



HEXTAR RETAIL BERHAD
(formerly known as Classic Scenic Berhad)
200301031466 (633887-M)

Scenic in Name
Beauty in **Frame**™



Those who hope in GOD
will renew their strength.
They will soar on wings like eagles;
They will run and not grow weary,
They will walk and not be faint.

Annual Report
2023

Hextar Retail Berhad 200301031466 (633887-M)

Annual Report 2023



HEXTAR RETAIL BERHAD
(formerly known as Classic Scenic Berhad)
200301031466 (633887-M)

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48000 Rawang, Selangor Darul Ehsan, Malaysia

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CORPORATE PROFILE



OUR VISION

To be the preferred business partner and employer of choice where we enrich lives with our products and solutions.



OUR MISSION

We build shareholder value by carving a niche in the global arena, earn the respect of the market for outstanding products and services, endorse human capital development and enhance business synergy in diversity with sustainability principles underpinning our corporate thinking and actions.



ABOUT US

Hextar Retail Berhad ("HRB" or "the company") (formerly known as Classic Scenic Berhad) and its subsidiary companies ("HRB Group" or "the Group") was listed on the Second Board of Bursa Malaysia Securities Berhad ("Bursa Securities") and subsequently was transferred to the Main Board (Main Board and Second Board are merged and now known as Main Market) of the Bursa Securities on 6 June 2006.

Our Group is principally engaged in the manufacturing of wooden picture frame mouldings ("WPFM") and wooden pallets. We started the business of manufacturing WPFM in 1988 and today, we have grown to become one of the largest WPFM manufacturer and exporter in Malaysia. Currently, more than 90% of our premium WPFM are exported mainly to North America, Australia, Europe and Japan. With the unwavering commitment of our team as well as proven quality of our products by the accreditation of ISO 9001:2015, the company has been growing progressively.

As of financial year ended 31 December 2023 ("FYE 2023"), the Group has manufacturing capability of nine (9) factories located in Rawang and Bidor, with a total factory land area over 1,000,000 sq. ft., built-up area of 699,000 sq. ft. and 317 total workforce.

Towards the end of FYE 2023, we expanded our business into food and beverage ("F&B") sector to bolster our revenue streams. Additionally, we entered into an agreement to acquire an apparel company, namely Redina Malaysia Schn. Bhd. ("RMSB"), as part of our diversification into apparel industry.

Moving forward, the Group will continuously focus on strengthening the overall business management in relation to a continuous improvement strategy in all aspects of the business and move on to greater heights and drive sustainable values to our stakeholders.



HEXTAR RETAIL BERHAD
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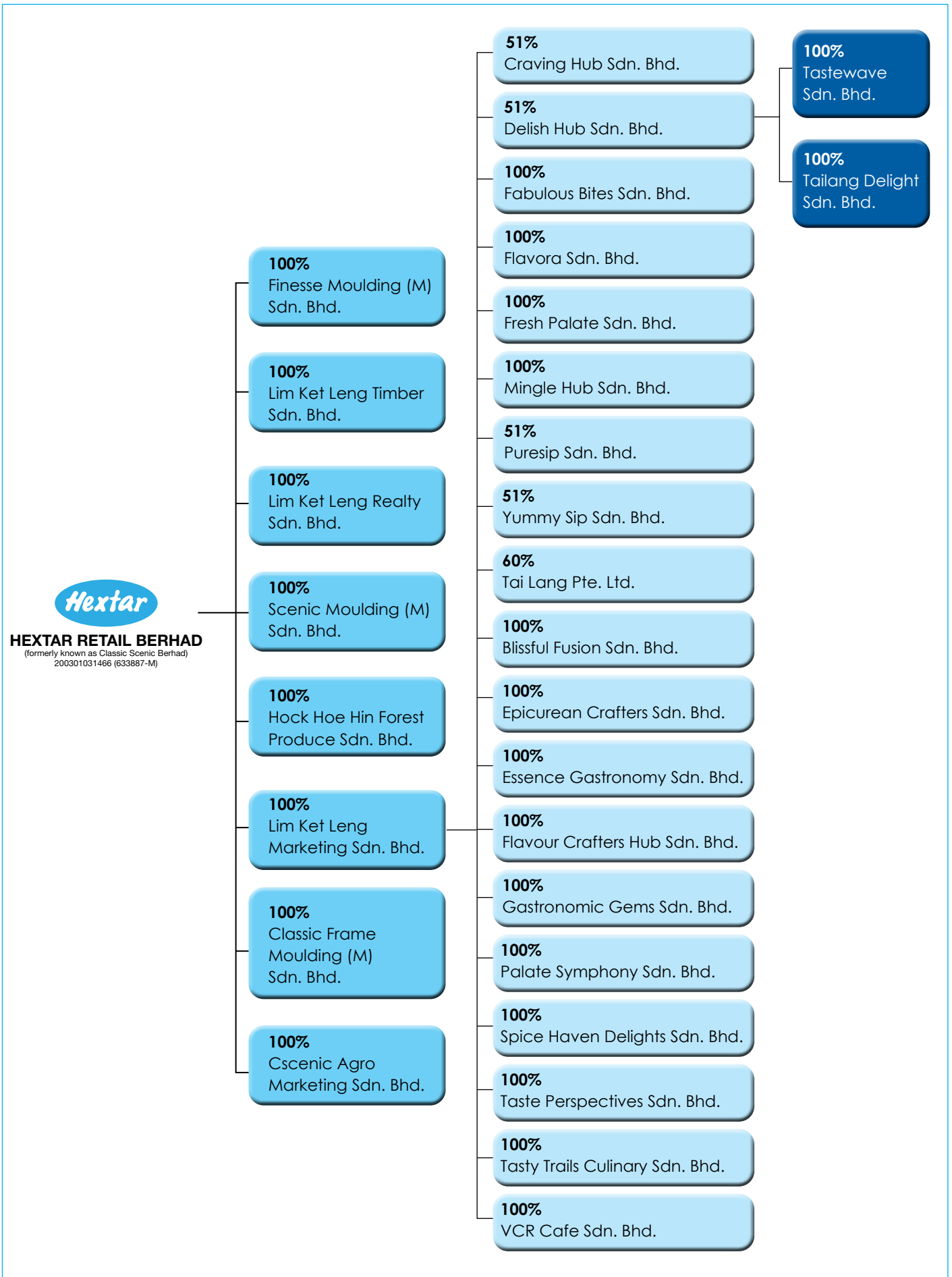
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Form of Proxy

CORPORATE STRUCTURE



CORPORATE INFORMATION

Board of Directors

Datuk Iskandar Bin Sarudin
Independent Non-Executive
Chairman

Vo Nghia Huu
Managing Director

Lim Chee Lip
Executive Director cum
Chief Commercial Officer

Teh ZiYang
Independent Non-Executive
Director

Khor Hun Nee
Independent Non-Executive
Director

Ooi Youk Lan
Non-Independent
Non-Executive Director

Board Committees

AUDIT COMMITTEE

Chairperson
Khor Hun Nee

Members
Datuk Iskandar Bin Sarudin
Teh ZiYang

NOMINATION AND REMUNERATION COMMITTEE

Chairman
Teh ZiYang

Members
Datuk Iskandar Bin Sarudin
Khor Hun Nee

EXECUTIVE AND RISK MANAGEMENT COMMITTEE

Chairman
Vo Nghia Huu

Members
Lim Chee Lip
Fong Wai Yi
See Siou Bin

HEAD OFFICE

Lot 12, Jalan RP3,
Taman Rawang Perdana,
48000 Rawang,
Selangor, Malaysia.
Tel.: 603 – 6091 7477
Email: cscenic@classicscenic.com
Website: www.classicscenic.com

REGISTERED OFFICE

Level 5, Tower 8,
Avenue 5, Horizon 2,
Bangsar South City
59200 Kuala Lumpur
Tel.: 603 – 2280 6388
Fax: 603 – 2280 6399
Email: listcomalaysia@acclime.com

COMPANY SECRETARIES

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

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

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

PRINCIPAL BANKERS

Citibank Berhad
Hong Leong Bank Berhad

AUDITORS

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants
Level 10, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Tel.: 603 – 7721 3388
Fax: 603 – 7721 3399

SHARE REGISTRAR

Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim,
Seksyen 13,
46200 Petaling Jaya, Selangor.
Tel.: 603 – 7890 4700
Fax: 603 – 7890 4670
Email: bsr.helpdesk@boardroomlimited.com

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main Market
Stock Code: 7202
Stock Name: HEXRTL

PROFILE OF BOARD OF DIRECTORS



From left to right :

KHOR HUN NEE

Independent Non-Executive
Director

LIM CHEE LIP

Executive Director cum
Chief Commercial Officer

DATUK ISKANDAR BIN SARUDIN

Independent
Non-Executive Chairman

VO NGHIA HUU

Managing Director

TEH ZIYANG

Independent
Non-Executive Director

OOI YOUK LAN

Non-Independent
Non-Executive Director

Profile of Board of Directors (cont'd)

Datuk Iskandar Bin Sarudin

Independent Non-Executive Chairman
Malaysian, Aged 69, Male

Datuk Iskandar Bin Sarudin was appointed to the Board of Directors ("Board") as the Independent Non-Executive Chairman on 16 June 2021. He also holds the position as a member of the Audit Committee ("AC") as well as the Nomination and Remuneration Committee ("NRC").

He completed his Bachelor of Arts with Honours (Malay Studies) from Universiti Malaya, Kuala Lumpur. He commenced his career in the Malaysian Administrative and Diplomatic Service in 1979. He has served the nation in Jakarta, Indonesia and Lagos, Nigeria as the Second Secretary and First secretary of the Embassy of Malaysia and High Commission of Malaysia respectively. He was then appointed as the Principal Assistant Secretary, Ministry of Foreign Affairs, Malaysia in 1989. Subsequently, he was assigned by the Ministry to establish the Embassy of Malaysia in Republic of Chile and Sarajevo, Bosnia and Herzegovina.

He has also served as the High Commissioner of Malaysia to Sri Lanka, Republic of Maldives and Ambassador of Malaysia to the Republic of Philippines, Peoples Republic of China and Mongolia in addition to being appointed as Deputy Secretary General (Management Affairs), Ministry of Foreign Affairs in 2006. Subsequent to his retirement in 2015, Datuk Iskandar has been serving as the President of Persatuan Muafakat One Belt One Road Malaysia ("PMOBOR") since 2016 till now.

Presently, he is an Independent Non-Executive Director of AEON Co. (M) Berhad.

Datuk Iskandar has attended all five (5) Board meetings held during FYE 2023.

Vo Nghia Huu

Managing Director
Australian, Aged 51, Male

Vo Nghia Huu was appointed to our Board as the Executive Director on 26 July 2021 and redesignated as the managing director on 8 September 2023. He is also the Chairman of the Executive and Risk Management Committee ("ERMC").

He obtained his Certificate III in Business Administration from TAFE College, Australia. He commenced his career in his family jewellery business and subsequently in 1995, he joined a leading independent family-owned electrical chain stores in Sydney, Australia, with a primary focus on expanding outlets throughout the state.

In 2008, he joined Hextar Chemicals Sdn. Bhd., working in export sales department. Later, he moved to Hextar R&D International Sdn. Bhd., concentrating on product development and registration in overseas markets such as Australia, Vietnam, and Fiji. He then became the Country Manager and established the export business to these countries. He played a pivotal role in registering and obtaining branded products as well as setting up the organic products portfolio for Hextar Chemicals Sdn. Bhd. Over the years, he has vast experience in the area of management and marketing.

Mr. Vo is the brother-in-law of Dato' Ong Choo Meng, a major shareholder of the Company. He does not hold directorships in any other public company and listed issuer.

He has attended all five (5) Board meetings during FYE 2023.

Profile of Board of Directors (cont'd)

Lim Chee Lip

Executive Director cum Chief Commercial Officer
Malaysian, Aged 36, Male

Lim Chee Lip was appointed to our Board as the Executive Director and Chief Commercial Officer on 2 January 2024.

He holds a post graduate diploma (PgDip) in Business Administration from the University of Wales Trinity Saint Davis, a Master in Construction Law and Arbitration (LLM) as well as a Bachelor degree in Quantity Surveying from Robert Gordon University, United Kingdom. Upon graduation, he worked for Steward Milne Group Limited and Hill International Inc., one of the largest public-listed U.S. consulting firms.

He is a member of the Chartered Institute of Arbitrators in the United Kingdom and Malaysia and has more than ten (10) years of professional work experiences in the United Kingdom, Middle East and Asia, in the areas of Dispute Resolution, Contract Management, Corporate Finance and Advisory. He has also accumulated vast corporate management experiences including directing, strategic planning and expansion of various private and public companies in Malaysia.

He does not hold directorships in any other public company and listed issuer.

As he was appointed to the Board on 2 January 2024, he has not attended any Board meeting held during FYE 2023.

Teh ZiYang

Independent Non-Executive Director
Malaysian, Aged 31, Male

Teh ZiYang was appointed to our Board as the Independent Non-Executive Director on 8 December 2021. He is also the Chairman of the NRC and a member of the AC.

He graduated with a Bachelor of Business (Honours) in International Business from Tunku Abdul Rahman University College, Kuala Lumpur, Malaysia.

He has been involved in an array of business activities since 2010. He commenced his career in his family's furniture business. In 2017, he joined project and administration department in Frazel Group Sdn. Bhd., concentrating on property development and investment in Malaysia. In 2020, he was appointed as Chief Operating Officer, overseeing the company operations strategy into actionable goals. Over the years, he has gained in-depth exposures in operations, corporate strategy, performance management, operational decision-making and strategic formulating.

He does not hold directorships in any other public company and listed issuer.

He has attended all five (5) Board meetings during FYE 2023.

Profile of Board of Directors (cont'd)

Khor Hun Nee

Independent Non-Executive Director
Malaysian, Aged 47, Female

Khor Hun Nee was appointed to our Board as the Independent Non-Executive Director on 16 November 2023. She is also the Chairman of the AC and a member of NRC.

She is a fellow member of the Association of Chartered Certified Accountants ("FCCA") and a member of the Malaysian Institute of Accountants ("MIA"). She is also a Certified Financial Planner ("CFP") with the Financial Planning Association of Malaysia and possesses a Capital Markets Services Representative's License ("CMSRL") issued by the Securities Commission ("SC") Malaysia.

She started her career as an auditor in Ernst & Young in 2000, for about four (4) years. Subsequently, she moved to various senior finance positions in Intel Technology Sdn. Bhd., Computer Systems Adviser and Airbus Helicopters Malaysia Sdn. Bhd. Over the years, she has vast experience in the area of finance management, financial reporting, corporate finance, auditing and taxation. She is currently self-employed as a licensed financial planner.

She is an Independent Non-Executive Director of Jaks Resources Berhad, Fiamma Holdings Berhad and Asteel Group Berhad.

Subsequent to her appointment to the Board on 16 November 2023, she has attended one (1) out of five (5) Board meetings during FYE 2023.

Ooi Youk Lan

Non-Independent Non-Executive Director
Malaysian, Aged 57, Female

Ooi Youk Lan was appointed to our Board as the Non-Independent Non-Executive Director on 1 April 2021. She is a FCCA and a member of the MIA.

Miss Ooi possesses over 31 years of working experience in audit, taxation, finance, accounting, treasury and corporate exercises covering a variety of industries for both listed and private Malaysia companies.

In 2012, she joined Hextar Group of Companies as the Group Financial Controller and currently is the Group Chief Financial Officer of Hextar Group of Companies. Her role is to oversee and manage the overall financial and accounting functions, banking relationship, corporate exercise and strategies of the Group of Companies. She is also serving as a director of the several private companies.

She does not hold directorships in any other public company and listed issuer.

She has attended all five (5) Board meetings held during FYE 2023.

1. Save for Vo Nghia Huu, none of the Directors have any family relationships with each other and/or any major shareholder of the Company.
2. None of the Directors: -
 - (a) have conflict of interest with the Company;
 - (b) have been convicted of any offence in the past five (5) years other than traffic offences, if any; and
 - (c) were publicly sanctioned or imposed with penalty by the regulatory bodies during FYE 2023.

PROFILE OF KEY SENIOR MANAGEMENT



From left to right :

See Siou Bin
General Manager

Fong Wai Yi
Chief Financial Officer

Ng Vic Ca
Chief Operating Officer

Profile of Key Senior Management (cont'd)

Fong Wai Yi

Chief Financial Officer
Malaysian, Aged 44, Female

Fong Wai Yi was appointed as the Chief Financial Officer of the Group on 20 December 2023. She is a FCCA and a member of the MIA.

She has more than twenty (20) years of working experience in finance, account and treasury management, financial advisory, audit, tax, as well as involved in various types of corporate exercises in Malaysia and Singapore. She began her career as an Audit Associate in 2002 and left as a Senior Audit Manager in Crowe Malaysia PLT (then known as Crowe Horwath). She was involved in audits of public listed companies and private limited companies for a wide range of industries. She also involved in engagements as the reporting accountants for corporate exercises undertaken by companies going for IPO.

In 2012, she joined a company listed in Singapore Exchange Securities as a Financial Controller where she was in charge of group financial management and reporting matters. Thereafter, she held several top finance positions in a number of private, public and multinational company where she was responsible for overseeing and monitoring financial accounting, treasury management, tax planning and compliance as well as strategic planning and budgeting. She has also been instrumental in building teams, enhancing capabilities, and implementing systems to align with business objectives while ensuring corporate compliance and governance. She then joined our Group in her current position in 2023.

Ng Vic Ca

Chief Operating Officer
Malaysian, Aged 38, Female

Ng Vic Ca was appointed as the role of Chief Operating Officer of the Group on January 18, 2024. Graduating with a Bachelor of International Business from RMIT University in Melbourne, Australia in 2011, her professional journey commenced at Delaware North, Melbourne, Australia in May 2012. Here, she specialized in talent recruitment, training, market analysis, and strategic positioning to uphold the company's competitive advantage. Transitioning to an engineering firm in 2015 as a Business Development Manager, she led initiatives to enhance sales through client relationship development before departing in 2017.

From 2016 to 2022, Vicca ventured into entrepreneurship, co-founding three F&B enterprises: Four Doors Sdn. Bhd., Kettlebell Sdn. Bhd., and Meraki Kita Sdn. Bhd. In these roles, she played a vital part in operational management, leading staff recruitment, training and development, and fostering collaborations with corporate partners to maximize profitability.

In addition to her entrepreneurial pursuits, Vicca served as a consultant at OTK Group Sdn. Bhd. and Majestic Emerald Sdn. Bhd. from July 2019 to September 2022. During this period, she oversaw the establishment of outlets and franchises, managed inventory, negotiated contracts with suppliers, and orchestrated the recruitment and training of personnel, resulting in tangible enhancements in financial performance.

In 2022, Vicca joined Trillion Benchmark as Group General Manager, where she was responsible for strategic planning and execution, as well as Sales & Marketing in Pavilion Mall's F&B segment. In 2024, she transitioned to our group, bringing her extensive experience and expertise to her current role.

Profile of Key Senior Management (cont'd)

See Siou Bin

General Manager
Malaysian, Aged 38, Male

See Siou Bin was appointed as the General Manager of the Group on 26 December 2021. He is a member of the ERMC. His role is to oversee the Group's supply chain and logistics, quality assurance management and maintenance functions.

He graduated with a Bachelor of Engineering (Hons) Manufacturing Engineering from University of Malaya in 2010 and obtained his Master of Business Administration ("MBA") from Inti International University in 2019.

He joined the Group as an internship student in 2009 and started his career with the Group as operation officer in 2010. He was promoted to Quality Assurance Manager in 2016 and subsequently was promoted to his current position as the General Manager in 2021.

None of the Key Senior Management: -

- (a) holds directorships in public companies and listed issuers;
- (b) has family relationship with any Director and/or major shareholder of the Company;
- (c) has conflict of interest with the Company;
- (d) has been convicted of any offence in the past five (5) years other than traffic offences, if any; and
- (e) was publicly sanctioned or imposed with penalty by the relevant regulatory bodies during the FYE 2023.

FINANCIAL HIGHLIGHTS

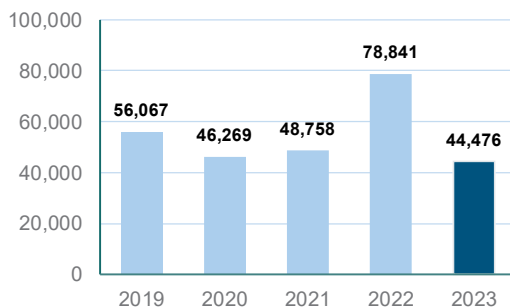
Financial Year Ended 31 December	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000
Revenue	56,067	46,269	48,758	78,841	44,476
Profit Before Tax ("PBT")	8,294	8,578	8,579	22,741	1,998
Profit After Tax ("PAT")					
Attributable to Owners of the Company	6,254	6,373	6,408	18,994	1,163
Cash and Cash Equivalents	14,035	25,815	16,554	24,129	21,801
Return on Equity (%)	6.8	6.9	4.7	11.8	0.8
Net Assets per Share (sen) ⁽¹⁾	25.58	25.67	38.15	43.33	39.91
Earnings per Share (sen) ⁽¹⁾	1.74	1.76	1.78	5.23	0.31
Dividend per Share (sen)	5.00	3.00	-	-	5.50
Dividend Payout Ratio (%)	96.3	56.7	-	-	1,192.4
Net Dividend Yield (%) ⁽²⁾	5.0	3.3	-	-	11.0

Notes:

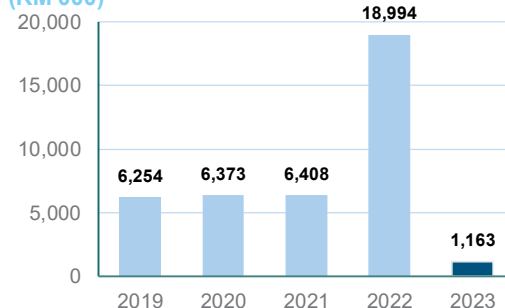
⁽¹⁾ The comparative has been restated to incorporate retrospective adjustment in respect of bonus issuance.

⁽²⁾ The Net Dividend Yield was calculated based on the share price as at the last trading day of the financial year.

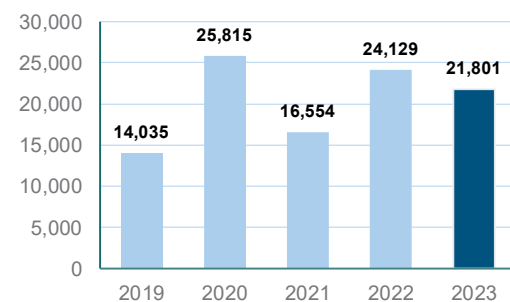
REVENUE (RM'000)



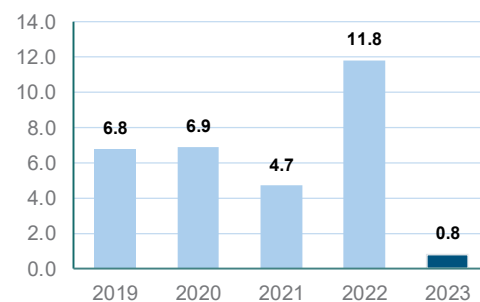
PAT ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM'000)



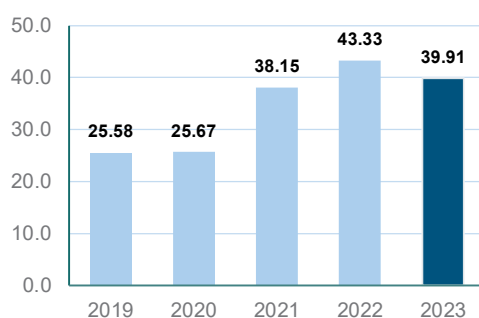
CASH AND CASH EQUIVALENTS (RM'000)



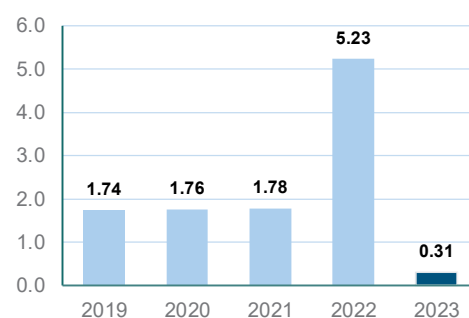
RETURN ON EQUITY (%)



NET ASSET PER SHARE (SEN)



EARNINGS PER SHARE (SEN)



MANAGING DIRECTOR'S MESSAGES

Dear Esteemed Shareholders,

On behalf of the Board of Directors of HRB (formerly known as Classic Scenic Berhad), I am pleased to present the Company's Annual Report and Audited Financial Statements for the FYE 2023.

As the newly appointed Managing Director of HRB, I am delighted to unveil a significant milestone as we transition to a new identity. This transition reflects our steadfast commitment to evolve and growth in the retail sector.



ECONOMIC AND BUSINESS LANDSCAPE

The year 2023 witnessed a series of significant global events, such as the ongoing wars in Ukraine and Gaza, and the world's transition into an endemic phase. These events have brought notable shifts and challenges to the global economic landscape, contributing to a rise in inflation rates. To address this, central bank around the world, especially, US Federal Reserve ("FED"), has increased interest rates and tightened the monetary policy which has tempered the overall economic growth. In addition, the shift in consumer demand from goods to services, alongside with overfilled warehouses and a slowdown in manufacturing activities has further underscored the economic challenges faced by manufacturers and retailers.

Knowing that we were up against significant headwinds, our Group remains committed to actively pursuing various cost control measures, striving to improve production efficiency and exploring new market opportunities.

Towards the end of 2023, our Group has diversified into the retail business, focusing on apparel and F&B segment. We entered into an agreement to acquire 51.0% equity interests in RMSB, an importer, general merchant and dealer of apparels in two tranches. Additionally, our wholly owned subsidiary, Lim Ket Leng Marketing Sdn. Bhd. ("LKLM") has subscribed 60% equity interest in Tai Lang Pte. Ltd. ("TLPL"), a restaurant business incorporated in Singapore while concurrently incorporated a total of twenty (20) subsidiary companies during and after the financial year to operate in the F&B segment.

These diversification strategy aims to mitigate dependency on our primary business of wooden picture frame moulding while enabling the Group to expand its income streams to enhance shareholder's value.

In line with our commitment to diversification, the Group's has officially changed its name from Classic Scenic Berhad to Hextar Retail Berhad to better reflect the Group's core business.

Managing Director's Messages (cont'd)

FINANCIAL HIGHLIGHTS

Faced with an adverse business environment, the Group's revenue decline significantly by 43.6% from RM78.84 million in the financial year ended ("FYE") 2022 to RM44.48 million in FYE 2023. Similarly, the profit after tax plummeted by 94.1% from RM18.99 million in FYE 2022 to RM1.12 million in FYE 2023. This downturn was mainly attributed by several key factors, including lower export volumes, higher input costs due to the raw materials price hikes, as well as higher unrealised loss on foreign currency forward contracts.

As at 31 December 2023, we maintain a healthy financial position with cash and cash equivalents of RM21.80 million and net assets of RM151.41 million.

For further insights on the Group's financial and operational performance, please refer to Management Discussion & Analysis section of this Annual Report.

UPHOLDING CORPORATE GOVERNANCE

HRB remains steadfast in advocating for good corporate governance practices by prioritising transparency, accountability, and integrity in all our dealings and practices. We recognise the importance of strong corporate governance in building trust to maintain the confidence of our shareholders and other stakeholders. Hence, we remain vigilant in broadening and enhancing our governance framework to facilitate long-term growth of our businesses.

For further insights into our efforts in upholding corporate governance, please refer to the Corporate Governance Overview Statement ("CG Statement") in this Annual Report and the Corporate Governance Report ("CG Report").

CULTIVATING SUSTAINABILITY

With an unwavering commitment to sustainability, we strive to create a positive impact by implementing ethical business practices, fostering social well-being, and minimising our environmental footprint for a sustainable future.

Our efforts on sustainability were accredited and HRB was granted admission into the FTSE4Good Bursa Malaysia ("F4GBM") Index and FTSE4Good Bursa Malaysia Syariah ("F4GBMS") Index in December 2023. The Group managed to secure a 3-star ESG rating, placing us among the Top 26% - 50% of public listed companies in the FTSE Bursa Malaysia EMAS Index.

As part of our Economic, Environmental, Social, and Governance ("EESG") initiative in conserving the environment, our Group maintains an effective timber Chain of Custody ("CoC") management system certified by the Forest Stewardship Council ("FSC"). The FSC is an international non-governmental organisation that promotes environmentally appropriate, socially beneficial and economically viable management of the world's forest.

Further insight into our sustainability initiatives, please refer to Sustainability Statement in this Annual Report.

REWARDING SHAREHOLDERS

Despite a challenging financial year, the Group remains committed to reward our shareholders for the unwavering support and loyalty to HRB. As such, the Group has paid the first interim single tier dividend of 5.50 sen per ordinary share, amounting to RM13.87 million, in respect of FYE 2023 on 25 April 2023.

Additionally, the Group had on 12 May 2023, completed the bonus issue of new ordinary shares on the basis of one (1) bonus share for every two (2) existing ordinary shares held by the shareholders. The corporate proposal was completed with the listing and quotation of new 126,430,188 bonus shares on the Main Market of Bursa Securities. Through this bonus issue, existing shareholders are able to retain the same percentage of equity interest while increasing the number of shares they own without any cash outlay.

FUTURE OUTLOOK

According to International Monetary Fund ("IMF"), global growth is projected to stay at 3.1% in 2024. Elevated central bank rates to fight inflation and a withdrawal of fiscal support amid high debt weigh on economic activity. Inflation is falling faster than expected in most regions, amid unwinding supply-side issues and restrictive monetary policy. Global headline inflation is expected to fall to 5.8% in 2024. However, the ongoing wars in Gaza and Ukraine, coupled with the geographical tensions continues to raise concerns about economic uncertainties which present challenges for the Group. To navigate these uncertainties and challenges, our Group will actively pursue various cost control measures, strive to improve production efficiency, deliver top-quality products to customers and explore new market opportunities.

Managing Director's Messages (cont'd)

FUTURE OUTLOOK (CONT'D)

Our recent diversification into apparel and F&B industry is also expected to yield significant growth potential. According to an independent market research overview report issued by Protégé, the apparel and F&B industry are forecasted a compound annual growth rate ("CAGR") of 8.4% and 10.8% respectively between 2023 to 2027. We are confident that our diversification plans will contribute positively to the Group's financial performance moving forward.

In line with our sustainability initiatives, our production team is currently collaborating with the Malaysia Timber Council ("MTC") and Standards and Industrial Research Institute Malaysia ("SIRIM") to streamline the production processes, digitise data collection for improvement analysis and enhance production efficiency with the aim of reducing our cost and improving competitiveness in the market.

Looking ahead, we remain cautiously optimistic on the outlook for year 2024. The Group is committed to proactively pursuing opportunities and effectively addressing challenges to bolster its long-term shareholder value.

APPRECIATION

On behalf of the Board, I warmly welcome Mr. Lim Chee Lip as our new Executive Director cum Chief Commercial Officer, Ms. Khor Hun Nee as our new Independent Non-Executive Director and Ms. Fong Wai Yi as our new Chief Financial Officer as well as Ms. Ng Vic Ca as our new Chief Operating Officer for retail segment. We are delighted to have them in our team as they bring their expertise to further strengthen the Group.

I also wish to express our sincere gratitude to our former Board members, Mr. Lim Chee Beng, Ms. Lim Kim Lee and Mr. Lew Chong Kiat for their dedicated service and invaluable contributions to the Group over the years. We wish them every success in their future endeavours.

My sincere appreciation also goes to our management and employees for their unwavering effort and commitment, which have been instrumental in driving the Group throughout this challenging business landscape.

Last but not least, I would like to extend profound gratitude to our esteemed stakeholders, including our shareholders, customers, business associates, industry partners, financial institutions and regulatory agencies. Your unwavering support and trust have been integral to our success, and we look forward to continuing our journey together.

Mr. Vo Nghia Huu
Managing Director
4 April 2024

MANAGEMENT DISCUSSION & ANALYSIS

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

HRB is one of the largest WPFM manufacturer and exporter in Malaysia. Since our modest beginnings in 1988, we have steadily grown, offering a diverse range of WPFM products, including wood-stained, matte-coloured, decorative gilding, gloss lacquer, laminated veneer, washed, and distressed finishes.

Over the 35 years of operation, the Group has been supported by the strong production capability of nine (9) factories located at Rawang and Bidor. The total factory land area exceeds 1,000,000 sq. ft., with a built-up area of 699,000 sq. ft. and a total workforce of 317 employees.

As of today, the Group is mainly engaged in three (3) key business segments as follows: -

Segment	Principal business activities
WPFM	Manufacture and sale of wooden picture frame mouldings
Other timber products	Manufacture and sale of other timber products, i.e., wooden pallets
Property holding	Holding and rental of properties

Enhancing shareholder's value has always been one of our top priorities. In FYE 2023, the Group has undertaken a diversification strategy to set our footing into the retail industry, focusing on the apparel and F&B segment with aims to mitigate the dependency on our primary business of WPFM while enabling the Group to expand its income streams to enhance shareholder's value.

As part of our diversification strategy, we are undertaking a propose acquisition of 51.0% equity interests in RMSB, an importer, general merchant and dealer of apparels in two tranches. Through this acquisition, the Group aims to expand its current portfolio of brand licenses by broadening its current brand portfolio by approximately 2 to 5 new brand licenses in the next 12 to 24 months while concurrently expanding the apparel retail network.

Towards the end of 2023, our wholly owned subsidiary, LKLM has subscribed 60.0% equity interest in TLPL, a restaurant business incorporated in Singapore while concurrently incorporated twenty (20) subsidiary companies during and after the financial year to operate in the F&B industry. The Group aims to implement a few initiatives which includes acquiring new licenses, exploring franchising opportunities, and forming strategic partnerships with existing F&B brand owners and new emerging F&B start-ups in order to ensure a successful entry into this industry.

Saved for a subsidiary engaged in F&B industry has commenced operation in December 2023, the financial impact from these diversification plans has not been consolidated into our financial performance for FYE 2023 as the proposed acquisition of RMSB is still on-going while our remaining new subsidiary companies earmarked to operate our F&B business has yet to commence operation. However, we are confident that our diversification into the retail business will contribute positively to the development of the Group moving forward.

