



EVERSAFE RUBBER BERHAD
[201501008542 (1133877-V)]

ANNUAL 20 REPORT 24

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Dato' Dr. Sak Cheng Lum
(Independent Non-Executive Chairman)

Dato' Seri Cheah Eu Kiat
(Executive Director)

Eu Ah Seng
(Executive Director)

Cheah Siang Tee
(Chief Executive Officer / Executive Director)

Cheah Eu Lee
(Non-Independent Non-Executive Director)

Ng Meng Kwai
(Senior Independent Non-Executive Director)

Haji Mohd Isa Bin Haji Talib
(Independent Non-Executive Director)

Ong Beow Chieh
(Independent Non-Executive Director)

AUDIT COMMITTEE

Ng Meng Kwai
(Chairman)

Tan Sri Dato' Dr. Sak Cheng Lum
(Member)

Haji Mohd Isa Bin Haji Talib
(Member)

REMUNERATION COMMITTEE

Tan Sri Dato' Dr. Sak Cheng Lum
(Chairman)

Haji Mohd Isa Bin Haji Talib
(Member)

Dato' Seri Cheah Eu Kiat
(Member)

NOMINATING COMMITTEE

Tan Sri Dato' Dr. Sak Cheng Lum
(Chairman)

Cheah Eu Lee
(Member)

Ng Meng Kwai
(Member)

COMPANY SECRETARIES

Khaw Teik Thye
(SSM PC No. 202208000728)
(MIA 11616)

Chong Lay Kim
(SSM PC No. 202008001920)
(LS 0008373)

REGISTERED OFFICE

Unit 1203, Level 12, Uptown 1
No. 1 Jalan SS21/58
Damansara Uptown
47400 Petaling Jaya
Selangor
Malaysia
Tel : +603 29359108

HEAD OFFICE

Lot 94, Lebuhr Portland
Tasek Industrial Estate
31400 Ipoh
Perak
Malaysia
Tel : +605 291 0599
Fax : +605 291 1699
Email : enquiry@eversafe.com.my
Website: www.eversafe.com.my

AUDITORS

BDO PLT 201906000013
(LLP0018825-LCA & AF0206)
Level 8, Menara CenTARa
360 Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur
Malaysia
Tel : +603 2616 2888
Fax : +603 2616 3190/3191

SOLICITORS

Teh & Lee
A-3-3 & A-3-4, Northpoint Offices
Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
Malaysia
Tel : +603 2283 2800
Fax : +603 2283 2500

PRINCIPAL BANKERS

Public Bank Berhad
46-52, Jalan Yang Kalsom
30250 Ipoh
Perak
Malaysia

Hong Leong Bank Berhad
Lot A-G-2 (Ground Floor)
No. 1, Persiaran Greentown 2
Greentown Business Center
30450 Ipoh
Perak
Malaysia

OCBC Bank (Malaysia) Berhad
2, Jalan Dato Maharajalela
30000 Ipoh
Perak
Malaysia

Malayan Banking Berhad
No. 5, Jalan Todak 2
Bandar Baru Seberang Jaya
13700 Seberang Jaya
Pulau Pinang
Malaysia

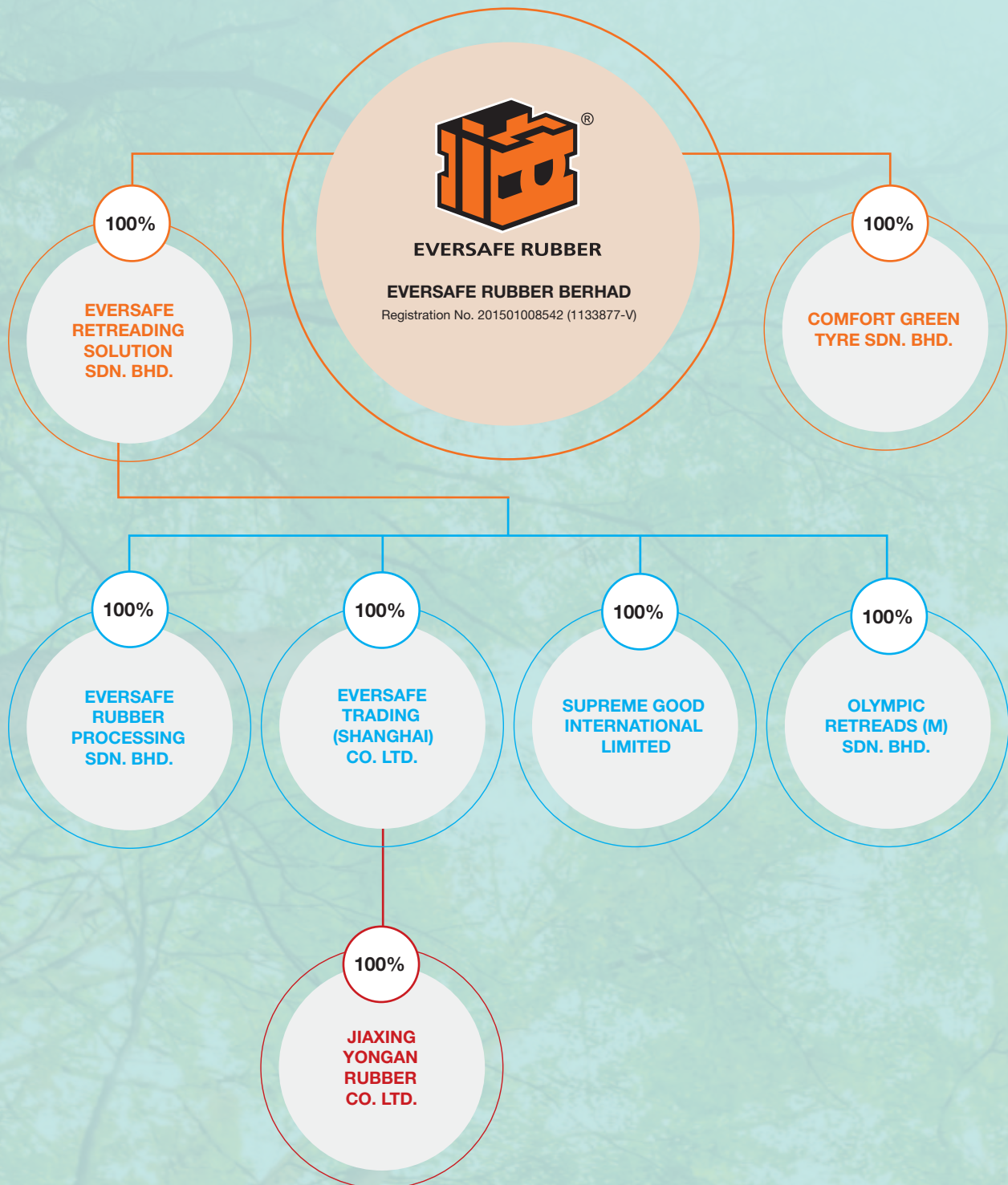
SHARE REGISTRAR

Tricor Investor & Issuing House
Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia
Tel : +603 2783 9299
Fax : +603 2783 9222

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia
Securities Berhad
Stock Code: 0190
Stock Name: ESAFE

CORPORATE STRUCTURE



GROUP FINANCIAL HIGHLIGHTS

Group	Financial Year Ended			
	31 December 2024	31 December 2023	31 December 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
Revenue	98,015	116,329	144,864	114,794
Gross profit ("GP")	13,095	14,154	15,720	17,740
(Loss)/Profit before taxation ("LBT/PBT")	(5,787)	2,190	(4,612)	3,604
(Loss)/Profit after tax ("LAT/PAT")/ (Loss)/Profit attributable to the owners of Company	(3,869)	1,245	(4,464)	2,763
Earnings before interests, taxes, depreciation and amortisation	2,886	11,486	3,878	11,222
Total equity attributable to owners of the Company	56,875	60,447	59,107	65,055
(Loss)/Earning per share ⁽¹⁾ (sen)	(1.6)	0.5	(1.9)	1.1
Dividends per share ⁽¹⁾ (sen)	–	–	0.8	–
Net assets ("NA") per share ⁽¹⁾ (sen)	23.6	25.1	24.6	27.0
GP margin ⁽²⁾ (%)	13.4	12.2	10.9	15.5
Net (loss)/profit margin ⁽³⁾ (%)	(0.04)	1.1	(3.1)	2.4
Return on equity attributable to owners of Company ⁽⁴⁾ (%)	(6.8)	2.1	(7.6)	4.2
Return on total assets ⁽⁵⁾ (%)	(3.3)	1.0	(3.4)	2.4

Notes:

- (1) Calculated based on 240,593,796 ordinary shares in the Company.
- (2) Computed based on GP over revenue.
- (3) Computed based on PAT/LAT over revenue.
- (4) Computed based on PAT/LAT over total equity attributable to owners of the Company.
- (5) Computed based on PAT/LAT over total assets of the Group.

BOARD OF DIRECTORS

Standing from left to right:

1. **CHEAH EU LEE** (Non-Independent Non-Executive Director)
2. **ONG BEOW CHIEH** (Independent Non-Executive Director)
3. **NG MENG KWAI** (Senior Independent Non-Executive Director)
4. **HAJI MOHD ISA BIN HAJI TALIB** (Independent Non-Executive Director)
5. **CHEAH SIANG TEE** (Chief Executive Officer/ Executive Director)



Sitting from left to right:

6. **EU AH SENG** (Executive Director)
7. **TAN SRI DATO' DR. SAK CHENG LUM** (Independent Non-Executive Chairman)
8. **DATO' SERI CHEAH EU KIAT** (Executive Director)

PROFILE OF DIRECTORS



Aged

81

Nationality



Gender



TAN SRI DATO' DR. SAK CHENG LUM ("Tan Sri Dato' Dr. Sak")

Independent Non-Executive Chairman

Tan Sri Dato' Dr. Sak was appointed as the Independent Non-Executive Chairman of Eversafe Rubber Berhad ("**Eversafe Rubber**") on 30 May 2016. He is also the Chairman of the Remuneration Committee and Nominating Committee as well as a member of the Audit Committee.

He graduated with a Degree in Medicine from the University of Singapore in 1968.

He started his career as a medical doctor, serving as a medical officer for the Malaysian government until 1972, before starting his own private practice. In 1978, Tan Sri Dato' Dr. Sak was elected as the state assemblyman under Barisan National for the seat of Bagan Jermal in Penang. He was elected as the state assemblyman for 5 terms (from 1978 to 1990 and from 1995 to 2004). He also served as a senator and parliamentary secretary of the Ministry of Domestic Trade and Consumer Affairs from 1990 to 1995. He was also an independent non-executive director of Star Publications (Malaysia) Berhad from 2001 until 2010 and the independent non-executive chairman of XingHe Holdings Berhad from 2013 until 2016.

Currently, he serves as chairman of the University Tunku Abdul Rahman Foundation Board of Trustees since 2010 and also as a member of the Board of Trustees for ECM Libra Foundation and Neoh Foundation. He is also appointed to the board of directors of several private corporations in Malaysia.

Apart from being our Independent Non-Executive Chairman, he does not sit on the board of directors of any other public companies and listed companies.

PROFILE OF DIRECTORS (CONT'D)



Aged

75

Nationality



Gender



DATO' SERI CHEAH EU KIAT ("Dato' Seri Cheah")

Executive Director

Dato' Seri Cheah was appointed as an Executive Director of Eversafe Rubber on 30 May 2016. He is also a member of the Remuneration Committee. Dato' Seri Cheah is mainly involved in the development and determining of business policies and the Group's future strategies.

Dato' Seri Cheah took part in assisting in the family business after he graduated from Chung Ling High School in 1968. In 1973, he made the decision to expand the family tyre retreading business to a larger scale and established Syarikat Tai Hin Penchelop Tayar Sdn Bhd (which was later renamed into Olympic Retreads (M) Sdn Bhd). In 1980, Dato' Seri Cheah ventured into manufacturing of tyre retreading materials through the establishment of Eversafe Retreading Solution Sdn Bhd ("**Retreading Solution**"). As the founder of the Company, Dato' Seri Cheah is the driving force of the Company with his invaluable knowledge and experience in the tyre and tyre retreading industry.

Presently, Dato' Seri Cheah is the Executive Director of Retreading Solution since 1982, Eversafe Rubber Processing Sdn Bhd ("**Eversafe Rubber Processing**") since 1983 and Olympic Retreads (M) Sdn Bhd ("**Olympic**") since 1973. On top of that, he is the Non-Executive Director of Eversafe Trading (Shanghai) Co Ltd ("**Eversafe Shanghai**") since 2005 and Supreme Good International Limited ("**Supreme Good**") since 2008. Dato' Seri Cheah is actively involved in various tyre associations in Malaysia but he is not a director of any other public company and he does not sit on any other boards.

PROFILE OF DIRECTORS
(CONT'D)



Aged

83

Nationality



Gender



EU AH SENG

Executive Director

Mr. Eu Ah Seng was appointed as the Executive Director in Eversafe Rubber on 30 May 2016. Mr. Eu presently oversees the entire development, production, marketing and procurement activities of the Group.

He began his career in the rubber-related industry in 1960 when he started working for a rubber trader, assisting in the collection of raw natural rubber from smallholders to be sent to factories. In 1965, he joined Perak Rubber Works Sdn Bhd in Taiping, working in the production of rubber compounds for the tyre industry. After 11 years of service in Perak Rubber Works Sdn Bhd, he left to start his own rubber trading business, Success Trading. In 1980, he co-founded Retreading Solution with Dato’ Seri Cheah.

Mr. Eu is presently an Executive Director of Retreading Solution since 1980, Eversafe Rubber Processing since 1980 and a Non-Executive Director of Eversafe Shanghai since 2005. Apart from the Eversafe Group, he is not a director of any other public company and he does not sit on any other boards.

PROFILE OF DIRECTORS (CONT'D)



Aged

49

Nationality



Gender



CHEAH SIANG TEE

Chief Executive Officer / Executive Director

Mr. Cheah Siang Tee was appointed as the Executive Director of Eversafe Rubber on 30 May 2016. Subsequently, on 30 June 2016, he was appointed as the Chief Executive Officer of our Company. Mr. Cheah presently oversees the overall operations of the Group which includes the business strategic planning and development of overseas operations, overall sales and marketing activities and research and development.

He obtained a Bachelor Degree in Accounting and a Bachelor in Business Administration majoring in Finance from the University of Minnesota in 1998.

He started his career when he joined Deloitte Malaysia as a trainee accountant in 1999. He was a member to the Minnesota Society of Certified Public Accountants in 2000; and later became a member of the American Institute of Certified Public Accountants (AICPA) in 2001. He also became a member of the Malaysian Institute of Certified Public Accountants (MICPA) in 2002. In 2002, he left Deloitte Malaysia to join his family business of tyre retreading. Since then, he has been involved in every aspect of the family business and has been instrumental of the business' international growth.

Mr. Cheah is presently an Executive Director for Retreading Solution since 2014, Eversafe Rubber Processing since 2014, Eversafe Shanghai since 2005, Jiaying YongAn Rubber Co Ltd ("**Jiaying**") since 2007, Olympic since 2014 and a Non-Executive Director of Supreme Good since 2008. Apart from the Eversafe Group, he is not a director of any other public company and he does not sit on any other boards.

PROFILE OF DIRECTORS (CONT'D)



Aged

67

Nationality



Gender



CHEAH EU LEE

Non-Independent Non-Executive Director

Mr. Cheah Eu Lee was appointed as the Non-Independent Non-Executive Director of Eversafe Rubber on 30 May 2016. He is also a member of the Nominating Committee.

He started his career after completing his secondary education from Chung Ling High School in 1976 when he joined Chop Tai Hin (sole proprietorship), a family business. In 1978, he was tasked to head the marketing division of Olympic, overseeing the sourcing for tyre casings used in the retreading of tyres before he was transferred in 1982 to oversee and be responsible for Tai Hin & Son (PG) Sdn Bhd's ("**Tai Hin**") retailing segment (the retailing business of Chop Tai Hin was taken over by Tai Hin, also a family business). Tai Hin's retailing segment which he was in charge of was subsequently transferred to Tayarmart (M) Sdn Bhd upon its incorporation in 1987. During his tenure in Tayarmart (M) Sdn Bhd, the group has established two additional car workshops in Prai and Taman Bagan, both in Penang.

Mr. Cheah is presently a Non-Executive Director in Retreading Solution since 2008, Eversafe Rubber Processing since 2008 and Olympic since 1979. Apart from the Eversafe Group, he is not a director of any other public company and he does not sit on any other boards.

PROFILE OF DIRECTORS (CONT'D)



Aged

73

Nationality



Gender



NG MENG KWAI

Senior Independent Non-Executive Director

Mr. Ng Meng Kwai was appointed as an Independent Non-Executive Director of Eversafe Rubber on 30 May 2016. He is also the Chairman of the Audit Committee and a member of the Nominating Committee.

Mr. Ng is a fellow member of the Association of Chartered Certified Accountants, United Kingdom, and also a member of the Malaysian Institute of Accountants and Chartered Tax Institute of Malaysia.

He has accumulated over 40 years of public accounting experience and has extensive experience in audit and financial advisory services as well as risk management matters. He began his career in 1973 with Deloitte Malaysia and moved up the ranks until his retirement from Deloitte Malaysia in 2013. Since then, he joined Robert Mengkwai & Loo, an accounting firm, as a partner, a position he holds until to date.

He was also appointed to the Board of Kelington Group Berhad as an Independent Non-Executive Director on 1 November 2022.

PROFILE OF DIRECTORS (CONT'D)



Aged

82

Nationality



Gender



HAJI MOHD ISA BIN HAJI TALIB

Independent Non-Executive Director

Tuan Haji Mohd Isa was appointed as an Independent Non-Executive Director of Eversafe Rubber on 30 May 2016. He is also a member of the Audit Committee and Remuneration Committee.

Tuan Haji Mohd Isa has accumulated 35 years of experience in the banking industry since 1961 when he joined Malayan Banking Berhad (Maybank) immediately after his secondary education. Moving through the ranks in Maybank, Tuan Haji Mohd Isa was promoted to Regional Manager of Kuantan and was responsible for overseeing the operations of bank branches in three states in Malaysia, i.e. Pahang, Kelantan and Terengganu in 1980. In 1991, he was transferred to Kuching to oversee branches in Sarawak. In 1993, he was transferred to Kuala Lumpur headquarters to head the property division of Maybank until he retired in 1998.

Apart from Eversafe Rubber, he is not a director of any other public company and he does not sit on any other boards.

PROFILE OF DIRECTORS (CONT'D)



Aged

53

Nationality



Gender



ONG BEOW CHIEH

Independent Non-Executive Director

Ms. Ong Beow Chieh was appointed as an Independent Non-Executive Director of Eversafe Rubber on 4 January 2017.

She graduated in 1995 with a Bachelor of Laws Degree from Queensland University of Technology, Australia.

After graduating, Ms. Ong began her pupillage with Messrs. Presgrave & Matthews of Penang in 1996. Since then, she was admitted as an advocate and solicitor of the High Court of Malaya in 1997 and made partner of the firm in 2002, a position she currently still holds. She specialises in banking, conveyancing and intellectual property. She is also a trademark and industrial design agent registered under the Intellectual Property Corporation in Malaysia.

Apart from Eversafe Rubber, she is not a director of any other public companies and she does not sit on any other boards.

Notes:

1. None of the Directors have been convicted for any offences (other than traffic offences, if any) within the past five (5) years or imposed with any public sanction or penalty by the relevant authorities or regulatory bodies during the financial year ended 31 December 2024.
2. None of the Directors have any conflicts of interest with the Company.
3. Save as disclosed below, none of the Directors of Eversafe have any family relationships with any other Directors and/or major shareholders of Eversafe Rubber:
 - (i) Dato' Seri Cheah, Mr. Cheah Eu Lee and Mr. Cheah Siang Tee are directors and shareholders of Tai Hin, a major shareholder of Eversafe Rubber.
 - (ii) Dato' Seri Cheah, our Executive Director, and Mr. Cheah Eu Lee, our Non-Independent Non-Executive Director, are siblings.
 - (iii) Dato' Seri Cheah, our Executive Director, is the father of Mr. Cheah Siang Tee, our Chief Executive Officer/Executive Director.
 - (iv) Mr. Cheah Eu Lee, our Non-Independent Non-Executive Director, is the uncle of Mr. Cheah Siang Tee, our Chief Executive Officer/Executive Director.

PROFILE OF KEY SENIOR MANAGEMENT

DATO' SERI CHEAH

(Executive Director)

Please refer to page 7 of the Annual Report for the profile of Dato' Seri Cheah.

EU AH SENG

(Executive Director)

Please refer to page 8 of the Annual Report for the profile of Mr. Eu Ah Seng.

CHEAH SIANG TEE

(Chief Executive Officer/Executive Director)

Please refer to page 9 of the Annual Report for the profile of Mr. Cheah Siang Tee.

LEONG YEW WAH

(Chief of Internal Audit)

Mr. Leong Yew Wah, a Malaysian, male, aged 75, is our Chief of Internal Audit. He reviews our internal control and compliance procedures and reports to the Audit Committee.

Upon completion of his high school education in 1970, he was appointed to the Inland Revenue Board ("IRB") in 1971. Mr. Leong served 35 years in the IRB in various capacities and has gained vast knowledge and experience in investigation and examination of fraudulent financial accounts in tax evasion cases. He was also an approved Tax Agent for the Ministry of Finance. He retired from his service in the IRB in the year 2006. He was awarded the 'Sijil Perkhidmatan Cemerlang' twice during his tenure in IRB. He joined Tai Hin in 2007 as the Chief of Internal Audit and in May 2016, he transferred to our Group.

He does not sit on the board of any public or private companies.

PROFILE OF KEY SENIOR MANAGEMENT (CONT'D)

KOID LAY PENG

(Group Finance Manager)

Ms. Koid Lay Peng, Malaysian, female, aged 59, is our Group Finance Manager. She oversees the overall finance and treasury functions within our Group, including the preparation of financial statements and liaising with the auditors, tax agents, lawyers and bankers.

She obtained a Diploma in Business Studies from Institut Simyong, Penang in 1987 and Certificate of Accounting (Third Level) from London Chamber of Commerce and Industry Examinations Board in 1999.

Her career began as an Auditor in Koay Seng Leong & Co in 1987. In 1988, she left to join Tayarmart (M) Sdn Bhd as an Accounts Executive before she was transferred to Tai Hin in 2009 to take up the role as the Manager of the Accounts and Administrative Departments. In 2016, she assumed her present position of Group Finance Manager.

She does not sit on the board of any public or private companies.

LEE CHEE KONG

(General Manager – Sales & Marketing)

Mr. Lee Chee Kong, Malaysian, male, aged 61, is our General Sales & Marketing Manager. He is in charge of our sales and marketing division, overseeing the Group's marketing activities for the local market.

He obtained a Diploma in Business Studies and Certificate of Marketing from the London Chamber of Commerce and Industry Examinations Board in 1994 and 1995 respectively.

Mr. Lee started his career in 1986 as a Marketing Executive with Antah Holdings Berhad. In 1993, he joined Sun Rubber Industry Sdn Bhd as their Marketing Manager where he oversaw both the domestic and export sales and marketing of the company's rubber compounds. After 13 years, he joined A-Max Industries Sdn Bhd (now known as Acten Tire Technology Sdn Bhd) as its Marketing Manager where he was in charge of the company's overall sales and marketing activities. In 2008, he joined Retreading Solution as the Marketing Manager and was subsequently promoted to his present position in 2018.

He does not sit on the board of any public or private companies.

PROFILE OF KEY SENIOR MANAGEMENT (CONT'D)

EU HONG LIM

(Export Sales Manager)

Mr. Eu Hong Lim, Malaysian, male, aged 48, is our Export Sales Manager. He is in charge of our Group's export sales and promotional activities, as well as participation in trade fairs and exhibitions. Mr. Eu is also involved in brand building, assisting in the development of new and existing products, attending to and handling quality control issues, managing logistics and monitoring warehouse operations.

He graduated with a Degree of Business Administration from the Middlesex University, England in 1999.

After a stint with an education service provider, Mr. Eu joined Retreading Solution in 2001 as an Administration and Sales Executive. He was previously involved in the establishment, implementation and maintenance of several systems within the Group, such as our Group's information technology systems, enterprise resource planning systems and quality management systems. He was also involved in the application of our Group's ISO 9001 certification and the provision of ISO training to staff. He was also tasked with managing our Group's export sales and servicing our overseas customers. In 2008, he was promoted to Export Sales Manager, a position he currently holds.

