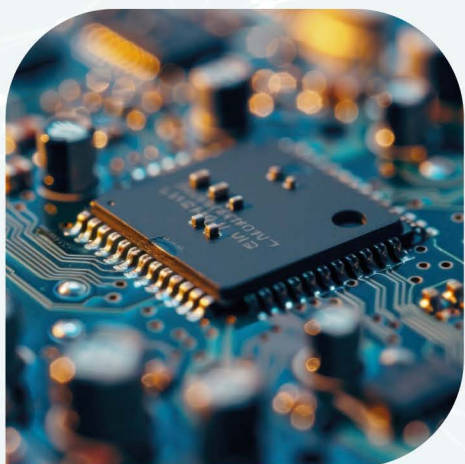
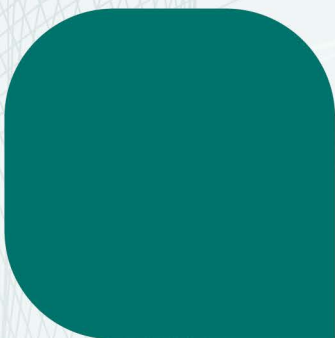
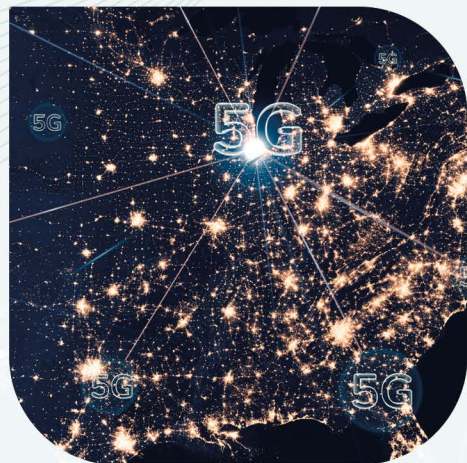
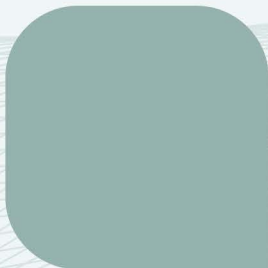
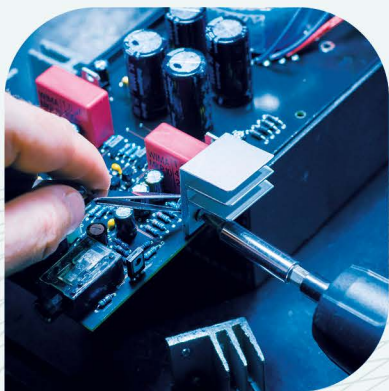




*We Bring Possibilities*



**20**  
ANNUAL  
REPORT  
**24**



## COVER RATIONALE

### We Bring Possibilities

In 2024, JF Technology Berhad continues its mission to push the boundaries of innovation. Our theme, “We Bring Possibilities,” reflects our commitment to pioneering technological advancements and driving progress across the semiconductor and IoT ecosystems.

This year, our JF 4.0 transformation has been pivotal, integrating digitalization and automation into our operations to enhance efficiency and innovation. By leveraging cutting-edge technologies, we’ve strengthened our role as a leader in high-performance test interface solutions.

Global partnerships remain key to our success, fostering collaborations that unlock new opportunities in 5G, automotive, and renewable energy sectors. These partnerships enable us to co-create solutions that meet the evolving demands of the industry.

Looking ahead, our focus on continuous growth, sustainable practices, and relentless innovation ensures that JF Technology remains a vital player in shaping the future of technology

## 18TH ANNUAL GENERAL MEETING

**Venue:** Greens III, Sports Wing,  
Tropicana Golf & Country Resort  
Berhad,  
Jalan Kelab Tropicana,  
Tropicana Golf & Country Resort,  
47410 Petaling Jaya,  
Selangor Darul Ehsan.

**Day:** Tuesday

**Date:** 3 December 2024

**Time:** 9:00 a.m.



### VISION

To be the world’s No.1 provider of high performance test interface solutions by maximising values for employees, customers and stakeholders.



### MISSION

Anticipating customer’s satisfaction and delivering superior products profitably and professionally by continuous improvement to our human resources productivity

- Employees
- Fiscal Responsibility
- Innovation
- Quality Excellence
- Customer Satisfaction



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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### DATUK PHANG AH TONG

Independent Non-Executive  
Chairman

### DATO' FOONG WEI KUONG

Managing Director

### DATIN WANG MEI LING

Executive Director

### GOH KOK SING

Executive Director

### KOAY KAH EE

Non-Independent Non-Executive Director

### CHONG KUR SEN

Independent Non-Executive Director

### CHUA HUI CHEN

Independent Non-Executive Director

### JAMILAH BINTI KAMAL

Independent Non-Executive Director

### LEE ENG KIAT

Alternate Director to Dato' Foong Wei Kuong  
(appointed on 1 July 2024)

## AUDIT COMMITTEE

### Chua Hui Chen (Chairperson)

Chong Kur Sen  
Jamilah binti Kamal

## NOMINATION COMMITTEE

### Chong Kur Sen (Chairperson)

Koay Kah Ee  
Chua Hui Chen  
Jamilah binti Kamal

## REMUNERATION COMMITTEE

### Jamilah binti Kamal (Chairperson)

Koay Kah Ee  
Chong Kur Sen  
Chua Hui Chen

## COMPANY SECRETARIES

### Chua Siew Chuan, Chartered Secretary

(SSM PC No. 201908002648)  
(MAICSA 0777689)

### Chin Mun Yee, Chartered Secretary

(SSM PC No. 201908002785)  
(MAICSA 7019243)

## REGISTERED OFFICE

Level 7, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
Damansara Heights  
50490 Kuala Lumpur  
Wilayah Persekutuan  
Telephone No.: 03-2084 9000  
Facsimile No.: 03-2094 9940/  
2095 0292  
Email: info@sshbsb.com.my

## BUSINESS ADDRESS

Lot 6, Jalan Teknologi 3/6  
Taman Sains Selangor 1  
Kota Damansara  
47810 Petaling Jaya  
Selangor Darul Ehsan  
Telephone No.: 03-6140 8668  
Facsimile No.: 03-6140 8998  
Email: sales@jftech.com.my  
Website: <https://www.jf-technology.com/>

## REGISTRAR

Securities Services (Holdings) Sdn. Bhd.  
Level 7, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
Damansara Heights  
50490 Kuala Lumpur  
Wilayah Persekutuan  
Telephone No.: 03-2084 9000  
Facsimile No.: 03-2094 9940/  
2095 0292  
Website: [www.sshbsb.com.my](http://www.sshbsb.com.my)  
Email: info@sshbsb.com.my

## AUDITORS

Crowe Malaysia PLT  
Level 16, Tower C, Megan Avenue II  
12, Jalan Yap Kwan Seng  
50450 Kuala Lumpur  
Wilayah Persekutuan  
Telephone No.: 03-2788 9999  
Facsimile No.: 03-2788 9998  
Website: [www.crowe.my](http://www.crowe.my)

## PRINCIPAL BANKERS

Malayan Banking Berhad  
AmBank (M) Berhad  
Public Bank Berhad

## LISTING

Main Market of Bursa Malaysia  
Securities Berhad

## STOCK NAME

JFTECH

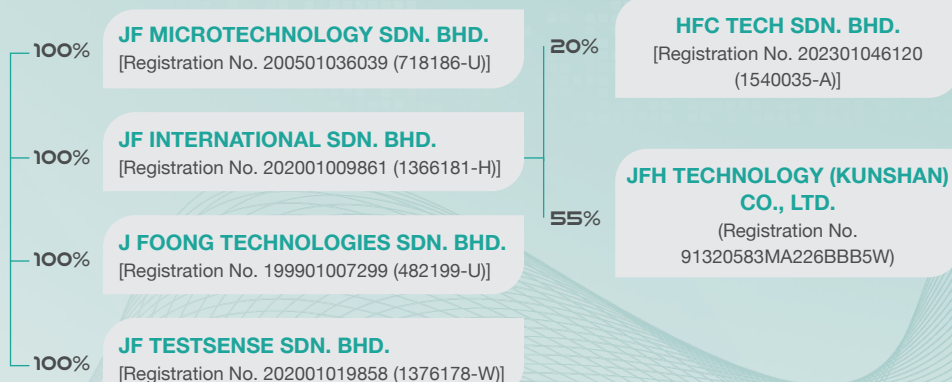
## STOCK CODE

0146

# CORPORATE STRUCTURE



**JF TECHNOLOGY BERHAD**  
[Registration No. 200601027925  
(747681-H)]



JF Technology Berhad (“**JF Tech**”) was incorporated in Malaysia on 18 September 2006 and listed on the ACE Market of Bursa Malaysia Securities Berhad in 2008. On 19 December 2022, JF Tech completed the transfer of its entire issued share capital and outstanding warrants to the Main Market of Bursa Malaysia Securities Berhad.

JF Tech is principally an investment holding company with four (4) wholly-owned subsidiaries namely, JF Microtechnology Sdn. Bhd., J Foong Technologies Sdn. Bhd., JF International Sdn. Bhd. and JF TestSense Sdn. Bhd. JF International Sdn. Bhd. is principally an investment holding company with one (1) subsidiary namely, JFH Technology (Kunshan) Co., Ltd., which was incorporated in China on 11 August 2020 and one (1) associate namely, HFC Tech Sdn. Bhd., which was incorporated in Malaysia on 22 November 2023.

The details of the subsidiaries and associate of JF Tech as at the date of this Annual Report are summarised below:

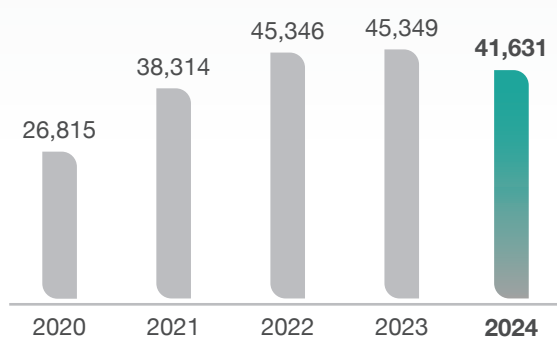
Company	Date/ Place of Incorporation	Issued and Paid-up Share Capital	Effective Equity Interest %	Principal Activities
<b>JF MICROTECHNOLOGY SDN. BHD.</b> [Registration No. 200501036039 (718186-U)]	14-12-2005/ Malaysia	RM2,200,000	100	Design, development, custom manufacture and sale of integrated circuit test sockets, interconnect, test solutions, and equipment for the semi-conductor and electronic assembly markets
<b>J FOONG TECHNOLOGIES SDN. BHD.</b> [Registration No. 199901007299 (482199-U)]	29-04-1999/ Malaysia	RM500,000	100	Manufacturing and trading of electronic products and components
<b>JF INTERNATIONAL SDN. BHD.</b> [Registration No. 202001009861 (1366181-H)]	03-04-2020/ Malaysia	RM3,300,000	100	Investment holding
<b>JF TESTSENSE SDN. BHD.</b> [Registration No.202001019858 (1376178-W)]	22-07-2020/ Malaysia	RM6,000,000	100	Test development engineering services, talent development and sales of test interface solutions
<b>JFH TECHNOLOGY (KUNSHAN) CO., LTD.</b> (Registration No. 91320583MA226BBB5W)	11-08-2020/ China	USD2,000,000	55	Design, manufacture, sale and provision of technical support for integrated circuits test contacting solution
<b>HFC TECH SDN. BHD.</b> [Registration No. 202301046120 (1540035-A)]	22-11-2023/ Malaysia	RM800,000	20	Production and sales of electromagnetic shielding materials, thermal interface materials, and superconducting thermal components

# GROUP FINANCIAL HIGHLIGHTS

	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000
<b>Statements of Comprehensive Income</b>							
Revenue	24,929	23,025	26,815	38,314	45,346	45,349	41,631
Profit before taxation ("PBT")	583	3,206	8,058	16,125	15,079	11,675	6,338
Profit attributable to owners of the Company ("Net Profit")	328	3,016	8,018	15,157	17,241	12,167	5,823
<b>Statements of Financial Positions</b>							
Share Capital	21,000	21,253	21,253	90,560	94,066	94,066	94,066
Total assets	41,083	44,718	45,104	131,940	147,796	149,504	150,690
Total liabilities	12,800	13,419	6,837	11,425	17,172	16,471	16,046
<b>Others</b>							
Earnings per share (sen)	0.04	0.33	0.87	1.65	1.86	1.31	0.63
Net assets per share (sen)	3.13	3.47	4.24	13.04	14.09	14.35	14.52

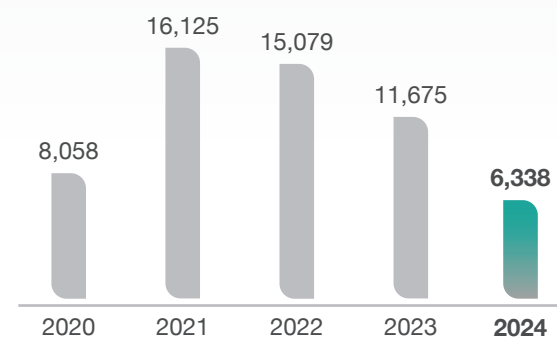
## REVENUE

(RM'000)



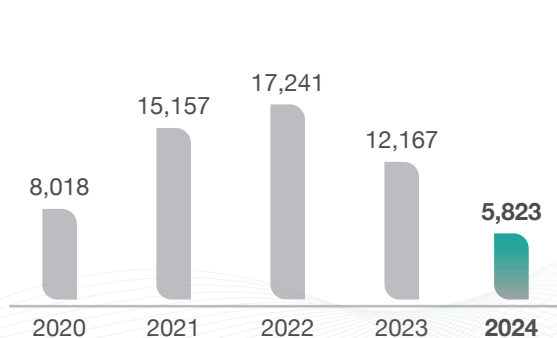
## PBT

(RM'000)



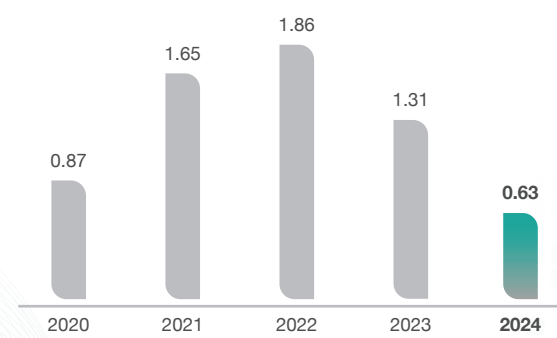
## NET PROFIT

(RM'000)



## EARNINGS PER SHARE

(sen)



# MANAGEMENT DISCUSSION AND ANALYSIS



## “ DEAR ESTEEMED SHAREHOLDERS,

On behalf of the Board of Directors (“Board”) of JF Technology Berhad (“JF Tech”) and its subsidiaries (“the Group”), it is my privilege to present to you the Management Discussion and Analysis for the financial year ended 30 June 2024 (“FY2024”).

FY2024 was yet another challenging year, characterised by heightened market uncertainties arising from various macroeconomic factors such as geopolitical tensions, inflationary pressures, rising interest rates and concerns of an economic downturn. It was a difficult year for the global semiconductor industry as 2023 sales decreased 8.2% to USD526.8 billion from USD574.1 billion in 2022 according to Semiconductor Industry Association (“SIA”).

**DATO' FOONG WEI KUONG**  
MANAGING DIRECTOR

FY2024 Revenue:  
**RM 41.6** million



FY2024 Net Profit:  
**RM 5.8** million



FY2024 Dividend Payout:  
**39.7%** of Net Profit



This inevitably affected our performance in the financial year under review. We continue to leverage on our proven highly sustainable and resilient business model with recurring and compounding sales of test consumables while serving a multitude of industries to weather through the headwinds. Besides, the further maturation of our growth drivers enabled us to somewhat sustain our top-line performance where the Group delivered a revenue of RM41.6 million for FY2024. Meanwhile, profit after tax and non-controlling interest (“**net profit**”) came in at RM5.8 million as these new growth drivers were still advancing towards their optimal level. Nevertheless, we remain steadfast in rewarding our shareholders. For the financial year under review, we declared a total dividend of 0.25 sen per share, totalling RM2.3 million. This works out to a dividend payout ratio of 39.7% based on FY2024 net profit.

# MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

## GROUP OVERVIEW

Established in 1999, we have evolved from a manufacturer and trader of electronic products into a global leader in high-performance test contacting solutions for the integrated circuit (“IC”) industry. Our journey has been defined by consistent growth, innovation and overcoming challenges within the semiconductor value chain, resulting in our position as one of the leaders in the industries that we serve.

As part of our continuous improvement and innovation, we expanded our capabilities and became an Original Design Manufacturing provider in 2005 supported by our own in-house design and development team. Subsequently, JF Technology Berhad went public and was successfully listed on the MESDAQ Market (now known as the ACE Market) of Bursa Malaysia Securities Berhad (“**Bursa Malaysia Securities**”) in 2008. The Group achieved another major breakthrough as we migrated to the Main Market of Bursa Malaysia Securities, solidifying stakeholder confidence and better aligning our market presence with the growing scale of our operations.