FINANCIAL PERFORMANCE REVIEW

	FYE 2023 RM'000	FYE 2022 RM'000	Variances	
			RM'000	%
Financial Indicators				
Revenue	44,476	78,841	(34,365)	(43.6)
Gross Profit ("GP")	10,765	31,999	(21,234)	(66.4)
Profit Before Tax ("PBT")	1,998	22,741	(20,743)	(91.2)
Profit After Tax ("PAT")	1,120	18,994	(17,874)	(94.1)

Financial Ratios				
GP margin (%)	24.2	40.6	-	(16.4)
PBT margin (%)	4.5	28.8	-	(24.3)
PAT margin (%)	2.5	24.1	-	(21.6)

Management Discussion & Analysis (cont'd)

FINANCIAL PERFORMANCE REVIEW (CONT'D)

The uncertainties in global environment arising from geopolitical conflicts in Gaza and Ukraine have led to an overall weaker economic prospect. These events have brought notable shifts and challenges to the global economic landscape, contributing to inflationary pressure, increased interest rates and tightened monetary policy, reduced consumer confidence and decreased household expenditure.

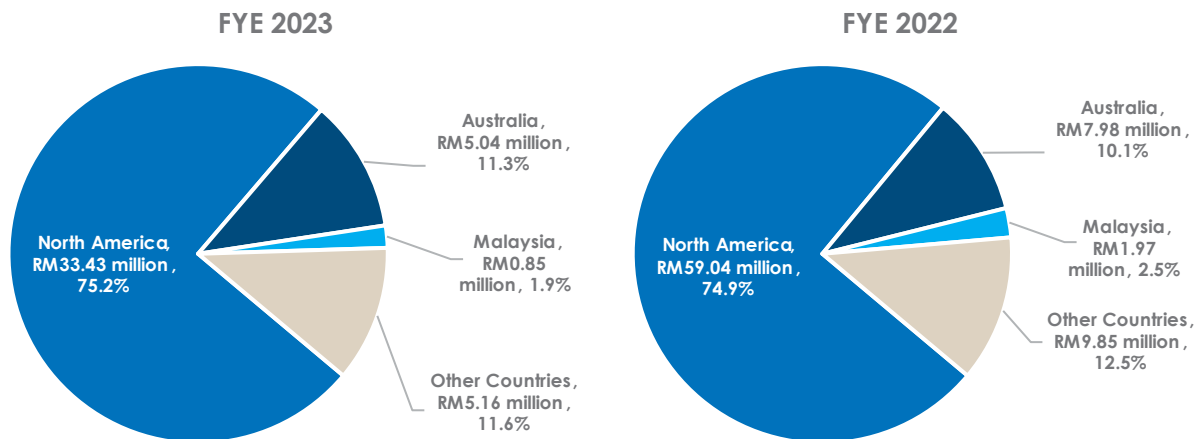
Under an adverse business condition, our Group recorded a revenue of RM44.48 million in FYE 2023, representing a decrease of RM34.36 million or 43.6% as compared to RM78.84 million in FYE 2022. This decline was primarily attributed to lower export volume of WPFM, influenced by poor consumer demand, especially in the United States, which is the Group's primary market.

In tandem with the decline in revenue, our Group's GP decreased by RM21.23 million or 66.4% from RM32.00 million in FYE 2022 to RM10.77 million in FYE 2023. The Group's overall GP margin also decreased by 16.4% from 40.6% in FYE 2022 to 24.2% in FYE 2023 as we endure higher input costs and loss of economies of scale as a result of lower export volume.

The decrease in revenue and GP has a significant impact to the bottom line of the Group's financial performance as we recorded a decrease in PBT by RM20.74 million or 91.2%, from RM22.74 million in FYE 2022 to RM2.00 million in FYE 2023, while our Group's PAT decreased by RM17.87 million or 94.1%, from RM18.99 million in FYE 2022 to RM1.12 million in FYE 2023. Similarly, the Group's PBT margin and PAT margin also decreased by 24.3% and 21.6% respectively. In addition to the decrease in revenue and higher input cost, the overall profitability of the Group was also burdened by higher unrealised loss on foreign currency forward contracts and higher professional fees incurred for corporate exercises undertaken during the financial year.

Operation Review by Countries

Our revenue segmentation by primary geographical markets for FYE 2023 and FYE 2022 are shown as follows: -



The Group's revenue contribution by geographical segmentation in FYE 2023 remains relatively consistent as compared to the previous financial year where approximately 98.1% of the Group's total revenue was derived from overseas customers, while the remaining 1.9% was derived from local customers.

Within our overseas market segment, revenue derived from North America remains to be our largest revenue contributor, representing 75.2% of the Group's total revenue in FYE 2023. This is followed by revenue derived from Australia, contributing 11.3% of the Group's total revenue while revenue derived from other overseas countries contributed 11.6% of the Group's total revenue in FYE 2023.

Management Discussion & Analysis (cont'd)

FINANCIAL PERFORMANCE REVIEW (CONT'D)

Operation Review by Countries (cont'd)

While the percentage of revenue contribution by countries remains very similar to the previous financial year, our Group's total revenue in FYE 2023 has decrease significantly by 43.6%. This was mainly attributed to lower export volume to North America, resulting in the decreased in revenue by RM25.61 or 43.4% from RM59.04 million in FYE 2022 to RM33.43 million in FYE 2023. The overall decrease in revenue from North America was mainly due to weaker consumer demand, affected by high interest rates implemented by the US FED to combat inflation.

Similarly, the overall headwinds in the global environment have also resulted in lower export sales to Australia by RM2.94 million, representing a decrease of 36.8% as compared to the previous financial year, while our revenue from other oversea countries decreased by RM4.69 million or 47.6%.

Meanwhile, our revenue derived from Malaysia decreased by RM1.12 million or 56.9% from RM1.97 million in FYE 2022 to RM0.85 million in FYE 2023 mainly due to lower volume of wooden pallets sold during the financial year.

FINANCIAL POSITION REVIEW

Statement of Financial Position

	FYE 2023 RM'000	FYE 2022 RM'000	Variances	
			RM'000	%
Financial Indicators				
Non-current assets	114,441	114,858	(417)	(0.4)
Current assets	49,551	60,720	(11,169)	(18.4)
Total assets	163,992	175,578	(11,586)	(6.6)
Non-current liabilities	8,332	8,460	(128)	(1.5)
Current liabilities	4,254	6,290	(2,036)	(32.4)
Total liabilities	12,586	14,750	(2,164)	(14.7)
Net assets	151,406	160,828	(9,422)	(5.9)

Financial Ratios				
Current ratio (times)	11.6	9.7	1.9	19.6
Net assets per share (sen)	39.91	43.33	3.42	(7.9)

Our Group's total assets decreased by RM11.59 million or 6.6%, from RM175.58 million as at 31 December 2022 to RM163.99 million as at 31 December 2023. The decrease in total assets was primarily attributed to lower inventories, trade and other receivables as well as cash and cash equivalent which is in line with the overall decrease in revenue during FYE 2023.

Correspondingly, our Group's total liabilities has also decreased by RM2.16 million or 14.7%, from RM14.75 million as at 31 December 2022 to RM12.59 million as at 31 December 2023. The decrease in total liabilities was primarily due the decrease in trade and other payables as a result of lower production activities in line with the decrease in revenue in FYE 2023.

Nevertheless, the Group's financial position as at 31 December 2023 remains healthy with a current ratio of 11.6 times, cash balances amounting to RM21.80 million and net assets of RM151.41 million. As at 31 December 2023, the Group's net assets per share stood at 39.91 sen.

Management Discussion & Analysis (cont'd)

FINANCIAL POSITION REVIEW (CONT'D)

Statement of Cash Flows

	FYE 2023 RM'000	FYE 2022 RM'000
Net cash from operating activities	11,487	21,892
Net cash used in investing activities	(3,199)	(18,248)
Net cash (used in)/from financing activities	(10,616)	3,931
Net change in cash and cash equivalents	(2,328)	7,575
Cash and cash equivalents at the beginning of the financial year	24,129	16,554
Cash and cash equivalents at the end of the financial year	21,801	24,129

As at 31 December 2023, our Group generated a positive net operating cash inflow of RM11.49 million, a decrease from the RM21.89 million generated in the preceding year, mainly due to substantial decline in PBT which was partly cushioned by the reduction inventories purchased and improved trade receivables collections.

The Group reported a net cash outflow from investing activities of RM3.20 million mainly due to the acquisitions of property, plant and equipment ("PPE") during the financial year, which mainly consist of solar power system, machineries, forklifts, other plant and equipment.

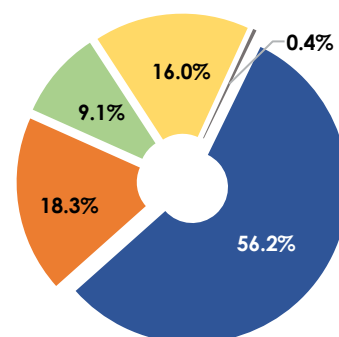
The Group recorded a net cash outflow from financing activities of RM10.62 million mainly due to dividend paid to shareholders amounting to RM13.87 million. The cash outflow was partially offset by proceeds from the issuance of ordinary shares amounting to RM3.33 million.

CAPITAL STRUCTURE, RESERVES AND EXPENDITURE

As at 31 December 2023, the Company's share capital amounts to RM67.96 million, comprising of 379,377,568 ordinary shares, with a net asset per share of 39.91 sen. Barring any unforeseen circumstances, our Group have adequate working capital to meet our budgeted requirements after taking into consideration our cash and cash equivalents of RM21.80 million and current ratio of 11.6 times as at 31 December 2023.

During FYE 2023, the Group has allocated a total of RM2.54 million for Capital Expenditure ("CAPEX"), as follows: -

CAPEX	RM'000	%
● Machinery, forklifts, plant and equipment	1,427	56.2
● Cabin, office equipment, furniture and fittings and renovation	464	18.3
● Assets under construction	407	16.0
● Computer equipment	231	9.1
● Solar power system	9	0.4
	2,538	100.0



As of 31 December 2023, the Group's capital commitments consist of purchase of PPE which has been approved and contracted for, amounting to RM0.19 million.

Management Discussion & Analysis (cont'd)

RISK RELATED TO OUR BUSINESS

Stability of Timber Supply and Fluctuation in Timber Prices

The primary raw material for the production of WPFM is timber logs. The Group often encounters the risk of shortage in the supply of timber logs due to stringent government policies on deforestation and controls over annual timber harvesting volumes. Additionally, weather conditions such as monsoons can disrupt logging activities and further impact timber supply. The disruption in timber supply will result in a timber price hike, which, in turn, affects the Group's profitability. Moreover, global inflation and geopolitical tensions caused by the wars in Ukraine and Gaza, have also contribute to the rising cost of raw materials, including timber.

To mitigate this risk, the Group maintains a level of timber inventory for a minimum of six (6) months to safeguard against temporary supply chain disruptions. Furthermore, the Group continues to source timbers from alternative suppliers and test new alternatives timber species to diversify our type of raw materials. We also maintain good business relationships with our suppliers to ensure a smooth and efficient supply chain with favourable pricing.

Fluctuations in Currency Exchange Rates

The Group's revenue is primarily attributed to overseas markets, mainly denominated in USD. Consequently, fluctuations in the USD-RM exchange rate would have substantial effect on the Group's financial performance.

To minimise any unfavourable impact, we have utilised currency forward foreign exchange contracts to hedge the risk in dealing with foreign currency transactions.

Diversification Risk

By diversifying into the retail industry, the Group will encounter new challenges, including economic downturns, competition from both existing and emerging players, sociopolitical stability and changes in the legal environmental framework governing the industry.

Hence, the Group had appointed 2 key personnels and will retain and leverage on the experience and skills of the existing key personnel to operate the retail business. This will ensure the success and continuity of the retail business' operation without any disruption. Furthermore, we will conduct periodic performance review on the retail business as well as implement prudent financial management and efficient operating procedures to limit the impact of this risk.

FUTURE OUTLOOK AND PROSPECTS

According to IMF, global growth is projected to stay at 3.1% in 2024. Elevated central bank rates to fight inflation and a withdrawal of fiscal support amid high debt weigh on economic activity. Inflation is falling faster than expected in most regions, amid unwinding supply-side issues and restrictive monetary policy. Global headline inflation is expected to fall to 5.8% in 2024. However, the ongoing wars in Gaza and Ukraine, coupled with the geographical tensions, raise concerns about economic uncertainties and present challenges for the Group. To navigate these uncertainties and challenges, our Group will actively pursue various cost control measures, strive to improve production efficiency, and explore new market opportunities.

To this end, the Group will actively implement suitable measures to control costs and enhance production efficiency while we will continue to leverage on our strong technical expertise and ongoing research and development ("R&D") efforts to drive the expansion of the business-to-business ("B2B") export segment by delivering top-quality and innovative products to our customers.

Management Discussion & Analysis (cont'd)

FUTURE OUTLOOK AND PROSPECTS (CONT'D)

Our recent diversification into apparel and F&B industry is also expected to yield significant growth potential. According an independent market research overview report issued by Protégé, the apparel and F&B industry are forecasted to have a CAGR of 8.4% and 10.8% respectively from 2023 to 2027. Based on the forecasted growth rate, our expansion into the overall retail industry is expected to positively impact the Group's financial performance moving forward.

In line with our sustainability initiatives, our production team is currently collaborating with the MTC and SIRIM to streamline the production processes, digitise data collection for improvement analysis and enhance production efficiency with the aim of reducing our cost and improving competitiveness in the market. Concurrently, our R&D team is continuously exploring and testing new sustainable plantation timber options other than pine woods.

Moving forward, we believe that our unwavering commitment to delivering the highest quality product, coupled with our dedication to sustainability, will contribute to the long-term success and enhance shareholders' value for the Group.

DIVIDEND

On 29 March 2023, the Board has declared the first interim single tier dividend of 5.50 sen per ordinary share amounting to RM13,869,657 for the FYE 2023. The said dividend was paid on 25 April 2023 to the shareholders of the Company whose names appear in the Record of Depositors on 13 April 2023.

SUSTAINABILITY STATEMENT

Dear valued stakeholders,

HRB recognises the importance of incorporating sustainability considerations in the business agenda of the Group. We believe that enhancing our sustainability disclosures and strengthening our sustainability strategies are key to becoming a responsible and sustainable organisation that brings long-term interest and value to the Group's shareholders, customers and the broader community.

The Board is pleased to present this Sustainability Statement ("Statement") for FYE 2023 that has incorporated the relevant sustainability disclosure requirements of the Bursa Securities' Main Market Listing Requirements ("MMLR"). This Statement intends to communicate our sustainability strategies and approaches which include environmental, social and governance ("ESG") factors in our business operations.

Reporting Basis

This Statement has been prepared in accordance with Bursa Securities' MMLR relating to Sustainability Statements and its Sustainability Reporting Guide 3rd Edition. This Statement has also been prepared with reference to the updated Global Reporting Initiative Sustainability Reporting Standards ("GRI Standards") as they represent the most widely used standards globally for reporting on ESG factors. HRB has also considered and identified areas where we can contribute to the United Nations Sustainable Development Goals ("UNSDGs") by mapping our material sustainability matters to selected SDGs.

Reporting Period and Scope

This Statement covers the Group's sustainability strategies and performance within the business operations in Malaysia from 1 January 2023 to 31 December 2023, with a specific focus on Finesse Moulding (M) Sdn Bhd which represents 98.7% of the Group's FYE 2023 revenue. Where possible, historical data has been included to provide a meaningful comparison for our stakeholders in understanding the Group's sustainability performance over the years.

Material Matters Assessment

Material matters that are most relevant to our Group and various stakeholders are identified and assessed as part of our sustainability management. Kindly refer to our Material Matters Matrix in this Statement for further details.

Feedback and Contact Point

We welcome stakeholders' feedback on this Statement and any other relevant matters to improve our sustainability measures and reporting standards. Any feedback, comments and enquiries can be directed to info@finessemoulding.com.

Sustainability Policy and Governance Structure

As outlined in the Group's Sustainability Policy, we are committed to ensuring sustainable practices in our business operations and keeping the right balance between economic performance, environmental conversation as well as workplace and social welfare.

Sustainability Statement (cont'd)

Sustainability Policy and Governance Structure (Cont'd)

Key sustainability commitments highlighted in our Sustainability Policy include the following:

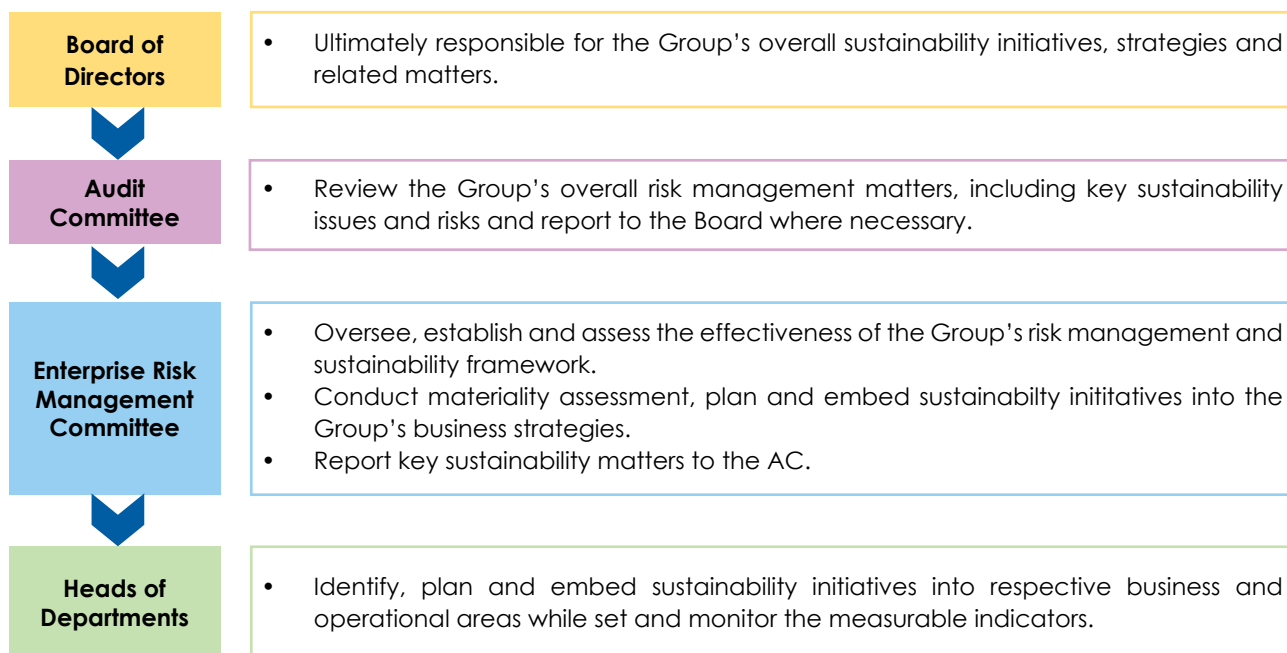
- to comply with all applicable environmental and labour laws, rules and regulations;
- to maintain an effective timber CoC management system and comply with the CoC requirements;
- to mitigate and prevent environmental pollution by achieving resources efficiency, continual operational improvement and equipment maintenance;
- to provide equal employment opportunities and diversity with no discrimination;
- to treat all employee equally with respect and dignity with zero tolerance to any physical, sexual, psychological or verbal harassment or abuse; and
- to provide a safe and healthy workplace environment, adequate training and protective equipment to employees.

HRB's Board holds the ultimate responsibility for the Group's strategic direction and oversight on sustainability matters. The Board ensures that sustainability is incorporated in our business strategies and aligns with the Group's long-term business objectives. The sustainability governance in the Group remains driven by the "tone from the top".

Our AC is responsible for supporting the Board in assessing the adequacy of the Group's risk management and internal controls as well the conduct of assurance activities relating to our sustainability reporting processes.

As with the Group's risk management processes, sustainability-related risk management activities are managed by the ERM. The ERM, which reports to the AC, oversees and assesses the effectiveness of the Group's risk management framework, including those relating to sustainability risks. The ERM is also responsible for ensuring that sustainability initiatives are properly planned and implemented.






The Heads of Departments ("HODs") are responsible for the day-to-day implementation of sustainability initiatives and action plans. The HODs play an important role in overseeing and driving the execution of sustainability efforts and their continuous improvement.



Sustainability Statement (cont'd)

Stakeholder Engagement

We regularly engage with our stakeholders through various channels to ensure that the Group addresses stakeholders' concerns and stays ahead of the challenges and trends in the fast-changing sustainability landscape. The table below provides information on how we communicate with different stakeholder groups, our frequency of engagements and areas of interests commonly discussed.

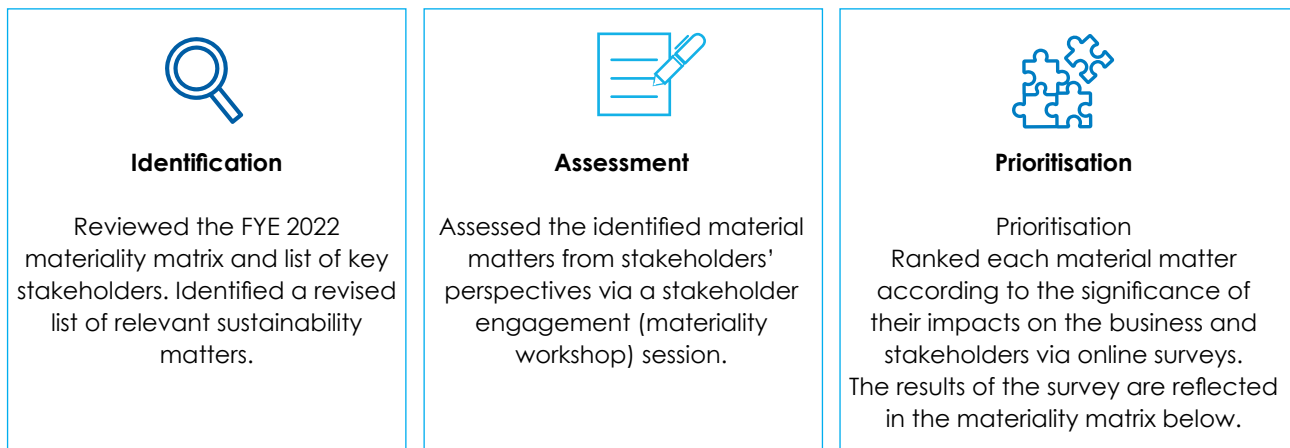
Stakeholders	Areas of Interest	Engagement Approach
Shareholders 	<ul style="list-style-type: none"> Revenue and profit growth Market share and competitiveness Company's reputation Sustainable dividend stream Corporate ESG responsibility 	<ul style="list-style-type: none"> Annual General Meeting ("AGM") Quarterly financial result Annual Report Press release Company website
Customers 	<ul style="list-style-type: none"> Purchase pricing, order terms and conditions Delivery lead time Product quality and safety Service level and effective communication Corporate ESG responsibility 	<ul style="list-style-type: none"> Yearly customer satisfaction survey Yearly business visit On-going interaction Company website
Suppliers 	<ul style="list-style-type: none"> Fair pricing, terms and conditions Payment terms and conditions Effective communication and long-term business relationship 	<ul style="list-style-type: none"> On-going interaction Yearly supplier evaluation Supplier audit and/or site visit
Employees 	<ul style="list-style-type: none"> Job satisfaction Career development and advancement Competitive remuneration package Working environment Occupational safety and health Balance gender diversity Corporate ESG responsibility 	<ul style="list-style-type: none"> Company meetings and engagement Biennial employee survey Yearly employee performance appraisal Employee training evaluation Master training plan Yearly production operator health surveillance
Government/ Regulators 	<ul style="list-style-type: none"> Legal and regulatory compliance Corporate governance Financial crime prevention Cultivation of an ethical and risk awareness workplace Corporate ESG responsibility 	<ul style="list-style-type: none"> On-going legal training or seminar Periodic reporting and updates to regulators Internal audit Bursa announcement Renewal of licenses and permits

Sustainability Statement (cont'd)

Material Matters

Materiality Assessment Process

We have re-evaluated our existing topics through a materiality assessment process, performed or reviewed annually, to identify and prioritise the most significant sustainability issues relevant to our business and understand the emerging ESG risks and opportunities facing our industry and business. Our materiality process involved identifying, assessing, and prioritising the material matters with 4 key stakeholder groups (i.e., directors, employees, suppliers, customers).



Materiality Matrix

There are four newly added material topics this year, namely Greenhouse Gas ("GHG") Emissions, Water Management, Waste Management and Data Management and Security, in order to reflect the Group's greater commitment to transparency. While the other material topics remain consistent with the previous year, they have been renamed or regrouped to better reflect our most significant impacts on the environment, people and the wider community.

Economic ¹	Governance ¹	Environment ¹	Social
<ul style="list-style-type: none"> Economic Performance Procurement Practices Research & Development Product & Service Quality Customer Satisfaction Data Management & Security 	<ul style="list-style-type: none"> Corporate Governance and Business Ethics Compliance with Laws & Regulations 	<ul style="list-style-type: none"> Energy Conservation GHG Emissions Water Management Waste Management 	<ul style="list-style-type: none"> Occupational Safety and Health Employee Welfare & Engagement² Workforce Diversity Community Outreach

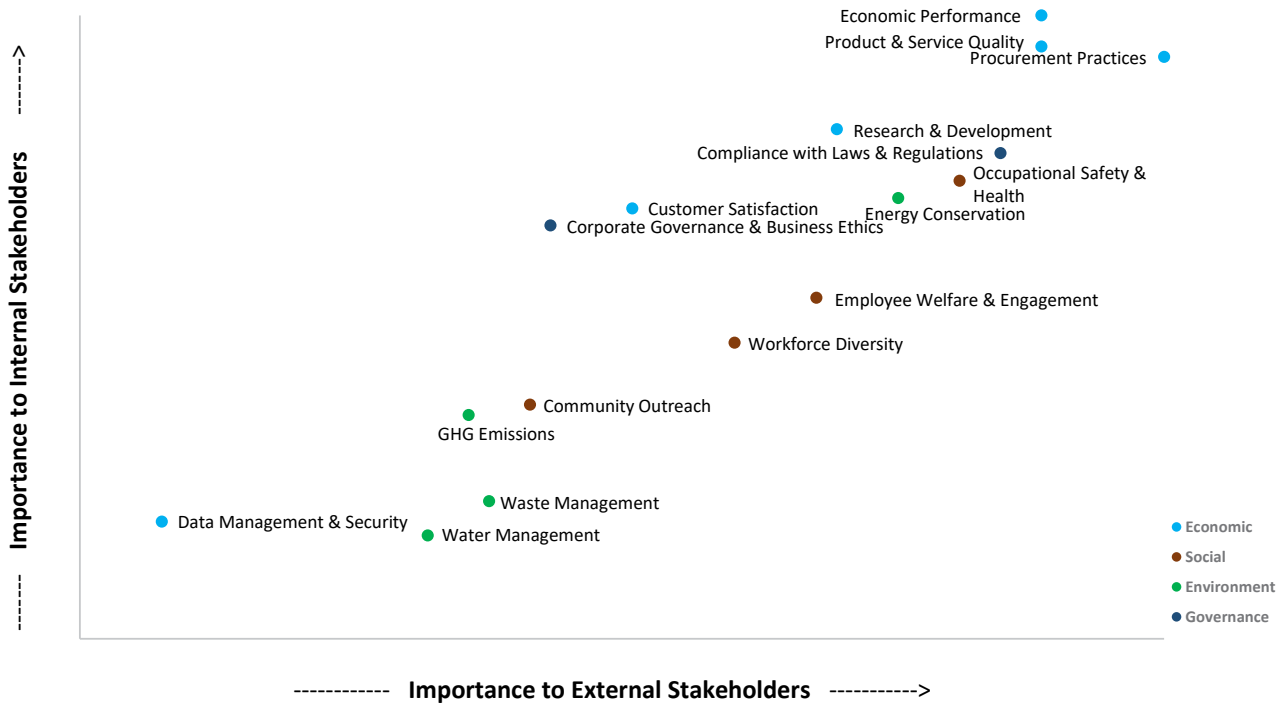
¹ Under the Economic and Governance pillars, the material topics "Business Growth and Expansion", "Raw Material Sourcing", "Customer Expectation & Satisfaction", "Environmental Monitoring & Compliances" and "Corporate Governance" reported in FYE 2022 have been renamed to "Economic Performance", "Procurement Practices", "Customer Satisfaction", "Compliance with Laws & Regulations" and "Corporate Governance and Business Ethics" respectively to align with the latest GRI Standards and industry trends.

² "Training & Development" which was a material topic in FYE 2022 is now reported as part of the "Employee Welfare & Engagement" material topic.

Sustainability Statement (cont'd)



Materiality Matrix (Cont'd)

The updated materiality matrix, including the materiality assessment process has been reviewed by our AC and endorsed by the Board.










Sustainability Strategies

HRB attempts to contribute towards the achievement of SDG blueprint by 2030. As such, we have aligned our material topics with the relevant UNSDGs developed corresponding strategies to improve our sustainability performance.

UNSDGs	Material Topics	Sustainability Strategies
	<ul style="list-style-type: none"> Economic Performance Procurement Practices Research & Development Product & Service Quality Customer Satisfaction Data Management & Security 	<ul style="list-style-type: none"> To understand customers' behaviours, needs and expectations To adopt responsible raw material sourcing via local procurement To continuously improve on the quality and variety of products
	<ul style="list-style-type: none"> Corporate Governance and Business Ethics Compliance with Laws & Regulations 	<ul style="list-style-type: none"> Strictly adhere to applicable laws and regulations

Sustainability Statement (cont'd)

Sustainability Strategies (Cont'd)

UNSDGs	Material Topics	Sustainability Strategies
Environment		
   	<ul style="list-style-type: none"> Energy Conservation GHG Emissions Water Management Waste Management 	<ul style="list-style-type: none"> To utilise renewable sources of energy To conduct environmental monitoring and assessment To encourage green actions to promote energy efficiency, reduce carbon emissions, conserve water and manage waste responsibly
Social		
  	<ul style="list-style-type: none"> Occupational Safety & Health Employee Welfare & Engagement Workforce Diversity Community Outreach 	<ul style="list-style-type: none"> To create a safe, healthy, diverse and conducive workplace To provide on-going training programs To adopt regular employee engagement To engage and contribute to the community

Sustainability Scorecard

Indicator	FYE 2021	FYE 2022	FYE 2023
Economic			
Local procurement (%)	89.5	97.9	96.5
Governance			
Number of significant penalties/fines/settlements imposed by authorities	0	2	0
Number of employees dismissed/disciplined due to breach of laws and regulations	0	0	0
Environment			
Total hazardous (scheduled) waste generated (tonnes)	35.7	73.2	28.0
Social			
Employee turnover rate (%)	2.6	17.2	24.8
Number of work-related injuries	11	10	8
Average training hours per employee	2.0	4.2	8.3
Total donations/sponsorship contributions (RM)	3,500	25,900	4,000

Sustainability Statement (cont'd)

Economic

Economic Performance

The Group's economic performance is a key influential factor in supporting our sustainability agenda. It is one of the most important sustainability matters in our materiality assessment this year. Our goal is to continuously generate significant economic benefits for our stakeholders.

In FYE 2023, the Group generated a revenue of RM44.5 million, a decrease from RM78.8 million in FYE 2022. RM45.5 million is distributed in the form of operating costs, employee benefits and expenses, payments to providers of capital, payments to government and community investments.

During the year, the Group has announced plans to diversify into the retail sector with a focus on apparel and F&B. In particular, the Group has proposed to acquire 51% equity interest in RMSB – an importer, general merchant and dealer in shoes and clothing. The proposed acquisition will be executed in two tranches, the first tranche involves a 20% equity interest in RMSB that will be funded using proceeds raised from a proposed 30% private placement, while the second tranche that covers the remaining 31% equity interest comes with a profit guarantee based on a two-year period FYE 2024 and FYE 2025 and will be funded through internally generated funds and bank borrowings. On the F&B front, one (1) subsidiary was in operation during the year. The Group's effort to diversify into the apparel and F&B businesses is a strategic move to widen the Group's income streams and reduce dependence on its wood-based business, with the aim to generate positive financial results for the Group.

HRB Group Amounts in RM'000	FYE 2021	FYE 2022	FYE 2023
Revenue	48,758	78,841	44,476
Profit After Tax	6,408	18,994	1,120

Procurement Practices

HRB is committed to being environmentally responsible in the conduct of our business. As a WPFM manufacturer with timber being the major component of our raw material, we are cognisant of the importance and benefits of using materials sourced from sustainably managed forests in our products.

We adopt a long-standing strategy in responsible procurement that is supported by an effective timber CoC management system. Our timber CoC management system has been certified by the FSC ("FSC-C021788"), under the scope of "purchase of FSC 100% sawn timber, manufacture using transfer system and sales of FSC 100% wooden picture frame moulding" since 2009. The FSC is an international non-governmental organisation that promotes environmentally appropriate, socially beneficial and economically viable management of the world's forests.

In light of the existing issue of depletion of local logs due to deforestation, we have developed the following mitigation plan to address this issue and minimise the impact towards our business operations while we continue to purchase our raw materials sustainably:

In light of the existing issue of depletion of local logs due to deforestation, we have developed the following mitigation plan to address this issue and minimise the impact towards our business operations while we continue to purchase our raw materials sustainably:

- to continuously explore plantation wood as alternative timber source, where possible;
- to establish wider sourcing networking with timber log suppliers for seeking eco-friendly timber supplier to promote responsible sourcing practices; and
- to adequately train our timber sourcing team to monitor and optimise timber yield from logs.

Sustainability Statement (cont'd)

Economic (Cont'd)

Procurement Practices (Cont'd)

Monitoring and controlling our raw material costs is one of our priorities. We strive to maintain the competitiveness of our products while ensuring that our product quality is not compromised. Necessary training will also be provided to our production team to improve operational efficiencies, productivity, yield and reduce wastages in our production processes.

It is crucial that we keep our procurement practices fair and transparent. All new and existing suppliers are subjected to a yearly supplier performance evaluation to assess their overall suitability in satisfying our production requirements, including material quality, cost, compliance, lead time and delivery, financial information accessibility and ethical dealings.

In FYE 2023, 96.5% of our spending on procurement were on local suppliers.

	FYE 2021	FYE 2022	FYE 2023
Proportion of spending on local suppliers	89.5%	97.9%	96.5%

Research and Development

Our R&D capability is of utmost importance to us to meet customer demands and stay competitive in the market. Continuous research and innovation help us respond to competitive pressures from low-cost manufacturers and changes in our target markets. We will also be able to differentiate ourselves from our competitors with our wide range of products, high product quality and durability as well as reasonable pricing.

Our R&D team has continued to strengthen our competitiveness with the following key initiatives undertaken in FYE 2023:

- improve cost-efficiency through increased use of sustainable wood materials, operational improvement, automation, and wastages reduction;
- develop new innovative and highly marketable products through collaboration with various suppliers, customers and external designers/students; and
- introduce fourteen (14) new designs for moulding and frame to expand product variety.

Furthermore, we are working with the MTC and SIRIM in the implementation of a Factory Transformation Programme ("FTP") that aims to cultivate a data-driven culture to better identify inefficiencies and reduce wastages in our processes through lean management and digitalization. We will also continue to explore, where possible, improvement opportunities in new technologies to reduce production time, energy consumption and promote circularity through the responsible use of raw materials and inputs.