He does not sit on the board of any public or private companies.

ANUAR BIN ATAN

(General Manager - Production)

Anuar bin Atan, Malaysian, male, aged 62, is our General Production Manager. He is responsible for managing and overseeing our Group's production related matters including procurement and raw materials arrangement, production of our tyre retreading materials as well as storage and warehousing matters.

He obtained a Diploma in Rubber and Plastic Technology and Diploma in Rubber Processing from Institut Teknologi MARA and Institut Penyelidikan Getah Malaysia respectively.

After obtaining his Diploma in 1986, he joined Heveafil (M) Sdn Bhd in the same year as a Supervisor, where he was responsible to oversee the operation of the company's compounding and wastewater management. In 1990, he joined Rubber Thread Industries (M) Sdn Bhd as a Senior Production Manager to manage and oversee the company's production, compounding and wastewater management activities. In 2009, he joined Retreading Solution as our Production Manager. He has since accumulated over 30 years of experience in rubber compounding activities and factory management.

He does not sit on the board of any public or private companies.

Notes:

1. None of the key senior management have been convicted for any offences (other than traffic offences, if any) within the past five (5) years or imposed with any public sanction or penalty by the relevant authorities or regulatory bodies during the financial year ended 31 December 2024.
2. None of the key senior management have any conflicts of interest with the Company.
3. Save as disclosed on page 13 of the Annual Report and as below, none of the key senior management have any family relationships with any other Director and/or major shareholder of Eversafe Rubber:
 - (i) Mr. Eu Ah Seng, our Executive Director, is the father of Eu Hong Lim, our Export Sales Manager.



CHAIRMAN'S STATEMENT

Dear Valued Shareholders,

On behalf of the Board of Directors (“**Board**”) of Eversafe Rubber Berhad (“**Eversafe Rubber**” or our “**Company**”), I am privileged to present to you the Annual Report and audited financial statements for the financial year ended (“**FYE**”) 31 December 2024.

CHAIRMAN'S STATEMENT (CONT'D)

HIGHLIGHTS

In 2024, Malaysia's economy demonstrated resilience, achieving a growth rate of 5.1%, driven by robust domestic demand, increased investment activities, and strong household spending. This performance marked a notable improvement from the 3.6% growth recorded in 2023. The fourth quarter alone saw a year-on-year expansion of 5%, underscoring the sustained momentum despite global economic headwinds.

Looking ahead to 2025, the Malaysian economy is projected to grow between 4.5% and 5.5%. This optimistic outlook is supported by anticipated increases in domestic spending, ongoing investment in infrastructure, and a stable export sector. Inflation is expected to remain manageable, with forecasts suggesting a rate of 1.8% for 2025. However, potential challenges such as global economic uncertainties and policy adjustment, including subsidy rationalisations, may exert upward pressure on prices and could slightly temper growth projections.

Despite the favourable economic outlook, the Group faced challenges in 2024 due to volatility in commodity prices, foreign exchange rates, and inflationary pressures. These factors posed risks to our business, impacting demand for the Group's products while increasing the cost of goods sold, thereby exerting downward pressure on revenue and margins. Nevertheless, we remained committed to delivering value to our stakeholders by maintaining a prudent approach while actively seeking new business opportunities.

PERFORMANCE REVIEW

For the FYE 31 December 2024, our Group recorded a revenue of approximately RM98.02 million, a decrease of approximately RM18.31 million or 16% as compared to FYE 31 December 2023. The decrease in revenue was mainly due to the decrease in sales of tyre retreading materials.

Consistent with this, we recorded a Loss Before Tax amounting to RM5.79 million for FYE 31 December 2024 due to several factors such as lower gross profit margin and other operating income as well as higher general and administrative expenses.

PROSPECTS

The Malaysian automotive industry experienced a record-breaking year in 2024, with the Total Industry Volume ("TIV") reaching an unprecedented 816,747 units. This surge was largely attributed to pent-up demand and favourable economic conditions.

However, projections for 2025 indicate a normalisation of sales volumes. The Malaysian Automotive Association forecasts a TIV of 780,000 units, representing a slight decrease from the previous year. This anticipated decline is primarily due to the absence of significant new model launches and the high base effect from 2024's exceptional performance.

Despite this moderation, opportunities within the industry remain promising. The government's commitment to promoting electric vehicles ("EVs") is evident through initiatives aimed at installing 10,000 EV charging stations nationwide by 2025. This development is poised to stimulate growth in the EV sector, presenting new avenues for industry players to explore and capitalise upon.

At Eversafe Rubber Berhad, we recognise the dynamic nature of the automotive industry and are proactively adapting to these changes. Our focus remains on innovation, quality enhancement, and strategic partnerships to navigate the evolving landscape successfully.

Despite the current global uncertainty, we are confident that we will be able to sustain our overseas businesses.

In conclusion, while challenges persist, the combination of a resilient economy and emerging opportunities within the automotive sector positions us well for sustainable growth. We remain committed to delivering value to our shareholders and stakeholders through strategic foresight and operational excellence.

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to express my sincere gratitude to our shareholders for your trust and confidence in Eversafe Rubber Berhad. To our business partners, suppliers, and customers, thank you for your unwavering support and collaboration, which have been vital to our growth.

A special appreciation goes to the entire Eversafe Rubber team—your dedication and hard work continue to drive our success. Lastly, to my fellow Board members, thank you for your guidance and commitment as we navigate the path ahead.

Together, we will continue to strengthen our foundation and seize new opportunities for a brighter future.

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

The principal activity of Eversafe Rubber is that of investment holding while the Eversafe Rubber group of companies ("Group") is principally involved in the development, manufacturing and distribution of tyre retreading materials and polymer products and tyre retreading operations.

BUSINESS AND OPERATIONS

Our subsidiaries, namely Eversafe Retreading Solution Sdn Bhd, Eversafe Rubber Processing Sdn Bhd, Eversafe Trading (Shanghai) Co Ltd and Jiaying YongAn Rubber Co Ltd are involved in the development, manufacturing and distribution of tyre retreading materials and polymer products whilst Olympic Retreads (M) Sdn Bhd and Supreme Good International Limited carries out tyre retreading operations.




Additionally, on 25 April 2024, we incorporated Comfort Green Tyre Sdn Bhd as a wholly-owned subsidiary, with its principal activity focused on the manufacturing of new tyres.

Development, manufacturing and distribution of tyre retreading materials

Our tyre retreading materials primarily comprise rubber compounds which are developed and formulated in-house, using a combination of raw materials blended to achieve qualities that are appropriate to the specific performance requirements of each type of tyre, according to customer requirements. Our manufacturing operations are carried out in 2 locations, namely Ipoh, Perak and Hong Kong. The main raw materials used are natural rubber, synthetic rubber, carbon black, chemicals and rubber processing oils, the majority of which are sourced locally.

Presently, our products are sold in more than 25 countries, which span across Asia, Australia and Oceania, Africa, the Americas, Europe and the Middle East, mainly to tyre retreaders and rubber material traders in local and international markets.

The tyre retreading materials manufactured by our Group are as follows:

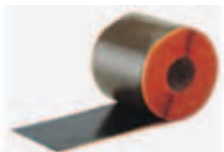


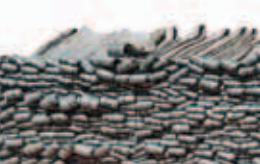
<p>1. Masterbatch</p> 	<p>Masterbatch is an essential raw material which we formulate and compound in-house used in the manufacturing of our other tyre retreading materials. This is produced through a mixture of natural rubber and/or synthetic rubber, rubber processing oils, carbon black, chemicals and/or additives compounded with chemicals, such as sulphur, accelerators and/or other additives, to form the desired rubber compounds.</p>
<p>2. Pre-cured tread liners</p> 	<p>These are pre-vulcanised rubber strips moulded with patterns and profiles. The pre-cured tread liners are used in cold cure tyre retreading. Presently, we produce and distribute over 70 patterns of pre-cured tread liners and are constantly expanding our range of pre-cured tread liners, in line with the increasing demand and requirements from our customers.</p>
<p>3. Camelbacks</p> 	<p>Camelbacks are unvulcanised rubber strips added to the surface of the buffed tyre casings. Camelbacks are mainly used in hot cure tyre retreading. These strips take the pattern of the mould during the process of vulcanisation.</p>

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)

BUSINESS AND OPERATIONS (CONT'D)

Development, manufacturing and distribution of tyre retreading materials (Cont'd)

The tyre retreading materials manufactured by our Group are as follows: (Cont'd)

<p>4. Cushion gums</p> 	<p>Cushion gums are strong adhesive strips used to bond pre-cured tread liners and camelbacks to the prepared surface of the buffed tyre casings. Our cushion gums are custom-made and have good tack adhesion properties.</p>
<p>5. Repair ropes</p> 	<p>Repair ropes are rubber compounds extruded in a rope form. Repair ropes are used in the process of repairing tyres.</p>
<p>6. Sidewall veneers</p> 	<p>Sidewall veneers are rubber compounds used to repair the tyre sidewalls. The process is to apply a new rubber veneer to the tyre sidewalls during the hot cure tyre retreading.</p>
<p>7. Orbitreads</p> 	<p>Orbitreads are extruded rubber compounds used in hot cure tyre retreading for off-road tyres. Unlike tyres for other commercial vehicles, off-road tyres are larger and hence, require the use of orbitreads (instead of camelbacks) in the retreading process.</p>

Tyre retreading operations

Our Group also generates a portion of our revenue from our tyre retreading operations. Tyre retreading is a process where the used tyre casings are made serviceable by removing worn and damaged treads and replacing them with new treads. Our Group's tyre retreading operations are carried out at our tyre retreading facility situated in Butterworth, Penang as well as in Hong Kong. The raw materials used in our tyre retreading operations are sourced from within the Group as well as used tyre casings purchased from external parties such as tyre traders, tyre retailers and fleet operators. We market our retreaded tyres under our own brand "OLP". Our retreaded tyres are produced mainly for sale in the local market where our retreaded tyres are produced in, targeted to be used for commercial vehicles such as buses and transportation trucks.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)

BUSINESS DEVELOPMENTS

We started the year with expectations of the ongoing headwinds such as rising labour, energy and raw material costs impacting our profit margin. Due to this, we kept our head down and continued deploying mitigative actions to protect the Group from any potential impacts.

Such actions include employing a cautious approach while remaining flexible in executing strategic plans to expand our existing business as well as identifying new business opportunities to ensure a sustainable business and long-term shareholder value.

REVIEW OF FINANCIAL RESULTS AND FINANCIAL CONDITION

Our Group's principal sources of revenue are derived from the development, manufacturing and distribution of tyre retreading materials and tyre retreading operations. Other sources of revenue comprise of other products such as curing envelopes, flaps and tubes, related machineries and equipment as well as rubber wastages sold as scrap. Notwithstanding the above, as our Group's revenue are all derived from the manufacturing and sale of rubber-based tyre retread products, the operations of our Group is viewed as a single reportable segment.

The following table illustrates the comparison of financial highlights of our Group for the financial year ended ("FYE") 31 December 2023 and 2024:

	FYE 31 December 2024 RM'000	FYE 31 December 2023 RM'000
Revenue	98,015	116,329
Gross profit ("GP")	13,095	14,154
(Loss)/Profit before taxation ("PBT/LBT")	(5,787)	2,190
(Loss)/Profit after taxation ("PAT/LAT")	(3,869)	1,245
Net assets ("NA")	56,875	60,447
Total assets	115,831	130,487
Borrowings	41,844	41,701
Hire purchase and lease liabilities	3,496	4,810
Gearing (times)	0.5	0.5
(Loss)/Earning per share ⁽¹⁾ (sen)	(1.6)	0.5
Dividend per share (sen)	–	–
NA per share ⁽¹⁾ (sen)	23.6	25.1

Note:

(1) Calculated based on 240,593,796 ordinary shares in the Company.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)

REVIEW OF FINANCIAL RESULTS AND FINANCIAL CONDITION (CONT'D)

For the financial year under review, our Group's revenue decreased to approximately RM98 million from RM116.3 million in the FYE 31 December 2023, representing a decrease of approximately RM18.3 million or 16%. The decrease in our Group's revenue was mainly attributable to the decrease in sales of tyre retreading materials. Further analysis of our Group's revenue for the FYE 31 December 2023 and 2024 by geographical locations is illustrated below:

	FYE 31 December 2024 RM'000	FYE 31 December 2023 RM'000
Malaysia	31,557	31,415
South East Asia (excluding Malaysia)	24,840	50,818
East Asia and Oceania	30,005	22,285
South Asia, Middle East and Africa	4,548	4,126
Americas	1,369	1,193
Europe	5,696	6,492
Total	98,015	116,329

Meanwhile, our Group's GP recorded a slight decrease of approximately RM1.1 million or 7% to approximately RM13.1 million from RM14.2 million in FYE 31 December 2023. The decrease in GP was due to the overall decrease in revenue.

At the same time, our Group recorded a Loss Before Tax of approximately RM5.8 million, reflecting a loss of approximately RM8.0 million or 364% for the financial year under review from a Profit Before Tax of RM2.2 million in the previous financial year. The recorded Loss Before Tax was a result of a combination of factors including lower other operating income and also higher general and administrative expenses.

As at 31 December 2024, our Group's total assets had decreased to approximately RM115.8 million as compared to RM130.5 million in the previous financial year. Our Group's total assets had recorded an decrease due to the decrease in other receivables, deposits and prepayments and placement in funds of approximately RM11.9 million and RM6.8 million from RM13.9 million and RM7.9 million respectively in the previous financial year.

The Group's borrowings reported an increase of approximately RM0.1 million from RM41.7 million as at 31 December 2023 to RM41.8 million as at 31 December 2024. The increase was mainly due to the increase in bank overdrafts used for our Group's operations. Notwithstanding the increase in borrowings, the management is of the opinion that based on the gearing of 0.5 times as at 31 December 2024, the debt levels of our Group remains manageable.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)

REVIEW OF FINANCIAL RESULTS AND FINANCIAL CONDITION (CONT'D)

A summary of our Group's cash flow position for the FYE 31 December 2023 and 2024 is illustrated below:

	FYE 31 December 2024 RM'000	FYE 31 December 2023 RM'000
Net cash from operating activities	8,988	15,607
Net cash used in investing activities	(7,702)	(2,893)
Net cash used in financing activities	(5,951)	(18,616)
Net decrease in cash and cash equivalents	(4,665)	(5,902)
Cash and cash equivalent at the beginning of the year	12,850	18,441
Cash and cash equivalent at the end of the year	8,158	12,850

During the financial year under review, our Group was in a positive net cash position for its operating activities of RM9 million as compared to RM15.6 million positive net cash used in operating activities in the FYE 31 December 2023. This was mainly due to the decrease in our Group's PBT. The decrease in our Group's net cash used in investing activities for the financial year under review was due to the acquisition of property, plant and equipment. At the same time, our Group also recorded net cash used in financing activities of RM6 million for the FYE 31 December 2024 as compared to net cash from financing activities of RM18.6 million for the FYE 31 December 2023 was mainly attributable to the repayment of term loans, revolving credit and bankers' acceptances of RM1.1 million. This has resulted in a net decrease of our cash and cash equivalents for the financial year under review which stood at RM4.7 million. Our Board of Directors and management do not have any plans in the pipeline for our Group or major capital expenditure which would have a significant effect on future cash flows.



MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)

REVIEW OF FINANCIAL RESULTS AND FINANCIAL CONDITION (CONT'D)

The said net current asset position of our Group for the FYE 31 December 2023 and 2024 is illustrated below:

	FYE 31 December 2024 RM'000	FYE 31 December 2023 RM'000
Current Assets		
Inventories	20,150	20,857
Trade receivables	26,698	26,377
Other receivables, deposits and prepayments	1,989	13,933
Amounts owing by related parties	10	327
Current tax assets	1,305	763
Placement in funds	1,107	7,909
Cash and bank balances	18,577	14,772
Total current assets	69,836	84,938
Current Liabilities		
Trade payables	4,777	3,007
Other payables and accrued expenses	5,174	14,917
Amounts owing to related parties	61	45
Amounts owing to Directors	202	163
Borrowings	27,003	27,817
Hire purchase and lease liabilities	2,374	2,537
Government grant	29	29
Current tax liabilities	112	–
Total current liabilities	39,732	48,515
Net Current Assets	30,104	36,423

Our Group's net current assets position for the FYE 31 December 2024 had decreased from RM36.4 million in the previous financial year to RM30.1 million, representing a decrease of RM6.3 million or 17.3%. This decrease was due to the decrease in other receivables, deposits and prepayments and placement in funds. Based on the above, our Board believes that our Group has sufficient working capital resources for our existing and foreseeable requirements for the financial year ending 31 December 2025.

Save for the general market trends, there are no known trends or events, including balance sheet conditions, income or cash flow items that may affect our Group's operations, performance, financial condition and liquidity.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONT'D)

PROSPECTS AND OUTLOOK

The Malaysian automotive sector is expected to normalise in 2025 following a record-breaking year in 2024. According to the Malaysian Automotive Association, Total Industry Volume ("TIV") is projected to ease to approximately 780,000 units in 2025, compared to 816,747 units recorded in the previous year. This anticipated moderation is primarily attributed to the high base effect of 2024 and the absence of significant new catalysts to drive further growth.

The market forecasts an 8% year-on-year decline in TIV for 2025, estimating total sales of approximately 730,000 units. This projection reflects a more stable market environment following an exceptional period of post-pandemic recovery, supported by government incentives and strong consumer demand in prior years.

Despite the anticipated moderation in overall vehicle sales, the industry continues to experience positive momentum in the electric vehicle ("EV") segment. Notably, major automakers are expanding their EV presence in Malaysia. Stellantis, in collaboration with Chinese automaker Leapmotor, introduced an electric SUV in the local market in October 2024 as part of its broader expansion into Southeast Asia. In December 2024, Proton launched its first EV, the Proton e.MAS 7, aligning with the Malaysian government's objective for EVs and hybrids to comprise 20% of new car sales by 2030.

The Group remains optimistic about the long-term growth prospects of the Malaysian automotive sector, particularly in the EV and sustainable mobility segments. Moving forward, the Group will continue to monitor industry developments, strengthen operational efficiencies, and explore opportunities to enhance its market position in line with evolving consumer preferences and regulatory trends.

Despite the current global uncertainty, we are confident that we will be able to sustain our overseas businesses.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Malaysian Code on Corporate Governance (“**MCCG**”) requires listed companies to maintain a sound system of risk management and internal control to safeguard shareholders’ investments and the Group’s assets. This Statement on Risk Management and Internal Control by the Board is made in respect of the financial year ended 31 December 2024 pursuant to Rule 15.26 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) as well as Principle B of the MCCG.

BOARD’S RESPONSIBILITIES

The Board recognises the importance of maintaining a sound system of internal control and risk management practices in ensuring good corporate governance. The Board is responsible for the system of risk management and internal control operating throughout the Group and for reviewing its effectiveness, adequacy and integrity in order to safeguard shareholders’ investment and the Group’s assets. The Board is committed to practicing good standards of corporate governance and will continue to improve on current practices.

However, limitations will be inherent in any system of internal controls and risk management whereby such systems are designed to mitigate and manage rather than eliminate risks. Hence, the Group’s system of internal controls can only provide a reasonable level of assurance against material losses to the Group.

The Board affirms that there are on-going or continuous processes for identifying, evaluating and managing significant risks faced by the Group through its systems of internal controls and risk management.

RISK MANAGEMENT AND INTERNAL CONTROL PROCESS

The Board, having recognised that risk management is an integral part of the business operations of the Group, has undertaken the preparation of a risk management framework and assessment to identify, evaluate and manage the significant risks affecting the Group’s operations to ensure that high risk areas are adequately addressed at various levels within the Group. Its systems of internal controls and risk management primarily cover areas of general operations, production efficiency and effectiveness, health and safety measures, repair and maintenance procedures, inventory management, financial controls and reporting, compliance monitoring and process improvements.

In undertaking the functions of the Board with regards to risk management and internal controls of the Group, the Board is supported by the Audit Committee based on its clearly defined terms of reference. The Audit Committee has been tasked by the Board with the duty of reviewing and monitoring the adequacy and effectiveness of the Group’s risk management and internal controls. The day-to-day implementation of risk awareness and management as well as compliance under the Group internal control processes and procedures are part of the responsibilities of the key senior management of the Group.

The Group has an organisational structure with clearly defined lines of accountability and responsibility as well as delegation of authority and reporting.

The risk profile of the Group is established by undertaking risk mapping and assessments facilitated with the assistance of external risk management consultants whereby key risk areas for each of the critical business functions and activities of the Group were identified, assessed and categorised based on the likelihood of occurrence and the resultant impacts. These were then documented as the Group risk register as part of the overall risk management framework of the Group and the same reviewed and deliberated by the Audit Committee with the assistance of the risk management consultants. The same exercise also identified the specific risk owners to facilitate the responsibility for actions in responding to risk management and a risk matrix is also generated to assist the management and the Board to prioritise their efforts and appropriately manage the different classes of risks. The risk profile and register will be continuously reviewed for updates due to external changes as well as addition of new business areas and/or key activities.

Internal controls have been implemented and will be continuously reviewed and improved, in particularly, for high risk areas within the Group. Upon review by the appointed internal auditors, the management team discusses with the Audit Committee on key control processes and procedures for areas of particularly high risk and/or concern to ensure adequate controls are always in place to mitigate any critical risks.

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

INTERNAL AUDIT FUNCTION

The internal audit function is in place to assist the Audit Committee in discharging its functions effectively. It is considered an integral part of the assurance framework to provide assurance on the adequacy and effectiveness of the risk management and internal control system of our Group. For the financial year under review, in addition to our own in-house internal auditor, Mr. Leong Yew Wah, the Audit Committee also appointed an independent professional firm to independently assess the adequacy and effectiveness of the corporate governance and internal control system and provide an independent and objective report on its observations. The internal audit function highlighted its findings, including recommendations to address the findings noted, via the issuance of internal audit reports directly to the Audit Committee. The internal audit reports, incorporating findings, recommendations, management comments and action plans with regard to the weaknesses and observations in the risk management and internal control system, were tabled at Audit Committee meetings and thereafter to the Board for further deliberation.

A follow-up audit in the financial year ending 31 December 2025 is to be scheduled to ensure that recommended follow-up corrective and compliance matters are being either put in place or implemented following any audit findings highlighted in the internal audit report for the financial year under review.

During the financial year ended 31 December 2024, the billings rendered by the independent professional firm for the internal services amounted to RM53,640.

INFORMATION AND COMMUNICATION

While the management has full responsibility in ensuring the effectiveness of internal control which it establishes, the Board has authority to assess the state of internal control as it deems necessary. In doing so, the Board has the right to enquire information and clarification from the management as well as to seek inputs from the Audit Committee, external and internal auditors and other experts.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to Rule 15.23 of the ACE Market Listing Requirements of Bursa Securities, the external auditors have reviewed this Statement in the Annual Report for the financial year ended 31 December 2024. Their review is performed in accordance with Audit and Assurance Practice Guide 3 Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants. The external auditors' procedures have been conducted to assess whether the Statement on Risk Management and Internal Control is supported by the documentation prepared by or for the Directors and that it is an appropriate reflection of the process adopted by the Directors in reviewing the adequacy and integrity of the system of internal control of the Group.

Audit and Assurance Practice Guide 3 does not require the external auditors to consider whether this Statement covers all risk and controls or to form an opinion on the adequacy and effectiveness of the Group's risk and control procedures. Based on their procedures performed, the external auditors have reported to the Board that nothing has come to their attention to cause them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers nor is this statement factually inaccurate.

To further enhance the risk management process within our Group and pursuant to Section 17A of the Malaysian Anti-Corruption Commission Act 2009, our Board has also adopted the Anti-Bribery and Anti-Corruption Policy on 13 August 2020.

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

REVIEW BY THE BOARD

The Board has reviewed the risk management and internal control system of the Group and is of the view that during the financial year and up to the date of issuance of this Statement, there were no material losses, contingencies or uncertainties arising as a result of weaknesses in the internal control system which would require separate disclosures in this Annual Report. The Board has also received assurance from the Chief Executive Officer that the risk management and internal control systems of the Group are operating adequately and effectively in all material aspects based on the risk management and internal control systems of the Group. In addition, our internal auditor together with our external consultants work closely with our key senior management on the sufficiency and adequateness of our Group's internal controls for our day-to-day operations.

