joined KPMG Peat Marwick (now known as KPMG) as an audit assistant and gained valuable experience in auditing, accounting, taxation and management consultancy during his tenure. From 1994 to June 2022, he served as the Group Finance Director of Bonia Corporation Berhad ("Bonia"). During that time, he was responsible for overseeing the overall effectiveness and efficiency of financial and corporate functions within the Bonia Group. Currently, he is the Non-Independent Non-Executive Director at Bonia and an Independent Non-Executive Director of TSA Group Berhad.

He has no family relationship with any other Director and/or major shareholder of the Company.

He has attended five (5) out of five (5) Board meetings held during the FYE 2023.

CHOO YEM KUEN

Malaysian | Female | 62

Independent Non-Executive Director

Choo Yem Kuen was appointed to the Board as an Independent Non-Executive Director on 16 December 2021. She is also the Chairperson for our NC and a member of the AC, RC and SRMC.

Ms. Choo graduated with a Bachelor of Law (Honours) from the University of North Staffordshire, England in 1984. She has then completed her professional Certificate in Legal Practice ("CLP") in 1985 and was called to the Malaysian Bar in 1986.

She is a practicing lawyer with more than 34 years of experience in the legal industry. Since 2016, she has been serving as a consultant with the firm, Messrs. Tee Bee Kim & Partners. Prior to this position, she was a partner of the firm. Her main scope of work covers corporate and civil law, including family law. She has extensive experience in corporate advisory work and is a strong advocate of transparency and good corporate governance.

Ms. Choo currently holds a directorship in a private limited company. However, she does not hold directorships in any other public companies and listed issuers.

She has no family relationship with any Director and/or major shareholder of the Company.

She has attended five (5) out of five (5) Board meetings held during the FYE 2023.

Notes: -

1. None of the Directors has conflict of interest or potential conflict of interest, including the interest in any competing business with the Company and/or its subsidiaries.
2. None of the Directors:
 - (a) has been convicted of any offences within the past five (5) years other than traffic offences, if any.
 - (b) was publicly sanctioned or imposed with penalty by the relevant regulatory bodies during FYE 2023.

KEY SENIOR MANAGEMENT'S PROFILE

PEARLY HIEW PEI LI

Malaysian | Female | 38
Chief Financial Officer

Pearly Hiew Pei Li was appointed as our Chief Financial Officer (“CFO”) on 7 December 2020. In her role, she oversees the overall financial matters of the Group.

She obtained her professional accounting qualification, the Association of Chartered Certified Accountants (“ACCA”) from Sunway College in 2006. She is a registered member of the MIA and a member of ACCA since 2011.

Ms. Pearly has accumulated more than 17 years combined working experience in the field of audit and accounting. She embarked on her professional career as an audit assistant at Lee & Associates in 2006 and was subsequently promoted to semi senior in 2010. During her tenure, she gained experience in independent statutory financial audit works.

In 2010, she left to join Johnson Controls (M) Sdn Bhd as a finance executive, responsible for receivables functions and involved in the migration of the finance department to a Shared Service Centre, Singapore. In 2012, she joined Axisjaya Sdn Bhd where she managed to complete six (6) years of backdated accounts and subsequently migrated to a new accounting system. Her next career move in 2016 led her to Demak Marketing Sdn Bhd, where she served as an accountant and was responsible for operational matters at the Kuala Lumpur branch. In 2018, she then joined the Group as an accountant and subsequently being promoted to her current position in 2020.

As of 30 November 2023, she has direct interest of 200,000 ordinary shares in the Company.

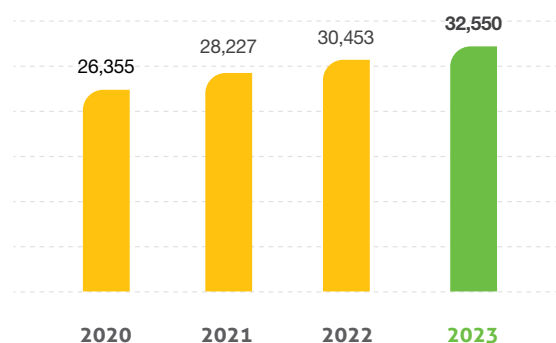
She does not hold directorships in any public companies and listed issuers. She has also no family relationships with any Director and/or major shareholder of the Company. Thus, she has no conflicts of interest or potential conflict of interest, including the interest in any competing business with the Company and/or its subsidiaries.

She has not been convicted of any offenses within the past five (5) years other than traffic offences, if any, and she had not faced any public sanctions or penalties imposed by relevant regulatory bodies during the FYE 2023.

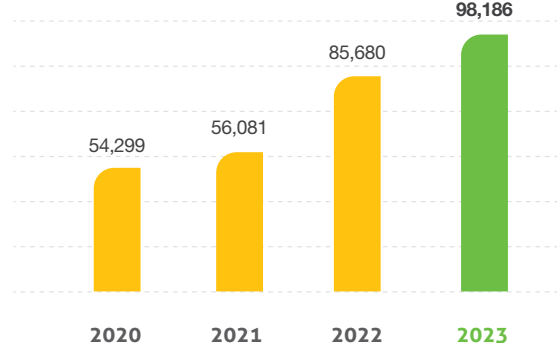
FINANCIAL HIGHLIGHTS

Financial Year Ended 31 August		2020	2021	2022	2023
Revenue	RM'000	26,355	28,227	30,453	32,550
Profit Attributable to Owners of the Company	RM'000	6,038	6,284	4,955	5,026
Basic Earnings per Share ("Basic EPS")	sen	4.19	4.36	2.62	2.58
Total Assets	RM'000	54,299	56,081	85,680	98,186
Total Equity	RM'000	37,505	40,459	64,956	69,244
Net Assets per Share	RM	0.26	0.28	⁽¹⁾ 0.33	0.36
Weighted Average Number of Shares	'000	143,983	143,983	188,976	194,573

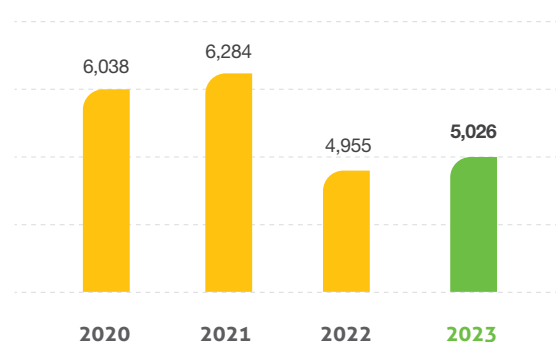
Revenue
(RM'000)



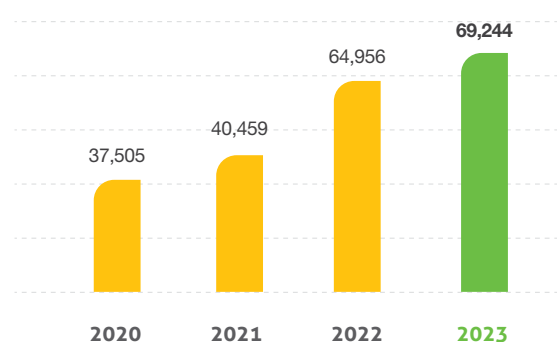
Total Assets
(RM'000)



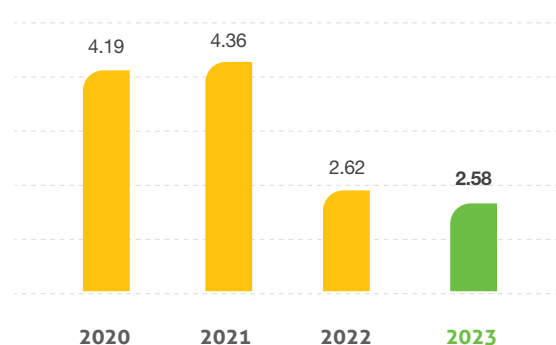
Profit Attributable to Owners of the Company
(RM'000)



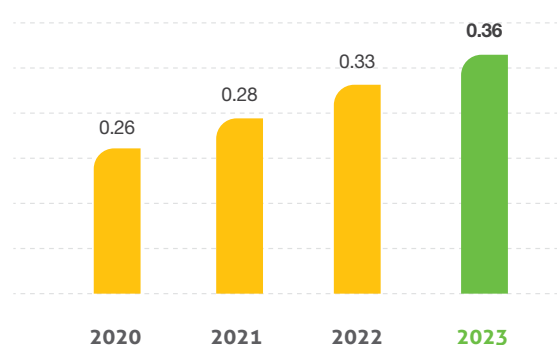
Total Equity
(RM'000)



Basic EPS
(sen)



Net Assets per Share
(RM)



Note: -

⁽¹⁾ Calculated based on the total number of shares of 194,573,000 as at 31 August 2022.

CHAIRMAN'S STATEMENT

Dear Valued Shareholders,

In year 2023, we have continued to demonstrate our enduring commitment to business sustainability and growth while navigating through a challenging business environment. Despite the persistent market volatility, CEKD Group has presented a financial performance that is on a steady growth trajectory.



Dato' Zulkifli Bin Adnan
Independent Non-Executive Chairman

On behalf of the Board, I am pleased to present the Annual Report of CEKD for the FYE 2023.

ECONOMIC OUTLOOK AND BUSINESS OVERVIEW

FYE 2023 continued to be another challenging year for most businesses following the geopolitical tension arising from the prolonged Russia-Ukraine war and trade tension between US and China. These geopolitical developments caused hikes in commodity prices, interest rates, global supply chain disruptions and thus rising inflationary pressures. These macro-economic factors have greatly affected the manufacturing activities in our country as the raw materials cost surged while the demand from customers subdued.

This year, subsequent to the completion of our acquisitions of Worldwide and Kit Technology in September 2022 as well as the consolidation of our Hotstar (M) Sdn Bhd's ("Hotstar") production operations from three (3) separate factories into a single larger factory located in Kepong, Kuala Lumpur in December 2022, we are now operating with five (5) manufacturing factories, of which three (3) factories are located in Kuala Lumpur, one (1) factory located in Johor and one (1) factory located in Penang.

With the addition of Worldwide and Kit Technology into the Group, we have achieved a slightly better financial results this year. However, I wish to draw the attention of our valued shareholders that the potentials of these two (2) acquisitions were not fully unleashed yet due to the macro-economic factors highlighted above. We are confident that these acquisitions shall create greater long-term synergies within the Group and shall yield a better contribution to our Group in the upcoming years.

FINANCIAL HIGHLIGHTS

The Group was able to boost the total revenue by 6.9% from RM30.45 million in the financial year ended 31 August 2022 ("FYE 2022") to RM32.55 million in FYE 2023, primarily due to the acquisitions of Worldwide and Kit Technology which enabled us to expand our market reach and client base swiftly.

Our gross profit ("GP") margin decreased to 47.2% in FYE 2023 from 51.7% in FYE 2022, mainly due to rising material costs and logistics costs arising from the weakening of Ringgit Malaysia against USD and EUR. The Group's profit before tax ("PBT") decreased by 7.2% from RM7.34 million in FYE 2022 to RM6.81 million in FYE 2023 mainly due to one-off expenses incurred relating to the consolidation of Hotstar's factory operations as well as higher professional fees and stamp duties incurred for the acquisitions of Worldwide and Kit Technology. Despite the decrease in PBT, our profit after tax ("PAT") increased from RM4.96 million in FYE 2022 to RM5.17 million in FYE 2023, representing an increase of RM0.21 million or 4.2%.

As at 31 August 2023, our Group's total equity stood at RM69.24 million, with earnings per share of 2.58 sen and net assets per share of 35.59 sen.

For further insight into our financial performance, please refer to the Management Discussion and Analysis section in this Annual Report.

COMMITMENT TO GOOD CORPORATE GOVERNANCE

At CEKD, we are dedicated to consistently advocating strong corporate governance and ethical conduct as we strive to create sustainable value for the benefit of all our stakeholders. On 23 October 2023, we have adopted and published two (2) important policies which are the Succession Planning Policy and the Gender Diversity Policy on our website.

The Succession Planning Policy aims to promote the selection of diverse and competent leaders who can align to our Company's mission and possess the essential skills required. The said policy facilitates the fulfilment of future key roles through internal promotion or external recruitment as needed.

On the other hand, the Gender Diversity Policy promotes boardroom diversity to enhance decision making and fosters innovation by providing different perspectives and problem-solving approaches.

CHAIRMAN'S STATEMENT (CONT'D)

For further insight into our efforts to maintain high corporate governance standards, please refer to the Corporate Governance Overview Statement ("CG Statement") in this Annual Report as well as the Corporate Governance Report ("CG Report").

SUSTAINABILITY INTEGRATION

In FYE 2023, we have placed greater emphasis on sustainability planning and integration of sustainability considerations into our business operation and management. Our Risk Management Committee ("RMC") has been re-designated to SRMC to better govern the sustainability matters. In addition, we have formed a Group Sustainability Oversight Unit to oversee the sustainability performance at business operation level and to report to SRMC on sustainability management.

For further insight into our sustainability strategies and initiatives, please refer to the Sustainability Statement in this Annual Report.

FUTURE PROSPECT

According to the S&P Global Malaysia Manufacturing Purchasing Managers' Index ("PMI"), the manufacturing industry will continue to encounter a challenging environment due to various macroeconomic factors, primarily stemming from the weakening of demand conditions, both locally and internationally.

Nevertheless, with the expanded resources controlled within the Group subsequent to the acquisitions of Worldwide and Kit Technology, we will continue to focus on complementing the Group's existing production, implement prudent cost and efficiency optimisation measures while striving to increase the market share of the Group both locally and internationally.

REWARDING OUR SHAREHOLDERS

We are delighted to announce that the Company has declared a single tier interim dividend of RM0.0075 per ordinary share amounting to approximately RM1.46 million for the FYE 2023, which has been paid on 13 September 2023. The declaration of dividends reflects our unwavering commitment to deliver sustainable returns to our esteemed shareholders while highlighting our confidence in the Company's financial strength.

APPRECIATION

On behalf of the Board and the Group, I would like to extend my heartfelt gratitude to our shareholders, customers, business partners, and dedicated employees for your unwavering support and commitment to our shared vision.

Your unwavering support have been the cornerstone of our achievements, and we remain committed to upholding your trust and delivering exceptional value in the years to come. We will remain resolutely focused on delivering long-term value and sustainable growth for all our stakeholders.

Thank you.

Dato' Zulkifli Bin Adnan

Independent Non-Executive Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

1. OVERVIEW OF CEKD GROUP

CEKD is one of the leading die-cutting solutions providers involve in the manufacturing of die-cutting moulds for a diverse base of customers from industries such as paper printing and packaging, electrical and electronics, automotive, plastic packaging as well as textile and leather. Our Group also supplies various consumables, tools and accessories related to die-cutting moulds to cater to our customer's needs.

Subsequent to the completion of our acquisitions of Worldwide and Kit Technology in September 2022 as well as the consolidation of our Hotstar's production operations from three (3) separate factories into a single larger factory located in Kepong, Kuala Lumpur in December 2022, we are now operating with five (5) manufacturing factories, of which three (3) factories are located in Kuala Lumpur, one (1) factory located in Johor and one (1) factory located in Penang.

This year, with the addition of Worldwide and Kit Technology into the Group, we have achieved a slightly better financial results and we are confident that these acquisitions will continue to have a positive contribution to our future financial performance.

2. FINANCIAL REVIEW

	FYE 2023 RM'000	FYE 2022 RM'000	Changes RM'000	%
Financial Results				
Revenue	32,550	30,453	2,097	6.9
GP	15,369	15,752	(383)	(2.4)
Other income	1,243	1,014	229	22.6
One-off listing expenses	-	1,921	(1,921)	(100.0)
PBT	6,808	7,335	(527)	(7.2)
Adjusted PBT (excluding one-off listing expenses)	6,808	9,256	(2,448)	(26.4)
PAT/ Net profit	5,170	4,955	215	4.3
Financial Ratios				
GP margin (%)	47.2	51.7	(4.5)	(8.7)
PBT margin (%)	20.9	24.1	(3.2)	(13.3)
Net profit margin (%)	15.9	16.3	(0.4)	(2.5)
Financial Results				
Total assets	98,186	85,680	12,506	14.6
Total liabilities	28,942	20,724	8,218	39.7
Equity attributable to the equity holders of the Company	69,244	64,956	4,288	6.6
Cash and cash equivalent	41,869	32,500	9,369	28.8
Financial Ratios				
Current ratio (times)	8.65	8.07	0.58	7.2
Gearing ratio (times)	0.34	0.23	0.11	47.8
Net asset per share (RM)	0.36	0.33	0.03	9.1

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

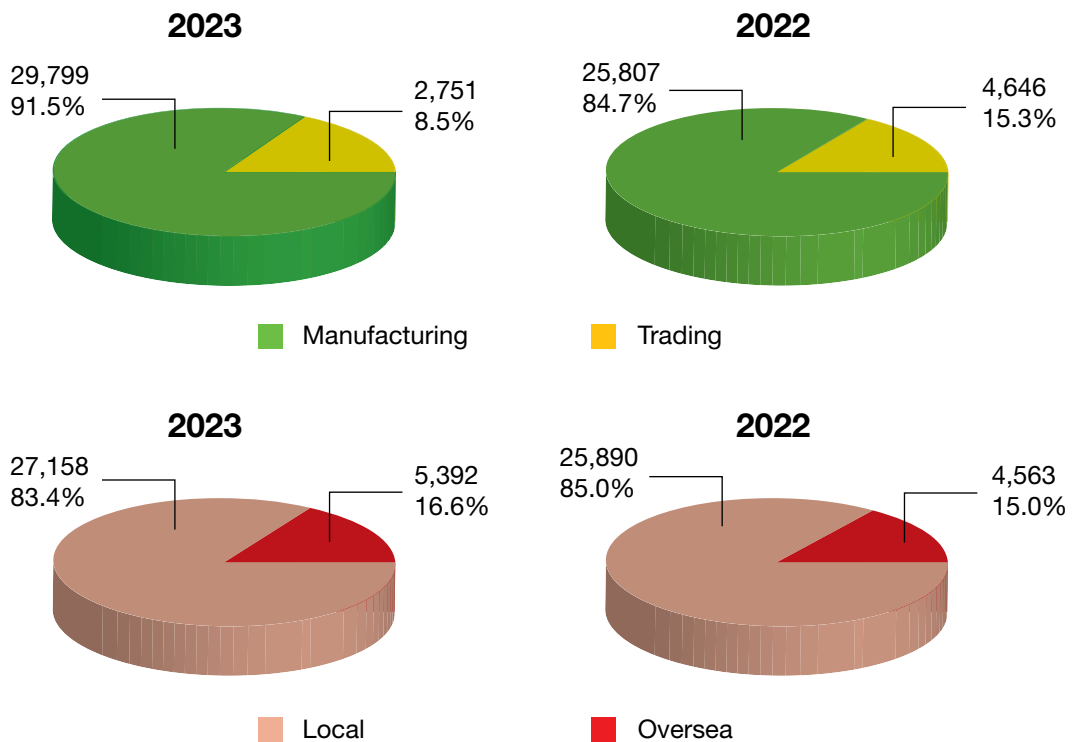
2. FINANCIAL REVIEW (CONT'D)

2.1 Financial Performance Review

FYE 2023 continued to be another challenging year for most businesses following the geopolitical tension arising from the prolonged Russia-Ukraine conflict and trade tension between US and China. These geopolitical developments cause hikes in commodity prices, interest rates, global supply chain disruptions and thus rising inflationary pressures.

Despite operating in a challenging business environment, our Group has delivered a higher revenue at RM32.55 million this year, recorded an increase of 6.9% as compared to RM30.45 million in FYE 2022. The increase in revenue was mainly attributable to the acquisitions of Worldwide and Kit Technology which enabled us to expand our market reach and client base swiftly.

Our revenue segmentation by business activities and by geographical markets for FYE 2023 and FYE 2022 shown in thousand figures are as follow: -



Our Group's revenue is mainly derived from manufacturing segment, generating revenue of RM29.80 million (91.5%) in FYE 2023 as compared to RM25.81 million (84.7%) in FYE 2022, representing an increase of RM3.99 million or 15.5%. The increase in revenue from manufacturing segment was largely attributed to the strategic acquisitions of Worldwide and Kit Technology. These acquisitions have played a pivotal role in our ability to rapidly expand our market reach and client base. As a result, we have experienced new growth in our manufacturing business segment.

Revenue from our trading segment decreased by RM1.90 million or 40.9%, from RM4.65 million in FYE 2022 to RM2.75 million in FYE 2023. The decrease was mainly due to lower demand in die-cutting related consumables, tools and accessories from our customers.

Our Group's revenue by geographical market remains relatively consistent as we focus to supply our die-cutting moulds and the related consumables, tools and accessories to local customers. As an overall, 83.4% of our total revenue in FYE 2023 (FYE 2022: 85.0%) was derived locally while 16.6% of our total revenue in FYE 2023 (FYE 2022: 15.0%) was derived from oversea customers.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

2. FINANCIAL REVIEW (CONT'D)

2.1 Financial Performance Review (Cont'd)

Notwithstanding the increase in revenue, our Group's GP has reduced by RM0.38 million or 2.4% as compared to FYE 2022 and GP margin has decreased to 47.2% in FYE 2023 from 51.7% in FYE 2022. As majority of our raw materials are sourced from oversea, the weakening of Ringgit Malaysia has increased our cost of purchases as well as logistics cost and hence, these have negatively impacted our GP and GP margin.

Our Group's other income has increased by RM0.23 million or 22.8% from RM1.01 million in FYE 2022 to RM1.24 million in FYE 2023. The increase was mainly derived from the interest income generated from investment in money market.

Our Group reported a lower PBT of RM6.81 million in FYE 2023, a decrease of RM0.53 million or 7.2% as compared to FYE 2022. The decrease was mainly due to one-off expenses incurred relating to the consolidation of our Hotstar's factory operations as well as higher professional fees and stamp duties incurred for the acquisitions of Worldwide and Kit Technology.

Despite the decrease in PBT, our PAT increased from RM4.96 million in FYE 2022 to RM5.17 million in FYE 2023, representing an increase of RM0.21 million or 4.2%. This was mainly due to the normalisation of our effective tax rate at 24.1% in FYE 2023 as compared to higher effective tax rate at 32.4% in FYE 2022 which was caused by higher non-deductible expenses such as listing expenses.

2.2 Financial Position Review

Total assets of our Group increased by RM12.51 million or 14.6% from RM85.68 million in FYE 2022 to RM98.19 million in FYE 2023. The increase was mainly attributable to the increase in our cash and bank balances by RM9.37 million and increase in our property, plant and equipment by RM4.41 million. The increase in our cash and bank balances was mainly due to cash generated from our business operations while the increase in property, plant and equipment was arising from the acquisitions of Worldwide and Kit Technology.

Total liabilities of our Group increased by RM8.22 million or 39.7% from RM20.72 million in FYE 2022 to RM28.94 million in FYE 2023, mainly due to additional short-term banking facilities secured in FYE 2023 for working capital purpose.

As at 31 August 2023, our Group has recorded a slightly higher current ratio of 8.65 times (31 August 2022: 8.07 times) due to higher cash and bank balances generated from our business operations. However, our Group's gearing ratio increased to 0.34 times (31 August 2022: 0.23 times) as a result of the additional short-term banking facilities secured during the financial year.

As at 31 August 2023, our Group's total equity has increased to RM69.24 million (31 August 2022: RM64.96 million) with net assets per share of RM0.36 (31 August 2022: RM0.33).

3. KEY RISK RELATING TO OUR BUSINESS

The Group is exposed to certain anticipated or known risks that may affect our business operations, financial performance and position as well as the liquidity. The Group's approach in managing its potential risks is guided by our risk management framework, which included processes and policies aimed at addressing and mitigating risks whilst at the same time sustaining the growth of our Group.

Exposure to fluctuation in the foreign currency exchange rate

Majority of our raw materials are purchased in foreign currency denominated in USD and EUR. The weakening of Ringgit Malaysia against USD and EUR affects our profitability. Instead of adopting financial instruments to hedge the foreign currency exposure, we coordinate our foreign business transaction to be in the same currency with counterpart party as an alternative to reduce the foreign exchange exposure risk.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

3. KEY RISK RELATING TO OUR BUSINESS (CONT'D)

Possible disruptions of production facilities

Any disruption or unplanned shutdowns of our production facilities due to unanticipated events such as flood, fire hazards or disruption of electricity supply shall pose a significant challenge to our business operations and likely to cause negative impact to the financial performance of the Group. In this regard, our Group has prevention plans in place including to store raw materials in different locations while the Group has purchased insurance coverage to safeguard our assets adequately.

4. FUTURE PROSPECT AND OUTLOOK

According to the S&P Global Malaysia Manufacturing PMI, the manufacturing industry will continue to encounter a challenging environment due to various macroeconomic factors, primarily stemming from the weakening of demand conditions, both locally and internationally. With customers' demand remains subdued, manufacturers scaled back production and purchasing activities was softened to the greatest degree since September 2021. This weakness in demand for inputs also fed through into stocks of purchases. A degree of spare capacity in the sector was signalled, as the level of outstanding business was depleted at one of the strongest rates in the series history (since July 2012). Employment levels also fell for the fifth month running, with evident of spare capacity shown in reducing backlogs of work for the sixteenth consecutive month, and at the steepest rate since July 2017.

Despite the positive contributions generated by the acquisitions of Worldwide and Kit Technology, we have not fully maximised the potentials of these two acquisitions due to the challenging macro environment mentioned above. However, with the increased resources now under the Group's control, we remain focused on complementing our existing production capabilities and implementing prudent cost and efficiency optimisation measures. Additionally, we are determined to increase the Group's market share both locally and internationally.

5. CAPITAL EXPENDITURE AND COMMITMENT

As at 31 August 2023, the utilisation of our Initial Public Offering ("IPO") proceeds which includes certain capital expenditure is as follows: -

Details of Utilisation	Initial Timeframe for Utilisation from the Listing Date	(1) Revised Timeframe for Utilisation from the Listing Date	Proposed Utilisation RM'000	Actual Utilisation RM'000	Unutilised Amount RM'000
Acquisition of factory for Hotstar	24 months	24 months	8,800	8,800	-
Capital expenditure comprising:					
• Purchase of new machineries	24 months	48 months	3,000	650	2,350
• Upgrade and development of computer software and server	24 months	48 months	1,300	344	956
Repayment of bank borrowings	6 months	6 months	4,000	4,000	-
Marketing activities	24 months	48 months	1,500	326	1,174
General working capital	24 months	24 months	2,683	2,683	-
Estimated listing expenses	Immediate	Immediate	3,000	3,000	-
Total			24,283	19,803	4,480

Note: -

(1) Kindly refer to our Group's announcement in relation to the extension of time for the utilisation of IPO proceeds dated 29 September 2023.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

5. CAPITAL EXPENDITURE AND COMMITMENT (CONT'D)

As at 31 August 2023, save for the following capital commitment in respect of the purchase of property, plant and equipment as below, we do not have any other material capital commitment: -

	RM'000
Property, Plant and Equipment	
Authorised and contracted for	786

6. DIVIDEND

Our Group does not have a formal dividend policy. Any declaration of dividends is at the discretion of the Board, subject to the requirements in accordance to the Companies Act, 2016 and various factors, such as operating cashflow and capital expenditure requirements, financial performance and commitments.

On 9 August 2023, the Board has declared an interim single tier dividend of RM0.0075 per ordinary share amounting to RM1,459,297.50 for the FYE 2023. The said dividend has been paid on 13 September 2023 to the shareholders of the Company whose names appear in the Record of Depositors on 30 August 2023.

SUSTAINABILITY STATEMENT 2023

Dear Valued Stakeholders,

FYE 2023 unfolded as a chapter of turbulent that brought with significant global events. From geopolitical tension to rising inflation, climate disasters and various societal challenges, the global outlook today has underscored the critical need for a transition towards a more sustainable, inclusive and resilient future.