Sustainability Statement (cont'd)

Economic (Cont'd)

Product and Service Quality

HRB places great emphasis on ensuring the quality of our products. We remain committed to providing our global customers with consistent quality to retain their trust and confidence in us.

We strictly adhere to the stringent controls set out in our Quality Policy throughout the production process. We have put in place a quality management system that is certified with ISO 9001:2015, under the scope of "Manufacture of Wooden Picture Frame Mouldings" which has been obtained since 2001. Continuous improvement is also a key element of our quality management process where potential improvement areas are identified by our R&D team.

Constantly aware of the possible adverse impacts of our products on the health and safety of customers, our Technical team complies with the following regulations to ensure that our raw material safety levels meet the safety and health requirements:

- Restriction of Hazardous Substance Directive 2011/65/EU (RoHS);
- The Code of Federal Regulations, Chapter II – Consumer Products Safety Commission of the United States of America; and
- The United States Environmental Protection Agency Air Resources Board – Airborne Toxic Control Measure (ATCM).

	FYE 2023
Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	100%
Total number of incidents of non-compliance with regulations or voluntary codes concerning health & safety impacts of products	0
Number of recalls issued and total units recalled for health and safety reasons	0

Customer Satisfaction

At HRB, customer satisfaction is our utmost priority. We place a large focus on maintaining long, sustainable relationships with our customers and strive for the continuous improvement of our products.

We engage with our customers through an annual customer satisfaction survey to gain insights into the evolving needs of customers, drive product enhancements, and support the development of better business strategies. The survey covers product quality, packaging attributes, product design, professionalism, customisation capabilities, technical and innovative capabilities, delivery lead time as well as overall competitiveness.

In FYE 2023, we have obtained an 82.4% response rate on the customer satisfaction survey. Our average score was 4.32 out of 5, a slight dip from last year's survey result of 4.35.

Sustainability Statement (cont'd)

Economic (Cont'd)

Data Management and Security

Respecting and protecting our customers' data and privacy is especially important given the increasing reliance on information technology (IT) systems in our business. HRB takes the necessary precautions to ensure that any customer data shared with us is protected against unauthorised use, access or disclosure. All customer information is retained and used in accordance with local data protection and confidentiality laws.

Our IT systems are managed in-house and we ensure that our server room is restricted to authorised personnel only. Our Information Security Policy provides guidance on how to handle customer data or personal data, proper usage of IT systems and cybersecurity maintenance. All employees are required to sign a declaration that they have understood the Information Security Policy during induction.

In FYE 2023, there were zero substantiated complaints concerning breaches of customer privacy and data loss.

	FYE 2023
Number of substantiated complaints concerning breaches of customer privacy and identified leaks, thefts, or loss of customer data	0

Governance

Corporate Governance and Business Ethics

HRB is committed to a robust corporate governance system that supports the business and engenders a culture of transparency and accountability. We ensure that the highest standards of ethical conduct are being upheld to protect the interests of our stakeholders.

Our Fit and Proper Policy continues to serve as guidance for our NRC to undertake objective assessment with merit criteria when reviewing any appointment and re-appointment of directors in the Company. The Fit and Proper Policy ensures that the Directors to be appointed are assessed based on character, experience, integrity, competence and time to effectively discharge his or her role in the Board.

Our Board of Directors has put in place clear and effective policies to ensure accountability and integrity in the operation of our business. Our Code of Business Conducts & Ethics ("The Code"), applicable to all employees, provides guidelines for reporting and investigating reports of unethical practices and actions to be taken in such situations. All Directors and employees are introduced to the Code upon their appointment or employment to ensure that are aware and familiar with the ethical expectations of the Group.

Sustainability Statement (cont'd)

Governance (Cont'd)

Corporate Governance and Business Ethics (Cont'd)

The Group's zero-tolerance stance against bribery and corruption is outlined in our Anti-Bribery and Corruption Policy ("ABC Policy"), which provides guidance in relation to transactions such as gifts, entertainment and conflict of interest situations. Our Anti-Fraud & Whistleblowing Policy ("AFW Policy") and Whistleblowing Policy & Procedure also sets out to support the implementation of the Code and ABC Policy by setting up an appropriate channel for employees and stakeholders to report any improprieties on any suspected or known fraud, bribery, corruption or malpractice.

All the abovementioned policies are publicly accessible on our website at <https://ir2.chartnexus.com/scenic/corporate-governance>. Our corporate governance practices and principles are also detailed in the Corporate Governance Overview Statement in this Annual Report and the Corporate Governance Report.

	FYE 2023
Percentage of operations that underwent corruption risk assessments	100%

Employee category	FYE 2023	
	Number of employees received anti-corruption training	Percentage of employees received anti-corruption training (%)
Management	9	100.0
Executive	25	92.6
Non-executive	1	3.1
General Workers	0	0.0

In FYE 2023, we have undertaken a bribery and corruption risk assessment that covers our operations and various stakeholder groups. There were zero cases of corruption across the Group and all management level employees have completed the necessary anti-corruption training. Given that non-executive employees and general workers have limited involvement in our decision-making processes, we prioritised anti-corruption training for our management and executives. We aim to maintain zero incidents of corruption across our operations in FYE 2024.

	FYE 2023
Number of confirmed incidents of corruption	0

Compliance with Laws and Regulations

HRB implemented policies to ensure compliance with local regulatory requirements, particularly in areas of environmental and social compliance. We strive to be a trusted partner to our customers, suppliers, shareholders and the communities where we operate.

We are guided by our Environmental Policy which covers the following principles:

- comply with the relevant environmental legal and regulatory requirements;
- prevent pollution, damage or deterioration of environment by addressing tangible aspect and internal/external issues determined through risk management procedure and life cycle considerations;
- implement action plans for identified environmental objectives and identified threats/opportunities, assess environmental performance and address non-compliance and appropriate emergency situations; and
- increase the awareness of proper material usage and environmental-friendly operation practices among employees. Employers and employees will share the responsibility of creating a clean and safe workplace and cultivate it as a culture.

Sustainability Statement (cont'd)

Governance (Cont'd)

Compliance with Laws and Regulations (Cont'd)

These policies are reviewed at least annually to meet the changing needs of the industry and regulatory requirements.

Our manufacturing facilities such as boilers, blowers, wood impregnation plants and air receiver tanks have been certified by the Department of Occupational Safety and Health in accordance with the Factories and Machinery Act 1987. As outlined in the Occupational Safety and Health (Use and Standards of Exposure of Chemicals Hazardous to Health) Regulations 2000, we have conducted an annual Local Exhaust Ventilation System assessment by engaging with an external licensed hygiene technician, to ensure that the chimneys in our manufacturing plants are working in good order.

On the social front, no employees have been dismissed and no public cases have been brought against the Group due to non-compliance to applicable laws and regulations.

	FYE 2022	FYE 2023
Number of significant instances of non-compliance with laws and regulations that resulted in significant fines or legal actions	2	0

We aim to maintain zero cases of non-compliance with laws and regulations that resulted in fines or penalties.

Environment

Energy Conservation

HRB recognises the need to minimise environmental impact caused by our operations by conserving energy and reducing our carbon footprint. As part of our energy conservation efforts, we have implemented several initiatives to enhance energy efficiency across the Group's operations in the following areas:

Key Initiative	Description
Installation of Light Emitting Diode ("LED") Lightings	Energy efficient LED lightings such as T8 fluorescent tubes, are installed at our production floor areas to conserve energy while saving electricity costs for the Group. 28% of our floor space have been installed with LED lightings.
Investment in Solar Energy	We embarked on the installation of solar photovoltaics ("PV") systems in 4 of our factory buildings in FYE 2022 and these installations have been completed in FYE 2023. During the year, the total power generated from solar energy was 516,133 kWh.
Environmental Green Fund Scheme	Our Environmental Green Fund Scheme was established in 2010 and it was set up to raise awareness on energy conservation in our business activities as well as the promotion of 3R's concept (Reduce, Reuse, and Recycle) across the Group. In FYE 2023 we have saved approximately RM 42,987.70, which will be shared with all employees and to support our underprivileged employees.

Sustainability Statement (cont'd)

Environment (Cont'd)

Energy Conservation (Cont'd)



Figure 1 & 2: Installation of solar panels

Our business operations consume a considerable amount of energy in the forms of vehicle fuel, mainly diesel and petrol used in forklifts and Group-owned vehicles as well as electricity consumed at our factory premises and office.

In FYE 2023, our total energy consumption recorded 14,895.0 GJ. Our energy intensity ratio measured 334.4 MJ per RM1,000 revenue generated.

Energy source	FYE 2023	
	Consumption	Energy amount (GJ)
Diesel	52,080.4 litres	1,994.2
Petrol	9,253.6 litres	310.1
Purchased electricity	3,497,430.0 kWh	12,590.7
	Total	14,895.0

We will continue to monitor our energy usage and strive to improve energy efficiency in our production processes to support the transition to a more sustainable future.

GHG Emissions

As a WPFM manufacturer, HRB recognises that a significant portion of our environmental footprint comes from GHG emissions resulting from energy use. This year, we started tracking and monitoring our emissions arising from consumption of fuel, i.e. Scope 1 and the usage of purchased electricity, i.e. Scope 2.

Sustainability Statement (cont'd)

Environment (Cont'd)

GHG Emissions (Cont'd)

Our Scope 1 and 2 emissions amounted to 2,811.5 tonnes of CO₂e, while our emissions intensity measured 63.2 kgCO₂e per RM1,000 revenue generated. We endeavour to enhance our energy efficiency in our manufacturing facilities and minimise our emissions through the use of more energy-efficient equipment, lightings and optimising our production.

	FYE 2023
Direct (Scope 1) GHG emissions (tCO ₂ e)	160.4 ¹
Indirect (Scope 2) GHG emissions (tCO ₂ e)	2,651.1 ²

¹ Scope 1 emissions factors are calculated using the World Resources institute (2015), GHG Protocol tool for mobile combustion (Version 2.6).

² Scope 2 emissions are calculated using Peninsular Malaysia's Grid Emission Factor (GEF) of 0.758 Gg CO₂e/GWh for 2021 sourced from the Malaysia Energy information Hub (MEIH) managed by the Energy Commission of Malaysia.

We also track air emissions which are generated from our wood making process. Our air emissions are closely monitored by our Certified Environmental Professional in Bag Filter Operation ("CEPBFO") competent person. During the year, we have conducted Stack Emission Monitoring through an independent environmental consultant certified by the Department of Environment ("DOE"), in accordance with ISO 1596:2003. The Group has complied with the Malaysian Clean Air Regulations 2014 with air emission from our chimneys and the boilers within the regulated particulate matter ("PM") level and nonmethane volatile organic compounds ("NMVOC") level.

Waste Management

As a WPFM manufacturer that relies heavily on timber as raw material, HRB is aware that proper waste management is key to minimise and reuse waste materials and pollutants that are generated in the production process to create a zero-waste environment. We strive to optimise the utilisation of resources and manage waste disposal responsibly.

Guided by our timber yield monitoring and timber usage optimisation strategies, wood waste such as short woods, wood chips and saw dust generated from our production are recycled and reused in our production. Short woods are jointed to create a long lumber which is used to produce premium finished products while wood chips and briquette blocks converted from saw dust are utilised to generate heat and supply energy to the Group's kiln-drying plant.

We have in place working instructions and standard operating procedures on scheduled waste management, to ensure that all our scheduled wastes are stored in the designated area with proper labelling and to be declared online in the Electronic Scheduled Waste Information System ("eSWIS") under the DOE before disposal.

Sustainability Statement (cont'd)

Environment (Cont'd)

Waste Management (Cont'd)

We segregate our scheduled wastes into 3 major types, namely paint sludge, contaminated container/bag/ equipment and discarded ink/lacquer. In compliance with applicable environmental laws and regulations, scheduled wastes are disposed by licensed scheduled waste contractors within 180 days from waste generation. All paint sludge is collected before disposal to minimise water contamination. Our Certified Environmental Professional in Scheduled Waste Management ("CePSWaM") possesses the necessary skills and competencies to monitor the Group's scheduled waste management. Our Environmental Committee and designated production workers have attended scheduled waste management internal training to keep abreast with the latest environmental regulations.

As of FYE 2023, we generated 28.0 tonnes of hazardous waste which is categorised as scheduled waste. We are in the process of developing processes to collect data to report on non-hazardous waste data.

	FYE 2021	FYE 2022	FYE 2023
Hazardous waste (scheduled waste) in tonnes			
Total amount of waste generated	35.7	73.2	28.0

Water Management

HRB recognises that water is a vital resource in our production processes. We strive to optimise our processes to enhance water efficiency and treat all wastewater leaving our facilities to avoid polluting the environment.

In FYE 2023, our total water consumption totalled 22.4 megalitres, measuring an intensity of 502.7 litres per RM1,000 revenue generated. We will continue to enhance our water conservation efforts to reduce our overall water consumption and intensity.

	FYE 2023
Water consumption (Megalitres)	22.4

Sustainability Statement (cont'd)

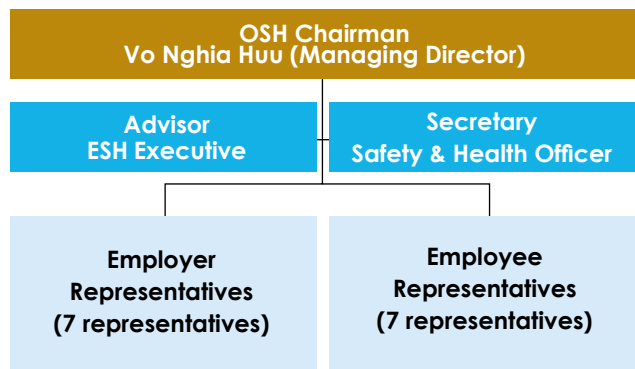
Social

Occupational Safety and Health

A safe workforce and workplace is HRB utmost priority as it sets the foundation for our business to thrive. We enforce safe behaviours and provide good working conditions in compliance with applicable laws and regulations, including the Occupational Safety and Health Act 1994 and the Factories and Machinery Act 1967, as well as our own Safety and Health Policy.

Our Group Safety and Health Policy outlines the proper measures and procedures to conduct our operations in a safe manner. This includes allocating adequate resources to train our employees, reviewing safety and health management systems regularly and holding heads of department accountable for achieving safety and health objectives.

Our Occupational Safety and Health (“OSH”) Committee, led by our Executive Director, is responsible for quarterly safety inspections across our operations. These safety inspections cover areas such as equipment and machinery, fire safety and security, chemicals, hygiene, personal protective equipment PPE, forklifts, entrances, exits, walkways, floors, first aid box, electrical safety and workers’ compliance. We manage workplace hazards using the Hazard Identification, Risk Assessment and Risk Control (“HIRARC”) methodology to effectively track and monitor any potential safety hazards in our operations.



In FYE 2023, we arranged 7 safety trainings which cover areas such as chemical handling, noise, first aid, forklift safety, firefighting as well as chemical spillage. A total of 7 employees attended these health and safety trainings. We also offer health and safety training during induction, on-the-job and refresher sessions to all our employees and contractors.

The Group keeps track of our safety performance and is summarised as follows.

	FYE 2023	
	All Employees (including Contractors)	Contractors only
Number of work-related fatalities	0	0
Fatalities rate	0.0	0.0
Number of high-consequence work-related injuries (excluding fatalities)	0	0
Rate of high-consequence work-related injuries (excluding fatalities)	0.0	0.0
Number of work-related lost-time incidents	8	0
Lost Time Incident Rate (“LTIR”) per 200,000 hours worked	2.63	0.0

We recorded 8 work-related injuries in FYE 2023, a decrease of 2 incidents compared to the previous year, and a lost time of 2.63 as compared to 2.64 in FYE 2022. Incidents are reported immediately to the relevant supervisor, Human Resources Department and OHS Committee. Detailed investigations will be conducted and followed up with the necessary corrective measures. The findings are shared with the OHS Committee to ensure that preventive measures are taken to avoid recurrences. We remain committed to achieve zero cases of workplace injuries. To ensure the health and wellness of our employees, we send our employees for annual medical surveillance as our employees may be exposed to harmful chemicals in the production process.

Sustainability Statement (cont'd)

SOCIAL (CONT'D)

Occupational Safety and Health (Cont'd)

We aim to achieve zero incidents of lost-time injuries in FYE 2024.

	FYE 2023
Number of employees trained on health and safety standards	7

Employee Welfare and Engagement

The development and well-being of our employees are pivotal in driving the sustainable growth of our business. We aspire to create long-term value with our talent and leadership and strive to support our employees in reaching their full potential.

We offer competitive compensation packages to attract and retain top talents. We conduct an annual review on employees' remuneration to ensure that it remains competitive in the market. We also conduct a performance review annually for all employees, allowing them to provide feedback, self-assess and receive support from their supervisors. We recognise and reward employees who have contributed to the Group for more than ten years by awarding them with the Long Service Award to show appreciation for their dedication and loyalty. In FYE 2023, there were 8 employees entitled to the long service award, of which 7 of them have been working with the Group for more than 20 years while the 1 employee have been staying with the Group for 10 years.

To ensure that our employees are well-supported, we offer a wide range of benefits, depending on their job grades, which includes:

- Group Term Life Insurance
- Group Hospitalisation Insurance
- Group Personal Accident Insurance
- Cost of Living Allowance (performance incentives, night shift allowance, full attendance incentives, grade incentives, etc.)

We believe that the well-being of our employees is of utmost importance. We have organised team-bonding sessions such as badminton tournaments and indoor team-building activities to promote recreation and health.



Figure 3 & 4: Badminton friendly matches and SuperPark activities for our employees

Furthermore, we provide opportunities for our employees to freely raise their opinions and feedback through our Open Door Policy. This enables employees to voice out complaints, suggestions and challenges through open communication and discussion with Management.

Sustainability Statement (cont'd)

SOCIAL (CONT'D)

Employee Welfare and Engagement (Cont'd)

We have also put in place a formal grievance mechanism to provide an employee channel for dialogue and problem-solving. This allows employees to clear doubts and avoid unnecessary dispute and misunderstanding with the following procedures:

- Step 1: Any employee alleging that he or she has a grievance may immediately report to his or her superior.
- Step 2: If the grievance is not resolved within two working days, the matter will then be referred to the relevant department manager.
- Step 3: If an agreement is not reached with the department manager within three working days, the matter may then be referred to the human resources manager.
- Step 4: If the matter is not resolved within another three working days, the matter may then be referred to the Executive Directors.

As we highly value employee feedback, we conduct an Employee Job Satisfaction Survey once every two years to gain insights into our employees' opinions and needs. This survey covers employees' job satisfaction level, awareness on corporate value, relationship with direct superior as well as leadership. We adopt a consultative approach in encouraging employees to openly express their comments and suggestions for the Group to enhance on existing operational efficiencies or employees' welfare. The next employee survey exercise will take place in FYE 2025.

Retaining talent is also crucial for the long-term viability of our business. We understand that the effectiveness of our workforce is closely linked to employee's loyalty, hence we have set a target of maintaining an annual employee turnover rate of within 20%. As of FYE 2023, our new hire rates and turnover rates are 9.2% and 24.8% respectively. The high attrition of general workers in FYE 2023 had resulted in the overall high turnover rate.

Number of employees	FYE 2023
Permanent employees	315
Contract-based/temporary employees	0
Percentage of employees that are contractors or temporary staff	0.0

Number of new hires	FYE 2023
Management	2
Executive	4
Non-executive/Technical staff	9
General Workers	14
Total	29
New hire rate (%)	9.2

Number of employee turnover	FYE 2023
Management	5
Executive	6
Non-executive/Technical staff	7
General Workers	76
Total	94
Employee turnover rate (%)	24.8

Sustainability Statement (cont'd)

SOCIAL (CONT'D)

Employee Welfare and Engagement (Cont'd)

We are also pleased to report there has been zero substantiated complaints concerning human rights violations.

	FYE 2023
Number of substantiated complaints concerning human rights violations	0

Training and Development

HRB is fully aware of the importance of training and development in the overall growth and success of our business. To enhance the learning capabilities of our employees, we encourage our employees to join the yearly structured training programmes to hone their skills and enhance their competencies. On an ad hoc basis, we provide more specialised training for employees who request for it, after assessing their training needs and obtaining their department manager's approval.

We remain committed to investing in our training and development programmes. In FYE 2023, clocked a total of 2,616 hours (FYE 2022: 1,616 hours) and increased our employee average training hours by 97.6% compared to the previous financial year, from 4.2 hours in FYE 2022 to 8.3 hours in FYE 2023.

Employee Category	FYE 2023	
	Hours of training attended	Average training hours
Management	347	38.5
Executive	900	33.3
Non-executive/Technical staff	325	10.2
General Workers	1,044	4.2
Total	2,616	8.3

Workforce Diversity

HRB is cognisant of the value of workforce diversity and inclusion brings in achieving our business goals. Our commitment to workforce diversity is reflected in our Gender Diversity Policy. As of FYE 2023, we have a total of 315 employees from different backgrounds in terms of gender and age group, illustrated as follows: -

	FYE 2023				
	Gender		Age		
	Male	Female	<30	30 – 50	>50
Number of Directors of HRB	3	2	0	3	2
Percentage of Directors of HRB (%)	60.0	40.0	0	60.0	40.0
Number of Employees					
Management	6	3	0	9	0
Executive	15	12	12	14	1
Non-executive/Technical staff	24	8	5	20	7
General Workers	186	61	69	149	29
Total number of employees	231	84	86	192	37

Sustainability Statement (cont'd)

SOCIAL (CONT'D)

Workforce Diversity (Cont'd)

	FYE 2023				
	Gender		Age		
	Male	Female	<30	30 – 50	>50
Percentage of Employees (%)					
Management (%)	66.7	33.3	0.0	100.0	0.0
Executive (%)	55.6	44.4	44.4	51.9	3.7
Non-executive/ Technical staff (%)	75.0	25.0	15.6	62.5	21.9
General Workers (%)	75.3	24.7	27.9	60.3	11.7
Total percentage of employees (%)	73.3	26.7	27.3	61.0	11.7

For our management positions, we aim to maintain a 40% women participation in leadership roles.

Community Outreach

HRB is committed to drive positive and sustainable changes in our community and to give back to the society. We endeavour to continue the implementation of our internship programme, having recruited 2 interns in supply chain department, 2 interns in production department and 1 in information technology department. This allows our interns to have an early exposure to the real-world and gain valuable work experience.

We embarked on several community initiatives and activities in FYE 2023, including our employees' participation in the annual Charity Walk Jog Wheel-a-thon with the Disabled and a plogging event in the low-cost apartment area of Bukit Tinggi, Klang. We have made contributions to the Hoo Hoo Club, an organisation that supports individuals in the lumber industry and promote the sustainable management of forest resources. We have also donated to San Yuk primary school to support their renovation works for a new administrative building. These contributions totalled RM 4,000.



Figure 5 & 6: Charity Walk Jog Wheel-a-thon and Plogging event participated by our employees

MOVING FORWARD

HRB recognizes the challenges of global warming and various environmental issues, and the significant efforts to mitigate the rise in global average temperature to under 2 degrees Celsius from pre-industrial levels. Acknowledging our considerable responsibility, our Board aims to incorporate climate change strategies into the Group's business strategies where appropriate. We will establish relevant goals to reduce our carbon footprint, align our business activities with the transition to a low-carbon economy and comply with applicable environmental regulations and guidelines.

Sustainability Statement (cont'd)

Performance Data Table

Indicator	Measurement Unit	2023
Economic Performance		
Revenue	MYR '000	44,476
Profit After Tax	MYR '000	1,120
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	96.50
Product and Service Quality		
Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	Percentage	100.00
Total number of incidents of non-compliance with regulations or voluntary codes concerning health & safety impacts of products	Number	0
Number of recalls issued and total units recalled for health and safety reasons	Number	0
Customer Satisfaction		
Customer satisfaction score	Rate	4.32
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	100.00
Executive	Percentage	92.60 *
Non-executive/Technical Staff	Percentage	3.10 *
General Workers	Percentage	0.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Compliance with Laws and Regulations		
Number of significant instances of non-compliance with laws and regulations that resulted in significant fines or legal actions	Number	0
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	4,137.50 *
Energy intensity	Intensity (per MYR '000 of Revenue)	334.40
Bursa (Emissions management)		
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	160.40
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	2,651.10
GHG emissions (Scope 1 & 2) intensity	Intensity (per MYR '000 of Revenue)	63.20 *
Bursa (Waste management)		
Total (hazardous) waste generated	Metric tonnes	28.00
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	22.400000
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	2.63
Bursa C5(c) Number of employees trained on health and safety standards	Number	7
Total hours worked	Hours	608,836
Number of lost-time incidents	Number	8
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	347
Executive	Hours	900
Non-executive/Technical Staff	Hours	325
General Workers	Hours	1,044
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	5
Executive	Number	6
Non-executive/Technical Staff	Number	7
General Workers	Number	76
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Total number of employee turnover	Number	94
Total number of new hires	Number	29
New hire rate	Rate	9.20
Turnover rate	Rate	24.80
Total employee training hours	Hours (1 d.p.)	2,616.0
Average training hours per employee	Hours (1 d.p.)	8.3
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	0.00

Internal assurance

External assurance

No assurance

(*)Restated

Sustainability Statement (cont'd)

Performance Data Table (Cont'd)

Indicator	Measurement Unit	2023
Management Between 30-50	Percentage	100.00
Management Above 50	Percentage	0.00
Executive Under 30	Percentage	44.40
Executive Between 30-50	Percentage	51.90
Executive Above 50	Percentage	3.70
Non-executive/Technical Staff Under 30	Percentage	15.60
Non-executive/Technical Staff Between 30-50	Percentage	62.50
Non-executive/Technical Staff Above 50	Percentage	21.90
General Workers Under 30	Percentage	27.90
General Workers Between 30-50	Percentage	60.30
General Workers Above 50	Percentage	11.70
Gender Group by Employee Category		
Management Male	Percentage	66.70
Management Female	Percentage	33.30
Executive Male	Percentage	55.60
Executive Female	Percentage	44.40
Non-executive/Technical Staff Male	Percentage	75.00
Non-executive/Technical Staff Female	Percentage	25.00
General Workers Male	Percentage	75.30
General Workers Female	Percentage	24.70
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	60.00
Female	Percentage	40.00
Under 30	Percentage	0.00
Between 30-50	Percentage	60.00
Above 50	Percentage	40.00
Percentage of employees by gender - male	Percentage	73.30
Percentage of employees by gender - female	Percentage	26.70
Percentage of employees by age group - under 30	Percentage	27.30
Percentage of employees by age group - between 30 to 50	Percentage	61.00
Percentage of employees by age group - above 50	Percentage	11.70
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	4,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	2

Internal assurance External assurance No assurance (*)Restated

- Under Energy Management, the measurement unit for total energy consumption is Megawatt-hour (MWh). The measurement unit for energy intensity is Megajoules (MJ) per RM 1,000 of Revenue.
- Under GHG Emissions, the measurement unit for GHG emissions (Scope 1 & 2) intensity is kgCO₂-e per RM 1,000 of Revenue.
- Unavailable data are indicated as "-".

Sustainability Statement (cont'd)

Assurance Statement

This statement has not been subjected to internal review by the Group's internal auditors nor has it been subjected to external, independent assurance. Nonetheless, we have undertaken the necessary steps to perform internal verification to enhance the accuracy and completeness of the sustainability data reported. The internal review on the Group's sustainability reporting process has been scheduled as part of our audit scope in the next financial year.

GRI Content Index

GRI Standard	Disclosure	Page number(s) and/or Remark(s)	
GRI 2: General Disclosures 2021	2-1	Organisational details	Annual Report: 2-3
	2-2	Entities included in the organisation's sustainability reporting	21
	2-3	Reporting period, frequency and contact point	21
	2-4	Restatements of information	36; restated LTIR for FYE 2022 due to a change in calculation method (per 200,000 hours worked).
	2-5	External assurance	All data and information presented in this Statement have not been externally assured at present.
	2-6	Activities, value chain and other business relationships	Annual Report: 90-91, 15-20
	2-7	Employees	37-40
	2-8	Workers who are not employees	The data coverage of this Statement includes all employees within Finesse Moulding (M) Sdn Bhd.
	2-9	Governance structure and composition	Annual Report: 3, 46-47, 49-52
	2-10	Nomination and selection of the highest governance body	Annual Report: 49-51
	2-11	Chair of the highest governance body	Annual Report: 46
	2-12	Role of the highest governance body in overseeing the management of impacts	22; Annual Report: 49
	2-13	Delegation of responsibility for managing impacts	22; Annual Report: 49
	2-14	Role of the highest governance body in sustainability reporting	22; Annual Report: 49
	2-15	Conflicts of interest	Annual Report: 60, 66
	2-16	Communication of critical concerns	31
	2-17	Collective knowledge of the highest governance body	Annual Report: 49, 51-52
	2-18	Evaluation of the performance of the highest governance body	Annual Report: 49
	2-19	Remuneration policies	Annual Report: 53-54
	2-20	Process to determine remuneration	Annual Report: 53-54

Sustainability Statement (cont'd)

GRI Content Index (Cont'd)

GRI Standard	Disclosure	Page number(s) and/or Remark(s)	
GRI 2: General Disclosures 2021 (cont'd)	2-22	Statement on sustainable development strategy	21-22
	2-23	Policy commitments	27-40
	2-24	Embedding policy commitments	27-40
	2-25	Processes to remediate negative impacts	27-40
	2-26	Mechanisms for seeking advice and raising concerns	21, 23, 31
	2-27	Compliance with laws and regulations	31-32
	2-28	Membership associations	Not applicable
	2-29	Approach to stakeholder engagement	23
	2-30	Collective bargaining agreements	Not applicable, no collective bargaining agreements in place.
GRI 3: Material Topics 2021	3-1	Process to determine material topics	24-25
	3-2	List of material topics	24
	3-3	Management of material topics	27-40
GRI 201: Economic Performance 2016	3-3	Management of material topics	27
	201-1	Direct economic value generated and distributed	27 ; Direct economic value generated (Revenue) is disclosed.
GRI 204: Procurement Practices 2016	3-3	Management of material topics	27-28
	204-1	Proportion of spending on local suppliers	28
GRI 205: Anti-corruption 2016	3-3	Management of material topics	31
	205-1	Operations assessed for risks related to corruption	31
	205-2	Communication and training about anti-corruption policies and procedures	31
	205-3	Confirmed incidents of corruption and actions taken	31
GRI 302: Energy 2016	3-3	Management of material topics	32-33
	302-1	Energy consumption within the organisation	32-33
	302-3	Energy intensity	32-33
	302-4	Reduction of energy consumption	32-33
GRI 303: Water and Effluents 2018	3-3	Management of material topics	35
	303-5	Water consumption	35
GRI 305: Emissions 2016	3-3	Management of material topics	33-34
	305-1	Direct (Scope 1) GHG emissions	33-34
	305-2	Energy indirect (Scope 2) GHG emissions	33-34
	305-4	GHG emissions intensity	33-34
	305-5	Reduction of GHG emissions	33-34
GRI 306: Waste 2020	3-3	Management of material topics	34-35
	306-3	Waste generated	34-35

Sustainability Statement (cont'd)

GRI Content Index (Cont'd)

GRI Standard	Disclosure	Page number(s) and/or Remark(s)	
GRI 401: Employment 2016	3-3	Management of material topics	37-39
	401-1	New employee hires and employee turnover	38
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	37
GRI 403: Occupational Health and Safety 2018	3-3	Management of material topics	36-37
	403-1	Occupational health and safety management system	36
	403-2	Hazard identification, risk assessment, and incident investigation	36
	403-3	Occupational health services	36
	403-4	Worker participation, consultation, and communication on occupational health and safety	36-37
	403-5	Worker training on occupational health and safety	36-37
	403-6	Promotion of worker health	36
	403-9	Work-related injuries	36
	403-10	Work-related ill health	36
GRI 404: Training and Education 2016	3-3	Management of material topics	39
	404-1	Average hours of training per year per employee	39
	404-2	Programmes for upgrading employee skills and transition assistance programmes	39
	404-3	Percentage of employees receiving regular performance and career development reviews	37
GRI 405: Diversity and Equal Opportunity 2016	3-3	Management of material topics	39-40
	405-1	Diversity of governance bodies and employees	39-40
GRI 413: Local Communities 2016	3-3	Management of material topics	40
	413-1	Operations with local community engagement, impact assessments, and development programmes	40
GRI 416: Customer Health and Safety 2016	3-3	Management of material topics	29
	416-1	Assessment of the health and safety impacts of product and service categories	29
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	29
GRI 418: Customer Privacy 2016	3-3	Management of material topics	30
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	30

CORPORATE GOVERNANCE OVERVIEW STATEMENT

INTRODUCTION

In HRB, the Board considers sound corporate governance to be a crucial element in steering the Group's business and creating sustainable value for both shareholders and stakeholders. Therefore, the Board endeavors to foster business prosperity with a culture characterised by transparency, accountability, and integrity, aligning with the recommendations outlined in the Malaysian Code on Corporate Governance ("MCCG").

The Board is delighted to present this CG Statement, which provides an overview of the Board's initiatives and commitments to promote good corporate governance throughout the Group during the FYE 2023. This statement is crafted in adherence to Paragraph 15.25(1) and Practice Note 9 of the MMLR, with the application of the following three (3) key corporate governance principles as guided by the MCCG: -

- Principle A** Board Leadership and Effectiveness;
- Principle B** Effective Audit and Risk Management; and
- Principle C** Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

Shareholders are encouraged to read this statement alongside the Company's CG Report, which furnishes comprehensive disclosures regarding the implementation of each corporate governance practice. The CG Report is available on the Bursa Securities' website at <https://www.bursamalaysia.com/>.

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS

PART I: BOARD RESPONSIBILITIES

1. Board Leadership

At HRB, the Board assumes the responsibility of guiding the Group's progress, defining strategic objectives, and ensuring the proper allocation of financial and human resources for achieving excellence. The Board has established the Group's vision and mission as the ultimate business objective. To carry out its responsibilities, the Board follows the principles outlined in the Board Charter, which specify the roles and duties related to the Group's business conduct, performance, risk management, internal controls, corporate governance, succession planning, investor relations, shareholders' engagement, and regulatory compliance matters.

The leadership of the Board is entrusted to Datuk Iskandar Bin Sarudin, who serves as the Independent Non-Executive Chairman of the Company. His role involves fostering good corporate governance and ensuring the overall effectiveness of the Board. As the Board Chairman, he actively facilitates Board meetings to ensure that the diverse opinions and perspectives of all Board members are thoroughly and constructively discussed, thereby contributing to the progress of the Group.

While the Board holds ultimate responsibility for the Company, it has delegated certain roles and duties to three (3) Board Committees — the AC, NRC, and ERMC, to assist the Board in overseeing the Group's affairs. The Board Committees are authorised to carry out their functions and responsibilities within their respective defined Terms of Reference. The Board Committees report to the Board on key matters discussed at their respective committee's meetings and their recommendation for consideration and decision-making by the Board.

