

# mobilia®

**MOBILIA HOLDINGS BERHAD**

Registration No. 202001004249 (1360569-P)



ANNUAL REPORT

# 2023



## **CORPORATE OVERVIEW**

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## **MANAGEMENT OVERVIEW**

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## CORPORATE PROFILE

Mobilia Holdings Berhad ("**Mobilia Holdings**" or the "**Company**") was incorporated in Malaysia on 6 February 2020 under Companies Act 2016 ("the Act") as a private company limited by shares under the name of Mobilia Holdings Sdn. Bhd. and converted into a public limited company and assumed our present name as Mobilia Holdings Berhad on 11 June 2020. Mobilia Holdings had successfully listed its shares on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 23 February 2021, and subsequently transferred to the Main Market of Bursa Securities on 3 November 2022.

Mobilia Holdings and its subsidiaries ("**Mobilia**" or the "**Group**") are principally involved in investment holding, design, manufacturing and sale of furniture and furniture parts. Our furniture operations are based in Muar, Johor and our products are sold locally and overseas countries in Asia, America, Europe, Australasia and Africa.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

|                                        |                                       |                                        |
|----------------------------------------|---------------------------------------|----------------------------------------|
| Independent<br>Non-Executive Chairman  | Managing<br>Director                  | Executive<br>Director                  |
| <b>Datin Siah Li Mei</b>               | <b>Quek Wee Seng</b>                  | <b>Quek Wee Seong</b>                  |
| Independent<br>Non-Executive Director  | Independent<br>Non-Executive Director | Alternate Director<br>to Quek Wee Seng |
| <b>Tajul Arifin Bin<br/>Mohd Tahir</b> | <b>Lim See Tow</b>                    | <b>Yap Ee Ling</b>                     |
|                                        |                                       | <b>Quek Yan Song</b>                   |

## AUDIT AND RISK MANAGEMENT COMMITTEE

|                    |                                                          |
|--------------------|----------------------------------------------------------|
| Chairman           | Members                                                  |
| <b>Lim See Tow</b> | <b>Tajul Arifin Bin Mohd Tahir</b><br><b>Yap Ee Ling</b> |

## REMUNERATION COMMITTEE

|                                        |                                          |
|----------------------------------------|------------------------------------------|
| Chairman                               | Members                                  |
| <b>Tajul Arifin Bin<br/>Mohd Tahir</b> | <b>Lim See Tow</b><br><b>Yap Ee Ling</b> |

## NOMINATING COMMITTEE

|                    |                                                                            |
|--------------------|----------------------------------------------------------------------------|
| Chairman           | Members                                                                    |
| <b>Yap Ee Ling</b> | <b>Tajul Arifin Bin<br/>Mohd Tahir</b>                                     |
|                    | <b>Lim See Tow</b><br>(Appointed as Committee<br>Member on 25 August 2023) |
|                    | <b>Quek Wee Seng</b><br>(Ceased as Committee<br>Member on 25 August 2023)  |

## COMPANY SECRETARIES

Ng Mei Wan  
SSM Practicing Certificate No.: 201908000801  
MIA Member No.: 28862

Tan Hui Khim  
SSM Practicing Certificate No.: 201908000859  
License Secretary No.: LS 0009936

## REGISTERED OFFICE

No. 7 (1st Floor)  
Jalan Pesta 1/1, Taman Tun Dr. Ismail 1,  
Jalan Bakri, 84000 Muar, Johor Darul Takzim  
Tel. No. : (606) 954 1705  
Fax. No. : (606) 954 1707  
Email : lsca-muar@lsca.com.my

## HEAD/MANAGEMENT OFFICE

Lot 2782, GRN 92507, Jalan Kempas 1,  
Mukim Jalan Bakri, 84200 Muar, Johor Darul Takzim  
Tel. No. : (606) 989 2075  
Fax. No. : (606) 986 2076  
Email : investor@mobiliainternational.com  
Website : www.mobiliainternational.com

## PRINCIPAL BANKERS

HSBC Bank Malaysia Berhad  
HSBC Amanah Malaysia Berhad  
Maybank Islamic Berhad  
AmBank Islamic Berhad

Hong Leong Bank Berhad

## AUDITORS

Crowe Malaysia PLT  
201906000005 (LLP0018817-LCA) & AF1018  
8, Jalan Pesta 1/1, Taman Tun Dr. Ismail 1  
Jalan Bakri, 84000 Muar, Johor Darul Takzim  
Tel. No. : (606) 9524 328  
Fax. No. : (606) 9527 328

## SHARE REGISTRAR

Aldpro Corporate Services Sdn Bhd  
202101043817 (1444117-M)  
B-21-1, Level 21, Tower B  
Northpoint Midvalley City  
No. 1 Medan Syed Putra Utara  
59200 Kuala Lumpur  
Tel. No. : (603) 9770 2200  
Fax. No. : (603) 9770 2239  
Email : admin@aldpro.com.my

## STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia  
Securities Berhad  
Stock Name : MOBILIA  
Stock Code : 0229

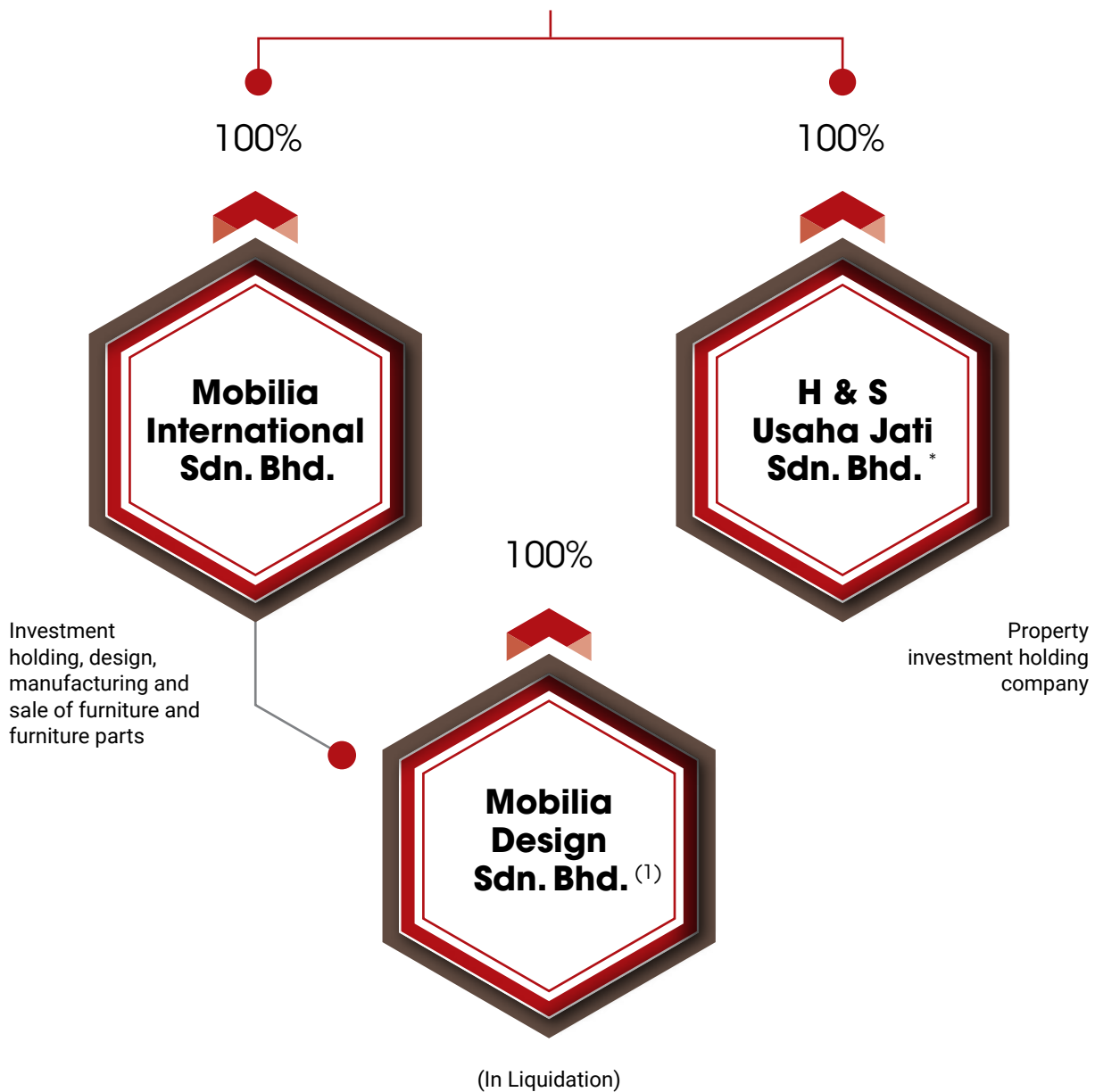


# CORPORATE STRUCTURE

# mobilia®

## MOBILIA HOLDINGS BERHAD

Investment holding and provision of management services



**Note:**

- (1) Mobilia Design Sdn. Bhd. commenced members' voluntary winding up on 12 June 2020 and will be dissolved upon completion of the members' voluntary winding up.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 1. OVERVIEW OF OUR GROUP'S BUSINESS AND OPERATIONS

Mobilia is one of the leading home furniture manufacturers in Malaysia, principally involved in the design and manufacturing of home furniture. We manufacture a range of wood-based furniture, including wooden upholstered furniture. Our home furniture can be categorised into three main categories, namely dining room furniture, living room furniture and bedroom furniture, with examples of each category as follows:

### Dining room furniture

Dining tables, dining chairs, bar chairs and bar tables



### Living room furniture

Sofas, television cabinets, cabinets, sideboards, shelves, benches, stools, study desks and table sets



### Bedroom furniture

Bed frames, night stands, dressers, chest drawers and mirrors



Presently, our manufacturing plants are located in Muar, Johor. The proximity of all plants enables the Company to maintain efficient administrative control and better oversight of production costs and product quality. We have invested approximately RM0.68 million on additional machineries in year 2023. These automated machineries are expected to support long-term business growth and expansion, providing our Group with more flexible capacities to produce products of various designs and increasing our ability to customise products based on customers' requirements.

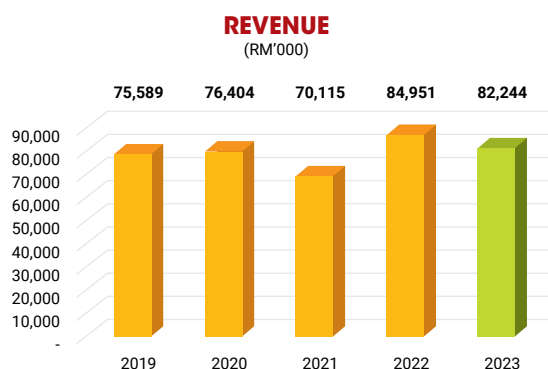
## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

### 2. GROUP FINANCIAL HIGHLIGHTS

Our customers are primarily agent, distributors and retailers. We place main focus on the export market as the export market provides us access to a larger number of customers globally. This also reduces our dependency risk on certain market or country and allows us to diversify our business across multiple markets and countries. We export to more than 30 countries across America, Asia, Europe, Australasia and Africa.

| Financial Year Ended<br>31 December ("FYE")         | 2019<br>RM'000 | 2020<br>RM'000 | 2021<br>RM'000 | 2022<br>RM'000 | 2023<br>RM'000 |
|-----------------------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Revenue                                             | 75,589         | 76,404         | 70,115         | 84,951         | 82,244         |
| Profit before tax                                   | 11,027         | 9,656          | 10,002         | 15,937         | 10,278         |
| Profit after tax                                    | 8,420          | 8,655          | 8,035          | 11,763         | 8,228          |
| Shareholders' equity                                | 23,578         | 32,233         | 53,368         | 61,631         | 69,859         |
| Net Profit Attributable to Equity Holders           | 8,420          | 8,655          | 8,035          | 11,763         | 8,228          |
| Weighted average number of shares in issue ('000) * | 640,000        | 640,000        | 691,288        | 700,000        | 700,000        |
| Basic earnings per share (sen) *                    | 1.32           | 1.35           | 1.16           | 1.68           | 1.18           |

\* Basic earnings per share for the financial years 2019 to 2020 were calculated based on total number of shares in issue of 340,000,000 ordinary shares as at 31 December 2020. For comparative purpose, the basic earnings per share of the Group for the financial years 2019 to 2020 have been retrospectively adjusted to reflect the bonus issue of 3 for every 4 existing ordinary shares which was completed on 5 November 2021.



## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

### 2. GROUP FINANCIAL HIGHLIGHTS (CONT'D)

#### Revenue

In FYE 2023, our Group reported a decrease in total revenue of approximately RM2.71 million or 3.19% from RM84.95 million in FYE 2022 to RM82.24 million in FYE 2023. The lower revenue was primarily due to the lower sales volume from Asia (excluding Malaysia) and America.

During the FYE 2023, revenue from overseas markets accounted for approximately RM55.66 million or 67.68% of our total revenue while revenue from domestic markets accounted for the remaining RM26.58 million or 32.32%. The American market was the primary revenue generator with a reported revenue contribution of approximately RM31.64 million. Asia excluding Malaysia was the second largest export market with sales contribution of 19.72% of total revenue, followed by Europe, Australasia and Africa.

#### Profit Before Tax ("PBT")

Our PBT decreased by approximately RM5.66 million or 35.51% from RM15.94 million in FYE 2022 to RM10.28 million in FYE 2023. The decrease in PBT was mainly due to trade exhibition expenses, allowance impairment loss on trade receivables and inventory loss resulting from a fire incident at a subcontractor's factory of which insurance claim is in progress.

#### Profit After Tax ("PAT")

Our PAT decreased by approximately RM3.54 million or 30.05% from RM11.76 million in FYE 2022 to RM8.23 million in FYE 2023. The effective tax rate of approximately 19.95% in FYE 2023 was lower than statutory tax rate. The reduction on effective tax rate was primarily attributable to overprovision in the previous year, which benefited from tax incentives in the form of reinvestment allowance for the construction of factory buildings.

#### Financial Position and Liquidity

Our financial position remained healthy along with the business expansion. The average trade receivable turnover decreased from 41 days as at 31 December 2022 to 37 days as at 31 December 2023, which was within our credit terms granted to customers which ranges from cash term to 90 days.

The average trade payables turnover period decreased from 46 days as at 31 December 2022 to 43 days as at 31 December 2023, which was within credit terms granted by suppliers which ranges from cash term to 45 days.

The inventory turnover period as at 31 December 2023 was 81 days, remaining similar to the inventory turnover period as at 31 December 2022, which was 85 days.

Our cash and cash equivalents as at 31 December 2023 increased by approximately RM6.87 million to approximately RM27.62 million compared to the previous year. Our total bank borrowings decreased by approximately RM2.65 million to RM29.55 million as at 31 December 2023 compared to FYE 2022. Hence, we reported a gearing ratio 0.42 times as at 31 December 2023 as compared to 0.52 times as at 31 December 2022.

For cash flow movement, the net cash used for the purchase of property, plant and equipment amounted to RM2.99 million in FYE 2023. The capital expenditure incurred in the FYE 2023 was mainly due to the construction of factory, land conversion for Lot 1145 and purchase of plant and machinery, totaling RM0.72 million, RM0.69 million and RM0.68 million respectively. Additionally, the cash used for financing activities included repayment of banker's acceptance, term loans and hire purchase which amounted to RM14.79 million.

Our Group remains prudent in maintaining a healthy financial position that will enable us to execute our strategic plans and maximise our shareholders' value.



## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

### 3. Anticipated or Known Risks

#### Fluctuations of foreign exchange rate

For the FYE 2023, approximately 94.55% of our Group's total revenue were denominated in USD. As majority of our sales are denominated in USD, any significant change in foreign currency exchange rate may affect our Group's financial results.

We maintain foreign currency accounts to receive proceeds of our sales and payment for imports in USD. To a certain extent, we may also enter into foreign currency option forward contracts with banking institutions to sell the USD received from our customers at agreed exchange rates to RM for fixed periods of time to reduce the foreign currency exposure risk.

#### Fluctuation in the prices of direct materials

Our main raw materials consist of rubberwood and other wood materials such as laminated boards, veneer boards, medium density boards and particle boards. The prices of these raw materials may fluctuate according to the level of demand and supply at that point in time. Such fluctuation may affect our financial performance.

It is our practice to look for multiple sources of supply to maintain competitive prices. Some of our purchases of raw materials are made upon receipt of confirmed orders from our customers to minimise the impact of any adverse price fluctuations in our main raw materials. Our suppliers regularly keep us abreast of the supply condition and price trend of our raw materials to ensure that we are aware and are prepared for any price fluctuation of the raw materials.

#### Changes in political, economic and regulatory conditions

We have exported our products to countries in America, Asia, Europe, Australasia and Africa. As we continue to expand our business and export markets, our business operations are expected to be increasingly affected by political, economic, legal and social conditions in Malaysia as well as countries that we export our furniture to. Risks that we are exposed to include, among others, changes in government or regulatory policies such as tax rates and interest rates, uncertainties in economic conditions, global inflationary issues, changes in political leadership and wars.

Although we will continue to comply with the legal and regulatory frameworks in Malaysia and the countries in which our customers operate, there is no assurance that future introduction of new law or other economic, political and regulatory conditions will not have adverse effect on our business, operation achievement and financial performance.

#### Dependence on availability of foreign workers

The manufacturing works for furniture is labour intensive. As it is increasingly difficult to hire local manufacturing workers, our Group is reliant on foreign workers to carry out the manufacturing activities. Our foreign workers mainly originate from Bangladesh, Myanmar and Nepal.

Any changes to foreign worker visa policies in Malaysia or in the countries which our foreign workers are from or any suspension on the intake of foreign workers in Malaysia may result in difficulties for our Group to maintain a sufficient foreign labour workforce which, may affect our manufacturing operations and in turn, adversely affect our overall financial performance. In addition, our Group's anticipated business growth is also subject to the expansion in our manufacturing operations, which would require a subsequent increase in foreign labour to meet increased manufacturing activities. Further, the costs of foreign labour may continue to increase in the future. Any increase in the levy rate for foreign workers will increase our cost for labour which consequently may increase our cost of sales.

Presently, our Group has not faced any difficulties in renewing the working permits for our existing foreign workers, and we are not aware of any changes to the general validity of the working permits issued lately. Further, we also have adopted automated equipment and machinery in our manufacturing process in order to reduce the dependence on manual labour.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

### 4. Future Prospects and Outlook of Our Group

The Group will emphasise continuous enhancement of operational efficiency to increase competitiveness among global furniture players. This includes implementing a transformation program focused on increasing production efficiency and enhancing product quality. Additionally, ongoing production automation efforts will further improve product precision.

In tandem, the Group will expand its market reach through participation in international trade fairs, overseas sales visits, and development of new products to attract and retain customers, thereby securing new sales orders.

Considering the prevailing global economic uncertainties, the Group is proactively planning and implementing measures to mitigate risks and challenges, while closely monitoring business performance.

Barring any unforeseen circumstances, the group holds a cautiously optimistic outlook for its financial performance in 2024.

### 5. Dividend Policy

Our Group does not have a fixed dividend policy. Our Group's ability to distribute dividend is subject to various factors, such as profit recorded, availability of adequate reserves and cash flows, operating cashflow requirements and financial commitments.

There was no dividend paid during the financial year under review.

## BOARD OF DIRECTORS



We, Board of Directors would like to thank our shareholders, business associates, customers, regulators and relevant authorities for their steadfast support to the Group. It is our hope that they will continue to work with us especially during this period of uncertainty. My heartiest thanks to the management and staff of the Group for the loyalty, commitment and dedication to ensure the Group runs smoothly while we work together to grow to greater heights of success.

## BOARD OF DIRECTORS' PROFILES



**Date of appointment  
as Director:**

15 June 2020

**Length of service as  
director since  
appointment:**

3 years 10 months

**Board Committee(s)  
Membership:**

Chairman of the  
Board of Director

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

Bachelor of Laws (Hons)  
from University of  
Buckingham, England in  
1989

**Present Directorship(s) in  
other Public and/or Listed  
Companies:**

N/A

### DATIN SIAH LI MEI

Independent  
Non-Executive Chairman

Nationality  
**Malaysian**

Age  
**57**

Gender  
**Female**

**Working experience:**

In 1990, she was admitted as an Advocate and Solicitor of the High Court of Malaya. She was the chairperson of the Conveyancing Practice Sub-Committee for the 2014/2015 term and thereafter a member of Conveyancing Practice Sub-Committee from 2015 to 2018 and 2020 to 2021 on the Malacca Bar Committee.

She began her career in 1990 by joining Nik Hussain & Partners (now known as Chee Siah Le Kee & Partners) as Legal Assistant and was appointed as Managing Partner of Chee Siah Le Kee & Partners in 2015, a position she assumes to present date. To date, she has around 33 years of working experience in legal practice, where her legal expertise spans across the areas of banking and finance, real estate, property development as well as corporate and business. She is an external examiner for the Faculty of Law for Multimedia University, Melaka for the years of 2021/2022 until 2023/2024.

She does not have any family relationship with any director and/or major shareholder of the Company and has no conflict of interest with the Company.

She has not been convicted of any offences within the past five (5) years and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year.

**Time committed:**

Board meetings'  
attendance in financial year  
ended ("FYE") 2023:

5/5

## BOARD OF DIRECTORS' PROFILES (CONT'D)


**Date of appointment  
as Director:**

15 June 2020

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

N/A

**Length of service as  
director since  
appointment:**

3 years 10 months

**Present Directorship(s) in  
other Public and/or Listed  
Companies:**

N/A

**Board Committee(s)  
Membership:**

N/A

### QUEK WEE SENG

Managing Director

Nationality  
**Malaysian**

Age  
**54**

Gender  
**Male**

**Working experience:**

He oversees the overall business operations as well as the formulation and implementation of our Group's strategic direction and business expansion strategies.

With his in-depth valuable experience in furniture industry over the years, he has led to the co-founding of Sern Kou Furniture Industries Sdn Bhd ("Sern Kou Industries") in year 1992, a furniture manufacturing company. He was also the Executive Director of Sern Kou Resources Berhad when it was listed on the Second Board of Malaysia Securities Exchange Berhad (now known as Bursa Securities), overseeing the productions operations and product development activities. On 3 February 2010, he resigned from the Board of Directors of Sern Kou Resources Berhad with the intention to pursue his own business interest.

He and his brother, Quek Wee Seong completed the acquisition of equity stake in Mobilia International Sdn. Bhd. ("Mobilia International") through Nutracraft Sdn. Bhd. ("Nutracraft") on 6 April 2015 and became a Director in Mobilia Design Sdn. Bhd. ("Mobilia Design") in year 2017. In 2020, he was re-designated as our Group's Managing Director and assumed his current responsibilities.

Quek Wee Seng is the father of Quek Yan Song, who is our Business Development Manager and also an Alternate Director to Quek Wee Seng. He is also the brother to Quek Wee Seong who is our Executive Director and a substantial shareholder of Mobilia. Quek Wee Seng is also a director and major shareholder of Exelient Sdn. Bhd. ("Exelient"), a major shareholder of Mobilia.

**Time committed:**

Board meetings' attendance in financial year ended ("FYE") 2023:

**5/5**

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year.



## BOARD OF DIRECTORS' PROFILES (CONT'D)


**Date of appointment  
as Director:**

15 June 2020

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

N/A

**Length of service as  
director since  
appointment:**

3 years 10 months

**Present Directorship(s) in  
other Public and/or Listed  
Companies:**

N/A

**Board Committee(s)  
Membership:**

N/A

### QUEK WEE SEONG

Executive Director

Nationality  
**Malaysian**

Age  
**52**

Gender  
**Female**

**Working experience:**

He oversees the entire manufacturing operations of our Group, from wood preparation to assembly of furniture, as well as functions associated to manufacturing operations such as machining, purchasing and warehousing.

Over the years, he accumulated extensive experience and knowledge in managing the company spanning a wide ranging of industries. He and his brother, Quek Wee Seng completed the acquisition of equity stake in Mobilia International through Nutracraft on 6 April 2015 and became a Director in Mobilia Design in year 2017. He was then appointed as Director of Mobilia International on 6 April 2015 and assumed his current responsibilities.

Quek Wee Seong is the brother to Quek Wee Seng who is our Managing Director and a substantial shareholder of Mobilia. He is also the uncle to Quek Yan Song who is our Business Development Manager and also an Alternate Director to Quek Wee Seng. Quek Wee Seong is also a director and substantial shareholder of Exelient, a major shareholder of Mobilia.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year.

**Time committed:**

Board meetings'  
attendance in financial year  
ended ("FYE") 2023:

**5/5**

## BOARD OF DIRECTORS' PROFILES (CONT'D)


**Date of appointment as Director:**

15 June 2020

**Length of service as director since appointment:**

3 years 10 months

**Board Committee(s) Membership:**

Chairman of Remuneration Committee

Member of Nominating Committee

Member of Audit and Risk Management Committee

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

Bachelor of Science in Business Administration from Saint Louis University, USA in 1989.

**Present Directorship(s) in other Public and/or Listed Companies:**

5 Pillars Capital Berhad  
Space Capital Berhad  
Ageson Berhad

### TAJUL ARIFIN BIN MOHD TAHIR

Independent  
Non-Executive Director

Nationality  
**Malaysian**

Age  
**57**

Gender  
**Male**

**Working experience:**

Upon graduation, he worked as a freelancer for part time jobs in the fields of hospitality and food and beverage in USA between 1989 and 1991.

He joined MIDF Consultancy and Corporate Services Sdn Bhd (now known as Tricor Investor & Issuing House Services Sdn Bhd) as Public Issue Officer in 1991 and was promoted to Assistant Manager in 1996 and Manager in 2002 where he was involved in managing a team of public issue officers in carrying out the daily operational activities.

In 2008, he was further promoted to Associate Director where he was responsible for the company's business growth.

In 2016, he left Tricor Investor & Issuing House Services Sdn Bhd and has been providing freelance consulting services on marketing matters since then. In 2018, he co-founded 5 Pillars Ventures Sdn Bhd, a venture capital management company licensed and registered by the Securities Commission Malaysia, to undertake venture capital activities in Malaysia. As a co-founder, he manages the overall business operations of the company.

He does not have any family relationship with any director and/or major shareholder of the Company and no conflict of interest with the Company.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year.

**Time committed:**

Board meetings' attendance in financial year ended ("FYE") 2023:

**5/5**

## BOARD OF DIRECTORS' PROFILES (CONT'D)


**Date of appointment as Director:**

15 June 2020

**Length of service as director since appointment:**

3 years 10 months

**Board Committee(s) Membership:**

Chairman of Audit and Risk Management Committee

Member of Remuneration Committee

Member of Nominating Committee

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

Advanced Diploma in Commerce (Financial Accounting) from Tunku Abdul Rahman College, Malaysia in 1999

Obtained Association of Chartered Certified Accountants ("ACCA") accreditation in 2000

Member of the Malaysian Institute of Accountants ("MIA") since 2003

**Present Directorship(s) in other Public and/or Listed Companies:**

Yee Lee Pacific Group Berhad  
Seng Fong Holdings Berhad  
Cloudpoint Technology Berhad

### LIM SEE TOW

Independent  
Non-Executive Director

Nationality  
**Malaysian**

Age  
**49**

Gender  
**Female**

**Working experience:**

In 1999, she began her career as Audit Assistant in Deloitte PLT and was involved in financial audit for companies spanning various industries before she left in 2003.

In 2004, she joined TAP Partners Sdn Bhd as a Consultant. Over the years, she held several positions in TAP Partners Sdn Bhd and was involved in project management for clients' corporate exercises including IPO, merger and acquisitions, reverse takeovers, fund raising and corporate restructuring. She also advised clients on matters pertaining to improvements of their operational management and corporate governance practices. In 2005, she was seconded to Antah Holding Berhad as Head of Finance and Special Project, where she was in charge of the restructuring exercise of Antah Holding Berhad prior to the reverse takeover by Sino Hua-An International Berhad in 2007. She was an Associate Director in TAP Partners Sdn Bhd before she left in 2006.

Upon leaving TAP Partners Sdn Bhd in 2006, she joined Clear Water Developments Sdn Bhd as Chief Operating Officer, a position she assumes till December 2022. Her responsibilities include overall operations management and planning of property development projects, including feasibility studies, land purchase negotiation, project design and conceptualisation, appointment of contractors as well as strategising marketing and pricing strategies.

She does not have any family relationship with any director and/or major shareholder of the Company and no conflict of interest with the Company.

She has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year.

**Time committed:**

Board meetings' attendance in financial year ended ("FYE") 2023:

**5/5**

## BOARD OF DIRECTORS' PROFILES (CONT'D)


**Date of appointment as Director:**

17 August 2022

**Length of service as director since appointment:**

1 year 8 months

**Board Committee(s) Membership:**

Chairman of Nominating Committee

Member of Remuneration Committee

Member of Audit and Risk Management Committee

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

Bachelor of Laws (Hons) from University of Glamorgan

**Present Directorship(s) in other Public and/or Listed Companies:**

Cloudpoint Technology Berhad

DC Healthcare Holdings Berhad

### YAP EE LING

Independent  
Non-Executive Director

Nationality  
**Malaysian**

Age  
**48**

Gender  
**Female**

**Working experience:**

She was called to the Malaysian Bar and admitted as an Advocate and Solicitor of the High Court of Malaya in 2000. She began her career with Lee Hishammuddin (now known as Lee Hishammuddin Allen & Gledhill) as Legal Assistant in 2001. During her tenure there, her main areas of practice included corporate, conveyancing and banking. In 2004, she left Lee Hishammuddin and joined Mazlan & Associates as Legal Assistant, and subsequently in 2009, she was made a Partner. During this time, her main areas of practice consisted of corporate and commercial laws including restructuring, initial public offerings, mergers and acquisitions, joint ventures, carrying out due diligence audits and drafting commercial contracts. In 2014, she left Mazlan & Associates and co-founded Ilham Lee in 2015, a law firm, where she remains as a Partner till to date.

She does not have any family relationship with any director and/or major shareholder of the Company and has no conflict of interest with the Company.

She has not been convicted of any offences within the past five (5) years, other than traffic offences, if any, and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year.

**Time committed:**

Board meetings' attendance in financial year ended ("FYE") 2023:

4/5

## BOARD OF DIRECTORS' PROFILES (CONT'D)


**Date of appointment  
as Director:**

15 June 2020

**Length of service as  
director since  
appointment:**

3 years 10 months

**Board Committee(s)  
Membership:**

N/A

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

Bachelor of Business  
(Marketing) at RMIT  
University, Australia in  
2017

**Present Directorship(s) in  
other Public and/or Listed  
Companies:**

N/A

### QUEK YAN SONG

Alternate Director to  
Managing Director

Nationality  
**Malaysian**

Age  
**29**

Gender  
**Male**

**Working experience:**

He is mainly responsible for managing the overall sales and marketing and business development activities of our Group, including the design and development ("D&D") of new home furniture.

Upon completing his studies in RMIT University, he joined Mobilia International as Management Trainee in various departments. In the same year, he was promoted to Business Development Executive focusing on sales and marketing activities and D&D activities, including conceptualising and developing new furniture designs based on feedbacks received from customers and through participation in trade exhibitions and events.

In 2019, he was promoted to Business Development Manager, a position he assumes to present date. He continues to be groomed by Quek Wee Seng and the key senior management to gradually undertake the overall leadership of our Group in the future. In 23 February 2021, he was appointed as an Alternate Director to Managing Director Mr Quek Wee Seng.

Quek Yan Song is the son to Quek Wee Seng who is our Managing Director and a substantial shareholder of Mobilia. He is also the nephew to Quek Wee Seong who is our Executive Director and a Substantial shareholder of Mobilia.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year.

**Time committed:**

Board meetings'  
attendance in financial year  
ended ("FYE") 2023:

**5/5**



# KEY MANAGEMENT'S PROFILES


**Date of appointment to current position:**

1 March 2020

**Length of service in the group of companies:**

6 years 9 months

**Committee(s) Membership:**

Member of Risk Management committee  
Member of Internal Audit Control committee

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

Bachelor of Arts in Accounting from University of Hertfordshire, United Kingdom in 2000  
Member of the ACCA in 2005 and fellow member of ACCA in 2010 and member of MIA in 2017

**Present Directorship(s) in other Public and/or Listed Companies:**

N/A

## TAN LEY WUN

Group Accountant

Nationality  
**Malaysian**

Age  
**44**

Gender  
**Female**

**Working experience:**

She began her career as Audit Assistant in SC Lim & Co in 2000 and joined Wang Nutrition (M) Sdn Bhd in 2004 as Finance Manager covering financial reporting, budgeting and cash flow management.

In 2006, she joined T.A. Furniture Industries Sdn Bhd (a wholly-owned subsidiary of TAFI Industries Berhad, a company listed on the Main Market of Bursa Securities) as Internal Auditor and undertook the role as Assistant Business Development Manager in year 2010. She continued her journey as the Accountant of Vitally Sdn Bhd in year 2010 before joining Mobilia International Sdn. Bhd. ("Mobilia International"). She was responsible for accounting and finance functions, including financial reporting and planning, taxation, treasury management, corporate affairs and internal audit and control.

**Notes:**

- She has no family relationship with any Director and/or major shareholder of Mobilia.
- She does not have any conflict of interest with Mobilia.
- She has not been convicted for any offences within the past five (5) years. There were no public sanctions or penalties imposed on her by any regulatory bodies during the financial year.

## KEY MANAGEMENT'S PROFILES (CONT'D)


**Date of appointment as Director:**

1 January 2020

**Length of service as director since appointment:**

12 years 8 months

**Board Committee(s) Membership:**

Chairman of ISO committee  
Chairman of Risk Management committee  
Chairman of Internal Audit Control committee  
Member of Safety and Health committee

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

Bachelor of Art in Management from Walsh University, Ohio, United States of America in 1993

**Present Directorship(s) in other Public and/or Listed Companies:**

N/A

### KHOO AI LEE

Human Resource and  
Administration Director

Nationality  
**Malaysian**

Age  
**57**

Gender  
**Female**

**Working experience:**

She began her career in 1993 as Marketing Manager in Seng Fong Trading Sdn Bhd and promoted as Finance Manager in 1997. In 2000, she left Seng Fong Trading Sdn Bhd and took a career break.

In 2002, she resumed her career as Administration Manager in Sern Kou Industries Sdn Bhd ("Sern Kou Industries") and left as Group Senior Manager, where she supervises the implementation of quality control and human resource functions in 2008 for another career break. Her last position was Corporate Mass Communication Manager of Perspektif Masa Sdn Bhd, managing internal and external communications with stakeholders as well as public relation in 2010.

In 2011, she joined Mobilia International as Manager and continued her career journey in Mobilia prior promoted as Human Resource and Administration Director in 2020, a position she assumes to present. She is responsible for all matters pertaining to human resource, including recruitment and managing employees' welfare and relations. She also works closely with our key senior management to establish and maintain our Group's organisational structure to ensure communication efficiency within our Group.

**Notes:**

- She has no family relationship with any Director and/or major shareholder of Mobilia.
- She does not have any conflict of interest with Mobilia.
- She has not been convicted for any offences within the past five (5) years. There were no public sanctions or penalties imposed on her by any regulatory bodies during the financial year.

## KEY MANAGEMENT'S PROFILES (CONT'D)


**Date of appointment to current position:**

9 October 2017

**Length of service in the group of companies:**

6 years 4 months

**Committee(s) Membership:**

Member of ISO committee  
Member of Risk Management committee  
Member of Internal Audit Control committee  
Member of Safety and Health committee

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

Bachelor of Commerce in Management and Marketing from Curtin University of Technology, Australia in 2000

**Present Directorship(s) in other Public and/or Listed Companies:**

N/A

### KU YONG YEE

Manager

Nationality  
**Malaysian**

Age  
**47**

Gender  
**Male**

**Working experience:**

He is responsible for our Group's purchasing and inventory management.

Upon completing his tertiary education, he joined Chongee Enterprise Sdn Bhd as Senior Purchasing Executive. In 2004, he joined Gold Wheel Industries Supply Sdn Bhd as General Manager where he was tasked to oversee the daily operations of the company, and also responsible for the company's business transition from trading to manufacturing of industrial spare parts.

He was the Purchasing Manager of Sern Kou Industries for 10 years before joining Best-Beteck Furniture Sdn Bhd as Senior Manager where he oversaw the daily operations of the company covering matters related to sales and marketing, purchasing and human resource.

In 2017, he left Best-Beteck Furniture Sdn Bhd and joined Mobilia International as Manager, a position he assumes to present.

**Notes:**

- He has no family relationship with any Director and/or major shareholder of Mobilia.
- He does not have any conflict of interest with Mobilia.
- He has not been convicted for any offences within the past five (5) years. There were no public sanctions or penalties imposed on him by any regulatory bodies during the financial year.

## KEY MANAGEMENT'S PROFILES (CONT'D)


**Date of appointment  
as Director:**

1 January 2011

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

N/A

**Length of service as  
director since  
appointment:**

13 years 7 months

**Present Directorship(s) in  
other Public and/or Listed  
Companies:**

N/A

**Board Committee(s)  
Membership:**

Member of ISO committee

Member of Risk  
Management committee

Member of Internal Audit  
Control committee

Member of Safety and  
Health committee

### WONG ENG CHUAN

Factory Manager

Nationality  
**Malaysian**

Age  
**53**

Gender  
**Male**

**Working experience:**

He oversees the overall factory operations including, amongst others, production schedule and workforce management, and machinery and equipment maintenance.