Premised on the preceding sections, the Board considers the system of internal controls as set out in this Statement to be satisfactory and the risks to be at acceptable level within the context of the Group's business and operating environment. Aware to the need of maintaining a robust risk management and internal control system in meeting the ever-changing needs of the Group, the Board will take measures to enhance this system as and when the need arises.

Based on the assessment and information available at the date of authorisation of the financial statements, the Group has sufficient cash flows and undrawn facilities to meet its liquidity needs in the next twelve months after the end of the reporting period. The Group does not anticipate significant supply disruptions and would continue to monitor its fund and operational needs.

This Statement on Risk Management and Internal Control has been approved by the Board of Eversafe Rubber Berhad on 14 April 2025.

AUDIT COMMITTEE REPORT

The Audit Committee was established by the Board of Eversafe Rubber Berhad (“**Eversafe Rubber**” or the “**Company**”) on 30 May 2016 with the primary objective of assisting the Board in discharging its duties and responsibilities and fulfilling its corporate governance responsibilities in relation to financial reporting, annual reporting, internal control structure, related party transactions and external and internal audit functions of the Group.

MEMBERS OF THE AUDIT COMMITTEE

The Audit Committee comprises three (3) members, all of whom are non-executive directors.

The composition of the Audit Committee is as follows:

Ng Meng Kwai (Chairman)
- Senior Independent Non-Executive Director

Tan Sri Dato’ Dr. Sak Cheng Lum (Member)
- Independent Non-Executive Chairman

Haji Mohd Isa Bin Haji Talib (Member)
- Independent Non-Executive Director

The Audit Committee fulfils the requirements of Rule 15.09 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”).

The terms of office and performance of the Audit Committee and each of its members shall be reviewed annually by the Nominating Committee of the company and members may be re-nominated and appointed by the Board.

ATTENDANCE OF AUDIT COMMITTEE MEETINGS

A total of 5 meetings were held during the financial year ended 31 December 2024. The details of attendance of each member at the Audit Committee meetings held during the tenure of office of the members are as follows:-

Name	Attendance
Ng Meng Kwai	5/5
Tan Sri Dato’ Dr. Sak Cheng Lum	5/5
Haji Mohd Isa Bin Haji Talib	5/5

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

The terms of reference of the Audit Committee is published on the Company’s website, www.eversafe.com.my.

AUDIT COMMITTEE REPORT (CONT'D)

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

The Audit Committee met 5 times during the financial year ended 31 December 2024 and this section sets out the main activities of the Audit Committee of Eversafe Rubber during this period.

1. Financial Reporting

The Audit Committee reviewed and deliberated on all the announcements of quarterly financial results made by the Company.

In addition, the Audit Committee also undertook the review of the annual audited financial statements of the Group including the accompanying directors' report. The Audit Committee ensures that the financial results and statements are prepared in a timely and accurate manner, complying with applicable accounting, regulatory requirements and financial reporting standards.

2. External Auditor

The Audit Committee deliberated and reviewed the scope of statutory audit and the audit plan as well as discussing with the external auditors the audit strategies and any implementation of new or revised accounting standards that may affect the Group in the current and coming financial years.

The Audit Committee also held a discussion with the external auditors after the completion of audit field works for any findings and observations of material concern and effects to the Group as well as to ensure that there were no restrictions on the scope of their audit.

The Audit Committee also encourages the external auditor to continuously engage with the Committee to ensure that issues affecting the Company and the Group can be flagged out in a timely manner. The Audit Committee also evaluated the independence and effectiveness of the external auditors and recommended to the Board on their re-appointment and audit fee.

3. Related Party Transaction/Recurrent Related Party Transaction

The Audit Committee will deliberate with the management on any related party transaction or recurrent related party transaction entered into between the Group and any related party to deliberate whether such transactions are to the best interest of the Group. In addition, the Audit Committee also reviewed the guidelines and procedures for recurrent related party transactions during the financial year under review.

During the financial year under review, the Group has not entered into any other new related party transactions while all recurrent related party transactions are reviewed by the Audit Committee on a quarterly basis. The Audit Committee has also reviewed the Circular to Shareholders on the proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature.

4. Conflict of Interest

The Audit Committee reviewed the policy on the framework and governance conflict of interest of the Group.

The Group outlines how they identify and manage Conflicts of Interest to avoid any conflict or potential conflict between their personal interests and the Group's interest. The policy is intended to provide guidance on how to deal with situations involving conflict of interest to ensure that actual, potential and perceived conflicts of interest are identified and managed effectively. Directors, Key Senior Management, and Employees of the Group are expected to disclose any potential conflicts that arise.

AUDIT COMMITTEE REPORT (CONT'D)

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

5. Risk Management and Internal Control

The Audit Committee has assessed the risk and control environment of the Group through the Enterprise Risk Management Framework as well as the overall effectiveness of the risk management and internal control system of the Group. The Audit Committee had also reviewed the Statement on Risk Management and Internal Control prior to the recommendation to the Board for approval for inclusion in this Annual Report.

6. Internal Auditor

The Audit Committee oversees the conduct of internal audit periodically to ensure that review of the adequacy of the Group's internal control systems is carried out in a timely manner as well as ensuring operations are carried in compliance with existing internal controls. The Audit Committee also ensures that all internal audit personnel are free from any relationships or conflicts of interest which could impair their objectivity and independence.

To that end, for the financial year ended 31 December 2024, the Audit Committee reviewed the internal audit report which covered the sales and marketing, credit control and collection as well as procurement and payables. The Audit Committee also discussed the internal audit findings and issues with the internal auditor prior to presenting the same to the Board.

7. Others

The Audit Committee reviewed and made recommendations to the Board for this Annual Report pertaining to the Audit Committee Report, Corporate Governance Statement and the Statement of Risk Management and Internal Controls.

In addition, the Chairman and members of the Audit Committee also engage on continuous basis with other Board members, the Executive Directors and with the management of the Group in order to be kept informed of the operations and management of the Group including any material events and/or matters affecting the operations of the Group as a whole.

This Audit Committee Report was approved by the Board of Eversafe Rubber on 14 April 2025.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Eversafe Rubber Berhad (“**Eversafe Rubber**” or the “**Company**”) appreciates the importance of adopting high standards of corporate governance in the Company as well as its subsidiaries in order to safeguard stakeholders’ interests as well as enhancing shareholder value.

Pursuant to Rule 15.25 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**AMLR**”), this Corporate Governance Overview Statement (“**Statement**”) sets out how the Company has applied the 3 Principles and observed the Practices and Recommendations, of the Malaysian Code on Corporate Governance (“**MCCG**”) for the financial year ended 31 December 2024. Where a specific Recommendation of the MCCG has not been observed during the financial year, the non-observation, including reasons thereof, and the alternative practice adopted, if any, is mentioned in this Statement.

The Corporate Governance Report is available for download from the Company’s website at www.eversafe.com.my.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

The Board recognises its key role in charting the strategic direction of the Company and has assumed the following principal responsibilities in discharging its fiduciary and leadership functions:

- Review, evaluate, adopt and approve the strategic plans and policies for the Group;
- Oversee and monitor the conduct of the businesses and financial performance and major capital commitments of the Group;
- Review and adopt budgets and financial results of the Group, monitor compliance with applicable accounting standards and the integrity and adequacy of accurate financial information disclosure;
- Review and approve any major corporate proposals, new business ventures or joint ventures of the Group;
- Ensure adequate measures are taken to protect all assets of the group and maximise their potential;
- Review, evaluate and approve any material acquisitions or disposals of undertakings and assets in the Group;
- Identify principal risks and assess the appropriate risk management systems to be implemented to manage these risks;
- Establish and oversee a succession planning programme for the Group, including the remuneration and compensation policy thereof;
- Establish, review and implement corporate communication policies with the shareholders, investors, other key stakeholders and the public;
- Review and determine the adequacy and integrity of the internal control systems and management information of the Group; and
- Develop a corporate code of conduct to address, amongst others, any conflicts of interest relating to directors, major shareholders and/or management.

To assist in the discharge of its stewardship role, the Board has established Board Committees, namely the Audit Committee, Remuneration Committee and Nominating Committee to examine specific issues within their respective terms of reference as approved by the Board and report to the Board with their recommendations. The ultimate responsibility for decision making, however, lies with the Board.

Board Charter

The Board is aware of the need to clearly demarcate the duties and responsibilities of the Board, Board Committees and Management, including the limits of authority accorded, in order to provide clarity and guidance to Directors and Management. The Board has in place a Board Charter, setting out, inter-alia, the roles of the Board, Board Committees, Executive and Non-Executive Directors and Management. The Board Charter serves as a reference point for Board activities to enable Directors to carry out their stewardship role and discharge their fiduciary duties towards the Company. The Board shall update the Board Charter as and when need arises to reflect changes to the Company’s policies, procedures as well as to comply with the latest regulations and legislations.

The full Board Charter is available on the Company’s website at www.eversafe.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Board Charter (Cont'd)

The number of meetings of the Board and Board Committees held during the year was:

Types of Meetings	Number of Meetings
Board of Directors	5
Audit Committee	5
Nominating Committee	1
Remuneration Committee	1

The Board is bestowed with the duties and responsibilities to ensure the interest of the shareholders is protected. The Board delegates and confers some of its authority and discretion to the Independent Non-Executive Chairman, Executive Directors, Chief Executive Officer and Management as well as to respective Board Committees. Nonetheless, the Board retains full and effective control of the Group.

The Board oversees the performance of the Management to determine whether the business is being properly managed whereby the Chief Executive Officer/Executive Directors periodically reports to the Board on operational matters and is responsible to keep the Board informed on all matters which may materially affect the Group and its business.

The Non-Executive/Independent Directors, in general are independent from management. Their roles are to constructively challenge Management and contribute to the development of the business strategy and direction of the Company. They ensure effective checks and balances on the Board. They have free and direct contact with Management and engage with the external and internal auditors to address matters concerning Management. The role of Management is to support the Executive Directors and Chief Executive Officer in implementing and running of the general operations and business of the Group, in accordance with the delegated authority of the Board.

Code of Conduct and Whistleblowing Policy

The Board recognises the importance of having in place a Code of Conduct, setting out the standards of conduct expected from Directors and employees, to cultivate and promote good corporate behaviour. The Company's Code of Conduct for employees also include provisions on conduct, which highlight, amongst others, the standards of integrity, transparency, fairness, accountability as well as contribution towards the social and environmental growth of the surroundings in which our Group operates. Meanwhile, the Board Charter sets out provision for disclosure and conflict of interest to be observed by Directors.

To ensure its implementation and effectiveness, new Directors and employees are introduced to the Code of Conduct upon induction. This serves as a way to ensure new Directors and employees understand the importance of ethics and the requirement to adhere to the Company's standards. The Code of Conduct is also reviewed as and when necessary as to ensure its relevance.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Code of Conduct and Whistleblowing Policy (Cont'd)

The Board, on 12 August 2017, approved the Whistleblowing Policy in ensuring our Group upholds our business ethics of honesty, integrity and transparency. A copy of the Whistleblowing Policy has been published on our Company's website. Any stakeholders suspecting any integrity issues, misconducts and/or fraud occurring in any of the companies within our Group are encouraged to lodge a report in writing, submitted via post or email to:

Audit Committee Chairman / Company Secretaries
Eversafe Rubber Berhad
Unit 1203, Level 12, Uptown 1
No. 1 Jalan SS21/58
Damansara Uptown 47400
Petaling Jaya Selangor Darul Ehsan

Email: whistleblow@eversafe.com.my

Sustainability of Business

The Board is mindful of the importance of business sustainability and in conducting the Group's business, our impact on the environmental, social and governance aspects is considered in the Group's corporate strategies.

Supply of, and Access to, Information

The Board is supplied with relevant information and reports on financial, operational, corporate, regulatory, business development and audit matters, by way of Board reports or upon specific requests, for decisions to be made on an informed basis and for an effective discharge of the Board's responsibilities.

Timely dissemination of meeting agenda, including the relevant Board and Board Committee papers to all Directors prior to the Board and Board Committee meetings to give effect to Board decisions and to deal with matters arising from such meetings, is observed. Board members are furnished with pertinent explanation and information on relevant issues and recommendations by Management. The issues are then deliberated and discussed thoroughly by the Board before a decision is made.

In addition, Board members are updated on the Group's activities and its operations on a regular basis. All Directors have access to information of the Company on a timely basis in an appropriate manner and quality necessary to enable them to discharge their duties and responsibilities.

Senior Management of the Group and external advisers are invited to attend Board meetings to provide additional insights and professional views, advice and explanations on specific items on the meeting agenda. Besides direct access to Management, Directors may obtain independent professional advice at the Company's expense, if considered necessary, in furtherance of their duties. However, during the financial year under review, the Directors did not encounter any situations requiring such advice. This procedure is formalised in the Company's Board Charter.

Directors have unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively. The Board is regularly updated and advised by the Company Secretaries, who are qualified, experienced and competent on statutory and regulatory requirements, on the resultant implications of any changes in regulatory requirements to the Company and Directors in relation to their duties and responsibilities. The Company Secretaries, who oversee adherence to Board policies and procedures, brief the Board on the proposed contents and timing of material announcements to be made to regulators. The Company Secretaries attend all Board and Board Committee meetings and ensure that meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained accordingly. The removal of the Company Secretaries, if any, is a matter for the Board, as a whole, to decide.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Composition of The Board

The Board currently comprises eight (8) members, three (3) of whom are Executive Directors, one (1) Non-Independent Non-Executive Director, and four (4) Independent Non-Executive Directors. This composition fulfils the requirements as set out under Rule 15.02(1) of the AMLR, which stipulates that at least two (2) Directors or one-third of the Board, whichever is higher, must be Independent. The profile of each Director is set out in this Annual Report. The Directors, with their different backgrounds and specialisations, collectively bring with them a wide range of knowledge, skills, experience and expertise in areas such as public administration, tyre and tyre retreading, banking, accounting and audit and legal.

Nominating Committee

The Nominating Committee, established by the Board with specific terms of reference which is available on the Company's website at www.eversafe.com.my, comprises the following Directors as its members:

- Tan Sri Dato' Dr. Sak Cheng Lum (Chairman)
- Mr. Cheah Eu Lee
- Mr. Ng Meng Kwai

The Nominating Committee is primarily responsible for recommending suitable appointments to the Board, taking into consideration the Board structure, size, composition and the required mix of expertise and experience which the Director should bring to the Board. It is also tasked to assess the effectiveness of the Board as a whole, the Board Committees and the contribution of each Director.

The final decision on the appointment of Director in respect of a candidate recommended by the Nominating Committee rests with the Board. The Company Secretaries ensure that all appointments are properly made upon obtaining all necessary information from the Director. During the financial year under review, the Nominating Committee met once, to assess the Board, Board Committees and individual Directors in relation to their performance and contribution towards meeting the needs of the Company. The evaluation took into consideration the competency, experience, character, integrity and time availability, including the mix of skills, of the Directors concerned. The Nominating Committee had also reviewed the Board composition, gender diversity and whether the Board possesses the right mix of skills and balance as well as considering the Board's succession planning and making recommendations for new appointment of Directors and Board Committees as well as identifying training programmes for the Board.

Following the amendments to the ACE Market Listing Requirements of Bursa Securities, the Board adopted a Directors' Fit & 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 & Proper Policy is available for download from the Company's website at www.eversafe.com.my.

The Nominating Committee also recommends to the Board those Directors who are retiring at the forthcoming Annual General Meeting for re-election. Pursuant to the MCGG, the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. The Board must justify and seek shareholders' approval through a two-tier voting process should the Board wishes to retain such Director as an Independent Director. In compliance with the recommendation of MCGG, the Nominating Committee has reviewed and assessed the Independent Director who has served a tenure of more than nine (9) years in that capacity of the Company. Tan Sri Dato' Dr. Sak Cheng Lum, Ng Meng Kwai and Haji Mohd Isa Bin Haji Talib who were appointed as an Independent Non-Executive Director on 30 May 2016, have exercised objective and independent judgements on all Board deliberations and have not compromised their long relationship with other Board members. The Nominating Committee has recommended to the Board to seek shareholders' approval through a two-tier voting process for Tan Sri Dato' Dr. Sak Cheng Lum, Ng Meng Kwai and Haji Mohd Isa Bin Haji Talib to be retained and re-elected as an Independent Director of the Company at the forthcoming AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Nominating Committee (Cont'd)

The Company recognises and embraces the benefits of having a diverse Board, and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. The evaluation of suitable candidates is solely based on the candidates' competency, character, time availability, integrity and experience in meeting the needs of the Company, including, where appropriate, the ability of the candidates to act as Independent Non-Executive Directors, as the case may be. Before an appointment is made by the Board, the Nominating Committee is required to evaluate the existing balance of skills, knowledge, experience and diversity on the Board, and in light of this evaluation prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates, the Nominating Committee shall:

- (i) consider candidates from a wide range of backgrounds and skills as considered appropriate;
- (ii) consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board, including gender, taking care that appointees have enough time available to devote to the position.

Presently, the Board of Eversafe Rubber is made up of members who are diverse in skills, experience, age, cultural background and gender.

Remuneration Committee

The Remuneration Committee, established by the Board with specific terms of reference, comprises the following Directors:

- Tan Sri Dato' Dr. Sak Cheng Lum (Chairman)
- Haji Mohd Isa bin Haji Talib
- Dato' Seri Cheah Eu Kiat

The Remuneration Committee is responsible for reviewing and recommending the remuneration packages of Executive Directors and Non-Executive Directors as well as to review the general remuneration policy and procedures of the Group. Where a committee member's own remuneration is under discussion or deliberation, the said Director will abstain. The aggregate total of Directors' fees is subject to shareholders' approval at the Annual General Meeting. During the financial year under review, 1 meeting was held to review the remuneration packages of the Directors.

Generally, the remuneration package will be structured according to the skills, experience and performance of the Executive Directors to ensure that the Group attracts and retains the Directors needed to run the Group successfully. The remuneration package of the Non-Executive Directors will depend on their contribution to the Group in terms of their knowledge and experience.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Remuneration Committee (Cont'd)

The following section shows the summary of total remuneration paid to Executive and Non-Executive Directors by type of remuneration.

	Company	Subsidiaries					
2024	Fees RM'000	Fees RM'000	Salary RM'000	Bonus RM'000	Benefits- in-kind RM'000	Others RM'000	Total RM'000
Executive Directors							
Dato' Seri Cheah Eu Kiat	35	36	240	–	28	53	392
Eu Ah Seng	35	15	216	–	17	38	321
Cheah Siang Tee	35	36	441	–	61	113	686
Non-Executive Directors							
Tan Sri Dato' Dr. Sak Cheng Lum	40	–	–	–	–	–	40
Cheah Eu Lee	35	30	–	–	–	–	65
Haji Mohd Isa Bin Haji Talib	35	–	–	–	–	–	35
Ng Meng Kwai	50	–	–	–	–	–	50
Ong Beow Chieh	35	–	–	–	–	–	35

The Group has in place a remuneration structure for all employees, including key senior management, with the intention of attracting, retaining and motivating employees. The remuneration structure is intended to reward employees according to the achievement of business and performance objectives. Pursuant to Practice 8.2 of the MCCG, the Company should disclose the remuneration components of 5 highest remunerated key senior management, on a named basis, including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000. Notwithstanding the above, the Board is of the view that such disclosure should not be made publicly available as it will give rise to conflict as well as recruitment and talent retention issues.

Reinforce Independence of the Board

The Independent Non-Executive Directors contribute objective and independent views, advice and judgment on interests, not only of the Company, but also of shareholders and stakeholders. Independent Non-Executive Directors are essential for protecting the interests of shareholders and can make significant contributions to the Company's decision making by bringing in the quality of detached impartiality.

The Board recognises the importance of establishing criteria on independence to be used in the annual assessment of its Independent Non-Executive Directors. The definition on independence accords with the AMLR. The independent directors have also declared their Independence status on a yearly basis to the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Reinforce Independence of the Board (Cont'd)

The Board is aware that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years as stated in the MCCG. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board as a Non-Independent Director. In the event the Board wishes to retain such director as an independent director, the Board will justify and seek shareholders' approval through a two-tier voting process. In justifying the decision, the Nominating Committee is entrusted to assess and justify the candidate's suitability to continue as an Independent director and the reasons for maintaining him as Independent Director would be disclosed in the Notice of Annual General Meeting. Presently, Tan Sri Dato' Dr. Sak Cheng Lum, Ng Meng Kwai and Haji Mohd Isa Bin Haji Talib have served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years. The Board through the Nominating Committee has assessed and determined that they have exercised objective and independent judgements on all Board deliberations and have not compromised their long relationship with other Board members. The Board, therefore, endorsed the nominating Committee's recommendation for Tan Sri Dato' Dr. Sak Cheng Lum, Ng Meng Kwai and Haji Mohd Isa Bin Haji Talib to be retained and re-elected as an Independent Director of the Company. Thus, the Board shall seek shareholders' approval through a two-tier voting process at the forthcoming AGM.

Foster Commitment of Directors

The Board ordinarily meets at least 5 times a year. Their meetings are scheduled well in advance to facilitate the Directors in planning their meeting schedule for the year. Additional meetings are convened when urgent and important decisions need to be made between scheduled meetings. Board and Board Committee papers, which are prepared by Management, provide the relevant facts and analysis for the convenience of Directors. The meeting agenda, relevant reports and Board papers are furnished to Directors and Board Committee members well before the meeting to allow the Directors sufficient time to study for effective discussion and decision-making during meetings. At the quarterly Board meetings, the Board reviews the business performance of the Group and discusses major strategic, operational and financial issues. The Chairman of the Audit Committee briefs the Directors at each Board meeting of salient matters noted by the Audit Committee, if any, and which require the Board's attention or direction. All pertinent issues discussed at Board meetings in arriving at decisions and conclusions are properly recorded by the Company Secretaries by way of minutes of meetings and the minutes are circulated in a timely manner.

Board Meetings

There were 5 Board meetings held during the financial year ended 31 December 2024, with details of Directors' attendance set out below:

Name of Director	Attendance
Tan Sri Dato' Dr. Sak Cheng Lum	5/5
Dato' Seri Cheah Eu Kiat	5/5
Eu Ah Seng	5/5
Cheah Siang Tee	5/5
Cheah Eu Lee	5/5
Haji Mohd Isa Bin Haji Talib	5/5
Ng Meng Kwai	5/5
Ong Beow Chieh	5/5

It is the practice of the Company for Directors to devote sufficient time and efforts to carry out their responsibilities. The Board is satisfied with the time commitment given by the Board members in carrying out their responsibility which is shown in the above attendance.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Directors' Training – Continuing Education Programmes

All Directors have successfully completed the Mandatory Accreditation Programme prescribed by Bursa Securities. The Directors will continue to identify and attend other training courses to equip themselves effectively to discharge their duties as Directors on a continuous basis. The Board, via the Nominating Committee, assesses the training needs of each Director on an annual basis in accordance with the Nominating Committee's Terms of Reference, by determining areas that would best strengthen their contributions to the Board.