The Board also receives support from the Managing Director, Executive Directors, and Key Senior Management ("KSM") for the Group's day-to-day operations. To maintain a balance of power and authority at the Board level, distinct individuals hold the positions of Board Chairman and Managing Director. Datuk Iskandar Bin Sarudin, as the Board Chairman, is primarily responsible for overseeing and ensuring the overall effectiveness of the Board, focusing on strategy, corporate governance and compliance matters. Whereas Mr. Vo Nghia Huu, as the Managing Director, spearheads the executive role, implementing the Board's decisions and strategies while supervising the Group's daily operations. The delineation of responsibilities for both the Board Chairman and Managing Director is explicitly outlined in the Board Charter, which is accessible on the Company's website at <https://ir2.chartnexus.com/scenic/corporate-governance>.

Corporate Governance Overview Statement (cont'd)

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

PART I: BOARD RESPONSIBILITIES (CONT'D)

1. Board Leadership (Cont'd)

The Board Chairman has made contributions not only within the Board but also within Board Committees, as he currently serves as a member of the AC and NRC. Despite deviating from Practice 1.4 of the MCCG, this does not compromise the Chairman's objectivity when deliberating on the observations and recommendations presented by the Board Committees. This is because all Independent Non-Executive Directors collectively discuss meeting affairs as a team during the respective Board Committees' meetings. Additionally, the Board Chairman does not engage in the Group's managerial and operational matters.

As previously stated, the Board consistently assesses the business and management performance of the Group to ensure the availability of essential resources. Throughout the FYE 2023, the Board held five (5) meetings, and all Directors demonstrated their strong commitment with the following attendance records: -

Director	Meeting Attendance	Percentage of Attendance
Datuk Iskandar Bin Sarudin	5/5	100%
Vo Nghia Huu	5/5	100%
Ooi Youk Lan	5/5	100%
Teh ZiYang	5/5	100%
Lim Chee Beng (Resigned on 08/09/2023)	4/4*	100%
Lew Chong Kiat (Resigned on 03/11/2023)	4/4*	100%
Lim Kim Lee (Resigned on 13/11/2023)	4/4*	100%
Khor Hun Nee (Appointed on 16/11/2023)	1/1*	100%
Lim Chee Lip (Appointed on 02/01/2024)	-*	-

* Reflects the number of meetings held during the time of the Director held office.

Throughout the financial year, the Board is assisted by a qualified, skilled, and experienced Company Secretary, Ms. Wong Youn Kim, who is a fellow member of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA"). The Company Secretary's responsibilities include overseeing the Company's administrative affairs, managing meeting proceedings, and ensuring the Board's regulatory compliance.

The Company Secretary plays a crucial role in facilitating the distribution of meeting materials, including the agenda and Board papers, to all Directors at least seven (7) days before the scheduled Board meetings. This ensures that the Directors have ample time to review and consider the proposals and transactions to be deliberated and approved by the Board. The Management, along with the Company Secretary and Internal and External Auditors, provides services and professional advice to both the Board Committees and the Board itself. Directors are also encouraged to seek additional information and clarification from the Management, with expenses covered by the Company, to facilitate well-informed decision-making during meetings.

Throughout FYE 2023, the Company Secretary attended all Board and Board Committees meetings, documenting the Board's discussions, including issues addressed and decisions made. She also provided guidance and updates to the Board on matters relating to regulatory and corporate governance aspects. Following the conclusion of each scheduled meeting, the minutes were promptly circulated to the Board for review and confirmation at the subsequent meeting.

The Company Secretary remains committed to staying current with the evolving regulatory landscape through ongoing training and industry updates. During the FYE 2023, she participated in relevant training sessions, accumulating the required Continuing Professional Development points mandated by MAICSA and the Companies Commission of Malaysia. The Board expresses satisfaction with the Company Secretary's performance, recognising her competence in fulfilling her duties and supporting the Board throughout FYE 2023.

Corporate Governance Overview Statement (cont'd)

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

PART I: BOARD RESPONSIBILITIES (CONT'D)

2. Demarcation of Responsibilities

The Company has established a thorough Board Charter, acting as a foundational manual for all Board members, clarifying their fiduciary roles and obligations. This document details the responsibilities of the Board, Board Committees, Board Chairman, Managing Director, and provides guidelines for meetings and financial reporting procedures. Although specific duties are assigned to Board Committees and Management, the Board Charter explicitly designates certain matters exclusively for the Board, upholding its ongoing collective supervision within the Company.

The Board Charter will be regularly reviewed and updated as needed to ensure it is aligned with the latest regulatory standards. The current version of the Board Charter is accessible on the Company's website at <https://ir2.chartnexus.com/scenic/corporate-governance>.

3. Business Ethics and Integrity

The Board acknowledges the significance of fostering an ethical culture within the Group to safeguard the Group's reputation and enhance stakeholders' trust. To achieve this, the Board has adopted the Code of Business Conducts and Ethics ("the Code"), aiming to instill the highest standards of ethical business conduct throughout the organisation. The Code, in conjunction with the Group's Employee Handbook and other internal policies, procedures, and guidelines, establishes fundamental principles and standards for ethical and behavioral conduct in handling the Group's information, assets, and interactions with third parties in the day-to-day operations.

In adherence to Section 17A of the Malaysian Anti-Corruption Commission Act 2009, the Board has also approved an Anti-Bribery and Corruption ("ABC") Policy, reflecting the Group's unwavering commitment to zero tolerance for bribery and corruption. The ABC Policy serves as a comprehensive guide for addressing issues related to bribery and corruption if they arise. During the FYE 2023, the AC conducted a review on the Group's ABC Assessment, concentrating on potential risks associated with bribery and corruption and evaluating the measures in place to address these identified risks.

To facilitate the enforcement of the Code and ABC Policy, the Board has established the Whistleblowing Policy and Procedure, along with the Anti-Fraud and Whistleblowing ("AFW") Policy, providing a platform for employees and stakeholders to report instances of unethical behavior, wrongful activities, and improper conduct within the Group. Should an employee observe or suspect any fraudulent activity, they have the option to report to their departmental manager or the Human Resource & Administration Manager, as applicable. Alternatively, concerns regarding such activities can be raised to the AC Chairman, Ms. Khor Hun Nee, at celine.khor@hextar.com.

Any identification or suspicion of any other unethical behaviour, malpractices, illegal actions or violations of laws, regulations as well as policies and procedures, the employee can also report to the AC Chairman using a similar process or by contacting the Managing Director at eric.vo@hextar.com. Alternatively, the employee may also post the Whistleblower Report Form to the AC Chairman in sealed envelope.

Upon receiving a report from a whistleblower, the AC Chairman will commence an investigation, and appropriate disciplinary measures will be taken against the wrongdoer. The Code, ABC Policy, Whistleblowing Policy and Procedure, and AFW Policy are available on the Company's website at <https://ir2.chartnexus.com/scenic/corporate-governance>.

For the FYE 2023, the Board is pleased to report that the Company has not received any reports regarding any violations of the Company's policies or relevant laws and regulations.

Corporate Governance Overview Statement (cont'd)

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

PART I: BOARD RESPONSIBILITIES (CONT'D)

4. Sustainability Management

To attain enduring success, the Board recognises that business sustainability requires the ongoing and harmonious development of the Group's operations while preserving the natural environment and enhancing socio-economic conditions for employees and local communities. Consequently, the Board holds ultimate responsibility for the Group's sustainability initiatives and has formulated the Group's Sustainability Policy, delineated the Group's commitments and emphasising sustainability principles and practices across environmental, workplace, and community aspects.

In overseeing sustainability concerns, the Board receives support from the AC, which is responsible for reviewing the Group's comprehensive risk management, including sustainability risks and opportunities. The AC, working closely with the ERM and Head of Departments, identifies, monitors, and addresses sustainability risks and opportunities.

The Company discloses its sustainability risks, opportunities, strategies, commitments, performance, and initiatives in the Sustainability Statement within the Annual Report annually. This year, the Board has demonstrated its commitment to sound corporate governance and regulatory compliance by segregating the governance aspect from the economic context in support of business sustainability. Throughout FYE 2023, the Board identified, assessed, and prioritised key sustainability matters within the EESG contexts, formulating relevant strategies aligning our material topics with the relevant Sustainable Development Goals introduced by the United Nations in 2015. Additional details regarding the Group's sustainability management are outlined in the Sustainability Statement of this Annual Report.

To stay abreast of evolving sustainability trends, Directors participated in various sustainability-related training programs throughout the financial year, as detailed in Section 5 of this statement. Recognising the ongoing need for assessment in the dynamic business environment, the Board enhanced its annual evaluation by introducing "identification and managing ESG risks" as an additional performance criterion for FYE 2023. The Board aims to further enhance performance tracking and assessment by incorporating additional sustainability-related criteria as deemed necessary.

PART II: BOARD COMPOSITION

5. Board Diversity and Objectivity

Currently, the Board comprises six (6) members, consisting of three (3) Independent Non-Executive Directors, one (1) Non-Independent Non-Executive Director, one (1) Managing Director and one (1) Executive Director cum Chief Commercial Officer, as follows: -

Name	Designation
Datuk Iskandar Bin Sarudin	Independent Non-Executive Chairman
Vo Nghia Huu	Managing Director
Lim Chee Lip (Appointed on 02/01/2024)	Executive Director cum Chief Commercial Officer
Teh ZiYang	Independent Non-Executive Director
Khor Hun Nee (Appointed on 16/11/2023)	Independent Non-Executive Director
Ooi Youk Lan	Non-Independent Non-Executive Director

The existing Board structure aligns with the requirements of Paragraph 15.02 of the MMLR and Practice 5.2 of MCCG with half of the Board being Independent Directors and two (2) female Directors serving on the Board. In addition, the majority of the Board comprises Non-Executive Directors who are not involved in the Group's daily operations. This ensures objectivity in the Board's deliberations and independent decision-making processes, which in turn protects the shareholders' and stakeholders' interests.

Corporate Governance Overview Statement (cont'd)

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

PART II: BOARD COMPOSITION (CONT'D)

5. Board Diversity and Objectivity (Cont'd)

The independence of Independent Directors is further upheld by a policy that limits the tenure of Independent Director to nine (9) years. Upon completing nine (9) years term, an Independent Director may be redesignated as a Non-Independent Director if he wishes to continue serving on the Board, subject to the Board's approval. If the Board intends to retain the Independent Director beyond nine (9) years, justification and annual shareholders' approval are required. This policy is detailed in the Board Charter, and it is available on the Company's website at <https://ir2.chartnexus.com/scenic/corporate-governance>. As of 31 December 2023, none of the Independent Directors have served the Company for more than nine (9) years.

In HRB, the NRC is responsible for supervising the structure, composition, performance, and succession planning of the Board. To ensure the impartiality of the NRC in enhancing overall Board effectiveness, it consists exclusively of Independent Non-Executive Directors, outlined as follows: -

Position in NRC	Name	Directorship
Chairman	Teh ZiYang (Redesignated as NRC Chairman on 16/11/2023)	Independent Non-Executive Director
Chairman	Lew Chong Kiat (Resigned on 03/11/2023)	Senior Independent Non-Executive Director
Member	Datuk Iskandar Bin Sarudin	Independent Non-Executive Chairman
Member	Khor Hun Nee (Appointed on 16/11/2023)	Independent Non-Executive Director

During the FYE 2023, the NRC fulfilled its duties and responsibilities through the following activities:

- a) Assessed the structure and efficiency of the Board and its Committees;
- b) Examined the necessary blend of expertise, experience, and contributions from Directors;
- c) Conducted an evaluation of the independence of Independent Directors;
- d) Scrutinised the length of service for each Director, proposing re-election at the upcoming AGM, subject to shareholder approval;
- e) Assessed the overall performance and effectiveness of the Board, Board committees and individual Directors;
- f) Analysed the training programs attended by Directors, determining training needs for financial year ending 31 December 2024 ("FYE 2024");
- g) Reviewed the organisational chart of the Group;
- h) Examined the Fit and Proper Policy, making recommendations for Board approval; and
- i) Reviewed the remuneration packages for Directors and Key Senior Management for FYE 2024.

In addition to promoting the Board's objectivity, the NRC underscores the importance of Board diversity in facilitating the sustainable development of the Group's business. The NRC believes that a balanced combination of skills, knowledge, experience, age, gender, and cultural background contributes to a broader range of ideas, perspectives, and thorough discussions among the Directors.

As guided by the Company's Fit and Proper Policy and the Terms of Reference of NRC, the NRC evaluates objective criteria and merits, including character, integrity, experience, competence, and commitment when appointing Directors. In FYE 2023, there were three (3) Directors resigned while one (1) new Director joined the Board. The NRC ensures equal opportunities by not solely relying on recommendations from existing Board members, senior management, or major shareholders when identifying qualified candidates for Directors. In the event of a vacancy on the Board and/or Board Committees, the NRC considers internal recommendations as well as external sources such as the Malaysian Alliance of Corporate Directors, Malaysian Institute of Directors, Malaysian Directors Academy, and NAM Institute for the Empowerment of Women Malaysia ("NIEW").

Corporate Governance Overview Statement (cont'd)

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

PART II: BOARD COMPOSITION (CONT'D)

5. Board Diversity and Objectivity (Cont'd)

In addition to the Director appointments, the NRC has implemented the Fit and Proper Policy for the annual assessment of Board composition and Directors' tenure. The Board, through the NRC, has conducted a thorough review and is satisfied that the current Board composition is effective, encompassing the appropriate blend of skills, expertise, and pertinent business acumen.

According to Clause 97 of the Company's Constitution, an election of Directors shall take place every year at the AGM, where one-third (1/3) of the Directors shall retire from office at least once every three (3) years but is eligible for re-election. Shareholders are adequately informed about the details of any Director appointment or re-appointment (if applicable) which are provided in the Statement Accompanying Notice of AGM, included as part of the Annual Report in accordance with Paragraph 8.27(2) of the MMLR. Shareholders are encouraged to refer to relevant sections, such as the Profile of the Board of Directors, for comprehensive information, enabling them to make well-informed decisions when exercising their voting rights at the AGM.

While the Board acknowledges the current Board composition's merit and capability, it is mindful of the growing importance of achieving a balanced Board with gender diversity. As of 31 December 2023, the Board demonstrates support for gender diversity by having two (2) female Directors and One (1) female representatives at the KSM. Although the Gender Diversity Policy is in effect, the Board has not established any specific action plans or numerical targets, such as setting a minimum women representation percentage, in the policy. The Board emphasises that all appointments and employment are primarily merit-based and not influence by gender considerations. However, the Board committed to enhance the Gender Diversity Policy as needed.

The Board regards ongoing Directors' training and development as a vital anchor for all members of the Board to keep abreast of regulatory changes and corporate governance practices, enabling them to fulfill their fiduciary duties and carry out their roles and responsibilities.

The Directors made time to attend appropriate external training programmes to better equip themselves with the skills and knowledge necessary to discharge their duties more effectively and to stay updated on the latest developments in the marketplace on a continuous basis in compliance with Paragraph 15.08 of the MMLR.

Details of training programmes and seminars attended by the Directors during FYE 2023 are as follows:

Name	Training Programmes Attended	Date
Datuk Iskandar Bin Sarudin	AEON Policy Meeting in Japan	02 – 03.10.2023
	AEON Top Seminar in Japan	26 – 27.10.2023
	Strategies of Sustainable Business for Future	11.12.2023
Vo Nghia Huu	MTC's Virtual Marketing	29.08.2023
	Factory Transformation Programme (FTP) by SIRIM Training	08.11.2023
	MACC: Corporate Liability Section 17A	16.11.2023
	Materiality Survey Workshop	21.11.2023
	ESG Access Tool Training	23.11.2023
Ooi Youk Lan	Microsoft Excel Advance	12.01.2023
	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	04 – 07.09.2023
	MACC: Corporate Liability Section 17A	27.11.2023

Corporate Governance Overview Statement (cont'd)

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

PART II: BOARD COMPOSITION (CONT'D)

5. Board Diversity and Objectivity (Cont'd)

Details of training programmes and seminars attended by the Directors during FYE 2023 are as follows:
(Cont'd)

Name	Training Programmes Attended	Date
Khor Hun Nee	Anti-bribery & Corruption Training 2023	20.10.2023
	Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act & Personal Data Protection Act 2023	20.10.2023
	Code of Ethic and Rules of Professional Conduct 2023	20.10.2023
	Compliance & Shariah Training 2023	20.10.2023
	EPF-MIS Guidelines Training 2023	20.10.2023
	Guidelines on Advertisement 2023	20.10.2023
	IT Security Awareness Training 2023	20.10.2023
	Integration of Corporate Social Due Diligence Directive (CSDDD)	14.11.2023
Lim Kee Lim (Resigned on 13 November 2023)	Public Listed Companies (PLC) Transformation Programme (Digital for ESG Forum)	10.05.2023
	FMM Webinar on Managing Pay Reduction, Lay-Offs, Retrenchment, VSS & MSS	19.06.2023
	FMM-EY Briefing on Managing Manufacturers	23.06.2023

6. Overall Board Effectiveness

On 22 November 2023, the NRC undertook its annual assessment to evaluate the effectiveness of the Board, Board Committees, and each director for the FYE 2023. The assessment was carried out through self-evaluation using physical assessment forms distributed to all Board members. The Board deems this internal performance evaluation, facilitated by the Company Secretary, effective, and therefore, no external party was engaged for this purpose.

The assessment forms were designed with reference to the Company's Fit and Proper Policy, serving as general guidelines for evaluating Directors' fitness and propriety. The performance evaluation criteria adopted are detailed in the CG Report.

All Board members completed confidential assessment questionnaires, and the results were subsequently collated and summarised for review by the NRC. The NRC members attended the scheduled meeting to deliberate on the assessment results and reported their findings to the Board in the subsequent Board meeting.

Based on the conducted assessment, the NRC concluded that they are satisfied with the adequacy of skills, knowledge, and time commitment of all Directors to the Company. The Board and Board Committees were found to possess the appropriate mix of skills, expertise, and relevant business acumen necessary for driving the Group's long-term growth. Additionally, the Independent Directors met the independent criteria outlined in the MMLR and will continue to offer objective and independent views and judgment to the Board.

Corporate Governance Overview Statement (cont'd)

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

PART III: REMUNERATION

7. Remuneration Policy

In HRB, the NRC is tasked to assess, design, and propose suitable remuneration packages for the Board and KSM, aiming to attract, motivate, and retain talent dedicated to achieving the Group's business objectives. The NRC operates in accordance with its Terms of Reference, which outline its responsibilities in overseeing remuneration matters for the Company and the Group, and these terms are publicly available on the Company's website at <https://ir2.chartnexus.com/scenic/corporate-governance>.

Currently, the Board has not implemented a formal remuneration policy, but decisions in respect of Directors' remuneration are guided by the NRC's Terms of Reference and Board Charter. The remuneration of Executive Directors is tied to the Group's performance, reflecting their contributions, performance, and achievement of goals within the Group. Whereas the remuneration of Non-Executive Directors is determined based on their level of contribution and responsibilities on the Board, subject to the approval by shareholders at the AGM.

The NRC had on 22 November 2023 conducted a review on remuneration packages for the Board and KSM for the financial year ending 31 December 2024 with the objective to ensure that the designed remuneration aligns with the Group's long-term objectives and values. Respective Directors abstained from deliberating and voting on their own remuneration to uphold transparency and fairness.

8. Remuneration of Directors

The remuneration particulars of the Directors during the FYE 2023 are presented below: -

	Company		Group					
	Fees (RM'000)	Allowance (RM'000)	Fees (RM'000)	Salary (RM'000)	Allowance (RM'000)	Bonus (RM'000)	Company Contribution (RM'000)	Benefits- in-Kind (RM'000)
Non-Executive Directors								
Datuk Iskandar Bin Sarudin	48.0	6.0	48.0	-	6.0	-	-	-
Lew Chong Kiat (resigned 3/11/2023)	30.3	4.5	30.3	-	4.5	-	-	-
Teh ZiYang	30.0	6.0	30.0	-	6.0	-	-	-
Ooi Youk Lan	30.0	6.0	30.0	-	6.0	-	-	-
Khor Hun Nee (appointed 16/11/2023)	4.5	1.5	4.5	-	1.5	-	-	-
Executive Directors								
Vo Nghia Huu	-	-	-	337.8	48.0	12.5	-	7.7
Lim Chee Lip (Appointed on 2/1/2024)	-	-	-	-	-	-	-	-
Lim Chee Beng (resigned 8/9/2023)	-	-	-	422.5	36.0	-	55.0	5.5
Lim Kim Lee (resigned 13/11/2023)	-	-	-	342.3	2.12	-	41.3	1.1

Corporate Governance Overview Statement (cont'd)

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

PART III: REMUNERATION

9. Remuneration of KSM

The NRC strives to align the remuneration packages for KSM with their individual roles, capabilities, professionalism, skills, expertise, and contributions to the Group. Recognising the competitive nature of the industry, the Board is committed to preserving the security and confidentiality of KSM's remuneration details to safeguard the Group's best interests. As a result, the Board has decided not to disclose the remuneration information of KSM.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I: AUDIT COMMITTEE

10. Effective and Independent Audit Committee

The current AC consists entirely of Independent Non-Executive Directors, as follows: -

Position in AC	Name	Directorship
Chairman	Khor Hun Nee (Appointed on 16/11/2023)	Independent Non-Executive Director
Chairman	Lew Chong Kiat (Resigned on 03/11/2023)	Senior Independent Non-Executive Director
Member	Datuk Iskandar Bin Sarudin	Independent Non-Executive Chairman
Member	Teh ZiYang	Independent Non-Executive Director

The main responsibility of the AC is to ensure financial integrity and overall risk management within the Group. To ensure an impartial and independent execution of responsibilities, distinct individuals hold the roles of AC Chairman and Board Chairman. Ms. Khor Hun Nee, being the Chairperson of AC, is a FCCA and a member of the MIA. She is also a CFP and holds the CMSRL granted by SC Malaysia. With over seventeen (17) years of experience in finance, auditing, and corporate affairs across various private and publicly listed companies in Malaysia, she brings strong professional qualifications to lead the AC.

Although one-third (1/3) of the AC members hold professional qualifications from accounting bodies, all AC members are financially literate and equipped with the essential skills and knowledge to understand the Group's business and oversee matters within its purview, including financial reporting and auditing processes. The AC is committed to ongoing professional development through training programs and updates facilitated by both the Management and External Auditors. This ensures that all AC members remain well-informed about the latest developments in accounting and auditing standards, practices, and regulations.

To enhance the level of independence, the AC's Terms of Reference stipulate a cooling-off period of at least three (3) years for former key audit partners before they are eligible for appointment as AC members. Currently, none of the existing AC members has served as a former key audit partner involved in auditing the Group.

Corporate Governance Overview Statement (cont'd)

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

PART I: AUDIT COMMITTEE (CONT'D)

10. Effective and Independent Audit Committee (Cont'd)

As outlined in its Terms of Reference, the AC is responsible for evaluating the suitability, objectivity, and independence of the External Auditors. For the audit services provided in the financial year ended 31 December 2022 ("FYE 2022"), the AC had conducted an annual assessment of the External Auditors on 29 March 2023, considering the following factors: -

- (i) the external audit firm's independence;
- (ii) the competence, quality, experience, and resources of the External Auditors and their staff assigned to the audit;
- (iii) the adequacy of the audit plan's scope;
- (iv) the External Auditors' ability to meet deadlines for providing services and addressing issues promptly; and
- (v) the nature of non-audit services provided by the External Auditors and the associated fees.

The External Auditor affirmed their independence during the AC meeting presentation. Based on the assessment result, the AC is satisfied with the suitability and independence of the External Auditors and had obtained shareholders' approval for the re-appointment of Messrs KPMG PLT as External Auditors for FYE 2023 at the 20th AGM held on 23 May 2023. KPMG PLT do not wish to seek re-appointment as the External Auditors for the financial year ending 31 December 2024. Subsequent to the assessment, the Board, through the AC, has proposed the appointment of Messrs UHY as the External Auditor for the financial year ending 31 December 2024 in place of the retiring of the Messrs. KPMG PLT at the forthcoming 21st AGM scheduled on 13 June 2024.

PART II: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

11. Adequate Risk Management and Internal Control Framework

The Board asserts its primary duty to uphold a robust risk management and internal control framework, aiming to safeguard shareholders' investments and the Group's assets. This commitment is realised through the adoption of risk management framework aligned with ISO 31000:2018 standard, complemented by the implementation of the Risk Management Policy, Risk Impact Measure Guidelines, and the Risk Materiality Assessment & Mapping Register. This comprehensive framework guides the Group through a systematic risk management process, encompassing stakeholder communication, risk evaluation, and active risk management.

In addition to risk management framework, the Board has implemented various company policies to ensure smooth business operations and governance. These policies include a well-defined organisational structure, regular business review meetings, and the formalisation of internal policies, standards, and procedures.

The ERMC has periodic meetings to review and deliberate on the Group's monthly management report, covering the Group's financial and operational performance, and ensuring alignment with current risk, regulatory and business environments. The ERMC assists the Board by conducting an annual review of the Group's Risk Register. The ERMC conducted the annual risk assessment for FYE 2023 on 28 November 2023 and presented the results to the AC and the Board for review on 27 February 2024. The Board concluded that the Group's risk management and internal control system operates effectively, ensuring the protection of shareholders' investments and the Group's assets. Further details about the Group's risk management and internal control framework are provided in the Statement on Risk Management and Internal Control in this Annual Report.

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)

12. Internal Audit Function

In ensuring the robustness and effectiveness of the Group's risk management and internal control system, the Board has opted to outsource the internal audit function to an independent professional firm namely, Wensen Consulting Asia (M) Sdn. Bhd. ("Internal Auditor"). This strategic decision aims to uphold objectivity by authorising the Internal Auditor to report directly to the AC. The AC has diligently verified the independence of the Internal Auditor, obtaining a written declaration to affirm the absence of any relationships or conflicts of interest that could compromise objectivity.

The Internal Auditor, led by Mr. Edward Yap, an Executive Director of Wensen Consulting Asia (M) Sdn. Bhd., holds several professional qualifications, including membership in the Institute of Singapore Chartered Accountants ("ISCA") and FCCA. Mr. Yap is also a member of the ACCA, the Institute of Internal Auditors ("IIA") Malaysia and a member of MIA.

All internal audit reviews align with the approved Internal Audit Plan and adhere to the International Professional Practice Framework ("IPPF"). During FYE 2023, the Internal Auditor deployed three (3) headcounts, consisting of an Engagement Director, a Senior Consultant and a Junior Consultant, to support the internal audit function. The AC ensures the Internal Auditor's access to all necessary information and resources within the Group to facilitate the appropriate conduct of the audit review.

After the conclusion of internal audit reviews each quarter, the Internal Auditor presents a detailed report to the AC in scheduled meetings. This report covers identified weaknesses or areas in need of improvement in current operations, conducts a thorough root-cause analysis, and recommendations put forth by the Internal Auditor to enhance the overall operational efficiency. Upon receiving the audit findings, the Management acknowledges them and enacts the proposed corrective action plan within the specified timeframe. Follow-up reviews will also be conducted by the Internal Auditor to ensure the implementation of necessary controls to rectify the identified weaknesses, thereby strengthening the Group's risk management and internal control framework.

The Internal Auditor undergoes evaluation every two (2) years, with the last assessment conducted in FYE 2022 after the Board decided to change the outsourced third-party service provider from Tricor Axcelasia Sdn. Bhd. to Wensen Consulting Asia (M) Sdn. Bhd. due to increased fees and change in reporting frequency. Despite the shift, the AC remains content with the overall performance of the Internal Auditor, asserting that the current internal control environment effectively safeguards shareholders' investments and the Group's assets.

For additional details on the Group's internal audit function, please refer to the Audit Committee Report and the Statement on Risk Management and Internal Control in this Annual Report.

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

PART I: ENGAGEMENT WITH STAKEHOLDERS

13. Communication between the Company and Stakeholders

HRB is dedicated to maintaining effective, timely, and transparent communication with shareholders and other stakeholders. The Company adheres strictly to Bursa Securities' disclosure framework and requirements, ensuring the dissemination of accurate and comprehensive information to shareholders and the public promptly. This commitment aims to assist shareholders in making well-informed investment decisions.

Corporate Governance Overview Statement (cont'd)

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

PART I: ENGAGEMENT WITH STAKEHOLDERS (CONT'D)

13. Communication between the Company and Stakeholders (Cont'd)

The Company utilised various channels and platforms to disclose information, including: -

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

While the Company endeavors to provide ample information, it remains mindful of legal and regulatory requirements governing the release of material and price-sensitive information.

PART II: CONDUCT OF GENERAL MEETINGS

14. Meaningful General Meetings

The AGM serves as the primary annual platform for direct communication between shareholders and the Board. The Board places significant emphasis on ensuring the effective conduct of the AGM, facilitating open dialogue between shareholders and Management. To allow shareholders ample time for planning and reviewing the Company's Annual Report, the notice of AGM is circulated at least 28 days before the scheduled AGM. All seven (7) Directors, as well as the External Auditors and the Company Secretary, demonstrated their commitment by physically attending the 20th AGM held on 23 May 2023.

During the 20th AGM, Ms. Lim Kim Lee, the former Executive Director cum Chief Financial Officer, presented the Group's financial performance for the FYE 2022, as well as sustainability initiatives, growth strategies, group strategies and business outlook to the shareholders. Shareholders were given opportunity to raise questions and express concerns to the Board directly during the Questions and Answers ("Q&A") session, with all questions addressed properly by the Directors.

At the 20th AGM, Boardroom Share Registrars Sdn. Bhd. ("BSR") was appointed as poll administrator to conduct the poll and Boardroom Corporate Services Sdn. Bhd. acted as the independent scrutineer to verify poll results. The voting process was conducted physically at the meeting venue through the submission and verification of manual polling forms. However, BSR, as the Company's share registrar, is responsible to ensure and maintain the security and protection of attendees' data obtained during the AGM.

The Board believes that the physical conduct of the 20th AGM allowed better interaction and effective communication between the Board and shareholders. However, the Board will consider the use of technology for AGM convening and voting processes when deemed necessary.

The Company Secretary played a crucial role in facilitating the 20th AGM and recording the meeting proceedings. The minutes of the 20th AGM was published on the Company's website at <https://ir2.chartnexus.com/scenic/general-meetings> on 14 June 2023, within 30 business days after the 20th AGM. HRB is committed to ensure that minutes of AGM are publicly available within 30 business days after the AGM, allowing shareholders timely access to a recap the meeting proceedings.

COMPLIANCE STATEMENT

As mentioned earlier, the Board believes that the Group has adhered to and will continue to uphold the highest standards by consistently embracing the principles and best practices outlined in the MCCG and other relevant laws, as deemed appropriate and applicable.

This Corporate Governance Overview Statement is approved by the Board on 4 April 2024.

AUDIT COMMITTEE REPORT

Pursuant to the Paragraph 15.15(1) of the MMLR, the Board is pleased to present the following Audit Committee Report for the FYE 2023.

1. COMPOSITION AND MEETINGS

The primary objective of the AC is to assist the Board in meeting its statutory duties and responsibilities relating to the independent review on corporate accounting, financial reporting as well as risk management and internal control system. The AC is also responsible to oversee the independence and quality of both external and internal audit functions in order to promote a sound control and governance within the Group.

In compliance with Paragraph 15.09(1) of the MMLR, the AC comprises three (3) Independent Non-Executive Directors. The Chairperson of the AC, Ms. Khor Hun Nee was appointed by the Board on 16 November 2023. Ms. Khor is a FCCA, a member of MIA, a member of CFP and a holder of CMSRL.

The composition of the AC committee and record of meeting attendance during the year under review are as follows: -

Name	Directorship	Meeting Attendance
<u>Chairman</u>		
Khor Hun Nee	Independent Non-Executive Director (Appointed on 16/11/2023)	1/1*
Lew Chong Kiat	Senior Independent Non-Executive Director (Resigned on 3/11/2023)	4/4*
<u>Members</u>		
Datuk Iskandar Bin Sarudin	Independent Non-Executive Chairman	5/5
Teh ZiYang	Independent Non-Executive Director	5/5

* Reflects the number of meetings held during the time of Director held office.

The AC is guided by its Term of Reference, covering the authority, functions, meeting proceedings and reporting procedures, to ensure an effective discharge of duties and responsibilities. The said Terms of Reference is available on the Company's website at <https://ir2.chartnexus.com/scenic/corporate-governance>.

Refer to the Terms of Reference, the AC is required meet at least four (4) times in each financial year, the AC had convened five (5) meetings during FYE 2023. Ms. Lim Kim Lee, our Executive Director cum Chief Financial Officer (who resigned on 13 November 2023), Ms. Tan Jo Lynn, our Financial Controller (who had since been transferred to another company), and Mr. Clement Chong, our Finance Manager, were invited to all AC meetings to facilitate the conduct of meetings by providing further information on operations, financials and audit related matters. Representative of External Auditors, Internal Auditors and KSM, when necessary, were also invited to the AC meetings to provide clarification to relevant items on the agenda as and when the need arose.

Meeting agenda and materials were distributed to the AC members in advance to ensure that sufficient time is provided for them to peruse the relevant matters in order to facilitate their deliberation and decision-making process in the scheduled meetings. The Company Secretary also attended all meetings to record the minutes of each meeting. The meeting minutes were then tabled at the subsequent AC meeting for confirmation and presented at the Board meeting for the Board's notation.

Audit Committee Report (cont'd)

2. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

The activities undertaken by the AC in the discharged of its functions and duties during the FYE 2023 are summarised as follows: -

(A) Financial Reporting

- (i) Ensured that the following processes and controls are in place for an effective financial reporting: -
 - a. Reviewed management accounts and relevant disclosure materials by KSM and approved by the Board. The AC shall seek advice and assistance from the External Auditor as needed;
 - b. Quarterly reviews on legal matters and contractual commitments are conducted before public announcements are made to Bursa Securities; and
 - c. Consultations with the Company Secretary and External Auditors are undertaken to ensure compliance with the MMLR and relevant disclosure requirements.
- (ii) Reviewed the quarterly financial results of the Group for: -
 - a. Fourth Quarter ended 31 December 2022 at meeting held on 17 February 2023;
 - b. First Quarter ended 31 March 2023 at meeting held on 25 May 2023;
 - c. Second Quarter ended 30 June 2023 at meeting held on 23 August 2023; and
 - d. Third Quarter ended 30 September 2023 at meeting held on 22 November 2023.
- (iii) Reviewed the final draft annual audited financial statements for the FYE 2022 in the presence of External Auditors to deliberate on such matters prior to submission to the Board for consideration and approval on 6 April 2023. The audited financial statements are made in compliance with the applicable Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS"), Companies Act 2016 ("CA 2016"), MMLR; and
- (iv) Discussed with both the Management and External Auditors on accounting policies, principles and standards applies as well as their judgement of the items that may impact the financial statements and issues arising from the statutory audit.