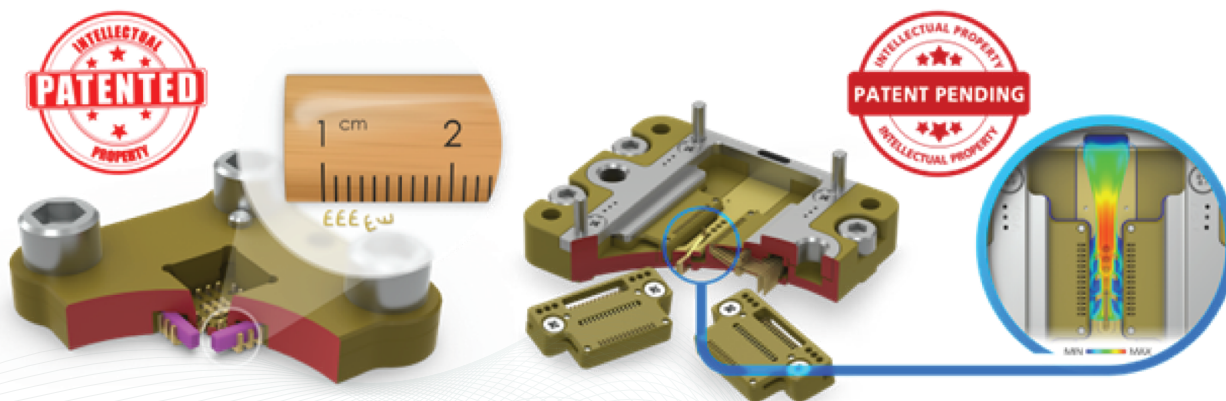
Our headquarter is situated in Kota Damansara, Selangor Darul Ehsan, Malaysia, and we also have a presence in Kunshan, China with a manufacturing facility. In 2023, we completed our new facility in Kota Damansara, which is now our Malaysia test contacting Center of Excellence (“**COE**”). This doubled our total built-up area to a total of 121,000 square feet (“**sf.**”). With over two (2) decades of industry experience and extensive technical knowledge, we proudly serve a diverse clientele of over one hundred (100) multinational corporations worldwide. Additionally, our dedication to innovation is highlighted by the filing of more than one hundred (100) patents across multiple countries, with a specific emphasis on advancing 5G and automotive testing technologies.

## BUSINESS & OPERATIONAL REVIEW

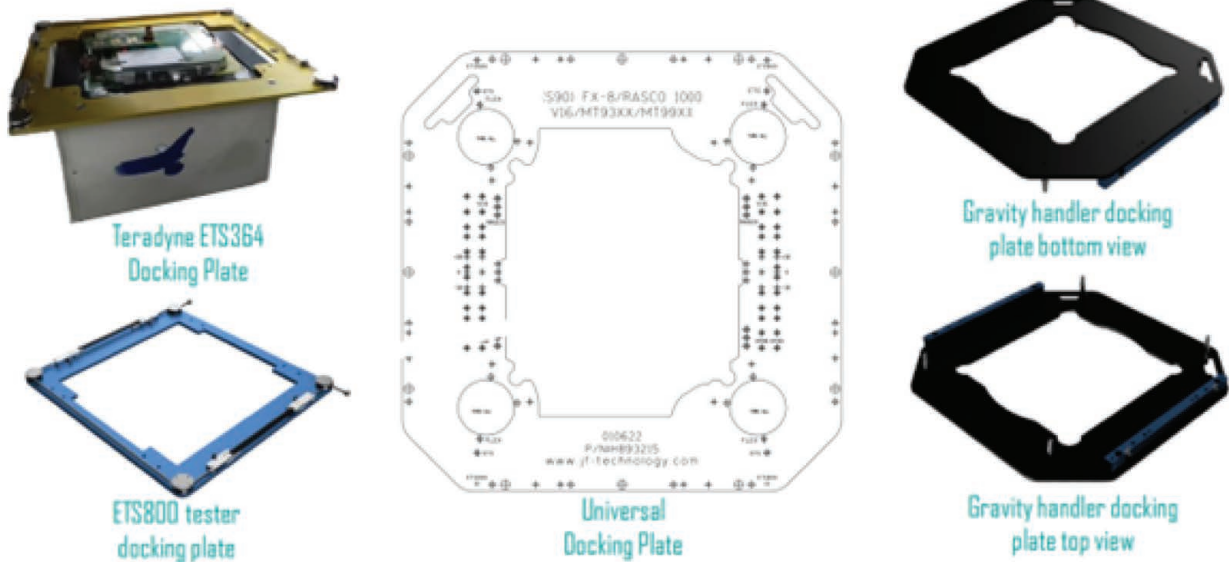
The semiconductor sector experienced a mixed performance for FY2024. Following a record high in 2022, the industry faced an 8.2% decline in global revenue in 2023 due to reduced demand and excess inventory. However, a gradual rebound started in early 2024, driven by growing markets like artificial intelligence (“**AI**”), automotive and industrial applications. Hence, it was a demanding year for us given the fluctuation in the semiconductor industry. Such business cycle is part and parcel of the sector and we leveraged on our sustainable and resilient business model and our growth drivers to navigate through these challenges.

### Test Engineering Solutions Business

Our test engineering solutions division provides comprehensive turnkey services to semiconductor companies worldwide, covering test contacting, interfacing and test program engineering. Our solutions enhance productivity, increase parallelism, enable platform migration and deliver complete testing solutions for new silicon. Meanwhile, the test interface products business we acquired previously has strengthened our capabilities and product range, enabling us to offer comprehensive one-stop engineering solutions validated upfront during the development stage. This streamlined approach eliminates the need for customers to assemble and test components from multiple providers, ensuring timelier delivery of overall solutions and enhancing accountability. This win-win situation improves cost efficiencies for both our Group and customers, further elevating our value proposition.



## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)



These value-added services complement our core business of test contacting product design and manufacturing. With these services, we move up the semiconductor value chain, which continued to contribute positively to the Group



**Strive for High Productivity and Performance**



**Cost Sensitive and Effective**



**Customer Centric**



**Driven by Passion**

### Manufacturing Facility in China

On a much brighter note, the utilisation for the Group's manufacturing facility in Kunshan, China, gained further traction in the financial year under review. This was also reflected in the revenue contribution from China. To recap, we established a partnership with Huawei Investment & Holding Co., Ltd., through its subsidiary Hubble Technology Investment Co., Ltd. ("HTI"), to collaboratively design, develop, manufacture, and supply high-performance test contactors in the Chinese market. This part of our plan to strengthen our presence and network in China and to capitalise on the significant sales potential stemming from China's semiconductor localisation efforts.



# MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

## Established A Joint Venture ("JV") To Produce Cutting-Edge Products

Back in November 2023, the Group via its wholly-owned subsidiary, JF International Sdn. Bhd. ("JFI") entered into a JV Agreement ("JVA") with HFC Industry HK Limited ("HFCI"), a subsidiary of Shenzhen HFC Co., Ltd. ("Shenzhen HFC") to incorporate HFC Tech Sdn. Bhd. ("HFC Tech"), a JV company in Malaysia. The JV company, HFC Tech, which is a state-of-the-art manufacturing and design hub, has been established at our Kota Damansara facility. HFC Tech's principal activities include design and manufacture of electromagnetic interference ("EMI") shielding materials, thermal interface materials, absorbing materials, etc.

Shenzhen HFC specialises in integrated research and development ("R&D"), manufacturing and sale of EMI shielding materials, thermal interface materials, wave-absorbing materials and ferrite. It presently serves a diverse range of industries and applications, including AI, semiconductor, smartphones, electric vehicle ("EV"), telecommunications as well as electronics manufacturing services ("EMS").

Headquartered in Shenzhen, China, Shenzhen HFC currently has over 400 employees, backed by twenty (20) years of operating track record since its establishment in 2003. In addition to its manufacturing base in Shenzhen, it also has production facilities in Chongqing and Zhejiang. Shenzhen HFC places strong emphasis on R&D



**140** patents



**4** R&D Centres

and owns more than 140 patents. It has four (4) R&D centres in Chongqing, Wuhan, Zhejiang and Shenzhen supported by a highly qualified R&D team of sixty (60) professionals.

We are excited to join forces with Shenzhen HFC and successfully established their first manufacturing facility outside of China. This collaboration creates strong synergies as we will be able to leverage on each other's expertise, capabilities and network to further scale our business.

## Unwavering Innovation

Innovation is the cornerstone of JF Tech and we place great importance on intellectual properties ("IPs"). Despite the ups and downs of the semiconductor industry, we remain dedicated to investing in R&D to generate IPs.

The Group has filed a total of 102 patents worldwide, of which sixty (60) are applications related to the development of IC test contacting solutions for automotive applications while the remaining forty-two (42) are related to radio frequency application.

**102 Patents  
Filed  
In Various  
Countries**



**47  
Granted**



**55  
Pending  
Approval**

These patents grant us exclusive rights, positioning us at the forefront of technological advancements. By continuously enhancing our intellectual property, we fortify our competitive edge, enabling us to deliver cutting-edge solutions to our customers and stay ahead in the market.

# MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)



## Growing the Talent Pool

For us at JF Tech, our most valuable asset is our talent, driving innovation and growth for the Group. Recognising the semiconductor industry's concern about talent availability, we actively collaborate with local universities to nurture the next generation of engineers. By partnering with universities to offer industry-relevant subjects like test engineering as elective courses, we aim to develop a larger pool of skilled professionals equipped for success in the field.

This strategic focus on education not only cultivates a pipeline of future talent but also drives innovation and reinforces Malaysia's position in the global semiconductor industry. Our collaboration with universities and commitment to upskilling current engineers demonstrates our dedication to building a sustainable and thriving workforce for the future.



## 2024 SEMICON Southeast Asia

In May 2024, the Group participated in SEMICON Southeast Asia ("SEA"), the largest congregation of the semiconductor and electronics supply chain in the region. The event featured Malaysia's vision to become a leading semiconductor powerhouse and regional manufacturing hub. With over 500 exhibitors and 1,000 exhibition kiosks, the exposition addressed key topics such as sustainability, smart manufacturing, and workforce development, providing a platform for industry leaders to collaborate and drive innovation in the semiconductor sector. It was a successful event for the Group as we showcased our outperforming products at our booth.



# MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

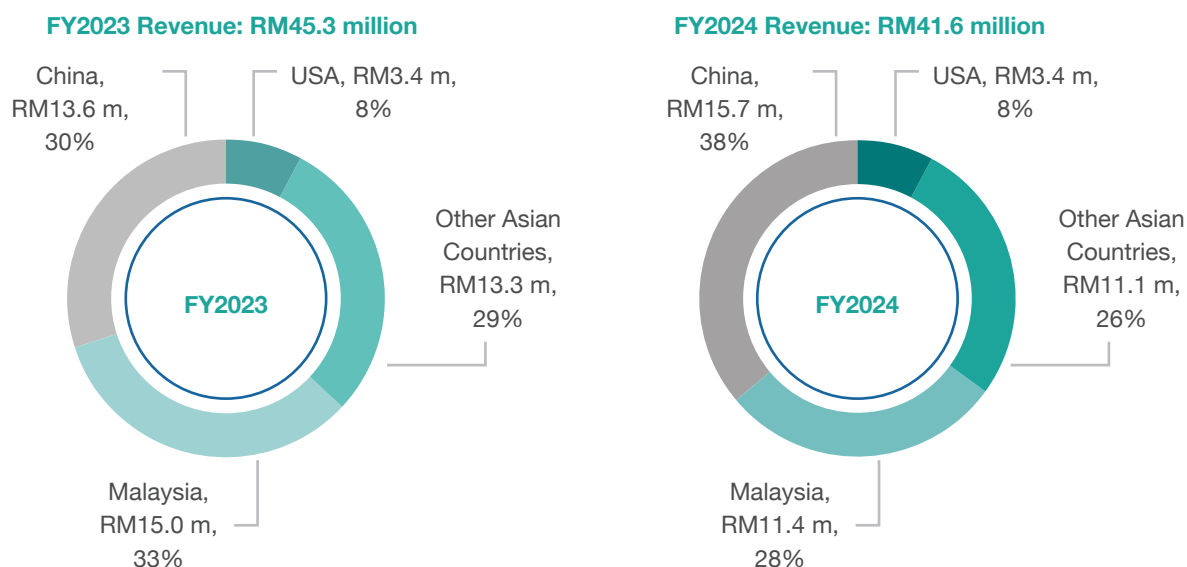
## FINANCIAL REVIEW

### Revenue

For the financial year under review, the Group reported a revenue of RM41.6 million versus RM45.4 million a year ago. This was largely due to the softer demand for test contacting sockets. Nevertheless, the test interface products division and Kunshan manufacturing facility have allowed the Group to partially offset these effects.

### Revenue Breakdown by Geographical Markets

Malaysia and China remained the anchor revenue driver, contributing 27.5% or RM11.4 million and 37.8% or RM15.7 million respectively to FY2024 total revenue. The remainder was contributed by other Asian countries and the United States at 26% or RM11.1 million and 8% or RM3.4 million respectively.



### Gross Profit ("GP") and GP Margin

For FY2024, the Group's GP stood at RM25.9 million as compared to RM30.0 million a year ago. The aforementioned higher contribution from the test interface products division and manufacturing facility in Kunshan, China led to a change in product mix contribution of the Group as these businesses are still advancing towards their optimal level. Furthermore, the Group also incurred higher expenses relating to the JV with Shenzhen HFC and higher depreciation expenses. These factors affected the GP margin as well where the Group's GP margin for FY2024 stood at 62.2% versus 66.2% last year.



**The aforementioned higher contribution from the test interface products division and manufacturing facility in Kunshan, China led to a change in product mix contribution of the Group as these businesses are still advancing towards their optimal level.**



### PBT and Profit After Tax and Non-Controlling Interest ("net profit")

At the bottom-line, the Group registered a PBT and net profit of RM6.3 million and RM5.8 million for FY2024 vis-à-vis RM11.7 million and RM12.2 million respectively in the prior year. This was predominantly owing to the shift in product mix, share of loss of an associate and impairment of intangible assets.

# MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

## FINANCIAL REVIEW (CONT'D)

### Capital Structure and Capital Resources

Amid the uncertainties and challenges arising from the global macroeconomic conditions, the Group's solid balance sheet plays a crucial part as we manoeuvre through the strenuous environment.

As of 30 June 2024, the Group's total assets amounted to RM150.6 million, which was broadly similar to a year ago of RM149.5 million. Our total cash and cash equivalents, inclusive of fixed deposits, stood at RM64.0 million at the of FY2024 as compared to RM71.2 million last year. This was largely due to the remaining capital expenditure incurred in completing our new facility in Kota Damansara.

On the other hand, total equity was relatively stable RM134.6 million at the conclusion of the financial year under review versus RM133.0 million in the previous year. Meanwhile, total liabilities of the Group as at 30 June 2024 was at RM16.0 million similar to RM16.5 million in the prior year. Total borrowings remained low at the end of FY2024 at RM4.3 million vis-à-vis RM4.3 million in the preceding year.

### Net Gearing & Cash Per Share

The Group continued to be in a net cash position with a net cash per share of 6.9 sen at the close of FY2024.

### Net Operating Cash Flow ("NOCF")

We generated yet another positive NOCF amounting to RM9.5 million in the financial year under review. Ever since our initial listing in 2008, we have maintained a steady record of generating positive NOCF.



Total Assets

**RM150.6**  
million



Total Equity

**RM134.6**  
million



Net Assets

**14.5 sen**  
per Share



Net Cash

**6.9 sen**  
per Share

## ANTICIPATED OR KNOWN RISKS

### Competition Risk

The semiconductor industry is a dynamic landscape marked by fierce competition and rapid technological advancements. To maintain our leading position and deliver cutting-edge solutions to our customers, we are committed to continuous innovation and IP generation. This strategic focus enables us to develop highly tailored products, enhance customer loyalty, and solidify our competitive advantage. JF Tech remains dedicated to investing in R&D, actively creating intellectual property and pursuing additional patents to ensure we remain at the forefront of innovation in this ever-evolving industry.

### Supply Chain Disruptions

Like many businesses, we are exposed to potential supply chain disruptions that could negatively impact our operations and financial performance. To mitigate this risk, we have implemented several measures, including close monitoring of the situation, constant communication with our suppliers to assess potential disruptions and leveraging our long-standing relationships with key suppliers. Additionally, we maintain strategic stockpiles of raw materials and inventory to ensure operational continuity.

### Operational Disruptions

Uninterrupted production is essential to our business, as any disruptions or unplanned shutdowns at our manufacturing facilities could significantly impact our performance. To mitigate risks within our control, we have secured comprehensive insurance coverage against fire, burglary and personal accidents for our employees. However, we acknowledge the existence of external factors beyond our control, such as natural disasters, pandemics, riots and general strikes, which could materially disrupt our operations.

### Changes in Regulations and Government Policies

Operating in both Malaysia and China, we adhere to the regulatory frameworks of each country. Changes to these laws, regulations, or policies, such as minimum wage adjustments, foreign labour quotas and levies, foreign exchange controls, export restrictions and tariffs, could potentially impact our operations. To mitigate these risks, the Group actively engages with local authorities and relevant business associations to stay informed about regulatory changes and proactively adapt our strategies to ensure compliance and minimise any potential adverse effects on our business.

# MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

## LOOKING AHEAD

The World Semiconductor Trade Statistics (“WSTS”) is forecasting a 16.0% growth for the global semiconductor sales in 2024 and 12.5% in 2025. Based on the growth projections, global semiconductor sales would reach USD611.2 billion and USD687.4 billion respectively for 2024 and 2025, which would be the highest-ever annual sales in total. These are positive signs for the industry, however, ongoing challenges such as global market uncertainty, geopolitical tensions, and fluctuations in interest and inflation rates persist.

We are cognizant of the demanding environment and our focus remains on further traction for our six (6) growth drivers moving forward.



## Continued Maturation of Growth Drivers

For our test engineering solutions business, the team remains busy working on the key projects on hand. We also have a new solution developed by our engineers, which is the counterweight balanced manipulator. Looking ahead, we are seeing ample opportunities that this business unit can capitalise on.

Over at our manufacturing facility in China, we look to building on the positive momentum gained and ride on the encouraging demand outlook. With that, we anticipate the plant utilization to remain on an uptrend as we head into FY2025.

On the other hand, the Group's new game-changing product, Bellmat, has been gaining traction as we continue to introduce the product to more of our customers. This patented 5G mmWave device testing solution showcases our dedication to pioneering cutting-edge technologies, solidifying our industry leadership and delivering enhanced value to our stakeholders.



# MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

## LOOKING AHEAD (CONT'D)

### Continued Maturation of Growth Drivers (Cont'd)

Switching gears to our JV with Shenzhen HFC, machine installation is completed and production shall commence soon. Together, we will be producing various cutting-edge products such as EMI shielding materials and thermal interface materials, which are currently used in various applications, including semiconductor chips for AI and EV. Shenzhen HFC is a pioneer in the use of graphene materials for heat dissipation in AI chips. This JV aligns seamlessly with our strategic objectives. For JF Technology Berhad, this is part of our JF 4.0 transformation to become a comprehensive one-stop solution provider. Simultaneously, for Shenzhen HFC, it serves as a vital component of their geographical expansion strategy. Additionally, one of the common values that we both share is the strong emphasis placed on R&D. Hence, this partnership holds the promise of catalysing innovation and fortifying our respective competitive advantages even further.

### Expanding Geographical Presence with Synergistic Cross-Distribution

The Group made a new breakthrough in August 2024, as we entered into a cross-distribution agreement with Ironwood Electronics, Inc. (**"Ironwood Electronics"**). We will utilise Ironwood Electronics' contact assembly cartridges (including cantilever, rigid, and Ironwood's new ATE-P contact assembly for high performance BGA/LGA testing), and Ironwood Electronics will utilise our high performance contact pins, both cantilever and rigid, within its contact assembly cartridges, within their test sockets.



We will utilise Ironwood Electronics' contact assembly cartridges (including cantilever, rigid, and Ironwood's new ATE-P contact assembly for high performance BGA/LGA testing), and Ironwood Electronics will utilise our high performance contact pins, both cantilever and rigid, within its contact assembly cartridges, within their test sockets.

Both parties bring extensive intellectual property – Ironwood Electronics with their highly proprietary laminated contact assemblies, and us with our high performance, high insertion count contact pins. We see strong synergies from this collaboration as we will be leveraging on each other's strong expertise and established network to further expand our geographical presence. We will be each other's partner and distributing each other's outperforming products in selected markets. In turn, this would open up more opportunities that we can capitalise on together.

# MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

## LOOKING AHEAD (CONT'D)

### Malaysia Semiconductor Test Contacting Center of Excellence



Our new facility in Kota Damansara, which is our Malaysia test contacting Center of Excellence and encompass an additional 75,000 sf., more than doubling our total built-up area to a total of 121,000 sf. This provides us ample space to ramp our capacity when required.

### JF 4.0 Transformation

The Group is advancing our JF 4.0 transformation to evolve into a comprehensive one-stop solution provider. This latest phase aims to move the Group and Malaysia even further up the semiconductor value chain. Our JV with Shenzhen HFC is part of this transformation. Looking ahead, we are seeking more collaborations with high-value and niche high-tech companies.

All in all, the long-term prospects of the Group continue to be promising underpinned by the above. In addition to JF 4.0 transformation, we will continue to harness the competitive edge from our resilient and sustainability business model with recurring and compounding sales of test consumables across diverse industries to bring the Group to the next level.

## DIVIDEND

We strive to deliver consistent and reliable dividends to our shareholders as a testament to their unwavering support. This commitment is balanced with our need to maintain adequate reserves for future growth and expansion initiatives.

In the financial year under review, JF Tech declared a total dividend of 2.5 sen per share. This totalled to RM2.3 million, which translates to a dividend payout of 39.7% based on FY2024 net profit.

Over the past six (6) financial years, JF Tech has been consistently rewarding our shareholders with dividends.

# MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

## APPRECIATION

First and foremost, I would like to record my appreciation to my fellow Board members for their professionalism and for being such a joy to work with. Your insightful perspective and strategic counsel have been pivotal in steering the Group's direction.

Next, I would like to commend the team at JF Tech for an exceptional display of grit, adaptability and competency this year. I am proud of all achievements the team managed in FY2024, especially against such a challenging environment.

I also wish to take this opportunity to express my heartfelt gratitude to Ms. Wong Siew Phin, retired from her role as our Chief Financial Officer. With that, we have activated our business succession plan to ensure a seamless transition. On that note, the Group has appointed Mr. Siew Chun Fai as our Financial Controller. He brings with him a wealth of knowledge from the audit and finance field gained across various industries such as healthcare and distribution. Next, we are delighted to have Mr. Lee Eng Kiat, our Chief Operating Officer, on the Board as the Alternate Director to myself.

To our stakeholders, encompassing our esteemed shareholders, customers, business partners, bankers, legal advisors, investment bankers, suppliers and government agencies, thank you for your support and patience.

**Dato' Foong Wei Kuong**

Managing Director

# SUSTAINABILITY STATEMENT

## SUSTAINABILITY AND OUR BUSINESS

JF Technology Berhad (“JF Tech”) and its subsidiaries (“the Group”) is greatly invested to sustainability as a fundamental core of our business, driving long-term value creation for our stakeholders. We consistently integrate sustainable practices into our strategies and operations, ensuring that every facet of the Group aligns with this vision. Across all departments, we work collaboratively towards a unified goal: achieving sustainability by seamlessly incorporating Economic, Environmental, and Social (“EES”) considerations into our daily agendas.

JF Tech delivers high-performance test contacting solutions to validate integrated circuits (“IC”) that are produced in vast quantities and used in a diverse array of products, including smartphones, consumer wearable electronics, medical devices, electric vehicles (“EVs”), automotive solid-state storage, military equipment, and the Internet of Things. As a globally recognised test contacting solution provider and a public listed company, we are uniquely positioned to advance our approach to material sustainability issues. We firmly believe that a robust corporate governance structure is essential for effective sustainability management. Our Board of Directors (“Board”) leads this charge, driving the sustainability agenda and nurturing a culture of corporate social responsibility throughout the Group.

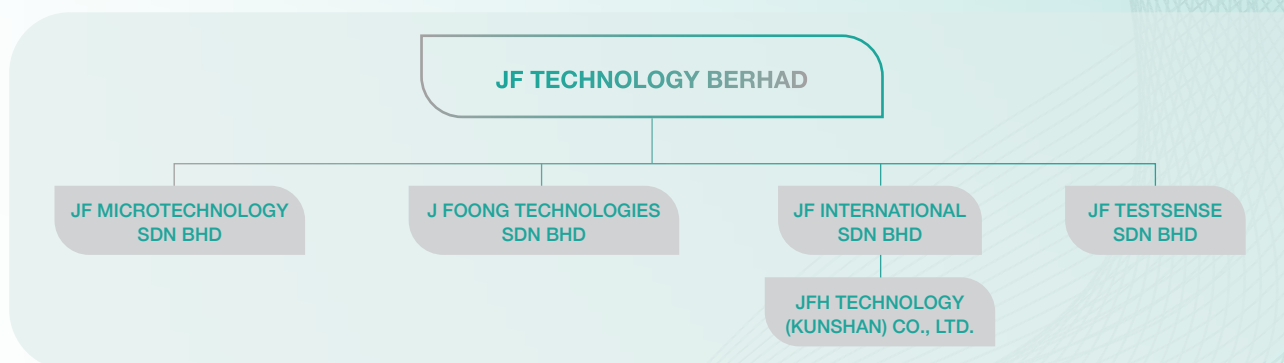
### Reporting Period

This Sustainability Statement (“Statement”) details the Group’s approach to achieving our material EES goals, as well as our management of sustainability matters for the period from 1 July 2023 to 30 June 2024 (“FYE2024”), unless stated otherwise.

# SUSTAINABILITY STATEMENT (CONT'D)

## REPORTING SCOPE

The following shows the reporting scope of the Annual Report, encompassing the Group's operations which are in Malaysia and China:



This Statement excludes detailed information on investments in which the Group holds less than 50% stake.

This Statement encompasses the sustainability performance of JF Tech and the Group's operations.

## REPORTING FRAMEWORK

This Statement was prepared with reference with the following regulations and guidance:

- Practice Note 9 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (**"Bursa Malaysia Securities"**);
- Sustainability Reporting Guide, 2<sup>nd</sup> Edition issued by Bursa Malaysia Securities;
- Malaysian Code on Corporate Governance, updated on 28 April 2021; and
- Global Reporting Initiative 2021.

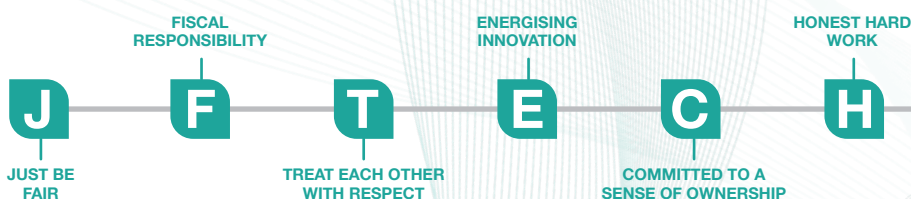
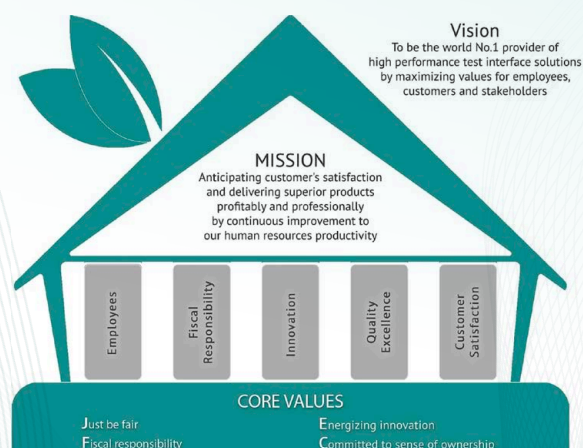
## AVAILABILITY

This Statement is available on the Company's website at <https://www.jf-technology.com>.

## CORE VALUES

JF Tech's core values represent the fundamental principles that we abide by in the pursuit of individual and the Group's greatness. These guiding principles dictate the Group's attitude towards our daily operations and act as an unwavering guide for our employees to consistently uphold.

"**JF TECH**" is an acronym for:



# SUSTAINABILITY STATEMENT (CONT'D)

## Sustainability Governance

The successful integration and effective management of sustainability within the Group demands committed leadership, clear strategic direction and strong influence, all of which are underpinned by a robust governance structure. A solid governance framework empowers the Group to implement sustainability strategies seamlessly across the business while ensuring accountability, oversight and continuous evaluation in the identification and management of sustainability issues.

The significance of governance in advancing our sustainability initiatives is well recognised by the Group's employees. To reinforce this commitment, the Group implements comprehensive controls and approvals, clearly defined reserved matters and robust accountability measures, all aligned with long-term objectives. These efforts include:



**Establishing a governance structure that integrates control, monitoring, evaluation and reporting mechanisms into the management process.**



**Embedding sustainability as a core component of the Group's strategic planning.**



**Strengthening sustainability initiatives through regular updates to strategies, policies and procedures, alongside the provision of relevant training.**



**Continuously assessing the impacts and outcomes of the sustainability principles adopted by the Group.**

The roles of each division within the governance structure are as follows:

<b>Board of Directors</b> 	The Board of Directors oversees the development and implementation of our strategies. In April 2021, the updated Malaysian Code on Corporate Governance ("MCCG") was released, placing greater emphasis on sustainability management. In response, our Board is dedicated to further enhancing our sustainability practices to align with these latest requirements.
<b>Management Committee</b> 	The Management Committee, under the leadership of the Managing Director, defines the strategies and action plans for sustainability matters and oversees the implementation roadmap.
<b>Divisional Management</b> 	Heads of Departments lead sustainability management by coordinating efforts within their teams to implement action plans that align with the overall strategies.

# SUSTAINABILITY STATEMENT

## (CONT'D)

### Sustainability Governance (Cont'd)

<p><b>Policies and Procedures for Excellent Governance</b></p> 	<p>In line with our unwavering commitment to sustainability-driven business management, we have established a comprehensive set of policies and procedures that are seamlessly embedded into our daily operations. Below, we present key policies and procedures that highlight our dedication to maintaining the highest ethical standards, strengthening governance and demonstrating the enduring trustworthiness of our business:</p> <ol style="list-style-type: none"> <li>  <p><b>1. Code of Ethics and Conduct Policy:</b> This policy acts as a moral compass, defining the ethical standards and behaviors expected of all employees. It underscores values such as integrity, honesty and transparency, establishing the foundation of our corporate culture.</p> </li> <li>  <p><b>2. Anti-Bribery and Anti-Corruption Policy (“ABAC”):</b> We maintain a zero-tolerance stance on bribery and corruption. This policy sets forth stringent guidelines to prevent such practices and ensures full compliance with anti-corruption laws.</p> </li> <li>  <p><b>3. Whistleblowing Policy:</b> Fostering transparency, this policy offers employees and stakeholders clear channels to report misconduct or ethical concerns, with safeguards in place to protect against retaliation.</p> </li> <li>  <p><b>4. Roles and Responsibilities of Directors:</b> Our governance framework clearly defines the roles and responsibilities of our board members, strengthening accountability, transparency and the effectiveness of decision-making.</p> </li> <li>  <p><b>5. Remuneration Policy:</b> This policy governs our compensation practices, ensuring they are fair, transparent and aligned with our business objectives.</p> </li> <li>  <p><b>6. Directors' Fit and Proper Policy:</b> We uphold a rigorous policy to ensure that all directors possess the requisite qualifications, skills and integrity to effectively fulfill their roles.</p> </li> <li>  <p><b>7. Gender Diversity Policy:</b> Our commitment to diversity and inclusion is reflected in this policy, which details initiatives to foster gender diversity across all levels of the organisation.</p> </li> <li>  <p><b>8. Risk Management:</b> These procedures are designed to identify, assess and mitigate potential risks, ensuring proactive risk management and safeguarding business continuity.</p> </li> <li>  <p><b>9. Employee's Handbook:</b> This comprehensive resource equips employees with detailed information on their rights, responsibilities and the company's policies and procedures, promoting a well-informed and harmonious workforce.</p> </li> <li>  <p><b>10. Health and Safety Procedures:</b> The safety and well-being of our employees are of utmost priority. These procedures establish rigorous safety guidelines, emergency response plans and health protocols to ensure a secure and protected work environment.</p> </li> <li>  <p><b>11. Environmental Policy:</b> We are committed to environmental sustainability. This policy delineates our responsibilities, including initiatives to minimise our environmental impact, conserve resources and promote eco-friendly practices across all operations.</p> </li> </ol>
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# SUSTAINABILITY STATEMENT (CONT'D)

## Sustainability Governance (Cont'd)

Collectively, these policies and procedures establish a robust framework for governance, ethics, sustainability and accountability. They reflect our steadfast commitment to operating as a responsible and trustworthy business, upholding the highest standards of governance and management practices.

## Stakeholder Engagement




The Group recognises that maintaining robust communication with both internal and external stakeholders is fundamental to establishing and upholding strong corporate governance. We are committed to proactively engaging with our stakeholders through diverse channels of communication, allowing us to gain a deep understanding of their expectations and to gather valuable insights into their interests and needs. This engagement is pivotal in enabling us to timely identify and prioritise key sustainability issues. Below is a summary of our stakeholder groups, their areas of interest, methods of engagement, frequency of interaction and the outcomes achieved:

Stakeholder Groups	Areas of Interest	Types of Engagement	Frequency	Outcomes
Investors/ Shareholders 	<ul style="list-style-type: none"> <li>Business performance review</li> <li>Operation in compliance with applicable laws and regulations</li> <li>Strategic plans</li> <li>Investor engagements</li> <li>Corporate announcements</li> <li>Information and communication</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly financial reports</li> <li>Annual report</li> <li>Corporate website</li> <li>Investor relationship channel</li> <li>Regular meetings and correspondence</li> <li>Feedback to media enquiries</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly</li> <li>Annually</li> <li>On-going</li> <li>On-going</li> <li>As required</li> <li>As required</li> </ul>	Provides constructive feedbacks, improve relationships with shareholders and positive reputation amongst investors
Customers 	<ul style="list-style-type: none"> <li>Product quality and performance</li> <li>Sustaining long-term relationships</li> <li>Operation in compliance with applicable laws and standards</li> </ul>	<ul style="list-style-type: none"> <li>Customer feedbacks</li> <li>On-site visits</li> <li>Customer audit</li> </ul>	<ul style="list-style-type: none"> <li>On-going</li> <li>As required</li> <li>On-going</li> </ul>	Better awareness of the Group's commitment to sustainability and an improved understanding of our policies, culture and values