With around 6 years of working experience since 1987 in the furniture manufacturing industry, he acquired extensive knowledge on furniture manufacturing workflows and factory management. In 1994, he joined Sern Kou Industries as Supervisor and with 14 years of employment with Sern Kou Industries, he was promoted to Factory Manager in 2008 where he oversaw the overall factory operations.

In 2010, he joined Mobilia International as Production Supervisor and promoted as Factory Manager in 2011 and assumed his current responsibilities.

**Notes:**

- He has no family relationship with any Director and/or major shareholder of Mobilia.
- He does not have any conflict of interest with Mobilia.
- He has not been convicted for any offences within the past five (5) years. There were no public sanctions or penalties imposed on him by any regulatory bodies during the financial year.

# SUSTAINABILITY STATEMENT

## ABOUT THE COMPANY

Mobilia Holdings Berhad ("Mobilia") or ("the Group") stands as a prominent home furniture manufacturer in Malaysia, specialising in the design, production, and sale of home furniture products. Committed to sustainability, we strive to enhance our initiatives in providing eco-friendly solutions and products to our customers. Simultaneously, we remain unwavering in our dedication to maintaining high product and service quality, with our team working collaboratively to ensure customer satisfaction while upholding our environmental stewardship commitment.

### Our Core Businesses

The Group's primary business centres around the production of wood-based furniture, inclusive of wooden upholstered furniture. Our home furniture is categorised into three main segments: dining room furniture, living room furniture, and bedroom furniture.

| Dining room furniture                                                                                                                  | Living room furniture                                                                                                                                                                                                                   | Bedroom furniture                                                                                                                                      |
|----------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• Dining tables</li> <li>• Dining chairs</li> <li>• Bar tables</li> <li>• Bar chairs</li> </ul> | <ul style="list-style-type: none"> <li>• Sofas</li> <li>• Television cabinets</li> <li>• Cabinets</li> <li>• Sideboards</li> <li>• Shelves</li> <li>• Benches</li> <li>• Stools</li> <li>• Study desks</li> <li>• Table sets</li> </ul> | <ul style="list-style-type: none"> <li>• Bed frames</li> <li>• Night stands</li> <li>• Dressers</li> <li>• Chest drawers</li> <li>• Mirrors</li> </ul> |

## ABOUT THIS STATEMENT

At Mobilia, we are determined to build a better future by using good business practices, staying focused on our goals, and running our operations efficiently. This statement summarises our commitment to making a positive impact on the local economy, society, environment, and governance through our organisation's actions and efforts.

### Scope and Basis of Scope

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

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

| Name of Company                 | Principal Activities                                                                | Country of Incorporation/Operation |
|---------------------------------|-------------------------------------------------------------------------------------|------------------------------------|
| Mobilia International Sdn. Bhd. | Investment holding, design, manufacturing and sale of furniture and furniture parts | Malaysia                           |
| Mobilia Holdings Berhad         | Investment holding and provision of management services                             |                                    |
| Mobilia Design Sdn. Bhd.        | In liquidation (100%)                                                               |                                    |
| H & S Usaha Jati Sdn. Bhd.      | Property investment holding company                                                 |                                    |



## SUSTAINABILITY STATEMENT (CONT'D)

### ABOUT THIS STATEMENT (CONT'D)

#### Reporting Framework and Standards

This report is prepared in accordance with the Bursa Malaysia Sustainability Reporting Guide 3rd Edition and is adopted in line with the IFRS Foundations - International Integrated Reporting Framework and Integrated Thinking Principles. The Company also decided to adopt the TCFD recommendations and Sustainable Development Goals ("SDGs") as part of the report as well.

#### Feedback

We welcome and encourage our stakeholders to provide feedback pertaining to this Statement and the issues covered to our Sustainability department at [investor@mobiliainternational.com](mailto:investor@mobiliainternational.com).

## SUSTAINABILITY STATEMENT (CONT'D)

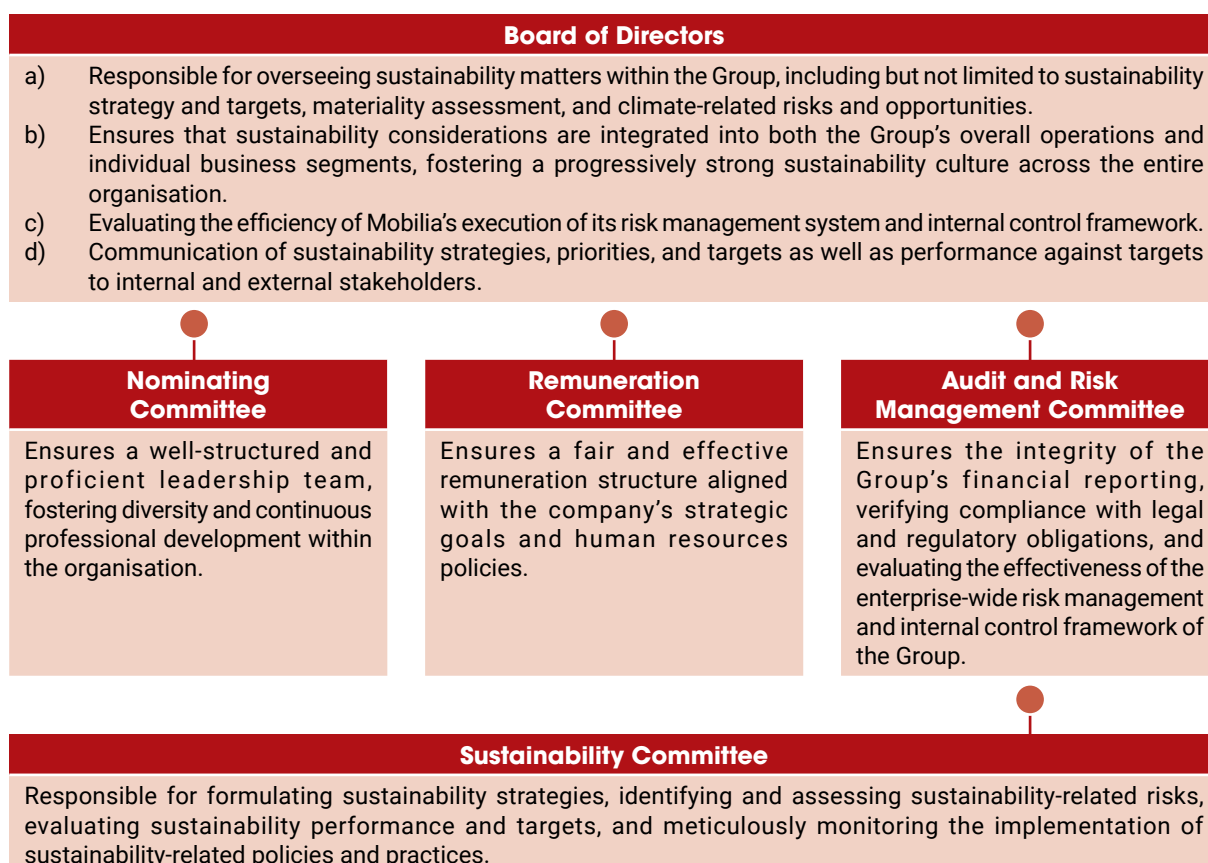
### SUSTAINABILITY STRATEGY

#### Sustainability Governance

At Mobilia, we consider sustainability a crucial part of our approach; thus, to ensure we reach our sustainability goals, we have set up a well-organised governance framework. The Board of Directors takes a lead role in promoting sustainability across the company and supervising our sustainability strategy. They are responsible for achieving key objectives, setting up a strong enterprise risk management system, and ensuring our internal controls work effectively. The Nominating Committee, Remuneration Committee, and Audit & Risk Management Committee also help oversee how well we are performing and managing risks.

In our commitment to maintaining sustainability and achieving our sustainability goals and targets, we have formed an ESG Committee to concentrate on our objectives, policies, and practices related to sustainability or ESG matters. Their responsibilities involve developing sustainability strategies, assessing risks associated with sustainability, evaluating our performance, and closely monitoring the implementation of our sustainability policies and practices.

To showcase our commitment to establishing a robust governance framework, the table below outlines the roles and responsibilities of our board and committees.



## SUSTAINABILITY STATEMENT (CONT'D)

### SUSTAINABILITY STRATEGY (CONT'D)

#### Stakeholder Engagement

As a sustainable business group, we acknowledge that our activities impact various stakeholder groups, including customers, employees, suppliers, investors, government agencies, and local communities. These valuable partners offer essential insights into our operations, helping us identify areas for improvement and recognise potential opportunities.

To underscore our unwavering commitment to fostering positive relationships with stakeholders and building a sustainable business, we actively maintain open communication channels. This is achieved through regular engagements using both formal and informal methods. These interactions are crucial for gathering feedback and addressing the needs and concerns of our stakeholders more effectively.

The table below highlights the key stakeholders of the Group and explores the various engagement methods and channels employed.

| Stakeholder      | Areas of Concern/ Interest                                                                                                                                                                                     | Engagement Approach                                                                                                                                                                                                        | Our Responses                                                                                                                                                                                                                                                                      |
|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Customers</b> | <ul style="list-style-type: none"> <li>Product Quality, Safety and Compliance</li> <li>Customer Service and Experience</li> </ul>                                                                              | <ul style="list-style-type: none"> <li>Customer Relationship Management</li> <li>Reliable Service and On-time Delivery</li> <li>Furniture Exhibition</li> </ul>                                                            | <ul style="list-style-type: none"> <li>Adhere to quality standards (i.e. ISO 9001 Quality Management Systems and FSC Certification)</li> <li>Undergone the Sedex Members Ethical Trade Audit ("SMETA") and Customs-Trade Partnership Against Terrorism ("C-TPAT") Audit</li> </ul> |
| <b>Employees</b> | <ul style="list-style-type: none"> <li>Health and Safety</li> <li>Welfare and Remuneration</li> <li>Workplace Diversity</li> <li>Training and Career Development</li> <li>Value Equal Opportunities</li> </ul> | <ul style="list-style-type: none"> <li>Performance Appraisal</li> <li>Management and Staff Meeting</li> <li>Annual Event</li> <li>Training Programmes</li> </ul>                                                           | <ul style="list-style-type: none"> <li>Encourage transparent communication with employees</li> <li>Ensure equal employment opportunities for all individuals without discrimination</li> <li>Provide reasonable benefits and remuneration package</li> </ul>                       |
| <b>Suppliers</b> | <ul style="list-style-type: none"> <li>Transparent Procurement Practices</li> <li>Payment Schedule</li> <li>Anti-Bribery</li> </ul>                                                                            | <ul style="list-style-type: none"> <li>Evaluation on Performance</li> <li>Anti-Bribery Commitment</li> </ul>                                                                                                               | <ul style="list-style-type: none"> <li>Prioritise the establishment of transparent procurement processes</li> <li>Require suppliers to acknowledge adherence to the code of conduct agreement</li> </ul>                                                                           |
| <b>Investors</b> | <ul style="list-style-type: none"> <li>Financial Performance</li> <li>Business Strategy</li> <li>Shareholder Value</li> </ul>                                                                                  | <ul style="list-style-type: none"> <li>Annual Report</li> <li>Annual General Meeting</li> <li>Financial Report</li> <li>Corporate Website</li> <li>Company Announcements</li> <li>Investor Relations Activities</li> </ul> | <ul style="list-style-type: none"> <li>Provide timely updates on the Group's strategy and financial performance through investor briefings and announcements</li> <li>Uphold good governance practices across the Group, and supply chain</li> </ul>                               |

## SUSTAINABILITY STATEMENT (CONT'D)

### SUSTAINABILITY STRATEGY (CONT'D)

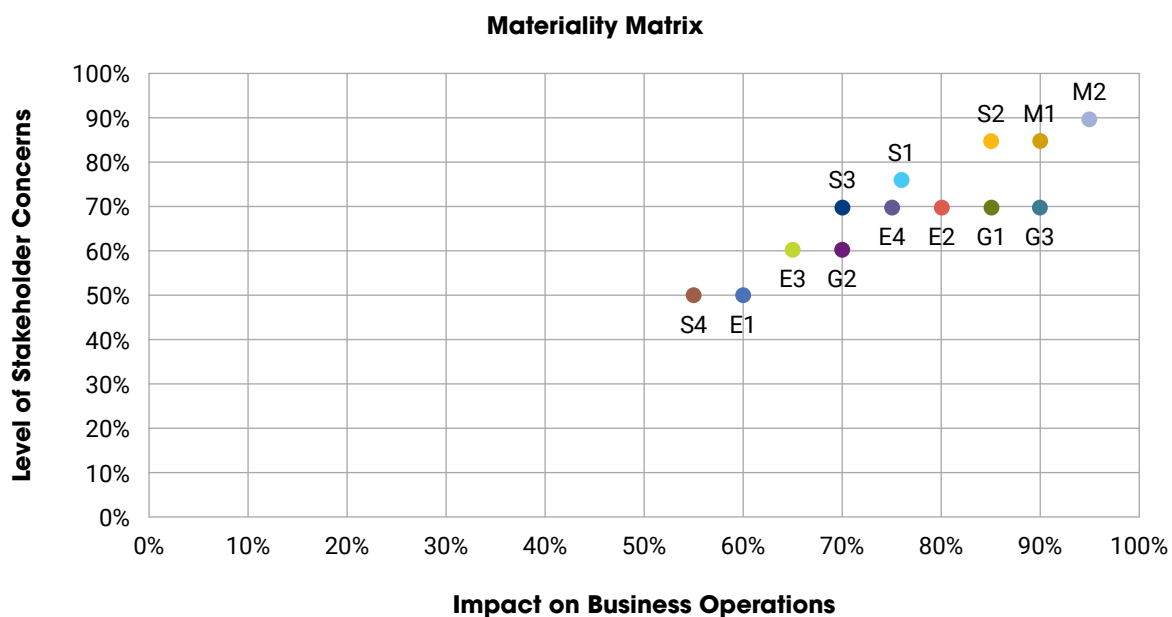
#### Stakeholder Engagement (Cont'd)

| Stakeholder                | Areas of Concern/ Interest                                                                                                                                                                                                      | Engagement Approach                                                                                                                                                                                     | Our Responses                                                                                                                                                                                                   |
|----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Government Agencies</b> | <ul style="list-style-type: none"> <li>Governance Compliance</li> <li>Environment Management and Compliance</li> <li>Fair Labour Practices</li> <li>Policy Matters (Public, Health and Safety)</li> <li>Anti-Bribery</li> </ul> | <ul style="list-style-type: none"> <li>Annual Report</li> <li>Meeting and Seminar</li> <li>Public Announcement</li> <li>Inspection/Audit by Local Authority</li> <li>Anti-Bribery Commitment</li> </ul> | <ul style="list-style-type: none"> <li>Full compliance with regulatory requirements</li> <li>Adoption of practices outlined in the Malaysian Code on Corporate Governance and Anti-Bribery Practices</li> </ul> |
| <b>Local Communities</b>   | <ul style="list-style-type: none"> <li>Impact of Business Operation</li> <li>Social Issue</li> </ul>                                                                                                                            | <ul style="list-style-type: none"> <li>Community Programmes</li> <li>Customer Relationship and Engagement</li> </ul>                                                                                    | <ul style="list-style-type: none"> <li>Offering internship placement</li> <li>Investing in education and welfare to enhance community well-being</li> </ul>                                                     |

#### Materiality Matrix

The Group is aware that our material issues can significantly influence our capacity to create lasting value for our stakeholders, both directly and indirectly. To demonstrate our commitment to sustainable practices, we aim to conduct a comprehensive materiality assessment annually, starting from financial year 2023. This process aims to pinpoint the most significant sustainability events relevant to both the business and its stakeholders. It entails evaluating industry trends, advancements, and global as well as local sustainability concerns.

Outlined below are the material topics identified in 2023:



## SUSTAINABILITY STATEMENT (CONT'D)

### SUSTAINABILITY STRATEGY (CONT'D)

#### Materiality Matrix (Cont'd)

| Material Sustainability Matter             | Relevant Stakeholders                                |
|--------------------------------------------|------------------------------------------------------|
| E1 – Water Management                      | Employees, Regulatory Agencies and Local Communities |
| E2 – Energy Consumption                    | Employees, Regulatory Agencies and Local Communities |
| E3 – Waste Management                      | Employees, Regulatory Agencies and Local Communities |
| E4 – Climate Change                        | Employees, Regulatory Agencies and Local Communities |
| S1 – Labour Standards and Human Right      | Employees and Regulatory Agencies                    |
| S2 – Occupational Health and Safety        | Employees and Regulatory Agencies                    |
| S3 – Training and Development              | Employees and Regulatory Agencies                    |
| S4 – Social Contribution                   | Investors and Public                                 |
| G1 – Business Ethics and Compliance        | Regulatory Agencies and Local Communities            |
| G2 – Governing Purpose                     | Regulatory Agencies and Local Communities            |
| G3 – Risk Management                       | Regulatory Agencies and Local Communities            |
| M1 – Equipment Maintenance                 | Employees and Regulatory Agencies                    |
| M2 – Supply Chain and Responsible Sourcing | Customers, Investors, and Local Communities          |

The table below provides a detailed analysis of the materiality level of sustainability matters:

| High Priority Materiality                  |                                                                                                                                                                                                                                                                                                                                                                                                        |
|--------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| E2 – Energy Consumption                    | As a furniture manufacturing company, addressing these material sustainability matters is crucial for ensuring compliance and advancing sustainability efforts, thereby delivering enduring value to stakeholders. Therefore, we are deeply committed to prioritising these material sustainability matters to ensure the seamless operation of our business and the flourishing of stakeholder value. |
| S2 – Occupational Health and Safety        |                                                                                                                                                                                                                                                                                                                                                                                                        |
| G1 – Business Ethics and Compliance        |                                                                                                                                                                                                                                                                                                                                                                                                        |
| G3 – Risk Management                       |                                                                                                                                                                                                                                                                                                                                                                                                        |
| M1 – Equipment Maintenance                 | We firmly believe that by prioritising each of these sustainability matters, we can positively influence and enhance the overall performance of the organisation.                                                                                                                                                                                                                                      |
| M2 – Supply Chain and Responsible Sourcing |                                                                                                                                                                                                                                                                                                                                                                                                        |
| Medium Priority Materiality                |                                                                                                                                                                                                                                                                                                                                                                                                        |
| E1 – Water Management                      | While these material sustainability matters may be currently categorised as medium in terms of materiality, they nonetheless hold significant importance to the Group.                                                                                                                                                                                                                                 |
| E3 – Waste Management                      |                                                                                                                                                                                                                                                                                                                                                                                                        |
| E4 – Climate Change                        | Additionally, as an ethical company, obtaining appropriate licensing and fostering good governance are critical aspects of our operations. The governing purpose includes:                                                                                                                                                                                                                             |
| S1 – Labour Standards and Human Right      |                                                                                                                                                                                                                                                                                                                                                                                                        |
| S3 – Training and Development              |                                                                                                                                                                                                                                                                                                                                                                                                        |
| S4 – Social Contribution                   |                                                                                                                                                                                                                                                                                                                                                                                                        |
| G2 – Governing Purpose                     |                                                                                                                                                                                                                                                                                                                                                                                                        |
|                                            | <ul style="list-style-type: none"><li>• Board Charter and Terms of Reference</li><li>• Anti-Bribery and Corruption Management</li><li>• Anti Money Laundering</li><li>• Conflict of Interest</li><li>• Executive Pay</li></ul>                                                                                                                                                                         |

## SUSTAINABILITY STATEMENT (CONT'D)

### SUSTAINABILITY STRATEGY (CONT'D)

#### FY 2023 Overview of Sustainability Achievements and Highlights

These tables provide a snapshot of Mobilia's notable accomplishments and focus areas in environmental, social, and governance aspects during FY 2023.

| Environmental                                                                                                                                                                                           |                                                                                                                                                        |                                                                       |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|
| Initiated monitoring of<br><b>Scope 3 GHG emissions,</b><br>showing a positive impact                                                                                                                   |                                                                                                                                                        |                                                                       |
| Social                                                                                                                                                                                                  |                                                                                                                                                        |                                                                       |
| <b>Zero</b><br>lost time incident rate                                                                                                                                                                  | <b>50%</b><br>women directors on the Board                                                                                                             | <b>335</b><br>employees trained on health and safety standards        |
| <b>MYR 134,500</b><br>invested in local communities                                                                                                                                                     | Conducted <b>Hazard Identification, Risk Assessment, and Risk Control (“HIRARC”) and Chemical Health Risk Assessment (“CHRA”)</b> at Mobilia’s premise |                                                                       |
| GOVERNANCE                                                                                                                                                                                              |                                                                                                                                                        |                                                                       |
| Enable whistleblowing and employee feedback by offering accessible channels in<br><b>various languages</b>                                                                                              | <b>&gt;80%</b><br>of procurement spending on local suppliers                                                                                           | <b>100%</b><br>suppliers screened for environmental and social impact |
| <b>Zero</b><br>cases of cybersecurity breaches,<br>cases of anti-bribery and anti-corruption non-compliance,<br>fines of environmental regulation non-compliance,<br>fines on labour law non-compliance |                                                                                                                                                        | <b>100%</b><br>operations assessed for corruption-related risks       |



## SUSTAINABILITY STATEMENT (CONT'D)

### SUSTAINABILITY STRATEGY (CONT'D)

#### Sustainability Framework

Mobilia prioritises a balanced approach that considers economic, environmental, and social responsibilities, with a sincere focus on the well-being of our stakeholders for a brighter future. Thus, in response to the evolving business landscape, we have adopted the IFRS Foundations - International Integrated Reporting Framework and Integrated Thinking Principles<sup>1</sup>, utilising the Six Capitals model to make financial sense of sustainability performance. This model allows us to create sustained value for our business and stakeholders, reinforcing our sustainability strategy, policies, and practices, and aligning with global standards, including the UN SDGs. The Six Capitals represent the value sources crucial for the Group's value creation. The six capitals are defined as per below:

| Financial                                                                                                                                                                                                                                                                                                                                                                                   | Manufactured                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Governance                                                                                                                                                                                                                                                                                                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Funds available to firm from operations and financing                                                                                                                                                                                                                                                                                                                                       | Manufactured physical objects used in value creation                                                                                                                                                                                                                                                                                                                                                                                                                  | Governance, Internal control system and procedures                                                                                                                                                                                                                                                                                                                                    |
|  <b>Financial Highlight</b><br>Resources to support the Group's operation and implement other Capitals<br><br>Main focus areas:<br><ul style="list-style-type: none"> <li>• <i>Economic Performance</i></li> </ul>                                                                                        |  <b>Marketplace</b><br>Implementing sustainability through product quality and compliance<br><br>Main focus areas:<br><ul style="list-style-type: none"> <li>• <i>Cybersecurity and Data Protection</i></li> <li>• <i>Sustainable Supply Chain Management</i></li> <li>• <i>Sustainable Operation Management</i></li> <li>• <i>Product Quality and Safety Management</i></li> </ul> |  <b>Governance</b><br>Board engagement on strategy, internal control to enhance the sustainability initiative<br><br>Main focus areas:<br><ul style="list-style-type: none"> <li>• <i>Anti-corruption</i></li> </ul>                                                                              |
| Human                                                                                                                                                                                                                                                                                                                                                                                       | Social                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Natural                                                                                                                                                                                                                                                                                                                                                                               |
| Skills, motivation, alignment with organisational goals                                                                                                                                                                                                                                                                                                                                     | Relations with key institutions, stakeholder groups, shared norms and values, trust and confidence, and its social license to operate                                                                                                                                                                                                                                                                                                                                 | Renewable and non-renewable natural elements, and the eco-system, used as inputs by the firm now or in the past or future, and impact of firm on them                                                                                                                                                                                                                                 |
|  <b>Workplace</b><br>Creating a safe and supportive working environment, training, and self-development<br><br>Main focus areas:<br><ul style="list-style-type: none"> <li>• <i>Health and Safety</i></li> <li>• <i>Employee Management</i></li> <li>• <i>Diversity, Equity and Inclusion</i></li> </ul> |  <b>Community</b><br>Contributing to local community development<br><br>Main focus areas:<br><ul style="list-style-type: none"> <li>• <i>Contributing to Local Communities/CSR</i></li> <li>• <i>Customer Satisfaction</i></li> </ul>                                                                                                                                              |  <b>Environment</b><br>Improving our environment by utilising greener alternatives<br><br>Main focus areas:<br><ul style="list-style-type: none"> <li>• <i>Climate Change (Energy Management and Emissions)</i></li> <li>• <i>Waste Management</i></li> <li>• <i>Water Management</i></li> </ul> |

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

## SUSTAINABILITY STATEMENT (CONT'D)

### SUSTAINABILITY STRATEGY (CONT'D)

#### Management Approach for Material Matters

##### Economic

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

#### Economic Performance

Mobilia's financial performance forms the basis for creating lasting value and driving the Group's sustainability goals. We are committed to our duty of offering high-quality employment opportunities and contributing to economic development in local communities. Our primary aim is to secure long-term resilience by effectively managing our assets and equitably distributing the generated wealth among our stakeholders.

#### Our approach and performance

The Group's strategy to sustain and achieve resilient economic performance comprises several essential elements. These include developing a comprehensive business strategy to stay abreast of market trends, maintaining a robust balance sheet and healthy cash flow, pursuing technological advancements, and proactively addressing identified risks pertinent to our business operations.

In FY 2023, the Group generated a total economic value of MYR 83 million, representing a slight decrease of 3.7% compared to the previous year. Concurrently, operating expenses experienced a slight increase of 2.8%, primarily due to the rising costs of raw materials and other expenditures. Despite encountering a slight decline in profits compared to FY 2022, Mobilia remains resilient and is committed to enhancing value and generating greater wealth for our stakeholders.

Below are the financial results of Mobilia:

|                                                           | 2021<br>MYR'000 | 2022<br>MYR'000 | 2023<br>MYR'000 |
|-----------------------------------------------------------|-----------------|-----------------|-----------------|
| Economic value generated (e.g., revenue and other income) | 71,478          | 86,990          | 83,779          |
| Economic value distributed:                               |                 |                 |                 |
| • Operating expenses                                      | 60,616          | 69,979          | 71,954          |
| • Finance costs                                           | 861             | 1,074           | 1,297           |
| • Net impairment losses on financial assets               | -               | -               | 250             |
| • Payment to government (e.g., tax)                       | 1,438           | 3,016           | 2,235           |
| Economic value retained                                   | 8,035           | 11,763          | 8,228           |

These results underscore our dedication to delivering value to stakeholders while striving to maintain a strong financial footing and pursuing sustainable growth opportunities.

#### Related UNSDGs:



## SUSTAINABILITY STATEMENT (CONT'D)

### SUSTAINABILITY STRATEGY (CONT'D)

#### Management Approach for Material Matters (Cont'd)

##### Marketplace

*Implementing sustainability through product quality and compliance*

##### Cybersecurity and Data Protection

In recent years, we have witnessed the acceleration of various trends revolving around remote working, e-commerce, and automation, which has propelled the adoption of digital technologies and infrastructure. However, this surge has also increased the vulnerability of data to cybersecurity risks. Consequently, we have a responsibility to manage the growing threat of cyber-attacks on Mobilia. This includes safeguarding our customers' sensitive information to prevent any leaks, threats, or loss of customer data.

##### Our approach and performance

In an effort to proactively safeguard our operations, we are committed to establishing a comprehensive framework and fully complying with all regulatory obligations starting from FY 2024. As part of this initiative, we have crafted a Personal Data Protection Act ("PDPA") form, which will be distributed to all staff members for acknowledgment. Our PDPA form aligns with the provisions outlined in the PDPA 2010. Furthermore, we are bolstering our cybersecurity measures by providing thorough training to all new hires to ensure they are well-versed in the Company's cybersecurity protocols. As an organisation that prioritises the effectiveness of our data privacy and security controls, we have implemented robust measures, including the deployment of antivirus and Firewall software on every computer and laptop within the Company.

As of 31 December 2023, there were zero substantiated complaints reported concerning breaches in customer privacy or data loss.

|                                                                                         | 2021 | 2022 | 2023 |
|-----------------------------------------------------------------------------------------|------|------|------|
| Number of substantiated complaints concerning breaches in customer privacy or data loss | 0    | 0    | 0    |

##### Related UNSDGs:



##### Sustainable Supply Chain Management

The Group understands that a reliable and sustainable supply chain is crucial for our business operations which heavily depend on a network of suppliers. Despite the social and governance risks linked to engaging suppliers, we are committed to good governance principles. Thus, Mobilia is devoted to promoting responsible procurement practices and strengthening our supply chain resilience by including sustainability aspects in our procurement process. We also believe in supporting local businesses and contributing to economic growth in the communities where we operate. To achieve this, we prioritise sourcing from local suppliers and providing business opportunities to improve their livelihoods.

## SUSTAINABILITY STATEMENT (CONT'D)

### SUSTAINABILITY STRATEGY (CONT'D)

#### Management Approach for Material Matters (Cont'd)

##### Our approach and performance

In our pursuit of maintaining high-quality standards within our supply chain, Mobilia exclusively collaborates with approved and reputable suppliers. We ensure that each supplier undergoes a comprehensive due diligence process, which includes a Documentation Review, Sample Review, Site Visits and Inspections, as well as a commitment to our Code of Conduct. The details of our supplier due diligence process are outlined as follows:



Since FY 2022 marked the introduction of the supplier sustainability assessment, we successfully evaluated all new suppliers in both FY 2022 and 2023. Going forward, the Company remains committed to ensuring that all new suppliers undergo assessment against our sustainability requirements.

|                                                                             | 2021 | 2022 | 2023 |
|-----------------------------------------------------------------------------|------|------|------|
| Percentage of suppliers that were screened using environmental criteria (%) | N/A  | 100  | 100  |
| Number of suppliers assessed for environmental impacts                      | N/A  | 27   | 27   |
| Percentage of suppliers that were screened using social criteria (%)        | N/A  | 100  | 100  |
| Number of suppliers assessed for social impacts                             | N/A  | 27   | 27   |

Our procurement practices also include a strategy of engaging multiple suppliers for each item to ensure a seamless and sufficient supply of materials. This approach could aid in lessening the impact of potential disruptions, such as natural disasters, geopolitical events, or supplier failures. Demonstrating our commitment to ensuring supply chain resilience while supporting local businesses, over 80% of our total purchases consistently come from local suppliers, facilitating a quick response and recovery during disruptions. In FY 2023, we have spent 82.86% on local suppliers.

|                                               | 2021  | 2022  | 2023  |
|-----------------------------------------------|-------|-------|-------|
| Proportion of spending on local suppliers (%) | 90.06 | 91.90 | 82.86 |

## SUSTAINABILITY STATEMENT (CONT'D)

### SUSTAINABILITY STRATEGY (CONT'D)

#### Management Approach for Material Matters (Cont'd)

##### Our approach and performance (Cont'd)

Additionally, we strive to maintain close collaboration and strong relationships with our suppliers through open communication and conduct annual performance evaluations to further ensure a steady stream of incoming materials. To enhance visibility across the entire supply chain, we leverage technology solutions through our existing MRP system that allows real-time tracking of inventory and supplier deliveries. Through the implementation of these processes, we can effectively identify and mitigate risks associated with specific suppliers, crucial for accurately pinpointing and addressing potential threats.

We firmly believe that establishing fair and equitable supply chains is not only a responsible action but also a strategic measure to mitigate risks within our supply networks. By ensuring the security and integrity of our products through ethical and transparent supply chain practices, we aim to create long-term value for all stakeholders involved.

##### Related UNSDGs:



#### Sustainable Operation Management

Mobilia recognises the importance of quality control and strives to regularly assess its operational processes. The Group is firmly dedicated to meeting current requirements while actively contributing to a sustainable future. This commitment involves reducing the carbon footprint in manufacturing, improving energy efficiency, and embracing circular practices to minimise environmental and societal impact. Addressing the urgency of climate change, Mobilia is committed to environmental protection, compliance with regulations, and ongoing research for enhanced sustainability strategies. Proactive measures are essential to adapt to and mitigate potential risks in the future.

##### Our approach and performance

In our pursuit of operational improvement and sustainability, we have initiated a comprehensive Factory Transformation Programme ("FTP") aimed at boosting efficiency, productivity, and integrating sustainability principles into our operations. Currently, we are implementing Lean Management principles up to the second stage to streamline processes and eliminate waste.

At the core of our FTP lies a firm commitment to sustainable operations, addressing environmental, social, and economic aspects. By embracing Lean Manufacturing, we are methodically identifying and eliminating inefficiencies in our production processes.

This integration of Lean Management and sustainability not only improves our production processes but also aligns our operations with responsible stewardship and long-term viability. As we advance through the FTP, we remain dedicated to effecting positive change and contributing to a more sustainable future.

Additionally, as a demonstration of our commitment to environmental standards, we ensure full compliance with relevant regulations. Our primary aim in sustainable operations is to conduct our activities responsibly, preserving product quality without adverse effects on the environment or community. Continuous monitoring and reporting also ensure our procedures consistently meet our sustainability objectives.

## SUSTAINABILITY STATEMENT (CONT'D)

### SUSTAINABILITY STRATEGY (CONT'D)

#### Management Approach for Material Matters (Cont'd)

##### Our approach and performance (Cont'd)

| No. | Environmental Compliance                                                                                                                                        |
|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1   | Boundary Noise Monitoring Report                                                                                                                                |
| 2   | Audiometric Test Report, Retest Audiometric Report [OSHA (NOISE EXPOSURE) REGULATIONS - 2019]                                                                   |
| 3   | Noise Risk Assessment Monitoring Report (Occupational Safety and Health (Noise Exposure) Regulations 2019)                                                      |
| 4   | Engineering Control Equipment Examination Report                                                                                                                |
| 5   | Baseline Chemical Exposure Monitoring Report (Occupational Safety and Health [Use and Standards of Exposure of Chemicals Hazardous to Health] Regulations 2000) |
| 6   | Chemical Health Risk Assessment Report (USECHH Regulation 2000)                                                                                                 |
| 7   | Isokinetic Stack and Air Emission Monitoring Report (Dust Collector)                                                                                            |
| 8   | Isokinetic Stack and Air Emission Monitoring Report (Spray Booth)                                                                                               |
| 9   | A.R. Berdaftar --> Permohonan Pembinaan Baru Satu (1) Unit Penapis Beg Dan Satu (1) Unit Cerobong, Sistem Kawalan Pencemaran Udara Bagi Premis                  |
| 10  | A.R. Berdaftar --> Permohonan Pembinaan Baru Sistem Pencemaran Udara Bagi Dua (2) Unit Penapis Beg Dan Dua (2) Unit Cerobong Bagi Premis                        |

##### Related UNSDGs:



#### Product Quality and Safety Management

At Mobilia, we strongly emphasise the importance of maintaining and delivering high standards of product quality as part of our commitment to value creation and long-term business growth. Our unwavering dedication to upholding industry-leading quality standards has resulted in positive outcomes, including heightened customer satisfaction, increased market value, enhanced reputation, effective risk mitigation, and an empowered workforce dedicated to excellence.

##### Our approach and performance

As a reliable and trustworthy organisation, we pride ourselves on measuring our products and services against the industry's best standards. The Group prioritises the manufacturing of high-quality products and services, regularly conducting thorough assessments, overseeing production efficiency, and diligently managing waste. In line with our commitment to quality control, the Group has attained the following certification:

#### ISO 9001:2015 – Quality Management Systems

This certification underscores our dedication to maintaining rigorous quality standards across all aspects of our operations. By adhering to these stringent quality control measures and continuously striving for excellence, we uphold our reputation as a reliable and trustworthy organisation committed to delivering exceptional products and services to our customers.



## SUSTAINABILITY STATEMENT (CONT'D)

### SUSTAINABILITY STRATEGY (CONT'D)

#### Management Approach for Material Matters (Cont'd)

##### Governance

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



#### Anti-corruption

Mobilia places a strong emphasis on practicing good governance and upholding high standards of business ethics and compliance across the Group. The Board recognises the crucial importance of a robust risk management framework and internal control system in promoting sound corporate governance. By disclosing pertinent sustainability-related information, our goal is to improve the transparency of our management practices, fostering increased confidence among our customers, stakeholders, and the broader public.

#### Our approach and performance

The Group remains unwavering in its dedication to conducting business with integrity, guided by our comprehensive Code of Conduct ("CoC"), which communicates fundamental principles and guidelines to all employees. To reinforce our commitment to ethical business practices, we have adopted a zero-tolerance approach towards fraud, bribery, corruption, money laundering, and insider trading. Our Anti-Bribery and Corruption ("ABC") Policy and Whistleblowing Policy serve as key tools in this endeavour, promoting transparency and fostering a governance-friendly environment. These essential policies, along with our CoC, are readily accessible on our corporate website, ensuring availability for all stakeholders.

To facilitate whistleblowing, Mobilia has implemented a robust Whistleblowing Policy, complete with a dedicated report form. This enables both employees and external stakeholders to confidentially report any improprieties via email or mail. Additionally, the Group has strategically placed Suggestion Posters at the premises, featuring a QR code that directs individuals to a portal where they can anonymously submit feedback or complaints directly to top management. The feedback portal is accessible in multiple languages, including Malay, English, Mandarin, Bengali, Burmese, and Nepali, ensuring easy access for all employees regardless of their language preferences. This comprehensive approach underscores Mobilia's commitment to transparency, accountability, and fostering a culture where concerns can be raised and addressed effectively.