(B) External Audit

- (i) Reviewed the audit plan, which details the areas of audit methodology, audit scope, potential key audit matters, target audit timeline and proposed audit fee;
- (ii) Reviewed and discussed the External Auditors' findings and accounting adjustments;
- (iii) Discussed the judgments and accounting estimates which had been reviewed and assessed by the External Auditors;
- (iv) Conducted one (1) private meeting with External Auditors on 17 February 2023, without the presence of Executive Director and Management; and
- (v) Conducted annual assessment and evaluation of the performance of External Auditors, taking into consideration of the independence, competency, reliability, compliance and resources and made recommendations to the Board for their reappointment.

Audit Committee Report (cont'd)

2. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE (CONT'D)

(C) Internal Audit

- (i) Reviewed and endorsed the internal audit plan presented by the Internal Auditor, which delineates the proposed audit scope, areas, timeline, key risks, key audit focus, and fees;
- (ii) Reviewed the internal audit report, including audit findings, key risks, preventive control recommendations, Management's responses as well as corrective actions, responsible individuals/ departments and implementation timeframes. The Internal Auditor also provided the AC with an update on the status of previous audit findings to ensure that identified deficiencies are addressed appropriately; and
- (iii) Reviewed the qualification, competency and resources of the Internal Auditor.

Further details of the activities performed by the Internal Auditor are included in the Statement on Risk Management and Internal Control in this Annual Report.

(D) Risk Management and Internal Control

- (i) Reviewed the Group's Enterprise Risk Management on the identification and assessment of risks as well as the Management's responses to the identified risks;
- (ii) Reviewed the Group's ABC Assessment, emphasising on the stakeholders' expectation, potential bribery and corruption risks as well as the responses to the identified risks;
- (iii) Reviewed the internal control system adopted within the Group to ensure that they are in place, effectively administered and regularly monitored; and
- (iv) Deliberated on the status of applying the Certificate of Accommodation for Hostel from Labour Office for safety compliance.

(E) Related Party Transactions ("RPT") and Conflict of Interest ("COI")

- (i) Reviewed all RPT undertaken by the Group and any potential COI scenarios within the Group, adhering to the Company's RPT Policies and Procedures.

In adherence to the specified policy, the AC is responsible for assessing the Group's RPT and reporting to the Board, considering the following essential criteria: -

- a. The RPT must be in the best interest of the Company as a whole;
- b. The RPT should demonstrate fair value and reasonableness;
- c. Proper documentation is required for the RPT; and
- d. Adequate disclosure of the RPT should be made.

During FYE 2023, the AC has ensured that all RPT were carried out at arm's length and under normal commercial terms with proper disclosure.

- (ii) Deliberated on amendments to MMLR in relation to COI disclosures.

Audit Committee Report (cont'd)

2. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE (CONT'D)

(F) Annual Report

- (i) Reviewed AC Report, CG Statement, CG Report, Statement on Director's Responsibility for preparation of the Financial Statement, Statement on Risk Management and Internal Control, Management Discussion & Analysis and Sustainability Statement prior to submission for the Board's approval.

3. INTERNAL AUDIT FUNCTION

The Board regards internal audit function as an essential part of the Group's governance process.

In this regard, the Group has outsourced its internal audit function to an independent professional service provider, Wensen Consulting Asia (M) Sdn. Bhd. The internal audit function was led by the Executive Director of Wensen Consulting Asia (M) Sdn. Bhd., Mr. Edward Yap, a Chartered Member of the Institute of Internal Auditors Malaysia ("CMIIA"), a Practising Member of the ISCA, a FCCA and a member of MIA. He was supported by two (2) staffs in the internal audit reviews conducted in FYE 2023. All internal audit personnel involved are free from any relationships or conflicts of interest which could impair their objectivity and independence.

The Internal Auditor is authorised to report directly to the AC to maintain the highest standards of independence and integrity. The internal auditor perform audit in accordance to the IPPF for Internal Auditing published by the IIA. In the FYE 2023, the Internal Auditor conducted internal audit reviews in the following areas: -

Internal Audit Review

Sales and Marketing Management
Credit Assessment and Control Management
Inventory Management
Quality Assurance and Quality Control Management

Coverage Period

1 March 2022 to 28 February 2023
1 June 2022 to 31 May 2023
1 September 2022 to 31 August 2023
1 December 2022 to 30 November 2023

The Internal Auditor presented audit findings along with root-cause analysis and recommendations for improvement during the AC meetings for their examination and discussion. A follow-up on previous internal audit reviews was carried out and updated to the AC to make sure the corrective actions are implemented within the target timeframe by the Management. This ensures that the Group's operations, governance, risk management and internal control system are monitored and improved in line with the changes in the regulatory and business environment.

In order to uphold the effectiveness of the internal control system within the Group, the Group conducts an assessment of the Internal Auditor every two (2) years. On 17 February 2023, AC has assessed and evaluated the adequacy of the scope, function, competency and resources of the Internal Auditor. After deliberation, the AC recommended to the Board the appointment of Wensen Consulting Asia (M) Sdn. Bhd. as the Group's Internal Auditor for a period of two (2) years, for FYE 2023 and FYE 2024.

The total professional fee incurred for the Group's internal audit function in respect of the FYE 2023 was RM44,000. For further insights of our internal audit function, please refer to the Statement on Risk Management and Internal Control in this Annual Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

In pursuant to Paragraph 15.26(b) of the MMLR of Bursa Securities, the Board is pleased to present the Statement on Risk Management and Internal Control ("Statement") which outlines the nature and scope of the risk management and internal control system of the Group for the FYE 2023.

This Statement is made in accordance with Principle B of the MCCG and is guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD RESPONSIBILITIES

The Board regards the importance of an effective risk management and internal control system for the Group's long-term success. In this regard, the Board acknowledges its responsibility in maintaining a sound and effective risk management and internal control in order to safeguard our shareholders' investments, stakeholders' interests and the Group's assets.

Given the inherent limitations in any system of risk management and internal control, the system is designed to manage risks within an acceptable level rather than eliminate the risks that may hinder the Group from achieving its business objectives and as such, can only provide reasonable but not absolute assurance against material financial misstatement, losses, fraud or any unforeseeable circumstances. The Board is of the view that the system of risk management and internal controls in place is sound and adequate to safeguard shareholders' investments, stakeholders' interests and the Group's assets for the financial year under review and up to the approval date of this Annual Report.

Whilst the Board holds the ultimate responsibility over the Group's risk management and internal control system, the AC and ERMC are assigned to assist the Board in scrutinising and overseeing the said system across the Group.

RISK MANAGEMENT SYSTEM

In HRB Group, the ERMC is entrusted to identify, evaluate and manage the significant risks faced by the Group on an ongoing basis and report to the Board via the AC at least once annually. During FYE 2023, the ERMC was headed by Mr. Lim Chee Beng, and comprised of two (2) Executive Directors and three (3) Key Senior Management. Currently, the ERMC is headed by Mr. Vo Nghia Huu, the Managing Director, and comprises of one (1) Executive Director and two (2) Key Senior Management.

The primarily responsibilities of ERMC include: -

- (i) To manage the day-to-day Group operations;
- (ii) To implement strategic business plan and policy approved by the Board;
- (iii) To establish and maintain an adequate and effective Enterprise Risk Management framework and Anti-Bribery Management System;
- (iv) To review the risks and opportunities associated with the business strategies and its operating processes; and
- (v) To formulate major policies in areas such as succession planning and talent management, human resource management, information technology, communications and investment project reviews.

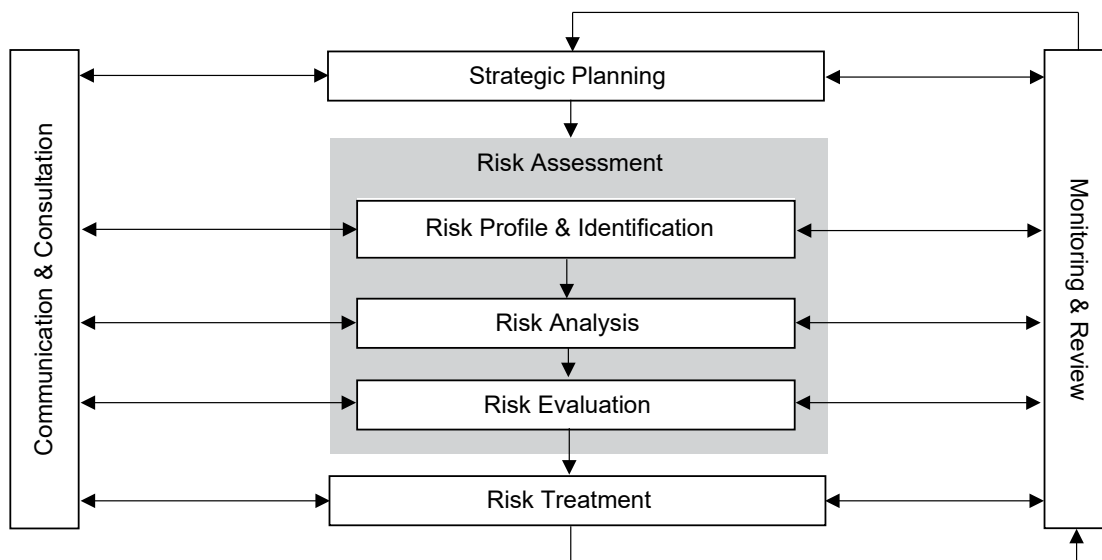
Statement on Risk Management and Internal Control (cont'd)

RISK MANAGEMENT SYSTEM (CONT'D)

The ERMC is also responsible to perform annual assessment on the adequacy and effectiveness of the Group's risk management and internal control system, and reports such results to the AC. Any substantial risks which may pose a significant adverse impact on the Group's operations and business performance are escalated to the attention of the Board.

The Group's risk management framework is guided by ISO 31000:2018 an international risk management framework from the International Organisation for Standardisation ("ISO"). The Group has implemented a Risk Management Policy, along with its Risk Impact Measure Guidelines and the Risk Materiality Assessment & Mapping Register to facilitate the risk management for the Group.

The key features of the Group's risk management framework are as follows: -



Step 1 Communication & Consultation	Communicate with both internal and external stakeholders for a better understanding on potential or emerging risks, including their cause, potential consequences and any measures undertaken. This action should take place in every stage of the risk management process.
Step 2 Strategic Planning	Develop risk criteria by considering the concerns of both external and internal contexts. External context encompasses political, economic, social, cultural, technological, environmental as well as legal and regulatory factors. Internal context pertains to the Group's strengths and weaknesses in terms of people, governance processes, policies, infrastructure, organisational structure and culture.
Step 3 Risk Profile & Identification	This is the initial step of the risk assessment process. All significant risks, along with the respective risk owners, departmental functions, consequences, existing control system and risk profile are identified and recorded in the Risk Register.

Statement on Risk Management and Internal Control (cont'd)

RISK MANAGEMENT SYSTEM (CONT'D)

<p style="text-align: center;">Step 4 Risk Analysis</p>	<p>In the second step of risk assessment, the identified risks are evaluated for their likelihood and impact with the following three (3) approaches: -</p> <p>Quantitative assessment The use of quantitative measures to define the actual or perceived potential loss and/or damage;</p> <p>Qualitative assessment The use of historical knowledge or experience to determine the level and nature of risk; and</p> <p>Combination The combination of both quantitative and qualitative assessment.</p> <p>In HRB, all risks are analysed into three (3) tiers, namely high, medium, and low, considering their probability and impact to the Group. The outcome of the risk analysis will be properly documented in the Risk Register, which covers several areas and functions, including production, procurement, marketing, warehousing, process engineering, quality control, maintenance, information technology, human resources, safety and health, finance and accounting, as well as pandemic business contingency.</p>
<p style="text-align: center;">Step 5 Risk Evaluation</p>	<p>Following the identification and analysis of risks, risk owners and the ERM Council shall evaluate the acceptability of the risks and prioritise the risks accordingly. This evaluation determines whether the risks are within the Group's control or beyond our control such as legislative changes and natural events.</p>
<p style="text-align: center;">Step 6 Risk Treatment</p>	<p>After performing the risk assessment, we will identify, determine and implement the most suitable risk treatment options, including: -</p> <p>Terminate risk To eliminate material risk from business operations, whenever practicable and commercially sensible;</p> <p>Transfer risk To outsource the risk to an organisation which is more appropriately skilled or resourced to manage the particular risk, whenever appropriate;</p> <p>Treat risk To reduce the likelihood and impact of the risk, whenever the risk is unable to be transferred or eliminated; and</p> <p>Tolerate risk To adopt appropriate operational controls for an effective ongoing risk management, whenever the risk is acceptable.</p>
<p style="text-align: center;">Step 7 Monitor & Review</p>	<p>Risk owners should monitor, review and update the Risk Register at least once in a year, or whenever necessary, to ensure it is relevant to the current business and regulatory environment. The ERM Council is responsible to review the Risk Register annually and report to the AC, which subsequently report to the Board on any emerging risks that may result in potential material impact to the Group.</p>

The annual risk assessment for the FYE 2023 was conducted on 28 November 2023 and tabled for AC and the Board's review in the subsequent scheduled meeting on 27 February 2024.

Statement on Risk Management and Internal Control (cont'd)

INTERNAL CONTROL SYSTEM

Internal control plays an important role in supporting effective functioning of the risk management system. Within HRB Group, internal controls are implemented by the Management and monitored by the AC. AC shall highlight any significant internal control deficiencies which affect the Group's strategic and business plans to the Board at the scheduled quarterly Board meetings.

During the financial year under review, key internal controls in place in the Group are as follows: -

- (a) The Board Charter and Terms of Reference for all Board Committees are clearly outlined and established;
- (b) A Fit and Proper Policy for the NRC with formal objective criteria for considering the appointment and re-appointment of Directors;
- (c) The management organisational structure, with clear reporting lines of accountability and authority is well-defined and documented to advocate the segregation of duties and delegation of authorities;
- (d) A business plan including the annual budget is prepared to measure financial and operational performance of the Group for the year. This business plan is reviewed by the ERM before presenting for the Board's approval;
- (e) During the FYE 2023, the ERM convened thirteen (13) meetings. In these sessions, the ERM reviewed the Group's monthly Management Report to ensure that operational and financial performance are aligned with corporate objectives, strategies and the annual budget. Additionally, the ERM deliberated and developed strategies and policies to address changes in risks, regulatory requirements, and the business environment;
- (f) The AC assists the Board to review the quarterly financial results, Annual Report, audited financial statements, the Group's risk profile and internal control matters highlighted by the Internal Auditors. The AC is also responsible to monitor the implementation of recommendations that are proposed by the Internal Auditors for any identified weaknesses in control areas;
- (g) The Group's Quality Management System is accredited with ISO 9001:2015 under the scope of "manufacture of wooden picture frame mouldings". Internal quality audits and surveillance audits are conducted internally and by an external certification body on a yearly basis to provide assurance on compliance to the ISO 9001:2015 certification. ISO Quality Policy is in place to serve as our guidance towards a more stringent quality control;
- (h) Several company policies including the Code, AFW Policy, ABC Policy, as well as Whistleblowing Policy and Procedure are in place to provide guidance for employees and stakeholders on ethical business conduct and dealings;
- (i) SOPs covering various operational areas are implemented throughout the Group. For an appropriate human resources development, procedures for employee recruitment and termination, formal training programs, annual performance assessments and other relevant procedures are properly in place to ensure that our people are competent and well-trained in fulfilling their duties and responsibilities; and
- (j) During the FYE 2023, operational review meetings were held to enhance the effectiveness of the existing internal control system. These meetings involved the participation of all Executive Directors and Heads of Department to identify, discuss and resolve significant operational issues emerging from various areas such as marketing, quality assurance, health and safety and others.

Statement on Risk Management and Internal Control (cont'd)

INTERNAL AUDIT FUNCTION

The internal audit function of the Group has been outsourced to Wensen Consulting Asia (M) Sdn. Bhd. to support the Board and the AC in providing independent assessment on the overall adequacy and effectiveness of the Group's internal control system.

Interviews with Management and access to internal documents were made available to the Internal Auditor to ensure an effective conduct of the audit process. During the financial year under review, the Internal Auditor has conducted four (4) internal audit reviews in the following operational areas: -

Internal Audit Coverage Area	Coverage Period
Sales and Marketing Management	1 March 2022 to 28 February 2023
Credit Assessment and Control Management	1 June 2022 to 31 May 2023
Inventory Management	1 September 2022 to 31 August 2023
Quality Assurance and Quality Control Management	1 December 2022 to 30 November 2023

Following the completion of the internal audit engagement, the Internal Auditor presented the audit findings and identified weaknesses during the audit review and proposed corresponding recommendations at the AC meetings. The Management is responsible to execute the corrective actions and the AC shall monitor and ensure that the actions are carried out within the specified timeframe. The Internal Auditor will conduct a follow-up review on the implementation of corrective actions related to previous audit findings and reports the outcomes to the AC.

Based on the internal audit reviewed conducted in FYE 2023, the Board is satisfied that there were no significant weaknesses noted in the internal control system that may arise with material impact and would require separate disclosure in the Company's Annual Report.

SOUND GOVERNANCE WITH ETHICAL BUSINESS ENVIRONMENT

The Group has adopted several policies to promote sound corporate governance and a high level of business ethics. These policies include the Code, AFW Policy, ABC Policy as well as Whistleblowing Policy and Procedure. Among these policies, the Code aims to uphold the highest standards of ethical business conduct by addressing the following areas: -

- Conflict of interest;
- Regulatory compliance;
- Protection and proper use of the Group's assets;
- Confidential information;
- Insider information and securities trading;
- Gift, entertainment and social amenities;
- Reporting of violations of the Code;
- Safety policy;
- Equal employment opportunity, discrimination and harassment;
- Financial integrity, disclosure and control;
- Anti-fraud and whistle blowing;
- Outside interest; and
- Fair and courteous behaviour.

To ensure that our business is conducted in an honest and ethical manner, the Group upholds a zero-tolerance against any form of fraud, bribery and corruption at all times. As such, the Group has adopted AFW Policy and ABC Policy as the formal guidelines in addressing and advising issues related to suspected and/or known fraud as well as matters pertaining to corruption risk assessment, conflict of interest, gifts, entertainment, hospitality and travel, donations and sponsorships, anti-money laundering, facilitation payments and due diligence respectively.

Statement on Risk Management and Internal Control (cont'd)

SOUND GOVERNANCE WITH ETHICAL BUSINESS ENVIRONMENT (CONT'D)

In the event if any wrongdoing is noted or suspected, the employee or stakeholder may report to Ms. Khor Hun Nee, the Chairperson of the AC, or Mr. Vo Nghia Huu, the Managing Director via Whistleblower Report Form. The procedures of making a whistleblowing report are detailed in the Whistleblowing Policy and Procedure. Whistleblowers are protected from any adverse and detrimental actions in compliance with the Whistleblowing Policy, provided that such report is made in good faith.

All the aforementioned policies are published on the Company's website at <https://ir2.chartnexus.com/scenic/corporate-governance>.

MANAGEMENT'S ASSURANCE

The Managing Director, representing the Management, has provided reasonable assurance to the Board that the Group's risk management and internal control system is implemented adequately and effectively in all material aspects. The Board is also 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.

REVIEW OF THE STATEMENT BY THE EXTERNAL AUDITORS

The External Auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the MIA for inclusion in the Annual Report of the Group for the FYE 2023, and reported to the Board that nothing has come to their attention that cause them to believe that the Statement intended to be included in the Annual Report of the Group, in all material respects: -

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

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

CONCLUSION

The Board is of the view that the Group's risk management and internal control system shall be continuously improved to ensure they are in line with the business growth and the dynamic business environment. Therefore, the Board, together with the Board Committees and the Management, strive to maintain and enhance the Group's risk management and internal control system on an ongoing basis.

For the FYE 2023, no significant internal control deficiencies or material weaknesses resulting in material losses, contingencies or uncertainties would require separate disclosure in this Annual Report. The Board holds the opinion that the current system is satisfactory and sufficient to safeguard the shareholders' investments, stakeholders' interests and the Group's assets.

The Statement was approved by the Board on 4 April 2024.

STATEMENT OF DIRECTORS' RESPONSIBILITY FOR PREPARATION OF FINANCIAL STATEMENTS

Pursuant to the Companies Act 2016, the Directors are responsible for the preparation of the financial statements of the Group and of the Company for each financial year in accordance with the applicable MFRS, IFRS Accounting Standards, Companies Act 2016 requirements and the MMLR.

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

In preparing the financial statements for the FYE 2023, the Board is satisfied that the Directors have: -

- Adopted and applied appropriate accounting policies consistently;
- Ensured compliance with accounting standards including MFRS, IFRS Accounting Standards and Company Act 2016 requirements, subject to any material departures being explained in the financial statements;
- Made reasonable and prudent judgment and estimates; and
- Prepared the financial statements on a going concern basis.

The Directors have responsibility to ensure that the Group and the Company maintain proper accounting and other records for the preparation of the financial statements of the Group and of the Company with reasonable accuracy at all times in accordance to the requirements of Companies Act 2016.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Group to prevent and detect fraud, other irregularities and material misstatements.

This statement was approved by the Board on 4 April 2024.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

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

Principal activities

The Company is principally engaged in investment holding activities, whilst the principal activities of the subsidiaries are as stated in Note 6 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

Change of name

On 28 February 2024, the Company changed its name from Classic Scenic Berhad to Hextar Retail Berhad.

Subsidiaries

The details of the Company's subsidiaries are as follows:

Name of entity	Principal activities	Principal place of business/ Country of incorporation	Effective ownership and voting interest as at 4.4.2024
Direct subsidiaries of the Company:			
Finesse Moulding (M) Sdn. Bhd.	Manufacture and sale of wooden picture frame mouldings	Malaysia	100
Scenic Moulding (M) Sdn. Bhd.	Property holding and rental of properties	Malaysia	100
Classic Frame Moulding (M) Sdn. Bhd.	Dormant	Malaysia	100
Lim Ket Leng Realty Sdn. Bhd.	Property holding and rental of properties	Malaysia	100
Hock Hoe Hin Forest Produce Sdn. Bhd.	Sawmilling contractor	Malaysia	100
Lim Ket Leng Timber Sdn. Bhd.	Manufacture and sale of timber products	Malaysia	100
Lim Ket Leng Marketing Sdn. Bhd. ("LKLM")	Investment holding	Malaysia	100
CScenic Agro Marketing Sdn. Bhd.	Dormant	Malaysia	100
Direct subsidiaries of LKLM:			
Blissful Fusion Sdn. Bhd.	Food and beverage*	Malaysia	100
Craving Hub Sdn. Bhd.	Food and beverage*	Malaysia	51
Delish Hub Sdn. Bhd.	Food and beverage*	Malaysia	51
Epicurean Crafters Sdn. Bhd.	Food and beverage*	Malaysia	100
Essence Gastronomy Sdn. Bhd.	Food and beverage*	Malaysia	100
Fabulous Bites Sdn. Bhd.	Food and beverage*	Malaysia	100
Flavora Sdn. Bhd.	Food and beverage*	Malaysia	100
Flavour Crafters Hub Sdn. Bhd.	Food and beverage*	Malaysia	100
Fresh Palate Sdn. Bhd.	Food and beverage*	Malaysia	100
Gastronomic Gems Sdn. Bhd.	Food and beverage*	Malaysia	100
Mingle Hub Sdn. Bhd.	Food and beverage*	Malaysia	100

Directors' Report

For the year ended 31 December 2023 (cont'd)

Subsidiaries (cont'd)

The details of the Company's subsidiaries are as follows. (cont'd)

Name of entity	Principal activities	Principal place of business/ Country of incorporation	Effective ownership and voting interest as at 4.4.2024
Direct subsidiaries of LKLM: (cont'd)			
Palate Symphony Sdn. Bhd.	Food and beverage*	Malaysia	100
Puresip Sdn. Bhd.	Food and beverage*	Malaysia	51
Spice Haven Delights Sdn. Bhd.	Food and beverage*	Malaysia	100
Tai Lang Pte. Ltd.	Food and beverage	Singapore	60
Taste Perspectives Sdn. Bhd.	Food and beverage*	Malaysia	100
Tasty Trails Culinary Sdn. Bhd.	Food and beverage*	Malaysia	100
VCR Cafe Sdn. Bhd.	Food and beverage*	Malaysia	100
Yummy Sip Sdn. Bhd.	Food and beverage	Malaysia	51
Direct subsidiaries of Delish Hub Sdn. Bhd.:			
Tailang Delight Sdn. Bhd.	Food and beverage	Malaysia	51
Tastewave Sdn. Bhd.	Food and beverage*	Malaysia	51

* Currently dormant and has yet to commence operations.

Results

	Group RM	Company RM
Profit after tax for the financial year	1,119,510	7,176,989
Profit after tax attributable to:		
Owners of the Company	1,163,157	7,176,989
Non-controlling interests	(43,647)	-
	1,119,510	7,176,989

Reserves and provisions

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

Directors' Report

For the year ended 31 December 2023

(cont'd)

Dividends

Since the end of the previous financial year, a first interim single tier dividend of 5.5 sen per ordinary share totaling RM13,869,657 was declared on 29 March 2023 and paid on 25 April 2023 in respect of financial year ended 31 December 2023 by the Company.

The Directors do not recommend any further dividend payment for the financial year ended 31 December 2023.

Directors of the Company

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

Datuk Iskandar bin Sarudin	
Vo Nghia Huu	
Ooi Youk Lan	
Teh ZiYang	
Khor Hun Nee	(appointed on 16 November 2023)
Lim Chee Lip	(appointed on 2 January 2024)
Lim Chee Beng	(resigned on 8 September 2023)
Lew Chong Kiat	(resigned on 3 November 2023)
Lim Kim Lee	(resigned on 13 November 2023)

Vo Nghia Huu and Lim Chee Lip are also Directors of the subsidiaries of the Company.

The names of the directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report, not including those directors listed above are:

Liu Jingyi	(appointed on 26 October 2023)
Tan Nadine Hong	(appointed on 26 October 2023)
Wong Yew Loong	(appointed on 20 December 2023)
Lee Yong Song	(appointed on 19 January 2024)

Directors' interests in shares and debentures

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

Direct interest in the Company	Number of warrants			At 31.12.2023
	At 1.1.2023	Granted*	Exercised	
Teh ZiYang	50,000	25,000	-	75,000

* Effect of bonus issue pursuant to the completion of bonus issue on 12 May 2023.

None of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

Directors' Report

For the year ended 31 December 2023

(cont'd)

Directors' benefits

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

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

Directors' remuneration

The directors' remuneration paid to or receivable by the Directors of the Company and its subsidiaries for the financial year ended 31 December 2023 are as follows:

	Group RM	Company RM
Fees	142,800	142,800
Remuneration	1,297,682	-
Other short-term employee benefits	38,279	24,000
Estimated monetary value of benefit-in-kind	11,100	-
	1,489,861	166,800

Issue of shares and debentures

During the financial year, the Company issued:

- a) 126,430,188 new ordinary shares as bonus shares, on the basis of 1 bonus share for every 2 existing ordinary share held in the Company. The bonus shares were issued as fully paid shares at no consideration and without any capitalisation of the Company's reserves; and
- b) 5,490,700 new ordinary shares arising from the exercise of 5,403,700 and 87,000 warrants at the exercise price of RM0.61 and RM0.41 respectively per ordinary share for a total cash consideration of RM3,331,927.

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

There were no debentures issued during the financial year.

Options granted over unissued shares

In 2021, the Company issued 120,499,740 new ordinary shares as bonus shares together with 120,499,740 warrants, on the basis of 1 bonus share together with 1 free warrant for every 1 existing ordinary share held in the Company.

The warrants can be exercised during the exercise period commencing on and including the date of the first issue of the warrants, i.e. 9 August 2021 to 8 August 2026. Each warrant entitles the registered holder the rights at any time during the exercise period to subscribe in cash for 1 new ordinary share of the Company at an exercise price of RM0.61 each.

In 2023, following the completion of the bonus issue on 12 May 2023, the exercise price for the outstanding warrants was adjusted from RM0.61 to RM0.41 and additional 54,319,410 warrants were issued.

At the end of the financial year, 162,871,250 warrants remained unexercised.

Directors' Report

For the year ended 31 December 2023

(cont'd)

Indemnity and insurance costs

The Directors & Officers of the Group and of the Company are covered by a liability insurance for any liability incurred in the discharge of their duties, provided that they have not acted fraudulently, dishonestly or derived any personal profit or advantages.

During the financial year, the total amount of insurance coverage effected for Directors and Officers of the Group and Company is RM10,000,000 (2022: RM10,000,000) whilst the total amount of premium paid was RM10,610.

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

Other statutory information

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

- i) all known bad debts have been written off and adequate provision made for doubtful debts; and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

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

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

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

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

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

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2023 has not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Directors' Report

For the year ended 31 December 2023
(cont'd)

Significant events during the financial year

The details of significant events during the financial year are disclosed in Note 29 to the financial statements.

Subsequent events

The details of subsequent events are disclosed in Note 30 to the financial statements.

Auditors

The auditors' remuneration of the Group and of the Company during the year are RM250,000 and RM104,000 respectively.

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

.....
Vo Nghia Huu
Director

.....
Lim Chee Lip
Director

Petaling Jaya

Date: 4 April 2024

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Assets					
Non-current assets					
Property, plant and equipment	3	113,075,894	113,681,508	-	-
Right-of-use assets	4	188,118	-	-	-
Intangible asset	5	1,176,703	1,176,703	-	-
Investment in subsidiaries	6	-	-	68,535,946	68,476,802
Total non-current assets		114,440,715	114,858,211	68,535,946	68,476,802
Current assets					
Inventories	7	21,821,209	29,509,079	-	-
Trade and other receivables	8	3,980,495	5,624,165	1,377,937	6,850
Current tax assets		1,142,705	492,481	-	-
Prepayments	9	684,611	758,056	4,000	7,335
Derivative financial assets	10	120,986	207,241	-	-
Cash and cash equivalents	11	21,801,054	24,128,789	1,614,189	6,133,992
Total current assets		49,551,060	60,719,811	2,996,126	6,148,177
Total assets		163,991,775	175,578,022	71,532,072	74,624,979
Equity					
Share capital	12	67,961,542	64,629,615	67,961,542	64,629,615
Revaluation reserve	12	38,706,592	38,706,592	-	-
Translation reserve		651	-	-	-
Retained earnings		44,785,313	57,491,813	3,163,533	9,856,201
Equity attributable to owners of the Company		151,454,098	160,828,020	71,125,075	74,485,816
Non-controlling interests		(48,370)	-	-	-
Total equity		151,405,728	160,828,020	71,125,075	74,485,816
Liabilities					
Non-current liabilities					
Deferred tax liabilities	13	8,268,572	8,459,680	-	-
Lease liabilities		63,656	-	-	-
Total non-current liabilities		8,332,228	8,459,680	-	-
Current liabilities					
Trade and other payables	14	3,866,958	5,681,142	406,997	139,163
Current tax liabilities		116,600	117,688	-	-
Lease liabilities		128,410	-	-	-
Contract liabilities	15	141,851	491,492	-	-
Total current liabilities		4,253,819	6,290,322	406,997	139,163
Total liabilities		12,586,047	14,750,002	406,997	139,163
Total equity and liabilities		163,991,775	175,578,022	71,532,072	74,624,979

The notes on pages 82 to 119 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Revenue	16	44,476,419	78,841,089	8,500,000	4,520,000
Cost of sales		(33,711,045)	(46,841,711)	-	-
Gross profit		10,765,374	31,999,378	8,500,000	4,520,000
Other income		229,620	388,279	2,726	-
Distribution expenses		(734,843)	(1,481,133)	-	-
Administrative expenses		(5,453,306)	(4,917,133)	(1,383,765)	(710,647)
Other expenses		(3,334,641)	(3,439,819)	(29,856)	(29,073)
Net loss on impairment of financial instruments		-	-	(27,963)	-
Results from operating activities		1,472,204	22,549,572	7,061,142	3,780,280
Finance income	17	533,671	191,430	115,862	59,542
Finance cost	18	(8,236)	-	-	-
Profit before tax	19	1,997,639	22,741,002	7,177,004	3,839,822
Income tax expense	20	(878,129)	(3,746,782)	(15)	-
Profit after tax		1,119,510	18,994,220	7,176,989	3,839,822
Other comprehensive income, net of tax					
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operation		651	-	-	-
Other comprehensive income for the year, net of tax		651	-	-	-
Total comprehensive income for the year		1,120,161	18,994,220	7,176,989	3,839,822
Profit after tax attributable to:					
Owners of the Company		1,163,157	18,994,220	7,176,989	3,839,822
Non-controlling interests		(43,647)	-	-	-
Profit after tax		1,119,510	18,994,220	7,176,989	3,839,822
Total comprehensive income attributable to:					
Owners of the Company		1,163,808	18,994,220	7,176,989	3,839,822
Non-controlling interests		(43,647)	-	-	-
Total comprehensive income for the year		1,120,161	18,994,220	7,176,989	3,839,822
Earnings per share attributable to owners of the Company (sen)					
- Basic*	22	0.31	5.23		
- Diluted *	22	0.28	4.76		

* Adjusted for the effect of bonus issue and effect of additional warrants issued pursuant to the completion of bonus issue on 12 May 2023.