In response to this challenging business landscape, CEKD recognises that our business operations do exert certain degree of impact to the local economy, surrounding environment and community at large. Thus, we are committed to embed sustainability consideration in running our business as well as taking care of our surrounding environment and local community, whenever possible.

The Board is pleased to present the Company’s 3rd Sustainability Statement (“Statement”) for the FYE 2023. This Statement intends to demonstrate our sustainability initiatives and strategic efforts in addressing the Group’s sustainability risks and opportunities within the Economic, Environment, Social and Governance (“EESG”) contexts.



SCOPE OF THIS STATEMENT

This Statement highlights CEKD Group’s sustainability initiatives and performances within the key sustainability pillars of EESG for the period from 1 September 2022 to 31 August 2023, unless otherwise specified.



BASIS OF THIS STATEMENT

This Statement was prepared based on all available internal information in compliance to Bursa Securities’ ACE Market Listing Requirement (“AMLR”) relating to Sustainability Statement and its Sustainability Guide 3rd Edition. United Nations Sustainable Development Goals (“UNSDG”) has also been referred as a guideline in mapping our material sustainability matters and developing the Group’s sustainability strategies.



MATERIAL MATTERS ASSESSMENT

In FYE 2023, we have reassessed the Group’s material sustainability matters, including both sustainability risks and opportunities that are most relevant to our Group and various stakeholders within the EESG contexts. Please refer to our Material Matters Matrix within this Statement for further details.



FEEDBACK

CEKD welcomes all stakeholders’ feedback on this Statement or any relevant matters concerned so as to improve our sustainability measures and reporting standards. Relevant feedbacks and comments can be directed to ir@cekd.com.my.

SUSTAINABILITY STATEMENT 2023 (CONT'D)

OUR SUSTAINABILITY GOVERNANCE STRUCTURE



In the pursuit of continuous improvement on our sustainability commitment, CEKD has taken proactive steps to revisit and enhance our sustainability governance structure this year.

Whilst the Board holds the ultimate responsibility towards the Group's sustainability management, it acknowledges the importance of having a dedicated team for an effective sustainability management. In this regard, the Board had in this year delegated the relevant responsibility to the RMC, thereby re-designated the RMC to SRMC to oversee and manage the sustainability management of the Group. By recognising the interconnection between sustainability management and risk management, this strategic move ensures that the Group's sustainability agenda is integrated into our corporate strategies, risk management and decision-making processes.

In line with the re-designation of the RMC to SRMC, the Board had on 25 July 2023 revised the relevant Terms of Reference in order to reflect the SRMC's additional duties and functions pertaining to sustainability management according to the recent updates of Enhanced Sustainability Reporting Framework and the AMLR. The said Terms of Reference is published on the Company's website at <http://www.cekd.com.my/policy-disclosures>.

To ensure an effective discharge of responsibilities, the Board and the Managing Director have identified Ms. Yap Kai Min, our Executive Director/Chief Operation Officer to be the main responsible person for the implementation of sustainability initiatives and daily management of the Group's sustainability matters in business operation and management of the Group. In this regard, the Executive Director/Chief Operation Officer may work together with the Managing Director, Ms. Yap Kai Ning, to set the implementation plans and targets for the Group's sustainability matters, and shall report to the SRMC on the following areas on a semi-annual basis: -

- The Group's overall sustainability risks and opportunities; and
- The status of the implementation of sustainability strategies and recommendation on the revision of sustainability strategy, if any.

Furthermore, the Company has established a Group Sustainability Oversight Unit which comprises various head of departments as the working committee for the execution of the Group's sustainability agenda. The Group Sustainability Oversight Unit, led by the Executive Director/Chief Operation Officer, is tasked to conduct sustainability risk assessments, evaluate the overall sustainability matters and monitor the implementation of the sustainability initiatives. The Group Sustainability Oversight Unit shall then report to the Executive Director/Chief Operation Officer on a regular basis.

In line with the Group's sustainability commitment, the Board is cognisant of the continuous learning and development in the realm of sustainability. During the FYE 2023, the Board had attended sustainability-related forum and conference in order to gain the necessary knowledge and stay abreast with the latest sustainability development.

In an effort to reinforce the importance of sustainability within the Group's governance framework, the Board, through the NC, has also integrated sustainability consideration as one of the criteria in the annual performance evaluation of the Board and the SRMC. Further details of the sustainability-related trainings and performance evaluation are narrated in the Company's CG Report as well as the CG Statement within this Annual Report.

SUSTAINABILITY STATEMENT 2023 (CONT'D)

STAKEHOLDER ENGAGEMENT

In our commitment to transparency and inclusivity, CEKD acknowledges that effective stakeholder engagement is pivotal to the success of our sustainability management. Our stakeholders including shareholders, employees, customers, suppliers, regulators, local community and the media are all playing crucial roles in shaping our business landscape. By engaging with our stakeholders, we are able to understand and address their concerns and expectations appropriately.

During the FYE 2023, we have engaged with our various stakeholders via the following approaches: -

Stakeholders	Areas of Interest or Concern	Engagement Approaches
Shareholders/ Investors 	<ul style="list-style-type: none"> • Business sustainability and profitability • Investment risks and returns • Financial and operational performance • Corporate governance 	<ul style="list-style-type: none"> • Quarterly financial results • Annual report • General meetings • Company website • Bursa announcements
Employees 	<ul style="list-style-type: none"> • Career progression • Competitive remuneration and benefit packages • Occupational health and safety • Talent management 	<ul style="list-style-type: none"> • Performance appraisal • Internal meetings • Engagement with Management • Training and development programme
Customers 	<ul style="list-style-type: none"> • Quality of products and services • Competitive pricing • On-time delivery 	<ul style="list-style-type: none"> • Site visit • Customer feedback survey • Company website
Suppliers 	<ul style="list-style-type: none"> • Long-term business relationship • Transparent procurement practices • Suppliers' selection and evaluation • Credit terms and timely payments 	<ul style="list-style-type: none"> • Email communication • Face-to-face communication • Supplier evaluation
Government/ Regulators 	<ul style="list-style-type: none"> • Legal compliance • Corporate governance • Occupational health and safety • Timely and transparent disclosures 	<ul style="list-style-type: none"> • Compliance audit • Bursa announcements
Community 	<ul style="list-style-type: none"> • Employment creation • Local economy support • Community wellbeing • Environmental impact from business operations 	<ul style="list-style-type: none"> • Company website • Community outreach
Analyst/ Media 	<ul style="list-style-type: none"> • Share price performance • Financial and operational performance • Business expansion plan • Corporate governance 	<ul style="list-style-type: none"> • Quarterly financial results • Annual report • General meetings • Company website • Bursa announcements

SUSTAINABILITY STATEMENT 2023 (CONT'D)

MATERIAL MATTERS ASSESSMENT AND SUSTAINABILITY STRATEGIES

Material Matters Assessment Process

CEKD regards material matters assessment as one of the key processes to drive the Group's long-term value creation and remain competitive in the market. With inputs from our stakeholders, material matters assessment enables us to identify and evaluate the key EESG matters, thereby uncovering the essential sustainability risks and opportunities impacting our business operations and various stakeholders.

Recognising the dynamic nature of the business environment and evolving sustainability landscape, we understand that regular assessment is important to ensure that our business operations remain relevant to the latest sustainability trend and development. Thus, in FYE 2023, we have continued to conduct our annual material matters assessment through the similar methodology, illustrated as below: -

1

Identification

Identify relevant sustainability risks and opportunities across the Group within the EESG contexts.

2

Assessments

Evaluate the identified material matters from both the Group's and the stakeholders' perspectives.

3

Ranking

Prioritise and rank each material matter based on the respective degree of impact towards the Group and its stakeholders.

Material Matters Matrix

During the financial year, we have revisited the sustainability matters identified earlier and decided to maintain substantially similar material matters as they continue to remain relevant to our business operations and stakeholders. Nevertheless, we have adjusted the materiality ranking and grouping for certain material matters to better reflect their importance to the Group and stakeholders in line with the latest business and sustainability development. Based on our assessment, we have identified and ranked thirteen (13) material matters which matter the most to our Group and various stakeholders, scaling from "Important" to "Most Important", as illustrated in the following Material Matters Matrix: -










SUSTAINABILITY STATEMENT 2023 (CONT'D)

MATERIAL MATTERS ASSESSMENT AND SUSTAINABILITY STRATEGIES (CONT'D)

Sustainability Strategies

As part of our sustainability initiatives, we have made reference to the UNSDG in an attempt to align our efforts with the global sustainability development agenda. Having the material matters identified earlier, we have developed several sustainability strategies to address these sustainability risks and opportunities, and have mapped them to five (5) pertinent UNSDG, outlined as follows: -

	Material Matters	Sustainability Strategies	UNSDG
ECONOMIC	<ul style="list-style-type: none"> Business Growth & Expansion Quality Products & Services Supply Chain Management Customer Satisfaction 	<ul style="list-style-type: none"> Execution of both business expansion and operational consolidation plans to maximise value creation. Adoption of digital marketing strategies to promote both business and environmental sustainability. Investment in new machineries and technology to improve product range and quality. Continuous engagement with suppliers to promote seamless supply chain management while supporting the local economy. Understanding customers' needs and expectations via customer satisfaction survey for continuous improvements. 	 
ENVIRONMENTAL	<ul style="list-style-type: none"> Material Management Workplace Sustainability 	<ul style="list-style-type: none"> Selection of sustainable raw materials to minimise adverse environmental impact from our operations. Encouragement of green initiatives within our office and factory to preserve the environment. 	
SOCIAL	<ul style="list-style-type: none"> Occupational Safety & Health Workforce Diversity Employee Training & Development Employee Engagement Community Outreach 	<ul style="list-style-type: none"> Creation of safe, conducive and inclusive workplace to motivate and retain the right talent. Conduct training programmes and company events to enhance our employees' skills and knowledge and to foster bonding amongst employees and the Group. Contribution made to enrich our local community. 	  
GOVERNANCE	<ul style="list-style-type: none"> Regulatory Compliance Ethical Business Practices 	<ul style="list-style-type: none"> Enforcement of policies and procedures to uphold sound and robust corporate governance. 	

SUSTAINABILITY STATEMENT 2023

(CONT'D)

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ECONOMIC



BUSINESS GROWTH & EXPANSION

Objective: To achieve continuous business growth

Back in 1989, we started our journey in the die-cutting industry as a trading company specialising in consumables, tools and accessories related to die-cutting moulds. We have then expanded into the manufacturing of die-cutting moulds business. Over the years, our trajectory has been marked by consistent business growth and culminated by a key milestone with the successful listing on the ACE Market of Bursa Securities in September 2021.

Since our listing, we have experienced steady revenue growth year after year, underscoring the effectiveness of our strategic initiatives as well as the trust placed in us by our various stakeholders. For this FYE 2023, we are delighted to announce a new pinnacle in our financial performance with the achievement of a higher revenue at RM32.55 million. This result not only demonstrate our business resilience but also indicate our dynamic force in the die cutting solutions industry.

CEKD affirms that business growth and expansion is one of the key factors in contributing to the Group's business sustainability. In line with SDG Target 8.1, the Group is committed to achieve sustainable business growth so as to create long-term value and deliver fair returns to our shareholders.

During the FYE 2023, our strategies in achieving economic resilience and business sustainability are as follows: -

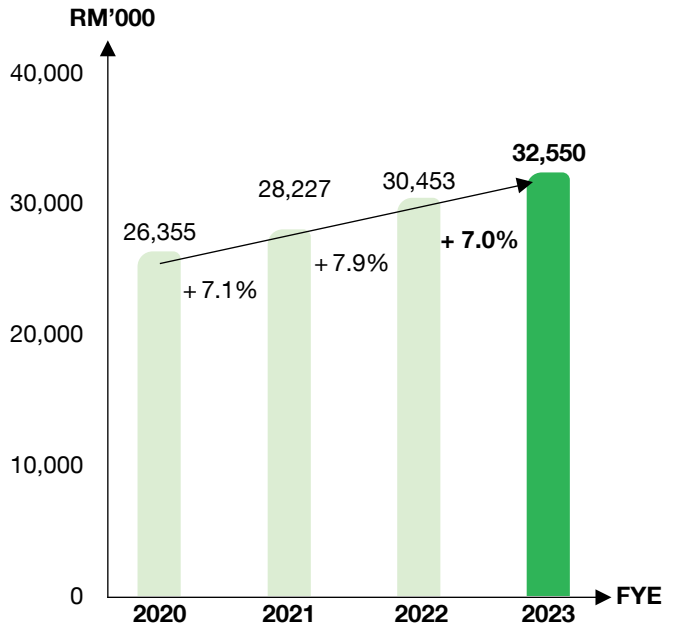
1. Business Expansion and Operational Consolidation

Our commitment to expand our market presence was underscored by the strategic acquisitions of 82% equity interest in Worldwide and 60% equity interest in Kit Technology in September 2022. Prior to the acquisitions, we strongly believe that both entities can be integrated well and create synergies with CEKD Group, thereby enhancing our market reach, capabilities as well as the relevant technical know-how. Our belief has been proven by the positive contribution of these subsidiaries to the financial performance of the Group in the FYE 2023.

Meanwhile, the commencement of operations in our new factory in Kepong, Kuala Lumpur in December 2022 has highlighted our dedication towards operational efficiency and excellence. This strategic move not only represents a physical expansion but also marks the consolidation of our operations in Hotstar by bringing the functions of three (3) factories under one (1) roof.

As we stand today, CEKD has grown to five (5) subsidiaries, operating in five (5) operating factories across three (3) states, namely Kuala Lumpur, Penang and Johor. Staying ahead, we are dedicated to expand our business seamlessly while focusing on operational efficiency in order to achieve sustainable business growth in the long run.

Revenue



TARGET 8·1



SUSTAINABLE ECONOMIC GROWTH

SUSTAINABILITY STATEMENT 2023 (CONT'D)

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ECONOMIC



BUSINESS GROWTH & EXPANSION (CONT'D)

Objective: To achieve continuous business growth

2. Unlocking Markets Beyond Borders

Guided by our vision to be the leading die cutting solution provider in Asia Pacific, our Group is charting an ambitious journey beyond borders. Our commitment towards sustainable business growth has propelled us to expand our market footprint internationally.

This year, we continued to embark on a series of initiatives to strengthen our presence in the international markets. Regular customer visits and active participation in trade shows have become integral to our business expansion strategy. In addition, a defining moment in our international expansion unfolded with the organisation of a road show in Bangkok, Thailand in June 2023, focusing on sustainability and innovations of packaging solutions. This event has showcased our commitment to incorporate sustainable practices into packaging solutions, emphasising our sustainability commitments in the industry. We firmly believe that such events enable the Group to have meaningful engagement with potential customers, suppliers and business partners.

As we continue to expand our global footprint, we recognise that our journey is not merely about market expansion but a visionary exploration, commitment to sustainability and the relentless pursuit of being the forefront die cutting solutions provider on a global scale.

3. Sustainable Marketing Efforts

In pursuit of sustainable business practices, we have strategically shifted our advertising and marketing efforts from traditional printed brochures approach to digital approach, including the issuance of e-newsletters and advertising through social media platforms. With SDG Target 12.2 in mind, digitalisation not only modernises our marketing efforts but also contributes to a greener planet by reducing our carbon footprint in promotional activities.

Moreover, this strategic move empowers the Group to engage with a broader audience by extending our market reach beyond geographical boundaries while upholding our commitment to environmental stewardship.



4. Product Innovation with Technological Investment

In today's dynamic market, staying competitive is synonymous to understanding our customers' evolving needs. In this regard, CEKD has always been taking initiative to engage with our customers, seeking to improve our products in terms of selection, services and quality. We aimed to fulfil the diverse requirements from our broad customer base.

To support the development of new products and enhancement of existing products, we embrace technological advancement as the opportunity for our business growth. During FYE 2023, the Group has invested in new technology and machineries to improve our production capacity, cost efficiency and product quality.

SUSTAINABILITY STATEMENT 2023 (CONT'D)

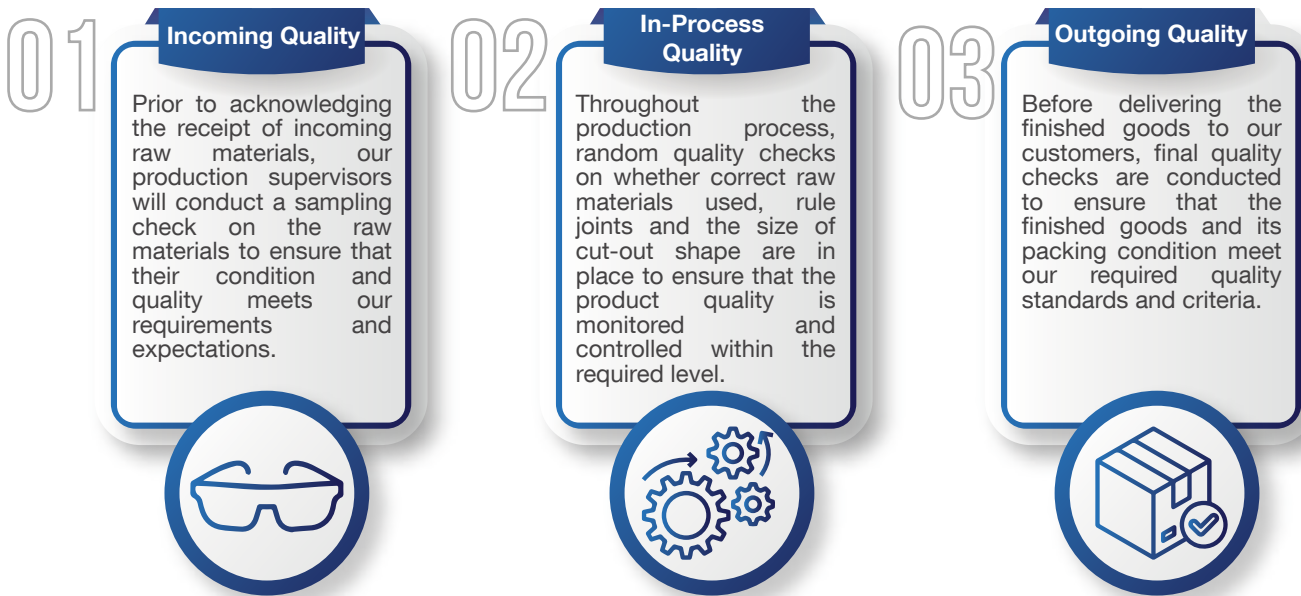


QUALITY PRODUCTS & SERVICES

Objective: - To deliver quality products and services constantly
- To maintain ISO and Bobst certifications continuously

Here in CEKD, quality control and assurance are regarded as our fundamental strengths, differentiating us from the other industry players. We firmly believe that strong branding image and positive reputation are backed by good quality of products and services provided. As such, guided by our quality assurance management policy, we have continued to practice stringent quality control checks in our business operations as a reflection of our dedication to deliver only the quality products and services.

The three (3) main processes in monitoring the quality of our products are illustrated as below: -



Our quality management system is accredited with the ISO 9001:2015 since 2006, under the scope of “manufacture of die cut mould, tool and die excluding design and development”.

Furthermore, as a testament to our stringent management of our product quality, we are recognised as the sole die-maker in Southeast Asia with the die-maker certification from Bobst, an established Switzerland based die cutting manufacturer with renowned global presence and more than a century.



ISO 9001:2015



Bobst Certification

SUSTAINABILITY STATEMENT 2023 (CONT'D)

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ECONOMIC



SUPPLY CHAIN MANAGEMENT

*Objective: - To source from suppliers that meet our stringent requirements
- To support local purchases, where viable*

Maintaining a stable and efficient supply chain is important to ensure that our operations are sustainable and remained uninterrupted. Despite facing global continuing inflationary pressures and the weakening of Ringgit Malaysia, we are pleased to report that we managed to maintain a stable supply chain without any supply disruption in our operations during FYE 2023. This achievement stands as a testament to our robust supply chain management and the unwavering support from our valued long-term suppliers.

One of our key focusses in supply chain management is the quality of our suppliers. In line with the ISO 9001:2015 requirements, we place significant emphasis on the quality of materials and services provided by our suppliers. In this aspect, we conduct annual evaluation on our suppliers, considering the quality/workmanship, cost and delivery time. Suppliers who are unable to meet our standards and requirements will either be ruled out or re-evaluated in the following year or before the next purchase to assess and determine whether their improvements have aligned to our requirements. For the FYE 2023, we are pleased to report that all our suppliers have met our stringent standards and requirements, reflecting the resilience of our supplier network and the effectiveness of our quality control measures.

Meanwhile, as part of our on-going efforts to support the local economy, the Group is dedicated to support local procurement in line with SDG Target 8.1. However, in view of the diverse customer requirements, certain raw materials have to be sourced internationally due to the limited availability in Malaysia. Nevertheless, for raw materials which are widely available locally, we are committed to source from our local suppliers, wherever possible.



CUSTOMER SATISFACTION

Objective: To meet various Quality Objectives ranging from 80% to 90%

At CEKD, we understand that high customer satisfaction stands as the ultimate validation of our business sustainability. It represents the end results of our business decisions and operations, spanning from the sourcing and procurement of raw materials to the delivery of our products and services. In other words, our commitment to customer satisfaction is not only a business goal but a fundamental principle integrated in our sustainability ethos.

As at 31 August 2023, we are proud to share that we have served more than 1,560 customers, of which some are repeated customers for more than ten (10) years. This long-term commitment reflects the trust and satisfaction that our customers have in our offerings.

Served more than

1,560 customers

As at 31 August 2023

During FYE 2023, we have continued to adopt the following strategies and initiatives to support and improve our customers' experience: -



Direct Distribution Strategy

Our direct distribution strategy allows the Group to sell products directly to customers without the involvement of intermediaries like distributors, agents and/or dealers. This approach enables us to directly engage with our customers, gain a better understanding on their needs and expectations so as to address their requirements, inquiries and feedback on a timely manner.



Technical Support

Our technical sales team offers technical support via regular site visits and after-sales services, such as customised upgrading and modification, product training, as well as repair and maintenance services. We believe that this proactive approach is effective in supporting our customers to adopt our products properly and efficiently.

SUSTAINABILITY STATEMENT 2023 (CONT'D)



CUSTOMER SATISFACTION (CONT'D)

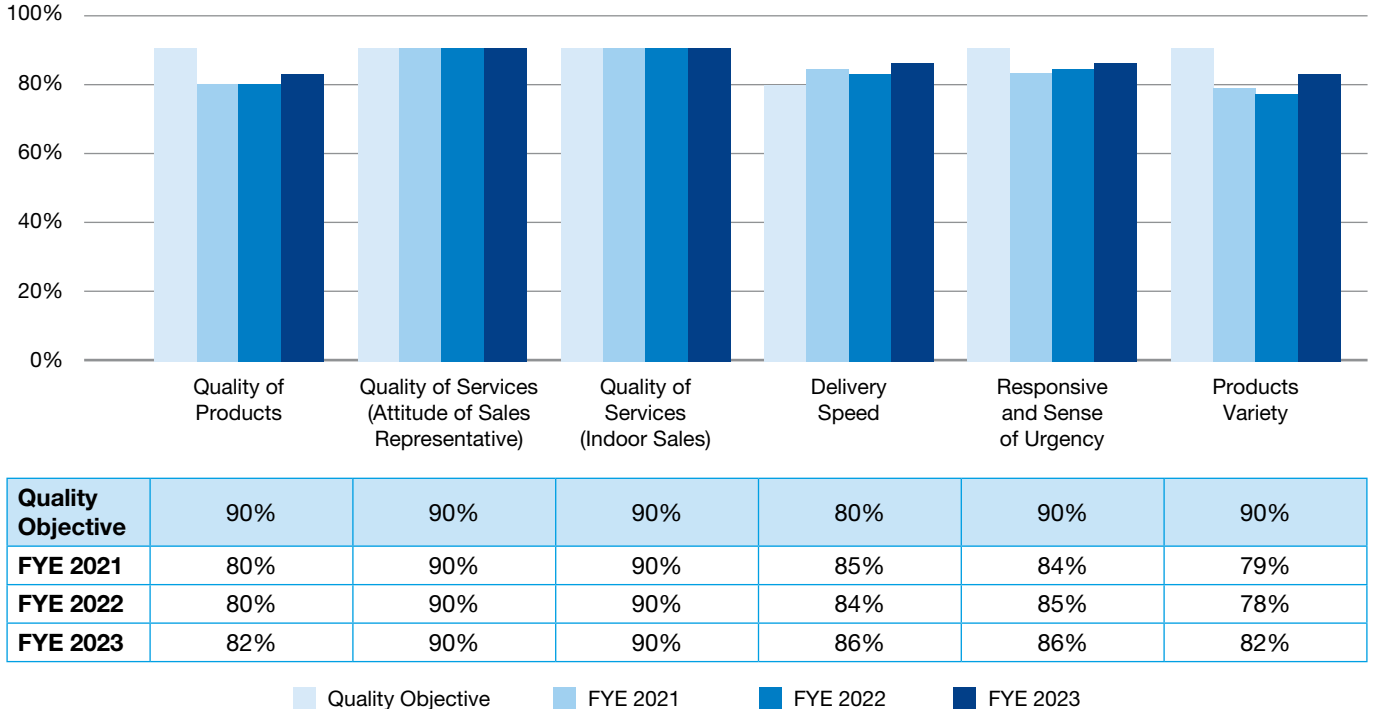
Objective: To meet various Quality Objectives ranging from 80% to 90%

At CEKD, we attempt to respond for any enquiries, feedback and comments from our customers in a timely manner. In general, all enquiries, feedbacks and comments shall be addressed and responded within a target of two (2) working days. All feedbacks and comments, regardless of positive or negative, are taken constructively for our continuous improvements.

Besides, customer survey is carried out every year to gauge our customers satisfaction level, keep track of the quality of our products and services as well as to identify any areas of improvement. The said customer survey is conducted with a rating approach, covering several quality objectives such as quality of products and services, delivery speed, responsiveness and sense of urgency, as well as product variety. Customers are required to express their satisfaction level by marking at the “Excellent, Good, Fair, or Poor” column respectively in the customer survey form. This feedback mechanism enables us to gain valuable insights into our performance and allows us to better tailor ourselves to customers’ needs in order to elevate our business operations.

For the FYE 2023, we have gathered the data from our client feedback survey and concluded that we have achieved improvement in most of the quality objectives as compared to the previous financial years, as illustrated below: -

**Annual Customer Survey
(Quality Objective Achievement in FYE 2021 vs FYE 2022 vs FYE 2023)**



Based on the data gathered from our internal assessment carried out in FYE 2023, we acknowledge that there is still room for improvement in certain quality objectives set. Moving forward, we intend to focus on improving at the areas where we have yet to meet the relevant quality objectives set so as to ensure our customers have the best experience, quality and product variety that we can provide.

SUSTAINABILITY STATEMENT 2023 (CONT'D)

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ENVIRONMENT



MATERIAL MANAGEMENT

*Objective: - To ensure the raw materials used in our production processes are safe, reliable and meet the relevant regulatory standards
- To minimise the waste produced*

In alignment with SDG Target 12.2, our Group is committed to promote responsible consumption and sustainable production practices in our business operation.

As part of our sustainability initiatives, our raw materials such as wood, steel rule, and ejectors were sent to Eurofins NM Laboratory Sdn Bhd and Société Générale de Surveillance (“SGS”) for testing on a sampling basis. The said testing is to ensure that our raw materials are environmentally friendly, safe, reliable and comply to all applicable regulatory standards. This has demonstrated our commitment towards responsible sourcing of raw materials.

In addition to responsible sourcing and procurement practices, we understand that efficient production procedures can reduce the usage of natural resources while saving our material costs. In this regard, we are dedicated to minimise our production wastage on our best effort basis.

We adopt innovative designs for our products, aiming to achieve efficient material usage while taking precise measurements according to the die-cutting design. We also pursue a sustainable waste management strategy through recycling and re-use options for the remaining usable raw materials.