As of 31 December 2023, we recorded zero incidents of corruption across the Group's business operations.

|                                          | 2021 | 2022 | 2023 |
|------------------------------------------|------|------|------|
| Number of confirmed corruption incidents | 0    | 0    | 0    |

## SUSTAINABILITY STATEMENT (CONT'D)

### SUSTAINABILITY STRATEGY (CONT'D)

#### Management Approach for Material Matters (Cont'd)

##### Our approach and performance (Cont'd)

In addition, our suppliers are expected to adhere to high ethical standards and anti-bribery and corruption guidelines as outlined in Mobilia's Business Partner CoC and ABC Policy. Suppliers are required to acknowledge their agreement to abide by these guidelines and policies in their business dealings with the Group. As an additional anti-corruption measure, we conduct both internal and external corruption risk assessments annually to detect and mitigate any potential corruption risks.

|                                                                    | 2021 | 2022 | 2023 |
|--------------------------------------------------------------------|------|------|------|
| Percentage of operations assessed for corruption-related risks (%) | 100  | 100  | 100  |

In addition to the initiatives mentioned, all employees, regardless of nationality, are mandated to participate in annual training sessions on CoC and ABC. These training sessions ensure that every employee is well-versed in the Group's CoC, ABC Policy, and Whistleblowing Policy. To cater to the diverse linguistic needs of our workforce, Mobilia has developed training materials in both English and Mandarin. This ensures that all employees have access to the necessary information and resources to uphold the highest standards of ethical conduct and compliance within the organisation.

The table below provides details on the completion rate of trained employees at Mobilia.

| Employee Category             | Completion Rate (%) |       |       |
|-------------------------------|---------------------|-------|-------|
|                               | 2021                | 2022  | 2023  |
| Management                    | N/A                 | 1.68  | 1.68  |
| Executive                     | N/A                 | 13.43 | 13.22 |
| Non-executive/Technical Staff | N/A                 | 10.31 | 9.86  |
| General Workers               | N/A                 | 74.58 | 75.24 |

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

- Malaysian Timber Industry Board ("MTIB")
- Forest Stewardship Council ("FSC")
- Malaysian Wood Moulding & Joinery Council ("MWMJC")
- Muar Furniture Association ("MFA")
- Associated Chinese Chambers of Commerce and Industry of Malaysia ("ACCCIM")

#### Related UNSDGs:



## SUSTAINABILITY STATEMENT (CONT'D)

### SUSTAINABILITY STRATEGY (CONT'D)

#### Management Approach for Material Matters (Cont'd)

##### Workplace

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

##### Health and Safety

Mobilia places paramount importance on employees' health and safety in all our business operations and workplaces. Through the provision of a healthy, safe, and conducive workplace, our objective is to prevent injuries and illnesses among those working within our premises. This commitment, in turn, contributes to increased efficiency and output.

##### Our approach and performance

We have established an Emergency Response Team ("ERT") comprising carefully selected committee members tasked with collaborating and overseeing safety measures within the Group. Our Safety and Health Policy, submitted for SMETA Audit, outlines various measures and initiatives implemented to ensure the safe conduct of our business operations. This policy serves as a guide to ensure that our employees and operations comply with the Occupational Safety and Health Act ("OSHA") 1994 and the Factory and Machinery Act 1967.

To ensure that all employees are familiar with and adhere to health and safety requirements, the Group has organised comprehensive training sessions. These include training on Personal Protective Equipment ("PPE"), Machine Standard Operating Procedures ("SOPs"), Evacuation Procedures, Chemical Safety, and First Aid. In FY 2023, a total of 335 participants underwent training on health and safety standards, underscoring our commitment to prioritising the well-being of our workforce.

|                                                            | 2021 | 2022 | 2023 |
|------------------------------------------------------------|------|------|------|
| Number of employees trained on health and safety standards | 164  | 278  | 335  |

We are committed to ensuring the safety of everyone operating within our facilities by implementing comprehensive safety procedures. This includes the provision of signage, safety equipment, and personal protective gear to mitigate potential hazards. Furthermore, we have engaged a third-party service provider to conduct Hazard Identification, Risk Assessment, and Risk Control ("HIRARC") as well as Chemical Health Risk Assessment ("CHRA") processes. These assessments enable us to identify and address potential risks proactively, ensuring a safe working environment for all individuals involved. The findings from these assessments are recorded for future planning and continuous improvement in our safety protocols.

Our paramount objective is to guarantee that all our employees return home safely and without injury at the end of each workday. To fulfil this commitment, we are dedicated to upholding and enhancing our health and safety standards continuously. Over the past three years, we have consistently maintained a low level of reported injury cases. This achievement underscores our unwavering dedication to prioritising the well-being of our workforce and fostering a safe and secure working environment for all. Moving forward, we remain steadfast in our efforts to sustain and further improve our occupational health and safety performance.

|                                   | 2021    | 2022    | 2023    |
|-----------------------------------|---------|---------|---------|
| Total hours worked                | 710,360 | 903,384 | 992,808 |
| Number of work-related fatalities | 0       | 0       | 0       |
| Number of lost time injuries      | 1       | 3       | 0       |
| Lost time incident rate           | 0.28    | 0.66    | 0       |

## SUSTAINABILITY STATEMENT (CONT'D)

### SUSTAINABILITY STRATEGY (CONT'D)

#### Management Approach for Material Matters (Cont'd)

##### Related UNSDGs:



#### Employee Management

The Group highly values our employees as we consider them the backbone of our organisation's continued growth and success. Consequently, we prioritise the well-being and overall satisfaction of our stakeholders as a fundamental criterion in our management strategy. Our commitment extends to recruiting, developing, and retaining high-performing employees within a work environment that is both conducive and empowering. Additionally, we make significant investments in development programmes to ensure our employees remain competitive, progressive, and future-ready.

#### Our approach and performance

Mobilia's current employment terms strictly adhere to labour practices and standards. Our Human Resources department concentrates on three key aspects of employee management: Training and Development, Remuneration Packages and Performance Management, and Employee Engagement and Initiatives. The primary purpose of these approaches is to elevate employees' working productivity and foster continuous performance improvement.

- **Training and Development**

We strongly believe that investing in workforce development is crucial for attracting and retaining top talent, ultimately leading to enhanced financial performance. The Group is dedicated to prioritising human capital in its operations by committing to invest in employee training to support their growth and align with evolving business requirements. Recognising the importance of continuous learning for implementing the latest practices and technologies and addressing key gaps in employees' behaviour, technical, and functional skills, we provide a range of both internal and external training programmes. Our objective is to offer a comprehensive training experience, enabling employees to reach their fullest potential and acquire the necessary skills for effective performance. Moreover, we conduct regular assessments of employees' training needs, ensuring the ongoing relevance of our training initiatives.

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

| No. | Category       | Training and Development Programmes                                                                                         |
|-----|----------------|-----------------------------------------------------------------------------------------------------------------------------|
| 1   | Public Seminar | Gaining An In-Depth Analysis and Fresh Perspective on the 2024 Budget Proposals                                             |
| 2   |                | Unveiling The 2024 Budget: Empowering Malaysia's Future                                                                     |
| 3   |                | Mastering Procurement Skills                                                                                                |
| 4   |                | Identifying Tax Optimisation Strategies and Stay Up to Date with Recent Changes and Developments to Maximise Tax Efficiency |
| 5   |                | E-Invoicing Implementation                                                                                                  |
| 6   |                | Cash Flow Management Masterclass: Managing the Lifeblood of a Business in a Volatile World                                  |
| 7   |                | ChatGPT Prompt Engineering for Financial Professionals                                                                      |

## SUSTAINABILITY STATEMENT (CONT'D)

### SUSTAINABILITY STRATEGY (CONT'D)

#### Management Approach for Material Matters (Cont'd)

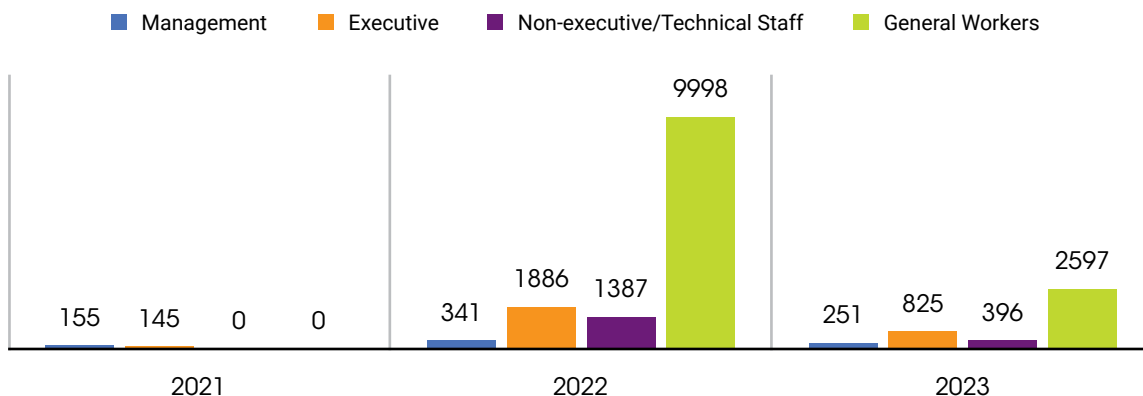
#### Our approach and performance (Cont'd)

#### • Training and Development (Cont'd)

| No. | Category                    | Training and Development Programmes                                                           |
|-----|-----------------------------|-----------------------------------------------------------------------------------------------|
| 8   | Public Seminar<br>(Cont'd)  | Understanding International Trade Export/Import Shipping Process and Incoterms 2020           |
| 9   |                             | Workplace Intelligence Transformation with Ai and ChatGPT                                     |
| 10  |                             | Professional Selling Skills                                                                   |
| 11  |                             | 3D Studio Max Design Training                                                                 |
| 12  |                             | Sustainability Report Awareness                                                               |
| 13  |                             | Sustainability Report – Sustainable Development Goals                                         |
| 14  |                             | Sustainability Report – ESG Risk Assessment                                                   |
| 15  |                             | 1-Day Virtual Technical Report Preparation Workshop for Eimas Cepaswam Competency Certificate |
| 16  |                             | Kaedah-Kaedah Pengiraan Upah Di Bawah Akta Kerja 1955 (Terkini Tahun 2023)                    |
| 17  |                             | Budget 2023: Latest Business Approach and Substantial Tax Changes for The New Economic Cycle  |
| 18  |                             | Legal Compliance in Payroll Administration                                                    |
| 19  | Safety and Health Awareness | First Aid at Workplace                                                                        |
| 20  |                             | Forklift Operators' and Safety Training - Internal Combustion Engine                          |

In total, we have invested a sum of MYR 61,616.00 on training and the employees received a total of 4,069 training hours in FY 2023. The details of the employees' training hours are detailed as follows:

#### TOTAL TRAINING HOURS



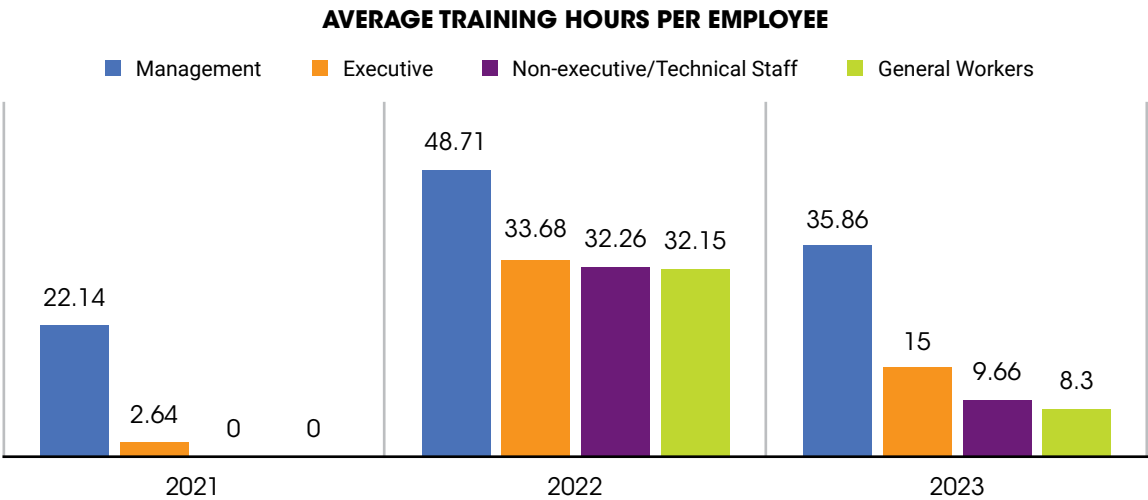
SUSTAINABILITY STATEMENT  
(CONT'D)

SUSTAINABILITY STRATEGY (CONT'D)

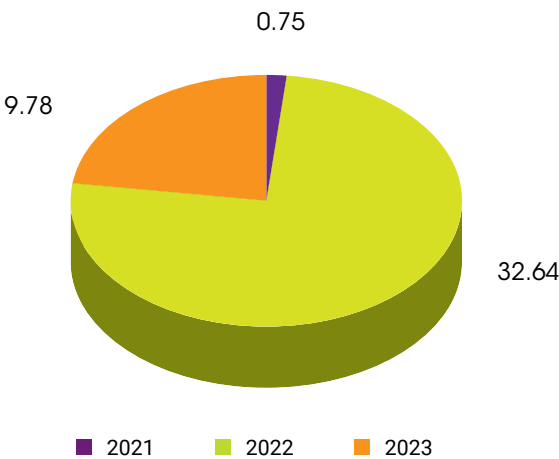
Management Approach for Material Matters (Cont'd)

Our approach and performance (Cont'd)

- Training and Development (Cont'd)



**OVERALL AVERAGE TRAINING HOURS PER EMPLOYEE**



## SUSTAINABILITY STATEMENT (CONT'D)

### SUSTAINABILITY STRATEGY (CONT'D)

#### Management Approach for Material Matters (Cont'd)

##### Our approach and performance (Cont'd)

- **Remuneration Packages and Performance Management**

At Mobilia, our employees are highly valued, acknowledged as the cornerstone of the Group's enduring growth and achievements. Grounded in principles of being result-driven, accountable, collaborative, and embracing shared success, we aim to propel individual and team performance. To foster a high-performance culture, we conduct an annual performance and career development review, providing employees with opportunities for self-assessment, feedback, coaching, and support.

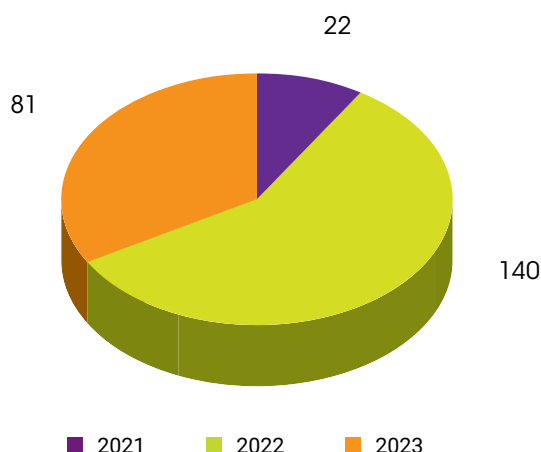
Recognition and celebration of exceptional performance, high-quality results, and outstanding behaviour are integral to our remuneration and reward system. Our objective is to cultivate a motivating and encouraging environment by offering competitive benefits and compensation packages, attracting and retaining top talent.

In line with our commitment to safeguarding their well-being, the Group's current employment terms adhere to standard industry practices. Additionally, we provide various employment benefits, including the following:

| Leave                                                                                                              | Medical       | Others                                             |
|--------------------------------------------------------------------------------------------------------------------|---------------|----------------------------------------------------|
| Annual leave, medical or hospitalisation leave, marriage leave, maternity and paternity leave, compassionate leave | Medical claim | Company car, sales incentive, outstation allowance |

Apart from achieving a 100% rate of employees undergoing performance reviews, we take pride in maintaining a highly engaged workforce. The charts below outline the total number of new hires, employee turnover, and turnover rate over the past three years.

#### TOTAL NUMBER OF NEW HIRES





## SUSTAINABILITY STATEMENT (CONT'D)

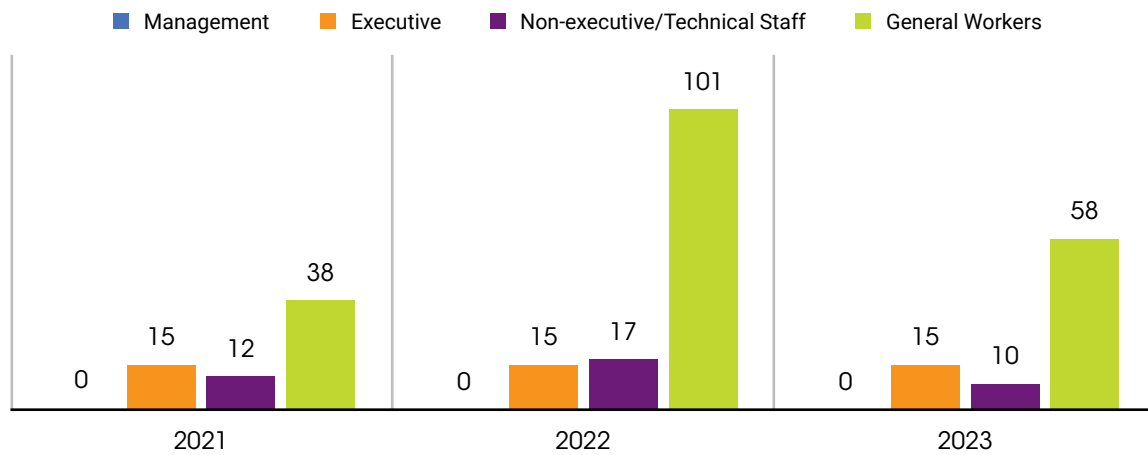
### SUSTAINABILITY STRATEGY (CONT'D)

#### Management Approach for Material Matters (Cont'd)

##### Our approach and performance (Cont'd)

- *Remuneration Packages and Performance Management*

#### TOTAL NUMBER OF EMPLOYEE TURNOVER



#### TOTAL NUMBER OF EMPLOYEE TURNOVER



## SUSTAINABILITY STATEMENT (CONT'D)

### SUSTAINABILITY STRATEGY (CONT'D)

#### Management Approach for Material Matters (Cont'd)

##### Our approach and performance (Cont'd)

- **Employee Engagement and Initiatives**

In addition to prioritising employees' health and safety, we also place great emphasis on their mental well-being at Mobilia. We firmly believe that promoting an active lifestyle is crucial for enhancing our employees' health and well-being, leading to the cultivation of a positive and vibrant workplace culture. As strong advocates of achieving a healthy work-life balance, we actively organise a variety of engagement initiatives to improve camaraderie and enhance work productivity. Some of the employee engagement activities conducted in FY 2023 include:



Below are photos depicting the Group's annual dinner and birthday celebrations held in FY 2023.



## SUSTAINABILITY STATEMENT (CONT'D)

### SUSTAINABILITY STRATEGY (CONT'D)

#### Management Approach for Material Matters (Cont'd)

##### Our approach and performance (Cont'd)

- *Employee Engagement and Initiatives (Cont'd)*



##### Related UNSDGs:



#### Diversity, Equity and Inclusion

Mobilia is unwavering in its commitment to championing a nurturing work environment that strongly opposes any form of unlawful discrimination, regardless of factors such as race, colour, gender, religion, age, disability, or any other legally protected classification. This steadfast commitment extends to fostering a culture that upholds inclusivity and equal opportunities for all our employees, enabling them to grow and succeed to the best of their abilities.

##### Our approach and performance

The Group is firmly committed to conducting all its affairs with fairness and equity, extending this principle to the treatment of employees, shareholders, customers, suppliers, and competitors alike. Our Code of Conduct policy explicitly prohibits any form of harassment or discrimination based on protected grounds. We are dedicated to fostering an inclusive environment where employees from diverse backgrounds feel respected, valued, and empowered to contribute their unique perspectives and talents. In FY 2023, we have recorded zero cases of complaints regarding human rights violations.

|                                                                      | 2021 | 2022 | 2023 |
|----------------------------------------------------------------------|------|------|------|
| Number of substantiated complaints concerning human rights violation | 0    | 0    | 0    |

## SUSTAINABILITY STATEMENT (CONT'D)

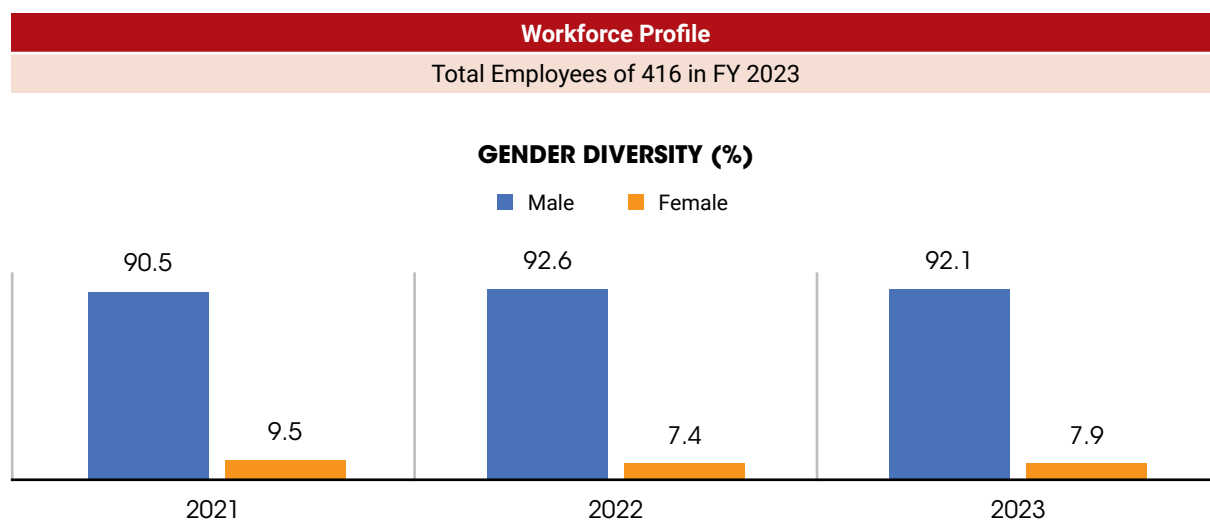
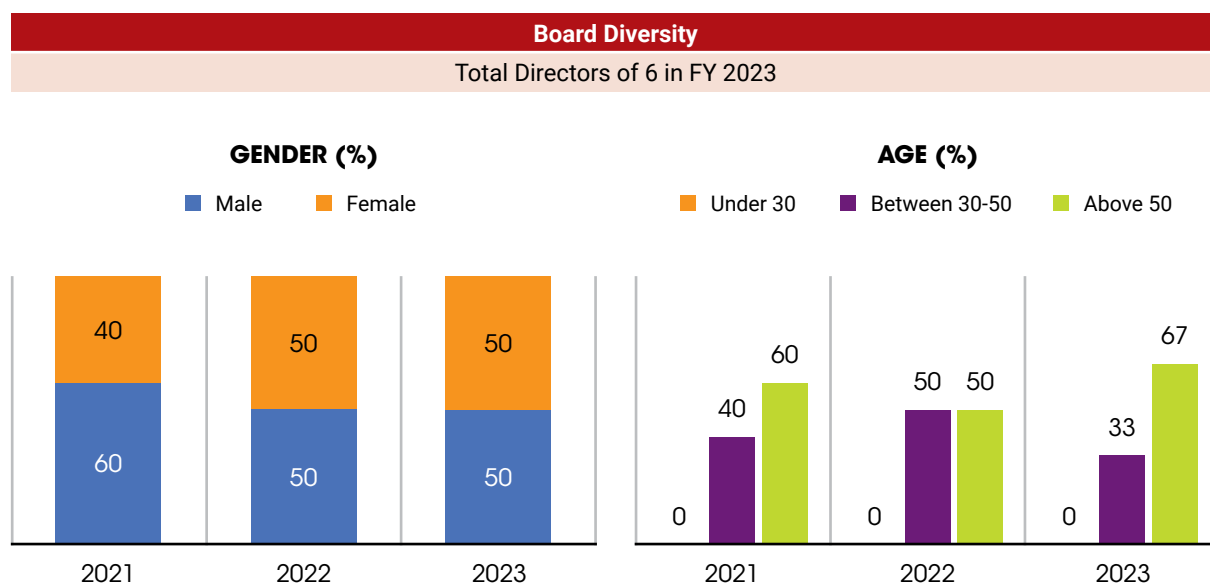
### SUSTAINABILITY STRATEGY (CONT'D)

#### Management Approach for Material Matters (Cont'd)

##### Our approach and performance (Cont'd)

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

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



## SUSTAINABILITY STATEMENT (CONT'D)

### SUSTAINABILITY STRATEGY (CONT'D)

#### Management Approach for Material Matters (Cont'd)

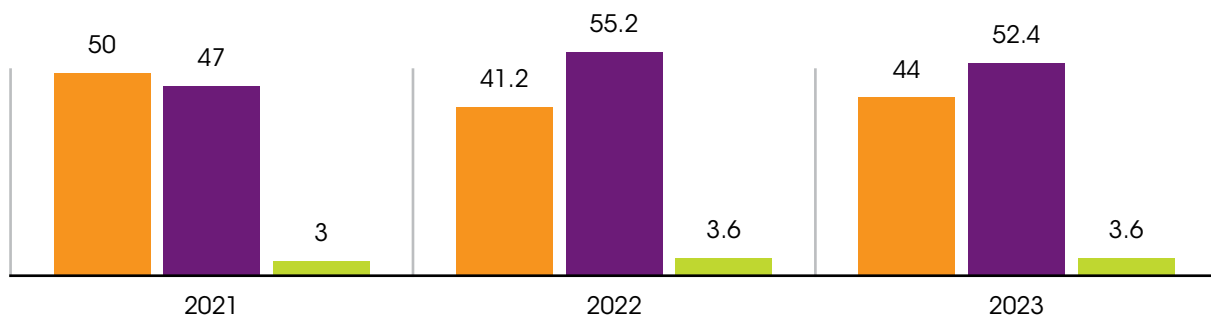
#### Our approach and performance (Cont'd)

##### Workforce Profile (Cont'd)

Total Employees of 416 in FY 2023

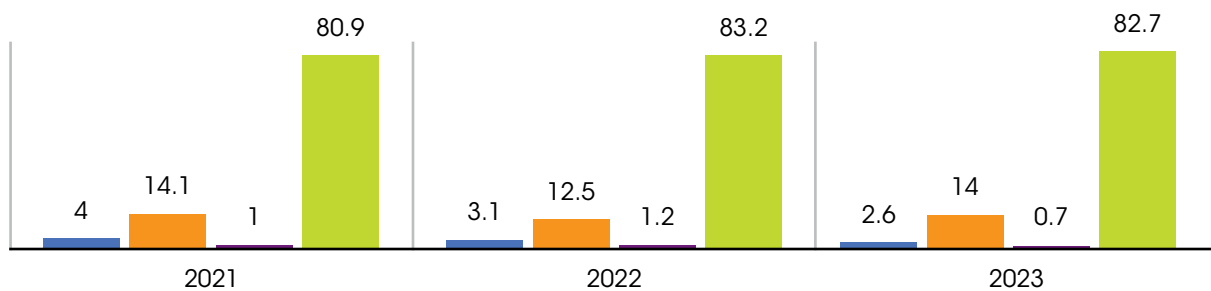
##### AGE DIVERSITY (%)

Under 30    Between 30-50    Above 50



##### ETHNIC DIVERSITY (%)

Bumiputera    Chinese    Indian    Others



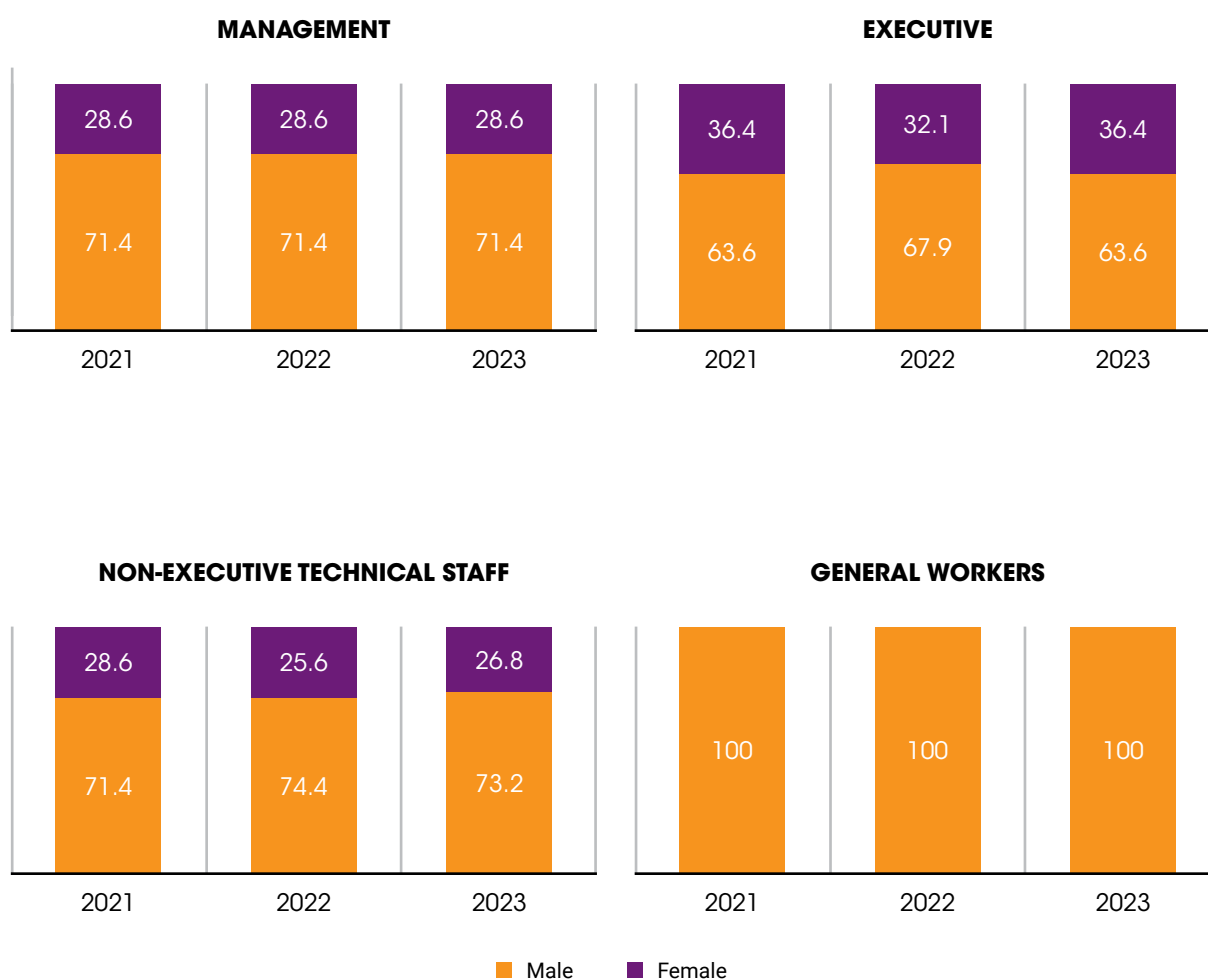
## SUSTAINABILITY STATEMENT (CONT'D)

### SUSTAINABILITY STRATEGY (CONT'D)

#### Management Approach for Material Matters (Cont'd)

#### Our approach and performance (Cont'd)

#### Gender Diversity by Employee Category (%)



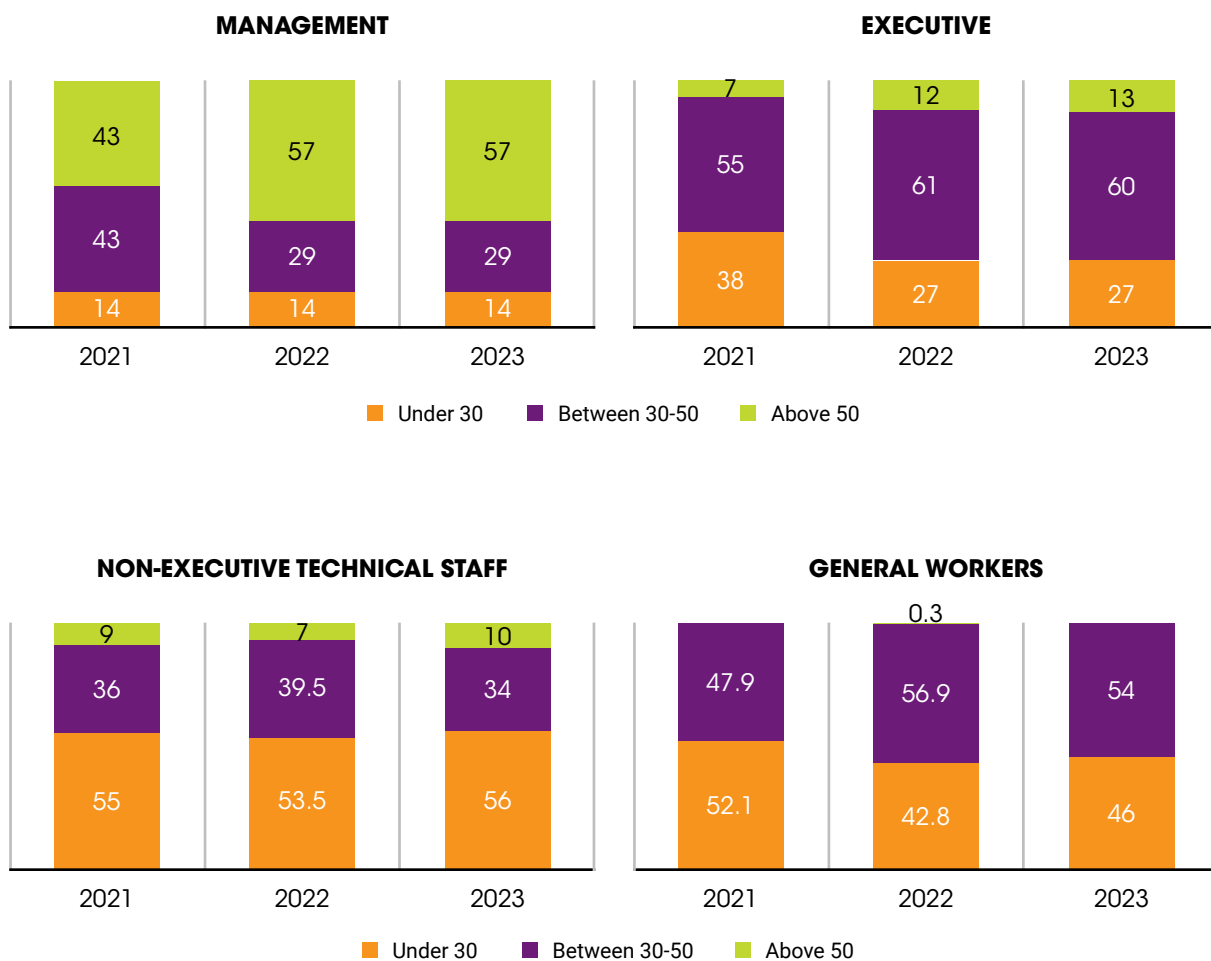
## SUSTAINABILITY STATEMENT (CONT'D)

### SUSTAINABILITY STRATEGY (CONT'D)

#### Management Approach for Material Matters (Cont'd)

#### Our approach and performance (Cont'd)

#### Age Diversity by Employee Category (%)



#### Related UNSDGs:





## SUSTAINABILITY STATEMENT (CONT'D)

### SUSTAINABILITY STRATEGY (CONT'D)

#### Management Approach for Material Matters (Cont'd)

##### Community

*Contributing to local community development*

#### Contributing to Local Communities/CSR

At Mobilia, we recognise the significance of building positive relationships between businesses and communities for fostering social inclusion and achieving lasting positive outcomes. With this awareness, we are committed to maintaining consistent engagement with our community stakeholders. Our goal is to cultivate a favourable brand image and reputation while effectively addressing their inquiries and needs. Our commitment to the community goes beyond mere satisfaction and providing outstanding products and services; it involves raising awareness of our business practices and instilling trust in our endeavours.

Furthermore, through our investment in education, we aim to nurture local talent, providing opportunities for individuals to reach their full potential. We believe that by empowering and supporting exceptional individuals within the communities, we contribute to creating a high-quality talent pool. This not only benefits Mobilia in the short term but also nurtures future leaders for organisations. Additionally, our contributions to the betterment of local communities through welfare-related initiatives strengthen our relationship with them.

#### Our approach and performance

Our commitment to investing in the development of talented individuals is reflected in our consistent engagement with local educational institutions, community groups, and government agencies. This collaborative approach not only strengthens our ties with the community but also contributes to the overall well-being of the local area. In FY 2023, Mobilia has also contributed MYR 134,500 worth of monetary donations to charities, educational institutions, and non-profit organisations.