The notes on pages 82 to 119 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

Group	Note	Attributable to owners of the Company				Non-controlling interests		Total equity RM
		Share capital RM	Revaluation reserve RM	Translation reserve RM	Retained earnings RM	Total RM	RM	
At 1 January 2022		60,698,348	38,706,592	-	38,497,593	137,902,533	-	137,902,533
Profit after tax and total comprehensive income for the year		-	-	-	18,994,220	18,994,220	-	18,994,220
Proceeds from issuance of ordinary shares	12	3,931,267	-	-	-	3,931,267	-	3,931,267
At 31 December 2022/1 January 2023		64,629,615	38,706,592	-	57,491,813	160,828,020	-	160,828,020
Profit after tax		-	-	-	1,163,157	1,163,157	(43,647)	1,119,510
Other comprehensive income		-	-	651	-	651	-	651
Foreign currency translation difference for foreign operations		-	-	-	-	-	-	-
Proceeds from issuance of ordinary shares	12	3,331,927	-	-	-	3,331,927	-	3,331,927
Dividend paid to owners of the Company	21	-	-	-	(13,869,657)	(13,869,657)	-	(13,869,657)
Changes in ownership interest in subsidiaries		-	-	-	-	-	(4,723)	(4,723)
At 31 December 2023		67,961,542	38,706,592	651	44,785,313	151,454,098	(48,370)	151,405,728

Note 12 Note 12

The notes on pages 82 to 119 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

Company	----- Attributable to owners of the Company -----			
	Note	Non-distributable Share capital RM	Distributable Retained earnings RM	Total equity RM
At 1 January 2022		60,698,348	6,016,379	66,714,727
Profit after tax and total comprehensive income for the year		-	3,839,822	3,839,822
Proceeds from issuance of ordinary shares	12	3,931,267	-	3,931,267
At 31 December 2022/1 January 2023		64,629,615	9,856,201	74,485,816
Profit after tax and total comprehensive income for the year		-	7,176,989	7,176,989
Proceeds from issuance of ordinary shares	12	3,331,927	-	3,331,927
Dividend paid to owners of the Company	21	-	(13,869,657)	(13,869,657)
At 31 December 2023		67,961,542	3,163,533	71,125,075

Note 12

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Cash flows from operating activities					
Profit before tax		1,997,639	22,741,002	7,177,004	3,839,822
Adjustments for:					
Depreciation of:					
- Property, plant and equipment	3	2,975,040	2,588,658	-	-
- Right-of-use assets	4	74,276	-	-	-
Loss on impairment of investment in subsidiaries	6	-	-	27,963	18,359
Inventory written down to net realisable value	7	228,585	-	-	-
Dividend income from subsidiaries	16	-	-	(8,500,000)	(4,520,000)
Finance cost	18	8,236	-	-	-
Property, plant and equipment written off	19	1,017	24,946	-	-
Finance income	17	(533,671)	(191,430)	(115,862)	(59,542)
(Gain)/Loss on disposal of property, plant and equipment	19	(68,930)	134,548	-	-
Net unrealised foreign exchange loss/(gain)	19	5,777	(164,005)	(2,726)	5,144
Operating profit/(loss) before changes in working capital		4,687,969	25,133,719	(1,413,621)	(716,217)
Changes in working capital:					
Inventories		7,459,285	(2,333,015)	-	-
Trade and other receivables, prepayments and other assets		1,769,164	1,765,486	(1,365,026)	285,531
Trade and other payables		(892,847)	1,481,349	267,834	66,759
Contract liabilities		(349,641)	(1,484,299)	-	-
Cash generated from/(used in) operations		12,673,930	24,563,240	(2,510,813)	(363,927)
Dividend received		-	-	8,500,000	4,520,000
Interest received		533,671	191,430	115,862	59,542
Net income tax paid		(1,720,549)	(2,862,969)	(15)	-
Net cash from operating activities		11,487,052	21,891,701	6,105,034	4,215,615
Cash flows from investing activities					
Acquisition of property, plant and equipment	(a)	(3,434,993)	(18,071,612)	-	-
Repayment of capital contributions by subsidiaries	6	-	-	3,511	200,000
Addition of capital contribution to subsidiaries	6	-	-	(90,618)	(7,529,719)
Acquisition of a subsidiary		-	(297,162)	-	(300,000)
Proceeds from disposal of property, plant and equipment		236,500	120,988	-	-
Net cash used in investing activities		(3,198,493)	(18,247,786)	(87,107)	(7,629,719)

Statements of Cash Flows

For the year ended 31 December 2023
(cont'd)

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Cash flows from financing activities					
Dividends paid to owners of the Company	21	(13,869,657)	-	(13,869,657)	-
Proceeds from issuance of ordinary shares	12	3,331,927	3,931,267	3,331,927	3,931,267
Interest paid in relation to lease liabilities	(b)	(8,236)	-	-	-
Payment of lease liabilities	(b)	(70,328)	-	-	-
Net cash (used in)/from financing activities		(10,616,294)	3,931,267	(10,537,730)	3,931,267
Net (decrease)/increase in cash and cash equivalents		(2,327,735)	7,575,182	(4,519,803)	517,163
Cash and cash equivalents at 1 January		24,128,789	16,553,607	6,133,992	5,616,829
Cash and cash equivalents at 31 December	11	21,801,054	24,128,789	1,614,189	6,133,992

(a) Acquisition of property, plant and equipment

Group	Note	2023 RM	2022 RM
Purchase of property, plant and equipment	3	2,538,013	21,336,612
Add: Settlement of amount due to creditor for purchase of property, plant and equipment acquired in prior year		1,085,000	-
Less: Amount due to creditor		(165,520)	(1,085,000)
Less: Deposits paid in prior year		(22,500)	(2,180,000)
Acquisition of property, plant and equipment by way of cash		3,434,993	18,071,612

(b) Cash outflows for leases as a lessee

Group	2023 RM	2022 RM
Included in net cash from operating activities		
Payment relating to short-term leases	93,262	384,020
Included in net cash from financing activities		
Payment of lease liabilities	70,328	-
Interest paid in relation to lease liabilities	8,236	-
Total cash outflows for leases	171,826	384,020

The notes on pages 82 to 119 are an integral part of these financial statements.

Statements of Cash Flows
For the year ended 31 December 2023
(cont'd)

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

Group	Note	Lease Liabilities RM
At 1 January 2023		-
Net changes from financing cash flows		(78,564)
Acquisition of new lease		262,394
Finance cost	18	8,236
At 31 December 2023		<u>192,066</u>

NOTES TO THE FINANCIAL STATEMENTS

Hextar Retail Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of the Bursa Malaysia Securities Berhad. The addresses of the registered office and principal place of business of the Company are as follows:

Registered office

Level 5, Tower 8,
Avenue 5, Horizon 2,
Bangsar South City
59200 Kuala Lumpur

Principal place of business

Lot 9,10,11,12 & 13, Jalan RP3
Rawang Industrial Estate
Taman Rawang Perdana
48000 Rawang
Selangor Darul Ehsan

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

The Company is principally engaged in investment holding activities, whilst the principal activities of the subsidiaries are as stated in Note 6 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

These financial statements were authorised for issue by the Board of Directors on 4 April 2024.

1. 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"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

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

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendment to MFRS 16, Leases – Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101, Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current
- Amendments to MFRS 107, Statement of Cash Flows and MFRS 7, *Financial Instruments: Disclosures – Supplier Finance Arrangements*

Notes To The Financial Statements (cont'd)

1. Basis of preparation (Cont'd)

(a) Statement of compliance (Cont'd)

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

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

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

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

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

- from the annual period beginning on 1 January 2024 for the amendments that are effective for annual periods beginning on or after 1 January 2024.
- from the annual period beginning on 1 January 2025 for the amendments that are effective for annual periods beginning on or after 1 January 2025.

The initial application of the abovementioned amendments is not expected to have any material financial impact to the current period and prior period financial statements of the Group and of the Company.

(b) Basis of measurement

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

Items	Measurement bases
Derivative financial instruments	Fair value
Highly liquid investments with non-bank financial institutions	Fair value

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency.

Notes To The Financial Statements (cont'd)

1. Basis of preparation (Cont'd)

(d) Use of estimates and judgements

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

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

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

- Note 3 – measurement of fair value of freehold lands
- Note 5 – measurement of the recoverable amount of cash-generating unit
- Note 7 – valuation of sawn timber inventories

2. Changes in material accounting policies

Material accounting policy information

The Group adopted amendments to MFRS 101, Presentation of Financial Statements and MFRS Practice Statement 2 – Disclosures of Accounting Policies from 1 January 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Although the amendments did not result in any changes to the Group's accounting policies, it impacted the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in the respective notes to the financial statements where relevant.

Notes To The Financial Statements
(cont'd)

3. Property, plant and equipment

Group	Note	Freehold lands RM	Leasehold lands RM	Buildings RM	Machinery, forklifts, plant and equipment RM	Cabin, office equipment, furniture and fittings and renovation RM	Motor vehicles RM	Computer equipment RM	Solar power system RM	Assets under construction RM	Total RM
Cost/Valuation											
At 1 January 2022		67,840,000	-	25,501,592	30,429,316	3,843,000	2,637,159	2,160,657	-	2,236,336	134,648,060
Additions		-	3,170,350	9,850,000	3,491,455	723,173	-	51,313	-	4,050,321	21,336,612
Disposals		-	-	-	(517,787)	(37,751)	(187,800)	-	-	-	(743,338)
Write-offs		-	-	-	(472,661)	-	-	-	-	-	(472,661)
At 31 December 2022/											
1 January 2023		67,840,000	3,170,350	35,351,592	32,930,323	4,528,422	2,449,359	2,211,970	-	6,286,657	154,768,673
Additions		-	-	-	1,426,246	464,088	-	231,144	9,375	407,160	2,538,013
Transfers		-	-	-	743,755	-	-	3,107,000	-	(3,850,755)	-
Disposals		-	-	-	(44,289)	-	(993,206)	-	-	-	(1,037,495)
Write-offs		-	-	-	(43,860)	-	-	(14,770)	-	-	(58,630)
At 31 December 2023		67,840,000	3,170,350	35,351,592	35,012,175	4,992,510	1,456,153	2,428,344	3,116,375	2,843,062	156,210,561
Depreciation											
At 1 January 2022		-	-	10,588,847	22,416,551	3,005,918	1,402,320	2,020,388	-	-	39,434,024
Depreciation for the year	19	-	69,650	723,132	1,283,834	207,081	242,302	62,659	-	-	2,588,658
Disposals		-	-	-	(262,256)	(37,747)	(187,799)	-	-	-	(487,802)
Write-offs		-	-	-	(447,715)	-	-	-	-	-	(447,715)
At 31 December 2022/											
1 January 2023		-	69,650	11,311,979	22,990,414	3,175,252	1,456,823	2,083,047	-	-	41,087,165
Depreciation for the year	19	-	92,867	795,260	1,461,724	245,074	203,060	114,727	62,328	-	2,975,040
Disposals		-	-	-	(34,974)	-	(834,951)	-	-	-	(869,925)
Write-offs		-	-	-	(42,843)	-	-	(14,770)	-	-	(57,613)
At 31 December 2023		-	162,517	12,107,239	24,374,321	3,420,326	824,932	2,183,004	62,328	-	43,134,667
Carrying Amount											
At 1 January 2022		67,840,000	-	14,912,745	8,012,765	837,082	1,234,839	140,269	-	2,236,336	95,214,036
At 31 December 2022/											
1 January 2023		67,840,000	3,100,700	24,039,613	9,939,909	1,353,170	992,536	128,923	-	6,286,657	113,681,508
At 31 December 2023		67,840,000	3,007,833	23,244,353	10,637,854	1,572,184	631,221	245,340	3,054,047	2,843,062	113,075,894

Notes To The Financial Statements (cont'd)

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

Company	Office equipment RM
Cost	
At 1 January 2022/31 December 2022/1 January 2023/ 31 December 2023	15,300
Depreciation	
At 1 January 2022/31 December 2022/1 January 2023/ 31 December 2023	15,300
Carrying amounts	
At 1 January 2022/31 December 2022/1 January 2023/ 31 December 2023	-

Fair value information - Group

The fair value of the freehold lands of RM67,840,000 (2022: RM67,840,000) is categorised as Level 3 fair value.

Level 3 fair value was estimated using unobservable inputs for freehold lands.

Fair values of freehold lands had been generally derived using the sales comparison approach. In the sales comparison approach, sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into the valuation approach is price per square foot of comparable properties.

Valuation process applied by the Group for Level 3 fair value

The fair value of freehold lands is determined by an external, independent property valuer having appropriate recognised professional qualifications and recent experience in the location and category of property being valued.

Had the revalued freehold lands been carried under cost model, the net carrying amount of the freehold lands that would have been recognised in the financial statements of the Group is as follows:

Group	Freehold lands RM
2023/2022	
At cost	24,832,675

Notes To The Financial Statements (cont'd)

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

3.1 Material accounting policy information

(a) Recognition and measurement

Items of property, plant and equipment except for freehold lands measured at cost less any accumulated depreciation and any accumulated impairment losses. Freehold lands are measured at fair value.

(b) Property under the revaluation model

The Group revalues its freehold lands every three years (2022: three years) and at shorter intervals whenever the fair value of the revalued assets is expected to differ materially from their carrying value.

(c) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold lands are not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

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

• leasehold lands	32 - 45 years
• buildings	32 - 50 years
• machinery, forklifts, plant and equipment	5 - 10 years
• cabin, office equipment, furniture and fittings and renovation	5 - 12 years
• motor vehicles	10 years
• computer equipment	3 years
• solar power system	25 years

4. Right-of-use assets

Group	Freehold land and buildings RM
At 1 January 2023	-
Additions	262,394
Depreciation	(74,276)
At 31 December 2023	<u>188,118</u>

The Group leases a number of properties that run between 1 year and 2 years, with an option to renew the lease after 31 December 2023.

Notes To The Financial Statements (cont'd)

4. Right-of-use assets (Cont'd)

4.1 Extension option

The lease contains an extension option exercisable by the Group up to 1 year before the end of the non-cancellable contract period. The extension option held is exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension option. The Group reassesses whether it is reasonably certain to exercise the option if there is a significant event or significant change in circumstances within its control.

4.2 Material accounting policy information

(a) Recognition and measurement

All right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

(b) Recognition exemption

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

5. Intangible asset

Group	Goodwill	
	2023 RM	2022 RM
Cost/Carrying amount		
At 1 January	1,176,703	878,181
Acquisition through business combination	-	298,522
At 31 December	1,176,703	1,176,703

5.1 Material accounting policy information

(a) Recognition and measurement

Goodwill arising from business combinations is measured at cost less any accumulated impairment losses.

Goodwill with indefinite useful lives are not amortised but are tested for impairment annually and whenever there is an indication that they may be impaired.

Notes To The Financial Statements (cont'd)

5. Intangible asset (Cont'd)

5.1 Material accounting policy information (Cont'd)

(b) Impairment testing for cash-generating unit containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's wooden picture frame mouldings manufacturing division which represents the lowest level within the Group at which the goodwill is monitored for internal management purposes

The recoverable amount for the above was based on its value in use and was determined by discounting the future cash flows expected to be generated from the continuing use of the wooden picture frame mouldings manufacturing division and was based on the following key assumptions:

- Cash flows were projected based on actual operating results and a 5-year (2022: 5-year) projection.
- Revenue was projected at about RM60,364,000 in the first year of the cash flow projections. The anticipated annual revenue growth included thereon in the cash flow projections was 5% (2022: 5%) for the years 2025 to 2028 (2022: years 2024 to 2027).
- A pre-tax discount rate of 11.0% (2022: 11.0%) was applied in determining the recoverable amount. The discount rate was estimated based on the Group's weighted average cost of capital.

The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external sources and internal sources (historical data) of information.

The Group will not suffer any impairment loss even if the above estimates experienced the following changes:

- An increase of 1% (2022: 1%) in the discount rate; and
- A 10% (2022: 10%) decrease in future projected revenue.

6. Investment in subsidiaries

Company	Cost of investment RM	Capital contributions RM	Total RM
Cost			
At 1 January 2022	41,557,970	24,732,490	66,290,460
Repayment of capital contributions	-	(200,000)	(200,000)
Acquisition through business combination	300,000	-	300,000
Addition of capital contribution to subsidiaries	-	7,529,719	7,529,719
At 31 December 2022/1 January 2023	41,857,970	32,062,209	73,920,179
Repayment of capital contributions	-	(3,511)	(3,511)
Addition of capital contribution to subsidiaries	-	90,618	90,618
At 31 December 2023	41,857,970	32,149,316	74,007,286

Notes To The Financial Statements (cont'd)

6. Investment in subsidiaries (Cont'd)

Company	Cost of investment RM	Capital contributions RM	Total RM
Impairment losses			
At 1 January 2022	4,691,205	733,813	5,425,018
Impairment loss	-	18,359	18,359
At 31 December 2022/1 January 2023	4,691,205	752,172	5,443,377
Impairment loss	-	27,963	27,963
At 31 December 2023	4,691,205	780,135	5,471,340
Carrying amounts			
At 1 January 2022	36,866,765	23,998,677	60,865,442
At 31 December 2022/1 January 2023	37,166,765	31,310,037	68,476,802
At 31 December 2023	37,166,765	31,369,181	68,535,946
	Note 6.1	Note 6.2	

6.1 Details of the subsidiaries are as follows:

Name of entity	Principal activities	Principal place of business/ Country of incorporation	Effective ownership and voting interest	
			2023 %	2022 %
Direct subsidiaries of the Company:				
Finesse Moulding (M) Sdn. Bhd.	Manufacture and sale of wooden picture frame mouldings	Malaysia	100	100
Scenic Moulding (M) Sdn. Bhd.	Property holding and rental of properties	Malaysia	100	100
Classic Frame Moulding (M) Sdn. Bhd.	Dormant	Malaysia	100	100
Lim Ket Leng Realty Sdn. Bhd.	Property holding and rental of properties	Malaysia	100	100
Hock Hoe Hin Forest Produce Sdn. Bhd.^	Sawmilling contractor	Malaysia	100	100
Lim Ket Leng Timber Sdn. Bhd.	Manufacture and sale of timber products	Malaysia	100	100

Notes To The Financial Statements (cont'd)

6. Investment in subsidiaries (Cont'd)

6.1 Details of the subsidiaries are as follows: (Cont'd)

Name of entity	Principal activities	Principal place of business/ Country of incorporation	Effective ownership and voting interest	
			2023 %	2022 %
Direct subsidiaries of the Company: (Cont'd)				
Lim Ket Leng Marketing Sdn. Bhd. ("LKLM")	Investment holding	Malaysia	100	100
CScenic Agro Marketing Sdn. Bhd.	Dormant	Malaysia	100	100
Direct subsidiaries of LKLM:				
Craving Hub Sdn. Bhd. ^	Food and beverage*	Malaysia	100	-
Delish Hub Sdn. Bhd. ^ (Note 6.1.3)	Food and beverage*	Malaysia	51	-
Fabulous Bites Sdn. Bhd. ^	Food and beverage*	Malaysia	100	-
Flavora Sdn. Bhd. ^	Food and beverage*	Malaysia	100	-
Fresh Palate Sdn. Bhd.^	Food and beverage*	Malaysia	100	-
Mingle Hub Sdn. Bhd.^	Food and beverage*	Malaysia	100	-
Puresip Sdn. Bhd. ^	Food and beverage*	Malaysia	100	-
Tastewave Sdn. Bhd. ^	Food and beverage*	Malaysia	100	-
Tailang Delight Sdn. Bhd. ^	Food and beverage*	Malaysia	100	-
Yummy Sip Sdn. Bhd. ^	Food and beverage	Malaysia	100	-
Tai Lang Pte. Ltd. ^ (Note 6.1.2)	Food and beverage*	Singapore	60	-

^ Not audited by KPMG PLT.

* Dormant and has yet to commence operation as at 31 December 2023.

Notes To The Financial Statements (cont'd)

6. Investment in subsidiaries (Cont'd)

6.1 Details of the subsidiaries are as follows (Cont'd):

- 6.1.1 On 20 November 2023, the Company's wholly-owned subsidiary, Lim Ket Leng Marketing Sdn Bhd ("LKLM") incorporated 10 wholly-owned subsidiaries in Malaysia with an issued and paid up share capital of RM1 respectively for the purpose of expanding into the Food and Beverage business.
- 6.1.2 On 1 December 2023, LKLM acquired 6,000 ordinary shares of Tai Lang Pte. Ltd. ("TLPL") representing 60% of the equity interest in TLPL for cash consideration of RM21,010. TLPL is incorporated in Singapore and is expected to principally engaged in Food and Beverage business. It has yet to commence operations as at 31 December 2023.
- 6.1.3 On 27 December 2023, Delish Hub Sdn. Bhd. issued 99 fully paid up ordinary shares at an issue price of RM1.00 per share and LKLM subscribed 50 newly issued shares. Subsequent to the issuance of the new shares, Delish Hub Sdn. Bhd. become a 51% owned subsidiary of LKLM as at 31 December 2023.

6.2 Material accounting policy information

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

Capital contributions are advances due from subsidiaries which are non-trade in nature, unsecured, interest free and repayment of the advances is at the discretion of the subsidiaries. These advances are, in substance, a part of the Company's net investment in the subsidiaries.

7. Inventories

Group	Note	2023 RM	2022 RM
Cost			
Raw materials and consumables		15,741,759	21,898,199
Work-in-progress		3,156,435	4,338,085
Finished goods		1,224,870	3,272,795
		20,123,064	29,509,079
Net realisable value			
Raw materials		1,698,145	-
		21,821,209	29,509,079
Total inventories			
Recognised in profit or loss:			
Inventories recognised as cost of sales		33,482,460	46,841,711
Write-down to net realisable value (included in cost of sales)	19	228,585	-

Notes To The Financial Statements (cont'd)

7. Inventories (Cont'd)

Included in raw materials and consumables are sawn timber inventories amounting to RM13,620,091 (2022: RM16,832,390). The determination of the level of write-down of sawn timber inventories involves significant judgement made by the Directors in predicting the amount of future demand from customers vis-à-vis the risk of physical deterioration of the sawn timber inventories. In mitigating the risk of physical deterioration that may affect the valuation of sawn timber inventories, all sawn timber inventories of the Group are subjected to the following processes before they are stored in the warehouse:

- (a) chemical pressure treatment of sawn timber to infuse an acceptable level of chemical preservatives into the timber; and
- (b) kiln-drying of sawn timber to a permissible moisture content level.

7.1 Material accounting policy information

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is measured based on first-in, first-out method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes an appropriate share of production overheads based on normal operating capacity.

8. Trade and other receivables

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Current Trade					
Trade receivables from contracts with customers	24.4	2,644,077	4,930,688	-	-
Non-trade					
Other receivables and deposits		1,336,418	693,477	6,850	6,850
Amount due from a subsidiary	8.1	-	-	1,371,087	-
		3,980,495	5,624,165	1,377,937	6,850

8.1 The amount due from a subsidiary is unsecured, interest free and repayable on demand.

9. Prepayments

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Prepayments	684,611	758,056	4,000	7,335

Prepayments are mainly related to advance payments made to suppliers and service providers.

Notes To The Financial Statements (cont'd)

10. Derivative financial assets

Group	2023		2022	
	Nominal value RM	Assets RM	value RM	Nominal Assets RM
Derivatives held for trading at fair value through profit or loss				
- Forward exchange contracts	10,140,740	120,986	5,466,528	207,241

Forward exchange contracts are used to manage the foreign currency exposures arising from the Group's receivables denominated in currencies other than the functional currency of the Group entities. Forward exchange contracts entered into by the Group had maturities of less than one year after the end of the reporting period. Where necessary, the forward exchange contracts are rolled over at maturity.

11. Cash and cash equivalents

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash and bank balances	14,594,027	8,204,438	1,577,840	157,238
Highly liquid investments with non-bank financial institutions	7,207,027	15,924,351	36,349	5,976,754
	21,801,054	24,128,789	1,614,189	6,133,992

The Directors regard the highly liquid investments with non-bank financial institutions as cash and cash equivalents in view of their high liquidity and insignificant risk of changes in fair value.

12. Capital and reserves

Share capital

Group and Company	Number of ordinary shares	Amount	Number of ordinary shares	Amount
	2023	2023 RM	2022	2022 RM
Ordinary shares, issued and fully paid shares with no par value classified as equity instruments				
At 1 January	247,456,680	64,629,615	241,011,980	60,698,348
Bonus shares issued	126,430,188	-	-	-
Issued via exercise of warrants	5,490,700	3,331,927	6,444,700	3,931,267
At 31 December	379,377,568	67,961,542	247,456,680	64,629,615

Notes To The Financial Statements (cont'd)

12. Capital and reserves (Cont'd)

Ordinary shares

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

Bonus shares and Warrants 2021/2026

On 12 August 2021, the Company issued 120,499,740 new ordinary shares as bonus shares together with 120,499,740 free warrants, on the basis of 1 bonus share together with 1 free warrant for every 1 existing ordinary share held in the Company.

The warrants can be exercised during the exercise period commencing on and including the date of the first issue of the warrants, i.e. 9 August 2021 to 8 August 2026. Each warrant entitles the registered holder the rights at any time during the exercise period to subscribe in cash for 1 new ordinary share of the Company at an exercise price of RM0.61 each.

On 12 May 2023, the Company issued 126,430,188 new ordinary shares as bonus shares, on the basis 1 bonus share for every 2 existing ordinary share held in the Company. The bonus shares were issued as fully paid shares at no consideration and without any capitalization of the Company's reserves. Following the completion of the bonus issue, the exercise price of the outstanding warrants was adjusted from RM0.61 to RM0.41 and additional 54,319,410 warrants were issued.

During the financial year, 5,490,700 (2022: 6,444,700) warrants have been exercised where 5,403,700 and 87,000 (2022: 6,444,700) new ordinary shares were issued at an exercise price of RM0.61 and RM0.41 (2022: RM0.61) respectively per ordinary share for a total cash consideration of RM3,331,927 (2022: RM3,931,267). As at 31 December 2023, there are 162,871,250 (2022: 114,042,540) warrants which remain unexercised.

Revaluation reserve

The revaluation reserve relates to the revaluation surplus of the Group's freehold lands.

13. Deferred tax liabilities

13.1 Deferred tax assets and liabilities are attributable to the following:

Group	Assets		Liabilities		Net	
	2023 RM	2022 RM	2023 RM	2022 RM	2023 RM	2022 RM
Property, plant and equipment	-	-	4,392,383	4,299,720	4,392,383	4,299,720
Revaluation surplus	-	-	4,300,733	4,300,733	4,300,733	4,300,733
Unabsorbed capital allowances	(343,520)	(27,852)	-	-	(343,520)	(27,852)
Unutilised tax losses	(14,640)	(13,761)	-	-	(14,640)	(13,761)
Other temporary differences	(66,384)	(99,160)	-	-	(66,384)	(99,160)
Tax liabilities	(424,544)	(140,773)	8,693,116	8,600,453	8,268,572	8,459,680
Set-off	424,544	140,773	(424,544)	(140,773)	-	-
Net tax liabilities	-	-	8,268,572	8,459,680	8,268,572	8,459,680

Notes To The Financial Statements (cont'd)

13. Deferred tax liabilities (Cont'd)

13.1 Deferred tax assets and liabilities are attributable to the following: (Cont'd)

Movement in temporary differences during the year

Group	At	Recognised	At 31	Recognised	At 31
	1 January 2022 RM	in profit or loss (Note 20) RM	December 2022/ 1 January 2023 RM	in profit or loss (Note 20) RM	December 2023 RM
Property, plant and equipment	3,000,076	1,299,644	4,299,720	92,663	4,392,383
Revaluation surplus	4,300,733	-	4,300,733	-	4,300,733
Unabsorbed capital allowances	-	(27,852)	(27,852)	(315,668)	(343,520)
Unutilised tax losses	-	(13,761)	(13,761)	(879)	(14,640)
Other temporary differences	18,585	(117,745)	(99,160)	32,776	(66,384)
Total	7,319,394	1,140,286	8,459,680	(191,108)	8,268,572

13.2 Unrecognised deferred tax assets

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

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Unabsorbed capital allowances	138,941	138,941	-	-
Unutilised tax losses	1,113,985	1,137,968	-	-
Other deductible temporary differences	490,033	489,525	-	-
	1,742,959	1,766,434	-	-
Deferred tax at tax rate of 24%	418,310	423,944	-	-

The unabsorbed capital allowances and other deductible temporary differences of the Group are available indefinitely for the offsetting against future taxable profits of the respective entities within the Group, subject to tax laws and guidelines issued by the tax authority enacted at the reporting date.

Notes To The Financial Statements (cont'd)

13. Deferred tax liabilities (Cont'd)

13.2 Unrecognised deferred tax assets (Cont'd)

Tax losses for which no deferred tax asset was recognised are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Expiring within 5 years	1,036,620	-	-	-
Expiring within 6 to 10 years	77,365	1,137,968	-	-
	1,113,985	1,137,968	-	-

Deferred tax assets have not been recognised by the Group in respect of these items as it is not probable that taxable profits of its subsidiaries would be available against which deductible temporary differences could be utilised.

Effective from year of assessment 2019, unutilised tax losses are allowed to be carried forward for a maximum period of seven years. Pursuant to Finance Act 2021, the time limit to utilise business losses has been extended to a maximum of 10 consecutive years, which is deemed to have effect from the year of assessment 2019.

14. Trade and other payables

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Current Trade					
Trade payables		669,628	1,238,539	-	-
Non-trade					
Other payables and accruals		3,197,330	4,442,603	394,797	113,163
Amount due to a subsidiary	14.1	-	-	12,200	26,000
		3,197,330	4,442,603	406,997	139,163
		3,866,958	5,681,142	406,997	139,163

14.1 The amount due to a subsidiary is unsecured, interest free and repayable on demand.

Notes To The Financial Statements (cont'd)

15. Contract liabilities

The contract liabilities primarily relate to advance consideration received from contract customers for wooden picture frame mouldings to be exported. The contract liabilities are expected to be recognised as revenue over the next financial year.

Significant changes to contract liabilities balances during the year are as follows:

Group	2023 RM	2022 RM
Contract liabilities at the beginning of the year recognised as revenue	491,492	1,975,791
Advances received from customers	141,851	491,492

16. Revenue

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Revenue from contracts with customers	44,476,419	78,841,089	-	-
Other revenue				
Dividend income from subsidiaries	-	-	8,500,000	4,520,000
	44,476,419	78,841,089	8,500,000	4,520,000

Notes To The Financial Statements
(cont'd)

16. Revenue (Cont'd)

16.1 Disaggregation of revenue

Group	Wooden picture frame mouldings		Other timber products		Others non-reporting segment		Total	
	2023 RM	2022 RM	2023 RM	2022 RM	2023 RM	2022 RM	2023 RM	2022 RM
Primary geographical markets								
North America	33,425,845	59,037,153	-	-	-	-	33,425,845	59,037,153
Australia	5,042,657	7,984,180	-	-	-	-	5,042,657	7,984,180
Malaysia	251,128	329,965	546,636	1,639,166	47,191	-	844,955	1,969,131
Other countries	5,162,962	9,850,625	-	-	-	-	5,162,962	9,850,625
	43,882,592	77,201,923	546,636	1,639,166	47,191	-	44,476,419	78,841,089

Notes To The Financial Statements (cont'd)

16. Revenue (Cont'd)

16.2 Nature of goods and services

The following information reflects the typical transactions of the Group:

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms
Wooden picture frame mouldings	Revenue is recognised at a point in time when the goods are delivered on board of the export vessel (export sales) or delivered and accepted by the customers at their premises (local sales) or in accordance with the terms CIF (Cost, Insurance, Freight) or FCA (Free Carrier Arrangement), as applicable.	Credit period of 0-60 days from invoice date.
Other timber products	Revenue is recognised at a point in time when the goods are delivered and accepted by the customers at their premises.	Credit period of 0-30 days from invoice date.

There are no variable element in consideration, obligation for returns or refunds and warranty for any of the goods and services promised by the Group.

17. Finance income

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Interest income of financial assets calculated using the effective interest method that are at amortised cost	32,785	8,249	-	-
Interest income of financial assets at fair value through profit or loss	500,886	183,181	115,862	59,542
	<u>533,671</u>	<u>191,430</u>	<u>115,862</u>	<u>59,542</u>

18. Finance cost

	Group	
	2023 RM	2022 RM
Interest expenses on lease liabilities	8,236	-
	<u>8,236</u>	<u>-</u>

Notes To The Financial Statements (cont'd)

19. Profit before tax

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Profit for the year is arrived at after charging/(crediting):					
Auditors' remuneration:					
- Audit fees:					
- KPMG PLT		240,000	175,000	94,000	60,000
- Other auditor		2,992	1,000	-	-
- Non-audit fees:					
- KPMG PLT		10,000	10,000	10,000	10,000
- Local affiliate of KPMG PLT		55,900	46,300	6,500	5,500
- Other professional audit firm		1,100	-	-	-
Material expenses/(income)					
Depreciation of:					
- property, plant and equipment	3	2,975,040	2,588,658	-	-
- right-of-use assets	4	74,276	-	-	-
Property, plant and equipment written off		1,017	24,946	-	-
Inventory written down to net realisable value	7	228,585	-	-	-
(Gain)/Loss on disposal of property, plant and equipment		(68,930)	134,548	-	-
Net losses/(gains) on foreign exchange:					
- unrealised		5,777	(164,005)	(2,726)	5,144
- realised		893,384	640,948	-	-
Personnel expenses (including key management personnel):					
- wages, salaries and others		12,191,600	16,774,903	-	-
- defined contribution plan		884,311	1,093,683	-	-
Expenses arising from leases					
Expenses relating to short-term leases		93,262	384,020	-	-

Notes To The Financial Statements (cont'd)

20. Income tax expense

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Current tax expense				
Malaysian:				
- current year	971,497	3,488,044	-	-
- under/(over) provision in prior year	97,740	(881,548)	15	-
Total current tax recognised in profit or loss	1,069,237	2,606,496	15	-
Deferred tax expense				
Origination and reversal of temporary differences	(167,435)	651,581	-	-
(Over)/Under provision in prior year	(23,673)	488,705	-	-
Total deferred tax recognised in profit or loss (Note 13)	(191,108)	1,140,286	-	-
Total income tax expense	878,129	3,746,782	15	-
Reconciliation of income tax expense				
Profit before tax	1,997,639	22,741,002	7,177,004	3,839,822
Income tax calculated using Malaysian tax rate at 24%	479,433	5,457,840	1,722,481	921,557
Non-deductible expenses	515,546	379,887	345,327	177,533
Non-taxable income	(75,566)	-	-	-
Utilisation of deferred tax asset previously not recognised	(5,634)	-	-	-
Tax incentive	-	(1,652,159)	-	-
Tax exempt income	(109,717)	(45,943)	(2,067,808)	(1,099,090)
Under/(Over) provision in prior year	74,067	(392,843)	15	-
Total income tax expense	878,129	3,746,782	15	-

21. Dividend

Dividend paid by the Group and Company:

	Sen per share	Total amount RM	Date of payment
2023			
Interim single tier dividend	5.5	13,869,657	25 April 2023

No dividend was further proposed by the Directors for the financial year under review.

Notes To The Financial Statements (cont'd)

22. Earnings per share

Basic earnings per share

The calculation of basic earnings per share at 31 December 2023 was based on the profit after tax attributable to owners of the Company and a weighted average number of ordinary shares outstanding, calculated as follows:

Group	2023 RM	2022 RM
Profit after tax attributable to owners of the Company	1,163,157	18,994,220

Group	2023	2022 Restated*
Weighted average number of ordinary shares at 31 December	377,272,580	363,110,094

Group	2023 Sen	2022 Sen Restated*
Basic earnings per share	0.31	5.23

Diluted earnings per share

The calculation of diluted earnings per share at 31 December 2023 was based on profit after tax attributable to owners of the Company and the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows:

Group	2023 RM	2022 RM
Profit after tax attributable to owners of the Company	1,163,157	18,994,220

	2023	2022 Restated*
Weighted average number of ordinary shares at 31 December (basic)	377,272,580	363,110,094
Effect of warrants on issue	36,876,510	35,878,550
Weighted average number of ordinary shares at 31 December (diluted)	414,149,090	398,988,644

Notes To The Financial Statements (cont'd)

22. Earnings per share (Cont'd)

Basic earnings per share (Cont'd)

Group	2023 Sen	2022 Sen Restated*
Diluted earnings per share	0.28	4.76

The average market value of the Company's shares for purpose of calculating the dilutive effect of warrants was based on quoted market prices for the period during which the warrants were outstanding.