# SUSTAINABILITY STATEMENT

## (CONT'D)

### Stakeholder Engagement (Cont'd)

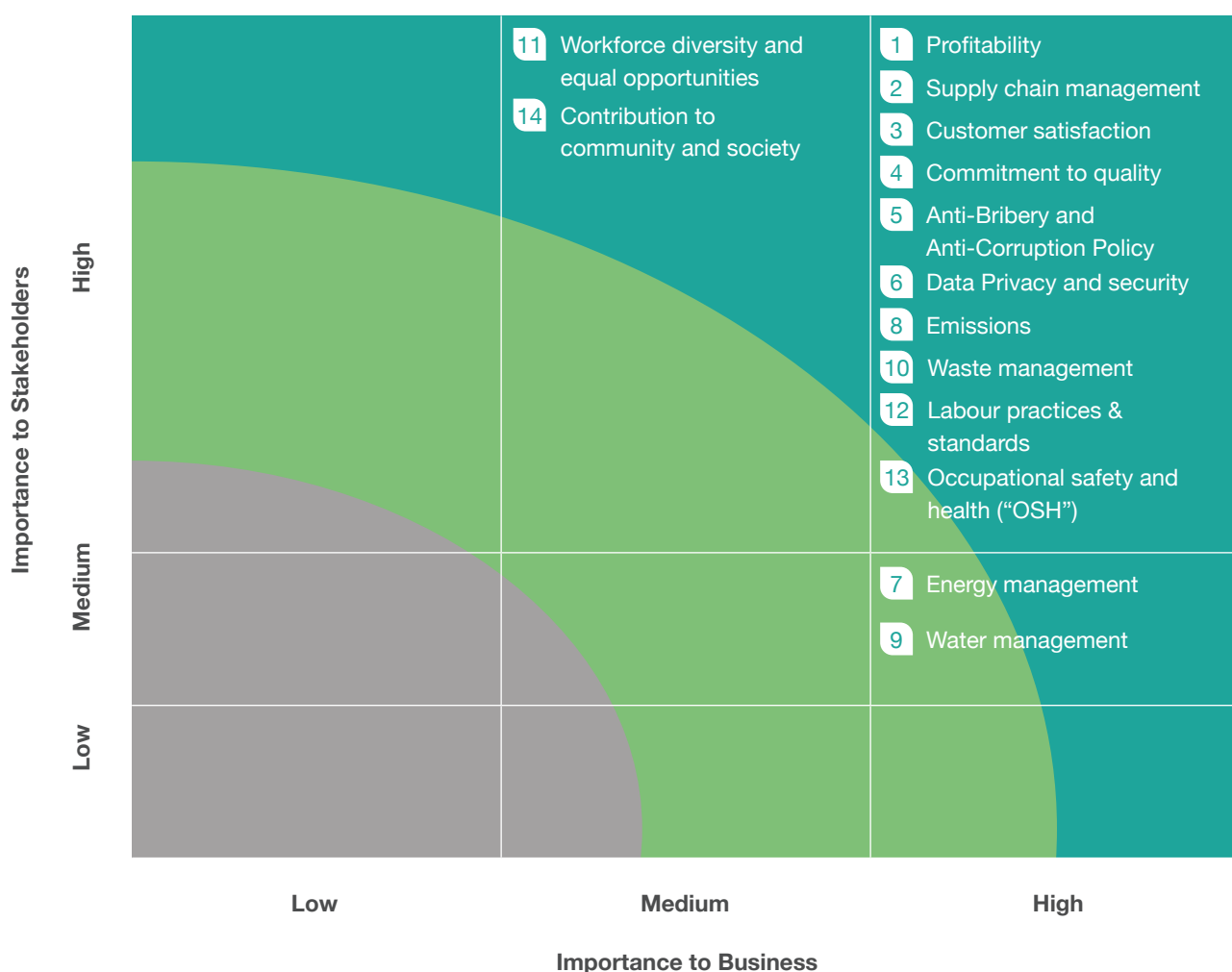
Stakeholder Groups	Areas of Interest	Types of Engagement	Frequency	Outcomes
Employees 	<ul style="list-style-type: none"> <li>Health and safety protocols</li> <li>Coronavirus ("Covid-19") standard operating procedures ("SOP") compliance</li> <li>Communication and engagement</li> <li>Working environment</li> <li>Career development and trainings</li> </ul>	<ul style="list-style-type: none"> <li>Trainings and development</li> <li>Restraining and provision of personal protective equipment ("PPE")</li> <li>Formal meetings and discussions</li> <li>Employee feedbacks and briefings</li> <li>Appraisal and performance review</li> </ul>	<ul style="list-style-type: none"> <li>On-going</li> <li>On-going</li> <li>On-going</li> <li>Annually</li> <li>On-going</li> </ul>	Inclusiveness in management decision making to foster a safer and more harmonious work environment
Suppliers 	<ul style="list-style-type: none"> <li>Strategic partnership</li> <li>Supplier performance review</li> <li>Product and service quality</li> </ul>	<ul style="list-style-type: none"> <li>Supplier evaluation</li> <li>Regular meetings and correspondence</li> <li>Site visits to suppliers' premises</li> </ul>	<ul style="list-style-type: none"> <li>On-going</li> <li>On-going</li> <li>On-going</li> </ul>	Establish good long-term relationship with suppliers and maintain reliability throughout the value chain
Government and Regulators 	<ul style="list-style-type: none"> <li>Regulatory compliance</li> <li>Supporting country's economy growth</li> </ul>	<ul style="list-style-type: none"> <li>Site visits and meetings</li> <li>Participation in programmes organised by Government bodies</li> </ul>	<ul style="list-style-type: none"> <li>As required</li> <li>As required</li> </ul>	Compliance with regulations and ensure regular operations permits
Community 	<ul style="list-style-type: none"> <li>Environment protection</li> <li>Local community activities involvement</li> </ul>	<ul style="list-style-type: none"> <li>Participation in local community activities</li> <li>Sponsorship and donations</li> </ul>	<ul style="list-style-type: none"> <li>On-going</li> <li>On-going</li> </ul>	Maintain our promise towards corporate social responsibility and improve wellbeing of individuals from the charitable organisation

# SUSTAINABILITY STATEMENT (CONT'D)

## Materiality Assessment

The materiality matrix is used to chart the Group's important sustainability matters during the assessment. Applying the materiality assessment helps the Group to identify topics that are most important to the Group and stakeholders. In this respect, the materiality assessment provides valuable information that may positively or negatively influence the Group's ability to deliver our vision and strategy. Most importantly, it reflects our impact on the EES dimensions.

During FYE2024, fourteen (14) material topics were identified due to their relativity to our businesses and stakeholders in the current operating climate. The materiality matrix is included to illustrate the relative importance of these sustainability matters to internal and external stakeholders. They are chosen and reviewed by the management of relevant divisions based on the risks and opportunities arising from the EES impacts on the Group's operations and activities.



These fourteen (14) materials sustainability matters are ranked as the most significant to the Group, and we have prioritised them accordingly in this Statement. JF Tech is committed to continually reviewing these key issues, with a focus on expanding the depth and scope of our reporting as we advance.

# SUSTAINABILITY STATEMENT

## (CONT'D)

### ECONOMIC AND GOVERNANCE COMMITMENT

#### 1. Profitability

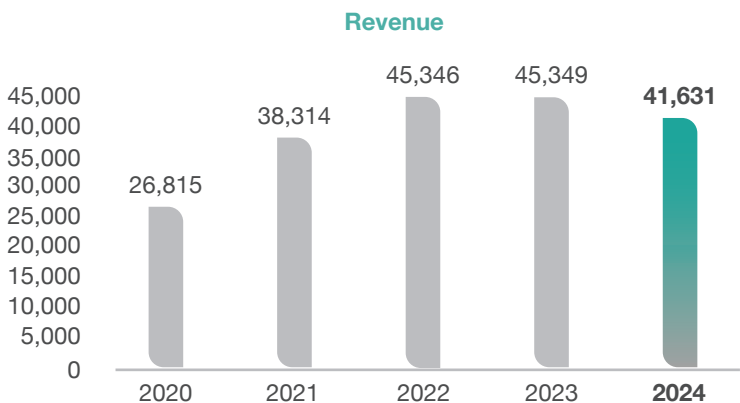
##### Related UNSDGs:



JF Tech is committed to achieving robust and sustainable growth while maintaining high profit margins, ensuring long-term value creation for our shareholders and sustained positive development. We firmly believe that strong, sustainable business performance enables us to deliver and enhance value for our stakeholders, create opportunities for our employees, and make meaningful contributions to the communities we serve.

Our products are meticulously customised to meet the precise electrical, mechanical and dimensional specifications of our customers. Our expertise in design, cutting-edge technology and advanced automation places us at the forefront of the industry, serving as key competitive advantages that drive the Group's success. Additionally, the Group continually assesses its impact on the economic well-being of its stakeholders and the broader economic landscape at local, national and global levels.

The Group managed to maintain the RM40 million top-line performance achieved in the past 2 years amidst the challenging environment. Revenue for the financial year under review was at RM41.6 million versus RM45.3 million a year ago while profit after tax and non-controlling interest ("net profit") stood at RM5.8 million. On dividend, JF Tech declared a total dividend of 0.25 sen per share, amounting to RM2.3 million for the financial year under review. This translated to a dividend payout ratio of 39.7% based on our FYE2024 net profit.



**We reached a significant milestone by filing 15 new patents related to IC test contacting solutions for automotive applications.**

For a comprehensive and in-depth analysis of our financial performance and economic distribution, we invite you to refer to the Management Discussion and Analysis section as well as the Audited Financial Statements included in this Annual Report.

That we uphold through continuous innovation, design excellence, precision manufacturing and strategic marketing—all focused on our diverse portfolio of test contacting solutions.

In the FYE2024, we reached a significant milestone by filing 15 new patents related to IC test contacting solutions for automotive applications. We are also proud to announce the granting of 7 patents within the same financial year, highlighting our innovative strength. These newly granted patents encompass a range of advancements, from cutting-edge high-frequency IC test contacting solutions, designed for the rigorous demands of 5G, Radio Frequency and mmWave applications, to pioneering solutions tailored specifically for automotive and high-power applications.

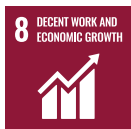
# SUSTAINABILITY STATEMENT

## (CONT'D)

### ECONOMIC AND GOVERNANCE COMMITMENT (CONT'D)

#### 2. Supply Chain Management

##### Related UNSDGs:



At JF Tech, we recognise that an efficient and sustainable supply chain is the backbone of our operations. We are committed to managing our supply chain in a responsible, ethical and strategic manner that not only ensures the seamless flow of goods and services but also aligns with our values and meets the expectations of our stakeholders.

JF Tech's business begins with developing and supplying high performance IC test contacting solution for customers in the IC design center and subsequently, our products are used in high volume IC manufacturing testing. In line with our long-term strategy of providing a broad spectrum of high-performance IC test contacting solutions on a global scale, it is imperative for our Group to establish a sustainable domestic supply chain. This not only fosters eco-friendly supply chain practices but also indirectly contributes to job creation and encourages socio-economic development. The localisation of our supply chain fortifies its resilience and enables us to consistently maintain and oversee our production processes in a timely manner.

The Group's vendor and supplier assessment method assesses competency, capacity, performance consistency, quality, cost-effectiveness, communication, internal processes and corporate social responsibility. We are committed to promote sustainability across our supply chain by protecting the rights and confidentiality of suppliers while safeguarding our interests in the course of business dealings. To ensure alignment with JF Tech's ESG responsibilities, we incorporate the Anti-Bribery and Corruption Policy as an integral component of our standard procurement terms and conditions.

Both new and existing suppliers are obligated to comply with and acknowledge and/or sign these documents as a testament to their commitment to JF Tech's ESG initiatives.

In terms of supply chain risk management, JF Tech adopts a comprehensive approach to guarantee business continuity and meet the requirements of our customers. Our existing suppliers on the approved vendor list undergo annual performance evaluations based on a set of criteria, which encompass product quality, the provision of technical support, payment terms and the timeliness of deliveries. Furthermore, we conduct on-site annual audits of suppliers as part of our vendor development initiatives. We take pride in cultivating partnerships with local suppliers whenever feasible, thereby contributing to the sustainability of the local economy and products.

As at 30 June 2024, local vendors spending constitute 75.5% of the total spending within the Group. Our objective is to prioritise sourcing from local suppliers, which not only enhances sourcing efficiency through shorter lead times but also promotes domestic employment, supports local businesses and reduces the environmental impact and costs associated with overseas shipments. Our goal is to consistently achieve a procurement rate of over 50% from local vendors each year.

##### Local and Oversea procurement (by procurement amount)



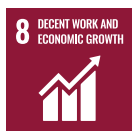
**Our goal is to consistently achieve a procurement rate of over 50% from local vendors each year.**

# SUSTAINABILITY STATEMENT (CONT'D)

## ECONOMIC AND GOVERNANCE COMMITMENT (CONT'D)

### 3. Customer Satisfaction

#### Related UNSDGs:



Customer satisfaction is integral to the longevity of our business. We strive to understand and meet our customer's evolving expectations in delivering quality products continuously. We adopt a customer focused approach where any requests, concerns, or dissatisfaction are handled with close attention, urgency and confidentiality. We engage with our customers at every stage - from design and manufacturing to delivery of quality products.

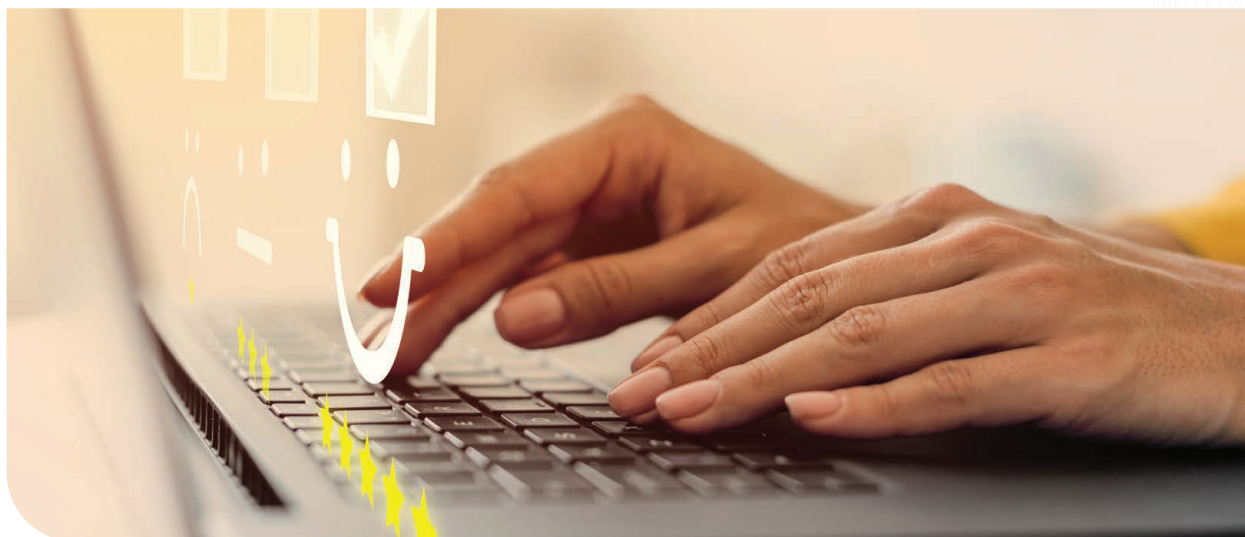
We had regular meetings with customers, we respond to customer queries through the establishment of a systematic review process which is carried out periodically, based on the working level and functions involved. We ensure that appropriate actions are set out to resolve customers concerns.

To ensure we maintain quality products, we are guided by our Quality Policy that enables us to achieve our quality objectives and re-affirm our commitment to excellence.

At JF Tech, we regard customer satisfaction as an important pillar sustaining the longevity of our business. Our relentless commitment is to proactively comprehend and consistently exceed our customers' ever-evolving expectations by delivering high-quality products & service. We embrace a customer-centric ethos, where each customer's requests, concerns, or moments of dissatisfaction are treated with close attention, a sense of urgency and the strictest confidentiality.

Our engagement with customers is a continuous journey that spans every phase, from the inception of design concepts through the intricacies of manufacturing to the seamless delivery of high-quality products. We conduct regular meetings with our customers, fostering open and transparent communication. Moreover, we have established a systematic review process, conducted periodically, involving working-level personnel and relevant functions, to systematically address and respond to customer concerns.

Our dedication to quality is deeply rooted in our Quality Policy, which serves as our guiding beacon. This policy empowers us to consistently achieve our quality objectives, reiterating our commitment to excellence in all aspects of our operations. By adhering to these principles, we ensure that our products not only meet but exceed the expectations of our customers, thereby forging enduring relationships built on trust and superior performance.

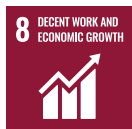


# SUSTAINABILITY STATEMENT (CONT'D)

## ECONOMIC AND GOVERNANCE COMMITMENT (CONT'D)

### 4. Commitment to Quality

#### Related UNSDGs:



In fulfilling JF Tech's vision to be the world's No. 1 provider of high-performance test contacting solutions, we achieved the ISO 9001:2015 Quality Management System certification from SGS (Malaysia) Sdn. Bhd. for design, manufacturing and assembly of test contactors for semiconductor applications. Product and service quality is crucial to the Group as it directly relates to customer satisfaction and profitability. The Group has worked tirelessly to improve quality over the past decade and all operating subsidiaries have made significant progress in this area. Two (2) subsidiaries of the Group have been accredited by ISO 9001:2015 Quality Management System. This is an international standard that specifies the requirements for a quality management system where the Group:



Demonstrates its ability to consistently provide products and services that meet customer's needs and applicable statutory and regulatory requirements; and



Aims to enhance customer satisfaction through the effective application of the system, including processes for improvement of the system and the assurance of conformity to customer and applicable statutory and regulatory requirements.

# SUSTAINABILITY STATEMENT (CONT'D)

## ECONOMIC AND GOVERNANCE COMMITMENT (CONT'D)

### 5. Anti-Bribery and Anti-Corruption Policy

#### Related UNSDGs:



JF Tech is unwavering in its commitment to upholding the highest standards of integrity through its Anti-Bribery and Anti-Corruption (ABAC) and Whistleblowing Policies. We set clear expectations for employee conduct, emphasising a zero-tolerance stance on bribery and corruption while promoting ethical practices, honesty and integrity across all levels of our organisation. We recognise that bribery and corruption not only undermine business ethics but also tarnish our organisational reputation. At JF Tech, we stand firmly against any form of improper or illegal practices.

To ensure that all employees are fully informed and aligned with our ethical standards, JF Tech conducts formal briefings across departments on the Code of Conduct, ABAC Policy, and Whistleblowing Policy. These sessions reinforce the importance of fairness, integrity, honesty and transparency in all business activities. Our policies are readily accessible on public platforms and employees receive comprehensive training on the ABAC Policy and its guidelines. Additionally, new hires are provided with ABAC training as part of their induction orientation, equipping them with the knowledge to prevent, counter and report any instances of bribery, corruption or misconduct through our whistleblowing channels.

The Board of Directors of JF Tech holds the ultimate responsibility for approving, reviewing and monitoring the ABAC Policy and its associated internal controls to ensure full compliance with anti-bribery and anti-corruption laws. The Board is deeply committed to conducting business with the highest levels of integrity and transparency, strictly prohibiting any form of bribery or corruption. It actively encourages the reporting of unlawful or unethical behavior, providing protection for those who report in good faith. The Board also approves strategies for managing bribery and corruption risks and oversees the implementation of the ABAC Policy, including related procedures and guidelines.