The key highlights of Mobilia's contribution for year 2023 are as follows:

Provided internship placements  
to four individuals

Donation to Malaysian Association Help  
for The Poor Terminally Ill and  
Persekutuan Orang Pekak Malaysia

Donation to schools such as  
SJK (C) Chin Kwang Wahyu

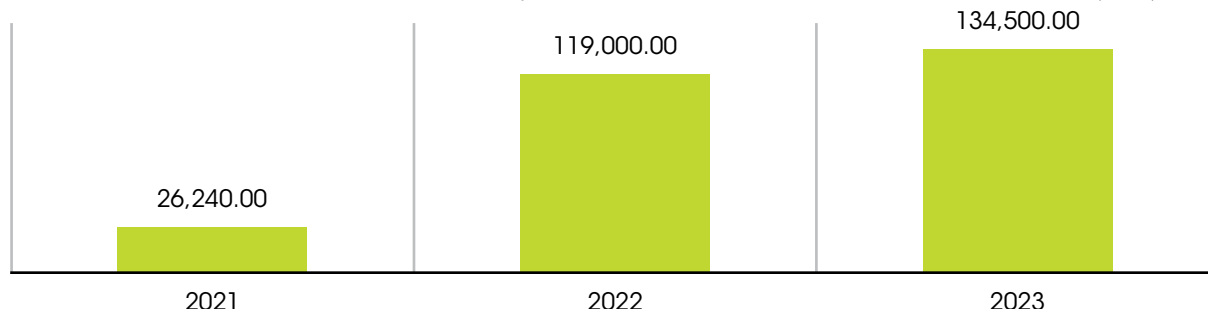
Hand Dryer Machine installed in  
washroom to reduce the tissue usage

## SUSTAINABILITY STATEMENT (CONT'D)

### SUSTAINABILITY STRATEGY (CONT'D)

#### Management Approach for Material Matters (Cont'd)

■ Total amount invested in the community where the target beneficiaries are external to Mobilia (MYR)



|                                                                                                  | 2021 | 2022 | 2023 |
|--------------------------------------------------------------------------------------------------|------|------|------|
| Total number of beneficiaries (institutions and categories) of the investment in the communities | 4    | 6    | 10   |

#### Related UNSDGs:



#### Customer Satisfaction

Recognising the paramount importance of customer satisfaction, Mobilia places a strong emphasis on prioritising customer feedback. We firmly believe that customers play a pivotal role in the growth and success of our organisation. With this in mind, we are dedicated to continually improving customer satisfaction by actively soliciting and considering their feedback. Our commitment to enhancing customer satisfaction is demonstrated through our unwavering focus on maintaining high-quality standards across all our products and services. By incorporating customer feedback into our processes and operations, we aim to not only meet but exceed customer expectations, thereby fostering long-term relationships built on trust and satisfaction.

#### Our approach and performance

Annually, we conduct a customer satisfaction survey to gather feedback and address our customers' concerns effectively. This initiative allows us to gain valuable insights into our customers' needs and expectations, enabling us to improve our products and services offerings accordingly. Moreover, we strive to align our offerings with sustainability principles to not only enhance customer satisfaction but also contribute positively to environmental and social outcomes.

Through this initiative, we aim to demonstrate our commitment to responsible business practices and meet the evolving expectations of our customers in an increasingly sustainability-conscious world.

#### Related UNSDGs:



## SUSTAINABILITY STATEMENT (CONT'D)

### SUSTAINABILITY STRATEGY (CONT'D)

#### Management Approach for Material Matters (Cont'd)

##### Environment

*Improving our environment by utilising greener alternatives*

#### Climate Change (Energy Management and Emissions)

As an environmentally conscious organisation, we prioritise making positive contributions to the environment. Recognising the impact of our energy consumption and greenhouse gas emissions on climate change, we are dedicated to developing our business in a sustainable and responsible manner. Our commitment extends to engaging in activities that promote environmental preservation and benefit the environment both now and in the future. We actively practice and promote environmentally friendly initiatives to reduce our carbon footprint. Additionally, we embrace opportunities that arise during the transition to a low-carbon economy.

#### Our approach and performance

Guided by our Environmental Policy Statement, the Group is committed to improving environmental performance over time and adhering to all relevant environmental regulations. We have implemented pollution prevention initiatives to mitigate Greenhouse Gas ("GHG") emissions and address the impacts of climate change. Regular assessments of our air emissions are conducted through a monitoring report, ensuring we stay informed about our operational procedures.

This year, we have achieved a significant reduction in the total energy consumption of purchased electricity, with the recorded figure standing at 5,494.86 GJ. Additionally, to comprehensively monitor our overall energy usage, inclusive of both purchased electricity and generator sets sources, we have diligently tracked the energy consumption generated by our generator sets. In total, our energy consumption amounts to 17,850.06 GJ.

|                                      | 2021             | 2022             | 2023             |
|--------------------------------------|------------------|------------------|------------------|
| Total energy consumption (GJ)        | 5,996.25         | 6,608.71         | 5,494.86         |
| Generator sets                       | 6,739.20         | 11,232.00        | 12,355.20        |
| <b>Total energy consumption (GJ)</b> | <b>12,735.45</b> | <b>17,840.71</b> | <b>17,850.06</b> |

In addition, we are actively investing in green technologies. As part of this initiative, we have installed a total of 54 solar lights on our premises, generating 300 watts for 12 hours per day. This investment aligns with our commitment to sustainable practices and reducing our environmental footprint. As we continue to integrate environmentally friendly technologies, we remain dedicated to fostering a greener and more sustainable future.



Solar light installation at Mobilia's premise

## SUSTAINABILITY STATEMENT (CONT'D)

### SUSTAINABILITY STRATEGY (CONT'D)

#### Management Approach for Material Matters (Cont'd)

##### Our approach and performance (Cont'd)

The table below presents Mobilia's emissions data, showing a rise in Scope 1 emissions attributed to increased operational activities and machinery usage. Scope 3 emissions data is only available for FY2023, as Mobilia began monitoring after installing solar lights in 2022. This marks a noteworthy improvement in our efforts to reduce greenhouse gas emissions.

| Total emissions by scope (tCO2e)                               | 2021     | 2022     | 2023     |
|----------------------------------------------------------------|----------|----------|----------|
| Scope 1 (diesel & petrol, power genset, machinery & equipment) | 1,189.14 | 1,941.65 | 2,092.37 |
| Scope 2 (electrical)                                           | 1,299.19 | 1,431.89 | 1,190.55 |
| Scope 3 (solar lights) *positive impact                        | N/A      | N/A      | 55.35    |

Besides the installation of solar lights, we have installed an electric vehicle ("EV") charging station on our premises to promote the adoption of electric vehicles and advance our goal of lowering carbon emissions. Simultaneously, we actively encourage all our employees to participate in reducing energy consumption and engage in environmentally friendly practices. This includes initiatives such as switching off office lights during lunch hours or when they are away from the office during working hours. We firmly believe that even small actions can make a significant impact on sustainability when everyone works together towards a common goal.

#### Related UNSDGs:



### Waste Management

Mobilia prioritises proper waste management to reduce our environmental impact and benefit surrounding communities. We generate various types of waste, including hazardous waste categorised as scheduled waste, as well as non-hazardous waste such as domestic waste, construction waste, and recyclable waste. Understanding the potential risks of inadequate waste management to the environment and human well-being, we have implemented initiatives to promote recycling habits and responsible waste management among our employees.

#### Our approach and performance

Compliant with environmental regulations, Mobilia has established a partnership with a qualified waste contractor for the responsible management of wood and scheduled waste, emphasising a long-term commitment to proper waste disposal. This involves entrusting licensed contractors with the collection and disposal of scheduled waste, ensuring a comprehensive approach to waste management. On-site management of scheduled waste includes regular monitoring and data recording as part of our environmentally responsible practices.

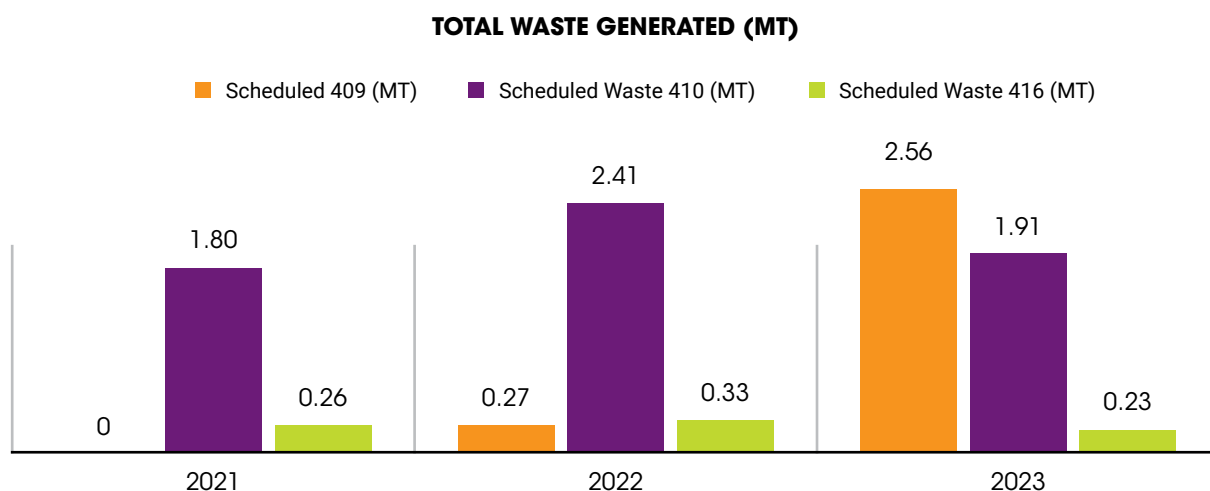
## SUSTAINABILITY STATEMENT (CONT'D)

### SUSTAINABILITY STRATEGY (CONT'D)

#### Management Approach for Material Matters (Cont'd)

##### Our approach and performance (Cont'd)

In FY 2023, we have generated a total of 4.70 MT of waste.



|                              | 2021 | 2022 | 2023 |
|------------------------------|------|------|------|
| Waste diverted from disposal | N/A  | N/A  | N/A  |
| Waste directed to disposal   | N/A  | N/A  | N/A  |

#### Related UNSDGs:



### Water Management

High water consumption can strain water resources and contribute to wastewater contamination, posing a threat to water quality. This issue can undermine ecosystem functions and impact local communities negatively. Hence, our commitment to reducing total water consumption involves actively promoting and implementing water-saving practices.

## SUSTAINABILITY STATEMENT (CONT'D)

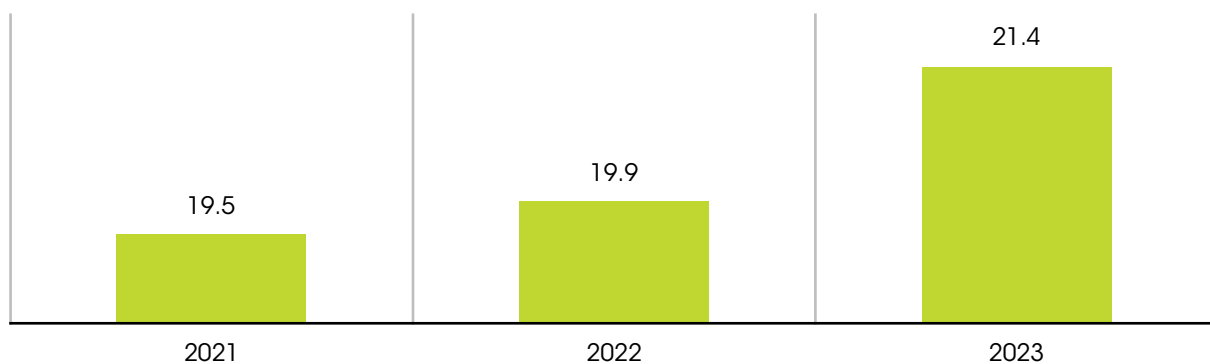
### SUSTAINABILITY STRATEGY (CONT'D)

#### Management Approach for Material Matters (Cont'd)

##### Our approach and performance

In FY 2023, the Company's average water consumption was 21,436 m<sup>3</sup> per year, equivalent to 21.4 megalitres.

#### TOTAL VOLUME OF WATER USED (MEGALITRES)



Recognising the importance of water conservation, we are committed to reducing our overall water consumption through the implementation of efficient water management measures. This includes the establishment of a rainwater harvesting system of 1,000 gallons and a detention pond of 2,672 m<sup>2</sup> in size. Furthermore, we employ the harvested rainwater for gardening purposes on our premises, cultivating plant varieties such as podocarpus macrophyllus, cow grass, and loropetalum. These proactive initiatives are aimed at positively contributing to the preservation of water resources and the safeguarding of local ecosystems and communities.



*Gardening initiatives at Mobilia's premise*

#### Related UNSDGs:



SUSTAINABILITY STATEMENT  
(CONT'D)

## PERFORMANCE DATA TABLE

| Indicator                                                                                                           | Measurement Unit   | 2021         | 2022        | 2023       |
|---------------------------------------------------------------------------------------------------------------------|--------------------|--------------|-------------|------------|
| <b>Bursa (Data privacy and security)</b>                                                                            |                    |              |             |            |
| Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data  | Number             | 0            | 0           | 0          |
| <b>Bursa (Supply chain management)</b>                                                                              |                    |              |             |            |
| Bursa C7(a) Proportion of spending on local suppliers                                                               | Percentage         | 90.06        | 91.90       | 82.86      |
| <b>Bursa (Anti-corruption)</b>                                                                                      |                    |              |             |            |
| Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category              |                    |              |             |            |
| Management                                                                                                          | Percentage         | -            | 1.68        | 1.68       |
| Executive                                                                                                           | Percentage         | -            | 13.43       | 13.22      |
| Non-executive/Technical Staff                                                                                       | Percentage         | -            | 10.31       | 9.86       |
| General Workers                                                                                                     | Percentage         | -            | 74.58       | 75.24      |
| Bursa C1(b) Percentage of operations assessed for corruption-related risks                                          | Percentage         | 100.00       | 100.00      | 100.00     |
| Bursa C1(c) Confirmed incidents of corruption and action taken                                                      | Number             | 0            | 0           | 0          |
| <b>Bursa (Health and safety)</b>                                                                                    |                    |              |             |            |
| Bursa C5(a) Number of work-related fatalities                                                                       | Number             | 0            | 0           | 0          |
| Bursa C5(b) Lost time incident rate ("LTIR")                                                                        | Rate               | 0.28         | 0.66        | 0.00       |
| Bursa C5(c) Number of employees trained on health and safety standards                                              | Number             | 164          | 278         | 335        |
| <b>Bursa (Labour practices and standards)</b>                                                                       |                    |              |             |            |
| Bursa C6(a) Total hours of training by employee category                                                            |                    |              |             |            |
| Management                                                                                                          | Hours              | 155          | 341         | 251        |
| Executive                                                                                                           | Hours              | 145          | 1,886       | 825        |
| Non-executive/Technical Staff                                                                                       | Hours              | 0            | 1,387       | 396        |
| General Workers                                                                                                     | Hours              | 0            | 9,998       | 2,597      |
| Bursa C6(b) Percentage of employees that are contractors or temporary staff                                         | Percentage         | 0.00         | 0.00        | 0.00       |
| Bursa C6(c) Total number of employee turnover by employee category                                                  |                    |              |             |            |
| Management                                                                                                          | Number             | 0            | 0           | 0          |
| Executive                                                                                                           | Number             | 15           | 15          | 15         |
| Non-executive/Technical Staff                                                                                       | Number             | 12           | 17          | 10         |
| General Workers                                                                                                     | Number             | 38           | 101         | 58         |
| Bursa C6(d) Number of substantiated complaints concerning human rights violations                                   | Number             | 0            | 0           | 0          |
| <b>Bursa (Diversity)</b>                                                                                            |                    |              |             |            |
| Bursa C3(a) Percentage of employees by gender and age group, for each employee category                             |                    |              |             |            |
| Age Group by Employee Category                                                                                      |                    |              |             |            |
| Management Under 30                                                                                                 | Percentage         | 14.00        | 14.00       | 14.00      |
| Management Between 30-50                                                                                            | Percentage         | 43.00        | 29.00       | 29.00      |
| Management Above 50                                                                                                 | Percentage         | 43.00        | 57.00       | 57.00      |
| Executive Under 30                                                                                                  | Percentage         | 38.00        | 27.00       | 27.00      |
| Executive Between 30-50                                                                                             | Percentage         | 55.00        | 61.00       | 60.00      |
| Executive Above 50                                                                                                  | Percentage         | 7.00         | 12.00       | 13.00      |
| Non-executive/Technical Staff Under 30                                                                              | Percentage         | 55.00        | 53.50       | 56.00      |
| Non-executive/Technical Staff Between 30-50                                                                         | Percentage         | 36.00        | 39.50       | 34.00      |
| Non-executive/Technical Staff Above 50                                                                              | Percentage         | 9.00         | 7.00        | 10.00      |
| General Workers Under 30                                                                                            | Percentage         | 52.10        | 42.80       | 46.00      |
| General Workers Between 30-50                                                                                       | Percentage         | 47.90        | 56.90       | 54.00      |
| General Workers Above 50                                                                                            | Percentage         | 0.00         | 0.30        | 0.00       |
| Gender Group by Employee Category                                                                                   |                    |              |             |            |
| Management Male                                                                                                     | Percentage         | 71.40        | 71.40       | 71.40      |
| Management Female                                                                                                   | Percentage         | 28.60        | 28.60       | 28.60      |
| Executive Male                                                                                                      | Percentage         | 63.60        | 67.90       | 63.60      |
| Executive Female                                                                                                    | Percentage         | 36.40        | 32.10       | 36.40      |
| Non-executive/Technical Staff Male                                                                                  | Percentage         | 71.40        | 74.40       | 73.20      |
| Non-executive/Technical Staff Female                                                                                | Percentage         | 28.60        | 25.60       | 26.80      |
| General Workers Male                                                                                                | Percentage         | 100.00       | 100.00      | 100.00     |
| General Workers Female                                                                                              | Percentage         | 0.00         | 0.00        | 0.00       |
| Bursa C3(b) Percentage of directors by gender and age group                                                         |                    |              |             |            |
| Male                                                                                                                | Percentage         | 60.00 *      | 50.00 *     | 50.00 *    |
| Female                                                                                                              | Percentage         | 40.00 *      | 50.00 *     | 50.00 *    |
| Under 30                                                                                                            | Percentage         | 0.00 *       | 0.00 *      | 0.00 *     |
| Between 30-50                                                                                                       | Percentage         | 40.00 *      | 50.00 *     | 33.00 *    |
| Above 50                                                                                                            | Percentage         | 60.00 *      | 50.00 *     | 67.00 *    |
| <b>Bursa (Community/Society)</b>                                                                                    |                    |              |             |            |
| Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer | MYR                | 26,240.00    | 119,000.00  | 134,500.00 |
| Bursa C2(b) Total number of beneficiaries of the investment in communities                                          | Number             | 4            | 6           | 10         |
| <b>Bursa (Energy management)</b>                                                                                    |                    |              |             |            |
| Internal assurance                                                                                                  | External assurance | No assurance | (*)Restated |            |



## SUSTAINABILITY STATEMENT (CONT'D)

### PERFORMANCE DATA TABLE (CONT'D)

| Indicator                              | Measurement Unit | 2021      | 2022      | 2023      |
|----------------------------------------|------------------|-----------|-----------|-----------|
| Bursa C4(a) Total energy consumption   | Megawatt         | 12,735.45 | 17,840.71 | 17,850.06 |
| <b>Bursa (Water)</b>                   |                  |           |           |           |
| Bursa C9(a) Total volume of water used | Megalitres       | 19.500000 | 19.900000 | 21.400000 |

Internal assurance External assurance No assurance

(\*)Restated

## SUSTAINABILITY STATEMENT (CONT'D)

### ASSURANCE STATEMENT

To bolster the credibility of our Sustainability Statement, specific sections have been subjected to the following:

- a) Internal Review by the Group's Management Internal Audit Team
- b) Independent Assurance in accordance with recognised standards for selected indicators and has been approved by the Group's Audit and Risk Management Committee

The Scope, Subject Matter(s) covered, and Conclusion (where applicable) are provided below:

| Type of Assurance                                 | Material Matters                  | Subject Matter                                                                                         | Scope                         | Conclusion                                                                                                                                                                                                                                                                                                                                     |
|---------------------------------------------------|-----------------------------------|--------------------------------------------------------------------------------------------------------|-------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Review by Independent Assurance Auditor           | Climate Change                    | Total energy consumption                                                                               | Operations assessed: Malaysia | Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter as presented in Mobilia's Sustainability Statement 2023 have not been prepared and presented fairly, in all material respects, in accordance with the Criteria defined below. |
|                                                   |                                   | Scope 1 emissions in tonnes of CO <sub>2</sub> e                                                       |                               |                                                                                                                                                                                                                                                                                                                                                |
|                                                   |                                   | Scope 2 emissions in tonnes of CO <sub>2</sub> e                                                       |                               |                                                                                                                                                                                                                                                                                                                                                |
|                                                   |                                   | Scope 3 emissions in tonnes of CO <sub>2</sub> e                                                       |                               |                                                                                                                                                                                                                                                                                                                                                |
| Internal Review by Management Internal Audit Team | Economic Performance              | Direct economic value generated and distributed                                                        | Operations assessed: Malaysia | Currently in review by the management team.                                                                                                                                                                                                                                                                                                    |
|                                                   | Anti-corruption                   | Percentage of employees who have received training on anti-corruption by employee category             |                               |                                                                                                                                                                                                                                                                                                                                                |
|                                                   |                                   | Percentage of operations assessed for corruption-related risk                                          |                               |                                                                                                                                                                                                                                                                                                                                                |
|                                                   |                                   | Confirmed incidents of corruption and action taken                                                     |                               |                                                                                                                                                                                                                                                                                                                                                |
|                                                   | Cybersecurity and Data Protection | Number of substantiated complaints concerning breaches of customer privacy and losses of customer data |                               |                                                                                                                                                                                                                                                                                                                                                |
|                                                   | Employee Management               | Total hours of training by employee category                                                           |                               |                                                                                                                                                                                                                                                                                                                                                |
|                                                   |                                   | Total number of employee turnover by employee category                                                 |                               |                                                                                                                                                                                                                                                                                                                                                |

Please refer to the following page for the Independent Limited Assurance Statement provided by ASAP Advisory PLT.

## SUSTAINABILITY STATEMENT (CONT'D)

### ASSURANCE STATEMENT (CONT'D)

Moving forward, we are committed to enhancing the accuracy and quality of our data to bolster our disclosures. We aim to achieve this by subjecting all indicators to independent assurance over the next five years. This proactive approach underscores our dedication to transparency and accountability in our sustainability reporting practices.

*\*Note: In preparing the Subject Matter mentioned above, Mobilia applied the following criteria:*

- IFRS Foundations - International Integrated Reporting Framework and Integrated Thinking Principles
- Task Force on Climate related Financial Disclosures ("TCFD")
- Mobilia's relevant policies and procedures

### INDEPENDENT LIMITED ASSURANCE STATEMENT

#### Independent Limited Assurance Statement

Independent Limited Assurance Statement to the Directors of Mobilia Holdings Berhad on Sustainability Metrics within the Sustainability Report 2023.

#### Our Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter as presented in Mobilia's Sustainability Statement 2023 have not been prepared and presented fairly, in all material respects, in accordance with the Criteria defined below.

#### Scope of Work

ASAP Advisory PLT ("ASAP" or "we") was engaged by Mobilia Holdings Berhad ("Mobilia") to perform a 'limited assurance engagement,' as defined by the International Standard on Assurance Engagements ("ISAE") 3000 Revised, Assurance Engagement other than Audits or Review of Historical Financial Information, on selected subject matters ("Subject Matter") included in Mobilia's 2023 Sustainability Statement ("SS2023") for the financial year ended 31st December 2023.

#### Subject Matter

Our limited assurance engagement was performed for the Subject Matter listed in the table below, as presented in the SS2023:

| Material Matters | Subject Matter                                   | Scope                            |
|------------------|--------------------------------------------------|----------------------------------|
| Climate Change   | Total energy consumption                         | Operations assessed:<br>Malaysia |
|                  | Scope 1 emissions in tonnes of CO <sub>2</sub> e |                                  |
|                  | Scope 2 emissions in tonnes of CO <sub>2</sub> e |                                  |
|                  | Scope 3 emissions in tonnes of CO <sub>2</sub> e |                                  |

The scope of our work was limited to the Subject Matter presented in the SS2023 and did not include coverage of data sets or information unrelated to the data and information underlying the Subject Matter and related disclosures; nor did it include information reported outside of the SS2023, comparisons against historical data, or management's forward-looking statements.

## SUSTAINABILITY STATEMENT (CONT'D)

### INDEPENDENT LIMITED ASSURANCE STATEMENT (CONT'D)

#### *Criteria applied by Mobilia*

In preparing the Subject Matter mentioned above, Mobilia applied the following criteria:

- IFRS Foundations - International Integrated Reporting Framework and Integrated Thinking Principles Task Force on Climate related Financial Disclosures ("TCFD")
- Mobilia's relevant policies and procedures

#### *Mobilia's Responsibilities*

Mobilia's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records, and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

#### *ASAP's responsibilities*

Our responsibility is to express our conclusion on whether anything has come to our attention that causes us to believe that the Subject Matter and related disclosures as presented in the SS2023 are not prepared, in all material respects, in accordance with the Criteria.

We have performed our limited assurance engagement in accordance with the terms of reference for this engagement agreed with Mobilia, including performing the engagement in accordance with the ISAE 3000, issued by the International Auditing and Assurance Standards Board. This Standard requires that we plan and perform our engagement to obtain limited assurance about whether the Subject Matter and related disclosures as presented in the SS2023 are free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3000 involves assessing the suitability in the circumstances of Mobilia's use of the criteria specified as the basis of preparation used for the selected Subject Matter and related disclosures presented in the SS2023, assessing the risks of material misstatement thereof, whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Subject Matter and related disclosures in the SS2024. We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

#### *Our Independence and Quality Control*

This assurance has been conducted at a limited level according to International Professional Practices Framework ("IPPF"), the IIA2, at a minimum the internal audit function should provide the following assurance over ESG reporting;

- 1) Review reporting metrics for relevancy, accuracy, timeliness and consistency;
- 2) Review reporting for consistency with formal financial disclosure filings;
- 3) Conduct materiality or risk assessments on ESG reporting;

including the Principles contained within the International Integrated Reporting Council ("IIRC"), Task Force on Climate related Financial Disclosures ("TCFD").

#### *Statement of Independence and Competence*

ASAP provides a range of services, including internal audit, internal control review, risk management, and environmental, social, and ethical auditing and training. Additionally, we offer assurance services for environmental, social, sustainability, and ESG reports.

## SUSTAINABILITY STATEMENT (CONT'D)

### INDEPENDENT LIMITED ASSURANCE STATEMENT (CONT'D)

We affirm our independence from Mobilia, ensuring freedom from bias and conflicts of interest with the organisation, its subsidiaries, and stakeholders. The assurance team was carefully assembled based on their knowledge, experience, and qualifications for this assignment. The team members included:

|                         |              |
|-------------------------|--------------|
| Ong Tian Soon (Charlie) | Lead Auditor |
| Koh Chee Keng           | Auditor      |

#### *Description of Procedures Performed*

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Gaining an understanding of Mobilia's business, internal processes and approach to sustainability
- Conducting interviews with key personnel and collating evidence to understand Mobilia's process for reporting performance indicators and disclosures, including inquiring regarding risks of misstatement and quality controls to address risks
- Conducting limited assurance procedures over the selected Subject Matter and disclosures, including:
  - Undertaking analytical procedures to support the reasonableness of the data
  - Checking that the calculation Criteria have been applied as per the methodologies for the Subject Matter within the Statement
  - Identifying and testing assumptions supporting calculations
  - Testing, on a sample basis, underlying source information to check accuracy of the data
  - Performing recalculations of performance indicators using input data
  - Checking that measurements made at the end of the reporting period are timely entered in the records and the sustainability statement
  - Obtaining appropriate representations from management, in the form of a management representation letter addressed to us to confirm that the management believes that it has fulfilled its responsibilities

We also performed such other procedures as we considered necessary in the circumstances.

#### *Inherent Limitations*

Inherent limitations of assurance engagements include use of judgement and selective testing of data, which means that it is possible that fraud, error or non-compliance may occur and not be detected in the course of performing the engagement. Accordingly, there is some risk that a material misstatement may remain undetected. Further, our limited assurance engagement is not designed to detect fraud or error that is immaterial.

## SUSTAINABILITY STATEMENT (CONT'D)

### INDEPENDENT LIMITED ASSURANCE STATEMENT (CONT'D)

#### *Inherent Limitations (Cont'd)*

There are additional inherent risks associated with assurance engagements performed for non-financial information given the characteristics of the subject matter and associated with the compilation of source data using definitions and methods for determining, calculating, and estimating such information that are developed internally by management. The absence of a significant body of established practice on which to draw, allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. The precision of different measurement techniques may also vary. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgements. In particular, where the information relies on factors derived by independent third parties, our assurance work has not included examination of the derivation of those factors and other third-party information.

#### *Other Matters*

Information relating to prior reporting periods has not been subject to assurance procedures. Our report does not extend to any disclosures or assertions relating to future performance plans and/or strategies disclosed in the SS2023. The maintenance and integrity of Mobilia's website is the responsibility of Mobilia's management. Our procedures did not involve consideration of these matters and, accordingly we accept no responsibility for any changes to the Subject Matter and related disclosures, the SS2023 or to our independent limited assurance report that may have occurred since the initial date of presentation on the Mobilia's website.

#### *Restriction of use*

Our work has been undertaken to enable us to express a limited assurance conclusion on the matters stated above in our report provided to the directors of Mobilia in accordance with the terms of our engagement, and for no other purpose.

Our report is intended solely for the directors of Mobilia and should not be used by any other parties. To the fullest extent permitted by the law, we do not accept or assume liability to any party other than the directors of Mobilia, for our work, for this report, or for the conclusion we have reached.

We agree to the publication of this assurance report in Mobilia's SS2023 for the financial year ended 31st December 2023, provided it is clearly understood by recipients of the SS2023 that they enjoy such receipt for information only and that we accept no duty of care to them whatsoever in respect of this report.

**ASAP Advisory PLT**  
201804000474 (LLP0014854-LGN)

Johor Bahru, Malaysia  
28 February 2024

### LOOKING FORWARD

Mobilia is dedicated to fulfilling its duties as a publicly listed company, placing transparency and integrity at the forefront of every aspect of our business. Our Sustainability Statement serves as a fundamental document for engaging with stakeholders, offering valuable insights into our sustainability endeavours. In alignment with this dedication, we have implemented robust policies such as the Anti-Bribery and Corruption Policy and Whistleblowing Policy. We maintain a firm stance against fraudulent behaviour, bribery, corruption, money laundering, and insider trading, showcasing our unwavering commitment to ethical conduct. Through the adherence to these fundamental values and principles, we strive to foster trust and assurance among our stakeholders, while upholding our obligations as a responsible corporate entity.

Looking forward, our management remains resolute in enhancing our capabilities to better cater to customer needs and champion sustainable practices across our operations. Our sustained emphasis on sustainability builds upon the strides we have taken in diminishing our environmental impact and engaging stakeholders on social and ethical matters. Through these continual endeavours, we are dedicated to generating enduring value for all stakeholders, while making positive contributions to society and the environment.

## SUSTAINABILITY STATEMENT (CONT'D)

### RELATIONSHIP WITH UNSDGs

| Sustainable Development Goals                                                                                                 | Main Activity                            | Detailed Information                                                                     |
|-------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|------------------------------------------------------------------------------------------|
|  1 NO POVERTY                                | No Poverty                               | Providing equal work opportunities                                                       |
|  2 ZERO HUNGER                               | Zero Hunger                              | –                                                                                        |
|  3 GOOD HEALTH AND WELL-BEING                | Good Health and Well-being               | Safe working environment                                                                 |
|  4 QUALITY EDUCATION                        | Quality Education                        | Training and development for employees, as well as investing in educational institutions |
|  5 GENDER EQUALITY                         | Gender Equality                          | Employment policy of no discrimination                                                   |
|  6 CLEAN WATER AND SANITATION              | Clean Water and Sanitation               | Promoting water conservation                                                             |
|  7 AFFORDABLE AND CLEAN ENERGY             | Affordable and Clean Energy              | Investing in solar lights and EV charging stations                                       |
|  8 DECENT WORK AND ECONOMIC GROWTH         | Decent Work and Economic Growth          | Good management                                                                          |
|  9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | Industry, Innovation, and Infrastructure | Fostering innovation and adopting new technologies                                       |
|  10 REDUCED INEQUALITIES                   | Reducing Inequality                      | Employment policy of no discrimination                                                   |
|  11 SUSTAINABLE CITIES AND COMMUNITIES     | Sustainable Cities and Communities       | Installation of solar lights                                                             |



## SUSTAINABILITY STATEMENT (CONT'D)

### RELATIONSHIP WITH UNSDGS (CONT'D)

| Sustainable Development Goals                                                       | Main Activity                           | Detailed Information                                                                                                                  |
|-------------------------------------------------------------------------------------|-----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|
|    | Responsible Consumption and Production  | Promise to deliver safe and quality products <ul style="list-style-type: none"> <li>Marketplace</li> <li>Environment</li> </ul>       |
|    | Climate Action                          | Reduce CO <sub>2</sub> emission <ul style="list-style-type: none"> <li>Environment</li> </ul>                                         |
|    | Life Below Water                        | —                                                                                                                                     |
|   | Life On Land                            | Gardening with rainwater harvested <ul style="list-style-type: none"> <li>Environment</li> </ul>                                      |
|  | Peace, Justice, and Strong Institutions | Anti-corruption, cybersecurity and data protection <ul style="list-style-type: none"> <li>Marketplace</li> <li>Environment</li> </ul> |
|  | Partnerships for the Goals              | Sustainability report initiative <ul style="list-style-type: none"> <li>Looking Forward</li> </ul>                                    |

## SUSTAINABILITY STATEMENT (CONT'D)

### TCFD-ALIGNED DISCLOSURES

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

| TCFD Recommendation                                                                                                                                                                                          | Mobilia Disclosure                                                                                                                                                                                       | Reference                                                                                                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|
| <b>Governance – Disclose the organisation's governance around climate-related risks and opportunities</b>                                                                                                    |                                                                                                                                                                                                          |                                                                                                                    |
| a) Describe the Board's oversight of climate-related risks and opportunities                                                                                                                                 | <ul style="list-style-type: none"> <li>Risk management Board skills and experience – climate change</li> <li>Sustainability Committee – role and focus</li> </ul>                                        | <ul style="list-style-type: none"> <li>Chairman Statement</li> <li>Governance</li> </ul>                           |
| b) Describe management's role in assessing and managing climate-related risks and opportunities.                                                                                                             | <ul style="list-style-type: none"> <li>Risk management Climate change – managing risk and opportunity</li> <li>Sustainability Committee – role and focus FY 2023</li> </ul>                              | <ul style="list-style-type: none"> <li>Governance</li> <li>Supply Chain Management</li> <li>Environment</li> </ul> |
| <b>Strategy – Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material</b> |                                                                                                                                                                                                          |                                                                                                                    |
| a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.                                                                               | <ul style="list-style-type: none"> <li>Risk management – Risk factors (climate change, greenhouse gas emissions and energy)</li> <li>Climate change – managing risk and opportunity</li> </ul>           | <ul style="list-style-type: none"> <li>Materiality Matrix</li> </ul>                                               |
| b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.                                                                        | <ul style="list-style-type: none"> <li>Risk management – Risk factors (climate change, greenhouse gas emissions and energy)</li> <li>Climate change – managing risk and opportunity</li> </ul>           | <ul style="list-style-type: none"> <li>Materiality Matrix</li> </ul>                                               |
| c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario                                                  | <ul style="list-style-type: none"> <li>Climate change – evaluating the resilience of our portfolio</li> </ul>                                                                                            | <ul style="list-style-type: none"> <li>Energy Management &amp; Emissions</li> </ul>                                |
| <b>Risk management – Disclose how the organisation identifies, assesses, and manages climate-related risks</b>                                                                                               |                                                                                                                                                                                                          |                                                                                                                    |
| a) Describe the organisation's processes for identifying and assessing climate-related risks.                                                                                                                | <ul style="list-style-type: none"> <li>Risk management</li> </ul>                                                                                                                                        | <ul style="list-style-type: none"> <li>Materiality Matrix</li> </ul>                                               |
| b) Describe the organisation's processes for managing climate-related risks.                                                                                                                                 | <ul style="list-style-type: none"> <li>Risk management – Risk factors (climate change, greenhouse gas emissions and energy)</li> </ul>                                                                   | <ul style="list-style-type: none"> <li>Materiality Matrix</li> <li>Energy Management &amp; Emissions</li> </ul>    |
| c) Describe how processes for identifying, assessing, and managing climate related risks are integrated into the organisation's overall risk management.                                                     | <ul style="list-style-type: none"> <li>Risk management non-financial KPIs – sustainability KPIs</li> <li>Risk management – Risk factors (climate change, greenhouse gas emissions and energy)</li> </ul> | <ul style="list-style-type: none"> <li>Materiality Matrix</li> <li>Energy Management &amp; Emissions</li> </ul>    |

## SUSTAINABILITY STATEMENT (CONT'D)

### TCFD-ALIGNED DISCLOSURES (CONT'D)

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

| TCFD Recommendation                                                                                                                                                         | Mobilia Disclosure                                                                                                                                                                                                                 | Reference                                                                           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| <b>Metrics and targets – Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material</b> |                                                                                                                                                                                                                                    |                                                                                     |
| a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.                   | <ul style="list-style-type: none"> <li>Non-financial KPIs – sustainability</li> <li>KPIs Climate change – Operational emissions</li> <li>Climate change – Scope 3 emissions</li> </ul>                                             | <ul style="list-style-type: none"> <li>Energy Management &amp; Emissions</li> </ul> |
| b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.                                                           | <ul style="list-style-type: none"> <li>Non-financial KPIs – sustainability KPIs</li> <li>Climate change – operational emissions performance</li> <li>Climate change – Scope 3 emissions performance Climate change data</li> </ul> | <ul style="list-style-type: none"> <li>Energy Management &amp; Emissions</li> </ul> |
| c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.                                         | <ul style="list-style-type: none"> <li>Non-financial KPIs – sustainability KPIs</li> <li>Climate change – operational emissions performance FY2023 performance outcomes</li> </ul>                                                 | <ul style="list-style-type: none"> <li>Energy Management &amp; Emissions</li> </ul> |

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

Pursuant to Paragraph 15.25 of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and Practice Note 9 of Listing Requirements of Bursa Securities, the Board is pleased to present this Corporate Governance ("CG") Overview Statement to provide shareholders and investors with an overview of the CG practices of the Group during the financial year ended 31 December 2023. This statement is to be read together with the Group's Corporate Governance Report 2023 which is available on the corporate website at [www.mobiliainternational.com](http://www.mobiliainternational.com).