* The comparative has been restated to incorporate retrospective adjustment in respect of bonus issue as disclosed in Note 12.

23. Operating segments

The Group has three reportable segments, as described below, which represent the business units of the Group. The business units carry out different business activities and adopt different business strategies in carrying out their businesses. For each of the business units, the Group's Executive Directors (the chief operating decision makers) review internal management reports on a quarterly basis. The following summary describes the operations in each of the Group's reportable segment:

Reportable segment	Principal business activities
Wooden picture frame mouldings	Manufacture and sale of wooden picture frame mouldings
Other timber products	Manufacture and sale of other timber products
Property holding	Holding and rental of properties

Other non-reportable segments comprise operations related to sawmilling business, food and beverage business and investment holding. None of these segments met the quantitative thresholds for reporting segments.

Performance is measured based on segment profit as included in the internal management reports that are reviewed by the Group's Executive Directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment assets

Segment asset is measured based on all assets of a segment, as included in the internal management reports that are reviewed by the Group's Executive Directors. Segment total assets is used to measure the return on assets of each segment.

Segment liabilities

Segment liability is measured based on all liabilities of a segment, as included in the internal management reports that are reviewed by the Group's Executive Directors. Segment total liabilities is used to evaluate liquidity risk of each segment.

Notes To The Financial Statements
(cont'd)

23. Operating segments (Cont'd)

Group	Wooden picture frame mouldings		Other timber products		Property holding		Total	
	2023 RM	2022 RM	2023 RM	2022 RM	2023 RM	2022 RM	2023 RM	2022 RM
Segment (loss)/profit	(289,688)	16,801,000	(130,018)	(155,615)	3,146,435	3,168,158	2,726,729	19,813,543
<i>Included in the measure of segment profit are:</i>								
Revenue from external customers	43,882,592	77,201,923	546,636	1,639,166	-	-	44,429,228	78,841,089
Inter-segment revenue	-	-	34,626	-	4,944,693	4,944,693	4,979,319	4,944,693
Inventory written down to net realisable value	228,585	-	-	-	-	-	228,585	-
Depreciation	2,358,498	1,904,607	174,252	176,469	506,732	506,732	3,039,482	2,587,808
Finance income	338,703	106,591	18,689	12,626	55,166	8,863	412,558	128,080
Finance cost	8,236	-	-	-	-	-	8,236	-
Tax (credit)/expense	(8,388)	2,780,478	(42,768)	(51,695)	930,359	1,016,911	879,203	3,745,694
Segment assets	67,625,854	79,703,060	1,975,945	2,065,450	89,683,092	87,041,942	159,284,891	168,810,452
<i>Included in the measure of segment assets are:</i>								
Additions to non-current assets other than financial instruments and deferred tax assets	2,312,068	21,174,430	-	-	7,950	158,364	2,320,018	21,332,794
Segment liabilities	4,843,816	7,731,831	132,857	197,882	6,590,821	6,683,851	11,567,494	14,613,564

Notes To The Financial Statements (cont'd)

23. Operating segments (Cont'd)

Reconciliation of reportable segment revenue, profit or loss, assets, liabilities and other material items

Group	Net operating profit/(loss) RM	Revenue from external customers RM	Depreciation RM	Finance income RM	Finance cost RM	Tax expense/(credit) RM	Segment assets RM	Segment liabilities RM
2023								
Total reportable segments	2,726,729	44,429,228	3,039,482	412,558	8,236	879,203	159,284,891	11,567,494
Other non-reportable segments	(1,607,219)	47,191	9,834	121,113	-	(1,074)	4,706,884	1,018,553
Consolidated total	1,119,510	44,476,419	3,049,316	533,671	8,236	878,129	163,991,775	12,586,047
2022								
Total reportable segments	19,813,543	78,841,089	2,587,808	128,080	-	3,745,694	168,810,452	14,613,564
Other non-reportable segments	(819,323)	-	850	63,350	-	1,088	6,767,570	136,438
Consolidated total	18,994,220	78,841,089	2,588,658	191,430	-	3,746,782	175,578,022	14,750,002

Major customers

The following are major customers with revenue equal or more than 10% of the Group's total revenue:

	Revenue 2023 Group RM	Revenue 2022 RM	RM Segment
Customer A	7,595,192	9,109,183	Wooden picture frame mouldings
Customer B	8,686,679	11,564,883	Wooden picture frame mouldings

Notes To The Financial Statements (cont'd)

24. Financial instruments

24.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

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

	Carrying amount RM	AC RM	Mandatorily at FVTPL RM
2023			
Financial assets			
Group			
Trade and other receivables	3,980,495	3,980,495	-
Derivative financial assets	120,986	-	120,986
Cash and cash equivalents	21,801,054	14,594,027	7,207,027
	25,902,535	18,574,522	7,328,013
Company			
Trade and other receivables	1,377,937	1,377,937	-
Cash and cash equivalents	1,614,189	1,577,840	36,349
	2,992,126	2,955,777	36,349
Financial liabilities			
Group			
Trade and other payables	3,866,958	3,866,958	-
Company			
Trade and other payables	406,997	406,997	-
2022			
Financial assets			
Group			
Trade and other receivables	5,624,165	5,624,165	-
Derivative financial assets	207,241	-	207,241
Cash and cash equivalents	24,128,789	8,204,438	15,924,351
	29,960,195	13,828,603	16,131,592
Company			
Trade and other receivables	6,850	6,850	-
Cash and cash equivalents	6,133,992	157,238	5,976,754
	6,140,842	164,088	5,976,754
Financial liabilities			
Group			
Trade and other payables	5,681,142	5,681,142	-
Company			
Trade and other payables	139,163	139,163	-

Notes To The Financial Statements (cont'd)

24. Financial instruments (Cont'd)

24.2 Net gains and losses arising from financial instruments

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Net (losses)/gains on:				
Financial assets at amortised cost	331,937	355,881	-	-
Financial assets at fair value through profit or loss - Mandatorily required by MFRS 9	(697,427)	(641,394)	118,588	54,398
	(365,490)	(285,513)	118,588	54,398

24.3 Financial risk management

The Group and the Company have exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

24.4 Credit risk

Credit risk is the risk of a financial loss to the Group or the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure arises from amount due from a subsidiary. The Group's exposure to credit risk arises principally from trade receivables from customers and cash and cash equivalents.

Inter-company advances

The Company provides unsecured advances to inter-company. The Company monitors the ability of the inter-company to repay advances on an individual basis.

Generally, the Company considers advances to inter-company have low credit risk. The Company assumes that there is a significant increase in credit risk when an inter-company's financial position deteriorates significantly.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position. There is no indication that the amount due from intercompany is not recoverable. Hence, loss allowance is not provided for.

Notes To The Financial Statements (cont'd)

24. Financial instruments (Cont'd)

24.4 Credit risk (Cont'd)

Trade receivables

Risk management objectives, policies and processes for managing the risk

In mitigating this risk, the management established credit management procedures and carries out monthly review over the Group's exposure to credit risk in respect of trade receivables.

At each reporting date, the Group assesses whether any of the trade receivables are credit impaired.

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

There are no significant changes as compared to previous year.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amount in the statement of financial position.

Management has taken reasonable steps to ensure that trade receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these trade receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis and past payment trend analysis to monitor the credit quality of trade receivables. Any trade receivables having significant balances past due more than 30 days (2022: 30 days) and have exceeded their individual historical collection period, which are deemed to have higher credit risk, are monitored individually.

Concentration of credit risk

The exposure of credit risk for trade receivables as at the end of the reporting period by geographic region was:

Group	2023 RM	2022 RM
North America	1,956,767	3,221,368
Japan	230,144	933,957
Malaysia	82,405	272,763
Others	374,761	502,600
	2,644,077	4,930,688

At the reporting date, approximately 74% (2022: 68%) of the Group's trade receivables were due from 6 (2022: 6) major customers located in North America.

Notes To The Financial Statements (cont'd)

24. Financial instruments (Cont'd)

24.4 Credit risk (Cont'd)

Trade receivables (Cont'd)

Recognition and measurement of impairment losses

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 90 days from invoice date. The Group's debt recovery process is as follows:

- a) Above 90 days from invoice date, the Group will start to initiate debt recovery process which is monitored by the sales management team; and
- b) When a customer defaults on debt recovery arrangements, the Group will commence legal proceedings against the customer.

The Group measures expected credit losses ("ECLs") of trade receivables individually. Consistent with the debt recovery process, invoices of which customers have defaulted on debt recovery arrangements are generally considered as credit impaired.

Loss rates are determined for each individual customers using past payment trends and other external information relating to the customers that are publicly available. In determining the loss rates for each individual customers, the Group also considers actual credit loss experience over the past three years.

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

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

Group	Gross carrying amount RM	Loss allowances RM	Net balance RM
2023			
Not past due	2,559,636	-	2,559,636
Past due less than 30 days	15,776	-	15,776
Past due 31-60 days	21,561	-	21,561
Past due 61-90 days	3,590	-	3,590
Past due more than 90 days	43,514	-	43,514
	2,644,077	-	2,644,077
Credit impaired			
Individually impaired	490,503	(490,503)	-
	3,134,580	(490,503)	2,644,077

Notes To The Financial Statements (cont'd)

24. Financial instruments (Cont'd)

24.4 Credit risk (Cont'd)

Trade receivables (Cont'd)

Recognition and measurement of impairment losses (Cont'd)

Group	Gross carrying amount RM	Loss allowances RM	Net balance RM
2022			
Not past due	4,073,887	-	4,073,887
Past due less than 30 days	825,819	-	825,819
Past due 31-60 days	30,262	-	30,262
Past due 61-90 days	720	-	720
	4,930,688	-	4,930,688
Credit impaired			
Individually impaired	490,503	(490,503)	-
	5,421,191	(490,503)	4,930,688

Trade receivables of the Group are not supported by any collateral.

Besides the individually impaired mentioned above, there are no allowance for impairment loss in respect of trade receivables as at the end of the reporting period as the amounts are recoverable.

Cash and cash equivalents

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

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

24.5 Liquidity risk

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

The Group and the Company monitor and maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to finance their operations and mitigate the effects of fluctuations in cash flows.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Notes To The Financial Statements (cont'd)

24. Financial instruments (Cont'd)

24.5 Liquidity risk (Cont'd)

Maturity analysis

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

Group	Carrying amount RM	Discount rate %	Contractual cash flow RM	Under 1 year RM	1 - 2 years RM
2023					
Trade and other payables	3,866,958	-	3,866,958	3,866,958	-
Lease liabilities	192,066	6.45	202,000	136,800	65,200
<i>Derivative financial assets</i>					
Forward exchange contracts (gross settled):					
- Inflow	(120,986)	-	(10,140,740)	(10,140,740)	-
- Outflow	-	-	10,019,754	10,019,754	-
	<u>3,938,038</u>		<u>3,947,972</u>	<u>3,882,772</u>	<u>65,200</u>
2022					
Trade and other payables	5,681,142	-	5,681,142	5,681,142	-
<i>Derivative financial assets</i>					
Forward exchange contracts (gross settled):					
- Inflow	(207,241)	-	(5,466,528)	(5,466,528)	-
- Outflow	-	-	5,259,287	5,259,287	-
	<u>5,473,901</u>		<u>5,473,901</u>	<u>5,473,901</u>	<u>-</u>
Company					
2023					
Other payables and accruals	406,997	-	406,997	406,997	-
2022					
Other payables and accruals	139,163	-	139,163	139,163	-

Notes To The Financial Statements (cont'd)

24. Financial instruments (Cont'd)

24.6 Market risk

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

Currency risk

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

Risk management objectives, policies and processes for managing the risk

The Group performs ongoing review over its exposure to foreign currency risk and manages the risk by hedging, if necessary, its foreign currency denominated trade receivables, trade payables and estimated foreign currency exposure in respect of forecast sales over the next three to six months. The percentage of foreign currency to be hedged is reviewed and determined by the management periodically. The Group uses forward foreign exchange contracts to hedge its foreign currency risk. Forward foreign exchange contracts used by the Group have maturities of less than one year after the end of the reporting period. Where necessary, the forward foreign exchange contracts are rolled over at maturity.

Exposure to foreign currency risk

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

Group Balances recognised in the statement of financial position	2023 Denominated in			2022 Denominated in		
	USD RM	EUR RM	YEN RM	USD RM	EUR RM	YEN RM
Trade receivables	2,331,528	-	230,144	3,221,368	503,356	933,200
Cash and cash equivalents	202,151	695,880	1,553,128	1,316,259	897,671	459
Forward foreign exchange contracts	120,986	-	-	207,241	-	-
Net exposure	2,654,665	695,880	1,783,272	4,744,868	1,401,027	933,659

Notes To The Financial Statements (cont'd)

24. Financial instruments (Cont'd)

24.6 Market risk (Cont'd)

Currency risk (Cont'd)

Currency risk sensitivity analysis

A 5% (2022: 5%) strengthening of Ringgit Malaysia against the following currencies at the end of the reporting period would have decreased post-tax profit or loss by the amounts shown below. This analysis is based on the foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. This analysis assumes that all other variables, in particular interest rates, remain constant.

Group	Profit or loss	
	2023 RM	2022 RM
USD	100,877	180,305
EUR	26,443	53,239
YEN	67,764	35,479

A 5% (2022: 5%) weakening of Ringgit Malaysia against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Other price risk

Other price risk arises from the Group's and the Company's investments in highly liquid investments that are held with local non-bank financial institutions.

Risk management objectives, policies and processes for managing the risk

The Group's highly liquid investments are money market funds that are not exposed to significant risk of changes in fair value. Consequently, the Group and the Company are of the view that the highly liquid investments are not exposed to significant price risk.

24.7 Fair value information

The carrying amounts of cash and bank balances, short-term receivables and payables reasonably approximate their fair values due to the relatively short-term nature of these financial instruments, hence no fair value hierarchy was disclosed.

The Group and the Company do not have financial instruments not carried at fair value for which fair value is required to be disclosed.

Notes To The Financial Statements (cont'd)

24. Financial instruments (Cont'd)

24.7 Fair value information (Cont'd)

The table below analyses financial instruments carried at fair value together with their carrying amounts shown in the statement of financial position.

Group	Fair value of financial instruments carried at fair value			Total RM
	Level 1 RM	Level 2 RM	Level 3 RM	
2023				
Highly liquid investments with non-bank financial institutions	-	7,207,027	-	7,207,027
Forward exchange contracts	-	120,986	-	120,986
	-	7,328,013	-	7,328,013
2022				
Highly liquid investments with non-bank financial institutions	-	15,924,351	-	15,924,351
Forward exchange contracts	-	207,241	-	207,241
	-	16,131,592	-	16,131,592
Company				
2023				
Highly liquid investments with non-bank financial institutions	-	36,349	-	36,349
2022				
Highly liquid investments with non-bank financial institutions	-	5,976,754	-	5,976,754

Policy on transfer between levels

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

Level 2 fair value

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

Fair value of highly liquid investments with non-bank financial institutions is calculated based on the net assets value of the highly liquid investments as advised by the non-bank financial institutions.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and Level 2 fair values during the financial year (2022: no transfer in either direction).

Notes To The Financial Statements (cont'd)

25. Capital management

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investors, creditors and market confidence and to sustain future development of the business.

The Group's strategy for capital management is to mitigate unnecessary debts obligation and funding cost. There were no changes to the Group's capital management strategy during the year.

The Group did not have any significant debt obligation as at the end of the reporting period.

26. Capital commitments

Group	2023 RM	2022 RM
Capital expenditure commitments		
Property, plant and equipment contracted but not provided for in the financial statements	187,700	939,340

27. Key management personnel compensations

The key management personnel compensations are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Directors				
Fees	142,800	144,000	142,800	144,000
Remuneration	1,297,682	1,491,854	-	-
Other short-term employee benefits	38,279	37,556	24,000	18,000
	1,478,761	1,673,410	166,800	162,000
Other key management personnel				
Remuneration	550,723	701,437	-	-
	2,029,484	2,374,847	166,800	162,000

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

The estimated monetary value of Directors' benefit-in-kind is RM11,100 (2022: RM11,100).

Notes To The Financial Statements (cont'd)

28. Related parties

Identity of related parties

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

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

The Group has related party relationship with its subsidiaries and key management personnel.

Significant related party transactions

Related party transactions have been entered into in the normal course of business. The significant related party transactions of the Group and the Company are shown below. The balances related to the below transactions are shown in Note 6, Note 8 and Note 14.

	Company	
	2023	2022
	RM	RM
Subsidiaries		
Management fees paid	51,000	25,000
Management fees payable	12,200	26,000
Dividend income	(8,500,000)	(4,520,000)
Repayment of capital contributions	3,511	200,000
Addition of capital contributions	(90,618)	(7,529,719)

29. Significant events during the financial year

29.1 On 12 May 2023, the Company has completed a Bonus Issue of 126,430,188 new ordinary shares on the basis of one (1) bonus share for every two (2) existing Company's ordinary shares as disclosed in Note 12.

29.2 On 12 December 2023, the Company proposed the following (collectively "Proposals"):

- (i) private placement of up to 113,813,000 new ordinary shares in the Company, representing up to 30% of the total number of issued shares;
- (ii) acquisition of 10,563,167 ordinary shares in Redina Malaysia Sdn. Bhd. ("Redina") from Perdanis Distribution (M) Sdn. Bhd. representing 51.0% equity interest in Redina for a total purchase consideration of RM35,700,000 to be satisfied wholly by way of cash;
- (iii) diversification of the Company's existing businesses to include in the retail business of apparel and food and beverages; and
- (iv) Change of the Company's name from "Classic Scenic Berhad" to "Hextar Retail Berhad" ("Proposed Change of Name").

Notes To The Financial Statements (cont'd)

29. Significant events during the financial year (Cont'd)

29.2 On 12 December 2023, the Company proposed the following (collectively "Proposals"): (Cont'd)

On 18 January 2024, Bursa Securities has approved the listing of the Placement Shares subject to the following conditions:

- (i) Company and M&A Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed 30% Private Placement;
- (ii) Company is required to provide a certified true copy of the resolutions passed by shareholders in general meeting approving the Proposals prior to the listing and quotation of the Placement Shares;
- (iii) M&A Securities is required to furnish Bursa Securities with details of the places in accordance with Paragraph 6.15 of the Listing Requirements as soon as practicable after each tranche of placement and before the listing of the new Shares to be issued pursuant to the Proposed 30% Private Placement;
- (iv) Company and M&A Securities are required to inform Bursa Securities upon completion of the Proposed 30% Private Placement; and
- (v) Company and M&A Securities are required to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed 30% Private Placement is completed.

On 27 February 2024, the Proposals were approved in the Company's Extraordinary General Meeting.

29.3 Change in corporate structure

The details of change in corporate structure are stated in Note 6 to the financial statements.

Notes To The Financial Statements (cont'd)

30. Subsequent events

- (a) On 12 January 2024, a wholly owned subsidiary of LKLM, Craving Hub Sdn. Bhd. issued 99 fully paid up ordinary shares at an issue price of RM1.00 per share and LKLM subscribed for 50 newly issued shares. Subsequent to the issuance of the shares, Craving Hub Sdn. Bhd. became a 51% owned subsidiary of the Company.
- (b) On 23 January 2024, LKLM incorporated 10 wholly-owned subsidiaries in Malaysia with an issued and paid up share capital of RM1 respectively for the purpose of expanding into the Food and Beverage business as follows:-
- (i) Spice Haven Delights Sdn. Bhd.
 - (ii) Flavour Crafters Hub Sdn. Bhd.
 - (iii) Tasty Trails Culinary Sdn. Bhd.
 - (iv) Gastronomic Gems Sdn. Bhd.
 - (v) Epicurean Crafters Sdn. Bhd.
 - (vi) Palate Symphony Sdn. Bhd.
 - (vii) VCR Cafe Sdn. Bhd.
 - (viii) Blissful Fusion Sdn. Bhd.
 - (ix) Taste Perspectives Sdn. Bhd.
 - (x) Essence Gastronomy Sdn. Bhd.
- (c) On 24 January 2024, LKLM disposed Tastewave Sdn. Bhd. and Tailang Delight Sdn. Bhd. to Delish Hub Sdn. Bhd. for a purchase consideration of RM1 each.
- (d) On 31 January 2024, a wholly owned subsidiary of LKLM, Puresip Sdn. Bhd. issued 149,999 fully paid up ordinary shares at an issue price of RM1.00 per share and LKLM subscribed 76,499 newly issued shares. Subsequent to the issuance of the shares, Puresip Sdn. Bhd. became 51% owned subsidiary of the LKLM.
- (e) On 7 February 2024, a wholly owned subsidiary of LKLM, Yummy Sip Sdn. Bhd. issued 149,999 fully paid up ordinary shares at an issue price of RM1.00 per share and LKLM subscribed 76,499 newly issued shares. Subsequent to the issuance of the shares, Yummy Sip Sdn. Bhd. became 51% owned subsidiary of the LKLM.

STATEMENT BY DIRECTORS

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

In the opinion of the Directors, the financial statements set out on pages 75 to 119 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 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:

.....
Vo Nghia Huu
Director

.....
Lim Chee Lip
Director

Petaling Jaya,

Date: 4 April 2024

STATUTORY DECLARATION

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

I, **Vo Nghia Huu**, the Director primarily responsible for the financial management of Hextar Retail Berhad (formerly known as Classic Scenic Berhad), do solemnly and sincerely declare that the financial statements set out on pages 75 to 119 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed Vo Nghia Huu, Passport no: PE0406829, at Kuala Lumpur, in the Federal Territory on 4 April 2024.

.....
Vo Nghia Huu

Before me:
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CLASSIC SCENIC BERHAD

(REGISTRATION NO. 200301031466 (633887-M)(INCORPORATED IN MALAYSIA))

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Hextar Retail Berhad (formerly known as Classic Scenic Berhad), which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 75 to 119.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Key audit matters for the Group

Refer to Note 1(d) – Basis of preparation: Use of estimates and judgements, and Note 7 - Inventories.

The key audit matter

The Group kept a significant amount of raw material inventories. These raw material inventories comprised mainly sawn timber amounting to RM13,620,091 as at 31 December 2023.

The valuation of sawn timber inventories was identified as a key audit matter because of the judgement required to determine the level of inventory write down. Sawn timber inventories are also subject to risk of physical deterioration.

Independent Auditors' Report

To The Members Of Classic Scenic Berhad (cont'd)
(Registration No. 200301031466 (633887-M)) (Incorporated in Malaysia)

How the matter was addressed in our audit

We performed the following audit procedures, amongst others:

We obtained an understanding and evaluated the controls associated with monitoring, detecting and writing down/writing off slow-moving or deteriorated sawn timber inventories by reading the minutes of Risk Management and Executive Committee meeting relating to the management of sawn timber inventories.

We observed the year end physical inventory count conducted by the Group and inspected, on a sample basis, the physical conditions of sawn timber inventories to identify physically deteriorated sawn timber inventories.

We evaluated the past trend of sawn timber inventories utilisation by sawn timber species based on sawn timber movement report of the Group, to identify sawn timber inventories having indicators that they were slow-moving.

For sawn timber inventories having indicators that they were slow-moving, we evaluated the Group's assessment to write down/write off by enquiring their action plan to realise the slow-moving sawn timber inventories and comparing the carrying amounts against their estimated selling price with reference to market price.

We tested the valuation of sawn timber inventories, on a sample basis, by comparing the carrying amount of finished goods, which included sawn timber inventories cost used in the production, against the selling price of finished goods based on sales invoices subsequent to year end.

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Responsibilities of the Directors for the Financial Statements

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

Independent Auditors' Report

To The Members Of Classic Scenic Berhad (cont'd)

(Registration No. 200301031466 (633887-M)) (Incorporated in Malaysia)

Responsibilities of the Directors for the Financial Statements (Cont'd)

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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:

- i. 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.
- ii. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- iv. Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- vi. 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 Classic Scenic Berhad (cont'd)
(Registration No. 200301031466 (633887-M)) (Incorporated in Malaysia)

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in note 6 to the financial statements.

Other Matter

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

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

Florence Chua Lei Choon
Approval Number: 03347/01/2026 J
Chartered Accountant

Petaling Jaya, Malaysia

Date: 4 April 2024

ADDITIONAL COMPLIANCE INFORMATION DISCLOSURES

1. AUDIT AND NON-AUDIT FEES PAID/PAYABLE TO EXTERNAL AUDITORS

During the FYE 2023, the amount of audit and non-audit fees paid/payable to the External Auditors, Messrs KPMG PLT, by the Company and Group respectively were as follows: -

	The Company RM	The Group RM
Audit Fees	94,000	240,000
Non-Audit Fees		
(a) Tax Compliance	6,500	55,900
(b) Statement of Risk Management and Internal Control	10,000	10,000
Total	110,500	305,900

2. MATERIAL CONTRACTS

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

3. RECURRENT RELATED PARTY TRANSACTION ("RRPT")

During FYE 2023, there was no RRPT entered which requires shareholders' mandate.

LIST OF PROPERTIES

No.	Title No.	Tenure	Description of property/ Existing use	Land area/ Built-up area (sq. ft.)	Acquisition/ Revaluation Date	Approximate Age of Building	Audited NBV as at 31 December 2023 (RM)
1	Lot 9, Jalan RP3, Taman Rawang Perdana, 48000 Rawang, Selangor Darul Ehsan held under title GRN 86305, Lot 186 Seksyen 19 (formerly under HSD 28279 PT 10351, Mukim of Rawang), Bandar Rawang, District of Gombak, Selangor Darul Ehsan.	Freehold	Factory complex and office premises for the manufacturing of wooden picture frame moulding	76,209 / 69,369	25.03.1991 (acquisition) 28.11.2021 (revaluation)	29 years	10,795,102
2	Lot 10, Jalan RP3, Taman Rawang Perdana, 48000 Rawang, Selangor Darul Ehsan held under title GRN 86306, Lot 187 Seksyen 19 (formerly under HSD 28280 PT 10352, Mukim of Rawang), Bandar Rawang, District of Gombak, Selangor Darul Ehsan.	Freehold	Factory complex and office premises for the manufacturing of wooden picture frame moulding	76,058 / 65,383	03.01.1992 24.08.1994 (acquisition) 28.11.2021 (revaluation)	26 years	10,922,755
3	Lot 11, Jalan RP3, Taman Rawang Perdana, 48000 Rawang, Selangor Darul Ehsan held under title GRN 86307, Lot 188 Seksyen 19 (formerly under HSD 28281 PT 10353, Mukim of Rawang), Bandar Rawang, District of Gombak, Selangor Darul Ehsan.	Freehold	Factory complex and office premises for the manufacturing of wooden picture frame moulding	94,422 / 70,347	19.07.2002 (acquisition) 28.11.2021 (revaluation)	19 years	13,691,686
4	Lot 12, Jalan RP3, Taman Rawang Perdana, 48000 Rawang, Selangor Darul Ehsan held under title GRN 86308, Lot 189 Seksyen 19 (formerly under HSD 28282 PT 10354, Mukim of Rawang), Bandar Rawang, District of Gombak, Selangor Darul Ehsan.	Freehold	Factory complex and office premises for the manufacturing of wooden picture frame moulding	98,631 / 106,692	21.04.1999 (acquisition) 28.11.2021 (revaluation)	22 years	15,492,659

List of Properties (cont'd)

No.	Title No.	Tenure	Description of property/ Existing use	Land area/ Built-up area (sq. ft.)	Acquisition/ Revaluation Date	Approximate Age of Building	Audited NBV as at 31 December 2023 (RM)
5	Lot 13, Jalan RP3, Taman Rawang Perdana, 48000 Rawang, Selangor Darul Ehsan held under title GRN 86309, Lot 191 Seksyen 19 (formerly under HSD 28283 PT 10355, Mukim of Rawang), Bandar Rawang, District of Gombak, Selangor Darul Ehsan.	Freehold	Factory complex and office premises for the manufacturing of wooden picture frame moulding, pallets and stillages	76,478 / 60,500	08.01.1999 (acquisition) 28.11.2021 (revaluation)	23 years	11,172,487
6	Lot 41, Jalan RP, Taman Rawang Perdana, 48000 Rawang, Selangor Darul Ehsan held under title GRN 86350, Lot 204 Seksyen 19 (formerly under HSD 28293 PT 10365, Mukim of Rawang), Bandar Rawang, District of Gombak, Selangor Darul Ehsan.	Freehold	Factory complex and warehouse premises for the manufacturing of wooden picture frame moulding	79,739 / 74,261	25.01.2006 (acquisition) 28.11.2021 (revaluation)	16 years	12,124,589
7	Lot 2375, Jalan RP3, Taman Rawang Perdana, 48000 Rawang, Selangor Darul Ehsan.	N/A ⁽¹⁾	Factory complex and warehouse for storing of wooden picture frame moulding	23,400 / 22,435	24.9.2002 (approval)	20 years	Nil
8	GM 4833, Lot 1371, Mukim Ulu Yam, Tempat Ulu Kg. Tembayan, Daerah Hulu Selangor, Selangor Darul Ehsan.	Freehold	Vacant land	125,238 / N/A	11.05.2012 (acquisition) 28.11.2021 (revaluation)	N/A	3,500,000
9	GM 6281 (formerly known as EMR 3236), Lot 1832, Mukim Ulu Yam, Daerah Hulu Selangor, Selangor Darul Ehsan.	Freehold	Vacant land	78,953 / N/A	22.06.2012 (acquisition) 28.11.2021 (revaluation)	N/A	790,000
10	GM 4848 (formerly known as EMR 3181), Lot 1833, Mukim Ulu Yam, Daerah Hulu Selangor, Selangor Darul Ehsan.	Freehold	Vacant land	95,282 / N/A	22.06.2012 (acquisition) 28.11.2021 (revaluation)	N/A	950,000
11	Lot 569, Taman Rawang Perdana, 48000 Rawang, Selangor Darul Ehsan held under title GRN 86843, Lot 569 Seksyen 19 (formerly under HSD 28340 PT 10412, Mukim of Rawang), Bandar Rawang, District of Gombak, Selangor Darul Ehsan.	Freehold	Warehouse building construction in-progress	39,148 / N/A	26.09.2012 (acquisition) 28.11.2021 (revaluation)	N/A	2,300,000

List of Properties (cont'd)

No.	Title No.	Tenure	Description of property/ Existing use	Land area/ Built-up area (sq. ft.)	Acquisition/ Revaluation Date	Approximate Age of Building	Audited NBV as at 31 December 2023 (RM)
12	Lot 12821, Kawasan Perindustrian Bidor, 35500 Bidor, Perak Darul Ridzuan held under title HSD 2142 PT 3147, Mukim of Bidor, District of Batang Padang, Perak Darul Ridzuan.	Leasehold 60 years, expiring in 2055	Factory complex and warehouse premises for the sawmilling and manufacturing of wooden picture frame moulding	223,997 / 112,240	31.03.2022 (acquisition)	1 year	5,716,055
13	Lot 12822, Kawasan Perindustrian Bidor, 35500 Bidor, Perak Darul Ridzuan held under title HSD 4069 PT 3376, Mukim of Bidor, District of Batang Padang, Perak Darul Ridzuan.	Leasehold 60 years, expiring in 2057	Factory complex and warehouse premises for the sawmilling and manufacturing of wooden picture frame moulding	102,860 / 49,765	31.03.2022 (acquisition)	1 year	2,744,861
14	Lot 12823, Kawasan Perindustrian Bidor, 35500 Bidor, Perak Darul Ridzuan held under title HSD 4071 PT 3375, Mukim of Bidor, District of Batang Padang, Perak Darul Ridzuan.	Leasehold 60 years, expiring in 2057	Factory complex and warehouse premises for the sawmilling and manufacturing of wooden picture frame moulding	139,909 / 67,690	31.03.2022 (acquisition)	1 year	3,733,541
15	Lot 17334, Kawasan Perindustrian Bidor, 35500 Bidor, Perak Darul Ridzuan held under title HSD 14794 PT 6680, Mukim of Bidor, District of Batang Padang, Perak Darul Ridzuan.	Leasehold 60 years, expiring in 2067	Vacant land	52,861/ N/A	31.03.2022 (acquisition)	N/A	158,451

Note: -

⁽¹⁾ In progress of seeking Temporary Occupation License renewal, which was expired since 2014.