The Board is mindful of the importance for its members to undergo continuous training to be apprised of changes to regulatory requirements and the impact such regulatory requirements have on the Group. Amongst the training programmes, seminars and/or training attended by the Directors during the financial year ended 31 December 2024 are as follows:

Name of Director	Conferences, Seminars and/or Training
Tan Sri Dato' Dr. Sak Cheng Lum	Mandatory Accreditation Programme Part II: Leading for Impact (ILP)
Dato' Seri Cheah Eu Kiat	Seminar Percukaian Kebangsaan 2024
Eu Ah Seng	Mandatory Accreditation Programme Part II: Leading for Impact (ILP)
Cheah Siang Tee	<ul style="list-style-type: none"> Mandatory Accreditation Programme Part II: Leading for Impact (ILP) Bursa Malaysia's Building Sustainable Credibility: Assurance, Greenwashing and the Rise of Green-Hushing
Cheah Eu Lee	Seminar Percukaian Kebangsaan 2024 Mandatory Accreditation Programme Part II: Leading for Impact (ILP)
Ng Meng Kwai	<ul style="list-style-type: none"> Mandatory Accreditation Programme Part II: Leading for Impact (ILP) Case Study – Based MFRS Webinar: Reporting Financial Performance for Public and Private Entities (MFRS/MPERS) Case Study – Based MFRS Webinar: 2024 MFRS Technical Update Enhance Compliance through Malaysia's Tax Corporate Governance Program (Virtual). 2025 Tax Budget Seminar
Haji Mohd Isa Bin Haji Talib	Mandatory Accreditation Programme Part II: Leading for Impact (ILP)
Ong Beow Chieh	<ul style="list-style-type: none"> Mandatory Accreditation Programme Part II: Leading for Impact (ILP) Corporate and Commercial Law (HCCLC) 2024 Session 2, 7 & 8 via Zoom Webinar Kursus Pembaharuan Ejen Cap Dagangan Siri 3 Anjuran Akademi Harta Intelek, Perbadanan Harta Intelek Malaysia (MyIPO) Malaysia E-Invoicing

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

It is the Board's commitment to present a balanced and meaningful assessment of the Group's financial performance and prospects at the end of each reporting period and financial year, primarily through the quarterly announcement of the Group's results to Bursa Malaysia, the annual financial statements of the Group and Company as well as the Annual Report.

Audit Committee

In assisting the Board to discharge its duties on financial reporting, the Board has established an Audit Committee, comprising exclusively Independent Non-Executive Directors as below:

- Mr. Ng Meng Kwai (Chairman)
- Tan Sri Dato' Dr. Sak Cheng Lum
- Haji Mohd Isa Bin Haji Talib

The detailed composition of the Audit Committee, including its roles and responsibilities, are set out in the Audit Committee Report of pages 29 to 31 in this Annual Report. One of the key responsibilities of the Audit Committee in its specific terms of reference is to ensure that the financial statements of the Group and Company comply with applicable financial reporting standards in Malaysia. Such financial statements comprise the quarterly financial report announced to Bursa Securities and the annual statutory financial statements.

A policy governing the provision of non-audit services by the external auditors, in view of maintaining their independence and objectivity, has been developed and adopted by the Audit Committee.

In assessing the independence of external auditors, the Audit Committee has obtained confirmation from the external auditors, confirming that they are, and have been, independent throughout the conduct of the audit engagement with the Company in accordance with the independence criteria set out by the International Federation of Accountants and the Malaysian Institute of Accountants.

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

The Board is aware of the need to establish corporate disclosure policies and procedures to enable comprehensive, accurate and timely disclosures relating to the Company and its subsidiaries to be made to the regulators, shareholders and stakeholders. Accordingly, the Board has formalised pertinent policies and procedures not only to comply with the disclosure requirements as stipulated in the AMLR of Bursa Securities, but also identify the persons responsible to approve and disclose material information to the regulators, shareholders and stakeholders.

Shareholder Participation at General Meeting

The Annual General Meeting ("**AGM**") and/or Extraordinary General Meeting ("**EGM**") are the principal forums for shareholder dialogue. The AGM allows shareholders to review the Group's performance via the Company's Annual Report and pose questions to the Board for clarification on any issues and to gain better understanding of the Group's business affairs and performance. At the AGM or EGM, shareholders participate in deliberating resolutions being proposed or on the Group's operations in general.

Notices of each AGM and EGM are issued in a timely manner to all shareholders. The Notice of AGM is circulated at least twenty-eight (28) days before the date of the meeting to enable shareholders to go through the Annual Report and papers supporting the resolutions proposed. Shareholders are invited to ask questions both about the resolutions being proposed before putting a resolution to vote as well as matters relating to the Group's operations in general.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Communication and Engagement with Shareholders

The Board recognises the importance of being transparent and accountable to the Company's investors and, as such, has various channels to maintain communication with them. The various channels are through the quarterly announcements on financial results to Bursa Securities, relevant announcements and circulars, when necessary, the AGMs and EGMs and through the Group's website where shareholders can access pertinent information concerning the Group.

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Group's financial statements have been drawn up in accordance with the applicable accounting standards in Malaysia and the Companies Act 2016. The financial statements give a true and fair view of the state of the affairs of the Group at the end of the financial year, and of the profit and cash flows for the financial year.

In preparing the financial statements, the Directors are also responsible for:

- The adoption of suitable accounting policies and applying them consistently;
- Making judgments and estimates that are reasonable;
- Ensuring that all applicable financial reporting standards have been followed; and
- Preparing financial statements on a going concern basis as the Directors have reasonable expectations, having made enquiries that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future.

The Directors have the responsibility of ensuring that the Company maintains adequate accounting records and sufficient internal controls to safeguard the assets and to prevent fraud or other irregularities in the Group.

This Corporate Governance Overview Statement has been approved by the Board of Eversafe Rubber on 14 April 2025.

CORPORATE SUSTAINABILITY STATEMENT

At Eversafe Rubber Berhad, we are dedicated to fostering a healthier, greener, and more resilient economy and society. As we continue our sustainability journey, we remain steadfast in balancing economic performance with social and environmental responsibilities. By integrating sound Environmental, Social, and Governance (“ESG”) considerations into our business operations, we strive to deliver long-term value creation, sustainable performance, and enhanced stakeholder confidence.

SUSTAINABILITY GOVERNANCE

We have established a robust governance structure to ensure full compliance and optimal performance across our operations. Our sustainability initiatives are guided by the Board of Directors who set the strategic direction and maintain accountability for overall business conduct. The key management team supports these efforts by overseeing the implementation of sustainability strategies and aligning them with corporate objectives and policies.

To further strengthen our sustainability efforts, we have established a Sustainability Committee, which plays a crucial role in driving ESG initiatives across the organisation. The committee is responsible for identifying sustainability risks and opportunities, monitoring progress, and ensuring alignment with the Group’s long-term sustainability goals. It works closely with various departments to integrate sustainable practices into our operations while fostering a culture of continuous improvement in ESG performance.

ENVIRONMENTAL COMMITMENT

We are committed to minimising our environmental impact and ensuring that our values are shared across our business partners and supply chain. Each year, we work towards reducing pollution, optimising waste management, conserving resources, and lowering carbon emissions.

In FYE 2024, we continued advancing our digitalisation measures to minimise paper usage by expanding the use of electronic platforms for both internal and external communications. In addition to WhatsApp, Telegram, Skype, and Facebook Messenger, we increasingly relied on Microsoft Teams, Zoom for virtual meetings, team collaboration, and document sharing. Platforms like Google Workspace, including Gmail, Google Drive, Google Docs, and Google Meet, enabled cloud-based document creation, real-time collaboration, and efficient file sharing. Through these efforts, we have significantly reduced paper consumption, improved operational efficiency, and reinforced our commitment to sustainable business practices.

To further enhance energy conservation, employees were encouraged to adopt mindful consumption habits by switching off unused electronic devices, optimising air conditioning settings for efficiency, using energy-saving LED lighting, and maximising natural daylight in workspaces. Additionally, we promoted the responsible use of office equipment, such as setting printers to double-sided printing by default, utilising energy-efficient appliances, and enabling power-saving modes on computers and other electronic devices when not in use.

Beyond workplace energy conservation, we also advocated for sustainable commuting options, including carpooling, and public transport, to help lower our collective carbon footprint. Employees were further encouraged to walk for short-distance commutes where feasible.

Moreover, our sustainability initiatives extended to reducing single-use plastics in the office by encouraging the use of reusable cups, bottles, and utensils, as well as implementing waste sorting and recycling stations.

Office-wide reminders and guidelines reinforced these initiatives, fostering a culture of environmental responsibility and encouraging employees to integrate sustainability into their daily routines both at work and beyond.

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

HUMAN RESOURCE ASPECTS

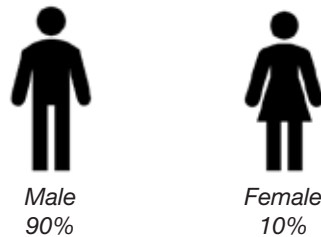
Our people are at the core of our business, and we remain committed to nurturing a dynamic and inclusive workplace. Through skill development programs and knowledge-sharing initiatives, we empower our employees to contribute meaningfully to both Eversafe's growth and the broader socio-economic landscape. We uphold fair labour practices and strive to create a positive, safe, and conducive working environment.

Health & Safety

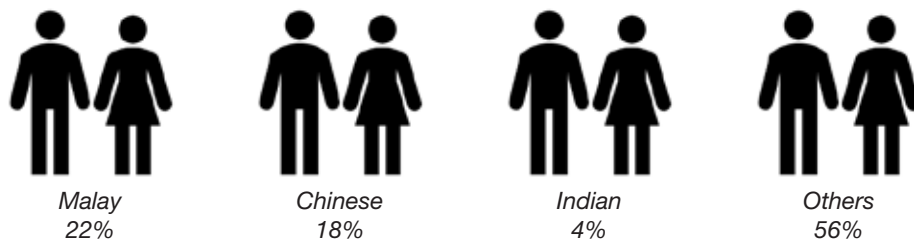
The health and safety of our employees, contractors, and consultants remain a top priority. We have established stringent health and safety protocols that all personnel must adhere to while on our premises. Additionally, our Emergency Response Team is trained to manage workplace incidents effectively, ensuring preparedness in the event of emergencies. In FY2024, we recorded 0 work-related injuries and illnesses, reflecting our commitment to maintaining a safe workplace.

Diversity & Inclusion

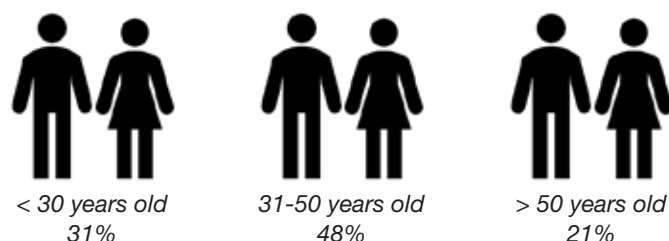
We remain committed to fostering a diverse and inclusive workplace that reflects our core values of equality and opportunity. As of the reporting period, our workforce comprises 261 employees, with 90% male representation (235 employees) and 10% female representation (26 employees). While our workforce is predominantly male, particularly in operational roles, we recognise the importance of gender diversity and continue to explore opportunities to promote greater inclusivity.



Ethnic Diversity



Our employees come from a wide range of backgrounds, with 22% Malay, 18% Chinese, 4% Indian, and 56% from other ethnicities. This diversity strengthens our organisational culture by bringing together different perspectives, experiences, and ideas that contribute to our overall growth and innovation.



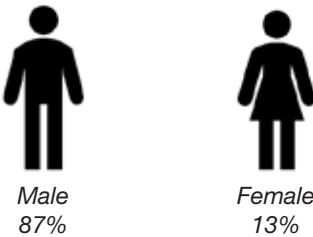
CORPORATE SUSTAINABILITY STATEMENT
(CONT'D)

HUMAN RESOURCE ASPECTS (CONT'D)

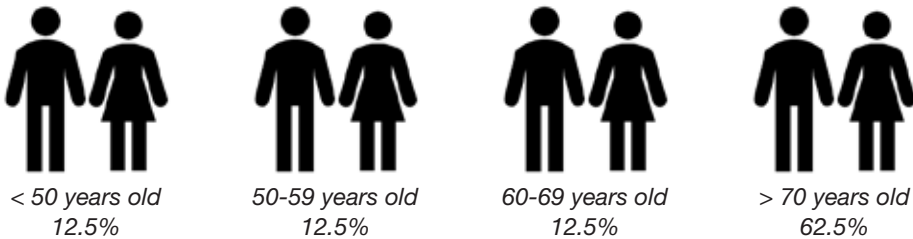
Age Diversity

We maintain a well-balanced workforce across different age groups, ensuring a dynamic mix of skills and experience. 31% of employees are below 30 years old, 48% fall within the 31-50 age bracket, and 21% are above 50 years old. This distribution allows us to harness the energy and fresh perspectives of younger employees while benefiting from the expertise and leadership of seasoned professionals.

Similarly, our Board of Directors is committed to diversity and inclusion, as demonstrated in the composition outlined above. While we recognise the need for broader gender representation, the current board structure consists of 87% male and 13% female members. This signals an opportunity for the Group to strengthen our commitment to gender diversity by fostering a more balanced leadership team, as we continuously seek out suitable candidates to enhance our Board's composition.



Age Diversity



The composition of the Board reflects a wealth of experience, with a significant proportion of members belonging to the senior age group. 62.5% of Board members are above 70 years old, bringing extensive industry expertise and strategic insight. The remaining Board members are evenly distributed across other age groups, with 12.5% under 50 years old, 12.5% between 50-59 years old, and 12.5% between 60-69 years old. This diverse age representation ensure a balanced mix of leadership experience, industry knowledge, and fresh perspectives to guide the company's growth and sustainability strategies.

TALENT DEVELOPMENT & RETENTION

Investing in employee development is fundamental to our long-term success. We are committed to fostering a culture of continuous learning, enhancing engagement, and empowering leadership capabilities. By prioritising professional growth and workplace well-being, we ensure that our employees are equipped to drive Eversafe's vision forward.

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL RESPONSIBILITY & COMMUNITY ENGAGEMENT

We believe in giving back to the communities where we operate. By offering employment opportunities and collaborating with higher education institutions for internship programs, we play an active role in building a sustainable talent pipeline. Our ongoing commitment to community engagement strengthens relationships and fosters mutual growth.

MARKETPLACE ASPECTS

Upholding the highest standards of integrity, accountability, and transparency is at the heart of our corporate governance framework. Guided by our corporate policies and Code of Conduct, we continuously reinforce ethical business practices to enhance stakeholder trust.

To further uphold workplace ethics, we have implemented a Whistleblowing Policy, providing employees and external stakeholders with a secure and confidential platform to report any unethical or unlawful activities. This ensures that our organisation remains aligned with our values of fairness, responsibility, and integrity.

At Eversafe Rubber Berhad, sustainability is more than a corporate initiative – it is a fundamental principle that guides our business operations. As we move forward, we remain committed to enhancing our ESG strategies, driving meaningful change, and building a resilient, sustainable future for all stakeholders.

ADDITIONAL COMPLIANCE INFORMATION

Other information required under the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”)

STATUS OF UTILISATION OF PROCEEDS

The Company did not raise funds through any corporate proposals during the financial year.

AUDIT AND NON-AUDIT FEES

The following table shows the sum of audit and non-audit fees paid and payable to the Company’s external auditors during the financial year under review:

	Group		Company	
	Paid RM'000	Payable RM'000	Paid RM'000	Payable RM'000
Audit fees	58	152	9	13
Non-audit fees				
- Fees for other services	–	6	–	6
Total	58	158	9	19

The paid amounts above are in relation to the fees incurred for the FYE 31 December 2024 which were paid during the financial year under review. The payable amounts are all in relation to fees incurred but not paid during the financial year under review.

MATERIAL CONTRACTS INVOLVING DIRECTORS AND MAJOR SHAREHOLDERS’ INTEREST

There were no material contracts entered into by the Group involving the interest of any directors and/or major shareholders not in the ordinary course of business, which were still subsisting as at the end of the financial year under review or which were entered into since the end of the previous financial year.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are fully accountable for ensuring that the financial statements are drawn up in accordance with the requirements of the Companies Act 2016 and the applicable approved accounting standards issued by the Malaysian Accounting Standards Board so as to give a true and fair view of the financial position of the Group and of the Company at the end of the financial year and of the operational results and cash flows of the Group and the Company for the financial year then ended.

In preparing the financial statements for the financial year ended 31 December 2024, the Directors have:

- (i) applied relevant and appropriate accounting policies consistently and in accordance with applicable approved accounting standards;
- (ii) made judgments and estimates that are reasonable; and
- (iii) applied the going concern basis for the preparation of the financial statements.

The Directors are responsible for ensuring that proper accounting records are kept, which disclose with reasonable accuracy the financial position of the Group and the Company and to enable proper financial statements to be prepared in accordance with the applicable laws and regulations. The Directors also have overall responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Statement of Director's Responsibility has been approved by the Board of Eversafe Rubber Berhad on 14 April 2025.



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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 2024.

PRINCIPAL ACTIVITIES

The Company is principally an investment holding company incorporated to manage various subsidiaries, which are involved in the manufacturing and sale of rubber based tyre retread products and polymer products. The principal activities of the subsidiaries are mainly manufacturing, distribution, trading and sale of rubber based tyre retread products and polymer products, provision of related services, investment holding and production and sales of rubber products and service of after sale of self-produced products. Further details of the subsidiaries are disclosed in Note 7 to the financial statements.

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

RESULTS

	Group RM	Company RM
Loss for the financial year, attributable to owners of the parent	3,869,463	732,004

DIVIDEND

No dividend has been paid, declared or proposed since the end of the previous financial year. The Directors do not recommend the payment of any other dividend in respect of the current financial year.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any new shares or debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

DIRECTORS' REPORT (CONT'D)

DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

Eversafe Rubber Berhad

Dato' Seri Cheah Eu Kiat, DGPN. DSPN. PJK. JP.
Eu Ah Seng
Cheah Eu Lee
Cheah Siang Tee
Tan Sri Dato' Dr. Sak Cheng Lum
Haji Mohd Isa Bin Haji Talib
Ng Meng Kwai
Ong Beow Chieh

Subsidiaries of Eversafe Rubber Berhad

Dato' Seri Cheah Eu Kiat, DGPN. DSPN. PJK. JP.
Eu Ah Seng
Cheah Eu Lee
Cheah Siang Tee
Sang Ah Weng
Eu Hong Lim
Eu Hong Boon (Appointed on 19 August 2024)

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company and of its related corporations during the financial year ended 31 December 2024 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

	<----- Number of ordinary shares ----->			
	Balance as at 1.1.2024	Bought	Sold	Balance as at 31.12.2024

Shares in the Company

Direct interests:

Dato' Seri Cheah Eu Kiat, DGPN. DSPN. PJK. JP.	15,388,238	—	—	15,388,238
Eu Ah Seng	4,707,350	—	—	4,707,350
Cheah Eu Lee	2,000,000	—	—	2,000,000
Cheah Siang Tee	750,000	—	—	750,000

Indirect interests:

Dato' Seri Cheah Eu Kiat, DGPN. DSPN. PJK. JP.	117,137,446 ⁽¹⁾	—	—	117,137,446 ⁽¹⁾
Eu Ah Seng	12,000,000 ⁽²⁾	—	—	12,000,000 ⁽²⁾

⁽¹⁾ Held through another body corporate and by daughter

⁽²⁾ Held through another body corporate

DIRECTORS' REPORT (CONT'D)

DIRECTORS' INTERESTS (CONT'D)

By virtue of Dato' Seri Cheah Eu Kiat, DGPN. DSPN. PJK. JP. substantial interests in the shares of the Company, he is also deemed to have interest in the ordinary shares of all the subsidiaries to the extent that the Company has an interest.

None of the other Directors holding office at the end of the financial year held any interest in the ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remuneration received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than the following:

- (i) remuneration received or due and receivable by Directors from certain related corporations in their capacity as Directors or executive of the related corporations; and
- (ii) deemed benefits arising from related party transactions as disclosed in Note 34 to the financial statements.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling 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

Directors' remuneration of the Group and of the Company for the financial year ended 31 December 2024 were as follows:

	Group RM	Company RM
Fees	452,574	300,000
Short-term employee benefits	1,166,578	–
Defined contribution plan	63,450	–
Benefits-in-kind	106,280	–
	1,788,882	300,000

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Group and the Company effected Directors' and officers' liability insurance during the financial year to protect the Directors and officers of the Group and of the Company against potential costs and liabilities arising from claims brought against the Directors and officers.

During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and officers of the Group are RM1,000,000 and RM6,000 respectively.

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

DIRECTORS' REPORT (CONT'D)

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (c) The Directors are not aware of any circumstances:
 - (i) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) In the opinion of the Directors:
 - (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and
 - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year, which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

DIRECTORS' REPORT (CONT'D)

SUBSIDIARIES

The details of the subsidiaries are as follows:

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2024 %	2023 %	
Direct:				
Eversafe Retreading Solution Sdn. Bhd. (“ERSSB”)	Malaysia	100	100	Manufacturing and sale of rubber based tyre retread products and provision of related services
Comfort Green Tyre Sdn. Bhd. (“CGTSB”)	Malaysia	100	–	Manufacturing of new tyres
Indirect:				
Eversafe Rubber Processing Sdn. Bhd.	Malaysia	100	100	Manufacturing of rubber and polymer products
Olympic Retreads (M) Sdn. Bhd. (“ORMSB”)	Malaysia	100	100	Manufacturing and distribution of retreaded tyres
Eversafe Trading (Shanghai) Co., Ltd. (“ETSCL”)*	People’s Republic of China	100	100	Trading in rubber based tyre retreading products
Supreme Good International Limited (“SGIL”)*	Hong Kong	100	100	Investment holding and manufacturing and distribution of retreaded tyres
Jiaxing YongAn Rubber Co., Ltd. *	People’s Republic of China	100	100	Production and sales of rubber products and service of after sale of self-produced products

* Subsidiaries not audited by BDO PLT or BDO member firms.

DIRECTORS' REPORT
(CONT'D)

AUDITORS

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

AUDITORS' REMUNERATION

Auditors' remuneration of the Group and of the Company for the financial year ended 31 December 2024 were as follows:

	Group RM	Company RM
Statutory audit	210,152	22,000
Non-statutory audit	6,000	6,000
	216,152	28,000

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

Eu Ah Seng
Director

Penang
14 April 2025

Cheah Siang Tee
Director

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 60 to 114 have been drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards, and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

Eu Ah Seng
Director

Penang
14 April 2025

Cheah Siang Tee
Director

STATUTORY DECLARATION

I, Cheah Siang Tee (761221-07-5329), being the Director primarily responsible for the financial management of Eversafe Rubber Berhad, do solemnly and sincerely declare that the financial statements set out on pages 60 to 114 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly)
declared by the abovenamed)
at Georgetown in the State of)
Penang this 14 April 2025)

Cheah Siang Tee

Before me,

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF EVERSAFE RUBBER BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Eversafe Rubber Berhad, which comprise the statements of financial position as at 31 December 2024 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 60 to 114.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Group

(a) Impairment of trade receivables

Gross trade receivables of the Group as at 31 December 2024 were RM36,169,297 and the associated impairment losses of trade receivables were RM7,310,469 as disclosed in Note 10 to the financial statements.

We determined this to be a key audit matter because it requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward-looking information.

INDEPENDENT AUDITORS' REPORT (CONT'D)

Key Audit Matters (Cont'd)

Group (Cont'd)

(a) Impairment of trade receivables (Cont'd)

Audit response

Our audit procedures included the following:

- (i) Recomputed the probability of default using historical data and forward-looking information adjustment applied by the Group;
- (ii) Recomputed the correlation coefficient between the macroeconomic indicators used by the Group and historical credit losses to determine the appropriateness of the forward-looking information used by the Group;
- (iii) Inquiries of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses; and
- (iv) Challenged management on the basis for determining cash flows recoverable in worst-case scenarios, where applicable.

Company

(a) Impairment assessment of costs of investments in subsidiaries

As at 31 December 2024, investments in subsidiaries of the Company were RM54,133,997 as disclosed in Note 7 to the financial statements.

We determined this to be a key audit matter because it requires management to exercise significant judgements and estimates about the future results and key assumptions applied to cash flow projections of the subsidiaries in determining the recoverable amount. These key assumptions include budgeted operating profit margin, growth rate as well as determining an appropriate pre-tax discount rate used for the subsidiaries.

Audit response

Our audit procedures included the following:

- (i) Compared prior period projection against actual outcome to assess reliability of management forecasting process;
- (ii) Compared cash flow projections against recent performance and assessed and evaluated the key assumptions in projections to available external industry sources of data;
- (iii) Verified budgeted operating profit margin and growth rate by assessing evidence available to support these key assumptions;
- (iv) Assessed the reasonableness of pre-tax discount rate used for the subsidiaries by comparing to the weighted average cost of capital of the Group and relevant risk factors; and
- (v) Performed sensitivity analysis of our own to stress test the key assumptions in the impairment model.

INDEPENDENT AUDITORS' REPORT (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 MFRSs, IFRS Accounting Standards, and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs 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 ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

INDEPENDENT AUDITORS' REPORT (CONT'D)

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

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also (Cont'd):

- (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 ability of the Group and of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 7 to the financial statements.