This CG Overview Statement takes guidance from the three key principles as set out in the Malaysian Code on Corporate Governance issued on 28 April 2021 ("MCCG"), namely Board Leadership and Effectiveness, Effective Audit and Risk Management and Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### I. Board's Roles and Responsibilities

The Group recognises the important role played by the Board in the stewardship of the Group's direction and operations, and ultimately, the enhancement of long-term shareholders' value. To fulfil this role, the Board is responsible for the overall corporate governance of the Group, including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

The Board has adopted a Board Charter to clearly delineate the roles of the Board, Board Committees and Management in order to provide a structured guidance for Directors and Management regarding their responsibilities of the Board, its Committees and Management, including the requirements of Directors in carrying out their stewardship role and in discharging their duties towards the Group as well as boardroom activities.

The salient features of the Board Charter are also accessible by the public through the corporate website at [www.mobiliainternational.com](http://www.mobiliainternational.com). The Board shall review the Board Charter periodically so as to ensure consistency with the prevailing regulations, Listing Requirements of Bursa Securities and the MCCG.

Various committees were established to assist the Board in discharging its duties and responsibilities effectively, namely Audit and Risk Management Committee ("ARMC"), Remuneration Committee ("RC") and Nominating Committee ("NC").

To ensure balance, accountability and a greater capacity for independent decision-making, the roles of the Board Chairman and the Managing Director ("MD") are distinct and separated with a clear division of responsibilities between the Board Chairman and the MD.

The Board Chairman upholds the highest standards of integrity and provides coherent leadership in representing the Company's vision and mission, while the MD is responsible for developing the Group's objectives and strategies for approval by the Board having regard to the Group's responsibilities to its various stakeholders. The role of the Executive Directors is to act as a steering committee and to collaborate with the Management in articulating the Group's vision, mission, values and strategies; while the Management team are responsible for the implementation of the strategies and manage the day-to-day running of the business in line with the Company's goals and policies.

The Independent Non-Executive Directors act independently of management and do not participate in any business dealings. They provide a broader view and independent assessment to the Board's decision-making process by acting as an effective check and balance.

The Company Secretaries have the requisite credentials and is suitably qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016. The Company Secretaries play a significant role in supporting the Board to ensure that all governance matters and Board procedures are followed and that the applicable laws and regulations and the MCCG are complied with. These include obligations of Directors relating to disclosure of interests and disclosure of any conflicts of interest in transaction within the Group.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

#### I. Board's Roles and Responsibilities (Cont'd)

The Company Secretaries organise and attend all Board and Board Committees meetings. Meeting notice and agenda will be circulated to all Directors at least 7 days in advance. All pertinent issues discussed at Board meetings in arriving at the decisions and conclusions are properly recorded by the Company Secretaries by way of minutes of meetings and circulated to Board accordingly.

The Board and Board committees met five times during the FYE 2023, where it deliberated upon and considered a variety of matters including the Group's financial results, major investments and strategic decisions and the business plan and direction of the Group.

The members of the Board and Board Committees have fulfilled their roles and responsibilities in the FYE 2023, through their attendance at the meetings of the Company as set out in the table below: -

|                                                     | Board | ARMC | NC  | RC  |
|-----------------------------------------------------|-------|------|-----|-----|
| <b>Executive Directors</b>                          |       |      |     |     |
| Quek Wee Seng <sup>(1)</sup><br>(Managing Director) | 5/5   | –    | 2/2 | –   |
| Quek Wee Seong<br>(Executive Director)              | 5/5   | –    | –   | –   |
| <b>Alternate Director</b>                           |       |      |     |     |
| Quek Yan Song                                       | 5/5   | –    | –   | –   |
| <b>Independent Non-Executive Directors</b>          |       |      |     |     |
| Datin Siah Li Mei<br>(Chairman)                     | 5/5   | –    | –   | –   |
| Tajul Arifin Bin Mohd Tahir                         | 5/5   | 5/5  | 2/2 | 2/2 |
| Lim See Tow <sup>(2)</sup>                          | 5/5   | 5/5  | 0/0 | 2/2 |
| Yap Ee Ling                                         | 4/5   | 4/5  | 2/2 | 1/2 |

Note:

1. Mr Quek Wee Seng ceased to be a committee member of NC on 25 August 2023.
2. Ms Lim See Tow has been appointed as a committee member of NC on 25 August 2023.

#### Code of Conduct and Ethics

The Board has adopted a Code of Conduct and Ethics ("**the Code**") for Directors and employees towards their customers, business partners, communities and shareholders. The Management and employees are expected to observe high standards of integrity and fair dealing in carrying out day-to-day duties and operation of the Group.

The Code is accessible through the corporate website at [www.mobiliainternational.com](http://www.mobiliainternational.com) and it will be reviewed periodically to remain relevant and appropriate.

#### Anti-bribery and Corruption Policy

The Group has adopted a zero-tolerance approach to bribery and corruption and the Anti-Bribery and Corruption Policy was established to provide guidance on how to recognise and deal with bribery and corruption issues to ensure the Group's businesses are conducted in honest, ethical and transparent manner. This policy is accessible through the corporate website at [www.mobiliainternational.com](http://www.mobiliainternational.com).

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

#### I. Board's Roles and Responsibilities (Cont'd)

##### Whistle Blowing Policy

The Group has in place a Whistleblowing Policy to eradicate unethical behaviour in the workplace, and as an avenue for any person to raise concerns in good faith without fear of reprisal. It is available for download from the corporate website at [www.mobiliainternational.com](http://www.mobiliainternational.com).

##### Governing Sustainability

The Board of the Company has taken steps to integrate sustainability issues as core of its strategic formulation. The Board is supported by the Management Support Team, which enables the Board to assess and ensure that sustainability governance is structured and functioning through the various level of management. The Board noted that the Company has adopted materiality assessment process, which is guided by Bursa Securities' Sustainability Reporting Guide and Toolkits and ensure that the stakeholder communication methods are regularly assessed, through information requests to ensure that the communication are transparent and effective.

The Group Risk Management Framework set out the approach to the identification, analysing, responding, monitoring, and reporting of risks. The Board will then regularly review performance against the risk tolerance limits. The Board is briefed by the Risk Management Committee on the risk highlighted and ensure that the Management has put in place actions to mitigate risks and controls to maintain the risk exposure within the acceptable levels as approved by Board.

The Sustainability Statement attached in this report provides an overview of our sustainability performance, our endeavours and commitment as well as the overall impact to the economic, environment and social.

##### Directors' Fit and Proper Policy

The Group has in place a Directors' Fit and Proper Policy to ensure that Directors possess the character, integrity, relevant range of skills, knowledge, experience, competence and time commitment to carry out their roles and responsibilities effectively in the best interest of the Company and its stakeholders. The Directors' Fit and Proper Policy is available on the corporate website at [www.mobiliainternational.com](http://www.mobiliainternational.com).

#### II. Board Composition

The composition of the Board is in compliance with the MMLR and the MCCG, whereby four out of six Directors are Independent Non-Executive Directors, accounting for 66.67% of the Board composition. In addition, the Board currently has three female Independent Non-Executive Directors, representing 50% of the Board, which meets the gender equality principles as set out in the MCCG.

The appointment of Directors and Key Management is based on objective criteria, merit and besides gender diversity, due regard is placed for diversity in skills, experience, age and cultural background. Collectively, the existing Board composition brings a wide range of business and financial experience from legal, business administration, corporate investor and advisory services, accounting and finance background relevant to the direction of the Group.

The NC conducts an annual review of its size and composition, mix of skills, experience, assessment of Independent Directors and succession plans; as well as the annual assessment of the effectiveness of the Board as a whole, its Committees and the performance, commitment, ability and contribution of each individual Director. The Board was satisfied and believes that the current composition of the Board brings the requisite mix of skills and core competencies required for the Board to discharge its duties effectively.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

#### II. Board Composition (Cont'd)

During the financial year under review and up to the date of this report, the Directors attended the following trainings programmes to ensure that they keep abreast of various issues faced in the challenging business environment which the Group operates in.

| Directors                   | Courses / Training Programmes Attended                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Datin Siah Li Mei           | <ul style="list-style-type: none"> <li>Sustainability Report Awareness</li> <li>Sustainability Report – Sustainable Development Goals (SDGs)</li> <li>Sustainability Report – ESG Risk Assessment (Part I and II)</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Quek Wee Seng               | <ul style="list-style-type: none"> <li>Sustainability Report Awareness</li> <li>Sustainability Report – Sustainable Development Goals (SDGs)</li> <li>Sustainability Report – ESG Risk Assessment (Part I and II)</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Quek Wee Seong              | <ul style="list-style-type: none"> <li>Sustainability Report Awareness</li> <li>Sustainability Report – Sustainable Development Goals (SDGs)</li> <li>Sustainability Report – ESG Risk Assessment (Part I and II)</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Tajul Arifin Bin Mohd Tahir | <ul style="list-style-type: none"> <li>Sustainability Report Awareness</li> <li>Sustainability Report – Sustainable Development Goals (SDGs)</li> <li>Sustainability Report – ESG Risk Assessment (Part I and II)</li> <li>Bursa Malaysia Immersive Session: The Board “Agender”</li> <li>AOB’S Conversation with Audit Committees</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Lim See Tow                 | <ul style="list-style-type: none"> <li>Anti Corruption Law in Malaysia</li> <li>Setting ESG at the Forefront</li> <li>Sustainability Report – ESG Risk Assessment</li> <li>Conflict of Interest and Governance of Conflict of Interest</li> <li>The Cooler Earth Sustainability</li> <li>Management of Cyber Risk</li> <li>Corporate and Commercial Law</li> <li>AOB’s Conversation with Audit Committees</li> <li>Growth &amp; Exit Strategies</li> <li>MAEP II</li> <li>Anti-Bribery and Corruption Awareness</li> </ul>                                                                                                                                                                                                                                                                                                                                                                    |
| Yap Ee Ling                 | <ul style="list-style-type: none"> <li>Top In Tech – Setting ESG at the Forefront</li> <li>Sustainability Report Awareness</li> <li>Sustainability Report – Sustainable Development Goals</li> <li>Sustainability Report – ESG Risk Assessment (Part I and II)</li> <li>Issues And Development to Companies Act 2016</li> <li>AOB’s Conversation with Audit Committees: AOB’s Oversight of Auditors of Public Listed Companies and Impact of Climate Change on Financial Statements</li> <li>Bar Council Corporate and Commercial Law Committee Conference: Environmental, Social, And Governance (ESG) - Opportunities, Pitfalls, And Challenges</li> <li>Bar Council Corporate and Commercial Law Committee Conference: Transnational Contracts: Conflicts of Laws Key Issues of Commercial Law In Transnational Contracts: The Neglected Dimension In Private International Law</li> </ul> |
| Quek Yan Song               | <ul style="list-style-type: none"> <li>Sustainability Report Awareness</li> <li>Sustainability Report – Sustainable Development Goals (SDGs)</li> <li>Sustainability Report – ESG Risk Assessment (Part I and II)</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

#### III. RC

The Board has in place a remuneration policy which aims to attract and retain Directors and Key Management in pursuing good corporate governance and hence ensuring sustainability of the Group.

The RC evaluates the remuneration package of Executive Directors and recommends for the Board's approval. Non-Executive Directors' fees are determined by the Board as a whole with the Directors concerned abstaining from deliberations and voting on decisions in respect of his/her fee. Directors who are shareholders are abstained from voting at Annual General Meeting ("AGM") to approve their fees.

For the FYE 2023, a summary remuneration of the Directors as set out below:

Directors' remuneration and material benefits in-kind

|                                | Salaries | Director Fees | Bonus/<br>Ex gratia<br>payment | EPF,<br>SOCSO<br>and EIS | Allowances<br>and<br>Benefits-<br>in-kind | Total  |
|--------------------------------|----------|---------------|--------------------------------|--------------------------|-------------------------------------------|--------|
| FYE 2023                       | RM'000   | RM'000        | RM'000                         | RM'000                   | RM'000                                    | RM'000 |
| <b>Executive Directors</b>     |          |               |                                |                          |                                           |        |
| Quek Wee Seng                  | 312.0    | –             | 187.5                          | 61.1                     | 31.5                                      | 592.1  |
| Quek Wee Seong                 | 306.0    | –             | 107.1                          | 50.7                     | 31.5                                      | 495.3  |
| <b>Non-Executive Directors</b> |          |               |                                |                          |                                           |        |
| Datin Siah Li Mei              | –        | 45.6          | –                              | –                        | 3.5                                       | 49.1   |
| Tajul Arifin bin Mohd Tahir    | –        | 45.6          | –                              | –                        | 3.5                                       | 49.1   |
| Lim See Tow                    | –        | 45.6          | –                              | –                        | 3.5                                       | 49.1   |
| Yap Ee Ling                    | –        | 45.6          | –                              | –                        | 2.8                                       | 48.4   |

#### Key Management's remuneration and benefits

The Board is in the opinion that it is not in the best interest of the Company to make such disclosure on the remuneration of the Key Management personnel due to the confidentiality and sensitivity of their remuneration package, and concerns over potential poaching by competitors and head hunters.

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

#### I. ARMC

The ARMC comprises of three Independent Non-Executive Directors and is chaired by an Independent Non-Executive Director, Ms Lim See Tow. She is a member of MIA and is in compliance with the Paragraph 15.09(1)(c) (i) of the Listing Requirements of Bursa Securities. The position of the Board Chairman and ARMC Chairman are held by different individuals, allowing the Board to objectively review the ARMC's findings and recommendations.

To assist the Board in reviewing the financial information and to ensure compliance with applicable financial reporting standards, all the ARMC members continuously undertake professional development to keep abreast of relevant developments in accounting and auditing standards, practices and rules.

Details of activities carried out by ARMC are disclosed on page 73 of this Annual Report.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

#### II. Risk Management and Internal Control

The Board fulfils its responsibilities in the risk governance and oversight functions through its ARMC in assessing and monitoring the efficacy of the risk management controls and measures taken, and the adequacy and effectiveness of the internal controls through internal audit function.

On-going reviews are performed by the Key Management on a yearly basis to identify, evaluate, monitor and manage significant risks affecting the business and ensure that adequate and effective controls are in place. Meanwhile, the Group's internal audit function is outsourced to an independent professional service provider to provide an independent appraisal over the system of internal control of the Group and reported to the ARMC.

The Board is of the view that the risk management and internal control systems that are in place is adequate and effective to safeguard shareholders' investment and the Group's assets, and the interest of customers, employees and other stakeholders. The details of the Risk Management and Internal Control framework and activities are set out in the Statement on Risk Management and Internal Control of this Annual Report.

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

#### I. Communication with Stakeholders

The Company recognises the importance of communicating with its shareholders through Annual Report, AGM, press conferences and announcements via Bursa Securities would enable comprehensive, timely and accurate disclosures of material information to the regulators, shareholders and other stakeholders.

The Alternate Director to MD is the designated spokesperson for all matters relating to the Group and dedicated personnel are tasked to prepare and verify material information for timely disclosure upon approval by the Board.

The Company has set up a website to facilitate dialogue with its investors and shareholders with the intention of giving investors and shareholders a clear and complete picture of the Company's performance and position, its policies on governance, the environment and social responsibilities. Investors and shareholders are welcomed to direct their concerns and queries to the designated person via call or email as stated in the corporate website.

An Investor Relations and Corporate Disclosure Policy was established to promote effective engagement, fair and accurate information disclosure to employees, stakeholders and the general public.

The Board will consistently consider various approaches to develop a strategic corporate reporting that presents a balanced assessment of the Group's position and prospects in various financial and non-financial information to shareholders, investors and regulatory authorities.

#### II. Conduct of General Meeting

The AGM provides a principal forum for dialogue and interaction between the Board and its shareholders and investors. The Company dispatched its Notice of AGM to shareholders at least twenty-eight days before the AGM. This will provide the shareholders sufficient time to consider the resolutions and make necessary arrangement to attend and participate either in person, by corporate representative, by proxy or by attorney.

## **CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)**

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

#### **II. Conduct of General Meeting (Cont'd)**

The Company always ensure that its meeting is held at an accessible location but not in remote areas in order to encourage shareholders to attend and participate in the meeting. The Board Chairman and Committee members including the ARMC, RC, NC, the external auditors, and other advisers (where applicable) of the Company would commit themselves to be present at the AGM. The shareholders are encouraged to raise their questions during the Question & Answer ("Q&A") session in the AGM with regards to the Group's activities and prospects as well as to communicate their expectations and concerns.

The Company always makes sure that its meeting is held at an accessible location but not in remote areas in order to encourage shareholders to attend and participate in the meeting. Due to the relatively small size of shareholder base of the Company, the Board is of the view that there is no immediate necessity for the Company to adopt technology to facilitate electronic poll voting and remote shareholder participation at this juncture.

### **COMPLIANCE STATEMENT**

The Board believes that the Company has adopted the principles and recommendations of the MCCG in all material aspects, save as disclosed therein, for the FYE 2023.

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

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

## 1. COMPOSITION AND ATTENDANCE

The Audit and Risk Management Committee ("ARMC") comprises three (3) members who are Independent Non-Executive Directors of our Company. The current composition of ARMC meets the requirement of Paragraphs 15.09 and 15.10 of Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") as well as Practice Note 9.4 of the Malaysian Code Corporate Governance issued on 28 April 2021 ("MCCG").

The ARMC held five meetings during the financial year ended 31 December 2023. The members of the ARMC and the record of attendance are as follows:

| Name                                                                | Designation | Attendance |
|---------------------------------------------------------------------|-------------|------------|
| Lim See Tow<br>(Independent Non-executive Director)                 | Chairman    | 5/5        |
| Tajul Arifin Bin Mohd Tahir<br>(Independent Non-executive Director) | Member      | 5/5        |
| Yap Ee Ling<br>(Independent Non-executive Director)                 | Member      | 4/5        |

The Terms of Reference ("TOR") of the ARMC will be reviewed from time to time to ensure its effectiveness and relevance to the Board's objectives. The TOR of the ARMC is available on our corporate website: [www.mobiliainternational.com](http://www.mobiliainternational.com).

## 2. SUMMARY OF ACTIVITIES

The main activities carried out by the ARMC are summarised as below:

### 2.1 Examine the Group's financial reporting

- review of unaudited quarterly financial results, audited financial statements and annual report of the Group and the Company to ensure that financial statements are prepared in compliance with applicable Malaysian Financial Reporting Standards, prior to recommending for approval by the Board and release of the unaudited quarterly financial results to Bursa Securities.
- review of significant adjustments arising from audit, changes in accounting policies and practices, compliance with applicable financial reporting standard, Listing Requirements of Bursa Securities and other legal requirements.

### 2.2 External Audit

- review the audit plan, audit reports, external auditor's evaluation of system of internal control, issues arising from interim and final external audits, external auditor's management letter and management's response, with the external auditors, and report the same to the Board.
- review the external auditor's terms of engagement, independence, objectivity, remuneration and cost-effectiveness and to make recommendations to the Board for the appointment, re-appointment or termination of the external auditors, and to consider any questions of resignation or dismissal including whether there is reason (supported by grounds) to believe that the external auditors are not suitable for reappointment.

## AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

### 2. SUMMARY OF ACTIVITIES (CONT'D)

#### 2.3 Internal Control and Risk Management

- review the adequacy of the audit scope and coverage, functions, competency and resources of the internal audit function, internal audit program, processes, the results of the internal audit program, processes or investigation undertaken, performance of the internal audit function and appointment, termination or resignation of the internal auditors.
- review and assess the Company's policies, processes and procedures for the oversight and management of risks and internal control.
- review of key risks and identification and assessment of new key risks which may affect the Group directly or indirectly, and relevant actions to mitigate such risks if necessary.
- Review the adequacy and effectiveness of the enterprise risk management framework ("ERM").

#### 2.4 Related Party Transactions

- review the related party transactions may arise within the Group or Company, including any transaction, procedure or course of conduct that raises questions of management integrity, and to consider the appropriateness of such transactions before recommending them to the Board for approval.

#### 2.5 Others

- Review of application of Corporate Governance principles and ensure that the Group is in compliance with the best practices set out under the MCCG.
- Review and provide recommendation for Corporate Governance Overview Statements, Corporate Governance Report, ARMC Report, Statement on Risk Management and Internal Control, Management Discussion and Analysis Statement, and the Sustainability Report to the Board for approval.
- Review the Anti-Bribery and Corruption Policy for Board's approval.
- Review the ARMC's TOR from time to time.
- Review, monitor and report any conflict of interest ("COI") situations that involve directors and key senior management within the Group included those COI situations that arose, persist or may arise and the measures taken to resolve, eliminate or mitigate such COI situations. During the financial year, there were no COI situations that involved directors and key senior management within the Group.

Through the review and assessment by NC, the Board was satisfied that the ARMC has effectively discharged its duties, functions and responsibilities in accordance with the TOR.

## AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

### 3. INTERNAL AUDIT FUNCTION

Internal audit function provides ARMC an independent review and assessment of the Group's approach in maintaining sound governance, risk management and internal control system as well as achieving effectiveness and efficiency in accordance with the Group's policies and prescribed laws and regulations. The Group has appointed an external independent internal auditor ("**Internal Auditor**" or "**IA**"), Tricor Axcelasia Sdn Bhd to carry out the internal audit function. The Internal Auditor adopts a risk-based approach and performs its work as guided by the International Professional Practices Framework (IPPF) in all material respect.

The internal audit plan for financial year 2023 has taken into consideration the corporate risk profile, input from senior management of the Company and ARMC, and was approved by the ARMC. The scope of review carried out by the IA on internal control of group are as follows:

- Production management reviews shortages of manpower resources to meet the production requirement and addresses delays in production or delivery to customers. The audit scope encompasses production planning, execution, detection, resolution and reporting to management of production shortfalls and problems, as well as monitoring of production plant efficiency and performance.
- Follow up on previous internal audit report for purchasing function, sales and receivables system and human resources management to review whether the action plan was carried out timely and consistently and assess key risk on matters highlighted unaddressed.

The professional fee incurred for the internal audit function for the financial year 2023 was RM26,000.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTRODUCTION

Pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Board is pleased to provide the following Statement on Risk Management and Internal Control of the Group, which has been prepared in accordance with the Paragraph 41 and 42 of the "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers" and Practice 10.1 and 10.2 of the Malaysian Code Corporate Governance issued on 28 April 2021 ("MCCG"). This statement outlines the nature and scope of internal control and risk management of the Group for the financial year ended 31 December 2023.

## BOARD RESPONSIBILITY

The Board acknowledges its overall responsibility to establish and maintain a sound system of risk management and internal control as well as review its adequacy and integrity to safeguard shareholders' investment and the Group's assets.

Notwithstanding that, in view of the inherent limitations in any system of risk management and internal control, this system is designed to manage the Group's risks within an acceptable level, rather than eliminate the risk of failure to achieve the business objectives of the Group. Therefore, the system can only provide reasonable but not absolute assurance against material misstatement, financial loss or fraudulent activities.

During the financial year under review, the Board have reviewed the adequacy and effectiveness of the risk management and internal control system of the Group and concluded that the system has been operating adequately and effectively, in all material aspects.

## RISK MANAGEMENT FRAMEWORK

Our Group recognises that commitment to risk management contributes to sound management practice and good corporate governance as it improves decision making and enhances outcomes and accountability. Our Group has engaged an external independent consultant ("Consultant") for establishment of ERM. The ERM framework is in line with ISO31000:2018 principles and generic guidelines on risk management covering the governance structure, risk policy, risk assessment process, integration of risk management into operations and promote of risk ownerships for accountability.

The Board approves and oversees the Group's ERM Framework while ARMC are tasked to review the implementation of risk management process, provide guidance and monitor effectiveness of mitigation action plans taken by the Senior Management on an on-going basis.

The Group has appointed a Consultant, Tricor Axcelasia Sdn Bhd in establishing a risk management policy statement, formalising ERM framework and facilitating the risk assessment of the Group. Risk assessments are conducted on various activities including processes, systems, operations and commercial activities to ensure that these are aligned with our objectives and goals. Any risks or opportunities arising from these assessments will be identified, analysed and reported to the management. A risk register containing strategic, operational, financial and compliance risks of the business are maintained and reported on a yearly basis to the Board via the ARMC. Review will be carried out to monitor the implementation and effectiveness of the risk management process, including the development of an appropriate risk management culture across the Group.

The principal steps of managing the risks assessed in the risk register consists of:

- (a) Identifying the risks to achieving strategic and operational objectives;
- (b) Determining the risk owner;
- (c) Assessing the impact and likelihood of the risk before taking account of any existing controls to derive the gross risk;

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

### RISK MANAGEMENT FRAMEWORK (CONT'D)

The principal steps of managing the risks assessed in the risk register consists of: (Cont'd)

- (d) Determining and identifying the existing controls in place, and the effectiveness of such controls in managing the impact and likelihood of the risk;
- (e) Assessing the impact and likelihood of the risk after taking account of existing controls to derive the residual/net risk; and
- (f) Determining additional control improvements / management actions / mitigation plans to further manage the risk.

The ARMC has reviewed, approved and recommended the ERM framework and risk assessment prepared by the Consultant for the notation of the Board.

The on-going risk management process of the Group to identify, evaluate and manage risks are in place for the year under review and is up to the date of approval in this statement. The Board shall continue to evaluate the Group's risk management process to ensure it remains relevant to the Group's requirements.

### INTERNAL CONTROL FUNCTION

Internal audit function provides the ARMC independent review and assessment of the Group's approach in maintaining sound governance, risk management and internal control system as well as achieving effectiveness and efficiency in accordance with the Group's policies and prescribed laws and regulations. The responsibility for reviewing the adequacy and integrity of the internal control system has been delegated by the Board to the ARMC.

The Group has appointed an Internal Auditor, Tricor Axcelasia Sdn Bhd to assist the ARMC in assessing the adequacy and effectiveness of the Group's internal control system.

The Internal Auditor adopt a risk-based approach and performs its work as guided by, in all material respect, the International Professional Practices Framework ("IPPF").

### OTHER KEY ELEMENTS OF INTERNAL CONTROL

The other key elements of the Group's internal control system include:

- A well-defined organisational structure with clear reporting line and delegation of authorities.
- A clearly defined operating procedures that set out the policies, procedures and practices adopted by the Group are properly documented and communicated to staff in order to ensure clear accountabilities. The formal standard operating policies and procedures in place are reviewed regularly and updated to ensure that it continue to support the business activities in tandem with the growth of the Group.
- Financial results are reviewed by the Board and the ARMC on a quarterly basis.
- Executive directors and head of departments meet regularly to discuss on the operational and corporate issues.
- The Board oversee the Group's activities, operations and significant changes in the business and external environment which may result in significant risks on a quarterly basis.



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

### REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the Listing Requirements of Bursa Securities the external auditors have reviewed this statement on risk management and internal control in accordance with the Audit and Assurance Practice Guide ("AAPG") 3 (Revised) issued by the MIA for inclusion in the Annual Report of the Group for the financial year ended 31 December 2023. AAPG 3 does not require the external auditors to consider whether the statement on risk management and internal control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and management thereon. The auditor is 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.

Based on their review, the external auditors have reported to the Board that nothing has come to their attention that cause them to believe the Statement on Risk Management and Internal Control intended to be included in the Annual Report has not been prepared, in all material aspects, in accordance with the disclosures required by Paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

### CONCLUSION

The Board is of the view that the Group's risk management and internal control systems are satisfactory, and that there were no significant internal control deficiencies or weakness that has resulted in material losses or contingencies during the financial year under review. The Board has received assurance from the Executive Directors and Key Senior Management that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects.

The Group believes that the system must evolve continuously and will continuously monitor, and when necessary, put in place appropriate action plans to enhance the Group's internal control and risk management system to meet the changing and challenging business environment.

This Statement on Risk Management Internal Control was approved by the Board of the Directors on 25 April 2024.

## ADDITIONAL COMPLIANCE INFORMATION

### 1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

There were no proceeds raised from any proposal during the financial year.

### 2. AUDIT AND NON-AUDIT FEES

The fees payable to the external auditors, Crowe Malaysia PLT in relation to the audit and non-audit services rendered to the Company and its subsidiaries for FYE 2023 are as follows:

|                                              | The Company<br>RM ('000) | The Group<br>RM ('000) |
|----------------------------------------------|--------------------------|------------------------|
| Audit fees                                   | 31                       | 84                     |
| Non audit fees                               |                          |                        |
| - Auditor of the Company                     | 5                        | 5                      |
| - Member firms of the auditor of the Company | 2                        | 40                     |

### 3. MATERIAL CONTRACTS

There was no material contract entered into by the Group involving the interest of Directors and major shareholders, either still subsisting at the end of the financial year under review or entered into since the end of the previous financial year.

# RESPONSIBILITY STATEMENT BY THE BOARD OF DIRECTORS

In the course of preparing the annual financial statements for the Group and the Company, the Directors are collectively responsible for ensuring that these financial statements are drawn up in accordance with the requirements of the applicable approved accounting standards in Malaysia, the provisions of Companies Act 2016 ("the Act") and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

It is the responsibility of the Directors to ensure that the financial statements for each financial year present a true and fair view of the state of affairs of the Group and the Company at the end of the financial year and the results and cash flows of the Group and the Company for the financial year.

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

The Board, after due consideration, is satisfied that the financial statements for the financial year ended 31 December 2023 have been prepared by adopting appropriate accounting policies which are applied consistently. Based on that, the Board are able to ensure the judgments and estimates made are reasonable and relevant to financial statements. The Board also considers that the relevant approved accounting standards have been followed and confirms that the financial statements have been prepared on a going concern basis.



# FINANCIAL

## STATEMENTS

### **FINANCIAL**

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# DIRECTORS' REPORT

The directors hereby submit 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 the business of investment holding and provision of management services. The principal activities of the subsidiaries are set out in Note 8 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

## RESULTS

|                                         | The Group<br>RM | The Company<br>RM |
|-----------------------------------------|-----------------|-------------------|
| Profit after tax for the financial year | 8,228,460       | 472,399           |

## DIVIDENDS

No dividend was recommended by the directors for the financial year.

## RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

## ISSUES OF SHARES AND DEBENTURES

During the financial year:

- (a) there were no changes in the issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

## OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company except for the Warrants.

**DIRECTORS' REPORT  
(CONT'D)****WARRANTS**

Warrants 2021/2024

As at 31 December 2023, the summary of the movements of warrants is as follows:

| Issue date | Expiry date | Number of warrants |        |           |               |
|------------|-------------|--------------------|--------|-----------|---------------|
|            |             | At 01.01.2023      | Issued | Exercised | At 31.12.2023 |
| 11.11.2021 | 08.11.2024  | 174,999,136        | –      | –         | 174,999,136   |

The ordinary shares issued from the exercise of Warrants shall rank pari passu in all respects with the existing issued ordinary shares of the Company except that they shall not be entitled to any dividend, right, allotment and/or other distribution declared, made, or paid prior to the relevant date of allotment and issuance of the new shares arising from the exercise of Warrants. Further details on the Warrants are detailed in Note 14 to the financial statements.

**BAD AND DOUBTFUL DEBTS**

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that there are no known bad debts and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

**CURRENT ASSETS**

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, 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 which would render the values attributed to the current assets in the financial statements misleading.

**VALUATION METHODS**

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

**CONTINGENT AND OTHER LIABILITIES**

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

- (a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company 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 when they fall due.

## DIRECTORS' REPORT (CONT'D)

### CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

### ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

### HOLDING COMPANY

The Company is a subsidiary of Exelient Sdn. Bhd., a company incorporated in Malaysia, which is also regarded by the directors as the ultimate holding company.

### SUBSIDIARIES

The details of the subsidiaries name, place of incorporation, principal activities and percentage of issued share capital held by the Company are disclosed in Note 8 to the financial statements.

The available auditors' reports on the financial statements of the subsidiaries did not contain qualification.

### DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:

Quek Wee Seng\*  
Quek Wee Seong\*  
Lim See Tow  
Datin Siah Li Mei  
Tajul Arifin Bin Mohd Tahir  
Quek Yan Song (Alternate to Quek Wee Seng)  
Yap Ee Ling

\* Director of Mobilia International Sdn. Bhd., H & S Usaha Jati Sdn. Bhd. and Mobilia Design Sdn. Bhd.

**DIRECTORS' REPORT  
(CONT'D)****DIRECTORS' INTERESTS**

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares, options over unissued shares or debentures of the Company and its related corporations during the financial year are as follows:

**The Company**

|                |                           | <b>Number of Ordinary Shares</b> |               |             |                          |
|----------------|---------------------------|----------------------------------|---------------|-------------|--------------------------|
|                |                           | <b>At<br/>01.01.2023</b>         | <b>Bought</b> | <b>Sold</b> | <b>At<br/>31.12.2023</b> |
| Quek Wee Seng  | - Direct                  | 3,080,000                        | –             | –           | 3,080,000                |
|                | - Indirect <sup>(1)</sup> | 484,294,475                      | –             | –           | 484,294,475              |
| Quek Wee Seong | - Direct                  | 3,080,000                        | –             | –           | 3,080,000                |
|                | - Indirect <sup>(2)</sup> | 483,840,000                      | –             | –           | 483,840,000              |

|                |                           | <b>Number of Warrants</b> |                 |                 |                          |
|----------------|---------------------------|---------------------------|-----------------|-----------------|--------------------------|
|                |                           | <b>At<br/>01.01.2023</b>  | <b>Entitled</b> | <b>Disposed</b> | <b>At<br/>31.12.2023</b> |
| Quek Wee Seng  | - Direct                  | 370,000                   | –               | 370,000         | –                        |
|                | - Indirect <sup>(1)</sup> | 42,571,918                | –               | 42,571,918      | –                        |
| Quek Wee Seong | - Direct                  | 770,000                   | –               | 770,000         | –                        |
|                | - Indirect <sup>(2)</sup> | 42,058,300                | –               | 42,058,300      | –                        |

|                                                     |  | <b>Number of Ordinary Shares</b> |               |             |                          |
|-----------------------------------------------------|--|----------------------------------|---------------|-------------|--------------------------|
|                                                     |  | <b>At<br/>01.01.2023</b>         | <b>Bought</b> | <b>Sold</b> | <b>At<br/>31.12.2023</b> |
| <b>Holding Company - Exelient Sdn. Bhd. ("ESB")</b> |  |                                  |               |             |                          |
| Quek Wee Seng                                       |  | 500,001                          | –             | –           | 500,001                  |
| Quek Wee Seong                                      |  | 500,001                          | –             | –           | 500,001                  |

**Notes :**

- (1) Deemed interest by virtue of his wife, Leong Yok Moy, his father, Quek Gim Hong @ Keh Gim Hong, his brother Quek Wee Seong and his direct interests in ESB.
- (2) Deemed interest by virtue of his father, Quek Gim Hong @ Keh Gim Hong, his brother, Quek Wee Seng and his direct interests in ESB.

By virtue of their shareholdings in the Company and ESB, Quek Wee Seng and Quek Wee Seong are deemed to have interests in shares of the Company and its related corporations during the financial year to the extent that ESB has an interest, in accordance with Section 8 of the Companies Act 2016.

The other directors holding office at the end of the financial year had no interest in shares, options over unissued shares or debentures of the Company or its related corporations during the financial year.



## DIRECTORS' REPORT (CONT'D)

### DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) 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 except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 32 to the financial statements.

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

### DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follows:

|                                              | The Group<br>RM | The Company<br>RM |
|----------------------------------------------|-----------------|-------------------|
| <b>Directors</b>                             |                 |                   |
| <b>Executive directors:</b>                  |                 |                   |
| Salaries, bonuses and other benefits         | 1,030,919       | 7,000             |
| Defined contribution plans                   | 122,302         | –                 |
|                                              | 1,153,221       | 7,000             |
| <b>Non-executive directors:</b>              |                 |                   |
| Fees                                         | 182,400         | 182,400           |
| Salaries, bonuses and other benefits         | 13,300          | 13,300            |
|                                              | 195,700         | 195,700           |
| Total directors' remuneration                | 1,348,921       | 202,700           |
| Estimated monetary value of benefits-in-kind | 73,400          | –                 |

### INDEMNITY AND INSURANCE COST

During the financial year, there was no indemnity given to or professional indemnity insurance effected for directors, officers or auditors of the Group and of the Company.