For any recyclable waste, we promote proper recycling to maximise the resources recovery, whereas the non-recyclable waste, such as hydraulic oil and waste acid, is properly stored and disposed through licensed scheduled waste contractors in compliance with the Environment Quality (Scheduled Wastes) Regulations 2005. For FYE 2023, we are pleased to report that we have not receive any fines or non-monetary sanctions in regards to non-compliance to environmental laws and regulations.



WORKPLACE SUSTAINABILITY

Objective: To promote environmental sustainability within workplace

Our commitment to environmental sustainability extends to our workplace where we encourage our employees to be environmentally conscious so as to contribute to a cleaner and more sustainable future. During FYE 2023, we have implemented a series of modest yet meaningful initiatives as part of our responsibility to protect the environment. These initiatives include: -

- Switch off unused electrical appliances and lights when not in use for energy saving;
- Adopt light switch timer at common office areas to conserve energy;
- Use battery operated forklifts in factories to eliminate the use of fossil fuel and the generation of harmful gas;
- Strongly encourage employees to carpool and use public transport for business travelling, and to conduct online meetings whenever possible so as to reduce carbon footprint; and
- Practice 3Rs (Reduce, Reuse, Recycle) in both the office and factory. For example, we recycle the leftover materials into furniture such as tables and whiteboard stand for our own office use.

SUSTAINABILITY STATEMENT 2023

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SOCIAL



OCCUPATIONAL SAFETY & HEALTH ("OSH")

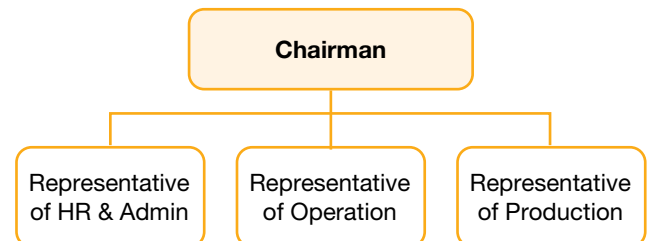
Objective: To maintain a safe working environment

We believe that a strong, healthy and safe workplace is the cornerstone for our business to thrive as it underpins both our operational productivity and business continuity. In line with SDG Target 8.8, we are dedicated to create a safe and healthy working environment. This commitment is embodied in our Health, Safety and Environmental ("HSE") Policy, outlining the HSE practices to be applied by our people across the Group, as follows: -

HSE POLICY	
1.	Provide and maintain a clean and safe working environment for our employees;
2.	Provide training to our employees to perform their jobs safely;
3.	Report to the Management for any unhealthy or unsafe working conditions that may affect the employees or the environment, and take the relevant corrective measures promptly;
4.	Plan, evaluate and implement actions that are appropriate to minimise the business operations' impact towards the environment; and
5.	All employees must adhere to HSE Policy at all times.



The abovementioned HSE Policy is executed and closely monitored by our Health and Safety Committee to ensure the effective implementation and continuous improvement of our OSH initiatives at all times. The Health and Safety Committee comprises representatives from the human resources & administration department, operation department and production department, where all led by Ms. Yap Kai Min, our Executive Director/Chief Operation Officer, who is overseeing the Group's operations as a whole.



Workplace Injury

0 case reported

In FYE 2023

We are proud to report that, thanks to our rigorous OSH management, we have continued to maintain another year of injury-free workplace in FYE 2023. Furthermore, we are also pleased to announced that we have not received any fines or non-monetary sanctions in regards to non-compliance of OSH matters.

Meanwhile, we have conducted the following safety-related trainings to ensure that our people adhere to the best OSH practices and guidelines: -

OSH Trainings Conducted During FYE 2023	
20 & 21/3/2023	JKKP - Stepwise Osh Level
14/8/2023	Bomba - Fire Drill
9 & 12/10/2023	JKKP - Osh Coordinator
16/8/2023	Safety Awareness on Forklift Operation
22/8/2023	Internal Safety Training

SUSTAINABILITY STATEMENT 2023
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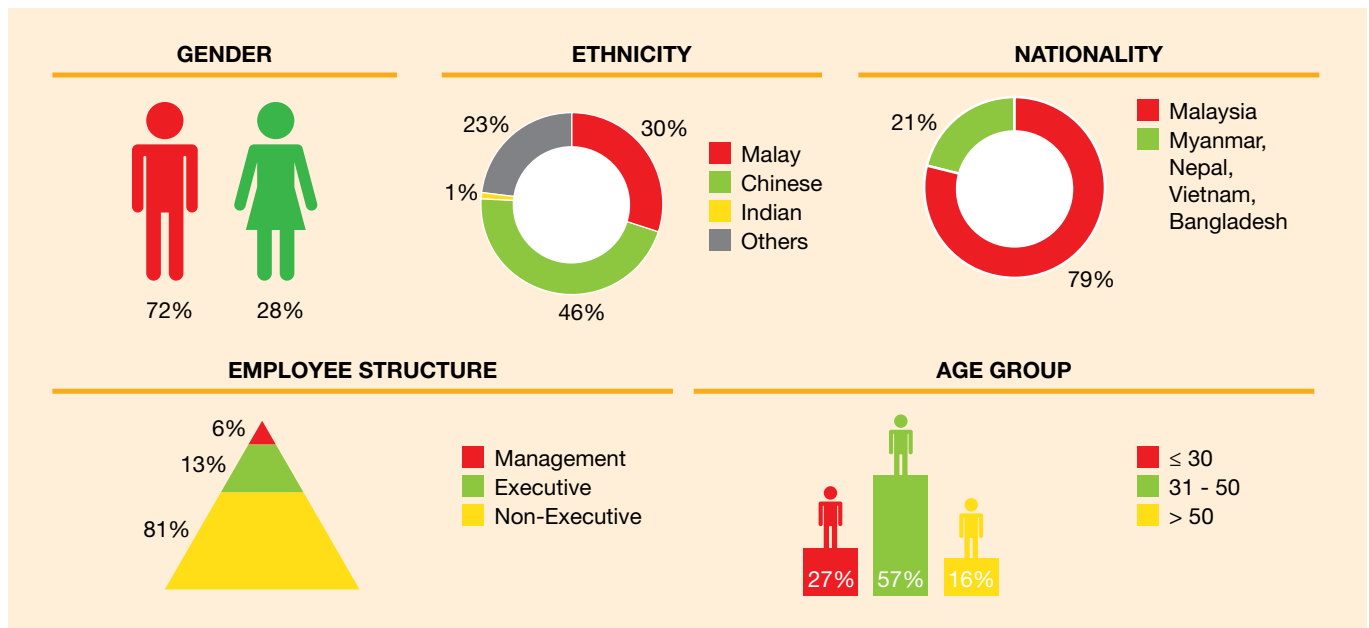
WORKFORCE DIVERSITY

Objective: To manage employee turnover rate within 20%

Having a diverse workplace creates a conducive environment for our people in which we believe that this will ultimately contribute to our long-term growth and success. With this belief, we embrace inclusivity and diversity by providing equal opportunities to our people, regardless of gender, race, age, nationality nor religion, to take part in bringing our Group to a greater height.

On 23 October 2023, the Board has formalised and adopted a Gender Diversity Policy, which has further demonstrated our commitments towards equality and gender diversity in the boardroom as well as senior management in line with SDG Target 10.3. The said policy is made available for public's reference on the Company's website at <http://www.cekd.com.my/policy-disclosures>.

As at 31 August 2023, our workforce consists of 202 employees from diverse backgrounds, analysed as follows: -



With SDG Target 5.5 in mind, gender equality is also reflected in our Board composition where we have 43% women representation. Moreover, key managerial positions within the Group, including the Managing Director, Executive Director/Chief Operation Officer and CFO, are all held by women.

Meanwhile, as part of the social responsibility, we are actively involved in addressing the aging population issue in Malaysia by offering employment opportunities to retirees. As of FYE 2023, 5% of our total workforce comprises of individuals aged 60 and above.

On a separate note, employee loyalty is one of our key focuses in building a sustainable business. We are pleased to report that we have maintained a similar level of employee turnover rate at 18% for the FYE 2023. Looking ahead, we strive to effectively manage, attract and retain the right talents for our long-term success.



SUSTAINABILITY STATEMENT 2023 (CONT'D)

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SOCIAL



EMPLOYEE TRAINING & DEVELOPMENT

Objective: To have at least 5% of the total employees to attend training annually

We recognise the importance of providing training and development to our employees as it has positive correlation to the long-term growth and success of the Group. In this aspect, we offer a combination of both in-house and external training programmes which are designed to equip our people with the latest job-related knowledge and skills.

During FYE 2023, our employees have joined a series of training programmes as follows: -

Trainings Programmes Attended During FYE 2023	
1/9/2022	Business English
14 - 16/10/2022	Make Your Business Auto-Pilot
22/12/2022 & 1/6/2023	On Board Training - Company Introduction
28/4/2023	BOBST - Tooling & Die Maker
31/5/2023	Product Training by CITO
31/7/2023	Elevating Employee Engagement Workshop
31/7/2023	Coaching Strategies for Inspiring Employee Engagement
23 & 24/3/2023	Budget 2023
29/8/2023	JKKP - Bengkel Kualiti dan Produktiviti

On top of the training programmes listed above, we recognise the importance of on-the-job training, where the junior employees are guided by their respective senior or supervisor, fostering a culture of knowledge-sharing and skill transfer within the organisation.

For FYE 2023, we have invested a total sum of RM9,000 for the training and development of our employees and we believe that this amount spent on our employees is an investment in our future. Moreover, we are pleased to announce that we have successfully achieved our target of getting at least 5% of our total employees to attend training annually.

Aside from operations, our commitment to sustainability is further reinforced at our Board level. In an effort to stay informed on the latest sustainability developments, all our Directors have attended a sustainability-focused online forum organised by Bursa Securities, titled “Digital4ESG Forum: Exploring the Intersection of Digitalisation and ESG” on 10 May 2023. This event was conducted on a panel sharing approach, covering several sustainability and Environment, Social and Governance (“ESG”) topics, as follows: -



- Bursa Securities and early adopters’ aspiration in catalysing green economy;
- Opportunities and challenges in green financing;
- ESG standards within the Malaysian Regulatory context; and
- How digitalisation enables high quality ESG reporting and analytics for mid & small public listed companies.

SUSTAINABILITY STATEMENT 2023 (CONT'D)

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SOCIAL



EMPLOYEE ENGAGEMENT

Objective: To build a conducive working environment

We recognise that an engaged and motivated workforce is vital to achieve our business objectives and sustain long-term success. Hence, we strive to create a working environment where every employee feels valued, motivated and aligned with the Company's vision, mission and motto. In this regard, we cherish and promote positive relationships among employees by organising company activities and events that foster team building spirit. These initiatives not only stimulate stronger teamwork but also facilitate the communication among employees across different levels within the Group.

During FYE 2023, we have carried out the following events and activities within the Group: -

Chinese New Year Celebration

Gong Xi Fa Cai! As we kick start the auspicious start of the lunar calendar, we joyously celebrated Chinese New Year with a lively Lion Dance on 4 February 2023. This cherished tradition marked the beginning of a new year of prosperity and good fortune, not only signifying the festive spirit but also serving as a symbolic commencement of a successful year ahead for our team. It sets a positive tone for the year, fostering our team spirit and unity as we embark on new challenges together.



Marathon Day at Cyberjaya

Promoting a healthy work-life balance is integral to our sustainability values. On 12 March 2023, we participated the Marathon Day at Cyberjaya. This event is a testament to our commitment to physical fitness and team spirit as it not only encourages an active lifestyle but also strengthens the bonds among colleagues, thereby creating a supportive and dynamic work environment.



Buka Puasa

At CEKD, we embrace cultural diversity. In the spirit of understanding and respect for diverse traditions, we organised a "Buka Puasa" event on 9 April 2023. This event underscores our commitment to religious diversity and inclusivity. By creating a space for employees to share in the traditions and customs of Ramadan, we aim to strengthen the bonds among our diverse workforce so as to promote a workplace culture built on respect, understanding and unity.

Futsal Night

Teamwork, collaboration and friendly competition are key elements of our company culture. This year, Futsal Night is a monthly highlight on our social calendar, bringing employees together for an evening of fun and sportsmanship. This event not only promotes a healthy and active lifestyle but also strengthens the camaraderie among our team members. Through activities like Futsal Night, we aim to create a workplace where collaboration thrives both inside and outside the office.



COMMUNITY OUTREACH

Objective: To enrich the community



Beyond integrating sustainability into our operations, we cherish the connections with local communities by taking care of their goodwill and well-being. We are committed to fulfil our role as a socially responsible company with the objective to make a positive impact to the local community.

In this regard, we are delighted to share that we have made small but positive contribution to our community via donations to a non-profit organisation, namely "Rumah Charis" during FYE 2023.

Rumah Charis is a non-profit Christian based organisation who serve the underprivileged children, youth and the aged people. Rumah Charis is offering social services that provide spiritual guidance, shelter, education and healthy community activities for more than 25 years. We have donated RM1,500 to Rumah Charis with the aim of supporting their daily operation needs, which in turn to support for a better community.

We believe that even a modest contribution can have a positive impact on the lives of those in need. As we move forward, we will continue to build the goodwill and trust within the community so as to contribute to the betterment of the society.

SUSTAINABILITY STATEMENT 2023 (CONT'D)

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GOVERNANCE



REGULATORY COMPLIANCE

Objective: To comply with all applicable laws and regulations

Laws and regulations set the tone for ethical conducts in today's business world. Within Malaysia's regulatory framework, we strictly adhere to all applicable rules, laws and regulations at all times. To facilitate such regulatory compliance, we have implemented a series of Standard Operating Procedures ("SOPs") across the Group, serving as the comprehensive guidelines for all employees to carry out their duties and responsibilities diligently and properly.

Our commitment towards regulatory compliance extends to environmental regulations, labour laws and all other statutory requirements relevant to our industry. The major laws and regulations which are applicable to our business include: -

- Environment Quality (Scheduled Wastes) Regulations 2005;
- Factories and Machinery Act 1967;
- Employment Act 1955;
- Minimum Wages Order 2022; and
- Occupational Safety and Health Act 1994.

We are pleased to announce that no fines or penalties were imposed on our Group by any regulatory authorities in relation to the violations of relevant laws and regulations during FYE 2023.

**Regulatory
Non-compliance**

0 case reported
In FYE 2023



ETHICAL BUSINESS CONDUCTS

Objective: To instil ethical business dealings and conducts

In the pursuit of the Group's long-term growth and success, we always prioritise business integrity and professionalism as the fundamental principles of the Group. We believe that conducting business ethically is not just a legal obligation but a moral imperative that fosters trust and positive corporate reputation as a whole which will ultimately contribute to the long-term sustainability of our business.

To this end, we have implemented the Code of Conduct and Ethics ("the Code") as a comprehensive guiding principle for all employees to ensure that our business operations are conducted with responsibility, transparency, integrity and fairness.

In alignment to SDG Target 16.5 and in compliance with the Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009, the Group has implemented an Anti-Bribery and Anti-Corruption Policy ("ABC Policy") to demonstrate our zero-tolerance against any form of bribery and/or corruption. The ABC Policy sets out adequate measures in addressing various potential bribery and/or corruption situation while indicating the consequences for violation of the said policy.



To facilitate the effective implementation of ABC Policy, a Whistleblowing Policy was also put in place to serve as an avenue for all employees or stakeholders to report on any potential wrongdoing, malpractices or misconducts across the Group. All whistleblowers who report in good faith will be protected under the Whistleblower Protection Act 2010, and any information received by the Group will be handled confidentially with the utmost discretion. An independent investigation will be conducted and appropriate actions will be taken thereafter.

All the Code, ABC Policy and the Whistleblowing Policy are published on the Company's website at <http://www.cekd.com.my/policy-disclosures>.

We are pleased to report that, no employees had been disciplined or dismissed, nor any public cases been brought against the Group and its employees due to non-compliance to the applicable laws and regulations. Hence, no fines or penalties were imposed to the Group during the FYE 2023.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board is dedicated to preserving strong corporate governance and ethical business practices throughout the Group by following the recommended best practices of the Malaysian Code on Corporate Governance (“MCCG”). The Board believes that implementing these practices is essential for the Group's long-term success, the improvement of shareholder value and the safeguarding of stakeholders' interests.

The Board is pleased to present this CG Statement, which provides an overview on the Board's initiatives and commitments in promoting good corporate governance across the Group during FYE 2023. This CG statement has been prepared in compliance with Rule 15.25(1) and Guidance Note 11 of the AMLR with reference to the following three (3) key corporate governance principles as guided by the MCCG: -

- (i) Principle A: Board Leadership and Effectiveness;
- (ii) Principle B: Effective Audit and Risk Management; and
- (iii) Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

This CG Statement shall be read together with the Company's CG Report 2023, which further outlined the details and explanations on the application of our corporate governance practices. The CG report is available on the Company's website at <http://www.cekd.com.my/annual-reports> as well as announcement made via Bursa Securities at <https://www.bursamalaysia.com/>.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

PART I – BOARD RESPONSIBILITIES

1 Board Stewardship

The Board leads CEKD and plays an important role in setting the Group's strategic directions and objectives, managing principal risks as well as determining resources allocation to ensure the Group's long-term sustainable growth. With the shareholders' and stakeholders' interest in mind, the Board has established the Group's vision, mission and motto, as follows: -

- Vision** • The Best Die Cutting Solution Provider in Asia Pacific
- Mission** • Create Values for Customers
• Continuous Improvement
- Motto** • Drive Towards Excellence

Furthermore, to secure the Group's longevity and sustainable growth, it is imperative for the Board to ensure the Senior Management possesses the necessary skills and experience. Additionally, there should be proper guidelines in place to facilitate orderly succession planning. To address this, on 23 October 2023, the Board adopted a Succession Planning Policy. This policy aims to identify and develop a pool of top performing or talented employees through mentoring, training and job rotation. The objective is to groom these individuals to eventually replace key business leaders when they vacate their position. The policy mandates the Management to periodically review and assess the overall progress and performance of these talented employees, ensuring they remain on the right track and aligned with the organisation goals and objectives. This process serves as an effective means of maintaining a strong leadership pipeline and securing the future success of the Group.

To enhance the execution of the Board's fiduciary duties, specific responsibilities and authorities have been delegated to the Board Committees, namely the AC, NC, RC and SRMC. Each Board Committee is executing their duties within the scope as guided by respective Terms of Reference, which can be accessed on the Company's website at <http://www.cekd.com.my/policy-disclosures>.

The Board is chaired by Dato' Zulkifli Bin Adnan, who, in his role as the Independent Non-Executive Chairman, bears the responsibility of overseeing the overall effectiveness of the Board and promoting sound corporate governance practices. The Chairman plays an active role in facilitating Board meetings, ensuring that all Directors are given the opportunity to participate in discussions and that all agenda items are thoroughly discussed.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART I – BOARD RESPONSIBILITIES (CONT'D)

1 Board Stewardship (Cont'd)

To maintain the balance of power and authority within the Board leadership, the positions of Board Chairman, Deputy Executive Chairman and Managing Director are held by three (3) different individuals. The Board Chairman, Dato' Zulkifli Bin Adnan, is mainly responsible for overseeing the Board's overall effectiveness and encourage the adoption of sound corporate governance. In contrast, the Deputy Executive Chairman, Mr. Yap Tian Tion, focuses on shaping the Group's overall business strategy and direction. Meanwhile, the Managing Director, Ms. Yap Kai Ning, is entrusted with managing the implementation of the Group's overall strategic plans and policies in daily operations.

As per outline in Practice 1.4 of the MCCG, the Board Chairman does not serve as a member of the AC, NC and RC to ensure there is check and balance and objective reviews of feedbacks from Board Committees. This is also to ensure the independence and objectivity during the Board meetings and Board Committee meetings. However, the Chairman has attended AC meetings upon invitation to offer additional insights. His attendance has not undermined his objectivity or that of the AC when deliberating on resolution, proposals and matters presented by the Board Committees, as he refrained from participating in deliberations or decision-making processes. Moving forward, to mitigate potential bias in decision-making, the Chairman has refrained from participating in AC meetings since 30 January 2023.

During FYE 2023, the Board is supported by two (2) suitably qualified and competent company secretaries, namely Ms. Teo Soon Mei and Ms. Lim Jia Huey. Both company secretaries are members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA"). The company secretaries play an advisory role, particularly on corporate administrative matters, corporate governance and meeting proceedings. During the FYE 2023, the company secretaries attended all Board and Board Committee meetings.

As per Board Charter, the Board is required to meet at least four (4) times in a year, with additional meetings convened as and when necessary. Furthermore, all Directors are expected to achieve at least 50% attendance of total meetings as required by the AMLR.

There were five (5) Board meetings held during FYE 2023. The meeting attendance of the Directors held at office during the financial year are set out below: -

Director	Number of Meetings Held During Director's Tenure of Office	Meeting Attendance	Percentage of Attendance
Dato' Zulkifli Bin Adnan	5	5	100%
Yap Tian Tion	5	5	100%
Yap Kai Ning	5	4	80%
Chong Chin Look	5	5	100%
Datuk Mak Foo Wei	5	3	60%
Choo Yem Kuen	5	5	100%
Yap Kai Min (Appointed on 25/10/2022)	4	4	100%

According to the Board Charter, notice of Board meetings, along with the Board papers and agenda items, must be distributed to Directors at least seven (7) days in advance of the meetings. This practice ensures that all Directors have ample time to review and deliberate on the topics slated for discussion, allowing them, if needed, to acquire additional information to support their decision-making process at the meeting.

Furthermore, all Directors have full and unrestricted access to all information concerning the Group's business and affair. The Directors, on the Board's discretion, can also invite Senior Management or external parties to aid in their decision-making process and effective discharge of duties and responsibilities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART I – BOARD RESPONSIBILITIES (CONT'D)

2 Delegation of Responsibilities

As part of practice outlined in MCCG, the Board has implemented a Board Charter, serving as a guidance for Directors to effectively fulfil and discharge their responsibilities. The Board Charter establishes the Board structure, company secretary, Board Committees, roles and responsibilities of the Board, Chairman/ Deputy Chairman, Executive Directors, Independent Non-Executive Director, Board procedures, the Board's relationship with shareholders and investors as well as corporate disclosures.

The Board will periodically review the Board Charter to ensure its consistency with its objectives, responsibilities and existing regulatory requirements. The latest Board Charter is published and available on the Company's website at <http://www.cekd.com.my/policy-disclosures>.

3 Ethics and Integrity

3.1 The Code

The Group is committed to conduct its business dealings fairly, impartially and in full compliance with all the applicable laws and regulations. As such, the Board has adopted the Code to uphold the Group's professionalism, honesty and integrity at all times. The Code shall serve as a reference for all levels of employees in all areas within employees' conduct and business conduct.

3.2 ABC Policy

In compliance with Section 17A of MACC Act, the Board has endorsed an ABC Policy to promote integrity, honesty and transparency in their business activities. The Group is committed to maintaining a zero-tolerance policy against all kinds of bribery and corruption. Therefore, the ABC policy shall serve as the guideline for Directors and employees on how to address bribery and other corrupt activities that may arise during business operations.

3.3 Whistleblowing Policy

To facilitate the Code and ABC Policy's execution, the Board has introduced a Whistleblowing Policy. This policy is established to encourage all Directors, employees and other stakeholder to voice legitimate concerns regarding any unethical behaviour, malpractices or misconduct without fear of reprisal. Reports can be submitted to the Chairman of SRMC through post or email as outlined in the Whistleblowing Policy, ensuring the confidentiality of all whistleblowers.

3.4 Directors' Fit and Proper Policy

In accordance with the latest listing requirements, the Board has implemented the Directors' Fit and Proper Policy to ensure that Directors possess the character, experience, integrity, competence and time required for effective discharge of their responsibilities. This policy serves as a guideline for reviewing candidates for appointment and re-appointment.

The Code, ABC Policy, Whistleblowing Policy and Directors' Fit and Proper Policy ("the policies") shall be reviewed on periodic basis to ensure that it remains relevant and compliant with all applicable laws and regulations. All the policies are published on the Company's website for public's reference at <http://www.cekd.com.my/policy-disclosures>.

For the FYE 2023, the Board is pleased to inform that the Company has not received any report made by any whistleblower in relation to any breach of the Company's policies or applicable laws and regulations.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART I – BOARD RESPONSIBILITIES (CONT'D)

4 Sustainability Governance

The Board recognises the growing importance of sustainability in business management and maintains its primary responsibility for managing the Group's sustainability, which includes establishing and supervising sustainability strategies, priorities and objectives.

To effectively manage the Group's sustainability risks and opportunities, the Board conducts an assessment of material matters. This assessment helps to identify and prioritise EESG related risks and opportunities. Based on the outcomes of the assessment, the Board formulates sustainable strategies that align with the United Nations' seventeen (17) Sustainable Development Goals introduced in 2015. These strategies are aimed at addressing the identified EESG priorities and contributing towards a more sustainable future. For more comprehensive information on the Group's sustainability management, including specific initiatives and performance indicators, please refer to the Sustainability Statement available in this Annual Report.

In FYE 2023, the Board established a sustainability governance structure and redesignated the RMC to SRMC. SRMC's main responsibility is to oversee the implementation and integration of sustainability initiatives and strategies within the Group. Within the SRMC, the Board established a Group Sustainability Overnight Unit, led by the Executive Director/Chief Operation Officer, to provide assistance to the SRMC to discharge their duties and responsibilities. The Group Sustainability Oversight Unit is responsible for overseeing sustainability performance, as well as reporting to the SRMC on the overall operational management of sustainability matters.

The Board ensures that both internal and external stakeholders are thoroughly informed about the Group's sustainability strategies, priorities, targets and performance through the comprehensive details provided in the Sustainability Statement within this Annual Report.

In order to stay updated with the latest trend on sustainability, the Board members attended sustainability training, namely Digital 4ESG Forum: Exploring the Intersection of Digitalisation and ESG on 10 May 2023. Furthermore, the Board is committed to having accountability towards the Group's sustainability management. The NC has ensured the implementation of performance evaluations related to sustainability, including sustainability strategies within EESG, sustainability programme development, monitoring SDG progress, and knowledge regarding sustainability risks and opportunities. In FYE 2023, individual directors have submitted their evaluations of duties and responsibility of the Board on the Group's sustainability management. Additionally, the NC has assessed the performance of SRMC with regards to the duties and function discharged relating to sustainability management.

PART II – BOARD COMPOSITION

5 Board Diversity and Objectivity

The current composition of the Board consists of seven (7) Directors, including four (4) Independent Non-Executive Directors and three (3) Executive Directors, as follows: -

Name	Directorship
Dato' Zulkifli Bin Adnan	Independent Non-Executive Chairman
Yap Tian Tion	Deputy Executive Chairman
Yap Kai Ning	Managing Director
Yap Kai Min (<i>Appointed on 25/10/2022</i>)	Executive Director/Chief Operation Officer
Chong Chin Look	Independent Non-Executive Director
Datuk Mak Foo Wei	Independent Non-Executive Director
Choo Yem Kuen	Independent Non-Executive Director

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART II – BOARD COMPOSITION (CONT'D)

5 Board Diversity and Objectivity (Cont'd)

Refer to the Rule 15.02 of the AMLR, it requires the Board composition having either a minimum of two (2) Independent Directors or one-third (1/3) of the Board as Independent Directors, whichever is greater. Additionally, it adheres to the MCCG, which requires that at least half of the Board should consist of Independent Directors. Based on the current Board composition, there are majority Independent Directors in place to support an objective and independent decision-making process in the boardroom so as to better safeguard the interest of our shareholders and other stakeholders. The details of profiles of each Director are set out in the Board of Directors' Profile in this Annual Report.