Our whistleblowing policies are designed to facilitate the reporting of genuine concerns or complaints related to breaches, criminal activities, negligence, injustice, endangerment and corruption. Both employees and external parties are encouraged to report violations, non-compliance or questionable practices in good faith, without fear of reprisal. All reports are independently investigated and appropriate actions are taken. The Board of Directors remains committed to upholding good corporate governance and adheres to the practices and guidelines outlined by the Malaysian Code on Corporate Governance (MCCG).



**New hires are provided with ABAC training as part of their induction orientation, equipping them with the knowledge to prevent, counter and report any instances of bribery, corruption or misconduct through our whistleblowing channels.**



Updates on the ABAC initiatives were discussed within the ESG framework under the Governance category during the recent Board Meeting. As part of our due diligence, all new and existing suppliers undergo a rigorous assessment process. Additionally, an annual Corruption Risk Assessment (CRA) is conducted to identify potential risks and enhance our internal controls. JF Tech's whistleblowing channels are prominently posted on notice boards to ensure accessibility.

# SUSTAINABILITY STATEMENT

## (CONT'D)

### ECONOMIC AND GOVERNANCE COMMITMENT (CONT'D)

#### 5. Anti-Bribery and Anti-Corruption Policy (Cont'd)

Approximately 82.4% of JF employees have attended training on anti-corruption since the date of joining. Below is a summary of the number of employees trained and reminded about the ABAC and Whistleblowing Policies:-

**Approximately 82.4% of JF employees have attended training on anti-corruption since the date of joining**

Number of Employees Attended	10	48	66
ABAC Trainings	Management	Executive/ Technical Staff	Non-Executive/ Technical Staff
Total <b>124</b>			

Our target is to ensure that all JF Tech employees attend anti-corruption training by the end of FYE2025. We will incorporate ABAC training into the Orientation/Onboarding program for new hires and arrange compulsory ABAC training for those who have not yet attended by the end of the current financial year.

Corruption-related risks were assessed for the Malaysia operation during the FYE2024. Such assessment will be extended to China operation in the FYE2025.

For the FYE2024, JF Tech proudly reports that no incidents of corruption or breaches of our ABAC Policy were recorded, sustaining the flawless record established in FYE2023. This achievement underscores our unwavering commitment to the highest ethical standards and disciplined conduct, particularly among our Senior Management and Board of Directors. The Board diligently ensures compliance with all relevant legislation and actively oversees the implementation of our ABAC policies. We are determined to maintain this exemplary record into FYE2025.



JF Tech's Anti-Bribery and Anti-Corruption Policy is available on our corporate website at [www.jf-technology.com](http://www.jf-technology.com).

# SUSTAINABILITY STATEMENT

## (CONT'D)

### ECONOMIC AND GOVERNANCE COMMITMENT (CONT'D)

#### 6. Data Privacy and Security

##### Related UNSDGs:



##### Data Privacy and Security

At JF Tech, the importance of data privacy and security cannot be overstated. In an era where our technological systems house a vast array of sensitive information—including data related to our products, suppliers, customers and employees—protecting this information is paramount. We recognise our responsibility to safeguard the data entrusted to us by our stakeholders and to secure our vital business information. To achieve this, we have implemented a comprehensive set of measures designed to prevent unauthorised access from external sources.

##### Tailored Internet Access Policies:

Our organisation has established a structured policy that regulates internet access privileges based on job roles, duty requirements and the seniority of positions. This ensures that individuals have access only to the data and systems necessary for their tasks, thereby minimising potential vulnerabilities.

##### Cybersecurity Infrastructure:

We have strengthened our network with a robust cybersecurity infrastructure, including advanced Firewall, Anti-Spam and Antivirus applications. Additionally, we consistently update all systems with the latest security patches to ensure resilience against emerging threats.

##### Continuous Monitoring:

Continuous monitoring is a key component of our security strategy. We closely track the antivirus status of all user devices, including computers and notebooks, to ensure they remain secure and free from the risk of cyberattacks. Daily notifications are reviewed rigorously to promptly address any indications of potential cyber threats.

In the FYE2024, we are proud to report that there were no data privacy or security breaches within our organisation. As we move forward into FYE2025, our commitment to data protection remains unwavering and we aim to maintain our record of zero breaches. Our dedication to these principles underscores our ongoing commitment to safeguarding the confidentiality, integrity and availability of our data, ensuring the continued trust and confidence of our stakeholders.



**In the FYE2024, we are proud to report that there were no data privacy or security breaches within our organisation.**

# SUSTAINABILITY STATEMENT (CONT'D)

## ECONOMIC AND GOVERNANCE COMMITMENT (CONT'D)

### 6. Data Privacy and Security (Cont'd)

#### Environmental Commitment

##### Compliance with Environmental Laws and Regulations

JF Tech is dedicated to the prevention of pollution and the continuous improvement of the Group's overall environmental performance. Our operations are fully compliant with relevant environmental laws and regulations and we subject ourselves to rigorous scrutiny in this regard. This commitment is enshrined in our Group Environmental Policy.

##### Environmental Policy Goals:

We are steadfast in our efforts to progressively achieve the following environmental goals:



Comply with all applicable environmental legislation, regulations and other requirements.



Foster awareness of environmental issues among employees and contractors through ongoing training and active dissemination of information.



Raise awareness of the Group Environmental Policy within the organisation and among our stakeholders.



Reduce the consumption of non-renewable and non-recycled materials.



Provide a safe and hygienic workplace, ensuring that all personnel are properly trained in appropriate safety procedures and control measures.

We are pleased to report that no penalties or fines were imposed by any regulatory authorities for environmental issues in FYE2024, continuing our unblemished record from FYE2023. We maintain regular and proactive engagement with the Department of Environment (DoE) to address any concerns and take prompt action to mitigate environmental issues to an acceptable level.

# SUSTAINABILITY STATEMENT

## (CONT'D)

### ECONOMIC AND GOVERNANCE COMMITMENT (CONT'D)

#### 7. Energy management

##### Related UNSDGs:

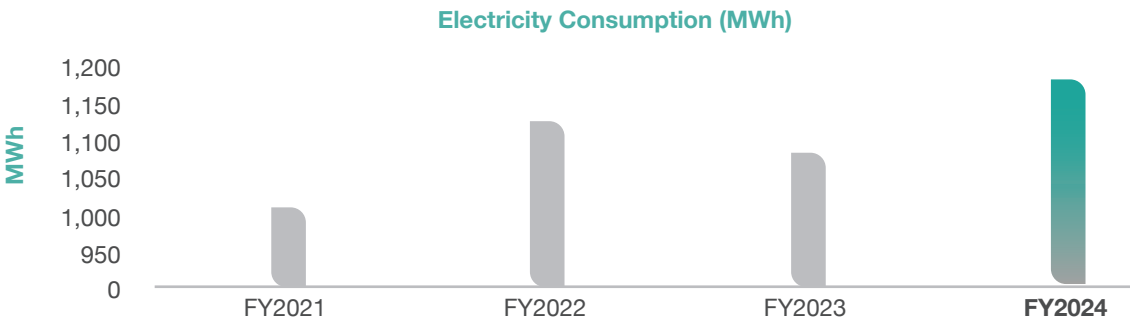


At JF Tech, we adopt a holistic approach to embedding sustainability practices into our daily operations and actively seek opportunities to prevent environmental pollution and conserve resources wherever possible. For instance, metal scraps generated from the production of test socket pins are fully recyclable. Additionally, our operations are designed to be environmentally responsible, as they do not emit harmful gases into the air or discharge hazardous effluents into the drainage system. Given the nature of our activities, we generate minimal industrial waste, significantly reducing the amount that ends up in landfills. Our commitment to sustainable operations is reflected in our efforts to minimise waste and maximise resource efficiency throughout our production processes.

##### Energy Consumption

In the FYE2024, we observed a substantial increase in electricity consumption, rising from approximately 1.080 million kWh to 1.179 million kWh. This increase was primarily due to the commencement of new operations at our recently completed facility during 2nd Half of FYE2024.

Below is a table that highlights the year-on-year energy consumption for the Group:



##### Energy Management and Sustainability Initiatives

The shift in our energy costs highlights the significant impact of policy changes on our financial sustainability. To address this challenge while maintaining our commitment to sustainability, we are actively exploring strategies to optimise energy usage, enhance efficiency and transition to alternative renewable energy sources. These efforts align not only with our environmental objectives but also ensure long-term cost savings, thereby reducing our exposure to fluctuating energy markets.

We are excited to announce a major step forward in our sustainability journey with our latest investment in a solar energy project. This initiative involves the installation of a 315 kWp solar system, which, upon completion, is expected to generate approximately 30% of our current energy consumption. The significance of this project extends beyond reducing our dependence on non-renewable energy sources; it also carries substantial environmental benefits. Once operational, the solar system is projected to reduce our carbon emissions by an estimated 461 tonnes annually. This aligns perfectly with our commitment to sustainability and our determination to address the pressing issue of climate change. Our team is diligently working to ensure the successful execution of this initiative, with the goal of completing it by the end of the financial year 2025.

**This initiative involves the installation of a 315 kWp solar system, which, upon completion, is expected to generate approximately 30% of our current energy consumption**

# SUSTAINABILITY STATEMENT (CONT'D)

## ECONOMIC AND GOVERNANCE COMMITMENT (CONT'D)

### 7. Energy management (Cont'd)

#### Energy Management and Sustainability Initiatives (Cont'd)

In our ongoing efforts to reduce our environmental footprint, we have also implemented several initiatives aimed at decreasing our overall electricity consumption:



**Energy-Efficient Office Equipment:** We have adopted energy-efficient photocopiers and computers equipped with power-saving settings. These features help minimise energy consumption during periods of inactivity, contributing to significant energy savings over time.



**Smart Energy Practices:** We actively promote a culture of energy consciousness by encouraging all employees to switch off lights, air conditioners and other electrical devices when not in use. This simple yet effective practice helps prevent unnecessary electricity consumption.



**Optimised Working Hours:** To further reduce electricity usage, we have implemented a policy of adhering to stipulated working hours. By synchronising work schedules with peak energy demand periods, we can minimise our overall electricity consumption and contribute to a more sustainable energy grid.



**Transition to LED Lighting:** We are committed to upgrading our lighting systems for greater energy efficiency. This includes the gradual replacement of conventional fluorescent lights with LED lighting, which not only consumes less electricity but also has a longer lifespan, thereby reducing maintenance and replacement costs.

These initiatives underscore our dedication to sustainability, both in minimising our environmental impact and optimising operational efficiency. By reducing our electricity consumption, we contribute to a greener future and demonstrate responsible corporate citizenship, in line with our commitment to a sustainable framework.

Additionally, we are proud to share that during the year, we were honored with the Silver Provisional Certification in the Industrial Facilities Category by GreenRE, recognising our commitment to green building excellence. We are dedicated to maintaining and further advancing this certification as we continue on our sustainable journey.

# SUSTAINABILITY STATEMENT

## (CONT'D)

### ECONOMIC AND GOVERNANCE COMMITMENT (CONT'D)

#### 8. Emissions

##### Related UNSDGs:



##### Carbon Emissions Management

In line with global best practices, we have identified our greenhouse gas (GHG) emission sources using the methodology outlined in the GHG Protocol and the GRI 305 Standards. These emissions have been classified as follows:

##### Scope 1 - Direct GHG Emissions

These are emissions directly controlled by JF Tech, including fugitive emissions from refrigerants such as R22 and R-410A, as well as emissions from company vehicles (calculated using a spend-based method).

##### Scope 2 - Indirect GHG Emissions

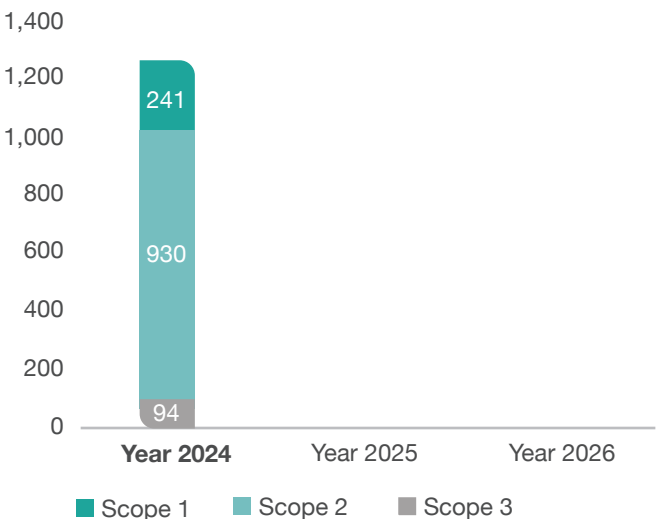
These emissions stem from imported energy, specifically the electricity purchased and consumed by JF Tech.

##### Scope 3 - Other Indirect GHG Emissions

These emissions occur within JF Tech's value chain and include employee commuting (calculated using a distance-based method) and business travel (calculated using a spend-based method).

By identifying and categorising our emissions in this manner, we are better equipped to manage and reduce our carbon footprint, furthering our commitment to environmental stewardship and sustainability.

Total Emissions by scope (TCO2-e)



# SUSTAINABILITY STATEMENT

## (CONT'D)

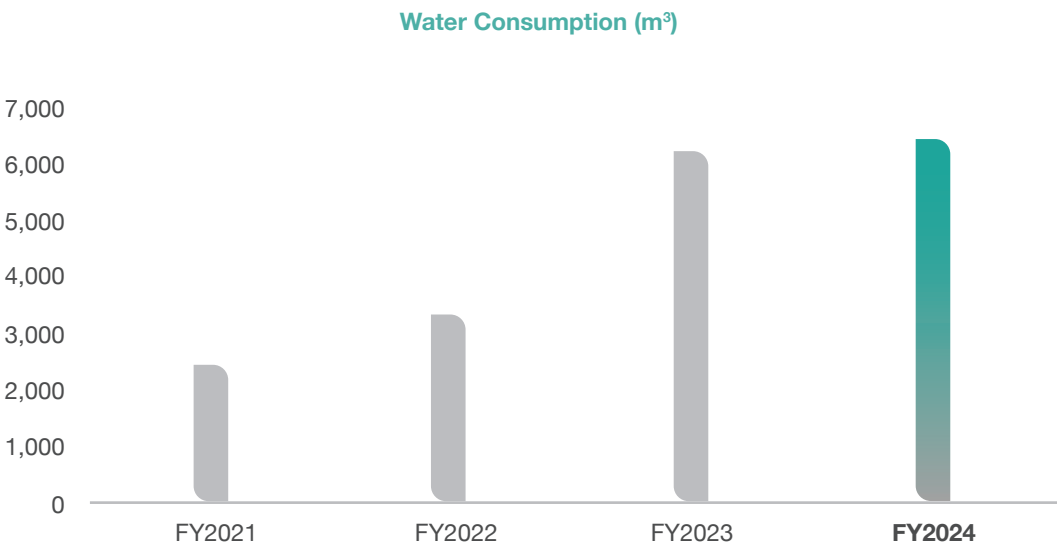
### ECONOMIC AND GOVERNANCE COMMITMENT (CONT'D)

#### 9. Water Management

##### Related UNSDGs:



At JF Tech, our commitment to sustainability extends beyond business operations to encompass our responsibility towards the environment and the communities in which we operate. A key component of our sustainability strategy is responsible water management within our factory operations. Although water conservation may not be our most immediate sustainability challenge, we remain dedicated to meticulously monitoring our water consumption and continually exploring opportunities to reduce it across our products and processes. Our year-on-year water consumption is detailed as follows:



In the FYE2024, our water consumption increased from approximately 6,278 m³ to 6,495 m³ due to increase in production capacity in China. As part of our ongoing commitment to sustainable water management, our upcoming facility will feature a state-of-the-art rainwater harvesting system. This system will collect and utilise rainwater for our internal factory operations and processes, further reducing our reliance on treated water supplies. This initiative underscores our dedication to environmental stewardship and aligns with our broader sustainability objectives.

# SUSTAINABILITY STATEMENT

## (CONT'D)

### ECONOMIC AND GOVERNANCE COMMITMENT (CONT'D)

#### 10. Waste Management

##### Related UNSDGs:



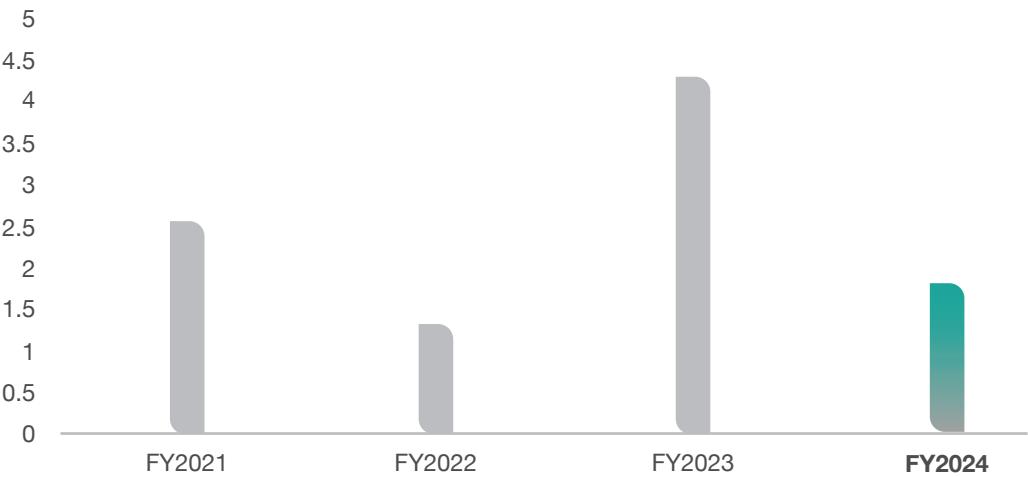
At JF Tech, we are steadfast in our commitment to sustainable waste management practices designed to minimise our environmental footprint. Our comprehensive approach includes strategies for waste reduction, material reuse, and responsible recycling. We are dedicated to ensuring that our waste is managed within an environmentally sound framework.