**DIRECTORS' REPORT  
(CONT'D)****AUDITORS**

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration for the financial year are as follows:

|                | <b>The Group<br/>RM</b> | <b>The Company<br/>RM</b> |
|----------------|-------------------------|---------------------------|
| Audit fees     | 84,000                  | 31,000                    |
| Non-audit fees | 5,000                   | 5,000                     |
|                | <hr/> 89,000            | <hr/> 36,000              |

Signed in accordance with a resolution of the directors dated 25 April 2024.

**Quek Wee Seng**

**Quek Wee Seong**

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

We, Quek Wee Seng and Quek Wee Seong, being two of the directors of Mobilia Holdings Berhad, state that, in the opinion of the directors, the financial statements set out on pages 92 to 131 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2023 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 25 April 2024.

Quek Wee Seng

Quek Wee Seong

## **STATUTORY DECLARATION PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016**

I, Tan Ley Wun, membership number : 43087 being the officer primarily responsible for the financial management of Mobilia Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 92 to 131 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  
abovementioned Tan Ley Wun at Muar in the State of  
Johor Darul Takzim on this 25 April 2024.

Tan Ley Wun

Before me  
Commissioner for Oaths

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MOBILIA HOLDINGS BERHAD

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of Mobilia Holdings 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 financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 92 to 131.

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 financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### Basis for Opinion

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

### *Independence and Other Ethical Responsibilities*

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

### Key Audit Matters

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

We have determined the matter described below to be the key audit matter to be communicated in our report.

| Carrying Amount of Inventories<br>Refer to Note 9 to the financial statements                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                         | How our audit addressed the Key Audit Matter                                                                                                                                                                                                                                                                                                        |
| <p>The Group held inventories with carrying amount of RM 14,647,529 as at 31 December 2023.</p> <p>The carrying amount of inventories is stated at the lower of cost and net realisable value.</p> <p>According to the Group's inventory write-down policy, the Group determines the amount of write-down for slow moving or obsolete inventories based upon the age of the slow moving inventories.</p> | <p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> <li>Reviewed the net realisable value of inventories.</li> <li>Evaluated the reasonableness and adequacy of the allowances for obsolete and slow-moving inventories</li> <li>Reviewed the ageing analysis of inventories and tested its reliability.</li> </ul> |

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MOBILIA HOLDINGS BERHAD (CONT'D)**

### **Information Other than the Financial Statements and Auditors' Report Thereon**

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

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

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

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

### **Responsibilities of the Directors for the Financial Statements**

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

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends 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:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MOBILIA HOLDINGS BERHAD (CONT'D)

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 compiled with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public communication in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### OTHER MATTERS

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

**Crowe Malaysia PLT**  
201906000005 (LLP0018817-LCA) & AF 1018  
Chartered Accountants

**Gan Hwee Ling**  
03516/08/2024J  
Chartered Accountant

Muar, Johor Darul Takzim  
Date: 25 April 2024

# STATEMENTS OF FINANCIAL POSITION

## AS AT 31 DECEMBER 2023

|                                             |      | The Group          |                    | The Company       |                   |
|---------------------------------------------|------|--------------------|--------------------|-------------------|-------------------|
|                                             | Note | 2023<br>RM         | 2022<br>RM         | 2023<br>RM        | 2022<br>RM        |
| <b>ASSETS</b>                               |      |                    |                    |                   |                   |
| <b>NON-CURRENT ASSETS</b>                   |      |                    |                    |                   |                   |
| Property, plant and equipment               | 6    | 60,214,682         | 60,712,729         | –                 | –                 |
| Investment in subsidiaries                  | 8    | –                  | –                  | 32,843,720        | 32,843,720        |
|                                             |      | 60,214,682         | 60,712,729         | 32,843,720        | 32,843,720        |
| <b>CURRENT ASSETS</b>                       |      |                    |                    |                   |                   |
| Inventories                                 | 9    | 14,647,529         | 13,284,810         | –                 | –                 |
| Trade receivables                           | 10   | 8,622,530          | 7,892,959          | –                 | –                 |
| Other receivables, deposits and prepayments | 11   | 3,010,929          | 2,036,933          | 5,256,756         | 5,112,150         |
| Short-term investments                      | 12   | 4,665,979          | 3,548,402          | –                 | –                 |
| Current tax assets                          |      | 111,217            | 50,370             | 43,889            | –                 |
| Fixed deposits with licensed banks          | 13   | 7,890,137          | 8,379,854          | 5,671,668         | 6,205,527         |
| Cash and bank balances                      |      | 15,718,107         | 9,479,792          | 414,362           | 224,752           |
|                                             |      | 54,666,428         | 44,673,120         | 11,386,675        | 11,542,429        |
| <b>TOTAL ASSETS</b>                         |      | <b>114,881,110</b> | <b>105,385,849</b> | <b>44,230,395</b> | <b>44,386,149</b> |
| <b>EQUITY AND LIABILITIES</b>               |      |                    |                    |                   |                   |
| <b>EQUITY</b>                               |      |                    |                    |                   |                   |
| Share capital                               | 14   | 36,696,001         | 36,696,001         | 36,696,001        | 36,696,001        |
| Re-organisation reserve                     | 15   | (22,496,000)       | (22,496,000)       | –                 | –                 |
| Retained profits                            |      | 55,659,127         | 47,430,667         | 493,711           | 21,312            |
| <b>TOTAL EQUITY</b>                         |      | <b>69,859,128</b>  | <b>61,630,668</b>  | <b>37,189,712</b> | <b>36,717,313</b> |
| <b>NON-CURRENT LIABILITIES</b>              |      |                    |                    |                   |                   |
| Borrowings                                  | 16   | 22,717,176         | 24,663,335         | 6,368,386         | 6,993,918         |
| Deferred tax liabilities                    | 18   | 3,018,556          | 2,918,556          | –                 | –                 |
|                                             |      | 25,735,732         | 27,581,891         | 6,368,386         | 6,993,918         |
| <b>CURRENT LIABILITIES</b>                  |      |                    |                    |                   |                   |
| Trade payables                              | 19   | 5,808,820          | 3,322,755          | –                 | –                 |
| Other payables and accruals                 | 20   | 6,642,353          | 5,300,466          | 36,000            | 37,924            |
| Borrowings                                  | 16   | 6,835,077          | 7,541,319          | 636,297           | 628,244           |
| Current tax liabilities                     |      | –                  | 8,750              | –                 | 8,750             |
|                                             |      | 19,286,250         | 16,173,290         | 672,297           | 674,918           |
| <b>TOTAL LIABILITIES</b>                    |      | <b>45,021,982</b>  | <b>43,755,181</b>  | <b>7,040,683</b>  | <b>7,668,836</b>  |
| <b>TOTAL EQUITY AND LIABILITIES</b>         |      | <b>114,881,110</b> | <b>105,385,849</b> | <b>44,230,395</b> | <b>44,386,149</b> |

The annexed notes form an integral part of these financial statements.

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

|                                                                                                                          |      | The Group    |              | The Company |             |
|--------------------------------------------------------------------------------------------------------------------------|------|--------------|--------------|-------------|-------------|
|                                                                                                                          | Note | 2023<br>RM   | 2022<br>RM   | 2023<br>RM  | 2022<br>RM  |
| REVENUE                                                                                                                  | 21   | 82,244,031   | 84,950,774   | 900,000     | 5,100,000   |
| OTHER INCOME                                                                                                             |      | 1,083,171    | 1,777,994    | –           | –           |
| CHANGES IN INVENTORIES<br>OF FINISHED GOODS AND<br>WORK-IN-PROGRESS                                                      |      | 1,550,298    | 1,789,905    | –           | –           |
| RAW MATERIALS USED                                                                                                       |      | (39,214,690) | (39,968,160) | –           | –           |
| DEPRECIATION                                                                                                             |      | (3,048,788)  | (2,576,031)  | –           | –           |
| STAFF COSTS                                                                                                              | 23   | (21,309,422) | (19,468,011) | (202,700)   | (166,365)   |
| FINANCE COSTS                                                                                                            | 24   | (1,296,316)  | (1,074,252)  | (304,217)   | (146,202)   |
| OTHER EXPENSES                                                                                                           |      | (9,932,230)  | (9,757,008)  | (154,211)   | (1,390,280) |
| IMPAIRMENT LOSS ON<br>FINANCIAL ASSET                                                                                    | 25   | (249,908)    | –            | –           | –           |
| RESULTS FROM OPERATING ACTIVITIES                                                                                        |      | 9,826,146    | 15,675,211   | 238,872     | 3,397,153   |
| INTEREST INCOME                                                                                                          |      | 452,008      | 261,135      | 233,806     | 177,358     |
| PROFIT BEFORE TAX                                                                                                        | 26   | 10,278,154   | 15,936,346   | 472,678     | 3,574,511   |
| INCOME TAX EXPENSE                                                                                                       | 27   | (2,049,694)  | (4,174,023)  | (279)       | (55,582)    |
| PROFIT AFTER TAX AND<br>TOTAL COMPREHENSIVE<br>INCOME FOR THE<br>FINANCIAL YEAR ATTRIBUTABLE<br>TO OWNERS OF THE COMPANY |      | 8,228,460    | 11,762,323   | 472,399     | 3,518,929   |
| EARNINGS PER SHARE (RM)                                                                                                  | 28   |              |              |             |             |
| Basic                                                                                                                    |      | 0.01         | 0.02         |             |             |
| Diluted                                                                                                                  |      | N.A          | N.A          |             |             |

Note:

N.A - Not applicable. There are no dilutive potential equity instruments that would effect to the basic earnings per share.

The annexed notes form an integral part of these financial statements.



# STATEMENTS OF CHANGES IN EQUITY

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

|                                                                        |      |                        | Non<br>distributable<br>Re-<br>organisation<br>reserve<br>RM | Distributable<br>Retained<br>profits<br>RM | Total<br>equity<br>RM |
|------------------------------------------------------------------------|------|------------------------|--------------------------------------------------------------|--------------------------------------------|-----------------------|
|                                                                        | Note | Share<br>capital<br>RM |                                                              |                                            |                       |
| <b>The Group</b>                                                       |      |                        |                                                              |                                            |                       |
| Balance at 1 January 2022                                              |      | 36,696,001             | (22,496,000)                                                 | 39,168,342                                 | 53,368,343            |
| Profit after tax and total comprehensive income for the financial year |      | –                      | –                                                            | 11,762,323                                 | 11,762,323            |
| Distributions to owners of the Company – Dividends                     | 29   | –                      | –                                                            | (3,499,998)                                | (3,499,998)           |
| Balance at 31 December 2022 / 1 January 2023                           |      | 36,696,001             | (22,496,000)                                                 | 47,430,667                                 | 61,630,668            |
| Profit after tax and total comprehensive income for the financial year |      | –                      | –                                                            | 8,228,460                                  | 8,228,460             |
| Balance at 31 December 2023                                            |      | 36,696,001             | (22,496,000)                                                 | 55,659,127                                 | 69,859,128            |

|                                                                        |      |  | Share<br>capital<br>RM | Distributable<br>Retained<br>profits<br>RM | Total<br>equity<br>RM |
|------------------------------------------------------------------------|------|--|------------------------|--------------------------------------------|-----------------------|
|                                                                        | Note |  |                        |                                            |                       |
| <b>The Company</b>                                                     |      |  |                        |                                            |                       |
| Balance at 1 January 2022                                              |      |  | 36,696,001             | 2,381                                      | 36,698,382            |
| Profit after tax and total comprehensive income for the financial year |      |  | –                      | 3,518,929                                  | 3,518,929             |
| Distributions to owners of the Company – Dividends                     | 29   |  | –                      | (3,499,998)                                | (3,499,998)           |
| Balance at 31 December 2022 / 1 January 2023                           |      |  | 36,696,001             | 21,312                                     | 36,717,313            |
| Profit after tax and total comprehensive income for the financial year |      |  | –                      | 472,399                                    | 472,399               |
| Balance at 31 December 2023                                            |      |  | 36,696,001             | 493,711                                    | 37,189,712            |

The annexed notes form an integral part of these financial statements.

# STATEMENTS OF CASH FLOWS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

|                                                               |       | The Group   |              | The Company |             |
|---------------------------------------------------------------|-------|-------------|--------------|-------------|-------------|
|                                                               | Note  | 2023<br>RM  | 2022<br>RM   | 2023<br>RM  | 2022<br>RM  |
| <b>CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES</b>             |       |             |              |             |             |
| Profit before tax                                             |       | 10,278,154  | 15,936,346   | 472,678     | 3,574,511   |
| Adjustments for:                                              |       |             |              |             |             |
| Depreciation of property, plant and equipment                 |       | 3,048,788   | 2,570,015    | –           | –           |
| Depreciation of right-of-use assets                           |       | –           | 6,016        | –           | –           |
| Allowance for impairment loss on receivable                   |       | 249,908     | –            | –           | –           |
| Dividend income from a subsidiary                             |       | –           | –            | (900,000)   | (5,100,000) |
| Gain on disposal of property, plant and equipment             |       | (66,867)    | (29,997)     | –           | –           |
| Listing expenses                                              |       | –           | 684,650      | –           | 684,650     |
| Property, plant and equipment written off                     |       | –           | 3,737        | –           | –           |
| Unrealised loss on foreign exchange                           |       | 118,782     | (24,716)     | –           | –           |
| Interest expenses                                             |       | 1,282,379   | 1,047,841    | 304,217     | 146,202     |
| Interest income                                               |       | (452,008)   | (261,135)    | (233,806)   | (177,358)   |
| <b>OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES</b> |       |             |              |             |             |
| Inventories                                                   |       | 14,459,136  | 19,932,757   | (356,911)   | (871,995)   |
| Trade receivables                                             |       | (1,362,719) | 1,791,460    | –           | –           |
| Other receivables, deposits and prepayments                   |       | (1,076,579) | 3,381,467    | –           | –           |
| Trade payables                                                |       | (265,062)   | (259,896)    | (144,606)   | (805,648)   |
| Other payables and accruals                                   |       | 2,486,065   | (2,385,926)  | –           | –           |
|                                                               |       | 2,023,155   | (1,397,568)  | (1,924)     | (19,335)    |
| <b>CASH FROM/(FOR) OPERATIONS</b>                             |       |             |              |             |             |
| Interest received                                             |       | 16,263,996  | 21,062,294   | (503,441)   | (1,696,978) |
| Tax paid                                                      |       | 452,008     | 261,135      | 233,806     | 177,358     |
| Tax refund                                                    |       | (2,235,173) | (3,016,101)  | (52,918)    | (31,832)    |
|                                                               |       | 215,882     | –            | –           | –           |
| <b>NET CASH FROM/(FOR) OPERATING ACTIVITIES</b>               |       |             |              |             |             |
|                                                               |       | 14,696,713  | 18,307,328   | (322,553)   | (1,551,452) |
| <b>CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES</b>             |       |             |              |             |             |
| Acquisition of a subsidiary, net of cash and cash equivalents | 30    | –           | (9,247,720)  | –           | (9,247,720) |
| Deposit paid for purchase of property, plant and equipment    | 11(b) | (709,934)   | (34,390)     | –           | –           |
| Dividend received from a subsidiary                           |       | –           | –            | 900,000     | 5,100,000   |
| Proceeds from disposal of property, plant and equipment       |       | 66,868      | 30,000       | –           | –           |
| Purchase of property, plant and equipment                     | 31(a) | (2,989,877) | (11,094,286) | –           | –           |
| <b>NET CASH (FOR)/FROM INVESTING ACTIVITIES</b>               |       |             |              |             |             |
|                                                               |       | (3,632,943) | (20,346,396) | 900,000     | (4,147,720) |

The annexed notes form an integral part of these financial statements.

# STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

|                                        |       | The Group    |              | The Company |             |
|----------------------------------------|-------|--------------|--------------|-------------|-------------|
|                                        | Note  | 2023<br>RM   | 2022<br>RM   | 2023<br>RM  | 2022<br>RM  |
| <b>CASH FLOWS (FOR)/FROM</b>           |       |              |              |             |             |
| <b>FINANCING ACTIVITIES</b>            |       |              |              |             |             |
| Dividends paid                         | 29    | –            | (3,499,998)  | –           | (3,499,998) |
| Drawdown of bankers' acceptances       | 31(b) | 11,013,624   | 20,187,882   | –           | –           |
| Drawdown of term loans                 | 31(b) | 905,400      | 8,610,000    | –           | 7,860,000   |
| Interest paid                          | 31(b) | (1,282,379)  | (1,047,841)  | (304,217)   | (146,202)   |
| Payment of listing expenses            |       | –            | (684,650)    | –           | (684,650)   |
| Repayment of bankers' acceptances      | 31(b) | (11,356,255) | (21,196,888) | –           | –           |
| Repayment of hire purchase payables    | 31(b) | (948,884)    | (788,278)    | –           | –           |
| Repayment of lease liabilities         | 31(b) | –            | (6,188)      | –           | –           |
| Repayment of term loans                | 31(b) | (2,486,286)  | (1,911,327)  | (617,479)   | (237,838)   |
| <b>NET CASH (FOR)/FROM</b>             |       |              |              |             |             |
| <b>FINANCING ACTIVITIES</b>            |       | (4,154,780)  | (337,288)    | (921,696)   | 3,291,312   |
| <b>NET INCREASE/(DECREASE) IN CASH</b> |       |              |              |             |             |
| <b>AND CASH EQUIVALENTS</b>            |       | 6,908,990    | (2,376,356)  | (344,249)   | (2,407,860) |
| <b>EFFECTS OF FOREIGN</b>              |       |              |              |             |             |
| <b>EXCHANGE TRANSLATION</b>            |       | (42,815)     | 24,716       | –           | –           |
| <b>CASH AND CASH EQUIVALENTS</b>       |       |              |              |             |             |
| <b>AT BEGINNING OF THE</b>             |       |              |              |             |             |
| <b>FINANCIAL YEAR</b>                  |       | 20,758,048   | 23,109,688   | 6,430,279   | 8,838,139   |
| <b>CASH AND CASH EQUIVALENTS</b>       |       |              |              |             |             |
| <b>AT END OF THE FINANCIAL YEAR</b>    | 31(d) | 27,624,223   | 20,758,048   | 6,086,030   | 6,430,279   |

The annexed notes form an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office and principal place of business are as follows:

|                             |   |                                                                                                                         |
|-----------------------------|---|-------------------------------------------------------------------------------------------------------------------------|
| Registered office           | : | No. 7 (1 <sup>st</sup> Floor), Jalan Pesta 1/1, Taman Tun Dr. Ismail 1<br>Jalan Bakri, 84000 Muar<br>Johor Darul Takzim |
| Principal place of business | : | Lot 2782 GRN 92507<br>Jalan Kempas 1, Mukim Jalan Bakri 84200 Muar<br>Johor Darul Takzim                                |

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

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

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

### 2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding and provision of management services. The principal activities of the subsidiaries are set out in Note 8 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

### 3. HOLDING COMPANY

The Company is a subsidiary of Exelient Sdn. Bhd., a company incorporated in Malaysia, which is also regarded by the directors as the ultimate holding company.

### 4. BASIS OF PREPARATION

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under material accounting policy information, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

- 4.1 During the current financial year, the Group and the Company have adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):

#### **MFRSs and/or IC Interpretations (Including The Consequential Amendments)**

MFRS 17 Insurance Contracts  
Amendments to MFRS 17 Insurance Contracts  
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information  
Amendments to MFRS 101: Disclosure of Accounting Policies  
Amendments to MFRS 108: Definition of Accounting Estimates  
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction  
Amendments to MFRS 112: International Tax Reform – Pillar Two Model Rules

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the financial statements of the Group and of the Company.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 4. BASIS OF PREPARATION (CONT'D)

- 4.2 The Group and the Company have not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:

| <b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>                                           | <b>Effective Date</b> |
|---------------------------------------------------------------------------------------------------------------------------|-----------------------|
| Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | Deferred              |
| Amendments to MFRS 16: Lease Liability in a Sale and Leaseback                                                            | 1 January 2024        |
| Amendments to MFRS 101: Classification of Liabilities as Current or Non-current                                           | 1 January 2024        |
| Amendments to MFRS 101: Non-current Liabilities with Covenants                                                            | 1 January 2024        |
| Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements                                                          | 1 January 2024        |
| Amendments to MFRS 121: Lack of Exchangeability                                                                           | 1 January 2025        |

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group and of the Company upon their initial application.

### 5. MATERIAL ACCOUNTING POLICY INFORMATION

#### 5.1 Critical accounting estimates and judgements

##### *Key sources of estimation uncertainty*

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:

##### (i) Depreciation of property, plant and equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 6 to the financial statements.

##### (ii) Write-down of inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 9 to the financial statements.

##### (iii) Impairment of trade receivables

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables. The carrying amount of trade receivables as at the reporting date is disclosed in Note 10 to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 5.1 Critical accounting estimates and judgements (Cont'd)

*Key sources of estimation uncertainty (Cont'd)*

##### (iv) Income taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimates. The Group and the Company recognise tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made. The carrying amount of the Group as at the reporting date are current tax assets of RM 111,217 and current tax liabilities of RM Nil (2022: current tax assets of RM 50,370 and current tax liabilities of RM 8,750) respectively. The carrying amount of the Company as at the reporting date is current tax assets of RM 43,889 (2022: current tax liabilities of RM 8,750).

*Critical judgement made in applying accounting policies*

Management believes that there are no instances of application of critical judgement in applying the accounting policies of the Group and of the Company which will have a significant effect on the amounts recognised in the financial statements.

#### 5.2 Financial instruments

##### (a) Financial assets

###### Financial assets through profit or loss

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income.

###### Financial assets at amortised cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

###### Financial assets through other comprehensive income

The Group has elected to designate the equity instruments as financial assets through other comprehensive income at initial recognition.

The financial assets are initially measured at fair value plus transaction costs. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes taken up in other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference of a debt instrument which are recognised directly in profit or loss. The fair value changes do not include interest and dividend income.

##### (b) Financial liabilities

###### Financial liabilities through profit or loss

The financial liabilities are initially measured at fair value. Subsequent to the initial recognition, the financial liabilities are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest expense.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 5.2 Financial instruments (Cont'd)

##### (b) Financial liabilities (Cont'd)

###### Financial liabilities at amortised cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

##### (c) Equity

###### Ordinary shares

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares are not remeasured subsequently.

#### 5.3 Basis of consolidation

The Group applies the acquisition method of accounting for those business combinations which business combinations which were accounted for using merger method of accounting.

Under the merger method of accounting, the assets and liabilities of the merger entities are reflected in the consolidated financial statements at their carrying amounts reported in the individual financial statements. The consolidated statement of profit or loss and other comprehensive income reflect the results of the merger entities for the full reporting period (irrespective of the combination takes place) and comparatives are presented as if the entities had always been combined since the date for which the entities had come under common control.

The difference between the cost of the merger and the share capital of the merger entities is reflected within equity as merger reserve.

#### 5.4 Investment in subsidiaries

Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any.

#### 5.5 Property, plant and equipment

All items of property, plant and equipment are initially measured at cost including the estimated costs of dismantling and removing the items and restoring that site on which they are located.

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

Freehold land is not depreciated. Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principal annual depreciation rates are:

|                                                      |           |
|------------------------------------------------------|-----------|
| Buildings                                            | 2% - 10%  |
| Office equipment, renovation, furniture and fittings | 10% - 20% |
| Factory equipment, plant and machinery               | 10%       |
| Motor vehicles                                       | 20%       |

#### 5.6 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out method and comprises all costs of purchase, cost of conversion plus other costs incurred in bringing the inventories to their present location and condition.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 6. PROPERTY, PLANT AND EQUIPMENT

#### The Group

|                                        | Freehold<br>land<br>RM | Buildings<br>RM | Office<br>equipment,<br>renovation,<br>furniture and<br>fittings<br>RM | Factory<br>equipment,<br>plant and<br>machinery<br>RM | Motor<br>vehicles<br>RM | Total<br>RM |
|----------------------------------------|------------------------|-----------------|------------------------------------------------------------------------|-------------------------------------------------------|-------------------------|-------------|
| <b>At cost</b>                         |                        |                 |                                                                        |                                                       |                         |             |
| At 1 January 2023                      | 21,670,679             | 25,030,352      | 1,590,428                                                              | 18,223,822                                            | 4,627,839               | 71,143,120  |
| Additions                              | 689,873                | 765,411         | 99,808                                                                 | 729,666                                               | 265,984                 | 2,550,742   |
| Disposals                              | –                      | –               | –                                                                      | –                                                     | (250,000)               | (250,000)   |
| At 31 December 2023                    | 22,360,552             | 25,795,763      | 1,690,236                                                              | 18,953,488                                            | 4,643,823               | 73,443,862  |
| <b>Less : Accumulated depreciation</b> |                        |                 |                                                                        |                                                       |                         |             |
| At 1 January 2023                      | –                      | 939,042         | 482,575                                                                | 7,060,377                                             | 1,948,397               | 10,430,391  |
| Charge for the financial year          | –                      | 655,953         | 155,604                                                                | 1,736,217                                             | 501,014                 | 3,048,788   |
| Disposals                              | –                      | –               | –                                                                      | –                                                     | (249,999)               | (249,999)   |
| At 31 December 2023                    | –                      | 1,594,995       | 638,179                                                                | 8,796,594                                             | 2,199,412               | 13,229,180  |
| <b>Carrying amount</b>                 |                        |                 |                                                                        |                                                       |                         |             |
| At 31 December 2023                    | 22,360,552             | 24,200,768      | 1,052,057                                                              | 10,156,894                                            | 2,444,411               | 60,214,682  |



# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

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## 6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

| The Group                              | Freehold<br>land<br>RM | Buildings<br>RM | Office<br>equipment,<br>renovation,<br>furniture and<br>fittings<br>RM | Factory<br>equipment,<br>plant and<br>machinery<br>RM | Motor<br>vehicles<br>RM | Capital<br>work-in<br>progress<br>RM | Total<br>RM |
|----------------------------------------|------------------------|-----------------|------------------------------------------------------------------------|-------------------------------------------------------|-------------------------|--------------------------------------|-------------|
| <b>At cost</b>                         |                        |                 |                                                                        |                                                       |                         |                                      |             |
| At 1 January 2022                      | 12,422,959             | 16,494,218      | 592,719                                                                | 15,971,649                                            | 3,768,692               | 1,368,387                            | 50,618,624  |
| Acquisition of a subsidiary            | 9,247,720              | -               | -                                                                      | -                                                     | -                       | -                                    | 9,247,720   |
| Additions                              | -                      | 25,128          | 1,045,539                                                              | 2,252,173                                             | 1,126,147               | 7,142,619                            | 11,591,606  |
| Reclassification                       | -                      | 8,511,006       | -                                                                      | -                                                     | -                       | (8,511,006)                          | -           |
| Disposals                              | -                      | -               | -                                                                      | -                                                     | (267,000)               | -                                    | (267,000)   |
| Write off                              | -                      | -               | (47,830)                                                               | -                                                     | -                       | -                                    | (47,830)    |
| At 31 December 2022                    | 21,670,679             | 25,030,352      | 1,590,428                                                              | 18,223,822                                            | 4,627,839               | -                                    | 71,143,120  |
| <b>Less : Accumulated depreciation</b> |                        |                 |                                                                        |                                                       |                         |                                      |             |
| At 1 January 2022                      | -                      | 548,587         | 443,325                                                                | 5,413,279                                             | 1,766,275               | -                                    | 8,171,466   |
| Charge for the financial year          | -                      | 390,455         | 83,343                                                                 | 1,647,098                                             | 449,119                 | -                                    | 2,570,015   |
| Disposals                              | -                      | -               | -                                                                      | -                                                     | (266,997)               | -                                    | (266,997)   |
| Write off                              | -                      | -               | (44,093)                                                               | -                                                     | -                       | -                                    | (44,093)    |
| At 31 December 2022                    | -                      | 939,042         | 482,575                                                                | 7,060,377                                             | 1,948,397               | -                                    | 10,430,391  |
| <b>Carrying amount</b>                 |                        |                 |                                                                        |                                                       |                         |                                      |             |
| At 31 December 2022                    | 21,670,679             | 24,091,310      | 1,107,853                                                              | 11,163,445                                            | 2,679,442               | -                                    | 60,712,729  |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (a) The following property, plant and equipment have been pledged to a licensed bank as security for banking facilities granted to the Group (Note 16):

|                                        | The Group<br>2023<br>RM | 2022<br>RM |
|----------------------------------------|-------------------------|------------|
| <b>Carrying amount</b>                 |                         |            |
| Freehold land                          | 12,422,959              | 21,670,679 |
| Buildings                              | 24,162,228              | 24,047,850 |
| Factory equipment, plant and machinery | 5,214,944               | 5,132,152  |
| Motor vehicle                          | 267,667                 | 352,067    |
|                                        | 42,067,798              | 51,202,748 |

- (b) The following property, plant and equipment were acquired under hire purchase instalments plans (Note 16):

|                                        | The Group<br>2023<br>RM | 2022<br>RM |
|----------------------------------------|-------------------------|------------|
| <b>Carrying amount</b>                 |                         |            |
| Factory equipment, plant and machinery | 982,672                 | 1,202,549  |
| Motor vehicle                          | 2,110,614               | 2,130,368  |
|                                        | 3,093,286               | 3,332,917  |

- (c) There is no property, plant and equipment in the Company throughout the current and previous financial year.

### 7. RIGHT-OF-USE ASSETS

|                     | Office and<br>showroom<br>RM | Total<br>RM |
|---------------------|------------------------------|-------------|
| At 1 January 2022   | 6,016                        | 6,016       |
| Depreciation        | (6,016)                      | (6,016)     |
| At 31 December 2022 | –                            | –           |

### 8. INVESTMENT IN SUBSIDIARIES

|                                 | The Company<br>2023<br>RM | 2022<br>RM |
|---------------------------------|---------------------------|------------|
| <b>Unquoted shares, at cost</b> |                           |            |
| At 1 January                    | 32,843,720                | 23,596,000 |
| Additions                       | –                         | 9,247,720  |
| At 31 December                  | 32,843,720                | 32,843,720 |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 8. INVESTMENT IN SUBSIDIARIES (CONT'D)

| Name of subsidiaries                     | Principal place of business/country of incorporation | Percentage of issued share capital held by parent |        | Principal activities                                                                                      |
|------------------------------------------|------------------------------------------------------|---------------------------------------------------|--------|-----------------------------------------------------------------------------------------------------------|
|                                          |                                                      | 2023 %                                            | 2022 % |                                                                                                           |
| Subsidiaries of the Company              |                                                      |                                                   |        |                                                                                                           |
| Mobilia International Sdn. Bhd. ("MISB") | Malaysia                                             | 100                                               | 100    | Investment holding, design, manufacturing and sale of furniture and furniture parts                       |
| H & S Usaha Jati Sdn. Bhd. ("H&S")       | Malaysia                                             | 100                                               | 100    | Property investment holding company                                                                       |
| Subsidiary of MISB                       |                                                      |                                                   |        |                                                                                                           |
| Mobilia Design Sdn. Bhd.                 | Malaysia                                             | 100                                               | 100    | Ceased business operations since 1 April 2020 and commenced members' voluntary winding up on 12 June 2020 |

On 20 June 2022, the Company acquired 100 ordinary shares in H&S, representing entire equity interest in H&S for a total cash consideration of RM 9,247,720. As a result, H&S become wholly-owned subsidiary of the Company.

### 9. INVENTORIES

|                                         | The Group  |            |
|-----------------------------------------|------------|------------|
|                                         | 2023<br>RM | 2022<br>RM |
| Raw materials                           | 4,816,490  | 5,004,069  |
| Work-in-progress                        | 4,954,683  | 5,416,469  |
| Finished goods                          | 4,876,356  | 2,864,272  |
|                                         | 14,647,529 | 13,284,810 |
| <b>Recognised in profit or loss:</b>    |            |            |
| Inventories recognised as cost of sales | 37,664,392 | 38,178,255 |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 10. TRADE RECEIVABLES

|                                         | The Group  |            |
|-----------------------------------------|------------|------------|
|                                         | 2023<br>RM | 2022<br>RM |
| Trade receivables                       | 8,872,438  | 7,892,959  |
| Less: Allowance for impairment losses   | (249,908)  | –          |
|                                         | 8,622,530  | 7,892,959  |
| <b>Allowance for impairment losses:</b> |            |            |
| At 1 January                            | –          | –          |
| Addition during the year                | 249,908    | –          |
| At 31 December                          | 249,908    | –          |

The Group's normal trade terms granted to customers range from cash term to 90 days credit (2022: cash term to 150 days credit) from date of invoices.

### 11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

|                              | The Group  |            | The Company |            |
|------------------------------|------------|------------|-------------|------------|
|                              | 2023<br>RM | 2022<br>RM | 2023<br>RM  | 2022<br>RM |
| Amount owing by subsidiaries | –          | –          | 5,256,756   | 5,112,150  |
| Deposits                     | 1,625,299  | 1,042,065  | –           | –          |
| Prepayments                  | 1,170,351  | 775,621    | –           | –          |
| Supplier deposits            | 102,613    | 98,669     | –           | –          |
| Sundry receivables           | 112,666    | 120,578    | –           | –          |
|                              | 3,010,929  | 2,036,933  | 5,256,756   | 5,112,150  |

- (a) The amount owing by subsidiaries are unsecured, interest-free and repayable on demand.
- (b) Included in deposits is an amount of RM 743,324 (2022: RM 34,390) for purchase of property, plant and equipment.

### 12. SHORT-TERM INVESTMENTS

|                                   | The Group  |            |
|-----------------------------------|------------|------------|
|                                   | 2023<br>RM | 2022<br>RM |
| Money market funds, at fair value | 4,665,979  | 3,548,402  |

The money market funds represent investments in highly liquid money market instruments which are redeemable with one (1) day notice at known amounts of cash and are subject to an insignificant risk of changes in value.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 13. FIXED DEPOSITS WITH LICENSED BANKS

- (a) The fixed deposits with licensed banks of the Group and of the Company at the end of the reporting period bear effective interest rates of 2.65% to 4.15% (2022: 1.65% to 3.50%) per annum and 4.15% (2022: 3.50%) per annum respectively. The fixed deposits have maturity period ranging from 3 to 12 months (2022: 3 to 12 months) and 3 months (2022: 3 months) respectively.
- (b) Included in the fixed deposits with licensed banks of the Group is an amount of RM 650,000 (2022: RM 650,000) pledged to a licensed bank as security for banking facilities granted to the Group.

### 14. SHARE CAPITAL

|                                 | The Group and The Company |            |                     |            |
|---------------------------------|---------------------------|------------|---------------------|------------|
|                                 | 2023                      |            | 2022                |            |
|                                 | Number of<br>shares       | RM         | Number of<br>shares | RM         |
| <b>Issued and fully paid-up</b> |                           |            |                     |            |
| Ordinary shares                 |                           |            |                     |            |
| At 1 January / 31 December      | 699,999,992               | 36,696,001 | 699,999,992         | 36,696,001 |

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

#### Warrants 2021/2024

A total 174,999,136 bonus warrants were issued by the Company on 11 November 2021 on the basis of one (1) warrant for every four (4) existing ordinary shares held. Each warrant entitles the holder the right to subscribe for one (1) new ordinary share of the Company at an exercise price of RM 0.28. The warrants will expire on 8 November 2024.

The salient terms of the warrants 2021/2024 ("Warrant") are as follows:

- (a) The Warrants are constituted by a Deed Poll dated 20 October 2021.
- (b) The Warrants are traded separately.
- (c) The Warrants can be exercised any time during the tenure of 3 years commencing from the date of issue on 11 November 2021. Warrants not exercised during the aforesaid period will lapse and cease to be valid.
- (d) Each Warrant entitles the registered holder to subscribe for one new ordinary share in the Company.
- (e) Subject to the provisions in the Deed Poll, the Exercise Price and the number of Warrants held by each warrant holder shall from time to time adjusted by the Company in consultation with the approved adviser and certified by the auditors appointed by the Company.
- (f) Subject to the provisions in the Deed Poll, the Company is free to issue shares to shareholders either for cash or as a bonus distribution and further subscription rights upon such terms and conditions as the Company sees fit but the warrant holders will not have any participating rights in such issues unless otherwise resolved by the Company in general meeting.