Aside from its independence and objectivity, the Board also recognises the significance of having a diverse Board with an appropriate mix of skills, professional experience, age, gender, cultural background and ethnicity to develop a wide range of ideas and perspectives to support the Group's sustainable business development. In this regard, the Board has introduced a Directors' Fit and Proper Policy and Gender Diversity Policy ("the said Policies") which have outlined the prescribed criteria and support towards the boardroom diversity for the consideration by NC and the Board for the proposed appointment and re-appointment of Directors. The fit and proper criteria of a Director includes, but not limited to, character and integrity, experience and competence as well as time and commitment. The said policies are published on the Company's website at <http://www.cekd.com.my/policy-disclosures> for public's reference.

Currently, the Board consists of a diverse pool of talents from various fields, ranging from experienced senior public services to manufacturing, accounting and legal backgrounds. As a whole, the Board possesses a wide range of competencies, capabilities, technical skills and relevant working experience to ensure a well-functioning organisation and sustainable development of the Group.

In terms of gender diversity, the present Board reflects 43% female representatives, which exceeded the gender diversity requirement of having at least 30% female Board representation as advocated by the MCCG. On 23 October 2023, the Board has also formalised and adopted a Gender Diversity Policy to promote a more diverse and inclusive Board and Management level for continuous improvement and business success. The said policy is made available on the Company's website at <http://www.cekd.com.my/policy-disclosures>.

To-date, none of the Independent Non-Executive Directors has served the Company in the Board for more than nine (9) years. Based on the Company's Board Charter, the Company has a policy to limit the tenure of Independent Directors to nine (9) years. In the event an Independent Director serves the Company for a cumulative term of more than nine (9) years, such Independent Director may continue to serve on the Board subject to the Directors' re-designation as Non-Independent Director. Nonetheless, should the Board intend to retain such Director as Independent Director, the Board will justify its decision and seek the shareholders' approval via a two-tier voting process at the Annual General Meeting ("AGM").

Furthermore, in accordance with Clause 84 of Company's Constitution, one third (1/3) of the Directors with the longest tenure are required to retire by rotation at each AGM and all Directors are share retire at least once every three (3) year. In addition, newly appointed Directors shall also retire at the next AGM. Retiring Directors are eligible for re-election at each AGM. However, prior to re-election, retiring Directors have to undergo evaluation by the NC, who will assess them based on the criteria outlined in the Director's Fit and Proper Policy.

In CEKD, the NC is responsible for supervising the selection, appointment and re-appointment of Directors and assessing their performance on an ongoing basis. Hence, to ensure objectivity in decision making, the NC comprises only Independent Non-Executive Directors, as outlined below: -

Designation	Director	Directorship
Chairperson	Choo Yem Kuen	Independent Non-Executive Director
Member	Datuk Mak Foo Wei	Independent Non-Executive Director
Member	Chong Chin Look	Independent Non-Executive Director

The roles and responsibilities of the NC are detailed in its Terms of Reference, which can be accessed on the Company's website at <http://www.cekd.com.my/policy-disclosures>.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART II – BOARD COMPOSITION (CONT'D)

5 Board Diversity and Objectivity (Cont'd)

During FYE 2023, NC has performed their duties and responsibilities effectively, as outlined below: -

- (i) Reviewed the Board composition and made recommendations to the Board for changes in compliance with the best practices in MCCG;
- (ii) Evaluated the performance and effectiveness of individual Directors, the Board and Board Committees;
- (iii) Reviewed the term of office and the performance of the AC and each of its members;
- (iv) Reviewed the length of service and independence of each Independent Non-Executive Director;
- (v) Reviewed the tenure of each Director and recommend the re-election of retiring Directors at the forthcoming AGM;
- (vi) Evaluated and recommended the appointment of Ms. Yap Kai Min as Executive Director of the Company;
- (vii) Reviewed the meeting attendance of the Board and sufficiency of time commitment in performing their roles and responsibilities; and
- (viii) Reviewed the training programmes attended by the Directors and the training needs of Directors for FYE 2023.

Other than Board composition and diversity, all Directors are required to attend various training programmes to further promote the Board's effectiveness in discharging their duties. During FYE 2023, the Directors have attended the following training programmes: -

Director	Date	Training Programme/Seminar
Dato' Zulkifli Bin Adnan	13/3/2023	Bursa Malaysia Immersive Session: The Board "Agender"
	10/5/2023	Digital 4ESG Forum: Exploring the Intersection of Digitalisation and ESG
Yap Tian Tion	10/5/2023	Digital 4ESG Forum: Exploring the Intersection of Digitalisation and ESG
	7/8/2023	Rethinking Balance Sheets: Addressing Performance Decline vide Restructuring
Yap Kai Ning	23-24/3/2023	Budget 2023: Exciting 2 Days Tax Planning with Latest Tax Changes for the New Economic Cycle
	10/5/2023	Digital 4ESG Forum: Exploring the Intersection of Digitalisation and ESG
Yap Kai Min	10/5/2023	Digital 4ESG Forum: Exploring the Intersection of Digitalisation and ESG
Chong Chin Look	10/5/2023	Digital 4ESG Forum: Exploring the Intersection of Digitalisation and ESG
Datuk Mak Foo Wei	10/5/2023	Digital 4ESG Forum: Exploring the Intersection of Digitalisation and ESG
Choo Yem Kuen	10/5/2023	Digital 4ESG Forum: Exploring the Intersection of Digitalisation and ESG
	7/8/2023	Rethinking Balance Sheets: Addressing Performance Decline vide Restructuring

6 Overall Effectiveness of The Board

The NC will conduct an annual evaluation on the performance of the Board, Board Committee and individual Directors to determine their effectiveness. The evaluation was conducted by means of both self-evaluation and peers' evaluation via digital assessment forms distributed to all Board members. The company secretaries have facilitated the conduct of performance evaluation. Details of the performance evaluation criteria adopted have been set out in the CG Report.

Based on the assessment results in FYE 2023, the NC and the Board concluded that the Board, Board Committees and individual Directors have performed their duties and responsibilities satisfactorily and effectively throughout the year. The overall composition of the Board and the Board Committees in terms of size, skills mix, core competencies and experiences were also found to be balanced and appropriate.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)**PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****PART III – REMUNERATION****7 Remuneration Policy**

In compliance with MCG Practice 7.1, the Board has implemented a Remuneration Framework, which will serve as a guide to determine the remuneration package of Directors and Senior Management. The framework aims to make the remuneration structure competitive and fair in the marketplace to attract, retain, motivate and reward the Executive Directors and Senior Management.

The Remuneration Framework determines Non-Executive Directors' remuneration based on their experience, competence, level of responsibilities and time commitment. Meanwhile, for Executive Directors and Senior Management, the remuneration structure is tied to the Group's overall performance and the achievement of their individual annual Key Performance Indicators ("KPIs").

To facilitate the implementation of the remuneration policies and procedures, the Board has established the RC, which consists of solely Independent Non-Executive Directors. The present members of the RC are: -

Designation	Director	Directorship
Chairman	Datuk Mak Foo Wei	Independent Non-Executive Director
Member	Chong Chin Look	Independent Non-Executive Director
Member	Choo Yem Kuen	Independent Non-Executive Director

In CEKD, the RC is responsible for reviewing, recommending and ensuring that remuneration packages are fair and competitive, as outlined in the Remuneration Framework, for Directors and Senior Management. Furthermore, the RC will assess the Remuneration Framework periodically to ensure its relevance and effectiveness. The roles and responsibilities of the RC are outlined in the Terms of Reference, which is publicly accessible on the Company's website at <http://www.cekd.com.my/policy-disclosures>.

The RC will meet up at least once a year to discuss on remuneration issues. To ensure a fair and transparent, every Director must abstain from participating in discussions and voting on issues related to their own remuneration.

8 Remuneration of Directors and Senior Management

The details of the remuneration of all the Directors for the FYE 2023 are disclosed as follows: -

Director	Company		Group						
	Fees (RM'000)	Meeting Allowance (RM'000)	Fee (RM'000)	Meeting Allowance (RM'000)	Salary (RM'000)	Bonus (RM'000)	Company Contributions (RM'000)	Other Emoluments (RM'000)	Benefits-in-Kind (RM'000)
Dato' Zulkifli Bin Adnan	60.0	3.5	60.0	3.5	-	-	-	-	-
Yap Tian Tion	-	-	-	-	151.2	227.0	47.7	-	-
Yap Kai Ning	-	-	-	-	151.2	198.5	49.9	-	-
Datuk Mak Foo Wei	42.0	3.0	42.0	3.0	-	-	-	-	-
Chong Chin Look	42.0	3.5	42.0	3.5	-	-	-	-	-
Choo Yem Kuen	42.0	3.5	42.0	3.5	-	-	-	-	-
Yap Kai Min	-	-	-	-	151.0	156.8	33.7	-	-
Total	186.0	13.5	186.0	13.5	453.4	582.3	131.3	-	-

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART III – REMUNERATION (CONT'D)

8 Remuneration of Directors and Senior Management (Cont'd)

Apart from recommending the remuneration package of the Board, the remuneration of the Senior Management (where they are not a Director of the Company) also be reviewed and recommended by the RC for Board's consideration. In determining the remuneration for the Senior Management, the RC should ensure that the rewards are in line with the following key objectives: -

- (i) The offer is sufficient to attract and retain the best candidate in the short term;
- (ii) The incentives offered are appropriate to motivate the Senior Management to perform at their maximum on a continuous basis; and
- (iii) The Senior Management's remuneration is aligned with shareholder value whilst creating an effective "golden handcuff" in the long term.

In terms of Senior Management, the Board believes that disclosing the top five (5) Senior Management remuneration by name may not in the best interest of the Company, given that such disclosure could lead to talent retention issues, especially in the highly competitive industry. Hence, the Board decided that disclosing the remuneration of the Senior Management in bands of RM50,000 on an unnamed basis is sufficient for compliance with the Malaysian Financial Reporting Standards ("MFRS") and the MCGG. Nonetheless, the RC will ensure that the remuneration package is competitive to attract, retain and incentivise the Senior Management. Remuneration package including annual increment and bonus is linked to performance.

In FYE 2023, the Senior Management's total remuneration and benefits are listed below.

Range of Remuneration	Number of Senior Management
RM50,000 to RM100,000	-
RM100,000 to RM150,000	-
RM150,000 to RM200,000	1

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I – AUDIT COMMITTEE

9 Effectiveness of Audit Committee

The current AC consists solely of three (3) Independent Non-Executive Directors as listed below: -

Designation	Name	Directorship
Chairman	Chong Chin Look	Independent Non-Executive Director
Member	Datuk Mak Foo Wei	Independent Non-Executive Director
Member	Choo Yem Kuen	Independent Non-Executive Director

The AC primarily oversees the integrity of the Group's corporate accounting and financial reporting. To maintain independence and objectivity, there is a separation of position where the Chairman of the Board and the Chairman of the AC are held by two (2) different individuals. The AC is chaired by Mr. Chong Chin Look, who is an Independent Non-Executive Director for the Group.

Furthermore, before being appointed as members of the AC, the Group's Terms of Reference requires any former key audit partner of the Group to observe a cooling-off period of at least three (3) years. To-date, none of the current AC member is a former key audit partner involved in the auditing of the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

PART I – AUDIT COMMITTEE (CONT'D)

9 Effectiveness of Audit Committee (Cont'd)

In compliance with the MCCG, the AC members are required to be financial literate, competent and understands the Group's financial information and reporting process. Mr. Chong Chin Look, the AC Chairman, is a member of the MICPA and MIA. Datuk Mak Foo Wei has over 26 years of experience in the legal field, whereas Ms. Choo Yem Kuen, a practicing lawyer, brings more than 34 years of expertise, particularly in corporate advisory work. Despite only one-third (1/3) of the AC being members of a professional accounting body, all AC members are financial literate and have actively engaged continuous professional development to stay current with the latest accounting and auditing standards.

As guided by the Terms of Reference, the AC shall perform annual evaluations on the suitability, objectivity and independence of external auditors, as well as their provision of audit and non-audit services, by taking into consideration the following: -

- (i) Independence of the external audit firm;
- (ii) The adequacy in terms of the suitability, competency, experience and quality of the external auditor;
- (iii) The external auditor's capacity, resources and ability to meet deadlines and respond to issues in a timely manner, as observed in the Audit Planning Memorandum; and
- (iv) The nature and extent of the non-audit services provided by the external auditor and fees paid for such services.

In the event when the auditor resigns, the AC will inquire and consider the reasons for their resignation and report the same to the Board. Following this, the AC will assess and make recommendations for new auditors in compliance with the above criteria. In FYE 2023, Ecovis Malaysia PLT resigned as the Company's external auditor due to disagreement on audit fee and disbursements. The Board, with the recommendations from the AC, has appointed TGS TW PLT as the new auditors in place of the resigned external auditors.

During the audit engagement for FYE 2023, the external auditors confirmed their independence to the Board. After a thorough evaluation, the AC is satisfied with their independence and suitability. Therefore, the re-appointment of TGS TW PLT as the Group's external auditors for financial year ending 31 August 2024 will be recommended to shareholders at the upcoming 6th AGM.

PART II – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

10 Adequate Risk Management and Internal Control

The Board is committed to having a robust system of risk management and internal control. Hence, an Enterprise Risk Management ("ERM") framework was adopted to serve as a guideline in managing risk to the Board. The ERM defines the procedures for managing potential risks or emerging structural weaknesses that could hinder the Group's progress towards its business objectives.

To ensure effective risk management framework and policies, the Board has established a SRMC, with majority of them are Independent Non-Executive Directors. The composition of the SRMC are as follows: -

Designation	Name	Directorship
Chairman	Chong Chin Look	Independent Non-Executive Director
Member	Dato' Zulkifli Bin Adnan	Independent Non-Executive Director
Member	Datuk Mak Foo Wei	Independent Non-Executive Director
Member	Choo Yem Kuen	Independent Non-Executive Director
Member	Yap Kai Ning	Managing Director

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

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

10 Adequate Risk Management and Internal Control (Cont'd)

The SRMC's main objective is to help the Board in identifying and managing principal risks through risks assessment procedures and systems. The key roles and responsibilities are as follows: -

- (i) oversee the management of principal business risks and significant or material ESG risks and implement of sustainability-related policies, measures and actions in achieving the Company's sustainability milestones and goals;
- (ii) integrate the sustainability risks and opportunities into the risk management framework of the Company;
- (iii) approve disclosure statements relating to management of sustainability matters of the Group;
- (iv) implement the risk management framework, policy and process approved by the Board and oversight of risk management practice on group wide basis respectively; and
- (v) overseeing and monitoring the implementation of sustainability strategies as approved by the Board, and the execution and management of the risk management policy and process while the Board takes on a supervisory role in respect of the Group's risk management policy and process.

The full duties and responsibilities of the SRMC are outlined in its Terms of Reference, which can be accessed on the Company's website at <http://www.cekd.com.my/policy-disclosures>.

The SRMC is supported by the Group's ERM Working Committee to facilitate the execution of the ERM framework. The committee identifies and monitors the key risks, reporting them to the SRMC and the Board for discussions on relevant risk mitigation measures and any actions required for improvements.

In addition to the ERM framework, various SOPs are adopted by the Board. These SOPs cover all vital operational areas, with controls integrated into daily operations to ensure the Group's internal control system functions smoothly. A detailed overview of the state of risk management and internal control are elaborated in the Statement on Risk Management and Internal Control in this Annual Report.

11 Effective Internal Audit Function

To ensure the competence, effectiveness and efficiency of the Group's risk management and internal control, the Board has outsourced the Group's internal audit function to an independent professional firm, Eco Asia Governance Advisory Sdn Bhd ("Eco Asia"). The internal auditor will conduct an independent evaluation and provide an objective assurance to the AC and the Board regarding the overall effectiveness of the Group's internal control system. As of FYE 2023, the internal auditor is independent and free from any relationships and conflict of interests within the Group.

The internal auditor is led by Mr. Woon Soon Fai, the Executive Director of Eco Asia. He is a Chartered Accountant Malaysia ("CA(M)"), a Fellow member of the ACCA ("FCCA"), a member of the MIA and an Associate member of the Institute of Internal Auditors ("IIA"). During FYE 2023, he is supported by three (3) employees to perform the internal audit reviews for the Group. The Internal Auditor has performed the internal audit review in accordance with the International Professional Practices Framework ("IPPF").

Throughout the internal audit engagement, the internal auditor will report directly the AC. Given their unrestricted access to all information and resources within the Group, the AC is responsible for ensuring that the internal auditor is provided with the necessary information and resources for the smooth progress of the internal audit. During FYE 2023, the internal auditor has performed the internal audit reviews in accordance with the internal audit plan approved by the AC.

Upon completion of each internal audit review, the internal auditor will present the audit results, along with root-cause analysis, potential risks and their consequences, as well as recommended corrective actions to the AC during the AC meetings. Subsequently, the Management will then execute the recommended corrective actions within a specified timeframe. The internal auditor will conduct a follow-up review to ensure that the corrective actions are properly implemented.

Additional information regarding the internal audit function is available in the and Statement on Risk Management and Internal Control in this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

PART I – ENGAGEMENT WITH STAKEHOLDERS

12 Stakeholders Communication

The Board understands the needs for regular, effective and transparent communication with various stakeholders. For FYE 2023, the Group engages its stakeholders through multiple communication channels and platforms, including: -

- (i) Email and face-to-face communications;
- (ii) Company's website;
- (iii) Announcement made to Bursa Securities;
- (iv) Annual Report; and
- (v) AGM.

By utilising these communication channels and platforms, the Board is able to maintain ongoing communication with stakeholders, fostering mutual understanding of objectives and expectations.

PART II – CONDUCT OF GENERAL MEETINGS

13 Effective General Meeting

The AGM serves as the primary avenue to engage with the shareholders annually. Shareholders are encouraged to actively participate in the AGM, so as to exercise their rights and make informed voting decisions at the AGM.

Given the significance of general meetings, it is essential to provide the notice for the AGM at a timely manner, which is at least twenty-eight (28) days prior to the AGM, as outlined by the MCGG. This practice allows shareholders to have enough time to review the Company's Annual Report and consider the resolutions to be discussed and voted on during the AGM. The notice of the 5th AGM of the Company held on 22 February 2023, was circulated to the shareholders on 29 December 2022, which exceeded the required twenty-eight (28) days' notice period.

The 5th AGM was held fully virtual through online meeting platform at <https://www.binamanagement.com.my>. All Directors, including external auditors, company secretary and advisor, attended the AGM to address shareholders' enquiries when necessary. The Group utilised Remote Participation and Voting facility ("RPV") from the online meeting platform, to conduct the AGM. Through this facility, the shareholders were given sufficient opportunities to participate in the meeting, including submitting questions in real time and exercising their voting rights. The Board ensured the questions raised were visible to all meeting participants and addressed during the Question and Answer ("Q&A") session or via email if time is a constraint.

For the 5th AGM, the Board has engaged Bina Management (M) Sdn Bhd as the Poll Administrator and Symphony Corporate Services Sdn Bhd as the independent scrutineer. The Poll Administrator has implemented a robust cybersecurity strategy, incorporating end-to-end encryption ("E2EE"), comprehensive application reviews, evaluations of web application security, the installation of a data protection firewall and antivirus software to minimise the potential risk of data exposure. In summary, the Poll Administrator's efforts are deemed adequate and satisfactory, contributing to the maintenance of good cyber hygiene.

Following the AGM, the Poll Administrator will compile the polling votes and hand it over to the scrutineer for validation. Subsequently, the polls results, together with the minutes of the AGM is circulated to the shareholders on 6 March 2023, which is within thirty (30) business days after the 5th AGM. The AGM minutes is available on the Company's website at <http://www.cekd.com.my/shareholders-meeting>.

COMPLIANCE STATEMENT

Save as disclosed above, the Board affirms its dedication to upholding the highest standards through adherence to the principles and best practices outlined in the MCGG, along with the relevant laws and regulations, where applicable and appropriate. The Board will continually strive to improve and enhance the procedures.

The CG Statement was approved by the Board on 1 December 2023.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board is pleased to present the Statement on Risk Management and Internal Control for FYE 2023 to outline the scope and features of the risk management and internal control system in place within the Group. This statement is prepared in accordance to Rule 15.26(b) of the AMLR, the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers as well as Practices 10.1 and 10.2 of the MCGG.

BOARD RESPONSIBILITIES

The Board acknowledges that a sound, effective and comprehensive risk management and internal control system is essential to drive the Group's long-term success. In this regard, the Board is cognisant of its overall responsibility in maintaining and ensuring the Group's risk management and internal control system in order to safeguard shareholders' investments, stakeholders' interests as well as the Group's assets.

Supported by both the AC and SRMC, the Board reviews the adequacy, operating effectiveness and integrity of the Group's risk management and internal control system on a regular basis. Due to the inherent limitations in any risk management and internal control system, such system is designed to manage risks within an acceptable risk appetite rather than to eliminate all risks that may hinder the Group from achieving its business goals and objectives. As such, the system can only provide reasonable but not absolute assurance against material financial misstatement, loss, fraud or unforeseen circumstances.

The Board is satisfied that the Group's risk management and internal control system has been implemented and operating effectively to safeguard shareholders' investments, stakeholders' interests and the Group's assets during the FYE 2023.

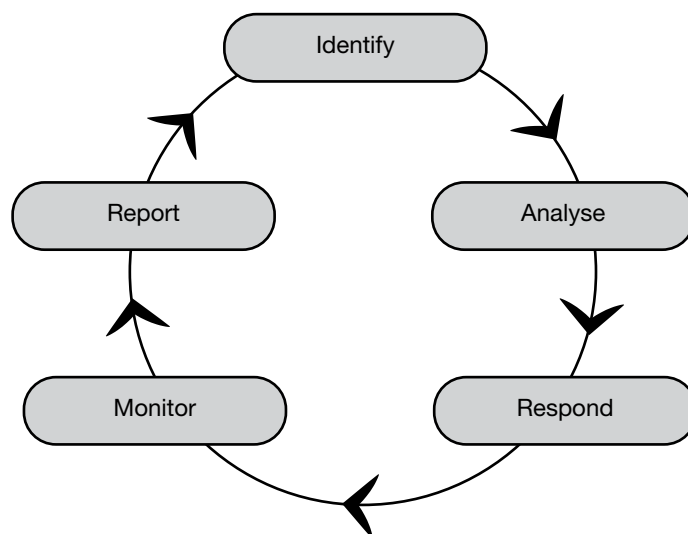
RISK MANAGEMENT

In CEKD Group, the SRMC has been entrusted by the Board to identify, evaluate and manage the significant risks faced by the Group by overseeing the Group's risk management framework, policies and procedures on an ongoing basis.

The main features of the Group's risk management system include: -

- **Adoption of ERM Framework**

The Group has adopted a 5-step ERM Framework, encompassing the identification, analysis, response, monitoring and reporting of potential risk or structural weakness that could impact the Group in achieving its objectives. To ensure its effectiveness, the ERM Framework covers several core elements including objective setting, risk assessment as well as the development of action plans for implementation across the Group.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

RISK MANAGEMENT (CONT'D)

- **Establishment of ERM Working Committee**

To support the execution of the ERM Framework, the Group has established a ERM Working Committee, comprising members from various departments and functions within the Group. The ERM Working Committee is responsible to implement the risk mitigation strategies within their purview. In addition, they are also accountable to assess the existing and any emerging risks within their respective areas of supervision and control, and report the same to the Managing Director. This shall ensure that diverse perspectives within the Group are considered and incorporated, thereby ensuring the fairness and comprehensiveness of the Group's risk management system.

- **Maintenance of Risk Management Plan and Report**

The Group maintains a Risk Management Plan and Report as an official record, detailing the identified risks and the corresponding risks rating and mitigation plans. The Risk Management Plan and Report is reviewed regularly by the SRMC to ensure that it remains current and relevant with the latest business and regulatory environment.

- **Conduct of SRMC Meetings**

During FYE 2023, the SRMC has conducted two (2) meetings to review the Group's Risk Management Plan and Report as well as to assess the adequacy, effectiveness and integrity of the Group's risk management system. The discussion outcomes of the SRMC meetings were then brought to the Board meeting for the Board's notation and further deliberation.

On 25 July 2023, the Board has also formally established a sustainability governance structure within the Group, which includes the re-designation of the RMC to SRMC. In this regard, the SRMC is not only accountable for the Group's risk management and internal control system but is also responsible for overseeing the sustainability management of the Group.

INTERNAL CONTROL

Internal control plays a pivotal role in supporting effective functioning of the risk management system. While the Group's sustainability and risk management system is monitored by the SRMC, the AC is tasked to oversee the Group's internal control policies, system and procedures. In this regard, the Management is empowered to support the AC by closely monitoring the implementation of internal control practices within the Group's day-to-day operations.

Amongst others, the key internal controls in place within the Group include: -

- Clear lines of roles, responsibilities and reporting structure that promote appropriate segregation of duties and effective delegation of authority for planning, executing, controlling and monitoring;
- Well-defined corporate governance policies and procedures, including the Code, ABC Policy, Whistleblowing Policy and Directors' Fit and Proper Policy to promote integrity and ethical behaviour as well as to prohibit acts of bribery and/or corruption;
- Development of Succession Planning Policy and Gender Diversity Policy during FYE 2023 and adopted the same by the Board on 23 October 2023 to uphold business sustainability;
- Formalised and documented SOPs that cover various operational areas to achieve consistency in internal procedures in alignment with the Group's business objectives;
- Active participation and involvement by both the Managing Director and Executive Director in the Group's daily operations and regular discussion with Senior Management in regards to operational issues;
- Internal audit function carried out by independent outsourced internal auditor who has adequate resources, capabilities and relevant experience to assess and review the adequacy and effectiveness of internal control within the Group;
- The internal audit reports and findings are reviewed and deliberated by the AC and the Board to ensure that necessary steps are taken to address the identified internal control deficiencies; and
- Adequate financial reporting procedures in place including the review of quarterly unaudited financial results, annual audited financial statements, Related Party Transactions ("RPT") and conflict of interest by the AC and report the same to the Board for subsequent approval.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

INTERNAL AUDIT FUNCTION

At CEKD Group, the internal audit function is outsourced to a professional firm, Eco Asia. Eco Asia is entrusted to provide an independent risk-based approach assessment in regards to the adequacy, efficiency and effectiveness of the Group's overall internal control and risk management system in accordance to the IPPF.

As per the internal audit plan duly approved by the AC, the internal auditor has conducted two (2) internal audit reviews, focusing on Human Resources Management Review and General Safety Review during FYE 2023. Upon conclusion of the audit engagement, the internal auditor presented the internal audit findings noted during the audit review, together with the corresponding root-cause analysis and recommendations to the AC for their perusal and deliberation. The Management is then responsible to implement the necessary corrective actions in order to rectify and address the internal control weaknesses identified. During the FYE 2023, the internal auditors have also carried out follow-up reviews on the previous findings to ensure that all recommendations and appropriate actions have been implemented within the stipulated timeframe.

Based on the internal audit reviews carried out by the internal auditors, none of the weaknesses noted has resulted in any material losses, contingencies or uncertainties that would require separate disclosure in this report.

Professional fee incurred for the outsourced internal audit function for FYE 2023 was RM23,000.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to Rule 15.23 of AMLR, for inclusion in the Annual Report of the Company for the FYE 2023.

Their review was performed in accordance with the Audit and Assurance Practice Guide ("AAPG") 3: Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in Annual Report issued by the MIA. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

Based on their review, 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 Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

MANAGEMENT'S ASSURANCE

The Deputy Executive Chairman and Managing Director, representing the Management, have given reasonable assurance to the Board that the Group's risk management and internal control system is operating adequately and effectively in all material aspects. With the assurance from the Management, the Board is satisfied that nothing has come to their attention which may render the financial results presented and information provided to be false and misleading in any material aspect.

CONCLUSION

The Board believes that the current risk management and internal control system in place aligns well with the Group's business objectives and that the risks taken are at an acceptable level within the context of the business environment of the Group. Therefore, the Group's risk management and internal control system is deemed sufficient and adequate to protect shareholders' investments, stakeholders' interests and the Group's assets.