ANALYSIS OF SHAREHOLDINGS

AS AT 1 APRIL 2024

ISSUED SHARES OF THE COMPANY

Total Number of Issued Shares & Class of Shares	:	379,377,568 Ordinary Shares
Number of Shareholders	:	2,771
Voting Rights	:	One vote per Ordinary Share

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares Held	%
Less than 100	57	2.06	2,037	0.00
100 - 1,000	337	12.16	140,359	0.04
1,001 - 10,000	1,013	36.56	5,451,363	1.44
10,001 - 100,000	1,134	40.92	36,482,860	9.61
100,001 to less than 5% of issued shares	228	8.23	198,910,949	52.43
5% and above of issued shares	2	0.07	138,390,000	36.48
Total	2,771	100.00	379,337,568	100.00

LIST OF SUBSTANTIAL SHAREHOLDERS

Name	Direct	No. of Ordinary Shares		%
		%	Indirect	
Dato' Ong Choo Meng	115,890,000	30.55	-	-
RHB Trustees Berhad	22,500,000	5.93	-	-

DIRECTORS' SHAREHOLDINGS

Name	Direct	No. of Ordinary Shares		%
		%	Indirect	
Datuk Iskandar Bin Sarudin	-	-	-	-
Vo Nghia Huu	-	-	-	-
Lim Chee Lip	-	-	-	-
Teh ZiYang	-	-	-	-
Khor Hun Nee	-	-	-	-
Ooi Youk Lan	-	-	-	-

Analysis of Shareholdings as at 1 April 2024 (cont'd)

LIST OF THIRTY LARGEST SHAREHOLDERS

	Name	No. of Shares Held	%
1.	HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Choo Meng (Dato') (PJCAC)	50,000,000	13.18
2.	Cartaban Nominees (Tempatan) Sdn Bhd RHB Trustees Berhad for Kenanga Islamic Absolute Return Fund	22,500,000	5.93
3.	Apex Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ong Choo Meng (Dato') (Margin)	15,600,000	4.11
4.	HLIB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Choo Meng (Dato')	15,000,000	3.95
5.	RHB Nominees (Tempatan) Sdn Bhd OSK Capital Sdn Bhd for Ong Kah Hoe	14,700,000	3.88
6.	AMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Chee Sing	10,425,000	2.75
7.	Phillip Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Cheong Kong Fitt (Dato' Sri)	9,495,000	2.50
8.	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Gan Sheng Yih (MGN-GSY0001M)	8,079,900	2.13
9.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Desiran Realiti Sdn. Bhd. (MY3933)	8,000,000	2.11
10.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Desiran Realiti Sdn. Bhd. (7000431)	7,400,000	1.95
11.	Ang Toon Chew & Sons (Malaysia) Sendirian Berhad	7,200,000	1.90
12.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tee Tiam Hock	6,970,200	1.84
13.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Ong Choo Meng (Dato') (MY3918)	6,900,000	1.82
14.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ong Choo Meng (Dato')	6,840,000	1.80
15.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Choo Meng (Dato')	6,000,000	1.58
16.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ng Ah Chai	5,250,000	1.38
17.	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Choo Meng (Dato')	5,250,000	1.38
18.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Ong Choo Meng (Dato') (PB)	5,025,000	1.33
19.	HSBC Nominees (Asing) Sdn Bhd Societe Generale Paris	4,925,350	1.30

Analysis of Shareholdings as at 1 April 2024 (cont'd)

LIST OF THIRTY LARGEST SHAREHOLDERS (CONT'D)

Name	No. of Shares Held	%
20. Ming Yau Chuan	4,436,950	1.17
21. RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Jason Koh Jian Hui	4,273,100	1.13
22. Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tee Tiam Hock	4,069,650	1.07
23. Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Choo Meng (Dato') (6000478)	4,050,000	1.07
24. Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tee Tiam Hock (7009898)	3,642,500	0.96
25. Ong Ken Sim	3,390,000	0.89
26. CIMSEC Nominees (Tempatan) Sdn Bhd CIMB For Ooi Peng Cuan (PB)	3,354,000	0.88
27. CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Cheong Kong Fitt (MY4512)	3,075,000	0.81
28. Apex Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Andrew Tan Jun Suan (Margin)	2,870,000	0.76
29. Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Jason Koh Jian Hui (7000184)	2,746,300	0.72
30. Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Cheong Kong Fitt	2,705,000	0.72
Total	254,172,950	67.00

ANALYSIS OF WARRANTHOLDINGS

AS AT 1 APRIL 2024

ANALYSIS BY SIZE OF WARRANTHOLDINGS

Size of Warrantholdings	No. of Warrantholders	%	No. of Warrants Held	%
Less than 100	61	3.87	2,155	0.00
100 - 1,000	305	19.33	77,350	0.05
1,001 - 10,000	638	40.43	2,791,375	1.71
10,001 - 100,000	464	29.40	14,920,820	9.16
100,001 to less than 5% of issued warrants	108	6.84	53,763,850	33.01
5% and above of issued warrants	2	0.13	91,315,700	56.07
Total	1,578	100.00	162,871,250	100.00

LIST OF SUBSTANTIAL WARRANTHOLDERS

Name	Direct	No. of Warrants		%
		%	Indirect	
Dato' Ong Choo Meng	83,125,700	51.04	-	-
Ng Ah Chai	8,190,000	5.03	-	-

DIRECTORS' WARRANTHOLDINGS

Name	Direct	No. of Warrants		%
		%	Indirect	
Datuk Iskandar Bin Sarudin	-	-	-	-
Vo Nghia Huu	-	-	-	-
Lim Chee Lip	-	-	-	-
Teh ZiYang	75,000	0.05	-	-
Khor Hun Nee	-	-	-	-
Ooi Youk Lan	-	-	-	-

LIST OF THIRTY LARGEST WARRANTHOLDERS

Name	No. of Warrants Held	%
1. Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ong Choo Meng (Dato')	27,195,000	16.70
2. Ong Choo Meng (Dato')	22,344,700	13.72
3. CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Ong Choo Meng (Dato') (MY3918)	18,176,000	11.16
4. AMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account - Ambank (M) Berhad for Dato' Ong Choo Meng (Smart)	11,100,000	6.81
5. CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Ooi Peng Cuan (PB)	6,000,000	3.68
6. Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ng Ah Chai (8103749)	4,890,000	3.00

Analysis of Warrantholdings as at 1 April 2024 (cont'd)

LIST OF THIRTY LARGEST WARRANTHOLDERS (CONT'D)

Name	No. of Warrants Held	%
7. AMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yap Boon Chin	4,147,100	2.55
8. Ang Toon Chew & Sons (Malaysia) Sendirian Berhad	3,600,000	2.21
9. Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ng Ah Chai	3,300,000	2.03
10. Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ong Choo Meng (Dato')	3,000,000	1.84
11. Shye Yong Teat	2,790,150	1.71
12. Sim Mui Khee	2,550,000	1.57
13. Chan Wah Kiang	2,100,000	1.29
14. AMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Charlie Ching Wee Chun	1,984,500	1.22
15. Chang Fai Ann	1,826,350	1.12
16. Chan Choung Ming	1,461,000	0.90
17. CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Ong Choo Meng (Dato') (MY3273)	1,310,000	0.80
18. Chang Fai Ann	1,108,000	0.68
19. Chee See Soon	829,000	0.51
20. Monefield Holding Sdn Bhd	774,600	0.48
21. Ng Xi Mun	770,000	0.47
22. Lim Ah Ker	730,000	0.45
23. Tey Chee Leong	661,550	0.41
24. Ong Aye Ho	632,000	0.39
25. CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Peter Tan Swee Peng (MY2822)	625,600	0.38
26. Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Swee Boon	600,000	0.37
27. Yong Tien Cin	600,000	0.37
28. Wu Song See @ Goh Song See	570,000	0.35
29. AMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lee Soon Khean	558,900	0.34
30. Low Foi	555,000	0.34
Total	126,789,450	77.85

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-First (21st) Annual General Meeting ("AGM") of the Company will be held on a fully virtual basis through live streaming and entirely via Remote Participation and Electronic Voting ("RPEV") facilities at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC-D6A357657) on Thursday, 13 June 2024 at 11.00 a.m.

AGENDA

Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of the Directors and the Auditors thereon. Explanatory Note 1
2. To approve the payment of Directors' fees to the Non-Executive Directors up to an amount of RM300,000/-, from 13 June 2024 until the conclusion of the next Annual General Meeting of the Company. **Ordinary Resolution 1**
3. To approve the payment of Directors' benefits to the Non-Executive Directors up to an amount of RM50,000/-, from 13 June 2024 until the conclusion of the next Annual General Meeting of the Company. **Ordinary Resolution 2**
4. To re-elect the following Directors who retire pursuant to the Constitution of Company:
 - (a) Mr Vo Nghia Huu (Clause 97) **Ordinary Resolution 3**
 - (b) Ms Khor Hun Nee (Clause 106) **Ordinary Resolution 4**
 - (c) Mr Lim Chee Lip (Clause 106) **Ordinary Resolution 5**
5. To consider and, if thought fit, to pass the following ordinary resolution to appoint Messrs UHY as Auditors of the Company and to authorise the Directors to fix their remuneration: **Ordinary Resolution 6**

"THAT Messrs UHY, having consented to act, be and are hereby appointed as Auditors of the Company for the financial year ending 31 December 2024 and to hold office until the conclusion of the next Annual General Meeting AND THAT authority be and is hereby given for the Directors to determine their remuneration."

Special Business

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

6. **Authority to Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016** **Ordinary Resolution 7**

"THAT subject always to the Companies Act 2016 ("Act"), Constitution of the Company, Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and approvals of the relevant governmental/regulatory bodies (if applicable), the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Act to issue new shares in the Company from time to time and upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued during the preceding twelve (12) months pursuant to this resolution, does not exceed 10% of the total number of the issued shares (excluding treasury shares) of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities.

Notice of Annual General Meeting (cont'd)

AND THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting ("AGM") of the Company, or at the expiry of the period within which the next Annual General Meeting is required to be held after the approval was given, unless revoked or varied by an ordinary resolution of the Company at a general meeting, whichever is the earlier."

Ordinary Resolution 8

7. Proposed Renewal of Authority for Purchase of Own Shares by the Company ("Proposed Renewal of Authority")

"THAT subject to the Companies Act 2016 ("the Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Constitution and the requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

- (i) the aggregate number of shares purchased does not exceed 10% of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase;
- (ii) the maximum fund to be allocated by the Company for the purpose of purchasing its shares shall not exceed the total retained profits of the Company at the time of purchase; and
- (iii) the Directors of the Company may resolve to retain the shares so purchased as treasury shares or cancel the shares or retain part of the shares so purchased as treasury shares and cancel the remainder, where such shares are held as treasury shares, the Directors may resell the treasury shares or transfer the treasury shares or cancel the treasury shares or distribute the treasury shares as dividends to shareholders.

AND THAT the authority conferred by this resolution will commence immediately upon the passing of this ordinary resolution and will continue to be in force until:

- (i) the conclusion of the next Annual General Meeting ("AGM") at which time it shall lapse unless by an ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first,

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

AND THAT the Directors of the Company be and are hereby authorized to take all such steps as are necessary or expedient to implement or to effect the purchase(s) of the shares with full power to assent to any condition, modification, variation and/or amendment as may be imposed by the relevant authorities from time to time or as the Directors may deem fit and expedient in the best interest of the Company."

Notice of Annual General Meeting (cont'd)

- To transact any other business for which due notice shall have been given in accordance with the Companies Act 2016 and the Company's Constitution.

BY ORDER OF THE BOARD,

WONG YOUN KIM
(MAICSA 7018778) (SSM PC No. 201908000410)
LIM LI HEONG
(MAICSA 7054716) (SSM PC No. 202008001981)
WONG MEE KIAT
(MAICSA 7058813) (SSM PC No. 202008001958)
Company Secretaries

Kuala Lumpur

29 April 2024

Notes:

- A member of the Company entitled to attend and vote at this meeting is entitled to appoint up to two (2) proxies to attend and vote instead of him/her. There shall be no restriction as to the qualification of proxy.
- Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.
- Where a member of the Company is an exempt authorised nominee ("EAN") as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the EAN may appoint in respect of each omnibus account it holds.
- In the case of a corporate member, the instrument appointing the proxy shall be given under its Common Seal or under the hand of a duly authorised officer or attorney and supported by a notarially certified copy of that power or authority.
- The Form of Proxy must be deposited at the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd. **at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia**, not less than 24 hours before the time appointed for the holding of the Twenty-First (21st) AGM or any adjournment thereof.
- Only members whose names appear on the Record of Depositors as at 6 June 2024 ("General Meeting Record of Depositors") shall be entitled to attend, speak or vote at this AGM or appoint proxy(ies) to attend and/or vote in his/her behalf.
- All the Resolutions set out in this Notice will be put to vote by poll.
- The 21st AGM will be held entirely via RPEV facility through the online meeting platform at <https://meeting.boardroomlimited.my>. Please refer to the Administrative Notes for the procedures to register, participate and vote remotely at the fully virtual meeting.

Notice of Annual General Meeting (cont'd)

Explanatory Notes

1. Item 1 of the Agenda

The Audited Financial Statements are for discussion only as it does not require members/shareholders' approval under the provisions of Section 340(1)(a) of the Companies Act 2016 and hence, will not be put for voting.

2. Ordinary Resolutions 3 to 5 - Re-election of Directors

The Nomination and Remuneration Committee ("NRC") has considered the performance and contribution of each of the retiring Directors, namely Mr Vo Nghia Huu, Ms Khor Hun Nee and Mr Lim Chee Lip and has also assessed the independence of the Independent Non-Executive Director standing for re-election.

Based on the results of the evaluation on the effectiveness of the Board conducted for the financial year ended 31 December 2023, Mr Vo Nghia Huu and Ms Khor Hun Nee (who had confirmed her independence) were found to possess the character, required mix of skills, experience, expertise, integrity, competence and time to effectively discharge their role as directors as well as the right business knowledge to contribute towards the growth of the Company.

In addition, Mr Vo Nghia Huu's vast experience in the areas of export sales, product development, management and marketing, is beneficial for the Group's business expansion and development.

Ms Khor Hun Nee is well-experienced in the areas of finance management, financial reporting, corporate finance, auditing and taxation. With her vast experience in financial industry and professional qualifications, Ms Khor is able to continue to contribute to the Company with meaningful views and opinions. The NRC is also of the view that Ms Khor has discharged her duties in corporate governance accountability, provided independent, impartial and unbiased views in ensuring the interest of the Company is protected.

Mr Lim Chee Lip who was appointed as Executive Director and Chief Commercial Officer on 2 January 2024, has accumulated vast corporate management experience in strategic planning, expansion of private and public companies and professional work experience in the areas of dispute resolution, contract management, corporate finance and advisory, which are beneficial for the Group's business expansion and development.

The Board has endorsed the NRC's recommendation to seek shareholders' approval for the re-election of Mr Vo Nghia Huu, Ms Khor Hun Nee and Mr Lim Chee Lip, who had abstained from deliberations and decisions on their respective re-election at the NRC and Board meetings.

The profiles of the retiring Directors are set out in the Profile of the Board of Directors on pages 4 to 7 of this Annual Report and their interest in the securities of the Company are set out in the section of Analysis of Shareholdings and Analysis of Warranholdings of the Annual Report.

3. Ordinary Resolution 6 - Appointment of Messrs UHY as Auditors

On 4 April 2024, Messrs KPMG PLT had notified the Company that they do not wish to seek re-appointment as Auditors of the Company. Pursuant to Section 273(b) of the Act, Messrs KPMG PLT shall cease as Auditors of the Company at the conclusion of the 21st AGM.

Subsequent thereto, the Company had on 22 April 2024 received a Notice of Nomination from HLB Nominees (Tempatan) Sdn. Bhd., a shareholder of the Company for the proposed appointment of Messrs UHY as Auditors of the Company for the financial year ending 31 December 2024 in place of the retiring Auditors, Messrs KPMG PLT, and to hold office until the conclusion of the next AGM at a remuneration to be determined by the Directors.

The proposed Ordinary Resolution 6, if passed, shall have the effect of appointing Messrs UHY as Auditors of the Company for the financial year ending 31 December 2024 and authorised the Directors to determine their remuneration.

Please refer to Part A - Circular to Shareholders in relation to proposed change of auditors dated 29 April 2024 for further information.

Notice of Annual General Meeting (cont'd)

Explanatory Notes on Special Business

4. **Ordinary Resolution 7 - Authority to Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016**

The proposed Ordinary Resolution 7 is a renewal of the previous year's general mandate and if passed, will empower the Directors of the Company to issue and allot new shares in the Company at any time and for such purposes as the Directors considered would be in the best interests of the Company up to an aggregate not exceeding 10% of the total number of issued shares (excluding treasury shares) of the Company without convening a general meeting.

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

The mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purposes of funding investments, projects, working capital and/or acquisition as deemed necessary.

As at the date of this Notice, no shares have been issued pursuant to the general mandate granted at the last AGM of the Company.

5. **Ordinary Resolution 8 - Proposed Renewal of Authority for Purchase of Own Shares**

The proposed Ordinary Resolution 8, if passed will allow the Company to purchase its own shares up to a limit of 10% of the total number of issued shares of the Company by utilizing the funds allocated which shall not exceed the total retained profits of the Company.

Please refer to Part B - Share Buy-Back Statement in relation to the proposed renewal of authority for share buy-back dated 29 April 2024 for further information.

DIGITAL COPY OF ANNUAL REPORT 2023, PART A - CIRCULAR TO SHAREHOLDERS/PART B - SHARE BUY-BACK STATEMENT, NOTICE OF 21st AGM, ADMINISTRATIVE NOTES AND FORM OF PROXY

The Annual Report 2023, Part A - Circular to Shareholders in relation to the Proposed Change of Auditors and Part B - Share buy-back statement in relation to the Proposed Renewal of Authority for share buy-back both dated 29 April 2024 ("Circular/Statement"), Notice of 21st AGM, Administrative Notes and Form of Proxy are available online for download from the Company's announcement on Bursa Malaysia Securities Berhad's website at www.bursamalaysia.com.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purpose"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) for the Purpose, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a results of the member's breach of warranty.

Notice of Annual General Meeting (cont'd)

STATEMENT ACCOMPANYING NOTICE OF TWENTY-FIRST (21st) AGM (Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. Details of individual who is standing for election as Director

No individual is seeking election as a Director at the 21st AGM of the Company other than the re-election of the retiring Directors as set out in Item 2 of the Explanatory Notes.

2. Authority to Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016

Details on the authority to issue and allot shares in HEXRTL pursuant to Sections 75 and 76 of the Companies Act 2016 are provided under the Explanatory Notes on Special Business.

ADMINISTRATIVE NOTES RELATING TO THE FULLY VIRTUAL TWENTY-FIRST (21ST) ANNUAL GENERAL MEETING (“AGM”) (“21ST AGM” OR “THE MEETING”)

- Meeting Day and Date : Thursday, 13 June 2024
- Time : 11.00 a.m.
- Online Meeting Platform : <https://meeting.boardroomlimited.my>
(Domain Registration No. with MYNIC-D6A357657)
- Mode of Communication : Shareholders may:
- (i) Submit questions prior to the 21st AGM by emailing to HEXRTL Investor Relations at cscenic@classicscenic.com no later than Wednesday, 12 June 2024 at 11.00 a.m.; or
 - (ii) Typed text in the Meeting Platform. The messaging window facility will be opened concurrently with the Virtual Meeting Portal, i.e., one (1) hour before the 21st AGM, starting from 10.00 a.m. on Thursday, 13 June 2024.

1. Fully Virtual Meeting

- 1.1 The 21st AGM of the Company shall be conducted on a fully virtual basis and entirely via Remote Participation and Electronic Voting (“RPEV”) facilities provided by Boardroom Share Registrars Sdn Bhd (“Boardroom”) in Malaysia.
- 1.2 With the RPEV facilities, you may exercise your right as a shareholder of the Company to participate (and pose questions to the Board of Directors and Management of the Company) and to vote at the 21st AGM, safely from your home.
- 1.3 Kindly ensure the stability of your internet connectivity throughout the 21st AGM is maintained as quality of the live webcast and online remote voting are dependent on the bandwidth and stability of the internet connection.

2. Entitlement to Participate and Vote

Only a depositor whose name appears on the Record of Depositors as at 6 June 2024 shall be entitled to participate in the 21st AGM or appoint a proxy(ies) to participate and vote on his/her behalf by submitting the Form of Proxy.

3. Lodgement of Proxy Form

- 3.1 If you are unable to attend the 21st AGM via RPEV facilities and wish to appoint the Chairman of the Meeting or person as your proxy to vote on your behalf, please deposit your Form of Proxy at the office of the Company's Share Registrar, **Boardroom at 11th Floor, Menara Symphony, No. 5 Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan** not less than twenty-four (24) hours before the time of holding the 21st AGM, i.e. latest by Wednesday, 12 June 2024 at 11.00 a.m. Any alteration to the Form of Proxy must be initialled.

Administrative Notes Relating To The Fully Virtual Twenty-First (21st) Annual General Meeting (“AGM”) (“21st AGM” Or “The Meeting”) (cont’d)

- 3.2 Alternatively, the proxy appointment may also be lodged electronically at <https://investor.boardroomlimited.com> which is free and available to all shareholders, not less than twenty-four (24) hours before the time of holding the 21st AGM, i.e. latest by Wednesday, 12 June 2024 at 11.00 a.m. For further information, kindly refer to the “Electronic Lodgement of Form of Proxy” below.

Step 1 Register Online with Boardroom Smart Investor Portal (for first time registration only)

[Note: If you have already signed up with Boardroom Smart Investor Portal, you are not required to register again. You may proceed to Step 2 on eProxy Lodgement.]

- a. Access website <https://investor.boardroomlimited.com>
- b. Click <<**Register**>> to sign up as a user.
- c. Select “**Account Type**” to “**Sign Up As Shareholder**” or “**Sign Up As Corporate Holder**”
- d. Complete registration and upload compulsory documents such as softcopy of MyKad (front and back) or passport and authorisation letter (template available on the BSIP) for Corporate Shareholder. You will receive an email from our Share Registrar for email address verification. Click “**Verify Email Address**” from the email received to continue with the registration. Once your email address is verified, you will be re-directed to BSIP for verification of mobile number. Click “**Request OTP Code**” and an OTP code will be sent to the registered mobile number. You will need to enter the OTP Code and click ‘**Enter**’ to complete the process.
- e. Your registration will be verified and approved within one (1) business day and an email notification will be provided.

Step 2 eProxy Lodgement

For Individual/ Corporate Shareholders

- a. Access website <https://investor.boardroomlimited.com>
- b. Login with your User ID and Password given above.
- c. Click “Meeting Event” and select from the list of companies – “**HEXTAR RETAIL BERHAD (FORMERLY KNOWN AS CLASSIC SCENIC BERHAD) 21ST ANNUAL GENERAL MEETING**” and click “**ENTER**”.
- d. Click on “**Submit eProxy Form**”
- e. Select the company you would like to be represented (if more than one) – for Corporate Shareholder.
- f. Enter your CDS Account Number and indicate the number of securities held.
- g. Select your proxy – either the Chairman of the meeting or individual named proxy(ies).
- h. Read and accept the General Terms and Conditions by clicking “**Next**”.
- i. Enter the required particulars of your proxy(ies).
- j. Indicate your voting instructions – FOR or AGAINST, otherwise your proxy(ies) will decide your votes.
- k. Review and confirm your proxy(ies) appointment and click “**Apply**”.
- l. Download or print the eProxy Form as acknowledgement.

Administrative Notes Relating To The Fully Virtual Twenty-First (21st) Annual General Meeting (“AGM”) (“21st AGM” Or “The Meeting”) (cont’d)

For Authorized Nominee and Exempt Authorized Nominee

- a. Access website <https://investor.boardroomlimited.com>.
- b. Login with your User ID and Password given above.
- c. Click “Meeting Event” and select from the list of companies “**HEXTAR RETAIL BERHAD (FORMERLY KNOWN AS CLASSIC SCENIC BERHAD) 21ST ANNUAL GENERAL MEETING**” and click “ENTER”.
- d. Click on “**Submit eProxy Form**”.
- e. Select the company you would like to be represented (if more than one).
- f. Proceed to download the file format for “**Submission of Proxy Form**”.
- g. Prepare the file for the appointment of proxy(ies) by inserting the required data.
- h. Proceed to upload the duly completed Proxy Appointment file.
- i. Review and confirm your proxy(ies) appointment and click “**Submit**”.
- j. Download or print the eProxy form as acknowledgement.

Alternatively, you may also write to bsr.helpdesk@boardroomlimited.com and provide the name of the shareholder, CDS account no. and the Certificate of Appointment of Corporate Representative or Proxy Form (as the case may be). A copy of MyKad or passport and a valid email address are required.

Note: If you are the authorized representatives for more than one (1) authorized nominee / exempt authorized nominee/ corporate shareholder, kindly click the home button and select “Edit Profile” in order to add Company name.

- 3.3 If you wish to participate in the Meeting yourself, please do not submit any Form of Proxy for the Meeting. You will not be allowed to participate in the Meeting together with a proxy appointed by you.

4. Revocation of Proxy

If you have submitted your Form of Proxy prior to the 21st AGM and subsequently decide to appoint another person or wish to participate in the Meeting yourself, please write in to BSR.Helpdesk@boardroomlimited.com or login to Boardroom Smart Investor Portal and click “**Cancel/ Revoke**” to revoke the earlier appointed proxy(ies) at least twenty-four (24) hours before the 21st AGM. On revocation, your proxy(ies) will not be allowed to participate in the Meeting. In such event, you should advise your proxy(ies) accordingly.

5. Voting Procedures

- 5.1 The voting will be conducted by poll in accordance with Paragraph 8.29A of Bursa Malaysia Securities Berhad’s Main Market Listing Requirements. The Company has appointed Boardroom as the Poll Administrator to conduct the poll by way of electronic voting (e-Voting) and SKY Corporate Services Sdn Bhd as Scrutineer to verify the poll results.

Members and proxies are required to use one (1) of the following methods to vote remotely:

- (i) Launch Lumi Portal by scanning the QR code given to you in the email along with your remote participation User ID and Password; or
- (ii) Access to Lumi Portal via website URL <https://meeting.boardroomlimited.my>.

- 5.2 During the 21st AGM, the Chairman will invite the Poll Administrator to brief on the e-Voting housekeeping rules.

- 5.3 For the purpose of this 21st AGM, e-Voting can be carried out by using either personal smart mobile phones, tablets, personal computers or laptops.

- 5.4 The polling will only commence after announcement of poll being opened by the Chairman and until such time when the Chairman announces the closure of poll.

- 5.5 The Scrutineer will verify the poll result reports upon closing of the poll session by the Chairman. Thereafter, the Chairman will announce and declare whether the resolutions put to vote was successfully carried or not.



Administrative Notes Relating To The Fully Virtual Twenty-First (21st) Annual General Meeting (“AGM”) (“21st AGM” Or “The Meeting”) (cont’d)

6. Remote Participation and Electronic Voting (RPEV)

- 6.1 Please note that all members including (i) individual members; (ii) corporate shareholders; (iii) authorised nominees; and (iv) exempt authorised nominees shall use the RPEV facilities to participate and vote remotely at the 21st AGM.
- 6.2 If you wish to participate in the Meeting, you will be able to view a live webcast of the Meeting, ask questions and submit your votes in real time whilst the Meeting is in progress.
- 6.3 Kindly follow the steps below to request for your login ID and password and usage of the RPEV facilities:

Before the day of the 21 st AGM	
Procedure	Action
i. Register Online with Boardroom Smart Investor Portal (for first time registration only)	<p><i>[Note: If you have already signed up with Boardroom Smart Investor Portal, you are not required to register again. You may proceed to Step (ii)] – Submit request for remote participation].</i></p> <ol style="list-style-type: none"> a. Access website https://investor.boardroomlimited.com b. Click <<Register>> to sign up as a user. c. Select “Account Type” to “Sign Up As Shareholder” or “Sign Up As Corporate Holder”. d. Complete registration and upload compulsory documents such as softcopy of MyKad (front and back) or passport and authorisation letter (template available on the BSIP) for Corporate Shareholder. e. Enter a valid mobile number and email address f. You will receive an email from our Share Registrar for email address verification. Click “Verify Email Address” from the email received to continue with the registration. g. Once your email address is verified, you will be re-directed to BSIP for verification of mobile number. Click “Request OTP Code” and an OTP code will be sent to the registered mobile number. You will need to enter the OTP Code and click ‘Enter’ to complete the process h. Your registration will be verified and approved within one (1) business day and an email notification will be provided.
ii. Submit Request for Remote Participation (User ID and Password)	<p><i>[Note: Registration for remote access will be opened on 29 April 2024. Please note that the closing time to submit your request is not less than twenty-four (24) hours before the time of holding the 21st AGM, i.e. latest by Wednesday, 12 June 2024 at 11.00 a.m.].</i></p> <p>Individual/ Corporate Members</p> <ol style="list-style-type: none"> a. Login to https://investor.boardroomlimited.com using your user ID and password above b. Click “Meeting Event” and select from the list of companies “HEXTAR RETAIL BERHAD (FORMERLY KNOWN AS CLASSIC SCENIC BERHAD) 21ST ANNUAL GENERAL MEETING” and click “ENTER”. c. Click on “Register for RPEV” d. Read and agree to the Terms & Conditions and click “Next” e. Enter your CDS Account and thereafter submit your request.

Administrative Notes Relating To The Fully Virtual Twenty-First (21st) Annual General Meeting (“AGM”) (“21st AGM” Or “The Meeting”) (cont’d)

Before the day of the 21 st AGM		
Procedure		Action
iii.	Email Notification	<p>a. You will receive notification from Boardroom that your request(s) has been received and is being verified.</p> <p>b. Upon system verification against the General Meeting Record of Depositories as at 6 June 2024, you will receive an email from Boardroom either approving or rejecting your registration for remote participation.</p> <p>c. If your registration is approved, you will also receive your remote access user ID and password in the same email from Boardroom.</p> <p>d. Please note that the closing time to submit your request is at 11.00 a.m. on Wednesday, 12 June 2024 i.e. twenty-four (24) hours before the 21st AGM.</p>
On the day of the 21 st AGM		
Procedure		Action
iv.	Login to Virtual Meeting Platform	<p>a. The Virtual Meeting portal will be opened for login one (1) hour before the commencement of the 21st AGM at 10.00 a.m. on Thursday, 13 June 2024.</p> <p>b. The Meeting Platform can be accessed via one of the following methods:</p> <ul style="list-style-type: none"> ➤ Launch Lumi Portal by scanning the QR Code provided in the email notification; or ➤ Access to Lumi Portal via website at https://meeting.boardroomlimited.my <p>c. Insert the Meeting ID No. and sign in with the user ID and password provided to you via the email notification in Step (iii) above.</p>
v.	Participate	<p>[Note: Questions submitted online will be moderated before being sent to the Chairman to avoid repetition.]</p> <p>a. If you would like to view the live webcast, select the broadcast icon. </p> <p>b. If you would like to ask a question during the 21st AGM, select the messaging icon. </p> <p>c. Type your message within the chat box, once completed click the send button.</p>
vi.	Voting	<p>a. Once the Meeting is opened for voting, the polling icon will appear with the resolutions and your voting choices.</p> <p>b. To vote, select your voting direction from the options provided. A confirmation message will appear to show your vote has been received.</p> <p>c. To change your vote, re-select another voting direction.</p> <p>d. If you wish to cancel your vote, please press “Cancel”.</p>
vii.	End of Participation	<p>a. Upon the announcement by the Chairman on the closure of the 21st AGM, the live webcast will end and the messaging window will be disabled.</p> <p>b. You can now logout from the Meeting Platform.</p>

Administrative Notes Relating To The Fully Virtual Twenty-First (21st) Annual General Meeting (“AGM”) (“21st AGM” Or “The Meeting”) (cont’d)

7. Gift Policy

There will be **NO DISTRIBUTION** of door gifts or vouchers for shareholders/proxies who participate at this virtual 21st AGM.

8. Recording or Photography

No recording or photography of the 21st AGM proceedings is allowed without the prior written permission of the Company.

9. The Annual Report 2023, Part A - Circular to Shareholders in relation to the Proposed Change of Auditors and Part B - Share buy-back statement in relation to the Proposed Renewal of Authority for share buy-back both dated 29 April 2024 may be downloaded from the website of Hextar Retail Berhad (formerly known as Classic Scenic Berhad) at www.finessemoulding.com and Bursa Malaysia Securities Berhad's website.

10. Communication Guidance

Shareholders are also reminded to monitor the Company's website and announcements for any changes to the 21st AGM arrangements.

11. Enquiries

If you have any enquiries prior to the 21st AGM or if you wish to request for technical assistance to participate in the fully virtual Meeting, please contact Boardroom during office hours from Monday to Friday (8.30 a.m. to 5.30. p.m. except for public holidays), details as follows:

Boardroom Share Registrars Sdn. Bhd.

Address	:	11 th Floor, Menara Symphony No. 5 Jalan Professor Khoo Kay Kim Seksyen 13, 46200 Petaling Jaya Selangor Darul Ehsan Malaysia
General Line	:	603-7890 4700 (Helpdesk)
Fax Number	:	603-7890 4670
Email	:	BSR.Helpdesk@boardroomlimited.com

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**FORM OF PROXY****HEXTAR RETAIL BERHAD**

(formerly known as Classic Scenic Berhad)
[Registration No. 200301031466 (633887-M)]
(Incorporated in Malaysia)

No. of shares held	CDS Account no.
Telephone no.	Email address

I/We _____ (NRIC No./Company No.) _____
(FULL NAME IN BLOCK LETTERS)

of _____
(FULL ADDRESS)

being a member/members of **HEXTAR RETAIL BERHAD** (formerly known as Classic Scenic Berhad) hereby appoint the following person(s) or failing whom, the Chairman of the meeting as my/our proxy/proxies to vote for me/us on my/our behalf, at the Twenty-First (21st) Annual General Meeting of the Company to be held on a fully virtual basis through live streaming and entirely via Remote Participation and Electronic Voting ("RPEV") facilities at <https://meeting.boardroomlimited.my> (Domain Registration No. with MYNIC-D6A357657) on Thursday, 13 June 2024 at 11.00 a.m. and at any adjournment thereof.

Name of Proxy, NRIC No. & Address	No. of shares	Percentage
1. Name: NRIC No.: H/P No.: Address: email:		
2. Name: NRIC No.: H/P No.: Address: email:		
Total		100%

NO.	RESOLUTIONS		FOR	AGAINST
1.	Approval of Directors' fees to the Non-Executive Directors up to an amount of RM300,000/-, from 13 June 2024 until the conclusion of the next Annual General Meeting	Ordinary Resolution 1		
2.	Approval of Directors' benefits to the Non-Executive Directors up to an amount of RM50,000/-, from 13 June 2024 until the conclusion of the next Annual General Meeting	Ordinary Resolution 2		
3.	Re-election of Mr Vo Nghia Huu (Clause 97)	Ordinary Resolution 3		
4.	Re-election of Ms Khor Hun Nee (Clause 106)	Ordinary Resolution 4		
5.	Re-election of Mr Lim Chee Lip (Clause 106)	Ordinary Resolution 5		
6.	Appointment of Messrs UHY as Auditors	Ordinary Resolution 6		
7.	Authority to Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016	Ordinary Resolution 7		
8.	Proposed Renewal of Authority for Purchase of Own Shares	Ordinary Resolution 8		

Please indicate with an "X" in the appropriate boxes on how you wish your vote to be casted on the Resolutions specified in the Notice of Meeting. Unless voting instructions are indicated in the space above, the proxy will vote as he/she thinks fit.

Date _____

Signature of Shareholder _____

Notes:

- A member of the Company entitled to attend and vote at this meeting is entitled to appoint up to two (2) proxies to attend and vote instead of him/her. There shall be no restriction as to the qualification of proxy.
- Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.
- Where a member of the Company is an exempt authorised nominee ("EAN") as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the EAN may appoint in respect of each omnibus account it holds.
- In the case of a corporate member, the instrument appointing the proxy shall be given under its Common Seal or under the hand of a duly authorised officer or attorney and supported by a notarially certified copy of that power or authority.
- The Form of Proxy must be deposited at the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd. at **11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia**, not less than 24 hours before the time appointed for the holding of the Twenty First (21st) AGM or any adjournment thereof.
- Only members whose names appear on the Record of Depositors as at 6 June 2024 ("General Meeting Record of Depositors") shall be entitled to attend, speak or vote at this AGM or appoint proxy(ies) to attend and/or vote in his/her behalf.
- All the Resolutions set out in this Notice will be put to vote by poll.
- The 21st AGM will be held entirely via RPEV facility through the online meeting platform at <https://meeting.boardroomlimited.my>. Please refer to the Administrative Notes for the procedures to register, participate and vote remotely at the fully virtual meeting.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purpose"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) for the Purpose, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a results of the member's breach of warranty.

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AFFIX
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SHARE REGISTRAR

HEXTAR RETAIL BERHAD

(formerly known as Classic Scenic Berhad)
[Registration No. 200301031466 (633887-M)]

Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13,
46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia

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