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.

BDO PLT
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Kuala Lumpur
14 April 2025

Pang Zhi Hao
03450/09/2025 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	43,833,957	37,352,925	3,837	5,756
Intangible asset	6	1	1	–	–
Investments in subsidiaries	7	–	–	54,133,997	53,633,995
Other investments	8	–	4,257,412	–	2,513,143
Trade receivables	10	2,160,768	3,938,655	–	–
		45,994,726	45,548,993	54,137,834	56,152,894
Current assets					
Inventories	9	20,150,013	20,856,561	–	–
Trade receivables	10	26,698,060	26,376,857	–	–
Other receivables, deposits and prepayments	11	1,989,495	13,932,591	2,000	226,402
Amounts owing by subsidiaries	12	–	–	6,699,169	2,999,388
Amounts owing by related parties	13	10,180	327,348	–	–
Current tax assets		1,304,763	763,454	5,636	–
Placement in funds	14	1,106,636	7,909,562	37,015	6,369,630
Cash and bank balances	14	18,577,327	14,771,693	4,917,622	816,849
		69,836,474	84,938,066	11,661,442	10,412,269
TOTAL ASSETS		115,831,200	130,487,059	65,799,276	66,565,163
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	15	65,428,449	65,428,449	65,428,449	65,428,449
Reserves	16	(8,553,349)	(4,981,018)	340,417	1,072,421
TOTAL EQUITY		56,875,100	60,447,431	65,768,866	66,500,870

STATEMENTS OF FINANCIAL POSITION
(CONT'D)

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
LIABILITIES					
Non-current liabilities					
Deferred tax liabilities	17	2,971,841	5,047,940	–	–
Borrowings	18	14,840,994	13,884,018	–	–
Hire purchase and lease liabilities	21	1,121,906	2,273,277	–	–
Government grant	26	289,516	318,964	–	–
		19,224,257	21,524,199	–	–
Current liabilities					
Trade payables	22	4,776,799	3,007,146	–	–
Other payables and accrued expenses	23	5,173,632	14,916,641	30,410	27,200
Amounts owing to related parties	24	61,245	45,000	–	–
Amounts owing to Directors	25	201,776	163,516	–	–
Borrowings	18	27,003,035	27,816,797	–	–
Hire purchase and lease liabilities	21	2,374,004	2,536,885	–	–
Government grant	26	29,444	29,444	–	–
Current tax liabilities		111,908	–	–	37,093
		39,731,843	48,515,429	30,410	64,293
TOTAL LIABILITIES		58,956,100	70,039,628	30,410	64,293
TOTAL EQUITY AND LIABILITIES		115,831,200	130,487,059	65,799,276	66,565,163

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024 RM	Group 2023 RM	2024 RM	Company 2023 RM
Revenue	27	98,014,856	116,329,016	–	–
Cost of sales		(84,920,109)	(102,175,377)	–	–
Gross profit		13,094,747	14,153,639	–	–
Other operating income		1,218,895	4,256,589	185,416	1,349,036
Distribution costs		(6,325,594)	(6,225,634)	–	–
Administrative expenses		(9,014,538)	(7,020,144)	(660,430)	(377,822)
Impairment losses on financial assets, net		(314,969)	(160,727)	–	–
Other operating expenses		(2,352,398)	(260,676)	(300,018)	(238,169)
(Loss)/Profit from operations		(3,693,857)	4,743,047	(775,032)	733,045
Finance income	29	176,987	176,298	2,142	1,065
Finance costs	29	(2,270,573)	(2,729,787)	–	–
(Loss)/Profit before taxation	30	(5,787,443)	2,189,558	(772,890)	734,110
Taxation	32	1,917,980	(944,299)	40,886	(41,104)
(Loss)/Profit for the financial year, attributable to owners of the parent		(3,869,463)	1,245,259	(732,004)	693,006
<i>Other comprehensive income:</i>					
Item that may be reclassified subsequently to profit or loss:					
Foreign currency translations, net of tax		297,132	95,212	–	–
Total comprehensive (loss)/income attributable to owners of the parent		(3,572,331)	1,340,471	(732,004)	693,006
(Loss)/Earning per ordinary share attributable to owners of the parent (sen):					
- Basic and diluted	33	(1.61)	0.52		

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Group	Share capital RM	Capital reserve RM	Foreign currency translation reserve RM	Reorganisation reserve RM	Retained earnings RM	Total equity RM
Balance as at 1 January 2023	65,428,449	7,104	(1,061,911)	(36,914,958)	31,648,276	59,106,960
Profit for the financial year	-	-	-	-	1,245,259	1,245,259
Other comprehensive income, net of tax	-	-	95,212	-	-	95,212
Total comprehensive income	-	-	95,212	-	1,245,259	1,340,471
Balance as at 31 December 2023	65,428,449	7,104	(966,699)	(36,914,958)	32,893,535	60,447,431
Balance as at 1 January 2024	65,428,449	7,104	(966,699)	(36,914,958)	32,893,535	60,447,431
Loss for the financial year	-	-	-	-	(3,869,463)	(3,869,463)
Other comprehensive income, net of tax	-	-	297,132	-	-	297,132
Total comprehensive income/(loss)	-	-	297,132	-	(3,869,463)	(3,572,331)
Balance as at 31 December 2024	65,428,449	7,104	(669,567)	(36,914,958)	29,024,072	56,875,100

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Share capital RM	Retained earnings RM	Total equity RM
Company			
Balance as at 1 January 2023	65,428,449	379,415	65,807,864
Profit for the financial year	–	693,006	693,006
Other comprehensive income, net of tax	–	–	–
Total comprehensive income	–	693,006	693,006
Balance as at 31 December 2023	65,428,449	1,072,421	66,500,870
Balance as at 1 January 2024	65,428,449	1,072,421	66,500,870
Loss for the financial year	–	(732,004)	(732,004)
Other comprehensive income, net of tax	–	–	–
Total comprehensive loss	–	(732,004)	(732,004)
Balance as at 31 December 2024	65,428,449	340,417	65,768,866

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
(Loss)/Profit before taxation		(5,787,443)	2,189,558	(772,890)	734,110
Adjustments for:					
Amortisation of government grant	26	(29,448)	(29,447)	–	–
Bad debts written off - third parties		226,820	51,625	–	–
Depreciation of property, plant and equipment	5	6,579,584	6,742,549	1,919	1,674
Dividend income from:					
- other investments		(54,606)	(219,047)	(7,500)	(116,200)
- placement in funds		(265,017)	(297,232)	(154,950)	(194,400)
Accretion of loss on financial assets at amortised cost		–	16,809	–	–
Fair value loss/(gain) on other investments		273,282	(696,696)	280,081	(702,390)
Finance costs	29	2,270,573	2,729,787	–	–
Finance income	29	(176,987)	(176,298)	(2,142)	(1,065)
Gain on disposal of property, plant and equipment		(64,582)	(12,915)	–	–
Gain on reassessment and modification of lease		(2,292)	(316)	–	–
Net impairment losses on trade receivables	10	376,842	121,908	–	–
Net (reversal)/impairment losses on amounts owing by related parties	13	(61,873)	38,819	–	–
Reversal of impairment losses on property, plant and equipment	5	–	(2,116)	–	–
Property, plant and equipment written off	5	2,710	14,414	–	–
Unrealised loss/(gain) on foreign exchange		812,932	(1,013,617)	310	–
Operating profit/(loss) before changes in working capital		4,100,495	9,457,785	(655,172)	(278,271)

STATEMENTS OF CASH FLOWS (CONT'D)

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES (Cont'd)					
Changes in working capital:					
Inventories		588,715	1,743,740	–	–
Trade receivables		96,934	5,234,144	–	–
Other receivables, deposits and prepayments		11,952,811	(8,298,969)	224,402	(146,902)
Trade payables		2,494,716	(606,933)	–	–
Other payables and accrued expenses		(10,093,563)	8,052,475	3,210	(9,800)
Amounts owing by/to related parties		395,286	60,716	–	–
Amounts owing to Directors		38,367	34,621	–	–
Cash generated from/(used in) operations		9,573,761	15,677,579	(427,560)	(434,973)
Tax refunded		24,307	265,244	–	2,147
Tax paid		(609,973)	(335,430)	(1,843)	(1,843)
Net cash from/(used in) operating activities		8,988,095	15,607,393	(429,403)	(434,669)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from disposal/(acquisition) of other investments		3,984,130	(459,253)	2,233,062	(459,253)
Dividend received from:					
- other investments		54,606	219,047	7,500	116,200
- placement in funds		265,017	297,232	154,950	194,400
Interest received		176,987	176,298	2,142	1,065
Advances to subsidiaries		–	–	(4,199,781)	(2,999,388)
Proceeds from disposal of property, plant and equipment		149,660	12,916	–	–
Purchase of property, plant and equipment	5	(11,759,530)	(2,577,044)	–	(3,400)
Net changes in deposits with licensed banks with maturity of over three (3) months		(702,903)	(14,998)	–	–
Net changes in deposits pledged as securities		129,745	(547,407)	–	–
Net cash used in investing activities		(7,702,288)	(2,893,209)	(1,802,127)	(3,150,376)

STATEMENTS OF CASH FLOWS (CONT'D)

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS FROM FINANCING ACTIVITIES					
Interest paid		(1,862,950)	(2,254,758)	–	–
Net repayments of term loans, revolving credit and bankers' acceptances		(1,068,796)	(13,520,430)	–	–
Repayments of hire purchase and lease liabilities		(3,018,866)	(2,841,458)	–	–
Subscription of shares in subsidiary	7	–	–	(2)	–
Net cash used in financing activities		(5,950,612)	(18,616,646)	(2)	–
Net decrease in cash and cash equivalents		(4,664,805)	(5,902,462)	(2,231,532)	(3,585,045)
Effects of exchange rates changes on cash and cash equivalents		(27,618)	312,075	(310)	–
Cash and cash equivalents at beginning of financial year		12,850,215	18,440,602	7,186,479	10,771,524
Cash and cash equivalents at end of financial year	14(j)	8,157,792	12,850,215	4,954,637	7,186,479

Reconciliation of Liabilities Arising from Financing Activities

	Group	
	2024 RM	2023 RM
Term loans, revolving credit and bankers' acceptances		
Balance as at 1 January	38,299,743	49,384,992
Cash flow	(1,068,796)	(13,520,430)
Non-cash flows:		
- purchase of property, plant and equipment	–	2,521,481
- effect of foreign exchange	90,037	(86,300)
Balance as at 31 December	37,320,984	38,299,743

STATEMENTS OF CASH FLOWS (CONT'D)

Reconciliation of Liabilities Arising from Financing Activities (Cont'd)

	2024 RM	Group 2023 RM
Hire purchase and lease liabilities		
Balance as at 1 January	4,810,162	2,347,285
Cash flow	(3,018,866)	(2,841,458)
Non-cash flows:		
- purchase of property, plant and equipment	1,390,617	4,937,713
- unwinding of interest	303,153	322,200
- reassessment and modification of lease	50,222	(4,722)
- effect of foreign exchange	(39,378)	49,144
Balance as at 31 December	3,495,910	4,810,162

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

1. CORPORATE INFORMATION

Eversafe Rubber Berhad (“the Company”) is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the ACE Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Unit 1203, Level 12, Uptown 1 No. 1 Jalan SS21/58 Damansara Uptown, 47400 Petaling Jaya, Selangor, Malaysia.

The principal place of business of the Company is located at Lot 94, Lebuhr Portland, Tasek Industrial Estate, 31400 Ipoh, Perak, Malaysia.

The consolidated financial statements for the financial year ended 31 December 2024 comprise the Company and its subsidiaries. These financial statements are presented in Ringgit Malaysia (“RM”), which is also the functional currency of the Company.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 14 April 2025.

2. PRINCIPAL ACTIVITIES

The Company is principally an investment holding company incorporated to manage various subsidiaries, which are involved in the manufacturing and sale of rubber based tyre retread products and polymer products. The principal activities of the subsidiaries are mainly manufacturing, distribution, trading and sale of rubber based tyre retread products and polymer products, provision of related services, investment holding and production and sales of rubber products and service of after sale of self-produced products. Further details of the subsidiaries are disclosed in Note 7 to the financial statements. There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), IFRS Accounting Standards and the provisions of the Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 37(a) to the financial statements.

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise stated in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. OPERATING SEGMENTS

The Group is principally involved in the manufacturing and sale of rubber based tyre retread products.

No product and services segment information is presented as the Chief Operating Decision Maker ("CODM") views the Group as a single reportable segment.

Geographical information

Segment revenue is based on geographical location from which the sale transactions originated.

Segment non-current assets are based on the geographical location of the assets of the Group.

	2024 RM	Group 2023 RM
Revenue from external customers		
Malaysia	31,557,074	31,414,748
Americas	1,368,989	1,192,836
East Asia and Oceania	30,004,400	22,285,426
Europe	5,696,102	6,492,287
South Asia, Middle East and Africa	4,548,203	4,125,806
South East Asia	24,840,088	50,817,913
	98,014,856	116,329,016
Non-current assets		
Malaysia	43,590,143	41,204,507
East Asia and Oceania	2,404,583	4,344,486
	45,994,726	45,548,993

Major customer

There is only one (2023: one) major customer contributing approximately RM12,919,466 (2023: RM30,707,762) of the revenue to the Group, which more than ten percent (10%) of the revenue of the Group.

5. PROPERTY, PLANT AND EQUIPMENT

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NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

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

[illegible]

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

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

	Balance as at 1.1.2024 RM	Depreciation charge for the financial year RM	Balance as at 31.12.2024 RM
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Company
2024

Carrying amount

Furniture, fixtures and office equipment	5,756	(1,919)	3,837
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	← Balance as at 31.12.2024 →	
	Cost RM	Accumulated depreciation RM

Furniture, fixtures and office equipment	15,895	(12,058)	3,837
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	Balance as at 1.1.2023 RM	Addition RM	Depreciation charge for the financial year RM	Balance as at 31.12.2023 RM
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2023

Carrying amount

Furniture, fixtures and office equipment	4,030	3,400	(1,674)	5,756
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	← Balance as at 31.12.2023 →	
	Cost RM	Accumulated depreciation RM

Furniture, fixtures and office equipment	15,895	(10,139)	5,756
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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

- (a) All items of property, plant and equipment are initially measured at cost. After initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write down the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The estimated useful lives represent common life expectancies applied in the industry within which the Group operates. The principal depreciation periods are as follows:

Buildings	50 years
Plant and machinery	10 to 15 years
Factory equipment	10 years
Furniture, fixtures and office equipment	3 to 20 years
Electrical installation	5 to 20 years
Factory renovation	10 years
Signboards	10 years
Motor vehicles	5 to 10 years

Capital work-in-progress represents plant and machinery under installation. Capital work-in-progress is not depreciated until such time when the asset is available for use.

- (b) The right-of-use assets under property, plant and equipment are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses and adjusted for any re-measurement of the lease liabilities.

The right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term. The principal depreciation periods are as follows:

Leasehold land	62 to 94 years
Buildings	2 to 7 years
Motor vehicles	5 to 10 years
Plant and machinery	10 years

- (c) During the financial year, the Group made the following cash payments to purchase property, plant and equipment:

	2024 RM	Group 2023 RM
Purchase of property, plant and equipment	13,150,147	10,036,238
Financed by term loans	–	(2,521,481)
Financed by hire purchase and lease liabilities	(1,390,617)	(4,937,713)
Cash payments on purchase of property, plant and equipment	11,759,530	2,577,044

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

- (d) As at the end of the reporting period, certain property, plant and equipment of the Group have been charged to local banks for credit facilities granted to the Group as disclosed in Note 19, Note 20 and Note 21 to the financial statements as follows:

	2024 RM	Group 2023 RM
Buildings	2,790,090	2,839,346
Plant and machinery	5,816,373	6,584,765
Right-of-use assets		
- leasehold land	985,272	1,004,092
- motor vehicles	1,031,661	630,433
- plant and machinery	878,314	1,052,311
	11,501,710	12,110,947

6. INTANGIBLE ASSET

	2024 RM	Group 2023 RM
Computer software		
At cost		
Balance as at 1 January/31 December	72,100	72,100
Accumulated amortisation		
Balance as at 1 January/31 December	72,099	72,099
Carrying amount		
Balance as at 31 December	1	1

Intangible asset is initially measured at cost. After initial recognition, intangible asset is carried at cost less accumulated amortisation and any accumulated impairment losses.

Each class of intangible asset with finite useful lives are measured after initial recognition at cost less accumulated amortisation and any accumulated impairment loss.

Amortisation is calculated to write down the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The estimated useful lives represent common life expectancies applied in the industry within which the Group operates. The principal amortisation period is as follows:

Computer software 3 years

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7. INVESTMENTS IN SUBSIDIARIES

	Company	
	2024 RM	2023 RM
At cost		
Unquoted shares	54,133,997	53,633,995

- (a) Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less any accumulated impairment loss.
- (b) Management reviews the investments in subsidiaries for impairment when there is an indication of impairment. The recoverable amounts of the investments in subsidiaries are determined based on the value-in-use of the subsidiaries. The value-in-use is the net present value of the projected future cash flows derived from the business operation of the subsidiaries discounted at an appropriate pre-tax discount rate. For such discounted cash flow method, it involves the use of estimated future results and a set of assumptions to support their income and cash flows. Significant judgements and estimates had also been used to determine the key assumptions applied to the cash flow projections, which includes the budgeted operating profit margin, growth rate and the appropriate pre-tax discount rate used for the subsidiaries. Impairment loss is made when the carrying amount of the investment in subsidiaries exceed its recoverable amount. Details of the key assumptions are as follows:

	2024 %	2023 %
Operating profit margin	9	5 - 11
Growth rates	7 - 19	12
Pre-tax discount rates	8	8

The sensitivity analysis of the impairment assessment to a reasonably possible change in each of the key inputs with all other variables held constant is not presented as it is not material to the Company.

Based on the annual impairment testing undertaken by the Company, no impairment loss was required for the carrying amount of investments in subsidiaries as at 31 December 2024 as its recoverable amount was in excess of its carrying amount.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(c) Details of the subsidiaries are as follows:

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2024 %	2023 %	
Eversafe Retreading Solution Sdn. Bhd. ("ERSSB")	Malaysia	100	100	Manufacturing and sale of rubber based tyre retread products and provision of related services
Comfort Green Tyre Sdn. Bhd. ("CGTSB")	Malaysia	100	–	Manufacturing of new tyres
Subsidiaries of ERSSB				
Eversafe Rubber Processing Sdn. Bhd.	Malaysia	100	100	Manufacturing of rubber and polymer products
Olympic Retreads (M) Sdn. Bhd. ("ORMSB")	Malaysia	100	100	Manufacturing and distribution of retreaded tyres
Eversafe Trading (Shanghai) Co., Ltd. ("ETSCL") *	People's Republic of China	100	100	Trading in rubber based tyre retreading products
Supreme Good International Limited ("SGIL") *	Hong Kong	100	100	Investment holding and manufacturing and distribution of retreaded tyres
Subsidiary of ETSCL				
Jiaxing YongAn Rubber Co., Ltd. *	People's Republic of China	100	100	Production and sales of rubber products and service of after sale of self-produced products

* Subsidiaries not audited by BDO PLT or BDO member firms.

(d) Change in investments in subsidiaries during the financial year is as follows:

The Company had incorporated CGTSB with paid-up share capital of RM2 comprising of 2 ordinary share. The Company subscribed for an additional 500,000 ordinary shares by way of capitalisation of amount owing by CGTSB. Pursuant to that, the Company holds 500,002 ordinary shares representing 100% equity interest in CGTSB.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. OTHER INVESTMENTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Non-current				
Equity security:				
- Quoted shares in Malaysia	–	3,203,449	–	2,513,143
- Unquoted bond in Malaysia	–	1,053,963	–	–
	–	4,257,412	–	2,513,143

- (a) In the previous financial year, the quoted shares were classified as financial asset at fair value through profit or loss and the unquoted bond was classified as financial asset at amortised cost pursuant to MFRS 9 Financial Instruments.
- (b) In the previous financial year, quoted shares of the Group and of the Company were categorised as Level 1 in the fair value hierarchy. The fair value of the investment in quoted shares in Malaysia were determined by reference to exchange quoted market bid prices at the close of the business at the end of each reporting period. There is no transfer between levels in the hierarchy during the financial year.
- (c) In the previous financial year, 5.58% p.a. Malaysia unquoted bond was held within a business model whose objective was to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset gave rise on specified dates to cash flows that were solely payments of principal and interest on the principal amount outstanding.
- (d) In the previous financial year, other investments were denominated in RM.
- (e) In the previous reporting date, if the market price of the quoted shares had been 5% higher/lower, with all other variables held constant, the net assets of the Group and of the Company would have been RM122,000 and RM96,000 higher/lower respectively, arising as a result of higher/lower fair value in quoted shares.
- (f) In the previous financial year, the carrying amount of the financial assets at amortised cost was reasonable approximation of its fair value.
- (g) Sensitivity analysis for fixed rate bonds at the end of the previous reporting period was not presented as it was not affected by changes in interest rates.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

9. INVENTORIES

	2024 RM	Group 2023 RM
At cost		
Raw materials	7,428,023	10,658,970
Work-in-progress	2,152,192	2,288,852
Finished goods	10,252,438	7,908,739
Goods-in-transit	317,360	–
	20,150,013	20,856,561

- (a) Costs of inventories are determined on the first-in, first-out formula and stated at the lower of cost and net realisable value. Cost comprises all costs of purchase, cost of conversion plus other costs incurred in bringing the inventories to their present location and condition.
- (b) During the financial year, inventories of the Group recognised as cost of sales amounted to RM84,920,109 (2023: RM102,175,377).

10. TRADE RECEIVABLES

	2024 RM	Group 2023 RM
Non-current		
Trade receivables	3,964,023	5,262,502
Less: Accumulated impairment losses	(1,803,255)	(1,323,847)
	2,160,768	3,938,655
Current		
Trade receivables	32,205,274	32,064,970
Less: Accumulated impairment losses	(5,507,214)	(5,688,113)
	26,698,060	26,376,857
Total trade receivables	28,858,828	30,315,512

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

10. TRADE RECEIVABLES (CONT'D)

- (a) Trade receivables are classified as financial assets and measured at amortised cost.
- (b) Non-current trade receivables are unsecured, interest-free and not receivable within the next twelve (12) months.
- (c) Current trade receivables are non-interest bearing and the trade credit terms of trade receivables granted by the Group is up to 90 days (2023: up to 90 days). Other credit terms are assessed and approved by the Group on a case-by-case basis up to 180 days. They are recognised at original invoice amounts, which represent their fair values on initial recognition.
- (d) The currency exposure profile of gross trade receivables is as follows:

	2024 RM	Group 2023 RM
Ringgit Malaysia ("RM")	12,980,363	13,319,738
US Dollar ("USD")	11,469,684	10,709,051
Euro ("EUR")	3,853,728	3,011,864
Singapore Dollar ("SGD")	2,056,818	3,667,394
Hong Kong Dollar ("HKD")	1,422,439	1,393,312
Australian Dollar ("AUD")	1,780,299	2,428,443
Japanese Yen ("JPY")	1,107,851	1,003,472
Renminbi ("RMB")	1,493,439	1,791,274
Great British Pound ("GBP")	4,676	2,924
	36,169,297	37,327,472

- (e) Subsidiaries operating in China and Hong Kong have assets and liabilities together with expected cash flows from anticipated transactions denominated in foreign currencies that give rise to foreign exchange exposures.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

10. TRADE RECEIVABLES (CONT'D)

- (f) The following table demonstrates the sensitivity of the (loss)/profit net of tax of the Group to a reasonably possible change in the foreign exchange rates against the functional currency of the Group, with all other variables held constant:

	2024 RM	Group 2023 RM
USD/RM		
- strengthen 3% (2023: 3%)	261,509	244,166
- weaken 3% (2023: 3%)	(261,509)	(244,166)
EUR/RM		
- strengthen 3% (2023: 3%)	87,865	68,670
- weaken 3% (2023: 3%)	(87,865)	(68,670)
SGD/RM		
- strengthen 3% (2023: 3%)	46,895	83,617
- weaken 3% (2023: 3%)	(46,895)	(83,617)
HKD/RM		
- strengthen 3% (2023: 3%)	32,432	31,768
- weaken 3% (2023: 3%)	(32,432)	(31,768)
AUD/RM		
- strengthen 3% (2023: 3%)	40,591	55,369
- weaken 3% (2023: 3%)	(40,591)	(55,369)
JPY/RM		
- strengthen 3% (2023: 3%)	25,259	22,879
- weaken 3% (2023: 3%)	(25,259)	(22,879)
RMB/RM		
- strengthen 3% (2023: 3%)	34,050	40,841
- weaken 3% (2023: 3%)	(34,050)	(40,841)

There is no foreign exchange rate risk exposure to the equity, hence the effect of change in the foreign exchange rate is not explained.