Nevertheless, the Board acknowledges that continuous monitoring and enhancement on the risk management and internal control system are necessary to adapt to the evolving business environment.

This Statement on Risk Management and Internal Control has been approved by the Board on 1 December 2023.

AUDIT COMMITTEE REPORT

Pursuant to Rule 15.15 of the AMLR, the Board is pleased to present the Audit Committee Report which provides a comprehensive overview of the manner in which the AC has discharged its duties and responsibilities for the Group during FYE 2023.

The AC is primarily responsible to support the Board in fulfilling its fiduciary duties and responsibilities pertaining to the oversight of the integrity of the corporate accounting, financial reporting as well as risk management and internal control system of the Group. Furthermore, the AC is also responsible for overseeing the independence of the Group's external auditor, assessing the effectiveness of the internal audit function and supervising compliance with laws and regulations while observing proper codes of conduct to promote sound control and governance within the Group.

1. COMPOSITION OF THE AC

In compliance with Rule 15.09(1)(a) and (b) of the AMLR and Practice 9.4 of the MCCG, the AC was appointed by the Board amongst its members, with all of them being Independent Non-Executive Directors, as tabled below: -

Designation	Name	Directorship
Chairman	Chong Chin Look	Independent Non-Executive Director
Member	Datuk Mak Foo Wei	Independent Non-Executive Director
Member	Choo Yem Kuen	Independent Non-Executive Director

With reference to Rule 15.10 of AMLR and Practice 9.1 of the MCCG, the Chairman of the AC, Mr. Chong Chin Look, is not the Chairman of the Board. This shall uphold the objectivity and integrity of the Company's financial reporting and audit procedures. In addition, as guided by Rule 15.09(1)(c) of AMLR, Mr. Chong is competent to be the Chairman of the AC in view of his memberships in the MICPA and MIA. In addition, the other AC members possess a wide range of necessary skills and they are also financially literate and competent by leveraging on their past experience and on-going training and development programme to discharge their duties as AC members.

The Company also complies with Rule 15.09(2) of the AMLR as there is no alternate director is appointed as a member of the AC.

2. TERMS OF REFERENCES

To ensure an efficient discharge of responsibilities, the AC is guided by its Terms of Reference, detailing the composition, authority, duties and responsibilities of the AC. The said Terms of Reference is made available on the Company's website at <http://www.cekd.com.my/policy-disclosures> for public's reference.

3. MEETING AND ATTENDANCE

Under the Term of Reference of the AC, the AC should meet at least four (4) times a year to discuss the Group's corporate accounting, financial reporting and internal control affairs. In FYE 2023, the AC had convened five (5) meetings, with the details of attendance as follows: -

Name	Number of Meetings Held	Number of Meetings Attended
Chong Chin Look	5	5
Datuk Mak Foo Wei	5	3
Choo Yem Kuen	5	5

The Group's Executive Director/Chief Operation Officer, Ms. Yap Kai Min and CFO, Ms. Pearly, were invited to all AC meetings to facilitate the smooth conduct of meetings by providing clarification on operational, financial and audit matters. Other Board members and designated representatives from the Senior Management, when necessary, were also invited to the AC meeting to deliberate on the matters within their purview.

Meeting agenda and materials were distributed to all AC members in advance to ensure that sufficient time is provided for them to peruse the relevant material to facilitate their discussion and decision-making process. The company secretaries also attended all AC meetings to record the meeting proceedings. All meeting minutes were then tabled at the subsequent AC meetings for confirmation and presented to the Board for nation thereafter.

AUDIT COMMITTEE REPORT (CONT'D)

4. SUMMARY OF ACTIVITIES OF THE AC

During the FYE 2023, the AC has discharged its duties and responsibilities by undertaking the following activities: -

Financial Reporting

- Reviewed and ensured that the Group's financial reporting and disclosure requirements are in compliance with the applicable MFRS, International Financial Reporting Standards ("IFRS"), Companies Act 2016 ("CA 2016") and AMLR;
- Reviewed the quarterly unaudited financial results presented by the CFO prior to the recommendation to the Board for approval and releasing the announcement to Bursa Securities;
- Reviewed the annual audited financial statements with external auditor, focusing particularly on the adoption of appropriate accounting policies, significant adjustments and issues arising from the audit, significant judgement made by the Management, significant and unusual events, going concern assumption as well as compliance to the applicable accounting standards and other legal requirements before recommending to the Board for consideration and approval for releasing to Bursa Securities; and
- Reviewed and deliberated on the Company's 2023/2024 Annual Budget prior to recommending for the Board's approval.

External Audit

- Reviewed the Audit Review Memorandum presented by Messrs. Ecovis Malaysia PLT, the external auditors for the FYE 2022 and deliberated on matters including audit status and findings, internal control weaknesses as well as compliance with law and regulations, and recommended the same for the Board's approval thereafter;
- Reviewed the Independent Auditor's Report for the FYE 2022, detailing external auditor's professional opinion to the financial statements, key audit matters as well as a Management letter concerning the improvement measures pertaining to internal control weaknesses for AC's consideration, and subsequently recommended the same for the Board's approval;
- Evaluated the effectiveness and performance of Messrs. Ecovis Malaysia PLT, by taking the consideration of their independence, suitability, objectivity, competency and resources, and recommended to the Board for their re-appointment; and
- However, due to the disagreement on audit fee and disbursements, the Board had on 21 July 2023 received a notice in writing from Messrs. Ecovis Malaysia PLT on their resignation as the external auditor of the Company. The AC had then identified a new external auditor, Messrs. TGS TW PLT, and reviewed their Audit Planning Memorandum for the FYE 2023 with comprehensive details, including engagement and reporting requirements, independence confirmation, scope of work, audit approach and materiality, key audit areas as well as proposed audit reporting schedule and proposed audit fee.

Upon the AC's recommendation, the Board approved the appointment of Messrs. TGS TW PLT as the Company's external auditor for the FYE 2023. The relevant announcement was made on Bursa Securities' website on 24 July 2023. The new external auditor, Messrs. TGS TW PLT, has consented to act as the auditor of the Group and will hold office until the conclusion of the upcoming 6th AGM, subject to shareholders' approval at the said AGM.

Internal Audit

- Reviewed and approved internal audit plan presented by the internal auditor, outlining details such as the scope, timeframe and proposed fee of the internal audit services;
- Reviewed and deliberated on the internal audit reports, covering the audit findings, root-cause analysis, corresponding recommendations as well as the Management's responses for the implementation of corrective action together with the relevant target timeline and responsible person. Subsequently, AC had also tabled the same and highlighted certain salient points to the Board for their attention; and
- Reviewed and assessed the independence, qualifications, resources and overall performance of the internal auditor.

AUDIT COMMITTEE REPORT (CONT'D)

4. SUMMARY OF ACTIVITIES OF THE AC

During the FYE 2023, the AC has discharged its duties and responsibilities by undertaking the following activities: - (Cont'd)

Risk Management and Internal Control

- Reviewed the system of internal control and risk management in place to ensure they are effective, adequate and being regularly monitored; and
- Made recommendations to the Board regarding measures to enhance the Group's risk management and internal control system. These recommendations were made by taking into account the findings and recommendations provided by both the internal and external auditors as well as the Management's responses in mitigating such identified control deficiencies.

RPT and Conflict of Interest ("COI") and/or Potential COI

- Reviewed all RPT and Recurrent Related Party Transaction ("RRPT") entered into by the Group and has assured that all the transactions were deemed as fair and on arm's length basis under normal commercial terms. The RPT and/or RRPT are monitored closely and subjected to review on a quarterly basis by taking into the consideration that such transactions should be reasonable and in the best interest of the Company; and
- Reviewed the COI and/or potential COI situations that may arise or persist with the Board by reviewing all Directors' confirmation and declaration on their COI and/or Potential COI via Letter of Declaration on quarterly basis. As of FYE 2023, the AC concluded that none of the Directors has any COI and/or Potential COI with the Company and/or its subsidiaries.

Other Matters

- Reviewed and updated the Terms of Reference of the AC to incorporate the recent amendments made to the AMLR; and
- Reviewed the Audit Committee Report and Statement on Risk Management and Internal Control and recommended the same for the Board's approval and inclusion in the Company's Annual Report for the FYE 2022 thereafter.

5. INTERNAL AUDIT FUNCTION

The Board regards internal audit function as a vital and essential component of the Group's governance process. In this regard, the Board has outsourced the Company's internal audit function to an independent professional firm, Eco Asia, to support the AC by providing objective and independent opinion on the Group's risk management and internal control system. This outsourcing arrangement reflects the Board's commitment in maintaining strong corporate governance practices within the Group.

The appointed internal auditor is free from any relationships or COI which could compromise their objectivity and independence. They are led by Mr. Woon Soon Fai, who is a CA(M), a FCCA, a member of the MIA and an Associate member of the IIA. During FYE 2023, Mr. Woon was supported by one (1) Head of Department, one (1) Senior Consultant and one (1) Associate Consultant to conduct the following internal audit review in accordance with the internal audit plan duly approved by the AC and in compliance with the global recognised framework, IPPF: -

Internal Audit Review Area	Review Period
Human Resources Management Review	Quarter 2, FYE 2023
General Safety Review	Quarter 3, FYE 2023

To ensure an efficient and effective conduct of internal audit, the AC has full and unrestricted access to all information and resources in the Group which are required by the internal auditor. In addition, the internal auditor is authorised to report directly to the AC in an effort to uphold the highest level of independence and integrity.

AUDIT COMMITTEE REPORT (CONT'D)

5. INTERNAL AUDIT FUNCTION (CONT'D)

Upon conclusion of audit engagement, the internal auditor presented the internal audit report, detailing the audit findings and areas of improvement identified, together with the corresponding root-cause analysis and proposed recommendations in the scheduled AC meetings. The AC, together with the Management, had then deliberated on the corrective actions to be undertaken in order to rectify and address such internal control weaknesses. The internal auditor will then perform subsequent follow-up review on the implementation of the corrective actions and report the same to the AC to ensure that necessary measures are put in place within the stipulated timeframe.

Both the AC and the Board are satisfied with the performance of the internal auditor for the FYE 2023. In the interest of preserving greater independence and ensuring continuity in the internal audit function, the AC has decided to continue managing the internal audit function on an outsourcing basis.

6. TOTAL COSTS INCURRED FOR OUTSOURCED INTERNAL AUDIT FUNCTION

The professional fee incurred for the outsourced internal audit function of the Group for FYE 2023 amounted to RM23,000.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are required by the CA 2016 and the AMLR of Bursa Securities to prepare the financial statements of the Company and the Group for each financial year in accordance with the applicable MFRS, IFRS, CA 2016 and AMLR.

The Directors are responsible to ensure that the financial statements give a true and fair view of the financial position of the Company and Group as at 31 August 2023, and of the financial performance and cash flows for the FYE 2023.

To ensure the preparation of these financial statements, the Directors have observed the following criteria: -

- (i) The Company has adopted and applied suitable and appropriate accounting policies consistently throughout the financial year;
- (ii) Made judgements and estimates that are reasonable and prudent;
- (iii) Prepared the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- (iv) Ensure compliance with all applicable approved accounting standards in Malaysia, subject to any material departure and explained in the financial statements.

In addition, the Directors are also responsible to ensure that the Group and the Company maintains proper accounting records and other records which disclose the financial position of the Company and the Group with reasonable accuracy at all times in comply with the requirement of the CA 2016.

The Directors are also responsible for taking necessary steps to ensure appropriate systems are in place to safeguard the Company's and Group's assets so as to detect and prevent fraud and other irregularities. Such systems, by their nature, can only provide reasonable, but not absolute, assurance against material misstatement, loss or fraud.

This statement is approved by the Board on 1 December 2023.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS FROM IPO

As at 31 August 2023, the utilisation of proceeds amounting to RM24.28 million raised from the public issue of 50,590,000 new ordinary shares at an issue price of RM0.48 per share, are summarised as follows: -

Details of Utilisation	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance RM'000	Initial Timeframe for Utilisation of IPO Proceeds	Revised Timeframe for Utilisation of IPO Proceeds
Acquisition of factory for Hotstar	8,800	8,800	-	24 months	-
Capital expenditure comprising: -					
• Purchase of new machineries	3,000	650	2,350	24 months	48 months
• Upgrade and development of computer software and server	1,300	344	956	24 months	48 months
Repayment of bank borrowings	4,000	4,000	-	6 months	-
Marketing activities	1,500	326	1,174	24 months	48 months
General working capital	2,683	2,683	-	24 months	-
Estimated listing expenses	3,000	3,000	-	Immediately	-
Total	24,283	19,803	4,480		

The utilisation of proceeds disclosed above should be read in conjunction with the prospectus of the Company dated 6 September 2021 and the announcement of the extension of time of the utilisation of IPO proceeds dated 29 September 2023.

2. AUDIT AND NON-AUDIT FEES PAID/PAYABLE TO AUDITORS

The amount of audit and non-audit fees paid/payable to the external auditors, namely TGS TW PLT for the FYE 2023 by the Company and the Group respectively were as follows: -

	The Company RM	The Group RM
Audit Fees	16,000	133,000
Non-Audit Fees		
• Review of Statement on Risk Management and Internal Control	5,000	5,000

3. MATERIAL CONTRACTS

There was no material contract entered into by the Company and its subsidiaries involving the interest of the Directors and/or major shareholders of the Group which was either still subsisting at the end of FYE 2023 or entered into since the end of the previous financial year.

4. RRPT OF A REVENUE OR TRADING NATURE

During FYE 2023, there was no material RRPT entered other than those disclosed in Note 27 of the Financial Statements of the Company. Those RRPT did not exceed the threshold prescribed under Rule 10.09(1) of the AMLR.

DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 August 2023.

Principal activities

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

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

Financial results

	Group RM	Company RM
Profit for the financial year	5,170,131	4,596,462
Attributable to:		
Owners of the Company	5,026,245	4,596,462
Non-controlling interests	143,886	-
	5,170,131	4,596,462

Reserves and provisions

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

Dividends

Since the end of the last financial year, the Company paid:

	RM
An interim single-tier dividend of RM0.0075 per ordinary share in respect of the financial year ended 31 August 2023 on 15 September 2023	1,459,298

The Board of Directors does not recommend any final dividend in respect of the current financial year.

Issue of shares and debentures

There was no issuance of shares or debentures 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' REPORT

(CONT'D)

Directors

The Directors in office during the financial year until the date of this report are:

Chong Chin Look	(Independent Non-Executive Director)
Choo Yem Kuen	(Independent Non-Executive Director)
Dato' Zulkifli Bin Adnan	(Independent Non-Executive Chairman)
Datuk Mak Foo Wei	(Independent Non-Executive Director)
Yap Kai Min*	(Executive Director) (Appointed on 25 October 2022)
Yap Kai Ning*	(Managing Director)
Yap Tian Tion*	(Deputy Executive Chairman)

The Directors who held office in the subsidiaries (excluding Directors who are also Directors of the Company) during the financial year up to the date of this report are:

Chong Hui Ngoh	(Resigned on 7 October 2022)
Khaw Kheng Lean	
Lee Sen Teck	
Lim Aun Chyi	(Appointed on 7 October 2022)
Lim Lee Hong	(Appointed on 7 October 2022)
Sim Thian Lim	
Teoh Yih Tat	
Tham Choon Sarn	(Resigned on 7 October 2022)
Yap Wan Lee	

* Director of the Company and its subsidiaries

The information required to be disclosed pursuant to Section 253 of the Companies Act 2016 in Malaysia is deemed incorporated herein by such reference to the financial statements of the respective subsidiaries and made a part hereof.

Directors' interest in shares

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including their spouses or children) according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			At 31.8.2023
	At 1.9.2022	Bought	Sold	
<i>Interest in the Company</i>				
<u>Direct interest</u>				
Chong Chin Look	300,000	-	-	300,000
Dato' Zulkifli Bin Adnan	300,000	-	-	300,000
Datuk Mak FooWei	300,000	-	-	300,000
<i>Interest in the holding company</i>				
CEKD Holding Sdn. Bhd.				
<u>Direct interest</u>				
Yap Kai Min	11,930,571	-	-	11,930,571
Yap Kai Ning	11,930,571	-	-	11,930,571
<u>Deemed interest</u>				
Yap Tian Tion *	59,652,854	-	-	59,652,854

* Deemed interest by virtue of his spouse's and children's shareholdings in CEKD Holding Sdn. Bhd.

DIRECTORS' REPORT (CONT'D)

Directors' interests in shares (Cont'd)

By virtue of their interest in the shares of the holding company, Yap Tian Tion, Yap Kai Ning and Yap Kai Min are also deemed interested in the shares of all the subsidiaries during the financial year to the extent that the holding company has an interest under Section 8 of the Companies Act 2016 in Malaysia.

Other than as disclosed above, none of the other Directors in office at the end of the financial year has any interest in shares in the Company or its related corporations during the financial year.

Directors' benefits

Since the end of the previous financial year, no Director 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 Directors as shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than Director who have significant interests in companies which traded with certain companies in the Group in the ordinary course of business as disclosed in Note 27(b) to the financial statements.

The details of the Directors' remuneration for the financial year ended 31 August 2023 are set out as below:

	Group RM	Company RM
Fees	366,000	186,000
Salaries and other emoluments	1,299,600	13,500
Social security contributions	166,491	-
Defined contribution plans	8,795	-
	1,840,886	199,500

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Indemnity and insurance costs

During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and certain officers of the Group were RM3,000,000 and RM21,500 respectively. No indemnity was given to or insurance effected for auditors of the Group during the financial year.

Other statutory information

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that adequate allowance had been made for doubtful debts and there were no bad debts to be written off; and
 - (ii) to ensure that any current assets which were unlikely to be realised 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 have been written down to an amount which the current assets might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would render it necessary to write off any bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

DIRECTORS' REPORT (CONT'D)

Other statutory information (Cont'd)

- (b) At the date of this report, the Directors are not aware of any circumstances (Cont'd):
- (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or
 - (iv) 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.
- (c) 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 of the Group and of the Company which has arisen since the end of the financial year.
- (d) In the opinion of the Directors:
- (i) no contingent liability 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 will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;
 - (ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
 - (iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

Subsidiaries

The details of the subsidiaries are disclosed in Note 5 to the financial statements.

Holding company

The holding company is CEKD Holding Sdn. Bhd., a private limited liability company incorporated and domiciled in Malaysia.

Auditors

The Auditors, Messrs. TGS TW PLT (202106000004 (LLP0026851-LCA) & AF002345), have expressed their willingness to continue in office.

Auditors' remuneration for the Group and for the Company as set out in Note 22 to the financial statements are RM133,000 and RM16,000 respectively.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 1 December 2023.

YAP TIAN TION

KUALA LUMPUR

YAP KAI NING

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 64 to 112 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 August 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 1 December 2023.

YAP TIAN TION

KUALA LUMPUR

YAP KAI NING

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT, 2016

I, **Yap Kai Ning**, being the Director primarily responsible for the financial management of CEKD Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 64 to 112 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by)
the abovenamed at Kuala Lumpur in)
the Federal Territory on 1 December 2023)

YAP KAI NING

Before me,

SHI'ARATUL AKMAR BINTI SAHARI

No. W788
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CEKD BERHAD

(INCORPORATED IN MALAYSIA)

REGISTRATION NO. 201801023077 (1285096-M)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of CEKD Berhad, which comprise the statements of financial position as at 31 August 2023, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 64 to 112.

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

Basis for opinion

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

Independence and other ethical responsibilities

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How we addressed the key audit matters
<p>Inventories valuation</p> <p>The Group's held inventories amounted to RM6.2 million, representing approximately 11% of the Group's total current assets as at 31 August 2023.</p> <p>The valuation of inventories is identified as a key audit matter because of the judgement made by the Directors.</p>	<p>We reviewed the Group's policy on inventory valuation that are in accordance with MFRS 102 <i>Inventories</i>. We evaluated the operating effectiveness of key controls over the inventory system in recording the cost of inventory.</p> <p>We reviewed and verified the value of a sample of inventory item by comparing the unit price used in the financial inventory listing summary to current price lists, recent sales invoices, or recent vendor invoices to ensure inventories are stated at the lower of cost and net realisable value.</p> <p>We assessed the adequacy of the disclosures made in the financial statements.</p>

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CEKD BERHAD
(INCORPORATED IN MALAYSIA)
REGISTRATION NO. 201801023077 (1285096-M) (CONT'D)

Report on the audit of the financial statements (Cont'd)

Key audit matters (Cont'd)

Key audit matters	How we addressed the key audit matters
<p>Recoverability of trade receivables</p> <p>The Group's trade receivables amounted to RM6.9 million, representing approximately 12% of the Group's total current assets as at 31 August 2023.</p> <p>The assessment of recoverability of receivables involved judgements and estimation uncertainty in analysing historical bad debts, customer concentration, customer creditworthiness and customer payment terms.</p>	<p>We obtained the understanding of the Group's credit risk policy, and tested the processes used by management to assess credit exposures.</p> <p>We assessed the reasonableness of the methods and assumptions used by management in estimating the recoverable amount and impairment loss, which include consideration of the current economic.</p> <p>We tested the accuracy and completeness of the data used by the management.</p> <p>We reviewed the adequacy of the amount of impairment loss and inquired the management regarding the recoverability of a sample of trade receivables that are pass due but not impaired accounts and review of customers' correspondence.</p> <p>We evaluated the appropriateness and adequacy of the disclosures of expected credit loss in accordance with MFRS 9 <i>Financial Instruments</i>.</p>

There is no key audit matter to be communicated in respect of the audit of the financial statements of the Company.

Information other than the financial statements and auditors' report thereon

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

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

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

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

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CEKD BERHAD
(INCORPORATED IN MALAYSIA)
REGISTRATION NO. 201801023077 (1285096-M) (CONT'D)

Report on the audit of the financial statements (Cont'd)

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 and the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

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

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CEKD BERHAD
(INCORPORATED IN MALAYSIA)
REGISTRATION NO. 201801023077 (1285096-M) (CONT'D)

Report on the audit of the financial statements (Cont'd)

Auditors' responsibilities for the audit of the financial statements (Cont'd)

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.

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

Other matters

1. The financial statements of the Group and of the Company as at 31 August 2022 were audited by another firm of Chartered Accountants who expressed an unmodified opinion on those financial statements dated 2 December 2022.
2. This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

TGS TW PLT
202106000004 (LLP0026851-LCA) & AF002345
Chartered Accountants

KUALA LUMPUR
1 December 2023

LIM GE RU
03360/03/2024 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

AS AT 31 AUGUST 2023

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	38,937,000	34,526,902	-	-
Investment in subsidiaries	5	-	-	41,217,900	34,267,900
Goodwill on consolidation	6	1,176,568	453,570	-	-
		40,113,568	34,980,472	41,217,900	34,267,900
Current assets					
Inventories	7	6,242,596	6,554,801	-	-
Trade receivables	8	6,933,964	6,616,466	-	-
Other receivables	9	2,170,194	1,397,189	18,130	713,130
Amount due from a subsidiary	5(c)	-	-	-	2,475,000
Tax recoverable		160,971	-	-	-
Other investments	10	695,308	64,802	516,327	-
Fixed deposits with licensed banks	11	-	3,566,478	-	-
Cash and bank balances	12	41,869,452	32,499,969	20,795,060	22,478,848
		58,072,485	50,699,705	21,329,517	25,666,978
Total assets		98,186,053	85,680,177	62,547,417	59,934,878
EQUITY					
Share capital	13	57,701,089	57,701,089	57,701,089	57,701,089
Merger reserves	14	(31,917,900)	(31,917,900)	-	-
Retained earnings		42,739,861	39,172,914	3,233,990	96,826
Equity attributable to owners of the Company		68,523,050	64,956,103	60,935,079	57,797,915
Non-controlling interests ("NCI")	5(b)	720,899	-	-	-
Total equity		69,243,949	64,956,103	60,935,079	57,797,915
LIABILITIES					
Non-current liabilities					
Lease liabilities	15	433,243	532,153	-	-
Borrowings	16	20,671,094	12,907,726	-	-
Deferred tax liabilities	17	1,123,792	1,011,344	-	-
		22,228,129	14,451,223	-	-
Current liabilities					
Lease liabilities	15	457,929	511,653	-	-
Borrowings	16	1,665,663	1,050,126	-	-
Trade payables	18	432,839	206,153	-	-
Other payables	19	4,029,180	3,808,245	1,595,838	2,074,530
Tax payable		128,364	696,674	16,500	62,433
		6,713,975	6,272,851	1,612,338	2,136,963
Total liabilities		28,942,104	20,724,074	1,612,338	2,136,963
Total equity and liabilities		98,186,053	85,680,177	62,547,417	59,934,878

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Revenue	20	32,550,273	30,453,099	4,592,034	6,975,000
Cost of sales		(17,181,482)	(14,700,361)	-	-
Gross profit		15,368,791	15,752,738	4,592,034	6,975,000
Other income		1,242,623	1,013,997	625,666	320,654
Selling and distribution expenses		(1,610,769)	(585,352)	-	-
Administrative expenses		(7,360,312)	(8,112,593)	(580,681)	(2,542,324)
Net loss on impairment of financial assets		(174,804)	(51,429)	-	-
Other expenses		(16,176)	(82,421)	-	-
Profit from operation		7,449,353	7,934,940	4,637,019	4,753,330
Finance costs	21	(641,085)	(599,864)	-	-
Profit before tax	22	6,808,268	7,335,076	4,637,019	4,753,330
Taxation	23	(1,638,137)	(2,379,953)	(40,557)	(73,683)
Profit for the financial year, representing total comprehensive income for the financial year		5,170,131	4,955,123	4,596,462	4,679,647
Profit/Total comprehensive income for the financial year attributable to:					
Owners of the Company		5,026,245	4,955,123	4,596,462	4,679,647
Non-controlling interests		143,886	-	-	-
		5,170,131	4,955,123	4,596,462	4,679,647
Earnings per share:					
Basic and diluted (sen)	24	2.58	2.62		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

	Attributable to owners of the Company				Non-controlling interests RM	Total equity RM
	Share capital RM	Merger reserves RM	Retained earnings RM	Total RM		
Group						
At 1 September 2021	34,267,923	(31,917,900)	38,109,251	40,459,274	-	40,459,274
Total comprehensive income for the financial year	-	-	4,955,123	4,955,123	-	4,955,123
Transactions with owners:						
Issuance of shares	24,283,200	-	-	24,283,200	-	24,283,200
Share issuance expenses	(850,034)	-	-	(850,034)	-	(850,034)
Dividends to owners of the Company	-	-	(3,891,460)	(3,891,460)	-	(3,891,460)
At 31 August 2022	57,701,089	(31,917,900)	39,172,914	64,956,103	-	64,956,103
At 1 September 2022	57,701,089	(31,917,900)	39,172,914	64,956,103	-	64,956,103
Total comprehensive income for the financial year	-	-	5,026,245	5,026,245	143,886	5,170,131
Transactions with owners:						
Acquisition of subsidiaries	-	-	-	-	1,585,013	1,585,013
Dividends to owners of the Company	-	-	(1,459,298)	(1,459,298)	-	(1,459,298)
Dividends to non-controlling interests	-	-	-	-	(1,008,000)	(1,008,000)
At 31 August 2023	57,701,089	(31,917,900)	42,739,861	68,523,050	720,899	69,243,949

Note

13

25

5(a)

25

5(b)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023 (CONT'D)

	Note	Share capital RM	Retained earnings RM	Total equity RM
Company				
At 1 September 2021		34,267,923	(691,361)	33,576,562
Total comprehensive income for the financial year		-	4,679,647	4,679,647
Transactions with owners:				
Issuance of shares	13	24,283,200	-	24,283,200
Share issuance expenses		(850,034)	-	(850,034)
Dividends	25	-	(3,891,460)	(3,891,460)
At 31 August 2022		57,701,089	96,826	57,797,915
At 1 September 2022				
		57,701,089	96,826	57,797,915
Total comprehensive income for the financial year		-	4,596,462	4,596,462
Transaction with owners:				
Dividends	25	-	(1,459,298)	(1,459,298)
At 31 August 2023		57,701,089	3,233,990	60,935,079