### 15. RE-ORGANISATION RESERVE

The re-organisation reserve arose from the differences between carrying value of the investment and the nominal value of the shares of a subsidiary upon consolidation under merger accounting principles.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 16. BORROWINGS

|                                  | The Group  |            | The Company |            |
|----------------------------------|------------|------------|-------------|------------|
|                                  | 2023<br>RM | 2022<br>RM | 2023<br>RM  | 2022<br>RM |
| <b>Current liabilities</b>       |            |            |             |            |
| Secured - Bankers' acceptances   | 2,979,148  | 3,321,779  | –           | –          |
| - Hire purchase payables         | 609,369    | 947,887    | –           | –          |
| - Term loans                     | 3,246,560  | 3,271,653  | 636,297     | 628,244    |
|                                  | 6,835,077  | 7,541,319  | 636,297     | 628,244    |
| <b>Non-current liabilities</b>   |            |            |             |            |
| Secured - Hire purchase payables | 810,333    | 1,200,699  | –           | –          |
| - Term loans                     | 21,906,843 | 23,462,636 | 6,368,386   | 6,993,918  |
|                                  | 22,717,176 | 24,663,335 | 6,368,386   | 6,993,918  |
|                                  | 29,552,253 | 32,204,654 | 7,004,683   | 7,622,162  |
| <b>Total borrowings</b>          |            |            |             |            |
| Secured - Bankers' acceptances   | 2,979,148  | 3,321,779  | –           | –          |
| - Hire purchase payables         | 1,419,702  | 2,148,586  | –           | –          |
| - Term loans                     | 25,153,403 | 26,734,289 | 7,004,683   | 7,622,162  |
|                                  | 29,552,253 | 32,204,654 | 7,004,683   | 7,622,162  |

- (a) The borrowings are secured by the followings:
- (i) Freehold land and buildings of the Group (Note 6(a));
  - (ii) Specific debenture over factory equipment, plant and machinery and motor vehicles of the Group (Note 6(a));
  - (iii) Fixed deposit with a licensed bank (Note 13); and
  - (iv) Corporate guarantee provided by the Company.
- (b) The borrowings of the Group at the end of the reporting period bear effective annual interest rates as follows:

|                        | The Group   |             | The Company |           |
|------------------------|-------------|-------------|-------------|-----------|
|                        | 2023<br>%   | 2022<br>%   | 2023<br>%   | 2022<br>% |
| Bankers' acceptances   | 3.58 - 4.07 | 2.81 - 3.58 | –           | –         |
| Hire purchase payables | 1.49 - 6.00 | 1.49 - 6.00 | –           | –         |
| Term loans             | 4.25 - 5.80 | 3.19 - 5.95 | 4.25        | 4.00      |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 17. LEASE LIABILITIES

|                                                         | The Group<br>2022<br>RM |
|---------------------------------------------------------|-------------------------|
| At 1 January                                            | 6,188                   |
| Interest expense recognised in profit or loss (Note 24) | 62                      |
| Repayment of principal (Note 31(b))                     | (6,188)                 |
| Repayment of interest expense (Note 31(b))              | (62)                    |
| At 31 December                                          | –                       |

### 18. DEFERRED TAX LIABILITIES

|                                        | The Group<br>2023<br>RM | 2022<br>RM |
|----------------------------------------|-------------------------|------------|
| At 1 January                           | 2,918,556               | 1,753,000  |
| Recognised in profit or loss (Note 27) | 100,000                 | 1,165,556  |
| At 31 December                         | 3,018,556               | 2,918,556  |

### 19. TRADE PAYABLES

The normal trade terms granted to the Group by suppliers range from cash term to 45 days credit (2022: cash term to 90 days credit).

### 20. OTHER PAYABLES AND ACCRUALS

|                           | The Group  |            | The Company |            |
|---------------------------|------------|------------|-------------|------------|
|                           | 2023<br>RM | 2022<br>RM | 2023<br>RM  | 2022<br>RM |
| Amount owing to directors | 9,654      | 51,640     | –           | –          |
| Accruals                  | 3,156,646  | 2,487,134  | 36,000      | 35,000     |
| Customer deposits         | 2,197,878  | 1,264,803  | –           | –          |
| Sales tax payable         | 8,758      | 35,947     | –           | –          |
| Sundry payables           | 1,269,417  | 1,460,942  | –           | 2,924      |
|                           | 6,642,353  | 5,300,466  | 36,000      | 37,924     |

- (a) The amount owing to directors is unsecured, interest-free and repayable on demand.
- (b) Included in sundry payables of the Group is an amount of RM 105,654 (2022: RM 844,776) payable for the purchase of property, plant and equipment.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 21. REVENUE

Revenue of the Group comprises the followings:

|                                              | The Group  |            | The Company |           |
|----------------------------------------------|------------|------------|-------------|-----------|
|                                              | 2023       | 2022       | 2023        | 2022      |
|                                              | RM         | RM         | RM          | RM        |
| <b>Revenue from contracts with customers</b> |            |            |             |           |
| <u>Recognised at a point in time</u>         |            |            |             |           |
| Sales of furniture and furniture parts       | 82,244,031 | 84,950,774 | –           | –         |
| <b>Revenue from other sources</b>            |            |            |             |           |
| Dividend income                              | –          | –          | 900,000     | 5,100,000 |
|                                              | 82,244,031 | 84,950,774 | 900,000     | 5,100,000 |

- (a) Revenue from sale of furniture and furniture parts is recognised at a point in time when goods have been transferred and accepted by customers, net of discount.

Some sale contracts allow the customers to return the goods within a specified period. The Group uses the expected value method to estimate goods that will not be returned in arriving at the amount of revenue. There is no material warranty provided to the customers on the sale of goods. There is no material right of return and warranty provided to the customers on the sale of goods.

- (b) The dividend income is recognised when the right to receive dividend payment is established.

### 22. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

The key management personnel compensation during the financial year are as follows:

|                                              | The Group |           | The Company |         |
|----------------------------------------------|-----------|-----------|-------------|---------|
|                                              | 2023      | 2022      | 2023        | 2022    |
|                                              | RM        | RM        | RM          | RM      |
| <b>(a) Directors</b>                         |           |           |             |         |
| <b>Executive directors:</b>                  |           |           |             |         |
| Salaries, bonuses and other benefits         | 1,030,919 | 992,819   | 7,000       | 8,400   |
| Defined contribution plans                   | 122,302   | 118,547   | –           | –       |
|                                              | 1,153,221 | 1,111,366 | 7,000       | 8,400   |
| <b>Non-executive directors:</b>              |           |           |             |         |
| Fees                                         | 182,400   | 141,750   | 182,400     | 141,750 |
| Salaries, bonuses and other benefits         | 13,300    | 16,215    | 13,300      | 16,215  |
|                                              | 195,700   | 157,965   | 195,700     | 157,965 |
| Total directors' remuneration                | 1,348,921 | 1,269,331 | 202,700     | 166,365 |
| Estimated monetary value of benefits-in-kind | 73,400    | 64,400    | –           | –       |



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 22. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

The key management personnel compensation during the financial year are as follows: (Cont'd)

|                                                       | The Group  |            | The Company |            |
|-------------------------------------------------------|------------|------------|-------------|------------|
|                                                       | 2023<br>RM | 2022<br>RM | 2023<br>RM  | 2022<br>RM |
| <b>(b) Other key management personnel</b>             |            |            |             |            |
| Salaries, bonuses and other benefits                  | 639,709    | 720,595    | –           | –          |
| Defined contribution plans                            | 87,539     | 85,964     | –           | –          |
| Total compensation for other key management personnel | 727,248    | 806,559    | –           | –          |
| Estimated monetary value of benefits-in-kind          | 3,000      | 3,000      | –           | –          |

### 23. STAFF COSTS

|                                                                           | The Group  |            | The Company |            |
|---------------------------------------------------------------------------|------------|------------|-------------|------------|
|                                                                           | 2023<br>RM | 2022<br>RM | 2023<br>RM  | 2022<br>RM |
| <b>Key management personnel compensation (excluding benefits-in-kind)</b> | 2,076,169  | 2,075,890  | 202,700     | 166,365    |
| <b>Other staff costs</b>                                                  |            |            |             |            |
| Salaries, bonuses and other benefits                                      | 18,769,709 | 16,983,829 | –           | –          |
| Defined contribution plans                                                | 463,544    | 408,292    | –           | –          |
|                                                                           | 19,233,253 | 17,392,121 | –           | –          |
|                                                                           | 21,309,422 | 19,468,011 | 202,700     | 166,365    |

### 24. FINANCE COSTS

|                              | The Group  |            | The Company |            |
|------------------------------|------------|------------|-------------|------------|
|                              | 2023<br>RM | 2022<br>RM | 2023<br>RM  | 2022<br>RM |
| <b>Interest on:</b>          |            |            |             |            |
| Bankers' acceptances         | 94,248     | 116,123    | –           | –          |
| Hire purchase payables       | 85,401     | 94,612     | –           | –          |
| Lease liabilities            | –          | 62         | –           | –          |
| Term loans                   | 1,102,730  | 837,044    | 304,217     | 146,202    |
|                              | 1,282,379  | 1,047,841  | 304,217     | 146,202    |
| Bankers' acceptances charges | 13,937     | 26,411     | –           | –          |
|                              | 1,296,316  | 1,074,252  | 304,217     | 146,202    |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 25. IMPAIRMENT LOSS ON FINANCIAL ASSET

|                             | The Group  |            | The Company |            |
|-----------------------------|------------|------------|-------------|------------|
|                             | 2023<br>RM | 2022<br>RM | 2023<br>RM  | 2022<br>RM |
| Impairment loss:            |            |            |             |            |
| Trade receivables (Note 10) | 249,908    | –          | –           | –          |

### 26. PROFIT BEFORE TAX

|                                                                | The Group  |             | The Company |            |
|----------------------------------------------------------------|------------|-------------|-------------|------------|
|                                                                | 2023<br>RM | 2022<br>RM  | 2023<br>RM  | 2022<br>RM |
| <b>This is arrived at after charging:</b>                      |            |             |             |            |
| Auditors' remuneration:                                        |            |             |             |            |
| - audit fees                                                   | 84,000     | 74,500      | 31,000      | 30,000     |
| - non-audit fees                                               |            |             |             |            |
| - auditors of the Company                                      | 5,000      | 5,000       | 5,000       | 5,000      |
| - member firm of the auditor of the Company                    | 40,100     | 21,700      | 2,400       | 16,400     |
| Depreciation of property, plant and equipment                  | 3,048,788  | 2,570,015   | –           | –          |
| Depreciation of right-of-use assets                            | –          | 6,016       | –           | –          |
| Listing expenses                                               | –          | 684,650     | –           | 684,650    |
| Unrealised loss on foreign exchange                            | 118,782    | –           | –           | –          |
| Rental expenses of office and showroom                         | –          | 7,500       | –           | –          |
| Property, plant and equipment written off                      | –          | 3,737       | –           | –          |
| <b>And (crediting):</b>                                        |            |             |             |            |
| Dividend income from short-term investments                    | (117,577)  | (49,206)    | –           | –          |
| Gain on disposal of property, plant and equipment              | (66,867)   | (29,997)    | –           | –          |
| Interest income on financial assets measured at amortised cost | (452,008)  | (261,135)   | (233,806)   | (177,358)  |
| Gain on foreign exchange:                                      |            |             |             |            |
| - realised                                                     | (782,104)  | (1,463,975) | –           | –          |
| - unrealised                                                   | –          | (24,716)    | –           | –          |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 27. INCOME TAX EXPENSE

|                                                  | The Group  |            | The Company |            |
|--------------------------------------------------|------------|------------|-------------|------------|
|                                                  | 2023<br>RM | 2022<br>RM | 2023<br>RM  | 2022<br>RM |
| Current tax expense                              | 2,538,000  | 3,121,440  | –           | 40,440     |
| (Over)/underprovision in previous financial year | (588,306)  | (112,973)  | 279         | 15,142     |
|                                                  | 1,949,694  | 3,008,467  | 279         | 55,582     |
| Deferred tax (Note 18):                          |            |            |             |            |
| - Origination of temporary differences           | 94,000     | 635,556    | –           | –          |
| - Underprovision in previous financial year      | 6,000      | 530,000    | –           | –          |
|                                                  | 100,000    | 1,165,556  | –           | –          |
|                                                  | 2,049,694  | 4,174,023  | 279         | 55,582     |

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

|                                                   | The Group  |            | The Company |             |
|---------------------------------------------------|------------|------------|-------------|-------------|
|                                                   | 2023<br>RM | 2022<br>RM | 2023<br>RM  | 2022<br>RM  |
| Profit before tax                                 | 10,278,154 | 15,936,346 | 472,678     | 3,574,511   |
| Tax at statutory income tax rate                  | 2,467,000  | 3,825,000  | 113,000     | 858,000     |
| Tax effect of non-deductible expense              | 443,000    | 605,996    | (113,000)   | 382,440     |
| Tax effect of non-taxable income                  | (28,000)   | (9,000)    | –           | (1,200,000) |
| Tax effect of double deduction relief             | (191,000)  | –          | –           | –           |
| Utilisation of tax incentive                      | (59,000)   | (665,000)  | –           | –           |
| (Over)/underprovision in previous financial year: |            |            |             |             |
| - current tax expense                             | (588,306)  | (112,973)  | 279         | 15,142      |
| - deferred tax expense                            | 6,000      | 530,000    | –           | –           |
|                                                   | 2,049,694  | 4,174,023  | 279         | 55,582      |

Income tax is calculated at the Malaysian statutory tax rate of 24% (2022: 24%) of the estimated assessable profit for the financial year.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 28. EARNINGS PER SHARE

#### (a) Basic Earnings Per Share

The basic earnings per share is calculated by dividing the consolidated profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in issue during the financial year.

|                                                             | The Group<br>2023 | 2022        |
|-------------------------------------------------------------|-------------------|-------------|
| Profit after tax attributable to owners of the Company (RM) | 8,228,460         | 11,762,323  |
| Weighted average number of ordinary shares in issues        | 699,999,992       | 699,999,992 |
| Basic earnings per share (RM)                               | 0.01              | 0.02        |

#### (b) Diluted Earnings Per Share

The effects of potential ordinary shares arising from the conversion of warrants were anti-dilutive and accordingly, it has been ignored in the calculation of diluted earnings per share. As a result, the diluted earnings per share is the same as basic earnings per share.

### 29. DIVIDENDS

|                                                            | The Group and The Company<br>2023<br>RM | 2022<br>RM |
|------------------------------------------------------------|-----------------------------------------|------------|
| <b>In respect of financial year ended 31 December 2022</b> |                                         |            |
| Interim dividend of 0.50 sen per ordinary share            | –                                       | 3,499,998  |

### 30. ACQUISITION OF A SUBSIDIARY

On 20 June 2022, the Company acquired 100 ordinary shares in H & S Usaha Jati Sdn. Bhd. ("H&S"), representing entire equity interest in H&S for a total cash consideration of RM 9,247,720. As a result, H&S become wholly owned subsidiary of the Company.

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

|                                                        | The Group<br>2022<br>RM |
|--------------------------------------------------------|-------------------------|
| Property, plant and equipment                          | 9,247,720               |
| Cash balances                                          | 100                     |
| Net identifiable assets acquired                       | 9,247,820               |
| Less: Cash and cash equivalents of subsidiary acquired | (100)                   |
|                                                        | 9,247,720               |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 31. CASH FLOW INFORMATION

- (a) The cash disbursed for the purchase of property, plant and equipment are as follows:

|                                                                | The Group  |            |
|----------------------------------------------------------------|------------|------------|
|                                                                | 2023<br>RM | 2022<br>RM |
| <b>Property, plant and equipment</b>                           |            |            |
| Cost of property, plant and equipment purchased (Note 6)       | 2,550,742  | 11,591,606 |
| Acquired through hire purchase arrangements                    | (220,000)  | (628,023)  |
| Cash paid in respect of acquisition in previous financial year | 765,789    | 1,254,884  |
| Deposits paid in previous financial year                       | (1,000)    | (358,392)  |
| Unpaid balances included in sundry payables                    | (105,654)  | (765,789)  |
| Cash paid during the financial year                            | 2,989,877  | 11,094,286 |

- (b) The reconciliation of liabilities arising from financing activities are as follows:

| The Group                                    | Bankers'<br>acceptances<br>RM | Hire<br>purchase<br>payables<br>RM | Term<br>loans<br>RM | Total<br>RM  |
|----------------------------------------------|-------------------------------|------------------------------------|---------------------|--------------|
| At 1 January 2023                            | 3,321,779                     | 2,148,586                          | 26,734,289          | 32,204,654   |
| <u>Changes in financing cash flows</u>       |                               |                                    |                     |              |
| Proceeds from drawdown                       | 11,013,624                    | –                                  | 905,400             | 11,919,024   |
| Repayment of borrowing principal             | (11,356,255)                  | (948,884)                          | (2,486,286)         | (14,791,425) |
| Repayment of borrowing interest              | (94,248)                      | (85,401)                           | (1,102,730)         | (1,282,379)  |
|                                              | (436,879)                     | (1,034,285)                        | (2,683,616)         | (4,154,780)  |
| <u>Non-cash changes</u>                      |                               |                                    |                     |              |
| Acquisition of new hire purchase             | –                             | 220,000                            | –                   | 220,000      |
| Finance charges recognised in profit or loss | 94,248                        | 85,401                             | 1,102,730           | 1,282,379    |
|                                              | 94,248                        | 305,401                            | 1,102,730           | 1,502,379    |
| At 31 December 2023                          | 2,979,148                     | 1,419,702                          | 25,153,403          | 29,552,253   |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 31. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliation of liabilities arising from financing activities are as follows: (Cont'd)

| The Group                                    | Bankers' acceptances<br>RM | Hire purchase payables<br>RM | Term loans<br>RM | Lease liabilities<br>RM | Total<br>RM  |
|----------------------------------------------|----------------------------|------------------------------|------------------|-------------------------|--------------|
| At 1 January 2022                            | 4,330,785                  | 2,308,841                    | 20,035,616       | 6,188                   | 26,681,430   |
| <u>Changes in financing cash flows</u>       |                            |                              |                  |                         |              |
| Proceeds from drawdown                       | 20,187,882                 | –                            | 8,610,000        | –                       | 28,797,882   |
| Repayment of borrowing principal             | (21,196,888)               | (788,278)                    | (1,911,327)      | (6,188)                 | (23,902,681) |
| Repayment of borrowing interest              | (116,123)                  | (94,612)                     | (837,044)        | (62)                    | (1,047,841)  |
|                                              | (1,125,129)                | (882,890)                    | 5,861,629        | (6,250)                 | 3,847,360    |
| <u>Non-cash changes</u>                      |                            |                              |                  |                         |              |
| Acquisition of new hire purchase             | –                          | 628,023                      | –                | –                       | 628,023      |
| Finance charges recognised in profit or loss | 116,123                    | 94,612                       | 837,044          | 62                      | 1,047,841    |
|                                              | 116,123                    | 722,635                      | 837,044          | 62                      | 1,675,864    |
| At 31 December 2022                          | 3,321,779                  | 2,148,586                    | 26,734,289       | –                       | 32,204,654   |

| The Company                                  | Term loans<br>RM | Total<br>RM |
|----------------------------------------------|------------------|-------------|
| At 1 January 2023                            | 7,622,162        | 7,622,162   |
| <u>Changes in financing cash flows</u>       |                  |             |
| Repayment of borrowing principal             | (617,479)        | (617,479)   |
| Repayment of borrowing interest              | (304,217)        | (304,217)   |
|                                              | (921,696)        | (921,696)   |
| <u>Non-cash changes</u>                      |                  |             |
| Finance charges recognised in profit or loss | 304,217          | 304,217     |
|                                              | 304,217          | 304,217     |
| At 31 December 2023                          | 7,004,683        | 7,004,683   |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 31. CASH FLOW INFORMATION (CONT'D)

- (b) The reconciliation of liabilities arising from financing activities are as follows: (Cont'd)

| The Company                                  | Term loans<br>RM | Total<br>RM |
|----------------------------------------------|------------------|-------------|
| At 1 January 2022                            | –                | –           |
| <u>Changes in financing cash flows</u>       |                  |             |
| Proceeds from drawdown                       | 7,860,000        | 7,860,000   |
| Repayment of borrowing principal             | (237,838)        | (237,838)   |
| Repayment of borrowing interest              | (146,202)        | (146,202)   |
|                                              | 7,475,960        | 7,475,960   |
| <u>Non-cash changes</u>                      |                  |             |
| Finance charges recognised in profit or loss | 146,202          | 146,202     |
|                                              | 146,202          | 146,202     |
| At 31 December 2022                          | 7,622,162        | 7,622,162   |

- (c) The total cash outflow for leases as a lessee are as follows:

|                                    | The Group<br>2022<br>RM |
|------------------------------------|-------------------------|
| Payment of lease liabilities       | 6,188                   |
| Interest paid on lease liabilities | 62                      |
|                                    | 6,250                   |

- (d) The cash and cash equivalents comprise the following:

|                                                   | The Group  |            | The Company |            |
|---------------------------------------------------|------------|------------|-------------|------------|
|                                                   | 2023<br>RM | 2022<br>RM | 2023<br>RM  | 2022<br>RM |
| Short-term investments                            | 4,665,979  | 3,548,402  | –           | –          |
| Fixed deposits with licensed banks                | 7,890,137  | 8,379,854  | 5,671,668   | 6,205,527  |
| Cash and bank balances                            | 15,718,107 | 9,479,792  | 414,362     | 224,752    |
|                                                   | 28,274,223 | 21,408,048 | 6,086,030   | 6,430,279  |
| Less: Fixed deposit pledged to<br>a licensed bank | (650,000)  | (650,000)  | –           | –          |
|                                                   | 27,624,223 | 20,758,048 | 6,086,030   | 6,430,279  |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 32. RELATED PARTY DISCLOSURES

#### (a) Holding company and subsidiaries

The holding company is disclosed in Note 3 to the financial statements. The subsidiaries are disclosed in Note 8 to the financial statements.

#### (b) Significant related parties transactions and balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year:

|                   | The Group  |            | The Company |             |
|-------------------|------------|------------|-------------|-------------|
|                   | 2023<br>RM | 2022<br>RM | 2023<br>RM  | 2022<br>RM  |
| <b>Subsidiary</b> |            |            |             |             |
| Dividend income   | –          | –          | (900,000)   | (5,100,000) |

The significant outstanding balances of the related parties together with their terms and conditions are disclosed in the respective note to the financial statements.

#### (c) Compensation of key management personnel

Key management personnel (include Executive Directors and Non-Executive Directors of the Company and certain members of senior management of the Group and of the Company) are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. Details of the compensation for these key management personnel are disclosed in Note 22 to the financial statements.

### 33. OPERATING SEGMENTS

#### (a) Business segments

Information about operating segments has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to a single operating segment, namely furniture manufacturing.

#### (b) Geographical information

In presenting the information on the basis of geographical segments, segmental information on non-current assets is not presented, as all non-current assets are located in Malaysia.

Segmental revenue is presented based on the geographical location of customers.

|                           | The Group  |            |
|---------------------------|------------|------------|
|                           | 2023<br>RM | 2022<br>RM |
| Asia (excluding Malaysia) | 16,221,568 | 18,307,021 |
| Australasia               | 741,724    | 622,469    |
| Europe                    | 6,338,211  | 6,059,511  |
| North America             | 29,577,999 | 33,702,073 |
| South America             | 2,061,630  | 848,525    |
| Malaysia                  | 26,579,332 | 25,411,175 |
| Africa                    | 723,567    | –          |
|                           | 82,244,031 | 84,950,774 |



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 33. OPERATING SEGMENTS (CONT'D)

#### (c) Major customers

The following are major customers with revenue equal to or more than 10% of Group revenue for the relevant reporting periods:

|            | The Group  |            |
|------------|------------|------------|
|            | 2023<br>RM | 2022<br>RM |
| Customer A | 11,387,013 | 15,189,765 |
| Customer B | 16,544,786 | 16,588,370 |

### 34. CAPITAL COMMITMENT

|                                           | The Group  |            |
|-------------------------------------------|------------|------------|
|                                           | 2023<br>RM | 2022<br>RM |
| Renovation                                | 589,000    | –          |
| Purchase of property, plant and equipment | 263,000    | –          |
|                                           | 852,000    | –          |

### 35. FINANCIAL INSTRUMENTS

The activities of the Group are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

#### 35.1 Financial risk management policies

The policies in respect of the major areas of treasury activity are as follows:

##### (a) Market risk

##### (i) Foreign currency risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The currencies giving rise to this risk are primarily United States Dollar ("USD"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 35. FINANCIAL INSTRUMENTS (CONT'D)

#### 35.1 Financial risk management policies (Cont'd)

##### (a) Market risk (Cont'd)

##### (i) Foreign currency risk (Cont'd)

The Group's exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:

##### *Foreign currency exposure*

| The Group                                                                                       | USD<br>RM  | RM<br>RM    | Others<br>RM | Total<br>RM |
|-------------------------------------------------------------------------------------------------|------------|-------------|--------------|-------------|
| <b>2023</b>                                                                                     |            |             |              |             |
| <b>Financial assets</b>                                                                         |            |             |              |             |
| Trade receivables                                                                               | 8,196,427  | 426,103     | –            | 8,622,530   |
| Cash and bank balances                                                                          | 6,104,467  | 9,596,807   | 16,833       | 15,718,107  |
|                                                                                                 | 14,300,894 | 10,022,910  | 16,833       | 24,340,637  |
| <b>Financial liabilities</b>                                                                    |            |             |              |             |
| Trade payables                                                                                  | 4,548      | 5,804,272   | –            | 5,808,820   |
| Other payables and accruals                                                                     | 337,975    | 4,097,742   | –            | 4,435,717   |
|                                                                                                 | 342,523    | 9,902,014   | –            | 10,244,537  |
| Net financial assets                                                                            | 13,958,371 | 120,896     | 16,833       | 14,096,100  |
| Less: Net financial assets<br>denominated in the<br>respective entities'<br>functional currency | –          | (120,896)   | –            | (120,896)   |
| Currency exposure                                                                               | 13,958,371 | –           | 16,833       | 13,975,204  |
| <b>2022</b>                                                                                     |            |             |              |             |
| <b>Financial assets</b>                                                                         |            |             |              |             |
| Trade receivables                                                                               | 6,846,278  | 1,046,681   | –            | 7,892,959   |
| Cash and bank balances                                                                          | 3,984,143  | 5,479,693   | 15,956       | 9,479,792   |
|                                                                                                 | 10,830,421 | 6,526,374   | 15,956       | 17,372,751  |
| <b>Financial liabilities</b>                                                                    |            |             |              |             |
| Other payables and accruals                                                                     | 140,061    | 3,859,655   | –            | 3,999,716   |
|                                                                                                 | 140,061    | 3,859,655   | –            | 3,999,716   |
| Net financial assets                                                                            | 10,690,360 | 2,666,719   | 15,956       | 13,373,035  |
| Less: Net financial assets<br>denominated in the<br>respective entities'<br>functional currency | –          | (2,666,719) | –            | (2,666,719) |
| Currency exposure                                                                               | 10,690,360 | –           | 15,956       | 10,706,316  |

The Company does not have any transactions or balances denominated in foreign currencies and hence, is not exposed to foreign currency risk.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 35. FINANCIAL INSTRUMENTS (CONT'D)

#### 35.1 Financial risk management policies (Cont'd)

##### (a) Market risk (Cont'd)

##### (i) Foreign currency risk (Cont'd)

##### *Foreign currency risk sensitivity analysis*

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting period, with all other variables held constant:

|                                    | The Group  |            |
|------------------------------------|------------|------------|
|                                    | 2023<br>RM | 2022<br>RM |
| <b>Effects on profit after tax</b> |            |            |
| USD/RM                             |            |            |
| - strengthened by 5%               | 530,418    | 406,234    |
| - weakened by 5%                   | (530,418)  | (406,234)  |

There is no impact on the Group's equity.

##### (ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The Group's fixed deposits with licensed banks are carried at amortised cost. Therefore, they are not subject to interest rate risk as defined in MFRS 7 since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 16 to the financial statements.

##### *Interest rate risk sensitivity analysis*

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variable held constant:

|                                    | The Group  |            | The Company |            |
|------------------------------------|------------|------------|-------------|------------|
|                                    | 2023<br>RM | 2022<br>RM | 2023<br>RM  | 2022<br>RM |
| <b>Effects on profit after tax</b> |            |            |             |            |
| 100 basis points                   | 173,335    | 141,863    | 54,401      | 27,778     |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 35. FINANCIAL INSTRUMENTS (CONT'D)

#### 35.1 Financial risk management policies (Cont'd)

##### (a) Market risk (Cont'd)

##### (iii) Equity price risk

The Group does not have any quoted investments and hence, is not exposed to equity price risk.

##### (b) Credit risk

The exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

##### (i) Credit risk concentration profile

The Group's major concentration of credit risk relates to the amounts owing by 2 (2022: 3) trade receivables, the balances of each is equal to or more than 10% of total balances constituting approximately 76% (2022: 62%) of its trade receivables at the end of the reporting period.

In addition, the Group also determines concentration of credit risk by monitoring the geographical region of its trade receivables on an ongoing basis. The credit risk concentration profile of trade receivables at the end of the reporting period is as follows:

|                           | The Group  |            |
|---------------------------|------------|------------|
|                           | 2023<br>RM | 2022<br>RM |
| Asia (excluding Malaysia) | 370,678    | 282,274    |
| Africa                    | 283,577    | –          |
| Europe                    | 243,112    | 35,923     |
| North America             | 4,345,239  | 3,124,520  |
| South America             | 160,191    | 283,657    |
| Malaysia                  | 3,219,733  | 4,166,585  |
|                           | 8,622,530  | 7,892,959  |

##### (ii) Maximum exposure to credit risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 35. FINANCIAL INSTRUMENTS (CONT'D)

#### 35.1 Financial risk management policies (Cont'd)

##### (b) Credit risk (Cont'd)

##### (iii) Assessment of impairment losses

The Group has an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the trade receivables. The Group closely monitors the trade receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group assesses whether any of the financial assets at amortised cost are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficulty of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty;
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more a lagging default criteria is more appropriate.

##### Trade receivables

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables.

##### *Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

The expected loss rates are based on the payment profiles of sales over 24 months (2022: 24 months) before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates were not adjusted to reflect forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts as the Group has not identified any forward-looking assumptions which correlate to the historical loss rates.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023  
(CONT'D)**

## 35. FINANCIAL INSTRUMENTS (CONT'D)

### 35.1 Financial risk management policies (Cont'd)

**(b) Credit risk (Cont'd)**

**(iii) Assessment of impairment losses (Cont'd)**

Trade receivables (Cont'd)

*Allowance for impairment losses*

|                            | Gross<br>amount<br>RM | Lifetime<br>individual<br>allowance<br>RM | Carrying<br>amount<br>RM |
|----------------------------|-----------------------|-------------------------------------------|--------------------------|
| <b>The Group</b>           |                       |                                           |                          |
| <b>2023</b>                |                       |                                           |                          |
| Not past due               | 6,949,442             | –                                         | 6,949,442                |
| Past due but not impaired: |                       |                                           |                          |
| - less than 90 days        | 1,672,565             | –                                         | 1,672,565                |
| - more than 90 days        | 250,431               | (249,908)                                 | 523                      |
|                            | 8,872,438             | (249,908)                                 | 8,622,530                |
|                            |                       |                                           |                          |
|                            | Gross<br>amount<br>RM | Lifetime<br>individual<br>allowance<br>RM | Carrying<br>amount<br>RM |
| <b>2022</b>                |                       |                                           |                          |
| Not past due               | 6,878,392             | –                                         | 6,878,392                |
| Past due but not impaired: |                       |                                           |                          |
| - less than 90 days        | 1,014,044             | –                                         | 1,014,044                |
| - more than 90 days        | 523                   | –                                         | 523                      |
|                            | 7,892,959             | –                                         | 7,892,959                |

The movement in the loss allowances in respect of trade receivables is disclosed in Note 10 of the financial statements.

Other receivables

The Group applies the 3-stage general approach to measuring expected credit losses for its other receivables.

*Allowance for impairment losses*

No expected credit loss is recognised on other receivables as it is negligible.

Fixed deposits with licensed banks, cash and bank balances

The Group considers the licensed banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 35. FINANCIAL INSTRUMENTS (CONT'D)

#### 35.1 Financial risk management policies (Cont'd)

##### (b) Credit risk (Cont'd)

##### (iii) Assessment of impairment losses (Cont'd)

###### Amount owing by subsidiaries

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances.

Inputs, assumptions and techniques used for estimating impairment losses

The Company measures the expected credit losses on individual basis, which is aligned with its credit risk management practices on the inter-company balances.

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

For amount owing that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the amount owing are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiary.

###### *Allowance for impairment losses*

At the end of the reporting period, there were no indication that the amount owing is not recoverable.