Sensitivity analysis of other foreign currency is not disclosed as it is not material to the Group.

- (g) Impairment for trade receivables are recognised based on the simplified approach using the lifetime expected credit losses. Expected loss rates are calculated using the roll rate method separately for exposures in different segments based on the common credit risk characteristics of geographic region and type of product sold.

The Group considers historical credit loss experience and observable data such as current changes and future forecasts in economic conditions to estimate the amount of expected credit loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

10. TRADE RECEIVABLES (CONT'D)

(g) (Cont'd)

During this process, the probability of non-payment by the trade receivables is adjusted by forward-looking information (e.g. Gross Domestic Product growth, unemployment rate, inflation rate and producer price index) and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the statements of profit or loss and other comprehensive income. On confirmation that the trade receivables would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

It requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward-looking information.

Lifetime expected loss provision for trade receivables are as follows:

	Gross carrying amount/ Maximum exposure RM	Impairment losses RM	Carrying amount RM
2024			
Current	24,779,053	(493,698)	24,285,355
Past due:			
1 to 30 days	1,288,547	(322,043)	966,504
31 to 60 days	487,998	(139,182)	348,816
61 to 90 days	908,144	(618,195)	289,949
More than 90 days	4,741,532	(3,934,096)	807,436
	32,205,274	(5,507,214)	26,698,060
Non-current	3,964,023	(1,803,255)	2,160,768
2023			
Current	23,338,222	(522,632)	22,815,590
Past due:			
1 to 30 days	2,404,316	(406,509)	1,997,807
31 to 60 days	797,581	(346,388)	451,193
61 to 90 days	197,317	(102,872)	94,445
More than 90 days	5,327,534	(4,309,712)	1,017,822
	32,064,970	(5,688,113)	26,376,857
Non-current	5,262,502	(1,323,847)	3,938,655

During the financial year, the Group renegotiated the credit terms with certain trade receivables and reclassified as non-current trade receivables, which led to changes in the timing of the payment.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

10. TRADE RECEIVABLES (CONT'D)

(h) Movements in the impairment allowance for trade receivables are as follows:

	Lifetime ECL * allowance RM	Credit impaired RM	Total allowance RM
Current			
Balance as at 1 January 2023	5,632,002	26,835	5,658,837
Charge for the financial year	127,314	–	127,314
Reversal of impairment losses	(134,492)	(403)	(134,895)
Exchange differences	36,857	–	36,857
Balance as at 31 December 2023	5,661,681	26,432	5,688,113
Balance as at 1 January 2024	5,661,681	26,432	5,688,113
Charge for the financial year	76,102	–	76,102
Reversal of impairment losses	(178,412)	(256)	(178,668)
Exchange differences	(78,333)	–	(78,333)
Balance as at 31 December 2024	5,481,038	26,176	5,507,214
Non-current			
Balance as at 1 January 2023	1,194,358	–	1,194,358
Charge for the financial year	129,489	–	129,489
Balance as at 31 December 2023	1,323,847	–	1,323,847
Balance as at 1 January 2024	1,323,847	–	1,323,847
Charge for the financial year	479,408	–	479,408
Balance as at 31 December 2024	1,803,255	–	1,803,255

* Expected credit losses

Credit impaired refers to individually determined debtors who have defaulted on payments and are in significant financial difficulties as at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

10. TRADE RECEIVABLES (CONT'D)

(h) (Cont'd)

As at the end of each reporting period, the credit risks exposures relating to trade receivables of the Group are summarised in the table below:

	2024 RM	Group 2023 RM
Maximum exposure	28,858,828	30,315,512
Collateral obtained	–	(1,576,512)
Net exposure to credit risk	28,858,828	28,739,000

The above collaterals are letters of undertaking from financial institutions for trade receivables.

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2024 RM	Group 2023 RM	Company 2024 RM	2023 RM
Other receivables	282,643	1,136,509	–	224,402
Refundable deposits	628,767	721,207	2,000	2,000
Advance payments to third party suppliers	485,315	11,724,216	–	–
Total other receivables	1,396,725	13,581,932	2,000	226,402
Prepayments	592,770	350,659	–	–
	1,989,495	13,932,591	2,000	226,402

- (a) Total other receivables are classified as financial assets and measured at amortised cost.
- (b) Impairment for other receivables are recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve-month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Group defined significant increase in credit risk as past due more than one hundred and eighty (180) days on relative basis.

The probability of non-payment by other receivables is adjusted by forward-looking information and multiplied by the amount of the expected loss arising from default to determine the twelve-month or lifetime expected credit loss for other receivables.

No expected credit loss is recognised arising from other receivables as it is negligible.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

- (c) The currency exposure profile of total other receivables is as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Ringgit Malaysia ("RM")	212,577	252,120	2,000	2,000
US Dollar ("USD")	100,750	560,620	–	224,402
Euro ("EUR")	–	11,387,998	–	–
Hong Kong Dollar ("HKD")	536,161	745,138	–	–
Renminbi ("RMB")	547,237	636,056	–	–
	1,396,725	13,581,932	2,000	226,402

- (d) The following table demonstrates the sensitivity of the (loss)/profit net of tax of the Group to a reasonably possible change in the foreign exchange rate against the functional currency of the Group, with all other variables held constant:

	Group	
	2024 RM	2023 RM
EUR/RM		
- strengthen 3% (2023: 3%)	–	259,646
- weaken 3% (2023: 3%)	–	(259,646)

There is no foreign exchange rate risk exposure to the equity, hence the effect of change in the foreign exchange rate is not explained.

Sensitivity analysis of other foreign currencies are not disclosed as they are not material to the Group.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

12. AMOUNTS OWING BY SUBSIDIARIES

	Company	
	2024 RM	2023 RM
Current		
Non-trade	6,699,169	2,999,388
Less: Accumulated impairment loss	–	–
	6,699,169	2,999,388

- (a) Amounts owing by subsidiaries are classified as financial asset and measured at amortised cost.
- (b) Amounts owing by subsidiaries are unsecured, interest-free and receivable within the next twelve (12) months in cash and cash equivalents.
- (c) Amounts owing by subsidiaries are denominated in RM.
- (d) Impairment for the amounts owing by subsidiaries are recognised based on the simplified approach using the lifetime expected credit losses within MFRS 9 using the forward-looking expected credit loss model as disclosed in Note 11(b) to the financial statements.

No expected credit loss is recognised arising from amounts owing by subsidiaries as it is negligible.

13. AMOUNTS OWING BY RELATED PARTIES

	Group	
	2024 RM	2023 RM
Current		
Trade	10,660	389,701
Less: Accumulated impairment losses	(480)	(62,353)
	10,180	327,348

- (a) Amounts owing by related parties are classified as financial assets and measured at amortised cost.
- (b) Amounts owing by related parties arose from trade transactions and the normal trade credit terms granted by the Group is 90 days (2023: 90 days).
- (c) Amounts owing by related parties are denominated in RM.
- (d) Impairment for the amounts owing by related parties are recognised based on the simplified approach using the lifetime expected credit losses within MFRS 9 using the forward-looking expected credit loss model as disclosed in Note 10(g) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

13. AMOUNTS OWING BY RELATED PARTIES (CONT'D)

- (e) Movements in the impairment allowance for amounts owing by related parties are as follows:

	Group Lifetime ECL allowance	
	2024 RM	2023 RM
Balance as at 1 January	62,353	23,534
Charge for the financial year	–	38,819
Reversal of impairment losses	(61,873)	–
Balance as at 31 December	480	62,353

14. CASH AND BANK BALANCES AND PLACEMENT IN FUNDS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash and bank balances	11,573,199	8,341,725	4,917,622	816,849
Deposits with licensed banks	7,004,128	6,429,968	–	–
	18,577,327	14,771,693	4,917,622	816,849
Placement in funds	1,106,636	7,909,562	37,015	6,369,630

- (a) Cash and bank balances are classified as financial assets and measured at amortised cost.
- (b) Placement in funds represent investments in highly liquid money market instruments, which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.
- (c) Placement in funds are classified as financial assets and measured at fair value through profit or loss. The fair value is categorised as Level 1 in fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

14. CASH AND BANK BALANCES AND PLACEMENT IN FUNDS (CONT'D)

- (d) The currency exposure profile of cash and bank balances and placement in funds is as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Ringgit Malaysia ("RM")	17,647,932	16,987,555	4,954,637	7,186,479
US Dollar ("USD")	74,042	331,464	—	—
Euro ("EUR")	53,280	809,299	—	—
Hong Kong Dollar ("HKD")	396,131	662,859	—	—
Renminbi ("RMB")	635,297	1,471,879	—	—
Japanese Yen ("JPY")	872,978	2,413,612	—	—
Singapore Dollar ("SGD")	4,157	4,422	—	—
Australian Dollar ("AUD")	146	165	—	—
	19,683,963	22,681,255	4,954,637	7,186,479

- (e) The following table demonstrates the sensitivity of the (loss)/profit net of tax of the Group to a reasonably possible change in the foreign exchange rates against the functional currency of the Group, with all other variables held constant:

	Group	
	2024 RM	2023 RM
USD/RM		
- strengthen 3% (2023: 3%)	1,688	7,557
- weaken 3% (2023: 3%)	(1,688)	(7,557)
JPY/RM		
- strengthen 3% (2023: 3%)	19,904	55,030
- weaken 3% (2023: 3%)	(19,904)	(55,030)
RMB/RM		
- strengthen 3% (2023: 3%)	14,485	33,559
- weaken 3% (2023: 3%)	(14,485)	(33,559)

There is no foreign exchange rate risk exposure to the equity, hence the effect of change in the foreign exchange rate is not explained.

Sensitivity analysis of other foreign currencies are not disclosed as they are not material to the Group.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

14. CASH AND BANK BALANCES AND PLACEMENT IN FUNDS (CONT'D)

- (f) Deposits pledged to licensed banks amounting to RM5,785,225 (2023: RM5,914,970) are for term loans, bankers' acceptances and bank overdrafts granted to certain subsidiaries as disclosed in Note 19(b) and Note 20(b) to the financial statements.
- (g) Deposits are placed with licensed banks for varying periods of between three (3) months and one (1) year (2023: between three (3) month and one (1) year) depending on the immediate cash requirements of the Group, and earn interests at the respective short-term deposit rates.
- (h) Weighted average effective interest rate of deposits with licensed banks of the Group as at the end of each reporting period is 3.01% (2023: 2.87%).
- (i) Sensitivity analysis for fixed rate cash and bank balances at the end of the reporting period is not presented as fixed rate instrument is not affected by changes in interest rates.
- (j) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of each reporting period:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash and bank balances	11,573,199	8,341,725	4,917,622	816,849
Deposits with licensed banks	7,004,128	6,429,968	–	–
Placement in funds	1,106,636	7,909,562	37,015	6,369,630
Bank overdrafts included in borrowings (Note 18)	(4,523,045)	(3,401,072)	–	–
	15,160,918	19,280,183	4,954,637	7,186,479
Less: Deposits pledged as securities	(5,785,225)	(5,914,970)	–	–
Placement in deposits with licensed banks with maturity of over three (3) months	(1,217,901)	(514,998)	–	–
	8,157,792	12,850,215	4,954,637	7,186,479

- (k) No expected credit losses are recognised arising from deposits with financial institutions because the probability of default by these financial institutions is negligible.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

15. SHARE CAPITAL

	Group and Company			
	2024		2023	
	Number of ordinary shares	RM	Number of ordinary shares	RM
Issued and fully paid:				
Balance as at				
1 January/31 December	240,593,796	65,428,449	240,593,796	65,428,449

Owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

16. RESERVES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Non-distributable:				
Capital reserve	7,104	7,104	–	–
Foreign currency translation reserve	(669,567)	(966,699)	–	–
Reorganisation debit reserve	(36,914,958)	(36,914,958)	–	–
Distributable:				
Retained earnings	29,024,072	32,893,535	340,417	1,072,421
	(8,553,349)	(4,981,018)	340,417	1,072,421

(a) Capital reserve

Pursuant to applicable People's Republic of China ("PRC") regulations, subsidiaries of the Company incorporated in the PRC are required to allocate ten percent (10%) of their net profit for the financial year (after offsetting prior financial year losses, if any) to the statutory surplus reserve until it reaches fifty percent (50%) of their registered capital respectively. The transfer to the reserve shall be made before distribution of dividends to equity holders. The statutory surplus reserve could be utilised, upon approval by the relevant authorities, to offset accumulated losses or to increase registered capital of the respective subsidiaries, provided that the balance after such issue is not less than twenty-five percent (25%) of its registered capital.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

16. RESERVES (CONT'D)

(b) Foreign currency translation reserve

Foreign currency translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the presentation currency of the Group. It is also used to record the exchange differences arising from monetary items which form part of the net investment in foreign operations of the Group, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

(c) Reorganisation debit reserve

Reorganisation debit reserve arose as a result of the difference between consideration paid over the share capital and reserves of SGIL, ORMSB and ERSSB and its subsidiaries pursuant to business combinations under common control.

17. DEFERRED TAX LIABILITIES

(a) Components and movements of the deferred tax liabilities and (assets) during the financial year are as follows:

Deferred tax liabilities/(assets) of the Group

	Property, plant and equipment RM	Trade receivables RM	Inventories RM	Others RM	Total RM
Balance as at 1 January 2024	4,645,497	764,591	(81,619)	(280,529)	5,047,940
Recognised in profit or loss (Note 32)	(474,004)	(1,636,279)	(17,959)	53,997	(2,074,245)
Exchange differences	(1,854)	–	–	–	(1,854)
Balance as at 31 December 2024	4,169,639	(871,688)	(99,578)	(226,532)	2,971,841
Balance as at 1 January 2023	5,312,291	225,286	(68,471)	(1,034,565)	4,434,541
Recognised in profit or loss (Note 32)	(670,857)	539,305	(13,148)	754,036	609,336
Exchange differences	4,063	–	–	–	4,063
Balance as at 31 December 2023	4,645,497	764,591	(81,619)	(280,529)	5,047,940

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

17. DEFERRED TAX LIABILITIES (CONT'D)

- (b) The amount of temporary differences for which no deferred tax asset has been recognised in the consolidated statement of financial position is as follows:

	2024 RM	Group 2023 RM
Unused tax losses		
- No expiry date	852,572	852,572
- Expires by 31 December 2024	–	1,341,627
- Expires by 31 December 2025	479,400	479,400
- Expires by 31 December 2026	654,728	654,728
- Expires by 31 December 2027	213,245	213,245
- Expires by 31 December 2028	1,222,507	1,222,507
- Expires by 31 December 2029	1,651,474	–
- Expires by 31 December 2034	327,342	–
	5,401,268	4,764,079

Deferred tax asset of subsidiaries from People's Republic of China and Hong Kong has not been recognised as it is not probable that future taxable profits of the subsidiaries would be available against which the deductible temporary differences could be utilised. These unused tax losses are available for offsetting against future taxable profits, subject to the agreement with the tax authorities in the foreign jurisdictions.

The amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the respective local tax authorities. Unutilised tax losses of the subsidiary incorporated in Malaysia can be carried forward up to ten (10) consecutive years of assessment immediately following the year of assessment under the tax legislation of Inland Revenue Board.

The accumulated unrecognised deferred tax asset arising from unused tax losses amounting to RM1,341,627 from the financial year ended 31 December 2023 has expired in the current financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

18. BORROWINGS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Non-current liabilities				
Secured				
Term loans (Note 19)	14,840,994	13,884,018	—	—
Current liabilities				
Unsecured				
Financial guarantee contracts	—	—	*	*
Secured				
Bankers' acceptances (Note 19)	15,505,737	17,799,700	—	—
Term loans (Note 19)	5,974,253	6,616,025	—	—
Revolving credit (Note 19)	1,000,000	—	—	—
Bank overdrafts (Notes 14(j) and 20)	4,523,045	3,401,072	—	—
	27,003,035	27,816,797	—	—
Total borrowings				
Bankers' acceptances (Note 19)	15,505,737	17,799,700	—	—
Term loans (Note 19)	20,815,247	20,500,043	—	—
Revolving credit (Note 19)	1,000,000	—	—	—
Bank overdrafts (Notes 14(j) and 20)	4,523,045	3,401,072	—	—
Financial guarantee contracts	—	—	*	*
	41,844,029	41,700,815	—	—

* Amount is negligible.

- (a) Borrowings are classified as financial liabilities and measured at amortised cost.
- (b) Financial guarantee contracts issued are initially measured at fair value. Subsequently, they are measured at higher of:
- (i) the amount of the loss allowance; and
 - (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, *Revenue from Contracts with Customers*.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

18. BORROWINGS (CONT'D)

- (c) The currency exposure profile of borrowings is as follows:

	2024 RM	Group 2023 RM
Ringgit Malaysia ("RM")	39,839,291	37,638,017
US Dollar ("USD")	113,370	2,453,980
Renminbi ("RMB")	1,891,368	1,608,818
	41,844,029	41,700,815

- (d) The following table demonstrates the sensitivity of the (loss)/profit net of tax of the Group to a reasonably possible change in the foreign exchange rate against the functional currency of the Group, with all other variables held constant:

	2024 RM	Group 2023 RM
USD/RM		
- strengthen 3% (2023: 3%)	(2,585)	(55,951)
- weaken 3% (2023: 3%)	2,585	55,951

There is no foreign exchange rate risk exposure to the equity, hence the effect of change in the foreign exchange rate is not explained.

Sensitivity analysis of other foreign currency is not disclosed as it is not material to the Group.

- (e) The carrying amounts of the current position of borrowings are reasonable approximation of fair values due to insignificant impact of discounting.

The carrying amounts of the non-current borrowings are reasonable approximation of fair values as they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

- (f) Sensitivity analysis of interest rate as at the end of the reporting period assuming that all other variables remain constant are as follows:

	2024 RM	Group 2023 RM
(Loss)/Profit after tax		
- increase by 0.1% (2023: 0.1%)	(31,801)	(31,693)
- decrease by 0.1% (2023: 0.1%)	31,801	31,693

There is no interest rate risk exposure to the equity, hence effect of change in the interest rate is not explained.

- (g) Information on liquidity and cash flow risk of borrowings is disclosed in Note 36 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

18. BORROWINGS (CONT'D)

(h) The following table sets out the carrying amounts, the weighted average effective interest rates as at the end of each reporting period and the remaining maturities of the borrowings of the Group that are exposed to interest rate risk:

Group	Weighted average effective interest rate per annum %	Within 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM	Total RM
31 December 2024						
Floating rates						
Bankers' acceptances	4.19	15,505,737	—	—	—	15,505,737
Term loans	5.41	5,974,253	5,352,522	9,488,472	—	20,815,247
Revolving credit	5.30	1,000,000	—	—	—	1,000,000
Bank overdrafts	7.69	4,523,045	—	—	—	4,523,045
31 December 2023						
Floating rates						
Bankers' acceptances	3.92	17,799,700	—	—	—	17,799,700
Term loans	5.97	6,616,025	4,700,713	9,183,305	—	20,500,043
Bank overdrafts	7.58	3,401,072	—	—	—	3,401,072

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

19. TERM LOANS, REVOLVING CREDIT AND BANKERS' ACCEPTANCES

Term loans, revolving credit and bankers' acceptances of the Group are secured by the following:

- (a) Legal charges over certain property, plant and equipment of subsidiaries (Note 5(d));
- (b) Pledge of short-term deposits of a subsidiary (Note 14(f)); and
- (c) Corporate guarantee from the Company and its subsidiary.

20. BANK OVERDRAFTS

Bank overdrafts of the Group are secured by the following:

- (a) Legal charges over certain property, plant and equipment of subsidiaries (Note 5(d));
- (b) Pledge of short-term deposits of subsidiaries (Note 14(f)); and
- (c) Corporate guarantee from the Company.

21. HIRE PURCHASE AND LEASE LIABILITIES

	2024 RM	Group 2023 RM
Non-current liabilities		
Hire purchase with financial institutions	415,122	201,072
Lease liabilities with non-financial institutions	706,784	2,072,205
	1,121,906	2,273,277
Current liabilities		
Hire purchase with financial institutions	294,755	512,167
Lease liabilities with non-financial institutions	2,079,249	2,024,718
	2,374,004	2,536,885
Total hire purchase and lease liabilities	3,495,910	4,810,162

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

21. HIRE PURCHASE AND LEASE LIABILITIES (CONT'D)

- (a) The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if the rate cannot be readily determined, the respective Group entities' incremental borrowing rate.

After initial recognition, lease liabilities are measured by increasing the carrying amounts to reflect interest on the lease liabilities, reducing the carrying amounts to reflect the lease payments made and remeasuring the carrying amounts to reflect any reassessment or lease modifications.

- (b) The Group has lease contract for a warehouse that contains variable payments based on the usage of square feet for stored stocks. Variable lease payments are recognised in profit or loss as disclosed in Note 30 to the financial statements when the condition that triggers those payments occur.

A 10% increase in square feet used for stored stocks would increase total lease payments by 1% (2023: 1%).

- (c) The Group leases several lease contracts that include extension and termination options. These are used to maximise operational flexibility in terms of managing the assets used in the operations of the Group.

There are no potential future rental payments that are not included in the lease term.

- (d) Hire purchase and lease liabilities of the Group were secured by the financial institutions' charge over the assets under hire purchase as disclosed in Note 5(d) to the financial statements. Certain hire purchase and lease liabilities of the Group were also guaranteed by certain Directors of the Company.

- (e) The weighted average effective interest rate per annum of the hire purchase liabilities is 5.50% (2023: 5.65%).

- (f) Sensitivity analysis for fixed rate hire purchase as at the end of the reporting period is not presented as they are not affected by changes in interest rates.

- (g) The currency exposure profile of hire purchase and lease liabilities is as follows:

	2024 RM	Group 2023 RM
Ringgit Malaysia ("RM")	1,776,908	1,254,111
Hong Kong Dollar ("HKD")	1,714,325	3,513,080
Renminbi ("RMB")	4,677	42,971
	3,495,910	4,810,162

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

21. HIRE PURCHASE AND LEASE LIABILITIES (CONT'D)

- (h) The following table demonstrates the sensitivity of the (loss)/profit net of tax of the Group to a reasonably possible change in the foreign exchange rate against the functional currency of the Group, with all other variables held constant:

	2024 RM	Group 2023 RM
HKD/RM		
- strengthen 3% (2023: 3%)	(39,087)	(80,098)
- weaken 3% (2023: 3%)	39,087	80,098

There is no foreign exchange rate risk exposure to the equity, hence the effect of change in the foreign exchange rate is not explained.

Sensitivity analysis of other foreign currency is not disclosed as it is not material to the Group.

- (i) Information on liquidity and cash flow risk of hire purchase and lease liabilities is disclosed in Note 36 to the financial statements.