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Cash flows from operating activities					
Profit before tax		6,808,268	7,335,076	4,637,019	4,753,330
Adjustments for:					
Allowance of expected credit losses on trade receivables		180,868	51,429	-	-
Deposit written off		-	63	-	-
Depreciation of property, plant and equipment		2,786,636	2,206,583	-	-
Dividend income		-	-	(4,592,034)	(6,975,000)
Fair value (gain)/loss on other investments		(485,525)	30	(438,424)	-
Gain on remeasurement of lease contract		(92,819)	-	-	-
Gain on disposal of property, plant and equipment		(58,603)	(25,797)	-	-
Interest expenses		641,085	599,864	-	-
Interest income		(303,332)	(501,595)	(187,242)	(320,654)
Inventories written down		32,330	1,178	-	-
Loss on disposal of other investments		-	80,749	-	-
Property, plant and equipment written off		1,915	1,577	-	-
Reversal of allowance for expected credit losses of trade receivables		(6,064)	-	-	-
Unrealised (gain)/loss on foreign exchange		(70,878)	107,672	-	-
Operating profit/(loss) before working capital changes		9,433,881	9,856,829	(580,681)	(2,542,324)
Changes in working capital:					
Inventories		1,175,354	(1,756,014)	-	-
Receivables		1,111,655	518,132	-	(574,262)
Payables		(474,286)	196,389	7,740	97,673
		1,812,723	(1,041,493)	7,740	(476,589)
Cash generated from/(used in) operations		11,246,604	8,815,336	(572,941)	(3,018,913)
Tax paid		(2,517,971)	(2,068,797)	(86,490)	(11,250)
Tax refunded		-	245,942	-	-
Net cash from/(used in) operating activities		8,728,633	6,992,481	(659,431)	(3,030,163)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023 (CONT'D)

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Cash flows from investing activities					
Acquisition of subsidiaries	5(a)	(4,824,180)	-	(6,255,000)	-
Dividend received		-	-	4,592,034	4,500,000
Interest received		303,332	501,595	187,242	320,654
(Placement)/Withdrawal of other investments		(144,981)	6,135,557	(77,903)	-
Purchases of property, plant and equipment	A	(2,281,360)	(2,658,597)	-	-
Proceeds from disposal of property, plant and equipment		83,000	25,800	-	-
Withdrawal/(Placement) of fixed deposits pledged with licensed banks		3,566,478	(62,104)	-	-
Net cash (used in)/from investing activities		(3,297,711)	3,942,251	(1,553,627)	4,820,654
Cash flows from financing activities					
Dividends paid		(2,953,730)	(1,945,730)	(1,945,730)	(1,945,730)
Interest paid		(641,085)	(599,864)	-	-
Drawdown of term loans		14,550,000	-	-	-
Repayment from/(Advances to) a subsidiary		-	-	2,475,000	(804,044)
Proceeds from issuance of shares		-	23,433,166	-	23,433,166
Repayment of lease liabilities	B	(602,407)	(506,757)	-	-
Repayment of term loans	B	(6,485,095)	(5,225,338)	-	-
Net cash from financing activities		3,867,683	15,155,477	529,270	20,683,392
Net cash increase/(decrease) in cash and cash equivalents					
		9,298,605	26,090,209	(1,683,788)	22,473,883
Effect of exchange translation differences					
		70,878	(107,672)	-	-
Cash and cash equivalents at the beginning of the financial year					
		32,499,969	6,517,432	22,478,848	4,965
Cash and cash equivalents at the end of the financial year					
		41,869,452	32,499,969	20,795,060	22,478,848
Cash and cash equivalents at the end of the financial year comprises:					
Cash and bank balances	12	41,869,452	32,499,969	20,795,060	22,478,848
Fixed deposits placed with licensed banks	11	-	3,566,478	-	-
		41,869,452	36,066,447	20,795,060	22,478,848
Less: Pledged deposits	11	-	(3,566,478)	-	-
		41,869,452	32,499,969	20,795,060	22,478,848

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023 (CONT'D)

A. Purchase of property, plant, and equipment

	2023 RM	Group 2022 RM
Total additions	2,846,065	10,726,597
Less: Acquisition by means of lease liabilities	(564,705)	(168,000)
Less: Amount financed by term loan	-	(7,900,000)
Total cash payment	2,281,360	2,658,597

B. Reconciliation of liabilities arising from financing activities

	Lease liabilities RM	Term loans RM	Total RM
Group			
Balance at 1 September 2021	1,315,664	11,283,190	12,598,854
Drawdown	168,000	7,900,000	8,068,000
Remeasurement	66,899	-	66,899
Repayment	(506,757)	(5,225,338)	(5,732,095)
Balance at 31 August 2022	1,043,806	13,957,852	15,001,658
Drawdown	564,705	14,550,000	15,114,705
Acquisition of subsidiaries	319,089	314,000	633,089
Remeasurement	(434,021)	-	(434,021)
Repayment	(602,407)	(6,485,095)	(7,087,502)
Balance at 31 August 2023	891,172	22,336,757	23,227,929

C. Cash outflows for leases as a lessee

	Note	2023 RM	Group 2022 RM
Included in net cash from operating activities:			
Payment relating to short-term leases	22	3,000	4,260
Payment relating to lease of low value assets	22	24,136	-
		27,136	4,260
Included in net cash from financing activities:			
Payment of lease liabilities		602,407	506,757
Payment on interest of lease liabilities	21	59,356	42,976
		661,763	549,733
		688,899	553,993

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

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

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

The registered office of the Company is located at No. 7-1, Jalan 109F, Plaza Danau 2, Taman Danau Desa, 58100 Kuala Lumpur.

The principal place of business of the Company is located at No. 10, Jalan 1/137B, Resource Industrial Centre, Batu 5, Jalan Kelang Lama, 58200 Kuala Lumpur.

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

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

The holding company is regard CEKD Holding Sdn. Bhd., a private limited liability company incorporated and domiciled in Malaysia.

2. BASIS OF PREPARATION

(a) Statement of compliance

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

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the significant accounting policies below.

Adoption of new and amended standards

During the financial year, the Group and the Company have adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract

Annual Improvements to MFRS Standards 2018 - 2020

- Amendments to MFRS 1
- Amendments to MFRS 9
- Amendments to Illustrative Examples accompanying MFRS 16
- Amendments to MFRS 141

The adoption of the amendments to MFRSs did not have any significant impact on the financial statements of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (Cont'd)

Standard issued but not yet effective

The Group and the Company have not applied the following new MFRSs and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and for the Company:

		Effective dates for financial periods beginning on or after
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from Single Transaction	1 January 2023
Amendments to MFRS 112	International Tax Reform – Pillar Two Model Rules	1 January 2023
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group and the Company intend to adopt the above MFRSs when they become effective.

The initial applications of the above-mentioned MFRSs are not expected to have any significant impacts on the financial statements of the Group and of the Company.

(b) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (“RM”), which is the Group and the Company functional currency. All financial information is presented in RM and has been rounded to nearest RM except when otherwise stated.

(c) Significant accounting judgements, estimates and assumptions

The preparation of the Group’s and of the Company’s financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**2. BASIS OF PREPARATION (CONT'D)****(c) Significant accounting judgements, estimates and assumptions (Cont'd)****Judgements**

The following are the judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amount recognised in the financial statements:

Determining the lease term of contracts with renewal and termination options - Group as lessee

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 they are reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if they are reasonably certain not to be exercised.

The Group applies judgement in evaluating whether they are reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, they consider all relevant factors that create an economic incentive for it to exercise either the renewal or termination. 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 or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group includes the renewal period as part of the lease term for leases of factory and hostel with non-cancellable period included as part of the lease term as these are reasonably certain to be exercised because there will be a significant negative effect on operation if a replacement asset is not readily available. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

Useful lives of property, plant and equipment

The Group regularly reviews the estimated useful lives of property, plant and equipment based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and decrease the value of property, plant and equipment. The carrying amount at the reporting date for property, plant and equipment is disclosed in Note 4 to the financial statements.

Impairment of goodwill on consolidation

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use amount requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The key assumptions used to determine the value in use is disclosed in Note 6 to the financial statements.

Provision for expected credit loss of financial assets at amortised cost

The Group and the Company review the recoverability of their receivables, include trade and other receivables, and amount due from a subsidiary at each reporting date to assess whether an impairment loss should be recognised. The impairment provisions for receivables are based on assumptions about risk of default and expected loss rates. The Group and the Company use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's and the Company's past history and existing market conditions at the end of each reporting period.

The Group and the Company use a provision matrix to calculate expected credit loss for trade and other receivables. The provision rates are based on number of days past due.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Provision for expected credit loss of financial assets at amortised cost (Cont'd)

The provision matrix is initially based on the Group's and on the Company's historical observed default rates. The Group and the Company will calibrate the matrix to adjust the historical credits loss experience. 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 expected credit loss is a significant estimate.

The carrying amounts of receivables at the reporting date are disclosed in Notes 5(c), 8 and 9 to the financial statements.

Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected selling prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 7 to the financial statements.

Determination of transaction prices

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgement the Group assesses the impact of any variable consideration in the contract due to discounts or penalties in the contract.

There is no estimation required in determining the transaction price, as revenue from sale of goods are based on invoiced values. Discounts are not considered as they are only given in rare circumstances.

Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group and the Company recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. As at 31 August 2023, the Group has tax recoverable and payable of RM160,971 (2022: RMNil) and RM128,364 (2022: RM696,674) respectively. The Company has tax payable of RM16,500 (2022: RM62,433).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES

The Group and the Company apply the significant accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Business combinations under common control are accounted for using the merger method, where the results of entities or businesses under common control are accounted for as if the combination had been effected throughout the current and previous reporting periods. The assets, liabilities and reserves of these entities are recorded at their pre-combination carrying amounts or existing carrying amounts are accounted for from the perspective of the common shareholder. No adjustments are made to reflect fair values, or recognise any new assets or liabilities, at the date of combination that would otherwise be done under the acquisition method. No new goodwill is recognised as a result of the combination. Any difference between the consideration paid/transferred and the equity acquired is reflected within equity as reserve on acquisition arising from common control.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed in profit or loss as incurred.

If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is re-measured at its acquisition-date fair value and the resulting gain or loss is recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date, if known, would have affected the amounts recognised at that date.

Any contingent consideration to be transferred by the Group is 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 the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group entities are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (Cont'd)

(i) Subsidiaries (Cont'd)

In the Company's separate financial statements, investment in subsidiaries are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(k)(i) to the financial statements on impairment of non-financial assets.

(ii) Non-controlling interests

Non-controlling interests at the reporting period, being the portion of the net assets of subsidiaries to equity interests that are not owned by the Company, whether directly or indirectly through subsidiaries, are presented in the consolidated statement of financial position and statement of changes in equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and the comprehensive income for the financial year between the non-controlling interests and the equity shareholders of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Goodwill on consolidation

The excess of the aggregate of the consideration transferred the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired (i.e. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired. See accounting policy Note 3(k)(i) to the financial statements on impairment of non-financial assets.

(iv) Loss of control

Upon the loses control of a subsidiary, the Group derecognised the assets and liabilities of the former subsidiary, including any goodwill, and non-controlling interests and other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is remeasured at fair value at the date at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as a financial asset depending on the level of influence retained.

(b) Foreign currency transactions and balances

Transactions in foreign currency are recorded in the functional currency of the Group using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at 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 retranslated.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Foreign currency transactions and balances (Cont'd)

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 3(k)(i) to the financial statements on impairment of non-financial assets.

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. All other repair and maintenance costs are recognised in profit or loss as incurred.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and their cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in the profit or loss on straight-line method to write off the cost of each asset to its residual value over its estimated useful life. Freehold land with indefinite useful lives is not depreciated.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Freehold building	2 - 5%
Leasehold land	99 years
Leasehold building	2%
Furniture and fittings, office equipment and signboard	10 - 20%
Electrical installation and renovation	10 - 33.33%
Plant and machinery, workshop equipment, tools and utensils	10 - 20%
Motor vehicles	20%

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Leases

As lessee

The Group recognises a right-of-use ("ROU") asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

The ROU asset is subsequently measured at cost less any accumulated amortisation, accumulated impairment loss and, if applicable, adjusted for any remeasurement of lease liabilities. The policy of recognition and measurement of impairment losses is in accordance with Note 3(k)(i) to the financial statements on impairment of non-financial assets.

The ROU asset is amortised using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of the ROU assets are determined on the same basis as those of property, plant and equipment as follows:

Factory, warehouse and hostel	1 - 6 years
Motor vehicles	5 years

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the respective Group entities' incremental borrowing rates. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group is reasonably certain to exercise.

Variable lease payments that do not depend on an index or a rate and are dependent on a future activity are recognised as expenses in profit or loss in the period in which the event or condition that triggers the payment occurs.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, or if the Group changes its assessment of whether they will exercise an extension or termination option.

Lease payments associated with short-term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less and do not contain a purchase option. Low value assets are those assets valued at less than RM20,000 each when purchased new.

As lessor

When the Group acts as a lessor, it determine at lease inception whether each lease is a finance lease or an operating lease. Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

If the lease arrangement contains lease and non-lease components, the Group applies MFRS 15 *Revenue from Contracts with Customers* to allocate the consideration in the contract based on the stand-alone selling price.

The Group recognises assets held under a finance lease in its statements of financial position and presents them as a receivable at an amount equal to the net investment in the lease. The Group uses the interest rate implicit in the lease to measure the net investment in the lease.

The Group recognises lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised is included as part of "Other income". 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) 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.

A financial asset (unless it is a trade receivable without financing component) is initially measured at fair value plus or minus, for an item not at fair value through profit or loss ("FVTPL"), directly attributable transaction costs. A trade receivable without a significant financing component is initially measured at the transaction price.

The Group and the Company determine the classification of their financial assets at initial recognition, and are not reclassified subsequent to their initial recognition unless the Group and the Company change their business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(i) Financial assets at amortised cost

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- 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 method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

(ii) Financial assets at fair value through profit or loss ("FVTPL")

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income ("FVTOCI") are measured at FVTPL. This includes derivative financial assets (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument). On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as FVTPL are subsequently measured at their fair value with gains or losses recognised in the profit or loss.

The Group and the Company have not designated any financial assets as FVTOCI.

All financial assets measured at amortised cost are subject to impairment.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e. the date that the Group and the Company commit to purchase or sell the asset.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received for financial instrument is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Financial liabilities

Financial liabilities are recognised when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments. All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(g) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(h) 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 when the guaranteed debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as financial liabilities at fair value, net of transaction costs. Subsequently, the liability is measured at the higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15 *Revenue from Contracts with Customers*.

(i) Inventories

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

Cost of raw materials comprises cost of purchase and other costs incurred in bringing it to their present location and condition and are determined on a weighted average basis.

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

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill that have indefinite useful lives, the recoverable amount is estimated each period at the same time.

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 other assets or cash-generating units. Subject to operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows 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 asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash generating unit (group of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss.

(ii) Financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. 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 and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For receivables, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on their historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(l) 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, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Provisions

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

Provisions are reviewed at the end of each reporting period and 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.

Any reimbursement that the Group and the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The expense relating to any provision is recognised in the profit or loss net of any reimbursement.

(n) Revenue recognition

(i) Revenue from contracts with customers

Revenue is recognised when the Group and the Company satisfied a performance obligation ("PO") by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

Sales of goods

The Group manufactures and sell the goods in oversea and local markets, Revenue from sale of goods is recognised when control of the products has transferred, being the products are delivered to the customer.

Revenue is recognised based on the price specified in the contract net of the rebates, discounts and taxes.

A receivable is recognised by the Group when the goods are delivered as this represents the point in time at which the right to consideration is unconditional, because only the passage of time is required before payment is due. No element of financing is deemed present as the revenue recognised with a credit term of cash terms to 150 days, which is consistent with market practice.

(ii) Interest income

Interest income is recognised on accruals basis using the effective interest method.

(iii) Dividend income

Dividend income from investment is recognised in profit or loss on the date that the Group's and the Company's right to receive payment is established which is in the case of quoted securities is the ex-dividend date.

(iv) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Employee benefits

(i) Short-term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group and of the Company. 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 and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group and the Company have no further payment obligations.

(p) Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

(q) Income taxes

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects either accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(r) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is disclosed as a contingent asset or contingent liability, unless the probability of inflow or 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 assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

(t) Related parties

A related party is a person or entity that is related to the Group and the Company. A related party transaction is a transfer of resources, services or obligations between the Group and its related party, regardless of whether a price is charged.

(a) A person or a close member of that person's family is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group.

(b) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Group are members of the same group.
- (ii) The entity is an associate or joint venture of the other entity.
- (iii) Both entities are joint ventures of the same third party.
- (iv) The entity is a joint venture of a third entity and the other entity is an associate of the same third entity.
- (v) The entity is a post-employment benefit plan for the benefits of employees of either the Group or an entity related to the Group.
- (vi) The entity is controlled or jointly-controlled by a person identified in (a) above.
- (vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the Group.
- (viii) The entity, or any member of a company of which it is a party, provides key management personnel services to the Group.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

4. PROPERTY, PLANT AND EQUIPMENT

← Right-of-use assets →

Group Cost	Freehold land RM	Freehold building RM	Leasehold land RM	Leasehold building RM	Furniture and fittings, office equipment and signboard RM	Electrical installation and renovation RM	Plant and machinery, workshop equipment, tools and utensils RM	Motor vehicles RM	Factory, warehouse and hostel RM	Motor vehicles RM	Total RM
At 1 September 2021	313,809	431,549	10,400,000	9,600,000	3,428,001	908,012	24,997,276	1,219,050	1,482,519	352,898	53,133,114
Additions	7,652,174	1,486,220	429,525	-	228,748	293,313	352,770	102,360	-	181,487	10,726,597
Disposals	-	-	-	-	-	-	-	(254,660)	-	-	(254,660)
Written off	-	-	-	-	(47,332)	-	-	-	-	-	(47,332)
Remeasurement of lease contracts	-	-	-	-	-	-	-	-	(128,463)	-	(128,463)
At 31 August 2022	7,965,983	1,917,769	10,829,525	9,600,000	3,609,417	1,201,325	25,350,046	1,066,750	1,354,056	534,385	63,429,256
Additions	-	-	-	97,500	534,218	561,226	914,765	135,841	459,505	143,010	2,846,065
Acquisition of subsidiaries	-	3,005,523	-	-	556,100	437,795	3,710,571	274,671	146,129	602,811	8,733,600
Disposals	-	-	-	-	-	-	(72,142)	(256,098)	-	-	(328,240)
Written off	-	-	-	-	(84,681)	(210,062)	(320)	-	-	-	(295,063)
Remeasurement of lease contracts	-	-	-	-	-	-	-	-	(1,186,386)	-	(1,186,386)
At 31 August 2023	7,965,983	4,923,292	10,829,525	9,697,500	4,615,054	1,990,284	29,902,920	1,221,164	773,304	1,280,206	73,199,232

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

← Right-of-use assets →

	Freehold land RM	Freehold building RM	Leasehold land RM	Leasehold building RM	Furniture and fittings, office equipment and signboard RM	Electrical installation and renovation RM	Plant and machinery, workshop equipment, tools and utensils RM	Motor vehicles RM	Factory, warehouse and hostel RM	Motor vehicles RM	Total RM
Group (Cont'd)											
Accumulated depreciation											
At 1 September 2021	-	182,392	592,660	515,951	2,672,183	762,942	20,866,077	1,039,777	432,743	126,820	27,191,545
Charge for the financial year	-	48,824	133,894	192,000	310,682	41,417	780,093	141,701	478,202	79,770	2,206,583
Disposals	-	-	-	-	-	-	-	(254,657)	-	-	(254,657)
Written off	-	-	-	-	(45,755)	-	-	-	-	-	(45,755)
Remeasurement of lease contracts	-	-	-	-	-	-	-	-	(195,362)	-	(195,362)
At 31 August 2022	-	231,216	726,554	707,951	2,937,110	804,359	21,646,170	926,821	715,583	206,590	28,902,354
Charge for the financial year	-	101,095	99,822	192,975	390,163	283,228	998,209	87,550	424,180	209,414	2,786,636
Acquisition of subsidiaries	-	490,767	-	-	450,459	261,510	2,119,527	274,668	34,639	383,847	4,015,417
Disposals	-	-	-	-	-	-	(47,747)	(256,096)	-	-	(303,843)
Written off	-	-	-	-	(82,801)	(210,030)	(317)	-	-	-	(293,148)
Remeasurement of lease contracts	-	-	-	-	-	-	-	-	(845,184)	-	(845,184)
At 31 August 2023	-	823,078	826,376	900,926	3,694,931	1,139,067	24,715,842	1,032,943	329,218	799,851	34,262,232
Carrying amount											
At 31 August 2023	7,965,983	4,100,214	10,003,149	8,796,574	920,123	851,217	5,187,078	188,221	444,086	480,355	38,937,000
At 31 August 2022	7,965,983	1,686,553	10,102,971	8,892,049	672,307	396,966	3,703,876	139,929	638,473	327,795	34,526,902

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

- (a) The net carrying amount of property, plant and equipment of the Group pledged as securities for bank borrowings as disclosed in Note 16 to the financial statements are:

	2023 RM	Group 2022 RM
Freehold land	7,652,174	7,652,174
Freehold building	3,888,902	1,458,973
Leasehold land	10,003,149	10,102,971
Leasehold building	8,796,574	8,892,049
	30,340,799	28,106,167

- (b) The net carrying amount of property, plant and equipment under finance lease are motor vehicles amounting to RM480,354 (2022: RM327,795).
- (c) The leasehold land and leasehold building are identified as right-of-use assets under Sales and Purchase Agreements.

5. INVESTMENT IN SUBSIDIARIES

	2023 RM	Company 2022 RM
At cost		
Unquoted shares, at cost	41,217,900	34,267,900

Details of the subsidiaries are as follows:

Name of company	Place of business/Country of incorporation	Effective interest (%)		Principal activities
		2023	2022	
Sharp Die Cutting Mould Sdn. Bhd.	Malaysia	100	100	Manufacturer of die cutting moulds and trading of related consumables, tools and accessories.
Hotstar (M) Sdn. Bhd.	Malaysia	100	100	Manufacturer of die cutting moulds and trading of related consumables, tools and accessories.
Worldwide Die Cutting Mould Sdn. Bhd. ("WDCM")	Malaysia	82	-	Manufacturer of die cutting moulds and trading of related consumables, tools and accessories.
Kit Technology Sdn. Bhd. ("KTSB")	Malaysia	60	-	Manufacturer of die cutting moulds and trading of related consumables, tools and accessories.
Subsidiary of Sharp Die Cutting Mould Sdn. Bhd.				
Focuswin Diecutting Mould Sdn. Bhd.	Malaysia	100	100	Manufacturer of die cutting moulds.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) Acquisition of subsidiaries

- (i) On 5 July 2022, the Company entered into a conditional share sale agreement to acquire 82% of equity interests in WDCM for a total purchase consideration of RM6,230,000. The acquisition was completed on 2 September 2022.
- (ii) On 5 July 2022, the Company entered into a conditional share sale agreement to acquire 60% of equity interest in KTSB for a total purchase consideration of RM720,000. The acquisition was completed on 19 September 2022.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	WDCM RM	KTSB RM	Total RM
<u>Fair value of identifiable assets acquired and liabilities assumed</u>			
Property, plant and equipment	4,250,186	467,997	4,718,183
Inventories	895,479	-	895,479
Trade receivables	1,950,956	224,614	2,175,570
Other receivables	147,636	53,756	201,392
Cash and bank balances	1,689,806	436,014	2,125,820
Deferred tax liabilities	(267,000)	-	(267,000)
Trade payables	(919,858)	(126,069)	(1,045,927)
Other payables	(191,679)	(170,733)	(362,412)
Borrowings	(264,000)	(50,000)	(314,000)
Lease liabilities	(296,466)	(22,623)	(319,089)
Tax payable	3,999	-	3,999
Total identified net assets acquired	6,999,059	812,956	7,812,015
<u>Goodwill arising from business combination</u>			
Fair value of consideration transferred	6,230,000	720,000	6,950,000
Non-controlling interests, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	1,259,831	325,182	1,585,013
Fair value of identifiable net assets	(6,999,059)	(812,956)	(7,812,015)
Goodwill	490,772	232,226	722,998
<u>Net cash outflows from acquisition of subsidiaries</u>			
Cash and cash equivalents acquired	1,689,806	436,014	2,125,820
Less: Purchase consideration settle in cash*	(6,230,000)	(720,000)	(6,950,000)
Net cash outflows from acquisition of subsidiaries	(4,540,194)	(283,986)	(4,824,180)

* Included deposits paid in the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

5. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) Acquisition of subsidiaries (Cont'd)

Acquisition-related costs

The Group incurred acquisition-related costs of RM51,033 related to external legal fees and due diligence costs. The expenses have been included in administrative expenses in the profit or loss.

Impact of the acquisition on the statements of profit or loss and other comprehensive income

From the date of acquisition, acquired subsidiaries have contributed RM8,137,253 and RM929,289 to the Group's revenue and profit for the financial year respectively. If the combination had taken place at the beginning of the financial year, the Group's revenue and profit for the financial year would have been RM33,305,784 and RM5,138,775 respectively.

(b) Non-controlling interests in subsidiaries

Set out below are the Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:

Name of Company	Proportion of ownership interests and voting rights held by NCI 2023 %	Profit/(Loss) allocated to NCI 2023 RM	Accumulated NCI 2023 RM
WDCM	18	186,394	438,225
KTSB	40	(42,508)	282,674
		143,886	720,899

Summarised financial information of the subsidiaries that has non-controlling interests that are material to the Group is set out below. The summarised financial information below represents amounts before inter-company eliminations.

Summarised statements of financial position

	WDCM RM	KTSB RM	Total RM
31.8.2023			
Non-current assets	4,005,687	504,109	4,509,796
Current assets	3,470,008	769,800	4,239,808
Non-current liabilities	(2,102,317)	(58,143)	(2,160,460)
Current liabilities	(2,938,792)	(509,082)	(3,447,874)
Net assets	2,434,586	706,684	3,141,270

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. INVESTMENT IN SUBSIDIARIES (CONT'D)

(b) Non-controlling interests in subsidiaries (Cont'd)

Summarised statements of profit or loss and other comprehensive income

	WDCM RM	KTSB RM	Total RM
2023			
Revenue	6,977,854	1,159,399	8,137,253
Profit/(Loss), representing total comprehensive income/(loss) for the financial period	1,035,561	(106,272)	929,289

Summarised statements of cash flows

	WDCM RM	KTSB RM	Total RM
2023			
Net cash inflows/(outflows) from operating activities	2,120,363	(12,130)	2,108,233
Net cash outflows from investing activities	(13,159)	(41,879)	(55,038)
Net cash outflows from financing activities	(3,043,355)	(76,691)	(3,120,046)
Net cash outflows	(936,151)	(130,700)	(1,066,851)

Other information

	WDCM RM	KTSB RM	Total RM
2023			
Dividends paid to NCI	(1,008,000)	-	(1,008,000)

(c) Amount due from a subsidiary

Amount due from a subsidiary is unsecured, non-trade related, non-interest bearing repayable on demand.

6. GOODWILL ON CONSOLIDATION

	2023 RM	Group 2022 RM
At 1 September	453,570	453,570
Addition	722,998	-
At 31 August	1,176,568	453,570

The goodwill is in respect of the Group's acquisition of subsidiaries and is stated at cost.

The aggregate carrying amounts of goodwill is derived from manufacturing and trading segment.

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of cash-generating units ("CGU") to which the goodwill is allocated.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6. GOODWILL ON CONSOLIDATION (CONT'D)

Impairment test for goodwill

The recoverable amount of CGU is determined based on the value in use calculations using cash flow projections based on financial budgets approved by management covering a five years period. The values assigned to key assumptions is in respect of management's assessment of future trends in the industry.