To address hazardous waste responsibly, we partner with specialised waste management companies that employ advanced methods such as incineration, recovery and washing. These practices ensure that hazardous materials are handled and disposed of safely, in full compliance with regulatory standards.

A key focus of our waste management strategy is the reduction of production waste. By minimising raw material wastage, we not only achieve cost savings but also reduce the expenses associated with waste disposal. Our emphasis on waste recovery and recycling activities allows us to significantly decrease the volume of waste directed to landfills and improve the efficiency of disposal processes.

In the FYE2024, we continued to uphold rigorous compliance with the Environmental Quality Act 1974 and the Environmental Quality (Scheduled Waste) Regulations 2005. Our dedication to responsible waste management is evident in our year-on-year progress, as detailed in the table below:

Scheduled waste generation (Metric Tonnes)



In the FYE2024, we observed a stable trend in scheduled waste generation, maintaining a level of 1.82 metric tonnes compared to FYE2023.

# SUSTAINABILITY STATEMENT (CONT'D)

## ECONOMIC AND GOVERNANCE COMMITMENT (CONT'D)

### 10. Waste Management (Cont'd)

Our commitment to sustainability extends to managing non-scheduled waste, where we focus on reducing our carbon footprint through material reduction, reuse and recycling efforts to minimise landfill contributions. We have implemented recycling programs to repurpose leftover materials from machining into other production processes. This initiative not only lowers production costs but also exemplifies our adherence to the Reduce, Reuse and Recycle (3R) Principle. Our employees are actively engaged in these efforts, understanding their crucial role in achieving our environmental objectives. Additionally, we collaborate with various vendors to ensure that our waste materials are collected and processed for recycling effectively. The following data reflects our recycling efforts for FYE2024:

Recycled Wastes (Non-Hazardouse)	Weight (kg)
Aluminium	261
BeCu	372
Metal	767
Brass Wire	1,038
Paper	100
Special Alloy	22
Stainless Steel	491
Disposed Wastes (Scheduled Wastes)	Weight (kg)
Scheduled Waste	1,825

While our commitment to sustainability is unwavering, the health and safety of our employees remain our top priority. We rigorously enforce the use of personal protective equipment (PPE) across all areas of our workplace, ensuring that safety measures are never compromised. Although this approach may increase disposable waste, we firmly believe it is crucial to safeguard the well-being of our team members.

As we look towards expanding our manufacturing capacity to meet future customer demands, we anticipate that waste management will present new challenges. Nonetheless, JF Tech is fully prepared and committed to advancing our sustainable waste management practices to align with our environmental goals. Our dedication to maintaining environmentally friendly practices in the workplace remains resolute.

### Social Commitment

At JF Tech, our foremost objective is to cultivate a nurturing, respectful and positive work environment where our employees can excel. We are dedicated to building a supportive community within our organisation, fostering strong relationships among colleagues. Our employees are integral to our success, contributing significantly to the delivery of exceptional products and services for our customers.

We prioritise the safety and well-being of our workforce by providing a secure and healthy workplace that promotes both physical and mental health. By fostering such an atmosphere, we aim to ensure that every employee feels protected and valued while fulfilling their responsibilities.



# SUSTAINABILITY STATEMENT

## (CONT'D)

### ECONOMIC AND GOVERNANCE COMMITMENT (CONT'D)

#### 11. Workforce Diversity and Equal Opportunities

##### Related UNSDGs:

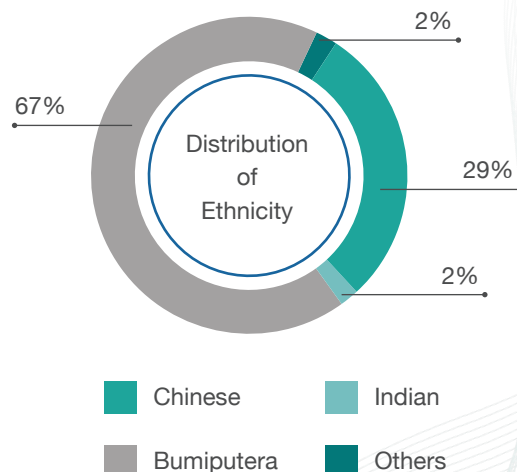
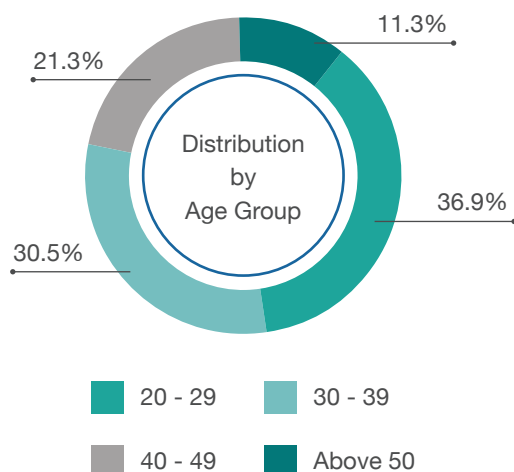
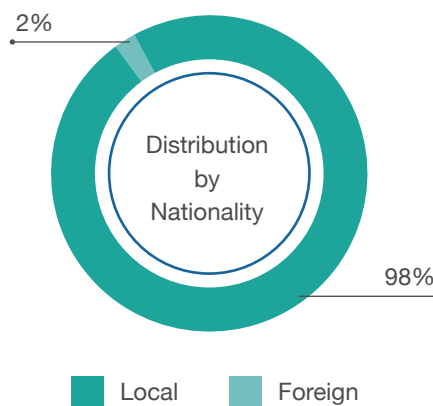
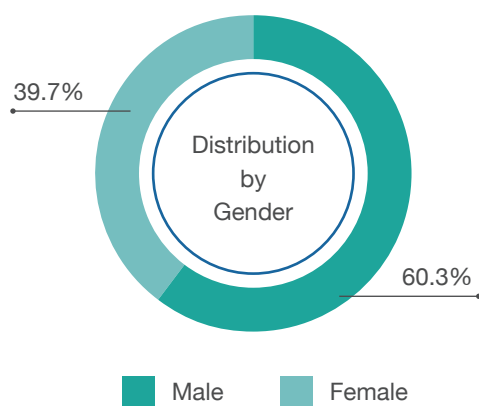


##### Diversity, Equity and Inclusion

At JF Tech, we prioritise Diversity, Equity and Inclusion (DEI) as core pillars of our organisational strategy, driving us towards a more dynamic, innovative and successful future. Our commitment to DEI profoundly impacts our employees, customers and the broader community, enhancing our corporate governance and overall success.

We recognise that our employees are our greatest assets. By fostering a diverse team with varied backgrounds, expertise and perspectives, we gain valuable insights that contribute to our long-term sustainability and competitive edge. A diverse workforce at JF Tech not only fuels innovation but also ignites creativity, offering us a distinct advantage in the industry.

Our goal in Malaysia operation is to bring together individuals from diverse backgrounds, beliefs and experiences in a respectful and inclusive environment. We are committed to providing equal employment opportunities to all, regardless of age, religion, marital status, gender, socioeconomic background or ethnicity. We empower each team member to excel by nurturing an environment that supports upskilling, personal growth and professional development.



# SUSTAINABILITY STATEMENT (CONT'D)

## ECONOMIC AND GOVERNANCE COMMITMENT (CONT'D)

### 11. Workforce Diversity and Equal Opportunities (Cont'd)

EMPLOYEE DISTRIBUTION	FYE2020	FYE2021	FYE2022	FYE2023	FYE2024
<b>By Gender</b>					
Male	59%	63%	60%	60%	60%
Female	41%	37%	40%	40%	40%
<b>By Nationality</b>					
Local	97%	98%	98%	98%	98%
Foreign	3%	2%	2%	2%	2%
<b>By Age Group</b>					
20 – 29 years old	43%	45%	41%	38%	37%
30 – 39 years old	25%	25%	28%	29%	31%
40 – 49 years old	18%	17%	19%	22%	21%
> 50 years old	14%	13%	12%	11%	11%
<b>By Ethnic Group</b>					
Bumiputera	40%	39%	42%	43%	67%
Chinese	38%	35%	34%	32%	29%
Indian	3%	8%	5%	4%	2%
Others	16%	18%	19%	21%	2%

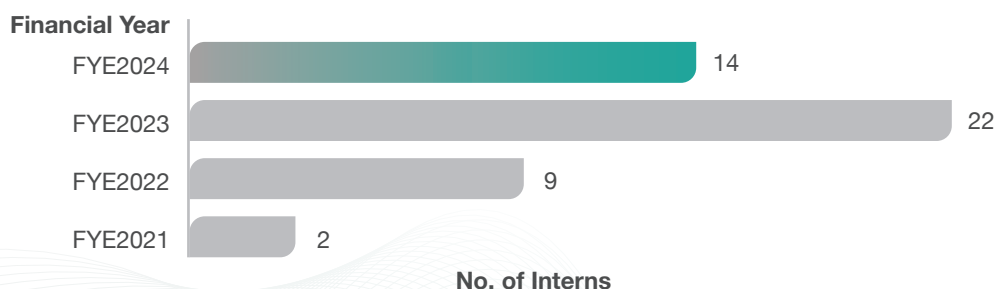
#### Supporting Local Talent

In alignment with the Federal Government's vision to enhance local talent and boost productivity, quality, management and entrepreneurship, JF Tech Malaysia operation is dedicated to hiring and supporting local talent. As of 30 June 2024, our Malaysia operation employs a total of 141 individuals, with 98% being local employees and only 2% being foreign. We are committed to nurturing and developing local talent, recognising their crucial role in driving our success.

#### Raising the next generation of achievers

##### Cultivating the Next Generation of Achievers

Over the past year, we have actively partnered with various local universities and institutions to recruit interns for industrial training and to hire recent graduates. Our in-house internship program offers invaluable hands-on experience to undergraduate students, with high-performing interns often receiving permanent positions with us. Currently, 36.9% of our workforce consists of young talent under the age of 30.



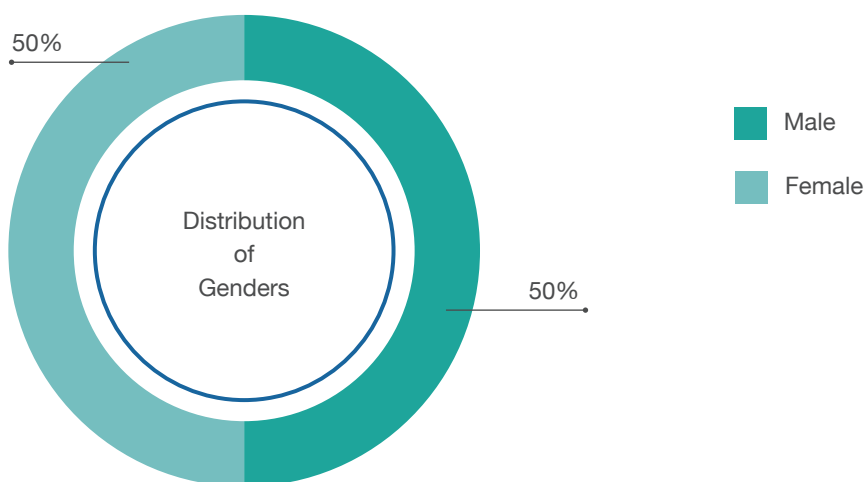
# SUSTAINABILITY STATEMENT (CONT'D)

## ECONOMIC AND GOVERNANCE COMMITMENT (CONT'D)

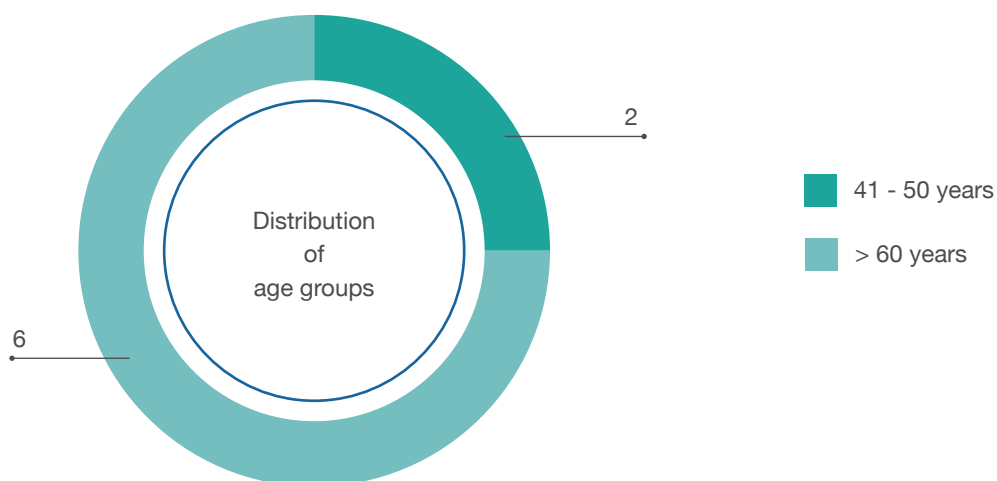
### 11. Workforce Diversity and Equal Opportunities (Cont'd)

#### Board of Directors

Our honorable board of directors consists of 4 males and 4 females. This sums up to 50% male and 50% female. Below is the pie chart indicating the distribution of genders of the board of directors.



The age group of these 8 individuals that are in the board of directors can be seen in the pie chart below. There are 2 individuals in the age group of 41 to 50 years. There are a total of 6 individuals in the age group of 60 and above.

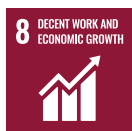


# SUSTAINABILITY STATEMENT (CONT'D)

## ECONOMIC AND GOVERNANCE COMMITMENT (CONT'D)

### 12. Labour practices and standards

#### Related UNSDGs:



At JF Tech, we are dedicated to fostering continuous improvement, skill enhancement and innovation, which are vital to our commitment to superior service, product quality, customer satisfaction and fiscal responsibility. Our core principles for Employee Development and Talent Management include:



**Adaptability:** We empower our employees to navigate the evolving demands of the industry, aligning their growth with the Group's strategic objectives.



**Skill Enhancement:** We are committed to advancing our employees' skills by expanding and deepening their existing competencies.



**Continuous Learning:** We promote a culture of continuous learning and development, helping employees excel in their roles, enhancing motivation and improving retention.



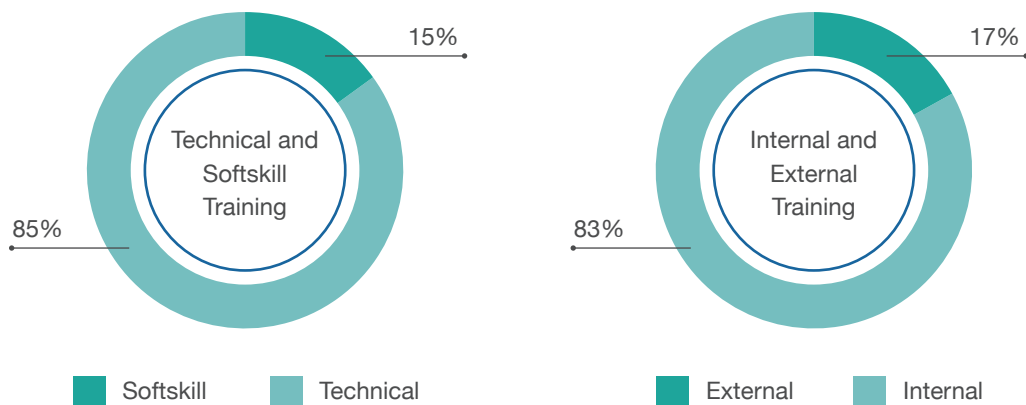
**Personal Ownership:** We encourage employees to take proactive ownership of their personal development, including assessing their skills, identifying areas for growth and leveraging the supportive framework provided by the Group.

JF Tech Malaysia operation is dedicated to providing equal access to a diverse range of developmental opportunities, including assignments, programs and courses tailored to individual performance, roles and potential. Our comprehensive training and development initiatives encompass seminars, workshops, courses, talks, forums, continuing education, coaching, mentoring and other beneficial activities as determined by the company.

# SUSTAINABILITY STATEMENT (CONT'D)

## ECONOMIC AND GOVERNANCE COMMITMENT (CONT'D)

### 12. Labour practices and standards (Cont'd)



In the FYE2024, internal training accounted for 83% of our total training efforts, while external training represented 17%. Of the training conducted, 85% focused on technical skills development, aimed at enhancing employee competencies, with the remaining 15% dedicated to soft skills training. On average, each employee received 12 hours of training during the financial year. At JF Tech, we are committed to nurturing our talent to realise their full potential and prepare them for future roles.

The following are internal and external training hours recorded in FYE2024 in comparison to the previous years:

TRAINING	FYE2020	FYE2021	FYE2022	FYE2023	FYE2024
<b>Training Provider</b>					
Internal	81%	85%	70%	25%	83%
External	19%	15%	30%	75%	17%
<b>Types of Training</b>					
Technical Skills	82%	54%	61%	91%	85%
Soft Skills	18%	46%	39%	9%	15%
<b>Total Training Hours</b>	<b>1,340</b>	<b>747</b>	<b>530</b>	<b>1,875</b>	<b>1,712</b>
Average Training Hour Per Employee	12	6	4	14	12

In FYE2021 and FYE2022, we reduced total training hours to minimise physical contact among employees in response to the COVID-19 pandemic. However, in FYE2024, we significantly increased training hours to 1,712, underscoring our commitment to employee growth and career advancement. This investment not only fosters a sense of loyalty among our employees but also encourages their development in tandem with the organisation's progress, as we move forward together as a unified team.

**in FYE2024, we significantly increased training hours to 1,712, underscoring our commitment to employee growth and career advancement**

# SUSTAINABILITY STATEMENT (CONT'D)

## ECONOMIC AND GOVERNANCE COMMITMENT (CONT'D)

### 12. Labour practices and standards (Cont'd)



#### Succession Planning

JF Tech is dedicated to proactively identifying and cultivating internal talent to seamlessly transition into key leadership and critical roles as they become available due to retirement, promotions or other changes. We focus on developing high-potential individuals by providing essential leadership training, technical expertise and critical competencies. Our development process encompasses comprehensive training programs, mentoring and strategic career path planning to ensure our future leaders are well-prepared.