22. TRADE PAYABLES

- (a) Trade payables are classified as financial liabilities and measured at amortised cost.
- (b) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from one (1) month to three (3) months (2023: one (1) month to three (3) months).
- (c) The currency exposure profile of trade payables is as follows:

	2024 RM	Group 2023 RM
Ringgit Malaysia ("RM")	4,579,269	2,190,317
US Dollar ("USD")	197,530	816,829
	4,776,799	3,007,146

- (d) Sensitivity analysis of foreign currency is not disclosed as it is not material to the Group.
- (e) Information on liquidity and cash flow risk of trade payables is disclosed in Note 36 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

23. OTHER PAYABLES AND ACCRUED EXPENSES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Other payables	3,815,364	2,292,996	11,250	11,540
Accrued expenses	1,133,194	1,076,166	19,160	15,660
Advance received from third party receivables	225,074	11,547,479	–	–
	5,173,632	14,916,641	30,410	27,200

- (a) Other payables and accrued expenses are classified as financial liabilities and measured at amortised cost.
- (b) The currency exposure profile of other payables and accrued expenses is as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Ringgit Malaysia ("RM")	2,208,007	2,924,667	30,410	27,200
US Dollar ("USD")	46,033	12,863	–	–
Euro ("EUR")	1,991,839	169	–	–
Renminbi ("RMB")	564,928	296,909	–	–
Hong Kong Dollar ("HKD")	109,134	89,584	–	–
Japanese Yen ("JPY")	95,158	11,547,479	–	–
New Taiwan Dollar ("TWD")	–	44,970	–	–
Australian Dollar ("AUD")	141	–	–	–
Great British Pound ("GBP")	158,392	–	–	–
	5,173,632	14,916,641	30,410	27,200

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

23. OTHER PAYABLES AND ACCRUED EXPENSES (CONT'D)

- (c) The following table demonstrates the sensitivity of the (loss)/profit net of tax of the Group to a reasonably possible change in the foreign exchange rate against the functional currency of the Group, with all other variables held constant:

	2024 RM	Group 2023 RM
JPY/RM		
- strengthen 3% (2023: 3%)	(2,170)	(263,283)
- weaken 3% (2023: 3%)	2,170	263,283

There is no foreign exchange rate risk exposure to the equity, hence the effect of change in the foreign exchange rate is not explained.

Sensitivity analysis of foreign currencies are not disclosed as they are not material to the Group.

- (d) Information on liquidity and cash flow risk of other payables and accrued expenses is disclosed in Note 36 to the financial statements.

24. AMOUNTS OWING TO RELATED PARTIES

- (a) Amounts owing to related parties are classified as financial liabilities and measured at amortised cost.
- (b) Amounts owing to related parties arose from trade transactions and the normal trade credit term granted to the Group is 180 days (2023: 180 days).
- (c) Amounts owing to related parties are denominated in RM.
- (d) Information on liquidity and cash flow risk of amounts owing to related parties is disclosed in Note 36 to the financial statements.

25. AMOUNTS OWING TO DIRECTORS

- (a) Amounts owing to Directors are classified as financial liabilities and measured at amortised cost.
- (b) Amounts owing to Directors mainly arose from unpaid remunerations, which are interest-free and payable within next twelve (12) months in cash and cash equivalents.
- (c) Amounts owing to Directors are denominated in RM.
- (d) Information on liquidity and cash flow risk of amounts owing to Directors is disclosed in Note 36 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. GOVERNMENT GRANT

	2024 RM	Group 2023 RM
Balance as at 1 January	348,408	377,855
Amortisation charge for the financial year	(29,448)	(29,447)
Balance as at 31 December	318,960	348,408
Represented by:		
Current liabilities	29,444	29,444
Non-current liabilities	289,516	318,964
	318,960	348,408

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

Government grants have been received for the purchase of certain items of property, plant and equipment in the previous financial years. There are no unfulfilled conditions or contingencies attached to these grants.

27. REVENUE

	2024 RM	Group 2023 RM
Revenue from contracts with customers		
Recognised at point in time:		
- sale of rubber based tyre retreaded products and related charges	98,014,856	116,329,016

Disaggregation of revenue from contracts with customers has been presented in the operating segments, Note 4 to the financial statements, which has been presented based on geographical location from which the sale transactions originated.

Revenue from sale of products is recognised at a point in time when the products have been transferred to the customers and coincides with the delivery of products and acceptance by customers.

There is no material right of return and warranty provided to the customers on the sale of products.

There is no significant financing component in the revenue arising from sale of products as the sales are made on the normal credit terms not exceeding twelve months.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28. EMPLOYEE BENEFITS

	2024 RM	Group 2023 RM
Wages, salaries, allowances and bonuses	13,113,094	12,255,280
Contributions to defined contribution plans	565,145	588,902
Social security contributions	130,734	121,400
Other employee benefits	863,730	896,949
	14,672,703	13,862,531

Included in employee benefits expense of the Group are Executive Directors' remuneration amounting to RM1,219,028 (2023: RM975,450) as further disclosed in Note 31 to the financial statements.

29. FINANCE INCOME AND FINANCE COSTS

	2024 RM	Group 2023 RM	Company 2024 RM	2023 RM
Finance income				
Finance income from:				
- deposits with licensed banks	173,158	162,534	–	–
- others	3,829	13,764	2,142	1,065
	176,987	176,298	2,142	1,065
Finance costs				
Interest expense in relation to:				
- bankers' acceptances, revolving credit and bank overdrafts	1,006,309	1,057,373	–	–
- hire purchase and lease liabilities	303,153	322,200	–	–
- term loans	961,111	1,350,214	–	–
	2,270,573	2,729,787	–	–

Interest income is recognised on an accrual basis, using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

30. (LOSS)/PROFIT BEFORE TAXATION

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
After charging:				
Auditors' remuneration				
Statutory audit:				
- auditors of the Company				
- current year	176,000	155,000	22,000	19,500
- other auditors				
- current year	34,152	32,933	—	—
Non-statutory audit	6,000	5,000	6,000	5,000
Property, plant and equipment written off	2,710	14,414	—	—
Variable lease payments				
- based on the usage of square feet for stored stocks	304,846	313,720	—	—
Unrealised loss on foreign exchange	812,932	—	310	—
And crediting:				
Dividend income on other investments	54,606	219,047	7,500	116,200
Dividend income on placement in funds	265,017	297,232	154,950	194,400
Gain on reassessment and modification of lease	2,292	316	—	—
Gain on disposal of property, plant and equipment	64,582	12,915	—	—
Realised gain on foreign exchange	365,812	1,920,134	—	—
Unrealised gain on foreign exchange	—	1,013,617	—	—

Dividend income is recognised when the right to receive payment is established.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31. DIRECTORS' REMUNERATION

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Directors of the Company:				
Executive:				
Fees	191,716	176,664	105,000	90,000
Other emoluments	1,183,877	940,455	–	–
Non-executive:				
Fees	225,000	200,000	195,000	170,000
Other emoluments	11,000	–	–	–
Directors of the subsidiaries:				
Executive:				
Fees	35,858	35,832	–	–
Other emoluments	35,151	34,995	–	–
Total	1,682,602	1,387,946	300,000	260,000

Estimated monetary value of benefits-in-kind provided to the Executive Directors of the Company is RM106,280 (2023: RM106,632).

The number of Directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of Directors	
	Executive	Non-Executive
2024		
RM1 - RM50,000	–	4
RM50,001 - RM100,000	–	1
RM300,001 - RM350,000	1	–
RM350,001 - RM400,000	1	–
RM600,001 - RM650,000	1	–
2023		
RM1 - RM50,000	–	4
RM50,001 - RM100,000	–	1
RM250,001 - RM300,000	1	–
RM300,001 - RM350,000	1	–
RM600,001 - RM650,000	1	–

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

32. TAXATION

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Current tax expense based on (loss)/profit for the financial year (Over)/Under provision in prior years	260,928 (104,663)	316,649 18,314	– (40,886)	40,984 120
	156,265	334,963	(40,886)	41,104
Deferred tax (Note 17): Relating to origination and reversal of temporary differences Over provision in prior years	(1,059,957) (1,014,288)	615,118 (5,782)	– –	– –
	(2,074,245)	609,336	–	–
Taxation	(1,917,980)	944,299	(40,886)	41,104

- (a) Malaysian income tax is calculated at the statutory tax rate of 24% (2023: 24%) of the estimated taxable profits for the fiscal year.
- (b) Tax expense for other taxation authorities are calculated at the rates prevailing in those respective jurisdictions.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

32. TAXATION (CONT'D)

- (c) Numerical reconciliation between the taxation and the product of accounting (loss)/profit multiplied by the applicable tax rates of the Group and of the Company are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
(Loss)/Profit before taxation	(5,787,443)	2,189,558	(772,890)	734,110
Taxation at Malaysian statutory tax rate of 24% (2023: 24%)	(1,388,986)	525,494	(185,494)	176,186
Tax effects in respect of:				
Non-allowable expenses	261,913	519,289	229,192	134,710
Non-taxable income	(146,243)	(327,603)	(43,698)	(269,912)
Utilisation of reinvestment allowance	–	(73,434)	–	–
Different tax rates in foreign jurisdiction	(2,134)	(13,311)	–	–
Deferred tax assets not recognised	476,421	301,332	–	–
	(799,029)	931,767	–	40,984
(Over)/Under provision of current tax expense in prior years	(104,663)	18,314	(40,886)	120
Over provision of deferred tax in prior years	(1,014,288)	(5,782)	–	–
Total taxation	(1,917,980)	944,299	(40,886)	41,104

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdictions.

- (d) Tax effect on each component of other comprehensive income is as follows:

	Before tax RM	Tax effect RM	After tax RM
At 31 December 2024			
Item that may be reclassified subsequently to profit or loss:			
Foreign currency translations	297,132	–	297,132
At 31 December 2023			
Item that may be reclassified subsequently to profit or loss:			
Foreign currency translations	95,212	–	95,212

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. (LOSS)/EARNING PER ORDINARY SHARE

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the (loss)/profit for the financial year attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year.

	2024 RM	Group 2023 RM
(Loss)/Profit for the financial year attributable to owners of the parent	(3,869,463)	1,245,259
Weighted average number of ordinary shares in issue (unit)	240,593,796	240,593,796
Basic (loss)/earning per ordinary share for (sen):	(1.61)	0.52

(b) Diluted

The diluted earnings per ordinary share equals basic (loss)/earning per ordinary share because there are no potentially dilutive instruments in existence as at the end of each reporting period.

34. RELATED PARTY DISCLOSURES

(a) Identities of related parties

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

Related parties of the Group include:

- (i) Tai Hin & Son (PG) Sdn. Bhd., major shareholder;
- (ii) Direct and indirect subsidiaries of the major shareholder;
- (iii) Direct and indirect subsidiaries as disclosed in Note 7 to the financial statements; and
- (iv) The key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

34. RELATED PARTY DISCLOSURES (CONT'D)

- (b) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
With major shareholder:				
Tai Hin & Son (PG) Sdn. Bhd.				
- rental paid	270,000	270,000	–	–
With direct and indirect subsidiaries of major shareholder:				
Tayarmart (M) Sdn. Bhd.				
- sale of trading goods	994,392	1,124,076	–	–
- purchase of raw materials	58,889	79,720	–	–
- purchases of services	10,095	8,905	–	–
Tayarmart (Raja Uda) Sdn. Bhd.				
- sale of trading goods	70,058	121,438	–	–
- purchase of raw materials	10,136	14,252	–	–
- purchases of services	540	–	–	–

The related party transactions described above were carried out on agreed contractual terms and conditions and in the ordinary course of business between the related parties of the Group and of the Company.

- (c) Compensation of key management personnel

The remuneration of Directors and other key management personnel during the financial year was as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Fees	452,574	412,496	300,000	260,000
Short term employee benefits	1,896,324	1,456,317	–	–
Contributions to defined contribution plans	109,254	123,141	–	–
	2,458,152	1,991,954	300,000	260,000

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35. CAPITAL MANAGEMENT

The primary objective of the capital management of the Group is to ensure that the Group would be able to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders' value. The overall strategy of the Group remains unchanged from the previous financial year.

Capital structure of the Group is represented by the equity of the Group.

The Group manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2024 and 31 December 2023.

The Group monitors capital utilisation on the basis of net debt-to-equity ratio, which is net debt divided by total capital. The Group includes within net debt, borrowings including hire purchase and lease liabilities less cash and bank balances and placement in funds. Capital represents equity attributable to the owners of the parent.

The net debt-to-equity ratios as at the end of the reporting period are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Borrowings	41,844,029	41,700,815	–	–
Hire purchase and lease liabilities	3,495,910	4,810,162	–	–
Less: Cash and bank balances	(18,577,327)	(14,771,693)	(4,917,622)	(816,849)
Placement in funds	(1,106,636)	(7,909,562)	(37,015)	(6,369,630)
Net debt/(Net cash)	25,655,976	23,829,722	(4,954,637)	(7,186,479)
Total capital	56,875,100	60,447,431	65,768,866	66,500,870
Net debt-to-equity ratio	0.45	0.39	*	*

* No net debt-to-equity ratio is presented as the Company is in net cash position.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35. CAPITAL MANAGEMENT (CONT'D)

The Group is subject to the following externally imposed capital requirements:

- (i) Gearing ratio of not more than 1.25 times;
- (ii) Current ratio of not less than 1.1 times;
- (iii) Trade advances to related companies should not exceed 10% of revenue or net trade advances to related companies shall not exceed 6% of revenue; and
- (iv) The borrower shall not declare any dividends in excess of 50% of its current financial year's profit after tax provided always any such permissible declaration of dividends may only be made if debt servicing is current.

The Group has complied with these externally imposed capital requirements as at the end of the reporting period.

Pursuant to the requirements of Guidance Note No. 3/2006 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a shareholders' equity equal to or not less than the twenty-five percent (25%) of the issued and paid-up capital. The Group has complied with this requirement for the financial year ended 31 December 2024.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICY

The financial risk management objective of the Group is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from fluctuations in foreign currency exchange and interest rates and the unpredictability of the financial markets.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Chief Executive Officer/Executive Director. The audit committee provides independent oversight to the effectiveness of the risk management process. The Group is exposed mainly to foreign currency risk, liquidity and cash flow risk, credit risk and interest rate risk. Information on the management of the related exposures is detailed below.

(a) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument would fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk on sales, purchase and borrowings that are denominated in a currency other than the functional currency of the Group.

Subsidiaries operating in overseas have assets and liabilities together with expected cash flows from anticipated transactions denominated in those foreign currencies.

The sensitivity analysis for foreign currency risk has been disclosed in Note 10, Note 11, Note 14, Note 18, Note 21, Note 22 and Note 23 to the financial statements respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICY (CONT'D)

(b) Liquidity and cash flow risk

Liquidity and cash flow risk is the risk that the Group will encounter difficulty in meeting their financial obligation due to shortage of funds. The exposure of the Group to liquidity and cash flow risk arises primarily from mismatches of maturity of financial assets and financial liabilities.

It is the policy of the Group to ensure its ability to service its cash obligation in the future by way of measures and forecasts of its cash commitments, monitoring and maintaining a level of cash and bank balances deemed adequate to the operations and development activities of the Group. The Group also maintains flexibility in funding by keeping committed credit lines available.

The table below summarises the maturity profile of the financial liabilities and lease liabilities of the Group and of the Company at the end of each reporting period based on contractual undiscounted repayment obligations as follows:

	On demand or within one (1) year RM	One (1) to five (5) year RM	More than five (5) year RM	Total RM
Group				
31 December 2024				
Trade payables	4,776,799	–	–	4,776,799
Other payables and accrued expenses	5,173,632	–	–	5,173,632
Amounts owing to related parties	61,245	–	–	61,245
Amounts owing to Directors	201,776	–	–	201,776
Borrowings	27,927,333	15,995,456	–	43,922,789
Hire purchase and lease liabilities	2,508,871	1,222,388	14,200	3,745,459
Total undiscounted liabilities	40,649,656	17,217,844	14,200	57,881,700
31 December 2023				
Trade payables	3,007,146	–	–	3,007,146
Other payables and accrued expenses	14,916,641	–	–	14,916,641
Amounts owing to related parties	45,000	–	–	45,000
Amounts owing to Directors	163,516	–	–	163,516
Borrowings	28,669,681	14,910,943	–	43,580,624
Hire purchase and lease liabilities	2,807,826	2,368,884	16,200	5,192,910
Total undiscounted liabilities	49,609,810	17,279,827	16,200	66,905,837

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICY (CONT'D)

(b) Liquidity and cash flow risk (Cont'd)

The table below summarises the maturity profile of the financial liabilities and lease liabilities of the Group and of the Company at the end of each reporting period based on contractual undiscounted repayment obligations as follows (Cont'd):

	On demand or within one (1) year RM	One (1) to five (5) year RM	Total RM
Company			
31 December 2024			
Other payables and accrued expenses	30,410	–	30,410
Financial guarantee contracts	37,980,998	–	37,980,998
Total undiscounted financial liabilities	38,011,408	–	38,011,408
31 December 2023			
Other payables and accrued expenses	27,200	–	27,200
Financial guarantee contracts	38,273,260	–	38,273,260
Total undiscounted financial liabilities	38,300,460	–	38,300,460

(c) Credit risk

Exposure to credit risk arises mainly from sales made on credit terms and deposits with licensed banks and financial guarantees given to banks for banking facilities granted to subsidiaries. The Group controls the credit risk on sales by ensuring that its customers have sound financial position and credit history. The Group also seeks to invest cash assets safely and profitably with approved financial institutions in line with the policy of the Group.

Exposure to credit risk

As at the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount recognised of each class of financial assets in the statements of financial position.

Credit risk concentration profile

Two (2) (2023: two (2)) largest customers accounted for RM4,031,000 or 13.97% (2023: RM3,819,000 or 12.60%) of the net trade receivables, after taken in collateral obtained, representing the Group's significant concentration of credit risks.

The maximum exposure to credit risk in relation to financial guarantee contracts provided as credit enhancements to the secured loans of subsidiary amounted to RM37,980,998 (2023: RM38,273,260) representing the outstanding banking facilities of the subsidiary as at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICY (CONT'D)

(c) Credit risk (Cont'd)

Recognition and measurement of impairment loss of financial guarantee contracts

The Company assumes that there is a significant increase in credit risk when the financial position of the subsidiary deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- (i) the subsidiary is unlikely to repay its credit obligation to the bank in full; or
- (ii) the subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default of the subsidiary using internal information available. No impairment loss is recognised arising from financial guarantees as it is negligible.

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group will fluctuate because of changes in market interest rates. The exposure to market risk of the Group for changes in interest rates relates primarily to the bank borrowings including hire purchase and lease liabilities and deposits placed with licensed banks of the Group.

Sensitivity analysis for interest rate risk

The interest rate profile and sensitivity analysis of interest rate risk have been disclosed in Note 14, Note 18 and Note 21 to the financial statements respectively.

37. ADOPTION OF NEW MFRSS AND AMENDMENTS TO MFRSSs

(a) New MFRSSs adopted during the financial year

The Group and the Company adopted the following Amendments of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

Title	Effective Date
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS7 <i>Supplier Finance Arrangements</i>	1 January 2024

Adoption of the Amendments did not have any material effect on the financial performance or position of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

37. ADOPTION OF NEW MFRSS AND AMENDMENTS TO MFRSs (CONT'D)

- (b) New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2025

The following are Standard and Amendments to the MFRS Framework that have been issued by MASB but have not been early adopted by the Group and the Company:

Title	Effective Date
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 9 and MFRS 7 <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
Amendments to MFRS 9 and MFRS 7 <i>Contracts Referencing Nature-dependant Electricity</i>	1 January 2026
<i>Annual Improvements to MFRS Accounting Standards - Volume 11</i>	1 January 2026
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosure</i>	1 January 2027
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standard and Amendments, since the effects would only be observable for the future financial years.

ANALYSIS OF SHAREHOLDERS

AS AT 24 MARCH 2025

SHARE CAPITAL

Total number of issued shares	:	240,593,796
Issued share capital	:	RM65,428,449
Class of Shares	:	Ordinary shares
Voting Rights	:	1 vote for each ordinary share held on a poll
No. of shareholders	:	1,453 shareholders

DISTRIBUTION OF SHAREHOLDINGS AS AT 24 MARCH 2025

(as per the Record of Depositors)

Size of Holdings	No. of holders	% of holders	No. of shares held	% of issued shares
1-99	3	0.21	30	*
100-1,000	162	11.15	83,570	0.04
1,001-10,000	610	41.98	3,974,000	1.65
10,001-100,000	538	37.03	19,278,100	8.01
100,000 to less than 5% of issued shares	138	9.50	84,976,312	35.32
5% and above issued shares	2	0.13	132,281,784	54.98
Total	1,453	100.00	240,593,796	100.00

Note:

* Negligible

SHAREHOLDINGS OF SUBSTANTIAL SHAREHOLDERS AS AT 24 MARCH 2025

(as per Register of Substantial Shareholders)

Name of substantial shareholder	<-----Direct----->		<-----Indirect----->	
	No. of shares held	%	No. of shares held	%
Tai Hin & Son (PG) Sdn Bhd	116,893,546	48.59	—	—
Dato' Seri Cheah Eu Kiat	15,388,238	6.40	⁽¹⁾ 117,137,446	48.69
Eu Ah Seng	4,707,350	1.96	⁽²⁾ 12,000,000	4.99

Note:

⁽¹⁾ Deemed interested by virtue of his interest in Tai Hin & Son (PG) Sdn Bhd (116,893,546 ordinary shares) pursuant to Section 8 of the Companies Act 2016, and the indirect interest of his daughter, Ms Cheah Siang Huay (243,900 ordinary shares) pursuant to Section 59(11)(c) of the Companies Act 2016.

⁽²⁾ Deemed interested by virtue of his interest in EAS & Sons Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

ANALYSIS OF SHAREHOLDERS (CONT'D)

SHAREHOLDINGS OF DIRECTORS AS AT 24 MARCH 2025

(as per Register of Directors' Shareholdings)

Name of Directors	<-----Direct----->		<-----Indirect----->	
	No. of shares held	%	No. of shares held	%
Tan Sri Dato' Dr. Sak Cheng Lum	—	—	—	—
Dato' Seri Cheah Eu Kiat	15,388,238	6.40	⁽¹⁾ 117,137,446	48.69
Eu Ah Seng	4,707,350	1.96	⁽²⁾ 12,000,000	4.99
Cheah Siang Tee	750,000	0.31	—	—
Cheah Eu Lee	2,000,000	0.83	—	—
Haji Mohd Isa Bin Haji Talib	—	—	—	—
Ng Meng Kwai	—	—	—	—
Ong Beow Chieh	—	—	—	—

Notes:

⁽¹⁾ Deemed interested by virtue of his interest in Tai Hin & Son (PG) Sdn Bhd (116,893,546 ordinary shares) pursuant to Section 8 of the Companies Act 2016, and the indirect interest of his daughter, Ms Cheah Siang Huay (243,900 ordinary shares) pursuant to Section 59(11)(c) of Companies Act 2016.