The key assumptions used for value in use calculations are as follows:

(i) Budgeted gross margin

The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budgeted year. The average gross margin applied was 36% (2022: 43%).

(ii) Growth rate

The weighted average growth rates used are consistent with the long-term average growth rate anticipated for the entities based on its past performance and industry demand. The average growth rate applied was 1% (2022: 0%) per annum.

(iii) Discount rate

The discount rate used are pre-tax and reflect management's estimate of the risk specific to the CGU at the date of assessment. The average discount rate applied was 8.3% (2022: 11.05%) per annum.

Sensitivity to changes in assumptions

With regard to the assessment of the value in use of the CGU, management believes that any changes to the key assumptions above would not result in the carrying values of the CGU to materially exceed their recoverable amount.

7. INVENTORIES

	2023	Group
	RM	2022
		RM
Raw materials	6,242,596	6,554,801
Recognised in profit or loss		
Inventories recognised as cost of sales	5,661,296	5,052,525
Inventories written down	32,330	1,178

The inventories written down is made when there are no movement in the stocks.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. TRADE RECEIVABLES

	2023 RM	Group 2022 RM
Trade receivables	7,178,983	6,686,681
Less: Allowance for expected credit losses ("ECLs")	(245,019)	(70,215)
	6,933,964	6,616,466

Trade receivables are non-interest bearing and are generally on cash terms to 150 days (2022: 30 to 120 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Included in trade receivables of the Group is an amount of RM172,977 (2022: RM186,897) due from companies in which the Directors have interests.

The following table provide information about the exposure to credit risk and ECLs for trade receivables:

	Gross amount RM	ECLs RM	Net amount RM
Group			
2023			
Not past due	4,412,538	(76,535)	4,336,003
Past due:			
Less than 30 days	1,586,842	(77,981)	1,508,861
31 to 60 days	707,092	(13,130)	693,962
61 to 90 days	283,764	(10,075)	273,689
More than 90 days	188,747	(67,298)	121,449
	7,178,983	(245,019)	6,933,964
2022			
Not past due	4,471,558	(6,385)	4,465,173
Past due:			
Less than 30 days	1,187,162	(869)	1,186,293
31 to 60 days	568,722	(29)	568,693
61 to 90 days	222,925	(562)	222,363
More than 90 days	236,314	(62,370)	173,944
	6,686,681	(70,215)	6,616,466

The movements in the allowance for ECLs of trade receivables during the financial year is as follows:

	2023 RM	Group 2022 RM
At 1 September	70,215	23,623
Additions during the financial year	180,868	51,429
Written off during the financial year	-	(4,837)
Reversal during the financial year	(6,064)	-
At 31 August	245,019	70,215

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

8. TRADE RECEIVABLES (CONT'D)

The foreign currency exposure profile of trade receivables are as follows:

	2023 RM	Group 2022 RM
Euro ("EUR")	48,697	164,255
Singapore Dollar ("SGD")	36,110	1,896
United States Dollar ("USD")	621,172	417,100

9. OTHER RECEIVABLES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Non-trade receivables	41,926	17,051	-	-
Deposits	361,053	959,501	-	695,000
Advance to suppliers	1,606,251	258,174	-	-
Prepayments	160,964	162,463	18,130	18,130
	2,170,194	1,397,189	18,130	713,130

Included in the deposits of the Group and of the Company is an amount of RMNil (2022: RM695,000), represent deposits paid to acquire subsidiaries as disclosed in Note 5(a) to the financial statements.

10. OTHER INVESTMENTS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<u>At FVTPL</u>				
Money market fund in Malaysia	695,308	64,802	516,327	-

The fair value of the financial asset at FVTPL is classified as at Level 1 fair value item for the purpose of fair value hierarchy disclosures.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

11. FIXED DEPOSITS WITH LICENSED BANKS

The interests rate of fixed deposits of the Group is Nil (2022: 1.75% to 1.84%). The maturity of deposits of the Group is Nil days (2022: 365 days).

The fixed deposits with licensed bank of the Group amounted to RMNil (2022: RM3,566,478) is pledged as securities for bank borrowings as disclosed in Note 16 to the financial statements.

12. CASH AND BANK BALANCES

The foreign currency exposure profile of cash and bank balances are as follows:

	2023 RM	Group 2022 RM
EUR	26,834	217,299
USD	1,303,386	684,099
SGD	42,084	-
Indonesian Rupiah ("RUPIAH")	551	-
Myanmar Kyat ("KYAT")	207	-
Thai Baht ("BAHT")	482	-
Chinese Yuan ("CNY")	1,147	-

13. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amount	
	2023 Units	2022 Units	2023 RM	2022 RM
Issued and fully paid up				
At 1 September	194,573,000	143,983,000	57,701,089	34,267,923
Issuance of shares	-	50,590,000	-	24,283,200
Share issuance expenses	-	-	-	(850,034)
At 31 August	194,573,000	194,573,000	57,701,089	57,701,089

In the previous financial year, the Company issued 50,590,000 new ordinary shares at an issue price of RM0.48 per ordinary share for a total consideration of RM24,283,200 in conjunction with the initial public offerings exercise of the Company.

The new ordinary shares issued shall 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 meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

14. MERGER RESERVES

The merger reserves represent the difference between the carrying value of the investment in subsidiaries and the share capital of the Company's subsidiaries upon consolidation under the merger accounting principle.

15. LEASE LIABILITIES

	2023 RM	Group 2022 RM
Non-current	433,243	532,153
Current	457,929	511,653
	891,172	1,043,806

The maturity analysis of lease liabilities at the end of the reporting period:

	2023 RM	Group 2022 RM
Within 1 year	491,565	542,236
Between 2 - 5 years	455,908	554,011
More than 5 years	3,945	-
	951,418	1,096,247
Less: Future finance charges	(60,246)	(52,441)
Present value of lease liabilities	891,172	1,043,806

The Group leases factory, warehouse, hostels and motor vehicles. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

16. BORROWINGS

	2023 RM	Group 2022 RM
Secured		
Non-current		
Term loans	20,671,094	12,907,726
Current		
Term loans	1,665,663	1,050,126
	22,336,757	13,957,852

The borrowings are secured by the following:

- (i) Assignment of Mortgage Reducing Term Assurance (MRTA) issued by Sun Life Malaysia Assurance Berhad under a Director for the sum insured of RM10,000,000;
- (ii) First party legal charge over the Group's freehold and leasehold land and buildings as disclosed in Note 4 to the financial statements;
- (iii) In prior year, fixed deposits with licensed banks of the Group as disclosed in Note 11 to the financial statements;
- (iv) Corporate guarantee from the Company; and
- (v) Covenant of maintaining gearing ratio not more than 3.0 times at all times.

The average effective interest rates per annum of the borrowings are as follows:

	2023 %	Group 2022 %
Term loans	3.92 - 4.65	3.95 - 4.15

17. DEFERRED TAX LIABILITIES

	2023 RM	Group 2022 RM
At 1 September	1,011,344	1,064,346
Effect on acquisition of subsidiaries	267,000	-
Recognised in profit or loss	(154,552)	(53,002)
At 31 August	1,123,792	1,011,344

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

17. DEFERRED TAX LIABILITIES (CONT'D)

The components and movements of deferred tax (assets)/liabilities at the end of the reporting period are as follows:

	Property, plant and equipment RM	Provision RM	Others RM	Total RM
Group				
At 1 September 2021	1,064,346	-	-	1,064,346
Recognised in profit or loss	(53,002)	-	-	(53,002)
At 31 August 2022	1,011,344	-	-	1,011,344
Effect on acquisition of subsidiaries	267,000	-	-	267,000
Recognised in profit or loss	(38,552)	(76,000)	(40,000)	(154,552)
At 31 August 2023	1,239,792	(76,000)	(40,000)	1,123,792

18. TRADE PAYABLES

The normal trade credit terms granted by suppliers to the Group ranged from cash term to 180 days (2022: cash term to 180 days) depending on the term of the contracts.

The foreign currency exposure profile of trade payables are as follows:

	2023 RM	Group 2022 RM
EUR	81,325	754
USD	107,088	21,526
SGD	-	1,091
Hong Kong Dollar ("HKD")	14,693	71,037
CNY	77,597	-
JPY	4,297	-

19. OTHER PAYABLES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Non-trade payables	355,343	357,135	11,040	-
Accruals of expenses	2,150,326	1,474,316	125,500	128,800
Dividend payable	1,459,298	1,945,730	1,459,298	1,945,730
Deposit received	4,540	1,500	-	-
Sale and service tax payable ("SST")	59,673	29,564	-	-
	4,029,180	3,808,245	1,595,838	2,074,530

The foreign currency exposure profile of other payables are as follows:

	2023 RM	Group 2022 RM
EUR	19,956	90,103
USD	30,315	-
SGD	3,106	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

20. REVENUE

	2023 RM	Group 2022 RM
Revenue from contracts with customers:		
Sales of die cutting mould and related products	32,550,273	30,453,099
Timing of revenue recognition:		
At a point in time	32,550,273	30,453,099
Geographical market:		
Malaysia	27,158,462	25,890,277
Overseas	5,391,811	4,562,822
	32,550,273	30,453,099

Breakdown of the Group's revenue from contracts with customers by segments:

	Manufacturing RM	Trading RM	Total RM
2023			
Sales of die cutting mould and related products	29,799,173	2,751,100	32,550,273
2022			
Sales of die cutting mould and related products	25,806,674	4,646,425	30,453,099

Company

Revenue represents dividend income received and receivable from its subsidiaries.

21. Finance costs

	2023 RM	Group 2022 RM
Interest expenses:		
- Lease liabilities	59,356	42,976
- Term loans	581,729	556,888
	641,085	599,864

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**22. PROFIT BEFORE TAX**

Profit before tax is determined after charging/(crediting), amongst others, the following items:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Auditors' remuneration				
- Audit fee	133,000	100,000	16,000	16,000
- Non-audit fee	5,000	-	5,000	-
- Under provision in prior financial year	11,421	-	-	-
Allowance of ECL on trade receivables	180,868	51,429	-	-
Deposit written off	-	63	-	-
Depreciation of property, plant and equipment	2,786,636	2,206,583	-	-
Fair value (gain)/loss on other investments	(485,525)	30	(438,424)	-
Gain on disposal of property, plant and equipment	(58,603)	(25,797)	-	-
Interest income	(308,173)	(501,595)	(187,242)	(320,654)
Inventories written down	32,330	1,178	-	-
Property, plant and equipment written off	1,915	1,577	-	-
Loss on disposal of other investments	-	80,749	-	-
Lease expenses related to short-term leases (a)	3,000	4,260	-	-
Unrealised (gain)/loss on foreign exchange	(70,878)	107,672	-	-
Realised gain on foreign exchange	(105,991)	(233,021)	-	-
Rental income	(7,597)	(252,700)	-	-
Reversal of allowance for ECL on trade receivables	(6,064)	-	-	-
Gain on remeasurement of lease contract	(92,819)	-	-	-
Wages subsidies (b)	(3,724)	-	-	-
Lease expenses related to low value assets (a)	24,136	-	-	-

(a) The Group lease a number of equipment and property of not more than one year and the value of the asset is less than RM20,000. These leases are short-term and lease of low value items. The Group has elected not to recognised right-of-use assets and lease liabilities for these leases.

(b) Certain subsidiaries were entitled to a wage subsidy programme introduced by the government of Malaysia in response to the COVID-19 pandemic.

23. TAXATION

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Tax expenses recognised in profit or loss				
Current tax				
Current financial year provision	1,932,290	2,523,980	40,184	73,683
(Over)/Under provision in prior financial year	(139,601)	(91,025)	373	-
	1,792,689	2,432,955	40,557	73,683
Deferred tax				
Origination and reversal of temporary differences	(53,163)	(2,107)	-	-
Over provision in prior financial year	(101,389)	(50,895)	-	-
	(154,552)	(53,002)	-	-
	1,638,137	2,379,953	40,557	73,683

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

23. TAXATION (CONT'D)

A reconciliation of income tax expenses applicable to profit before tax at the statutory tax rate to income tax expenses at the effective income tax of the Group and of the Company are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit before tax	6,808,268	7,335,076	4,637,019	4,753,330
At Malaysian statutory tax rate of 24% (2022: 24%)	1,633,984	1,760,418	1,112,885	1,140,799
Expenses not deductible for tax purposes	441,504	1,053,153	134,609	606,884
Income not subject to tax	(164,672)	(291,698)	(1,207,310)	(1,674,000)
Double deduction	(31,689)	-	-	-
(Over)/Under provision of current tax in prior financial year	(139,601)	(91,025)	373	-
Over provision of deferred tax in prior financial year	(101,389)	(50,895)	-	-
	1,638,137	2,379,953	40,557	73,683

24. EARNINGS PER SHARE

(a) Basic earnings per share

The basic earnings per share is calculated based on the consolidated profit for the financial year attributable to owners of the Company and the weighted average number of ordinary shares in issue during the financial year as follows:

	2023 RM	Group 2022 RM
Profit attributable to owners of the Company	5,026,245	4,955,123
Weighted average number of ordinary shares (unit)	194,573,000	188,975,624
Basic earnings per ordinary shares (sen)	2.58	2.62

(b) Diluted earnings per share

There is no dilution in earnings per share as the Company does not have any convertible financial instruments as at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

25. DIVIDENDS

	Group and Company	
	2023	2022
	RM	RM
In respect of the financial year ended 31 August 2022		
An interim single-tier dividend of RM0.01 per ordinary share, declared on 11 March 2022 and paid on 15 April 2022	-	1,945,730
An interim single-tier dividend of RM0.01 per ordinary share, declared on 9 August 2022 and paid on 22 September 2022	-	1,945,730
In respect of the financial year ended 31 August 2023		
An interim single-tier dividend of RM0.0075 per ordinary share, declared on 9 August 2023 and paid on 15 September 2023	1,459,298	-
	1,459,298	3,891,460

The Board of Directors does not recommend any final dividend in respect of the current financial year.

26. STAFF COSTS

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Salaries, wages and other emoluments	9,573,138	6,693,783	13,500	8,000
Social security contributions	129,257	90,789	-	-
Defined contribution plan	1,001,974	685,660	-	-
	10,704,369	7,470,232	13,500	8,000

27. RELATED PARTY DISCLOSURES

(a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group and the Company if the Group and the Company have the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group and of the Company, having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company directly or indirectly.

NOTES TO THE FINANCIAL STATEMENTS

(CONT'D)

27. RELATED PARTY DISCLOSURES (CONT'D)

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Transaction with subsidiaries				
- Dividends income	-	-	4,592,034	6,975,000
Transactions with companies in which Directors have interest				
- Sales	478,579	133,734	-	-
- Purchases	(122)	(660)	-	-
- Lease rental paid	(14,400)	(14,400)	-	-

(c) Compensation of key management personnel

The remuneration of Directors and key management personnel of the Group and of the Company are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Directors				
Fees	366,000	208,750	186,000	173,750
Salaries and other emoluments	1,299,600	970,260	13,500	8,000
Defined contribution plans	166,491	123,938	-	-
Social security contributions	8,795	4,743	-	-
	1,840,886	1,307,691	199,500	181,750
Key management personnel				
Salaries and other emoluments	320,905	223,884	-	-
Defined contribution plans	32,928	29,591	-	-
Social security contributions	3,486	2,690	-	-
	357,319	256,165	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has three reportable segments as follows:

- (i) Manufacturing : Manufacturing of die cutting moulds.
- (ii) Trading : Trading of related consumables, tools and accessories.
- (iii) Investment holding : Holding of investments in shares of subsidiaries.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

Information about segment assets and liabilities are neither included in the internal management reports nor provided regularly to the management. Hence, no disclosures are made on segment assets and liabilities.

	Note	Manufacturing RM	Trading RM	Investment holding RM	Adjustment and eliminations RM	Consolidated RM
2023						
Revenue						
External revenue		29,799,173	2,751,100	-	-	32,550,273
Inter-segment revenue	A	1,406,986	2,663,031	4,592,034	(8,662,051)	-
Total revenue		31,206,159	5,414,131	4,592,034	(8,662,051)	32,550,273
Segment profit		14,780,895	587,896	-	-	15,368,791
Other income						1,242,623
Unallocated expenses						(9,162,061)
Finance costs						(641,085)
Taxation						(1,638,137)
Profit for the financial year	B					5,170,131
2022						
Revenue						
External revenue		25,806,674	4,646,425	-	-	30,453,099
Inter-segment revenue	A	764,877	1,087,094	6,975,000	(8,826,971)	-
Total revenue		26,571,551	5,733,519	6,975,000	(8,826,971)	30,453,099
Segment profit		14,773,390	979,348	-	-	15,752,738
Other income						1,013,997
Unallocated expenses						(8,831,795)
Finance costs						(599,864)
Taxation						(2,379,953)
Profit for the financial year	B					4,955,123

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28. SEGMENT INFORMATION (CONT'D)

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:

- A. Inter-segment revenues are eliminated on consolidation.
- B. Profit for the financial year consist of the following items as presented in the respective notes to the financial statements:

	2023 RM	Group 2022 RM
Allowance for ECL on trade receivables	(180,868)	51,429
Deposit written off	-	63
Depreciation of property, plant and equipment	2,786,636	2,206,583
Fair value (gain)/loss on other investments	(485,525)	30
Gain on disposal of property, plant and equipment	(58,603)	(25,797)
Gain on remeasurement of lease contract	(92,819)	-
Inventories written down	32,330	1,178
Interest income	(303,332)	(501,595)
Loss on disposal of other investments	-	80,749
Property, plant and equipment written off	1,915	1,577
Realised gain on foreign exchange	(105,991)	(233,021)
Reversal of allowance for ECL on trade receivables	(6,064)	-
Unrealised (gain)/loss on foreign exchange	(70,878)	107,672

Geographical information

Segment information by geographical segment is not presented as the activities of the Group are located principally in Malaysia.

Non-current assets information based on geographical location of the assets are as follows:

	2023 RM	Group 2022 RM
Malaysia	40,113,568	34,980,472

Revenue information based on the geographical location of customers are disclosed in Note 20 to the financial statements.

Major customer

There is no major customer which more than 10% of the Group's revenue.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

29. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
At FVTPL				
Financial asset				
Other investments	695,308	64,802	516,327	-
At amortised cost				
Financial assets				
Trade receivables	6,933,964	6,616,466	-	-
Other receivables	402,979	976,552	-	695,000
Amount due from a subsidiary	-	-	-	2,475,000
Fixed deposits with licensed banks	-	3,566,478	-	-
Cash and bank balances	41,869,452	32,499,969	20,795,060	22,478,848
	49,206,395	43,659,465	20,795,060	25,648,848
At amortised cost				
Financial liabilities				
Trade payables	432,839	206,153	-	-
Other payables	3,969,507	3,778,681	1,595,838	2,074,530
Borrowings	22,336,757	13,957,852	-	-
	26,739,103	17,942,686	1,595,838	2,074,530

(b) Financial risk management objectives and policies

The Group's and the Company's financial risk management policy are to ensure that adequate financial resources are available for the development of the Group's and of the Company's operation whilst managing their credit, liquidity and market risks. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's and the Company's policy are not to engage in speculative transactions.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

29. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies, and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's and the Company's exposure to credit risk arises principally from the individual characteristics of each customer and cash and bank balances. The Group's exposure to credit risk arises principally from the trade receivables, other receivables, fixed deposits with licensed banks and cash and bank balances. The Company's exposure to credit risk arises principally from the other receivables, amount due from a subsidiary and cash and bank balances. There are no significant changes as compared to prior periods.

The Group and the Company have adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposit with banks with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The Company provides unsecured loans and advances to subsidiaries. It also provides financial guarantees to banks for banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

At each reporting date, the Group and the Company assess whether any of the receivables are credit impaired.

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

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial year represent the Group's and the Company's maximum exposure to credit risk except for financial guarantees provided to banks for banking facilities.

There are no significant changes as compared to previous financial year.

As at the end of the financial year, the Group has Nil (2022: 1) customer that owed the Group more than 10% each and accounted for approximately Nil% (2022: 12%) of all the receivables outstanding. The Company has no significant concentration of credit risks except for loans to its subsidiaries where risks of default have been assessed to be low.

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group and the Company will encounter difficulty in meeting their financial obligations as they fall due. 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's and the Company's funding requirement and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group and the Company finance their liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

29. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

	On demand within 1 year RM	2 to 5 years RM	More than 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Group					
2023					
<u>Non-derivative</u>					
<u>financial liabilities</u>					
Lease liabilities	491,565	455,908	3,945	951,418	891,172
Borrowings	2,645,587	10,397,078	16,719,396	29,762,061	22,336,757
Trade payables	432,839	-	-	432,839	432,839
Other payables	3,969,507	-	-	3,969,507	3,969,507
	7,539,498	10,852,986	16,723,341	35,115,825	27,630,275
2022					
<u>Non-derivative</u>					
<u>financial liabilities</u>					
Lease liabilities	542,236	554,011	-	1,096,247	1,043,806
Borrowings	1,592,522	5,696,178	11,019,132	18,307,832	13,957,852
Trade payables	206,153	-	-	206,153	206,153
Other payables	3,778,681	-	-	3,778,681	3,778,681
	6,119,592	6,250,189	11,019,132	23,388,913	18,986,492

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

29. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. (Cont'd)

	On demand within 1 year RM	2 to 5 years RM	More than 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Company					
2023					
<u>Non-derivative</u>					
<u>financial liabilities</u>					
Other payables	1,595,838	-	-	1,595,838	1,595,838
Financial guarantee *	21,030,804	-	-	21,030,804	
2022					
<u>Non-derivative</u>					
<u>financial liabilities</u>					
Other payables	2,074,530	-	-	2,074,530	2,074,530
Financial guarantee *	14,039,852	-	-	14,039,852	

* Based on the maximum amount that could be called for under the financial guarantee.

The Company provides financial guarantee to banks in respect of credit facilities granted to certain subsidiaries and monitors on an ongoing basis the performance of the subsidiaries. At end of the financial year, there was no indication that the subsidiaries would default on repayment.

Financial guarantee has not been recognised since the fair value on initial recognition was deemed not material and the probability of the subsidiaries defaulting on their credit facilities is remote.

(iii) Market risk

Foreign currency risk

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the functional currency of the Group. The currencies giving rise to this risk are primarily HKD, EUR, SGD, USD, and CNY.

The Group has not entered into any derivative instruments for hedging or trading purposes as the net exposure to foreign currency risk is not significant. However, the exposure to foreign currency risk is monitored from time to time by management.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

29. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

Foreign currency risk (Cont'd)

The carrying amounts of the Group's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

	HKD RM	EUR RM	Denominated in SGD RM	USD RM	CNY RM	Others RM
Group						
2023						
Financial assets	-	75,531	78,194	1,924,558	1,147	1,240
Financial liabilities	(14,693)	(101,281)	(3,106)	(137,403)	(77,597)	(4,297)
	(14,693)	(25,750)	75,088	1,787,155	(76,450)	(3,057)
2022						
Financial assets	-	381,554	1,896	1,101,199	-	-
Financial liabilities	(71,037)	(90,857)	(1,091)	(21,526)	-	-
	(71,037)	290,697	805	1,079,673	-	-

Foreign currency sensitivity analysis

The following table demonstrates the sensitivity of the Group's profit before tax for the financial year to a reasonably possible change in the HKD, EUR, SGD, USD, CNY and other exchange rates against the functional currency of the Group, with all other variables held constant.

Change in currency rate		Effect on profit before tax	
		2023 RM	2022 RM
HKD	Strengthend 1%	(147)	(710)
	Weakend 1%	147	710
EUR	Strengthend 1%	(258)	2,907
	Weakend 1%	258	(2,907)
SGD	Strengthend 1%	751	8
	Weakend 1%	(751)	(8)
USD	Strengthend 1%	17,872	10,797
	Weakend 1%	(17,872)	(10,797)
CNY	Strengthend 1%	(765)	-
	Weakend 1%	765	-
Others	Strengthend 1%	(31)	-
	Weakend 1%	31	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

29. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

Interest rate risk

The Group's fixed rate deposits placed with licensed banks and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group manages the interest rate risk of its deposits with licensed banks by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long-term deposits.

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

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

	2023 RM	Group 2022 RM
Fixed rate instruments		
<u>Financial asset</u>		
Fixed deposits with licensed banks	-	3,566,478
<u>Financial liabilities</u>		
Term loans	(41,664)	-
Lease liabilities	(891,172)	(1,043,806)
Net financial (liabilities)/assets	(932,836)	2,522,672
Floating rate instrument		
<u>Financial liability</u>		
Term loans	(22,295,093)	(13,957,852)

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for floating rate instruments

A change in 1% interest rate at the end of the reporting period would have increased/(decreased) the Group's profit before tax by RM222,951 (2022: RM139,579), arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

29. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value of financial instruments

The carrying amounts of short-term receivables, payables, cash and cash equivalents and short-term borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

(i) Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

There were no transfers between levels during current and previous financial years.

(ii) Level 1 fair value

Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

(iii) 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 asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Non-derivative financial instruments

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

(iv) Level 3 fair value

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

The following table summarises the methods used in determining the fair value of financial asset on recurring basis as at 31 August 2023 and 31 August 2022.

Financial asset	Fair value as at				Fair value hierarchy	Valuation techniques and key inputs
	Group		Company			
	2023 RM	2022 RM	2023 RM	2022 RM		
Other investments	695,308	64,802	516,327	-	Level 1	Reference to statements provided by the financial institution.

30. CAPITAL COMMITMENTS

	2023 RM	Group 2022 RM
Authorised and contracted for:		
- Property, plant and equipment	786,200	249,600
- Acquisition of subsidiaries	-	6,255,000
	786,200	6,504,600

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31. FINANCIAL GUARANTEE

	Company	
	2023 RM	2022 RM
Corporate guarantee given to financial institutions for credit facilities granted to subsidiaries	21,030,804	14,039,852

32. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital using a gearing ratio. The Group's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratios at end of the reporting period are as follows:

	Group	
	2023 RM	2022 RM
Total loans and borrowings	23,227,929	15,001,658
Less: Cash and bank balances	(41,869,452)	(32,499,969)
Net cash	(18,641,523)	(17,498,311)
Total equity	69,243,949	64,956,103
Gearing ratio	N/A*	N/A*

* The gearing ratio is not applicable as the Group has sufficient cash and bank balances.

There were no changes in the Group's approach to capital management during the financial year.

33. COMPARATIVE INFORMATION

- (a) The financial statements of the Group and of the Company for the financial year ended 31 August 2022 were audited by another firm of Chartered Accountants.
- (b) Certain comparatives were reclassified to conform to the current financial year's presentation.

34. DATE OF AUTHORISATION FOR ISSUE

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 1 December 2023.

ANALYSIS OF SHAREHOLDINGS

AS AT 30 NOVEMBER 2023

Total Number of Issued Shares	: 194,573,000
Issued and Fully Paid-up	: RM57,701,089.20
Class of Shares	: Ordinary Shares
Voting Rights	: One (1) Vote Per Ordinary Share

Distribution of Shareholdings

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Less than 100	4	0.183	109	0.000
100 - 1,000	378	17.347	250,400	0.129
1,001 - 10,000	1,122	51.492	5,992,691	3.080
10,001 - 100,000	596	27.352	19,425,800	9.984
100,001 – 9,728,649 (*)	77	3.534	24,921,000	12.808
9,728,650 and above (**)	2	0.092	143,983,000	73.999
	2,179	100.000	194,573,000	100.000

Remarks:

- (*) Less than 5% of issued shares holdings
 (**) 5% and above of issued shares holdings

Substantial Shareholders (Based on the Register of Substantial Shareholders)

Name	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
CEKD HOLDING SDN BHD	143,983,000	73.999	-	-
YAP TIAN TION ⁽¹⁾	-	-	143,983,000	73.999
YAP KAI NING ⁽²⁾	-	-	143,983,000	73.999
LIM BEE ENG ⁽²⁾	-	-	143,983,000	73.999
YAP KAI JIE ⁽²⁾	-	-	143,983,000	73.999
YAP KAI MIN ⁽²⁾	-	-	143,983,000	73.999

Notes:

- (1). Deemed interest by virtue of the shareholdings of his family in CEKD HOLDING SDN BHD pursuant to Section 8 of the Companies Act 2016.
 (2). Deemed interest by virtue of their shareholdings in CEKD HOLDING SDN BHD pursuant to Section 8 of the Companies Act 2016.