#### Talent Acquisition and Onboarding for New Hires

At JF Tech, we base all hiring decisions on merit and attitude, ensuring a rigorous evaluation and scoring of candidates' skills, experience and values to maintain a fair and unbiased recruitment process. Our effective induction program supports the onboarding of new employees and facilitates smooth transitions for those advancing to new roles within the company. Line Managers play a crucial role in monitoring the progress of new team members, ensuring that development needs are identified and addressed promptly.

# SUSTAINABILITY STATEMENT

## (CONT'D)

### ECONOMIC AND GOVERNANCE COMMITMENT (CONT'D)

#### 12. Labour practices and standards (Cont'd)

##### Employee Retention and Attrition

Employee retention is vital for cost savings, enhanced productivity and a robust organisational culture. At JF Tech, we are committed to retaining and developing our team by remaining competitive through market benchmarking. We recognise that effective retention requires a holistic approach, encompassing all aspects of the employee experience. Our ongoing efforts include actively listening to employees, addressing their concerns and continuously improving our work environment and company culture.

Our positive employee growth rate demonstrates our success in hiring more employees than we lose to attrition or other factors, reflecting our commitment to fostering a thriving and engaged workforce.

	Unit	FYE2021	FYE2022	FYE2023	FYE2024
Number of Employees	Pax	124	130	134	141
Year-on-year Employee Growth Rate	%	11.7	4.8	3.1	5.2

With our dedicated focus on employee development and talent retention, we have successfully reduced our turnover rate from 16% in FYE2023 to 11% in FYE2024. JF Tech remains committed to implementing retention strategies that foster a more engaged and loyal workforce. Our ongoing hiring initiatives are designed to support and sustain the production levels necessary for our operations, ensuring continued growth and stability.

Year	Total Number of New Hires	Overall New Hire Rate (%)
FYE2021	22	19
FYE2022	38	32
FYE2023	25	19
FYE2024	24	16

Year	Total Number of Employee Turnover	Overall Turnover Rate (%)
FYE2021	9	8
FYE2022	32	27
FYE2023	21	16
FYE2024	16	11

# SUSTAINABILITY STATEMENT

## (CONT'D)

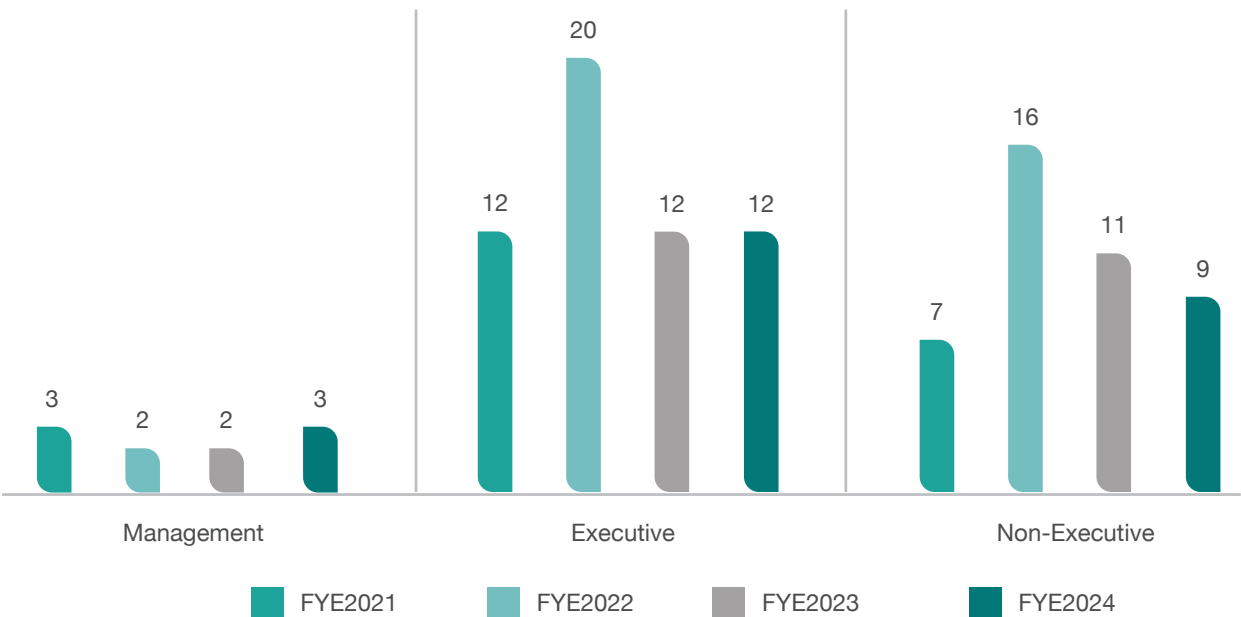
### ECONOMIC AND GOVERNANCE COMMITMENT (CONT'D)

#### 12. Labour practices and standards (Cont'd)

##### Employee Retention and Attrition (Cont'd)

Employee retention is vital for cost savings, enhanced productivity and a robust organisational culture. At JF Tech, For FYE2024, we observed that the Executive level remains the largest demographic in both turnover and new hires. This trend reflects their early career stage, where individuals are often exploring new opportunities and career advancements.

Employee Category	Total Number of New Hires			
	FYE2021	FYE2022	FYE2023	FYE2024
Management	3	2	2	3
Executive	12	20	12	12
Non-Executive	7	16	11	9
<b>Total</b>	<b>22</b>	<b>38</b>	<b>25</b>	<b>24</b>



# SUSTAINABILITY STATEMENT

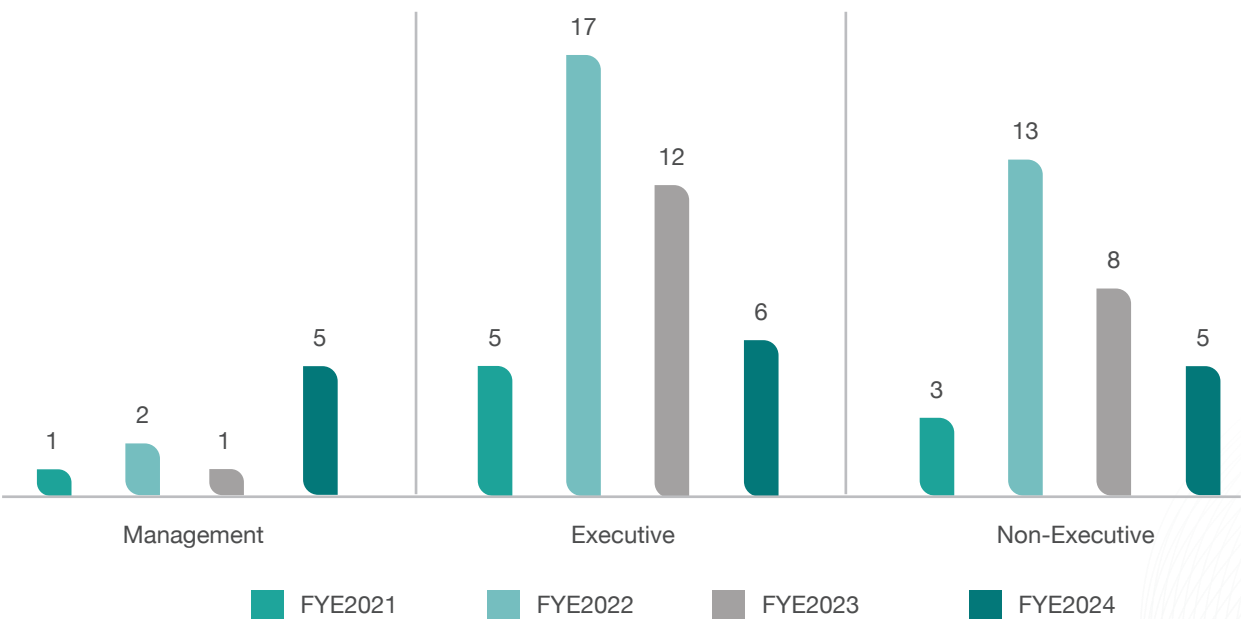
## (CONT'D)

### ECONOMIC AND GOVERNANCE COMMITMENT (CONT'D)

#### 12. Labour practices and standards (Cont'd)

##### Employee Retention and Attrition (Cont'd)

Employee Category	Total Number of Employee Turnover			
	FYE2021	FYE2022	FYE2023	FYE2024
Management	1	2	1	5
Executive	5	17	12	6
Non-Executive	3	13	8	5
<b>Total</b>	<b>9</b>	<b>32</b>	<b>21</b>	<b>16</b>



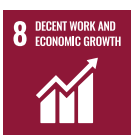
At JF Tech, we place a high value on employee feedback and actively encourage the submission of Opportunities for Improvement (OFIs) from our team. Management meticulously reviews these suggestions to refine and enhance our current practices. We understand that employee engagement is essential, as it embodies the emotional commitment, enthusiasm and dedication our employees contribute to their work and the organisation. By fostering a robust engagement culture, we aim to boost morale, reduce turnover and cultivate a strong sense of belonging and camaraderie among our team members.

# SUSTAINABILITY STATEMENT (CONT'D)

## ECONOMIC AND GOVERNANCE COMMITMENT (CONT'D)

### 13. Occupational Safety and Health ("OSH")

#### Related UNSDGs:



JF Tech is committed to adopting best practices in industrial safety and health to ensure a safe working environment that meets or exceeds all legal and regulatory requirements. We are dedicated to the continual improvement of our Occupational Safety and Health (OSH) performance, guided by the following core principles:



#### **Prevention of Injuries and Ill-Health:**

All injuries and health issues can be effectively prevented.



#### **Hazard Control:**

All workplace hazards can be managed and controlled.



#### **Safe Working Conditions:**

Safe working practices are a fundamental condition of employment.



#### **Shared Responsibility:**

Safety is a collective responsibility, with every individual accountable for upholding safety standards.



#### **Ongoing Training and Communication:**

Comprehensive training and communication are essential to ensure safe working practices.

Our OSH Committee, comprised of key personnel from various departments, is dedicated to safeguarding, managing, discussing and reporting on safety, health and environmental issues. The Committee conducts quarterly meetings to regulate safety programs, address incidents and implement prevention measures. For FYE2024, a total of four meetings were held.

We are committed to preventing incidents that pose risks to our employees and strive to achieve zero fatalities. We are proud to report that this target has been successfully met for the financial year. Any incidents are thoroughly reviewed to identify and address root causes, with immediate corrective actions taken. Our safety control measures are reinforced through ongoing training and retraining, focusing on the effective use of personal protective equipment to minimise future risks.

The collective efforts of our OSH Committee have been instrumental in maintaining a workplace free from major safety or health-related incidents throughout the year.

# SUSTAINABILITY STATEMENT (CONT'D)

## ECONOMIC AND GOVERNANCE COMMITMENT (CONT'D)

### 14. Contribution to Community and society

#### Related UNSDGs:



JF Tech is committed to operating with the highest ethical standards, fostering fair dealings and making meaningful contributions to marginalised communities. We believe in positively impacting lives by collaborating with non-profit organisations, social enterprises, educational institutions, healthcare providers and other like-minded entities to enhance the holistic well-being of underprivileged communities, particularly in the areas of health, social and economic conditions.

In FYE2024, our community contributions included:

#### Sports Promotion

Association of the Malaysian Alumni of the International Science Olympiads (AMISO) - JF Tech actively supports and enhances the standard of sports in our country, particularly in badminton, through various donation and sponsorship programs.

#### Educational Partnerships and Internships

UTAR Education Foundation - We partnered with local universities and colleges to foster local talent and support youth development. Our collaboration provides valuable learning and working opportunities through industrial training programs. Several interns who joined us through these programs have transitioned into permanent roles, such as Mechanical Design Engineers, Test Development Engineers and Manufacturing Engineers, contributing to their professional growth and the broader economic advancement.

#### Women: JF Tech contributed to Khadijah International WAQF(L) Foundation

JF Tech supported the Khadijah International WAQF(L) Foundation by sponsoring their strategic initiative, the 'Sahabat Sungai Hulu Langat' project. This initiative aims to raise awareness and foster a sense of shared responsibility for environmental preservation while simultaneously collecting waste for recycling.

#### Health: UOB Global Heartbeat Run Fundraiser

This fundraiser's aim was to help support the social advancement of the people whereby they focus and work through the central area of Art, Children and Education. The purpose of this fundraiser aligns with JF Tech, hence, our contribution to this fundraiser. We believe that Children and Education are what molds the future ahead and we recognise this fact.

# SUSTAINABILITY STATEMENT (CONT'D)

## ECONOMIC AND GOVERNANCE COMMITMENT (CONT'D)

### 14. Contribution to Community and society (Cont'd)

#### Gym facilities

We provided for our employees here at JF Tech. We would like to encourage our employees to focus on their health besides being committed to their respective roles and jobs. We would like our employees to prioritise their health. We have a well-equipped gym for them to exercise. Exercise releases stress and we know that this facility can benefit our employees which can drive success for JF Tech as our employees are healthy and well.



#### Ping-Pong Facilities

We believe exercise and health is important. However, bonding between employees is as important as it cultivates friendship and trustworthiness. Time away from the desktop is essential to provide a direction and work results that are more productive. Ping-pong is a great way to enhance their skills in a sport, increase productivity of work and build and maintain friendships.



# SUSTAINABILITY STATEMENT (CONT'D)

## ECONOMIC AND GOVERNANCE COMMITMENT (CONT'D)

### 14. Contribution to Community and society (Cont'd)

#### Auditorium Facilities

We have built an auditorium which can facilitate trainings, talks, events and many more. This auditorium is well equipped with a big screen for projection, sound system, cushioned walls, tables and chairs. This auditorium is built to ensure our employees and visitors are comfortable and well served with up-to-date facilities.



#### Moving Forward

The Group acknowledges that our success extends beyond financial performance. We are committed to enhancing stakeholder value by continually improving our initiatives to grow sustainably, strengthen our operations and play a vital role in environmental stewardship and community development.

This Statement has not undergone any specific review by the internal auditors or external independent parties. The Group has included the review of sustainability governance, framework and policies in its Internal Audit plan for the FY2026 to strengthen the credibility of this Statement in the future.

# SUSTAINABILITY STATEMENT (CONT'D)

Indicator	Measurement Unit	2024
<b>Bursa (Supply chain management)</b>		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	75.50
<b>Bursa (Anti-corruption)</b>		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	8.50
Executive/Engineer	Percentage	32.70
Non-executive/Technical Staff	Percentage	41.20
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	50.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
<b>Bursa (Data privacy and security)</b>		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
<b>Bursa (Energy management)</b>		
Bursa C4(a) Total energy consumption	Megawatt	1,179.00
<b>Bursa (Water)</b>		
Bursa C9(a) Total volume of water used	Megalitres	6.500000
<b>Bursa (Diversity)</b>		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		

(\*) Restated

No assurance

Internal assurance

External assurance

# SUSTAINABILITY STATEMENT (CONT'D)

Indicator	Measurement Unit	2024
Age Group by Employee Category		
Management Under 30	Percentage	0.00
Management Between 30-39	Percentage	5.60
Management Between 40-49	Percentage	50.00
Management 50 and Above	Percentage	44.40
Executive/Engineer Under 30	Percentage	44.40
Executive/Engineer Between 30-39	Percentage	48.10
Executive/Engineer Between 40-49	Percentage	5.60
Executive/Engineer 50 and Above	Percentage	1.90
Non-executive/Technical Staff Under 30	Percentage	39.80
Non-executive/Technical Staff Between 30-39	Percentage	26.90
Non-executive/Technical Staff Between 40-49	Percentage	23.70
Non-executive/Technical Staff 50 and Above	Percentage	9.70
Gender Group by Employee Category		
Management Male	Percentage	88.90
Management Female	Percentage	11.10
Executive/Engineer Male	Percentage	61.10
Executive/Engineer Female	Percentage	38.90
Non-executive/Technical Staff Male	Percentage	58.10
Non-executive/Technical Staff Female	Percentage	41.90
		(*) Restated
		No assurance
		External assurance
		Internal assurance

# SUSTAINABILITY STATEMENT (CONT'D)

Indicator	Measurement Unit	2024
<b>Bursa C3(b) Percentage of directors by gender and age group</b>		
Male	Percentage	50.00
Female	Percentage	50.00
Under 30	Percentage	0.00
Between 30-39	Percentage	0.00
Between 40-49	Percentage	25.00
50 and Above	Percentage	75.00
<b>Bursa (Labour practices and standards)</b>		
<b>Bursa C6(a) Total hours of training by employee category</b>		
Management	Hours	738
Executive/Engineer	Hours	717
Non-executive/Technical Staff	Hours	398
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	1.00
<b>Bursa C6(c) Total number of employee turnover by employee category</b>		
Management	Number	4
Executive/Engineer	Number	7
Non-executive/Technical Staff	Number	5
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
<b>Bursa (Health and safety)</b>		
<b>Bursa C7(a) Number of occupational accidents and incidents</b>		
Internal assurance	External assurance	No assurance

(\*) Restated

# SUSTAINABILITY STATEMENT

## (CONT'D)

Indicator	Measurement Unit	2024
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	165
<b>Bursa (Community/Society)</b>		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	14,035.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	6
<div> <div>Internal assurance</div> <div>External assurance</div> <div>No assurance</div> <div>(*) Restated</div> </div>		

# BOARD OF DIRECTORS' PROFILE

## DATUK PHANG AH TONG INDEPENDENT NON-EXECUTIVE CHAIRMAN



Male



Malaysian



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**Datuk Phang Ah Tong** was appointed as an Independent Non-Executive Chairman of JF Technology Berhad (“**JF Tech**”) on 1 January 2018 and had attended all five (5) Board of Directors’ meetings held during the financial year ended 30 June 2024.

Datuk Phang obtained his Economics Degree from the University of Malaya in 1981.