##### (c) Liquidity risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 35. FINANCIAL INSTRUMENTS (CONT'D)

#### 35.1 Financial risk management policies (Cont'd)

##### (c) Liquidity risk (Cont'd)

##### *Maturity analysis*

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):

|                                             | Contractual<br>annual<br>interest rate<br>% | Carrying<br>amount<br>RM | Contractual<br>undiscounted<br>cash flows<br>RM | Within<br>1 year<br>RM | 1 - 5<br>years<br>RM | Over<br>5 years<br>RM |
|---------------------------------------------|---------------------------------------------|--------------------------|-------------------------------------------------|------------------------|----------------------|-----------------------|
| <b>The Group</b>                            |                                             |                          |                                                 |                        |                      |                       |
| <b>2023</b>                                 |                                             |                          |                                                 |                        |                      |                       |
| <b>Non-derivative financial liabilities</b> |                                             |                          |                                                 |                        |                      |                       |
| Trade payables                              | -                                           | 5,808,820                | 5,808,820                                       | 5,808,820              | -                    | -                     |
| Other payables and accruals                 | -                                           | 4,435,717                | 4,435,717                                       | 4,435,717              | -                    | -                     |
| <b>Borrowings</b>                           |                                             |                          |                                                 |                        |                      |                       |
| - Bankers' acceptances                      | 3.58 - 4.07                                 | 2,979,148                | 2,979,148                                       | 2,979,148              | -                    | -                     |
| - Hire purchase payables                    | 1.49 - 6.00                                 | 1,419,702                | 1,510,145                                       | 655,132                | 855,013              | -                     |
| - Term loans                                | 4.25 - 5.80                                 | 25,153,403               | 29,353,169                                      | 4,276,467              | 13,478,659           | 11,598,043            |
|                                             |                                             | 39,796,790               | 44,086,999                                      | 18,155,284             | 14,333,672           | 11,598,043            |



# NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

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## 35. FINANCIAL INSTRUMENTS (CONT'D)

### 35.1 Financial risk management policies (Cont'd)

#### (c) Liquidity risk (Cont'd)

##### Maturity analysis (Cont'd)

|                                             | Contractual<br>annual<br>interest rate<br>% | Carrying<br>amount<br>RM | Contractual<br>undiscounted<br>cash flows<br>RM | Within<br>1 year<br>RM | 1 - 5<br>years<br>RM | Over<br>5 years<br>RM |
|---------------------------------------------|---------------------------------------------|--------------------------|-------------------------------------------------|------------------------|----------------------|-----------------------|
| <b>The Group</b>                            |                                             |                          |                                                 |                        |                      |                       |
| <b>2022</b>                                 |                                             |                          |                                                 |                        |                      |                       |
| <b>Non-derivative financial liabilities</b> |                                             |                          |                                                 |                        |                      |                       |
| Trade payables                              | -                                           | 3,322,755                | 3,322,755                                       | 3,322,755              | -                    | -                     |
| Other payables and accruals                 | -                                           | 3,999,716                | 3,999,716                                       | 3,999,716              | -                    | -                     |
| Borrowings                                  |                                             |                          |                                                 |                        |                      |                       |
| - Bankers' acceptances                      | 2.81 - 3.58                                 | 3,321,779                | 3,321,779                                       | 3,321,779              | -                    | -                     |
| - Hire purchase payables                    | 1.49 - 6.00                                 | 2,148,586                | 2,292,102                                       | 1,021,367              | 1,270,735            | -                     |
| - Term loans                                | 3.19 - 5.95                                 | 26,734,289               | 32,042,847                                      | 4,292,988              | 13,986,129           | 13,763,730            |
|                                             |                                             | 39,527,125               | 44,979,199                                      | 15,958,605             | 15,256,864           | 13,763,730            |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 35. FINANCIAL INSTRUMENTS (CONT'D)

#### 35.1 Financial risk management policies (Cont'd)

##### (c) Liquidity risk (Cont'd)

##### *Maturity analysis (Cont'd)*

|                                             | Contractual<br>annual interest<br>rate<br>% | Carrying<br>amount<br>RM | Contractual<br>undiscounted<br>cash flows<br>RM | Within 1<br>year<br>RM | 1 - 5<br>years<br>RM | Over 5<br>years<br>RM |
|---------------------------------------------|---------------------------------------------|--------------------------|-------------------------------------------------|------------------------|----------------------|-----------------------|
| <b>The Company</b>                          |                                             |                          |                                                 |                        |                      |                       |
| <b>2023</b>                                 |                                             |                          |                                                 |                        |                      |                       |
| <b>Non-derivative financial liabilities</b> |                                             |                          |                                                 |                        |                      |                       |
| Other payables and accruals                 | -                                           | 36,000                   | 36,000                                          | 36,000                 | -                    | -                     |
| Borrowings                                  |                                             |                          |                                                 |                        |                      |                       |
| - Term loans                                | 4.25                                        | 7,004,683                | 8,474,434                                       | 921,696                | 3,686,784            | 3,865,954             |
|                                             |                                             | 7,040,683                | 8,510,434                                       | 957,696                | 3,686,784            | 3,865,954             |
| <b>2022</b>                                 |                                             |                          |                                                 |                        |                      |                       |
| <b>Non-derivative financial liabilities</b> |                                             |                          |                                                 |                        |                      |                       |
| Other payables and accruals                 | -                                           | 37,924                   | 37,924                                          | 37,924                 | -                    | -                     |
| Borrowings                                  |                                             |                          |                                                 |                        |                      |                       |
| - Term loans                                | 4.00                                        | 7,622,162                | 9,270,543                                       | 921,696                | 3,686,784            | 4,662,063             |
|                                             |                                             | 7,660,086                | 9,308,467                                       | 959,620                | 3,686,784            | 4,662,063             |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 35. FINANCIAL INSTRUMENTS (CONT'D)

#### 35.2 Capital risk management

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on net gearing ratio. The net gearing ratio is calculated as net borrowings divided by total equity. The Group includes within net borrowings, borrowings less cash and cash equivalents. The net gearing ratio of the Group at the end of the reporting period was as follows:

|                                             | The Group    |             | The Company |             |
|---------------------------------------------|--------------|-------------|-------------|-------------|
|                                             | 2023<br>RM   | 2022<br>RM  | 2023<br>RM  | 2022<br>RM  |
| Borrowings                                  | 29,552,253   | 32,204,654  | 7,004,683   | 7,622,162   |
| Less: Short-term investments                | (4,665,979)  | (3,548,402) | –           | –           |
| Less: Fixed deposits with<br>licensed banks | (7,890,137)  | (8,379,854) | (5,671,668) | (6,205,527) |
| Less: Cash and bank balances                | (15,718,107) | (9,479,792) | (414,362)   | (224,752)   |
| Net borrowings                              | 1,278,030    | 10,796,606  | 918,653     | 1,191,883   |
| Total equity                                | 69,859,129   | 61,630,688  | 37,189,712  | 36,717,313  |
| Net gearing ratio                           | 0.02         | 0.18        | 0.02        | 0.03        |

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

#### 35.3 Classification of financial instruments

|                                          | The Group  |            | The Company |            |
|------------------------------------------|------------|------------|-------------|------------|
|                                          | 2023<br>RM | 2022<br>RM | 2023<br>RM  | 2022<br>RM |
| <b>Financial assets</b>                  |            |            |             |            |
| <u>Fair value through profit or loss</u> |            |            |             |            |
| Short-term investments                   | 4,665,979  | 3,548,402  | –           | –          |
| <u>Amortised cost</u>                    |            |            |             |            |
| Trade receivables                        | 8,622,530  | 7,892,959  | –           | –          |
| Other receivables                        | 112,666    | 120,578    | 5,256,756   | 5,112,150  |
| Fixed deposits with licensed banks       | 7,890,137  | 8,379,854  | 5,671,668   | 6,205,527  |
| Cash and bank balances                   | 15,718,107 | 9,479,792  | 414,362     | 224,752    |
|                                          | 32,343,440 | 25,873,183 | 11,342,786  | 11,542,429 |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 35. FINANCIAL INSTRUMENTS (CONT'D)

#### 35.3 Classification of financial instruments (Cont'd)

|                              | The Group  |            | The Company |           |
|------------------------------|------------|------------|-------------|-----------|
|                              | 2023       | 2022       | 2023        | 2022      |
|                              | RM         | RM         | RM          | RM        |
| <b>Financial liabilities</b> |            |            |             |           |
| <u>Amortised cost</u>        |            |            |             |           |
| Trade payables               | 5,808,820  | 3,322,755  | –           | –         |
| Other payables and accruals  | 4,435,717  | 3,999,716  | 36,000      | 37,924    |
| Borrowings                   | 29,552,253 | 32,204,654 | 7,004,683   | 7,622,162 |
|                              | 39,796,790 | 39,527,125 | 7,040,683   | 7,660,086 |

#### 35.4 Gains or losses arising from financial instruments

|                                              | The Group   |             | The Company |           |
|----------------------------------------------|-------------|-------------|-------------|-----------|
|                                              | 2023        | 2022        | 2023        | 2022      |
|                                              | RM          | RM          | RM          | RM        |
| <b>Financial assets</b>                      |             |             |             |           |
| <u>Amortised cost</u>                        |             |             |             |           |
| Net gain recognised in profit or loss        | 62,185      | 285,851     | 233,806     | 177,358   |
| <u>Fair value through profit or loss</u>     |             |             |             |           |
| Net gain recognised in profit or loss        | 117,577     | 49,206      | –           | –         |
| <b>Financial liabilities</b>                 |             |             |             |           |
| <u>Amortised cost</u>                        |             |             |             |           |
| Net (loss)/gain recognised in profit or loss | (1,282,379) | (1,047,841) | (304,217)   | (146,202) |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

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### 35. FINANCIAL INSTRUMENTS (CONT'D)

#### 35.5 Fair value information

The fair value of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next twelve months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:

|                              | Fair value of financial instruments<br>carried at fair value |               |               | Fair value of financial instruments<br>not carried at fair value |               |               | Total<br>fair value | Carrying<br>amount |
|------------------------------|--------------------------------------------------------------|---------------|---------------|------------------------------------------------------------------|---------------|---------------|---------------------|--------------------|
|                              | Level 1<br>RM                                                | Level 2<br>RM | Level 3<br>RM | Level 1<br>RM                                                    | Level 2<br>RM | Level 3<br>RM |                     |                    |
| <b>The Group</b>             |                                                              |               |               |                                                                  |               |               |                     |                    |
| <b>2023</b>                  |                                                              |               |               |                                                                  |               |               |                     |                    |
| <b>Financial assets</b>      |                                                              |               |               |                                                                  |               |               |                     |                    |
| Short-term investments       | -                                                            | 4,665,979     | -             | -                                                                | -             | -             | 4,665,979           | 4,665,979          |
| <b>Financial liabilities</b> |                                                              |               |               |                                                                  |               |               |                     |                    |
| Hire purchase payables       | -                                                            | -             | -             | -                                                                | 1,419,702     | -             | 1,419,702           | 1,419,702          |
| Term loans                   | -                                                            | -             | -             | -                                                                | 25,153,403    | -             | 25,153,403          | 25,153,403         |
| <b>2022</b>                  |                                                              |               |               |                                                                  |               |               |                     |                    |
| <b>Financial assets</b>      |                                                              |               |               |                                                                  |               |               |                     |                    |
| Short-term investments       | -                                                            | 3,548,402     | -             | -                                                                | -             | -             | 3,548,402           | 3,548,402          |
| <b>Financial liabilities</b> |                                                              |               |               |                                                                  |               |               |                     |                    |
| Hire purchase payables       | -                                                            | -             | -             | -                                                                | 2,148,586     | -             | 2,148,586           | 2,148,586          |
| Term loans                   | -                                                            | -             | -             | -                                                                | 26,734,289    | -             | 26,734,289          | 26,734,289         |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

### 35. FINANCIAL INSTRUMENTS (CONT'D)

#### 35.5 Fair value information (Cont'd)

|                              | Fair value of financial instruments<br>not carried at fair value |               |               | Total<br>fair value<br>RM | Carrying<br>amount<br>RM |
|------------------------------|------------------------------------------------------------------|---------------|---------------|---------------------------|--------------------------|
|                              | Level 1<br>RM                                                    | Level 2<br>RM | Level 3<br>RM |                           |                          |
| <b>The Company</b>           |                                                                  |               |               |                           |                          |
| <b>2023</b>                  |                                                                  |               |               |                           |                          |
| <b>Financial liabilities</b> |                                                                  |               |               |                           |                          |
| Term loans                   | –                                                                | 7,004,683     | –             | 7,004,683                 | 7,004,683                |
| <b>2022</b>                  |                                                                  |               |               |                           |                          |
| <b>Financial liabilities</b> |                                                                  |               |               |                           |                          |
| Term loans                   | –                                                                | 7,622,162     | –             | 7,622,162                 | 7,622,162                |

**(a) Fair value of financial instruments carried at fair value**

The fair value of short-term investments is determined by reference to statements provided by the financial institutions, with which the instruments were entered into.

**(b) Fair value of financial instruments not carried at fair value**

- (i) The fair value of the Group's and of the Company's term loans that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates or near the reporting date.
- (ii) The fair value of hire purchase payables that carry fixed interest rates are determined by discounting the relevant future contractual cash flows using current market interest rates for similar instruments at the reporting period.

# LIST OF PROPERTIES

## AS AT 31 DECEMBER 2023

| Registered owner                | Title details/ Postal address                                                               | Tenure/ expiry of lease | Description and existing use                                                                                                                                          | Approximate age of building | Total land area/Total built-up area | Net Book Value as at 31 December 2023 (RM'000) | Date of acquisition                   |
|---------------------------------|---------------------------------------------------------------------------------------------|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-------------------------------------|------------------------------------------------|---------------------------------------|
| Mobilia International Sdn. Bhd. | Lot 2782, Mukim Jalan Bakri, Muar, Johor held under Geran 92507                             | Freehold                | Industrial land for furniture manufacturing facilities including D&D and processes of wood preparation, manufacturing, assembly, finishing, packaging and warehousing | Not applicable              | 16.5 acres                          | 12,423                                         | 09 November 2015 and 28 November 2016 |
| Mobilia International Sdn. Bhd. | Lot 2782, Jalan Kempas 1, Kawasan Perindustrian Bukit Bakri, Bukit Bakri 84200 Muar, Johor. | Freehold                | <b>Phase 1A</b><br>- 2 blocks of single-storey detached factory buildings and a block of four-storey detached hostel                                                  | 4 years                     | 311,829 sq. ft.                     | 16,013                                         | Construction completed in March 2020  |
|                                 |                                                                                             |                         | <b>Phase 1B</b><br>- Three-storey detached office building and showroom                                                                                               | 1 year                      | 29,416 sq. ft.                      | 2,953                                          | Construction completed in year 2022   |
|                                 |                                                                                             |                         | <b>Phase 2</b><br>- 2 blocks of single-storey detached factory buildings namely Factory Block B and C                                                                 | 1 year                      | 101,858 sq. ft.                     | 5,235                                          | Construction completed in year 2022   |
| H & S Usaha Jati Sdn. Bhd.      | GRN 90003, Lot 1145, Mukim Parit Bakar, Daerah Muar, Johor.                                 | Freehold                | A piece of development land zoned for industrial use                                                                                                                  | Not applicable              | 11.09 acres                         | 9,938                                          | 20 June 2022                          |

# ANALYSIS OF SHAREHOLDINGS

## AT 20 MARCH 2024

|                               |   |                             |
|-------------------------------|---|-----------------------------|
| Class of Share                | : | Ordinary shares             |
| Voting Rights                 | : | One vote per ordinary share |
| Total number of issued shares | : | 699,999,992 shares          |
| Number of Shareholders        | : | 4,168                       |

### DISTRIBUTION OF SHAREHOLDINGS

| Size of holdings          | No. of Shareholders | % of Shareholders | No. of shares      | % of Issued Share Capital |
|---------------------------|---------------------|-------------------|--------------------|---------------------------|
| 1 - 99                    | 353                 | 8.469             | 17,426             | 0.002                     |
| 100 - 1,000               | 245                 | 5.878             | 115,908            | 0.017                     |
| 1,001 - 10,000            | 1,380               | 33.109            | 7,664,268          | 1.095                     |
| 10,001 - 100,000          | 1,875               | 44.986            | 64,093,715         | 9.156                     |
| 100,001 - 34,999,998 (*)  | 314                 | 7.534             | 152,108,675        | 21.730                    |
| 34,999,999 and above (**) | 1                   | 0.024             | 476,000,000        | 68.000                    |
| <b>Total</b>              | <b>4,168</b>        | <b>100.000</b>    | <b>699,999,992</b> | <b>100.000</b>            |

#### Notes:

\* Less than 5% of issued shares

\*\* 5% and above of issued shares

### SUBSTANTIAL SHAREHOLDERS ACCORDING TO THE REGISTER OF SUBSTANTIAL SHAREHOLDERS (Holding 5% or more of the share capital)

| Name of Shareholders | Direct            |                           | Indirect                   |                           |
|----------------------|-------------------|---------------------------|----------------------------|---------------------------|
|                      | No of Shares Held | % of Issued Share Capital | No of Shares Held          | % of Issued Share Capital |
| Exelient Sdn. Bhd.   | 476,000,000       | 68.00                     | —                          | —                         |
| Quek Wee Seng        | 3,080,000         | 0.44                      | 484,294,475 <sup>(1)</sup> | 69.19                     |
| Quek Wee Seong       | 3,080,000         | 0.44                      | 483,840,000 <sup>(2)</sup> | 69.12                     |

#### Notes:

<sup>(1)</sup> Substantial interest and deemed interested by virtue of shares held in Exelient, his brother, Quek Wee Seong, his father, Quek Gim Hong @ Keh Gim Hong and his wife, Leong Yok Moy pursuant to Section 8 of the Act.

<sup>(2)</sup> Substantial interest and deemed interested by virtue of shares held in Exelient, his brother, Quek Wee Seng, his father, Quek Gim Hong @ Keh Gim Hong pursuant to Section 8 of the Act.



## ANALYSIS OF SHAREHOLDINGS AT 20 MARCH 2024 (CONT'D)

### DIRECTORS' SHAREHOLDINGS ACCORDING TO THE REGISTER OF DIRECTORS' SHAREHOLDINGS

| Name of Directors                                      | Direct    | No. of Shares Held |                            | %     |
|--------------------------------------------------------|-----------|--------------------|----------------------------|-------|
|                                                        |           | %                  | Indirect                   |       |
| Datin Siah Li Mei                                      | —         | —                  | —                          | —     |
| Quek Wee Seng                                          | 3,080,000 | 0.44               | 484,294,475 <sup>(1)</sup> | 69.19 |
| Quek Wee Seong                                         | 3,080,000 | 0.44               | 483,840,000 <sup>(2)</sup> | 69.12 |
| Tajul Arifin Bin Mohd Tahir                            | —         | —                  | —                          | —     |
| Lim See Tow                                            | —         | —                  | —                          | —     |
| Yap Ee Ling                                            | —         | —                  | —                          | —     |
| Quek Yan Song<br>(Alternate director to Quek Wee Seng) | —         | —                  | —                          | —     |

#### Notes:

- <sup>(1)</sup> Substantial interest and deemed interested by virtue of shares held in Exelient, his brother, Quek Wee Seong, his father, Quek Gim Hong @ Keh Gim Hong and his wife, Leong Yok Moy pursuant to Section 8 of the Companies Act 2016 ("the Act").
- <sup>(2)</sup> Substantial interest and deemed interested by virtue of shares held in Exelient, his brother, Quek Wee Seng, his father, Quek Gim Hong @ Keh Gim Hong pursuant to Section 8 of the Act.

### LIST OF TOP 30 SHAREHOLDERS AT 20 MARCH 2024

(Without aggregating the securities from different securities accounts belonging to the same registered holder)

| No. | Name of Shareholders                                                                        | No. of<br>Shares Held | % of<br>Issued<br>Share Capital |
|-----|---------------------------------------------------------------------------------------------|-----------------------|---------------------------------|
| 1   | EXELIENT SDN. BHD.                                                                          | 476,000,000           | 68.000                          |
| 2   | PUBLIC NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR TOH SIANG GUAN (E-JAH) | 13,903,850            | 1.986                           |
| 3   | KENANGA NOMINEES (TEMPATAN) SDN BHD<br>LEDGED SECURITIES ACCOUNT FOR TEOH TEIK SOON         | 11,211,725            | 1.602                           |
| 4   | KOO YEE FONG                                                                                | 8,000,000             | 1.143                           |
| 5   | QUEK GIM HONG @ KEH GIM HONG                                                                | 4,760,000             | 0.680                           |
| 6   | KEH WEE KIET                                                                                | 4,065,950             | 0.581                           |
| 7   | QUEK WEE SENG                                                                               | 3,080,000             | 0.440                           |
| 8   | QUEK WEE SEONG                                                                              | 3,080,000             | 0.440                           |
| 9   | PUBLIC NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR ONG MARY (E-JAH)       | 2,907,250             | 0.415                           |
| 10  | KONG TIONG KIAN                                                                             | 2,532,375             | 0.362                           |
| 11  | GAN ENG JOO                                                                                 | 2,478,775             | 0.354                           |
| 12  | ONG MARY                                                                                    | 2,372,450             | 0.339                           |

## ANALYSIS OF SHAREHOLDINGS AT 20 MARCH 2024 (CONT'D)

### LIST OF TOP 30 SHAREHOLDERS AT 20 MARCH 2024

(Without aggregating the securities from different securities accounts belonging to the same registered holder)

| No.          | Name of Shareholders                                                                                              | No. of<br>Shares Held | % of<br>Issued<br>Share Capital |
|--------------|-------------------------------------------------------------------------------------------------------------------|-----------------------|---------------------------------|
| 13           | SEE KIM CHIAU                                                                                                     | 2,000,650             | 0.286                           |
| 14           | HLIB NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR YEOH POH CHOO                                  | 2,000,000             | 0.286                           |
| 15           | TEY TECK HENG                                                                                                     | 2,000,000             | 0.286                           |
| 16           | TOK SOON HING                                                                                                     | 1,842,000             | 0.263                           |
| 17           | RHB NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR NG HONG BOON                                    | 1,500,000             | 0.214                           |
| 18           | TEO HUI HSIAN                                                                                                     | 1,467,550             | 0.210                           |
| 19           | TEOH TEIK SOON                                                                                                    | 1,458,500             | 0.208                           |
| 20           | RHB NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR KHOR MOOI SOONG                                 | 1,400,000             | 0.200                           |
| 21           | JINNY WONG XIN LIN                                                                                                | 1,349,350             | 0.193                           |
| 22           | HLB NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR YEOH POH CHOO                                   | 1,320,000             | 0.189                           |
| 23           | ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR AU FOOK TONG @ EDWARD AU<br>(851082)  | 1,128,875             | 0.161                           |
| 24           | MAYBANK NOMINEES (TEMPATAN) SDN BHD<br>CHAI MENG TET                                                              | 1,100,000             | 0.157                           |
| 25           | CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD.<br>PLEDGED SECURITIES ACCOUNT FOR YOONG YON WAH (MY3476) | 1,050,000             | 0.150                           |
| 26           | LIEW FOOK MENG                                                                                                    | 1,000,000             | 0.143                           |
| 27           | RHB NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR JASON KOH JIAN HUI                              | 918,750               | 0.131                           |
| 28           | KENANGA NOMINEES (TEMPATAN) SDN BHD<br>EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENT ACCOUNT)                  | 875,000               | 0.125                           |
| 29           | TEOH TEIK SOON                                                                                                    | 804,900               | 0.115                           |
| 30           | RHB NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR TING HIE SING                                   | 787,500               | 0.113                           |
| <b>Total</b> |                                                                                                                   | <b>558,395,450</b>    | <b>79.772</b>                   |

# ANALYSIS OF WARRANT A HOLDINGS

## AT 20 MARCH 2024

|                               |   |                                                             |
|-------------------------------|---|-------------------------------------------------------------|
| Type of Securities            | : | Warrants 2021/2024                                          |
| Voting Rights                 | : | The holder of warrants is not entitled to any voting rights |
| Number of Warrant Issued      | : | 174,999,136                                                 |
| Number of Warrant Exercised   | : | -                                                           |
| Number of Warrant Unexercised | : | 174,999,136                                                 |
| Exercise Price Per Warrant    | : | RM0.28                                                      |
| Issued Date of Warrants       | : | 11 November 2021                                            |
| Expiry Date of Warrants       | : | 08 November 2024                                            |
| Number of Shareholders        | : | 4,173                                                       |

### DISTRIBUTION OF WARRANT A HOLDINGS

| Size of holdings         | No. of<br>Warrant<br>Holders | % of<br>Warrant<br>Holders | No. of<br>Warrants | % of<br>Warrants |
|--------------------------|------------------------------|----------------------------|--------------------|------------------|
| 1 - 99                   | 968                          | 23.197                     | 51,557             | 0.029            |
| 100 - 1,000              | 705                          | 16.894                     | 394,402            | 0.225            |
| 1,001 - 10,000           | 1,670                        | 40.019                     | 6,639,823          | 3.794            |
| 10,001 - 100,000         | 580                          | 13.899                     | 21,452,709         | 12.259           |
| 100,001 – 8,749,955 (*)  | 249                          | 5.967                      | 131,960,645        | 75.407           |
| 8,749,956 and above (**) | 1                            | 0.024                      | 14,500,000         | 8.286            |
| <b>Total</b>             | <b>4,173</b>                 | <b>100.000</b>             | <b>174,999,136</b> | <b>100.000</b>   |

#### Notes:

\* Less than 5% of issued shares

\*\* 5% and above of issued shares

### DIRECTORS' INTEREST ACCORDING TO THE REGISTER OF DIRECTORS' WARRANT HOLDINGS

| Name of Directors                                      | Direct | No. of Warrant Held |          | % |
|--------------------------------------------------------|--------|---------------------|----------|---|
|                                                        |        | %                   | Indirect |   |
| Datin Siah Li Mei                                      | —      | —                   | —        | — |
| Quek Wee Seng                                          | —      | —                   | —        | — |
| Quek Wee Seong                                         | —      | —                   | —        | — |
| Tajul Arifin Bin Mohd Tahir                            | —      | —                   | —        | — |
| Lim See Tow                                            | —      | —                   | —        | — |
| Quek Yan Song<br>(Alternate director to Quek Wee Seng) | —      | —                   | —        | — |

## ANALYSIS OF WARRANT A HOLDINGS AT 20 MARCH 2024 (CONT'D)

### LIST OF TOP 30 WARRANT A HOLDERS AT 20 MARCH 2024

(Without aggregating the securities from different securities accounts belonging to the same registered holder)

| No.          | Name of Warrant Holders                                                                                          | No. of Warrants   | % of Warrants issued |
|--------------|------------------------------------------------------------------------------------------------------------------|-------------------|----------------------|
| 1            | KOK CHEE AUN                                                                                                     | 14,500,000        | 8.286                |
| 2            | NOEL KEITH HENDROFF                                                                                              | 5,904,700         | 3.374                |
| 3            | LOW TENG CHUI                                                                                                    | 4,500,000         | 2.571                |
| 4            | YONG BOON CHIEH                                                                                                  | 4,500,000         | 2.571                |
| 5            | SULAIMAN BIN TAIB                                                                                                | 4,220,300         | 2.412                |
| 6            | THARMEN ANANTHA A/L SUBRAMANIAN                                                                                  | 3,500,000         | 2.000                |
| 7            | RUHAYAT BIN MOHD NAZIR                                                                                           | 2,498,000         | 1.427                |
| 8            | TIN CHEE WEI                                                                                                     | 2,466,500         | 1.409                |
| 9            | LOW JIA HONG                                                                                                     | 2,248,500         | 1.285                |
| 10           | NG KAH KIT                                                                                                       | 2,154,700         | 1.231                |
| 11           | LOW JIA HONG                                                                                                     | 2,104,700         | 1.203                |
| 12           | CHAI KON LIM                                                                                                     | 2,005,000         | 1.146                |
| 13           | MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR VINCENT PHUA CHEE EE            | 2,000,000         | 1.143                |
| 14           | ZULHARUDIN BIN AWANG                                                                                             | 1,900,000         | 1.086                |
| 15           | ANG U-S'NG                                                                                                       | 1,800,000         | 1.029                |
| 16           | OH CHIEW SUAN                                                                                                    | 1,700,000         | 0.971                |
| 17           | ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR AU FOOK TONG<br>@ EDWARD AU (851082) | 1,536,468         | 0.878                |
| 18           | MAYBANK NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR ONG KOK KEONG                              | 1,500,000         | 0.857                |
| 19           | MUHAMMAD ZAID BIN OTHMAN                                                                                         | 1,450,000         | 0.829                |
| 20           | FONG CHEE KENG                                                                                                   | 1,308,200         | 0.748                |
| 21           | LEOW HO KENG                                                                                                     | 1,293,300         | 0.739                |
| 22           | LIAW TECK SONG                                                                                                   | 1,200,000         | 0.686                |
| 23           | PHANG SUN WAH                                                                                                    | 1,200,000         | 0.686                |
| 24           | CHAI AH MING                                                                                                     | 1,168,800         | 0.668                |
| 25           | TAN KYE SIANG                                                                                                    | 1,110,000         | 0.634                |
| 26           | CHEAH EU JIN                                                                                                     | 1,100,000         | 0.629                |
| 27           | MAYBANK NOMINEES (TEMPATAN) SDN BHD<br>PLEDGED SECURITIES ACCOUNT FOR CHAI KON LIM                               | 1,100,000         | 0.629                |
| 28           | MOHD SIDDIQ BIN SHAMSUDEEN                                                                                       | 1,100,000         | 0.629                |
| 29           | HLIB NOMINEES (TEMPATAN) SDN BHD<br>HONG LEONG BANK BHD FOR LOW TECK WONG                                        | 1,093,700         | 0.625                |
| 30           | SEE KIM CHEE                                                                                                     | 1,061,250         | 0.606                |
| <b>Total</b> |                                                                                                                  | <b>75,224,118</b> | <b>42.987</b>        |

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fourth Annual General Meeting of MOBILIA HOLDINGS BERHAD ("the Company") will be held at BEI BOUTIQUE HOTEL, Centro Meeting Hall, Level 3, 8-3, Jalan Abdul Rahman, 84000 Muar, Johor Darul Takzim on Thursday, 27 June 2024 at 11.00 a.m. for the transaction of the following businesses:

## AGENDA

### AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of Directors and Auditors thereon.
2. To approve the payment of Directors' fees and benefits up to RM230,000 for the financial year ending 31 December 2024 payable monthly in arrears after each month of completed service of the Directors during the subject financial year. (Ordinary Resolution 1)
3. To re-elect the following Directors who retire in accordance with Clause 95 of the Company's Constitution:
  - i. Quek Wee Seong (Ordinary Resolution 2)
  - ii. Datin Siah Li Mei (Ordinary Resolution 3)
4. To re-appoint Messrs Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. (Ordinary Resolution 4)

### AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolution with or without any modifications as ordinary resolution:-

5. **Proposed renewal of authority for Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016** (Ordinary Resolution 5)

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016, Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Constitution of the Company and the approvals of the relevant regulatory authorities (where applicable), the Directors of the Company be hereby authorised to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement(s) or option(s) or offer(s) ("New Shares") from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit and expedient in the interest of the Company without first offer to holders of existing issued shares, provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding twelve (12) months does not exceed ten percent (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) for the time being ("Proposed General Mandate").

THAT such approval on the Proposed General Mandate shall continue to be in force until:

- a. the conclusion of the next Annual General Meeting of the Company held after the approval was given;
- b. the expiration of the period within which the next Annual General Meeting of the Company is required to be held after the approval was given; or
- c. revoked or varied by resolution passed by the shareholders of the Company in a general meeting, whichever is the earlier.

## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

THAT the Directors of the Company be hereby also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for such New Shares on the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

AND THAT authority be hereby given to the Directors of the Company, to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation thereto as to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

6. **Proposed authority for the Company to purchase its own ordinary shares up to ten percent (10%) of its issued share capital** (Ordinary Resolution 6)

"THAT subject to compliance with the Companies Act 2016, the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and all other applicable laws, regulations and guidelines and the approvals of all relevant governmental and/or regulatory authorities, the Company be hereby given full authority, to seek shareholders' approval for the authority for the Company to purchase and/or such amount of ordinary shares in the Company ("Shares") through Bursa Malaysia Securities Berhad upon such terms and conditions as the Directors may deem fit in the interest of the Company provided that:

- (i) the aggregate number of Shares so purchased and/or held pursuant to this ordinary resolution ("Purchased Shares") does not exceed ten percent (10%) of the total issued share capital of the Company; and
- (ii) the maximum amount of funds to be allocated for the Purchased Shares shall not exceed the aggregate of the retained profits of the Company;

THAT the Directors be hereby authorised to decide at their discretion either to retain the Purchased Shares as treasury shares (as defined in Section 127 of the Companies Act 2016) and/or to cancel the Purchased Shares and/or to retain the Purchased Shares as treasury shares for distribution as share dividends to the shareholders of the Company and/or be resold through Bursa Malaysia Securities Berhad in accordance with the relevant rules of Bursa Malaysia Securities Berhad and/or cancelled subsequently and/or to retain part of the Purchased Shares as treasury shares and/or cancel the remainder and to deal with the Purchased Shares in such other manner as may be permitted by the Companies Act 2016, rules, regulations, guidelines, requirements and/or orders of Bursa Malaysia Securities Berhad and any other relevant authorities for the time being in force;

AND THAT such approval and authorisation shall only continue to be in force until:

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

## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

whichever occurs first;

AND FURTHER THAT the Directors of the Company be authorised to do all such acts and things (including, without limitation executing all such documents as may be required) as they may consider expedient or necessary to give full effect to this mandate."

7. To transact any other business of which due notice shall have been received.

BY ORDER OF THE BOARD

### NG MEI WAN

(SSM Practicing Certificate No.: 201908000801) (MIA 28862)

### TAN HUI KHIM

(SSM Practicing Certificate No.: 201908000859) (LS 0009936)

Company Secretaries

Muar, Johor Darul Takzim

30 April 2024

### NOTES:

1. Only depositors whose names appear in the Record of Depositors as at 20 June 2024 shall be regarded as members and be entitled to attend, participate, speak and vote at the Fourth Annual General Meeting.
2. A Member shall be entitled to appoint any person as his/her proxy to exercise all or any of his/her rights to attend, participate, speak and vote in his/her stead pursuant to Section 334 of the Companies Act 2016. There shall be no restriction as to the qualification of the proxy.
3. Where a Member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
4. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholding to be represented by each proxy.
5. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing. If the appointer is a corporation, the instrument must be executed under its Common Seal or under the hand of an attorney so authorised. Any alterations in the Form of Proxy must be initialed by the member.
6. In the event the member(s) duly executes the Form of Proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the Fourth Annual General Meeting as his/her/their proxy, provided always that the rest of the Form of Proxy, other than the particulars of the proxy, have been duly completed by the member(s).
7. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney, must be deposited at Aldpro Corporate Services Sdn. Bhd., B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1 Medan Syed Putra Utara, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding this meeting or any adjournment thereof as Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad requires all resolutions set out in the Notice of Fourth Annual General Meeting to vote by way of poll.

## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

### EXPLANATORY NOTES TO THE AGENDA

**8. Item 1 of the Agenda  
Audited Financial Statements**

This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders and hence, is not put forward for voting.

**9. Item 2 of the Agenda – Ordinary Resolution 1  
Approval of Directors' fees and benefits for the financial year ending 31 December 2024**

Directors' fees and benefits approved for the financial year ended 31 December 2023 was RM230,000. The Directors' fees and benefits proposed for the financial year ending 31 December 2024 are calculated based on the number of scheduled Board and Committee Meetings for year 2024 and assuming that all Non-Executive Directors will hold office until the conclusion of the next annual general meeting.

This resolution is to facilitate payment of Directors' fees and benefits on current financial year basis. In the event the Directors' fees and benefits proposed are insufficient (e.g. due to more meetings), approval will be sought at the next annual general meeting for additional fees and benefits to meet the shortfall.

**10. Item 5 of the Agenda – Ordinary Resolution 5  
Proposed renewal of authority for Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016**

- (a) The proposed Ordinary Resolution 5, if passed, will grant a mandate ("General Mandate") empowering the Directors of the Company, from the date of the Fourth Annual General Meeting to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement(s) or option(s) or offer(s) ("New Shares") from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit and expedient in the interest of the Company up to an amount not exceeding ten percent (10%) of the total number of issued shares capital of the Company. This authority, unless revoked or varied at a general meeting shall continue to be in full force until the conclusion of the next Annual General Meeting of the Company.
- (b) The General Mandate is a renewal of the previous mandate obtained at the last Annual General Meeting held on 26 May 2023 which will expire at the conclusion of the forthcoming Annual General Meeting.
- (c) As at the date of this Notice, the Company did not issue any new ordinary shares based on the previous mandate obtained at the last Annual General Meeting.
- (d) The General Mandate, if granted will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding current and/or future investment project(s), working capital and/or acquisitions.
- (e) In accordance with Clause 8 of the Company's Constitution, the passing of the Ordinary Resolution 5, the shareholders of the Company shall be taken as agree for the New Shares to be issued to such person(s) as the Directors' may deem fit and expedient in the interest of the Company without first offer the New Shares to holders of existing issued shares of the Company prior to issuance of the New Shares.



## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

### 11. Item 6 of the Agenda - Ordinary Resolution 6

**Proposed authority for the Company to purchase its own ordinary shares up to ten percent (10%) of its issued share capital**

The proposed Ordinary Resolution 6, if passed, will allow the Directors of the Company to exercise the power of the Company to purchase not more than ten percent (10%) of the total issued share capital of the Company at any time within the time period stipulated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This authority, unless revoked or varied by the Company at a general meeting, shall continue to be in full force until the conclusion of the next Annual General Meeting of the Company.

Further details are set out in the Statement to Shareholders dated 30 April 2024.

### 12. ANNUAL REPORT

The Annual Report for the financial year ended 31 December 2023 is now available at the Company's corporate website, [www.mobiliainternational.com](http://www.mobiliainternational.com). Printed copy of the Annual Report shall be provided to the shareholders upon request soonest possible from the date of receipt of the request.

Shareholder who wish to receive the printed Annual Report may contact the Share Registrar, Aldpro Corporate Services Sdn. Bhd. [202101043817 (1444117-M)] at 03-9770 2200 or email your request to [admin@aldpro.com.my](mailto:admin@aldpro.com.my).

## STATEMENT ACCOMPANYING NOTICE OF FOURTH ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

### 1. Details of Individuals Standing for Election as Directors

No individual is seeking election as a Director at the Fourth Annual General Meeting of the Company.

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

Please refer to item 10 – Explanatory Notes to the Agenda for Ordinary Resolution 5 on Proposed renewal of authority for Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.

**MOBILIA HOLDINGS BERHAD**REGISTRATION NO.: 202001004249 (1360569-P)  
(Incorporated in Malaysia)**FORM OF PROXY**

|                   |  |
|-------------------|--|
| CDS Account No.   |  |
| No of shares held |  |

\*I/We \_\_\_\_\_  
(full name in capital letters)

\*NRIC No./Passport No./Registration No. \_\_\_\_\_ of \_\_\_\_\_  
(full address)

\_\_\_\_\_ being a \*Member/Members of Mobilia  
Holdings Berhad ("Company"), hereby appoint \_\_\_\_\_ \*NRIC No./Passport No.  
\_\_\_\_\_ of \_\_\_\_\_  
(full address)

\*and/or \_\_\_\_\_ \*NRIC No./Passport No. \_\_\_\_\_  
of \_\_\_\_\_  
(full address)

or failing \*him/her, the Chairman of the Meeting as \*my/our proxy to vote for \*me/us and on my/our behalf at the Fourth Annual General Meeting of the Company to be held at BEI BOUTIQUE HOTEL, Centro Meeting Hall, Level 3, 8-3, Jalan Abdul Rahman, 84000 Muar, Johor Darul Takzim on Thursday, 27 June 2024 at 11.00 a.m. and at any adjournment thereof in the manner as indicated below:-

| No. | Ordinary Resolution                                                                                                   | For | Against |
|-----|-----------------------------------------------------------------------------------------------------------------------|-----|---------|
| 1   | Approval of Directors' fees and benefits for the financial year ending 31 December 2024                               |     |         |
| 2   | Re-election of Quek Wee Seong as Director                                                                             |     |         |
| 3   | Re-election of Datin Siah Li Mei as Director                                                                          |     |         |
| 4   | Re-appointment of Messrs Crowe Malaysia PLT as Auditors                                                               |     |         |
| 5   | Renewal of authority for Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 |     |         |
| 6   | Authority for the Company to purchase its own ordinary shares up to ten percent (10%) of its issued share capital     |     |         |

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

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

| Proxy | No of Shares | Percentage |
|-------|--------------|------------|
| 1     |              |            |
| 2     |              |            |
| Total |              | 100%       |

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2024

\_\_\_\_\_  
Signature of Shareholder or Common Seal

**Notes:**

- Only depositors whose names appear in the Record of Depositors as at 20 June 2024 shall be regarded as members and be entitled to attend, participate, speak and vote at the Fourth Annual General Meeting.
- A Member shall be entitled to appoint any person as his/her proxy to exercise all or any of his/her rights to attend, participate, speak and vote in his/her stead pursuant to Section 334 of the Companies Act 2016. There shall be no restriction as to the qualification of the proxy.
- Where a Member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
- Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholding to be represented by each proxy.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing. If the appointer is a corporation, the instrument must be executed under its Common Seal or under the hand of an attorney so authorised. Any alterations in the Form of Proxy must be initialed by the member.
- In the event the member(s) duly executes the Form of Proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the Fourth Annual General Meeting as his/her/their proxy, provided always that the rest of the Form of Proxy, other than the particulars of the proxy, have been duly completed by the member(s).
- The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney, must be deposited at Aldpro Corporate Services Sdn. Bhd., B-21-1, Level 21, Tower B, Northpoint Midvalley City, No. 1 Medan Syed Putra Utara, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding this meeting or any adjournment thereof as Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad requires all resolutions set out in the Notice of Fourth Annual General Meeting to vote by way of poll.

**Personal Data Privacy**

By submitting the duly executed Proxy Form, the member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for the purpose of the Fourth Annual General Meeting and any adjournment thereof.



Fold this flap for sealing

Then fold here

AFFIX  
STAMP

The Share Registrar  
**ALDPRO CORPORATE SERVICES SDN. BHD.**  
[Registration No.: 202101043817 (1444117-M)]  
B-21-1 Level 21 Tower B Northpoint Mid Valley City  
No. 1 Medan Syed Putra Utara  
59200 Kuala Lumpur

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**MOBILIA HOLDINGS BERHAD**

Registration No. 202001004249(1360569-P)

Lot 2782, GRN 92507, Jalan Kempas 1  
Mukim Jalan Bakri, 84200 Muar, Johor, Malaysia

**Tel** : +606 989 2075  
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