Directors' Shareholdings (Based on the Register of Directors' Shareholding)

Name	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
DATO' ZULKIFLI BIN ADNAN	300,000	0.154	-	-
DATUK MAK FOO WEI	300,000	0.154	-	-
CHONG CHIN LOOK	300,000	0.154	-	-
YAP TIAN TION ⁽¹⁾	-	-	143,983,000	73.999
YAP KAI NING ⁽²⁾	-	-	143,983,000	73.999
YAP KAI MIN ^{(2) (*)}	-	-	143,983,000	73.999

Notes:

- (1). Deemed interest by virtue of the shareholdings of his family in CEKD HOLDING SDN BHD pursuant to Section 8 of the Companies Act 2016.
 (2). Deemed interest by virtue of her shareholdings in CEKD HOLDING SDN BHD pursuant to Section 8 of the Companies Act 2016.
 (*) She is also the Chief Operation Officer.

ANALYSIS OF SHAREHOLDINGS

AS AT 30 NOVEMBER 2023 (CONT'D)

Chief Financial Officer's Interest in Shares

Name	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
PEARLY HIEW PEI LI	200,000	0.103	-	-

List of Top Thirty (30) Largest Shareholders

No.	Name of Shareholders	Total No. of Shares Held	%
1	UOBM NOMINEES (TEMPATAN) SDN. BHD. UNITED OVERSEAS BANK NOMINEES (PTE) LTD FOR CEKD HOLDING SDN. BHD.	80,000,000	41.12
2	CEKD HOLDING SDN. BHD.	63,983,000	32.88
3	CHIANG HENG PANG	3,540,000	1.82
4	HLIB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ONG CHUAN SIN (CCTS)	2,584,000	1.33
5	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TEH SEH BEE (E-KPG)	1,500,000	0.77
6	SHANYU DIE CUTTING MOULD SDN. BHD.	1,337,800	0.69
7	CHIEW SHIN YIH	783,900	0.40
8	KAM ZHUO SZE	670,200	0.34
9	LIM AH KOW	599,600	0.31
10	THAM CHOON SARN	592,600	0.30
11	THAM CHOON SARN	537,300	0.28
12	OOI ENG BEE	500,000	0.26
13	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAY CHUN GEE (E-KLC)	402,800	0.21
14	KAM SOON ONN	400,000	0.21
15	THUM QIAO HUI	390,000	0.20
16	THUM JUN JIE	350,000	0.18
17	MAK FOO WEI	300,000	0.15
18	ONG TECK LOONG	300,000	0.15
19	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHONG CHIN LOOK (E-TCS)	300,000	0.15
20	ZULKIFLI BIN ADNAN	300,000	0.15
21	KAM ZHUO YI	285,000	0.15
22	BOO YIN KWAN	266,300	0.14
23	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LEE KHOON BENG (E-KLG)	260,000	0.13
24	TEO TIEW	250,000	0.13
25	CGS-CIMB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHEONG YEE KIONG (MY0099)	241,000	0.12
26	LEONG KOK KIANG	236,000	0.12
27	CHIN PAU	224,000	0.12
28	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LAI LEE CHIN (E-TJJ)	211,000	0.11
29	YAP SWEE HANG	209,600	0.11
30	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SYED MUDZAFFAR BIN SYED ZAINUL ABIDIN	204,500	0.11

LIST OF PROPERTIES

No.	Title No.	Property Address	Tenure	Description of property/ Existing use	Category of land use/ Land area/ Built-up area (s.q. feet)	Acquisition Date	Approximate Age of Building	Audited Net Book Value as at 31 August 2023 (RM)
1	HS (D) 122863 PT 50128, Mukim Petaling Daerah Kuala Lumpur Wilayah Persekutuan Kuala Lumpur	10, Jalan 1/137B Resource Industrial Centre, Batu 5, Jalan Kelang Lama, 58200 Kuala Lumpur	Leasehold, 99 years expiring on 6 January 2121 (98 remaining years)	6-storey detached factory and office building/ Own use for business operations	Industrial/ 23,896/ 71,910	17/12/2018	3 years ⁽¹⁾	18,799,723
2	GRN 149634 Lot 3683, Mukim 06 Daerah Seberang Perai Tengah Negeri Pulau Pinang	81, Jalan Nagasari 1, Taman Nagasari, 13600 Prai Penang	Freehold	Intermediate 2-storey light industrial shoplot/ Own use for business operations	Industrial/ 2,314/ 3,277	2/12/1999	3 years ⁽¹⁾	57,691
3	GRN 149633 Lot 3682, Mukim 06 Daerah Seberang Perai Tengah Negeri Pulau Pinang	83, Jalan Nagasari 1, Taman Nagasari, 13600 Prai Penang	Freehold	Intermediate 2-storey light industrial shoplot/ Own use for business operations	Industrial/ 2,335/ 3,090	31/5/2004	3 years ⁽¹⁾	73,536
4	GRN 213962 Lot 2786, Bandar Kepong Daerah Gombak Selangor	No.19 Jalan KIP 7, Taman Perindustrian KIP, Kepong, 52200 Kuala Lumpur	Freehold	3-storey detached factory and office building/ Own use for business operations	Industrial/ 17,847/ 13,635	11/10/2021	24 years	9,081,423
5	HS (D) 100988 PT 26661, Mukim Petaling Daerah Petaling Selangor Darul Ehsan	No.3, Jalan BS 7/15, Taman Perindustrian Bukit Serdang, 43300 Seri Kembangan, Selangor	Freehold	Intermediate 2-storey light industrial shoplot/ Own use for business operations	Industrial/ 5,110/ 5,110	1/7/2011	27 years	1,299,141
6	GRN 421374 Lot 27741, Mukim Senai Daerah Kulai Johor Darul Takzim	No.12, Jalan Sawi 5, Taman Seri Senai, 81400 Senai, Johor Darul Takzim	Freehold	End 1 ½ storey light industrial shoplot/ Own use for business operations	Industrial/ 4,392/ 4,392	4/1/2019	32 years	946,305

LIST OF PROPERTIES (CONT'D)

No.	Title No.	Property Address	Tenure	Description of property/ Existing use	Category of land use/ Land area/ Built-up area (s.q. feet)	Acquisition Date	Approximate Age of Building	Audited Net Book Value as at 31 August 2023 (RM)
7	Geran 54977/ M2/5/131 Lot 63946, Mukim Serdang Daerah Petaling Selangor Darul Ehsan	No.4-5-1, Megaria Daisi, Jalan Mawar, Taman Bukit Serdang, Seksyen 8, 43300 Seri Kembangan	Freehold	Apartment/ Own use for staff accommodation	Residential/ 743 ⁽²⁾	11/11/2013	N/A ⁽³⁾	61,675
8	HS (D) 43764 PTD 4454, Mukim Senai Daerah Kulai Johor Darul Takzim	No.188, Padi Mahsuri 3, Taman Senai Baru, 81400 Senai, Johor Darul Takzim	Freehold	End single storey terraced house/ Own use for staff accommodation	Building/ 1,760/ 1,760	31/1/2017	40 years	152,532

Notes: -

- ⁽¹⁾ The approximate age of building is computed based on date of Certificate of Completion and Compliance ("CCC") which obtained in year 2020 in line with the IPO exercise.
- ⁽²⁾ Indicating the floor area of the apartment unit.
- ⁽³⁾ Information for the age of the entire apartment building is not available.

NOTICE OF SIXTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Sixth Annual General Meeting (“6th AGM”) of the Company will be held fully virtual through live streaming and online remote voting from the online meeting platform at <https://www.binamanagement.com.my> (Domain registration number with D1A401787) provided by Bina Management (M) Sdn. Bhd. (“BINA Portal”) in Malaysia on Wednesday, 28 February 2024 at 11.00 a.m. to transact the following businesses: -

AGENDA

AS ORDINARY BUSINESS

- To receive the Audited Financial Statements for the financial year ended 31 August 2023 together with the Reports of the Directors and Auditors thereon.
- To approve the payment of Non-Executive Directors’ fees for an amount of up to RM206,000.00 payable to the Non-Executive Directors of the Company on a monthly basis for the period from 29 February 2024 until the next Annual General Meeting of the Company, in such proportions and manner as the Directors may determine as follows: -

[Please refer to Explanatory Note 1]

**[Please refer to Explanatory Note 2]
[Ordinary Resolution 1]**

No	Type of Director	Non-Executive Directors’ fees (RM)		
		the Company	the Board of subsidiaries	Total
1	Chairman of the Board	60,000.00	-	60,000.00
2	Independent Non-Executive Directors	146,000.00	-	146,000.00
	Total			206,000.00

- To approve the Non-Executive Directors’ benefits (excluding Directors’ fees) for an amount of up to RM14,000.00 payable to the Non-Executive Directors of the Company on a monthly basis for the period from 29 February 2024 until the next Annual General Meeting of the Company, in such proportions and manner as the Directors may determine as follows: -

**[Please refer to Explanatory Note 2]
[Ordinary Resolution 2]**

No	Type of Director	Non-Executive Directors’ benefits (RM)		
		the Company	the Board of subsidiaries	Total
1	Chairman of the Board	3,000.00	-	3,000.00
2	Independent Non-Executive Directors	11,000.00	-	11,000.00
	Total			14,000.00

- To re-elect the following Directors who retire pursuant to Clause 84 of the Company’s Constitution and being eligible, have offered themselves for re-election: -
 - Mr. Chong Chin Look; and
 - Ms. Choo Yem Kuen.
- To re-appoint Messrs. TGS TW PLT as the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.

[Please refer to Explanatory Note 3]

**[Ordinary Resolution 3]
[Ordinary Resolution 4]**

[Ordinary Resolution 5]

NOTICE OF SIXTH ANNUAL GENERAL MEETING (CONT'D)

AS SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modifications, the following resolutions:-

6. **ORDINARY RESOLUTION**
- AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016

*[Please refer to
Explanatory Note 4]
[Ordinary Resolution 6]*

“THAT pursuant to the Companies Act 2016 (**“the Act”**), the Constitution of the Company, the ACE Market Listing Requirements (**“Listing Requirements”**) of Bursa Malaysia Securities Berhad (**“Bursa Securities”**) and approvals of the relevant government and/or regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer (**“New Shares”**) from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued, to be subscribed under any rights granted, to be issued from the conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares) for the time being (**“Proposed General Mandate”**);

THAT the existing shareholders of the Company do hereby waive their pre-emptive rights pursuant to Section 85(1) of the Act read together with Rule 7.08 of the Listing Requirements and the Company’s Constitution to be offered the New Shares to be allotted and issued under the Proposed General Mandate, which rank equally with the existing issued shares in the Company;

THAT such approval on the Proposed General Mandate shall continue to be in force until: -

- a) The conclusion of the next Annual General Meeting of the Company held after the approval was given;
- b) The expiration of the period within which the next Annual General Meeting of the Company is required to be held after the approval was given; or
- c) Revoked or varied by resolution passed by the shareholders of the Company in a general meeting;

whichever is the earlier.

THAT the Directors be and are hereby also empowered to obtain approval from the Bursa Securities for the listing and quotation for such New Shares on Bursa Securities;

THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

AND THAT the Directors of the Company be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate.”

7. To transact any other business of which due notice shall have been given in accordance with the Company’s Constitution and/or the Companies Act 2016.

BY ORDER OF THE BOARD

TEO SOON MEI (SSM PC No. 201908000235) (MAICSA 7018590)
LIM JIA HUEY (SSM PC No. 201908000929) (MAICSA 7073258)
Company Secretaries

Kuala Lumpur
Dated: 28 December 2023

NOTICE OF SIXTH ANNUAL GENERAL MEETING (CONT'D)

Explanatory Notes on Ordinary and Special Businesses: -

1. Item 1 of the Agenda

This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. As such, this Agenda item is not put forward for voting.

2. Items 2 and 3 of the Agenda

Section 230(1) of the Companies Act 2016 provides that the fees of the Directors and any benefits payable to the Directors including any compensation for loss of employment of a Director or former director of a public company or a listed company and its subsidiaries, shall be approved at a general meeting.

The shareholders at the Fifth Annual General Meeting ("5th AGM") held on 22 February 2023 approved the Non-Executive Directors' Fees and Non-Executive Directors' other benefits of up to an amount of RM206,000.00 and RM14,000.00 respectively, for the period from 23 February 2023 until the 6th AGM of the Company. The actual Fees and other benefits paid to the Non-Executive Directors for the said period were RM186,000.00 and RM14,000.00 respectively, and they did not exceed the amounts approved by the shareholders at the 5th AGM.

The Company is seeking the shareholders' approval for the payment of Non-Executive Directors' fees and Non-Executive Directors' benefits for an amount of up to RM206,000.00 and RM14,000.00 respectively, payable to the Non-Executive Directors of the Company on a monthly basis for the period from 29 February 2024 until the next Annual General Meeting of the Company under Ordinary Resolutions 1 and 2 respectively.

The benefits payable to the Non-Executive Directors comprising of meetings allowances based on actual attendance of meetings by the Directors and other claimable benefits including reimbursable expenses incurred in the course of carrying out their duties as Directors. The payment of benefits to the Non-Executive Directors will be made by the Company on a monthly basis and/or as and when incurred.

The estimated Non-Executive Directors' fees and benefits proposed for the period from 29 February 2024 until the next Annual General Meeting of the Company are derived based on the current Board size.

Ordinary Resolutions 1 and 2 are to facilitate payment of Directors' fees and benefits for the financial year 2024/2025.

In the event that the proposed Directors' fees and benefits payable are insufficient due to the enlarged Board size, the Company will seek shareholders' approval at the next AGM of the Company for the additional Directors' fees and benefits payable to meet the shortfall.

3. Item 4 of the Agenda

Mr. Chong Chin Look and Ms. Choo Yem Kuen, both Directors of the Company are seeking re-election at the 6th AGM (the "Retiring Directors") pursuant to Clause 84 of the Company's Constitution and being eligible, have offered themselves for re-election under Ordinary Resolutions 3 and 4 respectively.

The Nominating Committee ("**NC**") has reviewed the performance and contribution of the abovesaid Retiring Directors based on the Board Effectiveness Evaluation conducted, which encompassed several factors including:-

- (a) Fit and proper assessment
- (b) Contribution to interaction
- (c) Knowledge and caliber
- (d) Quality input provided to the Board of Directors
- (e) Understanding of role

The NC and Board of Directors ("**Board**") have also evaluated the tenure of the Directors and the Board's composition to ensure the Board has an appropriate mix of skills and experience for the business requirements. Additionally, the NC and Board have assessed the Retiring Directors' compliance with Rule 2.20A of the Listing Requirements of Bursa Securities in terms of their quality and integrity.

Based on the results of the Board's annual assessment and the fit and proper assessment conducted for financial year ended 31 August 2023, it was found that the Retiring Directors' performance and fit and properness were satisfactory.

The Retiring Directors who are Independent Non-Executive Directors have provided their confirmation that they have fulfilled the independence criteria prescribed by the Listing Requirements of Bursa Securities. They have also confirmed that they do not have any existing or potential conflict of interest, including the interest in any competing business with the Company and/or its subsidiaries or family that could affect the execution of their role as Directors.

4. Item 6 of the Agenda

Ordinary Resolution 6 is to seek a renewal of the general mandate for allotment and issuance of shares by the Company pursuant to the Companies Act 2016 at the 6th AGM of the Company. The purpose of this General Mandate, if passed, shall give power to the Directors to issue ordinary shares in the capital of the Company up to an aggregate number of shares or convertible securities issued not exceeding 10% of the total number of issued shares of the Company. This General Mandate, unless revoked or varied by the Company in a general meeting will expire at the conclusion of the next Annual General Meeting of the Company.

However, pursuant to Section 85(1) of the Act and Clause 52 of the Company's Constitution and Rule 7.08 of Listing Requirements of Bursa Securities, the New Shares will have to be offered to the existing shareholders of the Company unless there is a direction to the contrary given in the general meeting of the Company. Should the existing shareholders of the Company approve the proposed Ordinary Resolution 6, they are waiving their pre-emptive rights pursuant to Section 85(1) of the Act, which then would allow the Directors to issue New Shares to any person without having to offer the said New Shares equally to all existing shareholders of the Company prior to the issuance. This will result in a dilution to the shareholding percentage of the existing shareholders of the Company.

NOTICE OF SIXTH ANNUAL GENERAL MEETING (CONT'D)

The Board of Directors of the Company is of the view that the General Mandate is in the best interest of the Company and its shareholders as it will provide flexibility to the Company to issue new shares without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional costs and time. It will also enable the Directors to take swift action in case of a need to issue and allot new shares in the Company fund raising activities, including but not limited to further placement of shares for the purpose of funding the Company's current and/or future investment projects, working capital, acquisitions and/or for issuance of shares as settlement of purchase consideration, or other circumstances arise which involve grant of rights to subscribe for shares, conversion of any securities into shares, or allotment of shares under an agreement or option or offer, or such applications as the Directors may deem fit in the best interest of the Company and its shareholders, provided that the aggregate number of shares or convertible securities issued must not be more than 10% of the total number of issued shares of the Company.

The proposed Ordinary Resolution 6 is a renewal of the previous year's mandate. As of the date of this Notice, no new shares in the Company were issued pursuant to the General Mandate granted to the Directors at the last Annual General Meeting of the Company held on 22 February 2023 and which will lapse at the conclusion of the 6th AGM.

Notes:

- (1) *The 6th AGM of the Company will be held as a virtual meeting through live streaming and online remote voting using Remote Participation and Voting ("RPV") facilities provided by Bina Management (M) Sdn. Bhd. via online meeting platform at <https://www.binamanagement.com.my>. Please refer to the Administrative Guide for the 6th AGM which is available at the Company's website at <http://www.cekd.com.my> for the procedures to register, participate and vote remotely at the 6th AGM through the RPV facilities.*
- (2) *Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the 6th AGM using the RPV.*
- (3) *The Broadcast Venue of the 6th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be at the main venue of the meeting. The Broadcast Venue is to inform shareholders where the electronic AGM production and streaming would be conducted from. No shareholder(s)/ proxy(ies) from the public will be physically present at the meeting venue on the day of the 6th AGM.*
- (4) *A member who is entitled to attend and vote at the 6th AGM shall be entitled to appoint not more than two (2) proxies to attend, participate and vote on his/her behalf at the 6th AGM. A proxy may but need not be a member of the Company, and need also not be an advocate, an approved company auditor or a person approved by the registrar of the Company. Where a member appoints two (2) proxies to attend the 6th AGM, the member shall specify the proportion of his/her shareholding to be represented by each proxy, failing which the appointment shall be invalid.*
- (5) *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, he/she may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.*
- (6) *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. The appointment of two (2) or more proxies in respect of any particular omnibus account shall be invalid unless the exempt authorised nominee specifies the proportion of its shareholding to be represented by each proxy.*
- (7) *The instrument appointing a proxy and the power of attorney or other authority, if any, shall be in writing under the hand of appointer or of his attorney duly authorised in writing or a copy of that power of attorney, certified by an advocate and solicitor, or where the appointer is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised. Any alteration in the proxy form must be initialed.*
- (8) *The instrument appointing a proxy may be made via hardcopy or by electronic means in the following manner and must be received by the Company **not less than forty-eight (48) hours before the time appointed for holding the 6th AGM or at any adjournment thereof**:*
 - (i) *In Hardcopy Form*
*The Form of Proxy shall be deposited at the Share Registrar's office at **Bina Management (M) Sdn. Bhd. of Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor.***
 - (ii) *By Electronic Means*
*The Form of Proxy shall be electronically submitted via email at the **Share Registrar's email address at binawin@binamg168.com or via BINA Portal at <https://www.binamanagement.com.my>.***
- (9) *Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice of 6th AGM will be put to vote by poll.*
- (10) *In respect of deposited securities, only members whose names appear in the Record of Depositors on 19 February 2024 (General Meeting Record of Depositors) shall be entitled to attend, participate and vote at the 6th AGM, or to appoint proxy(ies) to attend, participate and vote on their behalf.*
- (11) *Those proxy forms which are indicated with "X" in the spaces provided to show how the votes are to be cast will also be accepted. Any alteration in the form of proxy must be initialed.*

Personal data privacy:

By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, speak and vote at the 6th AGM and/or any adjournment thereof, a member of the Company:

- (i) *consents to the collection, use and disclose of the member's personal data by the Company (or its agents) for the purpose of processing and the administration by the Company (or its agents) of proxies and representatives appointed for the 6th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 6th AGM (including any adjournment thereof), and in order for the Company (or its agent) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes");*
- (ii) *warrants that the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclose of the proxy(ies) and/or representative(s) personal data by the Company 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.*

STATEMENT ACCOMPANYING NOTICE OF 6TH ANNUAL GENERAL MEETING (“AGM”)

1. **STATEMENT RELATING TO THE RE-ELECTION OF DIRECTOR**

There is no individual seeking election as a Director at the forthcoming 6th AGM.

2. **STATEMENT RELATING TO THE GENERAL MANDATE FOR ISSUANCE OF SECURITIES**

Ordinary Resolution 6 on the general mandate for the issuance of securities

Statement relating to a general mandate for the issuance of securities in accordance with Rule 6.04(3) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

Please refer to the Explanatory Note 4 of the Notice of the 6th AGM set out on page 119 & 120.

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CEKD BERHAD
 [Registration No.: 201801023077 (1285096-M)]
 (Incorporated in Malaysia)

FORM OF PROXY

(before completing this Form of Proxy, please refer to the notes below)

Number of Shares Held	CDS Account No.
-----------------------	-----------------

*I/We _____ NRIC No./Passport No./Company No. _____
 (FULL NAME IN BLOCK LETTER)

of _____
 (FULL ADDRESS)

with email _____ and mobile phone no. _____,
 being a *member/members of **CEKD BERHAD**, do hereby appoint(s):-

Full Name (in Block) [Proxy 1]	NRIC/Passport No.	Proportion of shareholding	
		No of shares	%
Address:			
Email Address:			
Mobile Phone No.:			

and

Full Name (in Block) [Proxy 2]	NRIC/Passport No.	Proportion of shareholding	
		No of shares	%
Address:			
Email Address:			
Mobile Phone No.:			

or failing whom, the Chairman of the Meeting as *my/our proxy to vote for *me/us on *my/our behalf at the Sixth Annual General Meeting (“6th AGM”) of the Company to be held virtually through online meeting platform at <https://www.binamanagement.com.my> provided by Bina Management (M) Sdn. Bhd. in Malaysia (“**BINA Portal**”) (Domain registration number D1A401787) on Wednesday, 28 February 2024 at 11.00 a.m. and at any adjournment thereof.

Please indicate with an “X” in the spaces provided below on how you wish your votes to be cast. If no specific instruction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

	ORDINARY RESOLUTIONS	FOR	AGAINST
1	Approval of the payment of Non-Executive Directors’ fees for an amount of up to RM206,000.00 payable to the Non-Executive Directors of the Company on a monthly basis for the period from 29 February 2024 until the next Annual General Meeting of the Company.		
2	Approval of the Non-Executive Directors’ benefits (excluding Directors’ fees) for an amount of up to RM14,000.00 payable to the Non-Executive Directors of the Company on a monthly basis for the period from 29 February 2024 until the next Annual General Meeting of the Company.		
3	Re-election of Mr. Chong Chin Look, the retiring Director of the Company, who retires pursuant to Clause 84 of the Company’s Constitution.		
4	Re-election of Ms. Choo Yem Kuen, the retiring Director of the Company, who retires pursuant to Clause 84 of the Company’s Constitution.		
5	Re-appointment of Messrs. TGS TW PLT as the Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.		
	SPECIAL BUSINESS	FOR	AGAINST
6	Authority to allot and issue shares pursuant to the Companies Act 2016.		

*Strike out whichever is not applicable.

Dated this ____ day of _____, 2024

 *Signature(s)/Common Seal of Member(s)

For appointment of two proxies, percentage of shareholdings to be represented by the proxies		
	No. of shares	Percentage
Proxy 1		
Proxy 2		
Total		100%

Notes:

- i. The 6th AGM of the Company will be held as a virtual meeting through live streaming and online remote voting using Remote Participation and Voting ("RPV") facilities provided by Bina Management (M) Sdn. Bhd. via online meeting platform at <https://www.binamanagement.com.my>. Please refer to the Administrative Guide for the 6th AGM which is available at the Company's website at <http://www.cekd.com.my> for the procedures to register, participate and vote remotely at the 6th AGM through the RPV facilities.
- ii. Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the 6th AGM using the RPV.
- iii. The Broadcast Venue of the 6th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be at the main venue of the meeting. The Broadcast Venue is to inform shareholders where the electronic AGM production and streaming would be conducted from. No shareholder(s)/ proxy(ies) from the public will be physically present at the meeting venue on the day of the 6th AGM.
- iv. A member who is entitled to attend and vote at the 6th AGM shall be entitled to appoint not more than two (2) proxies to attend, participate and vote on his/her behalf at the 6th AGM. A proxy may but need not be a member of the Company, and need also not be an advocate, an approved company auditor or a person approved by the registrar of the Company. Where a member appoints two (2) proxies to attend the 6th AGM, the member shall specify the proportion of his/her shareholding to be represented by each proxy, failing which the appointment shall be invalid.
- v. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, he/she may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
- vi. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. The appointment of two (2) or more proxies in respect of any particular omnibus account shall be invalid unless the exempt authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
- vii. The instrument appointing a proxy and the power of attorney or other authority, if any, shall be in writing under the hand of appointer or of his attorney duly authorised in writing or a copy of that power of attorney, certified by an advocate and solicitor, or where the appointer is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised. Any alteration in the proxy form must be initialled.
- viii. The instrument appointing a proxy may be made via hardcopy or by electronic means in the following manner and must be received by the Company **not less than forty-eight (48) hours before the time appointed for holding the 6th AGM or at any adjournment thereof:-**
 - (a) In Hardcopy Form
The Form of Proxy shall be deposited at the Share Registrar's office at **Bina Management (M) Sdn. Bhd. of Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor.**
 - (b) By Electronic Means
The Form of Proxy shall be electronically submitted via email at the **Share Registrar's email address at binawin@binamg168.com or via BINA Portal at <https://www.binamanagement.com.my>.**
- ix. Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice of 6th AGM will be put to vote by poll.
- x. In respect of deposited securities, only members whose names appear in the Record of Depositors on 19 February 2024 (General Meeting Record of Depositors) shall be entitled to attend, participate and vote at the 6th AGM, or to appoint proxy(ies) to attend, participate and vote on their behalf.
- xi. Those proxy forms which are indicated with "X" in the spaces provided to show how the votes are to be cast will also be accepted. Any alteration in the form of proxy must be initialled.

Personal data privacy:

By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, speak and vote at the 6th AGM and/or any adjournment thereof, the member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of the 6th AGM dated 28 December 2023.

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AFFIX
STAMP

The Share Registrar of
CEKD BERHAD
[Registration No. 201801023077 (1285096-M)]
c/o: **BINA MANAGEMENT (M) SDN. BHD.**
Lot 10, The Highway Centre, Jalan 51/205,
46050 Petaling Jaya, Selangor, Malaysia.

Please fold here

CEKD BERHAD

[Registration No. 201801023077 (1285096-M)]

10, Jalan 1/137B, Resource Industrial Centre
Batu 5, Jalan Kelang Lama, 58200 Kuala Lumpur, Malaysia

Tel:+6017 988 2329 / +6017 988 6450

www.cekd.com.my