⁽²⁾ Deemed interested by virtue of his interest in EAS & Sons Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

LIST OF TOP 30 LARGEST SECURITIES ACCOUNT HOLDERS

(as per the Record of Depositors as at 24 March 2025)

No.	Name of Shareholder	No. of shares	% of shares
1.	Tai Hin & Son (PG) Sdn Bhd	116,893,546	48.59
2.	Cheah Eu Kiat	15,388,238	6.40
3.	EAS & Sons Sdn Bhd	12,000,000	4.99
4.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Sang Ah Weng (E-MLB)	7,611,575	3.16
5.	Eu Ah Seng	4,707,350	1.96
6.	AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Kong Kok Choy (8092812)	3,300,600	1.37
7.	Esmond Sit Bo Sheng	2,988,400	1.24
8.	Goh Kim Han	2,738,500	1.14
9.	Cheah Eu Lee	2,000,000	0.83
10.	Ooi Lay See	1,700,000	0.71

ANALYSIS OF SHAREHOLDERS (CONT'D)

LIST OF TOP 30 LARGEST SECURITIES ACCOUNT HOLDERS

(as per the Record of Depositors as at 24 March 2025)

No.	Name of Shareholder	No. of shares	% of shares
11.	Sit Peng Chok	1,600,000	0.66
12.	Loh Nam Hooi	1,247,800	0.52
13.	Alvin Sit Bo Choong	1,168,100	0.48
14.	Lim See Lian	1,119,800	0.47
15.	Chin Mun Fie	1,017,000	0.42
16.	LNH Holdings Sdn Bhd	1,000,000	0.42
17.	Pichet Nithivasin	1,000,000	0.42
18.	Koid Lay Peng	997,400	0.41
19.	Tan Huen Man	986,211	0.41
20.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tang Way Keong (E-TMI)	973,100	0.40
21.	Kong Food Kim	956,500	0.40
22.	Lee Chu Siong	945,864	0.39
23.	Tan Loon Chye	856,500	0.36
24.	Lee Cho Mun	784,900	0.33
25.	Mercsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chew Beow Soon	779,400	0.32
26.	Cheah Siang Tee	750,000	0.31
27.	Lim Shaw Siang	700,000	0.29
28.	Public Nominees (Asing) Sdn Bhd Pledged Securities Account For Liu, Jen-Cheng (E-TMM/BDR)	700,000	0.29
29.	Cheah Siang Gim	697,000	0.29
30.	Aishah Chuah Binti Abdullah	648,454	0.27
Total		188,256,238	78.25

PROPERTIES HELD BY THE GROUP

Location/ Postal address	Registered/ beneficial owner	Description/ existing use	Tenure	Land/ Built-up area	Year of acquisition/ revaluation	Date of issuance of certificate	Carrying amount (RM)
Lot 69531, Kawasan Perindustrian Tasek, Mukim Hulu Kinta, Perak Darul Ridzuan (also referred to as Lot 82, Tasek Industrial Estate, Ipoh)	Eversafe Retreading Solution Sdn Bhd (formerly known as Eversafe Rubber Works Sdn Bhd)	A detached single-storey factory building/ Manufacturing facility	99-year leasehold, expiring on 31 October 2075	43,751 sq. ft./ 40,146 sq. ft.	1989/-	#	914,382
Lot 70070, Kawasan Perindustrian Tasek, Mukim Hulu Kinta, Perak Darul Ridzuan (also referred to as Lot 90, Tasek Industrial Estate, Ipoh)	Eversafe Retreading Solution Sdn Bhd (formerly known as Eversafe Rubber Works Sdn Bhd)	Two (2) detached single-storey factory buildings/ Manufacturing facility and warehouse	99-year leasehold, expiring on 1 September 2075	102,511 sq. ft./ 38,508 sq. ft.	2012/-	CCC: 09.07.2015	6,429,094
Lot 70074, Kawasan Perindustrian Tasek, Mukim Hulu Kinta, Perak Darul Ridzuan (also referred to as Lot 93, Tasek Industrial Estate, Ipoh)	Eversafe Rubber Processing Sdn Bhd (formerly known as Eversafe Trading Sdn Bhd)	A detached double-storey factory building with a single- storey warehouse and laboratory/ Manufacturing facility and warehouse	99-year leasehold, expiring on 30 June 2076	41,790 sq. ft./ 33,782 sq. ft.	1980/-	#	1,662,136
Lot 76187, Kawasan Perindustrian Tasek, Mukim Hulu Kinta, Perak Darul Ridzuan (also referred to as Lot 94, Tasek Industrial Estate, Ipoh)	Eversafe Retreading Solution Sdn Bhd (formerly known as Eversafe Rubber Works Sdn Bhd)	A detached single-storey warehouse with an annexed double-storey office lot and warehouse	99-year leasehold, expiring on 17 March 2079	41,968 sq. ft./ 23,513 sq. ft.	2000/-	#	1,211,074

Note:

(#) We do not have a copy of the CF for Lots 82, 93 and 94 and have requested for a copy from Majlis Bandaraya Ipoh ("MBI"). As indicated by MBI in its letter dated 2 March 2015, MBI is unable to provide us with a copy of the CF as MBI does not have a copy in its records as these premises are old buildings. MBI has informed us in the same letter that it has no objection for us to occupy these premises. In addition, we had submitted the redrawn building plans to MBI for its assessment and MBI had subsequently approved the building plans on 16 June 2015.

NOTICE OF TENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Tenth Annual General Meeting of **EVERSAFE RUBBER BERHAD** will be held at Conference 3, Level 2, WEIL Hotel, 292, Jalan Sultan Idris Shah, 30000 Ipoh, Perak Darul Ridzuan on Thursday, 15 May 2025 at 11.00 a.m. to transact the following business:-

AGENDA

ORDINARY BUSINESS

- | | | |
|----|--|---|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 December 2024 and the Reports of the Directors and Auditors thereon. | Please refer to Explanatory Note 1 |
| 2. | To re-elect the following Directors who retire by rotation pursuant to Clause 127 of the Company's Constitution:- | |
| | i. Mr. Ng Meng Kwai | Resolution 1 |
| | ii. Mr. Cheah Siang Tee | Resolution 2 |
| | iii. Haji Mohd Isa Bin Haji Talib | Resolution 3 |
| 3. | To approve the Directors' fees of RM300,000.00 for the financial year ending 31 December 2025 | Resolution 4 |
| 4. | To approve the Directors' benefits of up to RM1,500,000.00 for the period from 1 July 2025 to 30 June 2026. | Resolution 5 |
| 5. | To re-appoint BDO PLT as Auditors of the Company and authorise the Directors to fix their remuneration. | Resolution 6 |

SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modifications the following Ordinary Resolutions:-

- | | | |
|----|---|---------------------|
| 6. | Authority to Issue and Allot Shares of the Company Pursuant to Sections 75 and 76 of the Companies Act 2016 | Resolution 7 |
| | <p>"THAT pursuant to Sections 75 and 76 of the Companies Act 2016 (the "Act"), ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") and the approval of the relevant regulatory authorities, where such approval is required, the Directors of the Company be and are 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 or option or offer ("New Shares") from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of 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 12 months does not exceed 10% of the total number of issued shares (excluding any treasury shares) of the Company for the time being ("Proposed General Mandate").</p> | |

NOTICE OF TENTH ANNUAL GENERAL MEETING (CONT'D)

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 general meeting,

whichever is the earlier.

THAT the Directors of the Company be and are hereby also empowered to obtain the approval from Bursa Securities for the listing of and quotation for such New Shares on the ACE Market of Bursa Securities.

THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

AND FURTHER THAT the Directors of the Company, be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate.”

7. Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of A Revenue or Trading Nature **Resolution 8**

“THAT subject to the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiary (ies) to enter into recurrent related party transactions of revenue or trading nature with the related parties (“Recurrent Related Party Transactions”) as set out in Section 2.2 of the Circular to Shareholders dated 16 April 2025 (the “Circular”), subject further to the following:-

- i. the Recurrent Related Party Transactions are entered into in the ordinary course of business on transaction prices and terms not more favourable to the related parties than those generally available to the public, and the Recurrent Related Party Transactions are undertaken on arms' length basis and are not to the detriment of the minority shareholders of the Company;
- ii. the shareholders' mandate is subject to annual renewal and this shareholders' mandate shall only continue to be in full force until:
 - (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company following this AGM at which this shareholders' mandate was passed, at which time it will lapse, unless by a resolution passed at the said AGM, such authority is renewed;
 - (b) the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Companies Act 2016 (the “Act”) (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
 - (c) revoked or varied by resolution passed by the shareholders in general meeting,

NOTICE OF TENTH ANNUAL GENERAL MEETING (CONT'D)

whichever is the earlier.

AND THAT the Directors and/or any of them be and are hereby authorised to compete and do all such acts and things as they may consider expedient or necessary (including executing such documents as may be required) to give effect to the Recurrent Related Party Transactions contemplated and /or authorised by this Ordinary Resolution.”

- | | |
|--|-----------------------------|
| <p>8. Authority for Tan Sri Dato’ Dr. Sak Cheng Lum to continue in office as an Independent Non-Executive Director</p> <p>“THAT authority be and is hereby given to Tan Sri Dato’ Dr. Sak Cheng Lum who has serve as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to serve as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting.”</p> | <p>Resolution 9</p> |
| <p>9. Authority for Mr. Ng Meng Kwai to continue in office as a Senior Independent Non-Executive Director</p> <p>“THAT authority be and is hereby given to Mr. Ng Meng Kwai who has serve as a Senior Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to serve as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting.”</p> | <p>Resolution 10</p> |
| <p>10. Authority for Haji Mohd Isa Bin Haji Talib to continue in office as an Independent Non-Executive Director</p> <p>“THAT authority be and is hereby given to Haji Mohd Isa Bin Haji Talib who has serve as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to serve as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting.”</p> | <p>Resolution 11</p> |
| <p>11. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Company’s Constitution.</p> | |

BY ORDER OF THE BOARD
KHAW TEIK THYE (SSM PC NO. 202208000728) (MIA 11616)
CHONG LAY KIM (SSM PC NO. 202008001920) (LS 0008373)
Company Secretaries

Selangor
16 April 2025

NOTICE OF TENTH ANNUAL GENERAL MEETING (CONT'D)

Notes:-

1. A member of a company shall be entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend, participate, speak and vote at a meeting of members of the Company.
2. A proxy may but need not be a member of the Company. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
3. A Member of the Company, including an Authorised Nominee or an Exempt Authorised Nominee, who is entitled to attend and vote at meeting of the Company, or at a meeting of any class of members of the Company, may appoint one or more proxies to attend and vote instead of the member at the meeting.
4. Where a member appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. The appointment shall not be valid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
5. The instruments appointing a proxy shall be in writing (in common or usual form) under the hand of the appointor or his/her attorney duly authorised in writing or if the appointor is a corporation, either under Seal or under the hand of an officer or attorney duly authorised.
6. 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 or authority shall be deposited at the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur or by electronic lodgement via TIIH Online website at <https://tiih.online> not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting, as the case may be, at which the person named as proxy in such instrument proposed to vote, or in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
7. For the purpose of determining a member who shall be entitled to attend the Tenth Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors ("ROD") as at 6 May 2025. Only a depositor whose name appears on the ROD therein shall be entitled to attend the said meeting or appoint a proxy to attend and/or vote on his/her stead.

NOTICE OF TENTH ANNUAL GENERAL MEETING (CONT'D)

Explanatory Notes:

1. Agenda item no. 1 – Audited Financial Statements for the financial year ended 31 December 2024

This 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 shareholders for the Audited Financial Statements. Hence, this item on the Agenda is not put forward for voting.

2. Proposed Resolutions 1, 2 and 3 – Re-election of Directors

Mr. Ng Meng Kwai, Mr. Cheah Siang Tee and Haji Mohd Isa Bin Haji Talib who are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the Tenth Annual General Meeting.

The Board of Directors (the “Board”) has through the Nominating Committee (“NC”), considered the performance and contribution of each of the retiring Directors and collectively agreed that they meet the criteria prescribed by Rule 2.20A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”) on skill, expertise, experience, professionalism, commitment, integrity, character, competence and the time to effectively discharge their role as Directors.

The Board has endorsed the NC’s recommendation to seek shareholders’ approval for the re-election of retiring Directors.

The details and profiles of Directors seeking re-election are set out in the Profile of Directors section of the Company’s Annual Report 2024 at pages 9, 11 to 12.

3. Proposed Resolution 4 – Payment of Directors’ Fees

The proposed Directors’ Fees for the financial year ending 31 December 2025 are based on the current Board size and are in accordance with the Company’s policy and guidelines.

4. Proposed Resolution 5 – Payment of Directors’ Benefits

This ordinary resolution is to facilitate the payment of Directors’ benefits for Directors’ and Officers’ insurance for the period from 1 July 2025 to 30 June 2026. If the proposed Directors’ benefits are insufficient (e.g., due to an enlarged Board size, etc.), approval will be sought for the shortfall at the next Annual General Meeting of the Company in 2026.

5. Proposed Resolution 6 – Re-appointed of Auditors

The Board, through the Audit Committee, has considered the re-appointment of BDO PLT as Auditors of the Company. The factors considered by the Audit Committee in making the recommendation to the Board to propose their re-appointment at the Tenth Annual General Meeting are disclosed in the Corporate Governance Overview Statement of the Annual Report 2024.

NOTICE OF TENTH ANNUAL GENERAL MEETING (CONT'D)

Explanatory Notes (Cont'd):

6. Proposed Resolution 7 – Authority to issue and allot shares of the Company pursuant to Sections 75 and 76 of the Companies Act 2016

The proposed ordinary resolution, if passed, will empower the Directors of the Company to issue and allot ordinary shares of the Company from time to time, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement, option, or offer, provided that the aggregate number of shares allotted pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company at the time (the 'Proposed General Mandate').

The authority for the Proposed General Mandate will, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next Annual General Meeting ("AGM") or at the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

This proposed resolution is for a new mandate, designed to provide the Company with the flexibility to issue new securities without the need to convene a separate general meeting to obtain shareholders' approval, thereby avoiding additional costs and time.

The purpose of the Proposed General Mandate, if passed, is to enable the Directors to take swift action in the event of a need to issue and allot new shares in the Company for fundraising purposes, including but not limited to the further placement of shares for funding current and/or future investment projects, working capital, acquisitions, and/or for the issuance of shares as settlement of purchase consideration. It also covers other circumstances that may arise, such as the grant of rights to subscribe for shares, conversion of any securities into shares, or allotment of shares under an agreement, option, or offer, or any other applications the Directors may deem fit in the best interest of the Company.

The Company did not seek any general mandate pursuant to Sections 75 and 76 of the Companies Act 2016 at the Ninth AGM held on 28 May 2024.

7. Proposed Resolution 8 – Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed Ordinary Resolution 8, if passed, will enable the Company and/or its subsidiary(ies) to enter into recurrent transactions involving the interests of Related Parties, which are necessary for the Group's day-to-day operations and will be undertaken at arm's length, subject to the transactions being carried out in the ordinary course of business and on terms and prices that are not to the detriment of the minority shareholders of the Company.

For further information, please refer to the Circular to Shareholders dated 16 April 2025, accompanying the Company's Annual Report for the financial year ended 31 December 2024.

NOTICE OF TENTH ANNUAL GENERAL MEETING (CONT'D)

Explanatory Notes (Cont'd):

8. Proposed Resolutions 9, 10 and 11 – Authority to continue in office as an Independent Non- Executive Director

The Board, through its Nominating Committee, has conducted an annual assessment of Tan Sri Dato' Dr. Sak Cheng Lum, Mr. Ng Meng Kwai, and Haji Mohd Isa Bin Haj Talib, who have served as Independent Non-Executive Directors with Mr. Ng Meng Kwai also serving as the Senior Independent Non-Executive Director, a cumulative term of more than nine years.

The Board is satisfied that they have maintained their independence and recommends their continued service as an Independence Non-Executive Directors of the Company respectively, based on the following justifications:-

- a. they fulfilled the criteria under the definition of "Independent Director" as stated in the Listing Requirements, and are able to bring independent and objective judgement to the Board;
- b. they possess vast experience in their respective industries, which provides the Board with a diverse set of experience, expertise and independent judgement;
- c. they have an in-depth understanding of the Company's and its subsidiary's business operations;
- d. they have devoted sufficient time and attention to their responsibilities as Independent Directors of the Company; and
- e. they have exercised due care during their tenure as Independent Non-Executive Directors, carrying out their duties in the best interest of the Company and its shareholders.

In accordance with Practice 5.3 of the Malaysia Code on Corporate Governance, the Company will adopt a two-tier voting process when seeking shareholders' approval for the proposed Resolutions 9,10 and 11.

STATEMENT ACCOMPANYING NOTICE OF TENTH ANNUAL GENERAL MEETING

Pursuant to Rule 8.29(2) of the ACE Market Listing Requirements to Bursa Malaysia Securities Berhad

As at date of this notice, there are no individuals who are standing for election as Directors at this Tenth Annual General Meeting.

ADMINISTRATIVE GUIDE

FOR THE CONDUCT OF TENTH ANNUAL GENERAL MEETING (“10TH AGM”)

Day and Date	:	Thursday, 15 May 2025
Time	:	11.00 a.m.
Venue	:	Conference 3, Level 2, WEIL Hotel, 292, Jalan Sultan Idris Shah, 30000 Ipoh Perak, Darul Ridzuan

DEAR SHAREHOLDERS OF EVERS SAFE RUBBER BERHAD (THE “COMPANY”)

Individual Members

If the shareholder is not able to attend the 10th AGM on 15 May 2025, he/she can appoint a proxy or the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Proxy Form.

Corporate Members

Corporate members who wish to appoint corporate representatives, instead of a proxy, to attend and vote at the 10th AGM must deposit the original or duly certified copy of the appointment of corporate representative with the Company’s Share Register no later than Tuesday, 13 May 2025 at 11.00 a.m.

Attorneys appointed by power of attorney must deposit the original power of attorney with the Company’s Share Registrar no later than Tuesday, 13 May 2025 at 11.00 a.m. in order to attend and vote at the 10th AGM.

Eligibility to Attend Based on the Record of Depositors

Only shareholders whose names appear on the Record of Depositors as of 6 May 2025 shall be entitled to attend the 10th AGM or appoint proxy(ies) to attend and/or vote on their behalf.

Appointment of Proxy

A shareholder who is unable to attend the 10th AGM on 15 May 2025 may appoint a proxy and indicate the voting instructions on the form of proxy. Please deposit the completed form of proxy with the Company’s Share Register, Tricor Investors & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No.8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

Alternatively, you may also submit the form of proxy electronically via the TIIH Online website at <https://tiih.online>, not less than forty-eight (48) hours before the time appointed for the 10th AGM or any adjournment thereof. Failure to do so will result in the form of proxy not being treated as valid. Please read and follow the procedures outlined below to submit form of proxy electronically.

ADMINISTRATIVE GUIDE (CONT'D)

Electronic Lodgement of Form of Proxy

The steps for submitting your form of proxy electronically via Tricor's TIIH Online website are summarised below:-

Procedure	Action
i. Steps for Individual Shareholders	
Register as a User with TIIH Online	<ul style="list-style-type: none"> On your computer, access the website at https://tiih.online. Register as a user under "e-Service". For assistance, refer to the tutorial guide posted on the homepage. If you are already a registered user with TIIH Online, you do not need to register again.
Proceed with submission of form of proxy	<ul style="list-style-type: none"> After the Company releases the Notice of Meeting, log in using your username (email address) and password. Select the corporate event: EVERSAFE 10TH AGM – "Submission of Form of Proxy". Agree to the Terms & Conditions and then confirm the Declaration. Enter your CDS account number and specify the number of shares for which you wish to appoint proxy(ies) to vote on your behalf. Appoint your proxy/proxies and provide thier required details, or appoint Chairman as your proxy. Indicate your voting instructions (FOR or AGAINST). If no instruction is provided, your proxy will decide how to vote. Review and confirm your Proxy(ies) appointment. Print the form of proxy for your records.
ii. Steps for corporation or institutional shareholders	
Register as a User with TIIH Online	<ul style="list-style-type: none"> Access TIIH Online website at https://tiih.online. Under e-Service section, the authorised or nominated representative of the corporation or institutional shareholder should choose "Create Account by Representative of Corporate Holder". Complete the registration form and upload the required documents. Your registration will be verified, and you will receive an email notification within 1 to 2 working days. Use the temporary password provided in the email to activate your account, and then set your own password. <p><i>Note: The representative of a corporation or institutional shareholder must first register as a user following the steps outlined above before subscribing to the corporate holder electronic proxy submission. If you need any clarification regarding the user registration process, please contact our Share Register.</i></p>
Proceed with submission of form of proxy	<ul style="list-style-type: none"> Log in to TIIH Online website at https://tiih.online. Select the corporate event: EVERSAFE 10TH AGM – "Submission of Form of Proxy". Agree to the Terms & Conditions and then confirm the Declaration. Proceed to download the file format for "Submission of Form of Proxy" in accordance with the Guidance Note set therein. Prepare the file for the appointment of proxies by inserting the required data. Log in TIIH Online, select corporate event: "EVERSAFE 10TH AGM- Submission of Form of Proxy". Proceed to upload the duly completed proxy appointment file. Select "Submit" to complete your submission. Print the confirmation report of your submission for your record.

The last date and time for lodging the Form of Proxy is Tuesday, 13 May 2025 at 11.00 a.m.

ADMINISTRATIVE GUIDE (CONT'D)

Registration On The day of the 10th AGM

Registration will begin at 10.00 a.m. at Conference 3, Level 2, WEIL Hotel, 292, Jalan Sultan Idris Shah, 30000 Ipoh, Perak Darul Ridzuan.

Please ensure that you present your original MyKad or passport during registration for verification.

After verification of your MyKad or passport and signing the attendance list, you will be issued an identification wristband for entry into the meeting room. Note that there will be no replacements for wristbands in the event they are lost or misplaced.

You must wear the identification wristband to enter the meeting hall. Without it, entry will be prohibited.

Please be advised that you are not permitted to register on behalf of another person, even if you have their original MyKad or passport.

To avoid congestion, kindly vacate the registration area immediately after completing your registration. If you have any inquiries, please visit the Help Desk counter located near the registration area.

Enquiry

If you have any enquiries on the above, please contact the following persons during office hours on Monday to Friday from 9.00 a.m. to 5.30 p.m. (except on public holidays):-

Tricor Investor & Issuing House Services Sdn Bhd Unit 32-01, Level 32, Tower A Vertical Business Suite, Avenue 3 Bangsar South, No. 8 Jalan Kerinchi 59200 Kuala Lumpur	General Line:	603-2783 9299
	Contact person:	
	Ms. Siti Zalina Mr. Azad Mr. Darwin	603-2783 9247 603-2783 9248 603-2783 9246

No. of Shares Held	CDS Account No. (Nominees Account Only)
	-

*I/We _____
(FULL NAME IN BLOCK LETTERS)

(NRIC No./Company Registration No./Passport No. : _____)

of _____
(FULL ADDRESS)

being a Member(s) of **EVERSAFE RUBBER BERHAD**, hereby appoint:

Name of Proxy	NRIC No./Passport No.	% of Shareholdings to be Represented

and/or failing him/her

Name of Proxy	NRIC No./Passport No.	% of Shareholdings to be Represented

or failing him/her, *THE CHAIRPERSON OF THE MEETING, as *my/our proxy/proxies to vote for *me/us and on *my/our behalf at the Tenth Annual General Meeting ("10th AGM") of the Company, which will be held at Conference 3, Level 2, WEIL Hotel, 292, Jalan Sultan Idris Shah, 30000 Ipoh, Perak Darul Ridzuan on Thursday, 15 May 2025 at 11.00 a.m. or any adjournment thereof, and to vote as indicated below:

* Delete whichever is inapplicable.

Resolution	Agenda	FOR	AGAINST
Ordinary Business			
1	Re-election of Mr. Ng Meng Kwai as Director		
2	Re-election of Mr. Cheah Siang Tee as Director		
3	Re-election of Haji Mohd Isa Bin Haji Talib as Director		
4	Approval of Directors' fees for the financial year ending 31 December 2025		
5	Approval of Directors' benefit for the period 1 July 2025 to 30 June 2026		
6	Re-appointment of BDO PLT as Auditors		
Special Business			
7	Authority to Issue and Allot Shares of the Company pursuant to Sections 75 and 76 of the Companies Act 2016		
8	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		
9	Authority for Tan Sri Dato' Dr. Sak Cheng Lum to continue in office as an Independent Non-Executive Director		
10	Authority for Mr. Ng Meng Kwai to continue in office as a Senior Independent Non-Executive Director		
11	Authority for Haji Mohd Isa Bin Haji Talib to continue in office as an Independent Non-Executive Director		

(Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.)

Signed this _____ day of _____ 2025.

Signature/Common Seal of Member^

^ Manner of execution:

- (a) If you are an individual member, please sign where indicated.
- (b) If you are a corporate member which has a common seal, this Form of Proxy should be executed under seal in accordance with the constitution of your corporation.
- (c) If you are a corporate member which does not have a common seal, this Form of Proxy should be affixed with the rubber stamp of your company (if any) and executed by:
 - (i) at least two (2) authorised officers, of whom one shall be a director; or
 - (ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.



Notes:-

1. A member of a company shall be entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend, participate, speak and vote at a meeting of members of the Company.
2. A proxy may but need not be a member of the Company. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
3. A Member of the Company, including an Authorised Nominee or an Exempt Authorised Nominee, who is entitled to attend and vote at meeting of the Company, or at a meeting of any class of members of the Company, may appoint one or more proxies to attend and vote instead of the member at the meeting.
4. Where a member appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. The appointment shall not be valid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
5. The instrument appointing a proxy shall be in writing (in common or usual form) under the hand of the appointor or of his/her attorney duly authorised in writing or if the appointor is a corporation, either under Seal or under the hand of an officer or attorney duly authorised.
6. 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 or authority shall be deposited at the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur or by electronic lodgement via TIH Online website at <https://tjh.online> not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting, as the case may be, at which the person named as proxy in such instrument proposed to vote, or in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
7. For the purpose of determining a member who shall be entitled to attend the Tenth Annual General Meeting, the company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors ("ROC") as at 6 May 2025. Only a depositor whose name appears on the ROD therein shall be entitled to attend the said meeting or appoint a proxy to attend and/or vote on his/her stead.

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AFFIX
STAMP

EVERSAFE RUBBER BERHAD

(Registration No. 201501008542 (1133877-V))

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No. 8 Jalan Kerinchi
59200 Kuala Lumpur

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Fold This Flap For Sealing



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