Datuk Phang had a distinguished career in the civil service of Malaysia, spanning thirty-six (36) years in promoting foreign and domestic investment. As the ex-Deputy Chief Executive Officer of the Malaysian Investment Development Authority (“**MIDA**”), he has assisted to develop the manufacturing and services sectors in Malaysia.

Starting in 1981 as an Economist in MIDA, Datuk Phang was the Assistant Trade Commissioner for MIDA London and Director of MIDA New York. Upon returning to MIDA Headquarters, he was appointed Director of Foreign Direct Investment (“**FDI**”), overseeing the promotion of global FDI in Malaysia.

Datuk Phang was also involved in organising and participating in many Trade and Investment Missions overseas led by either the Prime Minister or Ministers of International Trade and Industry. His distinguished contribution in these capacities led to his appointment as the Deputy Chief Executive Officer of MIDA in 2013.

Datuk Phang played an active role in shaping the economic landscape of Malaysia through his involvement in the formulation of the 1st Industrial Master Plan 1 (1986 - 1995) and the 11th Malaysian Plan for the manufacturing sector and Economic Transformation Programme as well as the various industrial roadmaps and blueprints. This included the Malaysian Aerospace Industry Blueprint 2030 and the Malaysian Solar PV Roadmap 2030.

Datuk Phang also provided insights into the development and implementation of various key business policies in his roles as the Chairman of the Technical Committee on Expatriate Posts, Committee Member of the National Committee on Investment and Committee for Disbursement and Coordination of Grant.

Datuk Phang also sits on the Board of Inari Amertron Berhad (a company listed on the Main Market of Bursa Malaysia Securities Berhad [“**Bursa Malaysia Securities**”]), Apex Healthcare Berhad (a company listed on the Main Market of Bursa Malaysia Securities), Media Prima Berhad (a company listed on the Main Market of Bursa Malaysia Securities), Cosmos Technology International Berhad (a company listed on the ACE Market of Bursa Malaysia Securities) and United Overseas Bank (Malaysia) Bhd. (a non-listed public company) as an Independent Non-Executive Director.

Datuk Phang is the Chairman of Novugen Pharma (Malaysia) Sdn. Bhd. and Oncogen Pharma (Malaysia) Sdn. Bhd., which are non-listed private companies, and also a Chairman of Malaysia Automotive Robotics and IoT Institute (MARii), which is an agency under the Ministry of Investment, Trade and Industry (“**MITI**”) (formerly known as Ministry of International Trade and Industry).

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

### DATO' FOONG WEI KUONG MANAGING DIRECTOR



Male



Malaysian



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**Dato' Foong Wei Kuong** was appointed as the Executive Chairman and Managing Director of JF Tech on 18 January 2008. On 1 January 2018, Dato' Foong had been re-designated as Managing Director of JF Tech. He had attended all five (5) Board of Directors' meetings held during the financial year ended 30 June 2024.

Dato' Foong is also the co-founder of JF Tech. He has more than forty (40) years of professional working experience, of which more than twenty (20) years of experience are in the semiconductor industry.

Dato' Foong started his career in 1980 in the industrial products business. Over the next nineteen (19) years, he honed his skills and developed in-depth technical and business knowledge, as well as management skills. His talent and hard work were recognised as he worked his way up across several organisations, including a stint in Indonesia.

Dato' Foong portrayed entrepreneurial spirit by adopting a growth mindset early on by taking risks and embracing challenges by switching industry mid-career. In 1999, he decided to venture out and established J Foong Technologies Sdn. Bhd. ("**J Foong**") with his wife to manufacture and trade electronic product components. It was tough initially, but he persevered through sheer grit, learned quickly, and eventually mastered the trade.

Subsequently, in 2005, he set up JF Microtechnology Sdn. Bhd. ("**JFM**") to expand his business focus to include the design, development, custom manufacture and sale of integrated circuit test sockets and related solutions for the semiconductor and electronics assembly markets.

Through Dato' Foong's business acumen, innovative mindset and hard work, he has successfully transformed JF Tech and its subsidiaries ("**Group**") from an Original Equipment Manufacturer (OEM) to an Original Design Manufacturer (ODM), culminating in JF Tech's public listing on Bursa Malaysia Securities in 2008. He has been instrumental in JF Tech's journey in moving up the semiconductor value chain.

Dato' Foong's entrepreneurial spirit, innovative mindset, and unwavering determination have earned him the prestigious title of EY Technology of the Year 2021, EY Entrepreneur Of The Year 2023 Malaysia and named the winner of the Master Entrepreneur category. He proudly represented the country on the international stage, competing for the EY World Entrepreneur of the Year 2024 award in Monte Carlo, Monaco, in June 2024.

Dato' Foong has always placed a strong emphasis on the importance of research & development ("**R&D**"). As a joint inventor, he has to-date, one hundred and two (102) patents registered in various countries. Today, Dato' Foong continues to lead JF Tech as the Managing Director, overseeing the overall vision, direction and business strategies of the Group, steering the way forward and toward the next level.

Dato' Foong is not a Director of any other public company or listed company.

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

### DATIN WANG MEI LING EXECUTIVE DIRECTOR



Female



Malaysian



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**Datin Wang Mei Ling** was appointed as an Executive Director of JF Tech on 18 January 2008 and attended all five (5) Board of Directors' meetings held during the financial year ended 30 June 2024.

Datin Wang obtained her LCCI Higher Accounting in 1984. In 1976, she started her career as an auditor with Messrs. Loh Piang Wong & Co. She subsequently joined Times Educational Corporation Sdn. Bhd. as an Accounts Assistant in 1979. In 1981, she joined Syarikat Pembinaan Raya Sdn. Bhd. as an Accounts Supervisor. She left Syarikat Pembinaan Raya Sdn. Bhd. to join Pati Ho Hup Sdn. Bhd. as an Accounts Executive from 1990 until 1994. In 1999, she founded J Foong together with Dato' Foong Wei Kuong and was then involved in the day-to-day operations of J Foong as an Administration and Finance Manager. She subsequently founded JFM with Dato' Foong Wei Kuong in 2005 and was then active in the operation of JFM as a Finance Director. Currently, she oversees the human resources and general administrative activities of the Group.

Datin Wang is not a Director of any other public company or listed company.

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

### GOH KOK SING EXECUTIVE DIRECTOR



Male



Malaysian



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**Mr. Goh Kok Sing** was appointed as an Executive Director of JF Tech on 18 January 2008 and attended all five (5) Board of Directors' meetings held during the financial year ended 30 June 2024.

Mr. Goh started his career in 1983 as a Computer Engineer at NCR (M) Sdn. Bhd. Subsequently, he joined Henkel (M) Sdn. Bhd. as a Regional Manager overseeing the technical division for the Asia Pacific in 1991. During his twelve (12) years tenure there, he was responsible to provide technical support to multinational customers and other printed circuit board assembly houses and manufacturers. He was also involved in product and manufacturing process development.

Following the accumulation of vast experience in the industry, Mr. Goh left Henkel (M) Sdn. Bhd. in 2003 and founded his own business, Amtech Electronics, which was subsequently converted into a private limited company, AMT Electronics Sdn. Bhd. in 2006. The major activities of AMT Electronics Sdn. Bhd. are in electronic and printed circuit board designs, product development and manufacturing of electronics controllers and sensors for medical equipment.

In July 2006, Mr. Goh was employed as the Chief Technical Officer of J Foong, where he was instrumental in carrying out the R&D of the products. Currently, he leads the technical team of the Group and is responsible for setting the overall technology direction and R&D efforts of the Group in line with the overall strategies of the Group. He is also responsible for identifying new fields of research for future product development.

Mr. Goh is not a Director of any other public company or listed company.

# BOARD OF DIRECTORS' PROFILE (CONT'D)

## KOAY KAH EE

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR



Male



Malaysian



65

**Mr. Koay Kah Ee** was appointed as an Independent Non-Executive Director of JF Tech on 18 January 2008. He was subsequently re-designated as a Senior Independent Non-Executive Director of JF Tech on 21 October 2010. On 27 October 2022, Mr. Koay was re-designated as a Non-Independent Non-Executive Director of JF Tech. He attended all five (5) Board of Directors' meetings held during the financial year ended 30 June 2024.

Mr. Koay holds a Master in Business Administration (MBA) from the University of Strathclyde, United Kingdom ("**UK**"). He is a fellow member of the Chartered Institute of Management Accountants (CIMA), UK, a fellow member of the Australian Certified Practising Accountants (CPA Australia), a Chartered Accountant (CA) of the Malaysian Institute of Accountants (MIA) and a Chartered Global Management Accountants (CGMA).

Mr. Koay previously served as a member of the SOCSO Appellate Board (JRKS) for the Selangor region from March 2018 to December 2022 and as a member of the Employer Panel of the Industrial Court Malaysia from January 2013 to December 2015 and from February 2016 to February 2019. He was also the Group Finance Director of a company listed on the Main Market of Bursa Malaysia Securities until his retirement in December 2022.

Mr. Koay sits on the Board of Tashin Holdings Berhad (a company listed on the ACE Market of Bursa Malaysia Securities) as a Non-Independent Non-Executive Director. Mr Koay also sits on the Board of PMCK Berhad (formerly known as Unique Luxury Holdings Sdn. Bhd.), a public company involved in the healthcare business.

Mr. Koay is a member of the Remuneration Committee and Nomination Committee of JF Tech.

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

### CHONG KUR SEN INDEPENDENT NON-EXECUTIVE DIRECTOR



Female



Malaysian



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**Ms. Chong Kur Sen** was appointed as an Independent Non-Executive Director of JF Tech on 1 August 2022 and attended all five (5) Board of Directors' meetings held during the financial year ended 30 June 2024.

Ms. Chong graduated with a Bachelor of Laws with Honours from Universiti Malaya in April 2001. In March 2002, she was admitted as an Advocate and Solicitor in the High Court of Malaya and has been a member of the Bar Council Malaysia since then.

Ms. Chong has over nineteen (19) years of experience in the legal profession. Upon her graduation, she commenced her pupillage in Messrs. Tan Chuan Yong & S.M. Chan in June 2001, where she was exposed to conveyancing and litigation matters. After being admitted as an Advocate and Solicitor in the High Court of Malaya, she continued practicing in Messrs. Tan Chuan Yong & S.M. Chan as a legal assistant until February 2004.

She left Messrs. Tan Chuan Yong & S.M. Chan and then joined Messrs. Abraham Ooi & Partners as a legal assistant in February 2004 and was subsequently made a partner of the firm in June 2006. Throughout her time with the firm, she was involved in handling sales and purchase of real property matters, preparing loan documentation and advising financial institutions, overseeing project-based legal documents for major developments, and managing legal assistants and secretaries of the firm.

Upon her resignation from Messrs. Abraham Ooi & Partners in June 2011, she then set up her own legal firm, Messrs. Kur Sen Chong & Co. (now known as Messrs. Kur Sen Chong & Yap) in July 2011. Being the Managing Partner of the firm, her expertise spans from drafting sale and purchase agreements, loan agreements, corporate and commercial contracts, land dealings, and family and estate matters.

Ms. Chong sits on the Board of Cosmos Technology International Berhad (a company listed on the ACE Market of Bursa Malaysia Securities) as an Independent Non-Executive Director.

Ms. Chong is the Chairperson of the Nomination Committee and a member of the Remuneration Committee and Audit Committee of JF Tech.

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

### CHUA HUI CHEN INDEPENDENT NON-EXECUTIVE DIRECTOR



Female



Malaysian



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**Madam Chua Hui Chen** was appointed as an Independent Non-Executive Director of JF Tech on 1 August 2022 and had attended all five (5) Board of Directors' meetings held during the financial year ended 30 June 2024.

Madam Chua was admitted as an affiliate of the Association of Chartered Certified Accountants ("ACCA") in December 2001. She became a Member of ACCA in April 2003 and was subsequently made a Fellow Member of ACCA in April 2008. She has also been a member of the MIA since May 2006. She then graduated and became a member of the Chartered Tax Institute of Malaysia (formerly known as the Malaysian Institute of Taxation) in June 2007, where she was then admitted as an Associate in July 2015.

Madam Chua began her career as an Accounts Executive in a private limited company in March 1996, where she was responsible for human resources management and handling of the accounts of the company.

She left the company in November 2002 and joined Messrs. K.S. Hoo & Co. as an Audit Associate in December 2002, where she was involved in auditing and taxation. She was subsequently promoted to Senior Audit Manager in January 2010, where she was responsible for monitoring and leading the team on auditing and taxation assignments. She was further promoted in January 2015 to the position of Head of the Audit Department, a position she assumes to the present date. Her responsibilities at Messrs. K.S. Hoo & Co. and K.S. Hoo Taxation Services Sdn. Bhd. include planning the firm's business strategy, setting the business direction of managing the operations of the firm, and being accountable for the firm's profit and loss.

Madam Chua sits on the Board of Cosmos Technology International Berhad (a company listed on the ACE Market of Bursa Malaysia Securities) as an Independent Non-Executive Director.

Madam Chua is the Chairperson of the Audit Committee and a member of the Remuneration Committee and Nomination Committee of JF Tech.

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

### JAMILAH BINTI KAMAL INDEPENDENT NON-EXECUTIVE DIRECTOR



Female



Malaysian



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Puan Jamilah binti Kamal was appointed as an Independent Non-Executive Director of JF Tech on 30 September 2022 and had attended all five (5) Board of Directors' meetings held during the financial year ended 30 June 2024.

Puan Jamilah obtained her BA Honours in Economics in 1985 from Carleton University, Ottawa, Ontario, Canada.

Puan Jamilah started her career in 1985 with Tenaga Nasional Berhad ("TNB") in various departments, from the commercial department to the marketing and distribution division. From 2000 to 2014, Puan Jamilah was seconded to MIDA as TNB's representative to deal with matters related to electricity supply to existing and potential, local and foreign investors and participated in Trade and Investment missions abroad organised by MIDA, led by the Minister of MITI to major investment cities in Europe, UK, United States of America and Australia.

Puan Jamilah became the General Manager/ Head of Regulatory & Stakeholder Management in 2014. She was instrumental in shaping favourable regulatory outcomes and produced insightful industry and energy analyses to ensure TNB's strategic advantage and business sustainability, working closely with Government agencies such as MIDA, the Energy Commission, the Ministry of Energy, the Economic Planning Unit, and industry players such as FMM, MICCI, AMCHAM, MISIF, FOMCA, and C & CA. She was involved in the program for the implementation of Advanced Metering Infrastructure (AMI)/Smart Meters for eleven (11) months before her retirement in January 2022, after a long-distinguished career with TNB.

Puan Jamilah sits on the Board of ILB Group Berhad (a company listed on the Main Market of Bursa Malaysia Securities) as an Independent Non-Executive Director.

Puan Jamilah is the Chairperson of the Remuneration Committee and a member of the Audit Committee and Nomination Committee of JF Tech.

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

### LEE ENG KIAT

ALTERNATE DIRECTOR TO DATO' FOONG WEI KUONG



Male



Malaysian



40

**Mr. Lee Eng Kiat** was appointed as an Alternate Director to Dato' Foong Wei Kuong on 1 July 2024.

Mr. Lee joined JF Tech as a Mechanical Design Engineer in November 2008. He graduated with a first-class honour Bachelor's Degree in Mechanical Engineering from the University of Malaya in 2008. In 2021, he received a Master of Business and Administration (MBA) with distinction from the same university.

Mr. Lee was promoted to Chief Operating Officer in April 2022, with a focus on operationalising strategy and managing day-to-day operations aligned with the Company's goals and strategies. He had held several positions in JF Tech over the last sixteen (16) years in various departments, including Design Coordinator, Personal Assistant to the Chief Executive Officer and Managing Director, Section Head of Tools & Equipment, Production Manager, and Group Manufacturing Manager. Mr. Lee was involved in product and manufacturing technology development, manufacturing capacity expansion, the implementation of Kaizen and lean manufacturing programs, and the enforcement of Government regulations in these responsibilities. In his previous capacity as Group Manufacturing Manager, he was primarily responsible for overseeing the end-to-end assembling and manufacturing value chain of the Group's operations.

Mr. Lee is not a Director of any other public company or listed company.

#### ADDITIONAL INFORMATION ON THE BOARD OF DIRECTORS

##### Conflicts of Interest

None of the Directors nor the Alternate Director have any conflicts of interest or potential conflicts of interest, including interest in any competing business with the Group.

##### Family Relationships with any Director and/or Major Shareholder

Save, and except for Dato' Foong Wei Kuong and Datin Wang Mei Ling, who are husband and wife, none of the other Directors nor the Alternate Director have any family relationship with any Director or major shareholder of JF Tech.

##### Offences and Public Sanctions or Penalties imposed by Regulatory Bodies

None of the Directors nor the Alternate Director have committed any offence within the past five (5) years other than traffic offences, if any. In addition, neither the Directors nor the Alternate Director have any public sanction or penalty imposed by regulatory bodies during the financial year ended 30 June 2024.

# KEY MANAGEMENT PROFILE

## GOH JOO HWA

SENIOR VICE PRESIDENT, BUSINESS  
DEVELOPMENT & INVESTMENT



Male



Malaysian



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**Mr. Goh Joo Hwa** joined JF Technology Berhad (“**JF Tech**” or “**Company**”) as Sales and Marketing Manager in September 2008. He was promoted to Sales Director in January 2012 and became Global Sales & Marketing, Vice President in 2017. He was then promoted to Senior Vice President, Sales & Marketing – Test Interface in April 2022, led the sales and marketing team and managed the global distribution network. In January 2024, he was re-designated as Senior Vice President, Business Development & Investment to focus on identifying and creating growth opportunities through strategic partnerships, market expansion etc.

Mr. Goh graduated with a Master in Business Administration major in International Marketing from the University of Sunderland, United Kingdom (“**UK**”). He obtained his Bachelor of Engineering (Hons.) Electrical and Electronic Engineering from the same university in 1995.

Mr. Goh started his career in 1996 as Test Engineer in ST Microelectronics Sdn. Bhd. in Muar, Johor Darul Takzim and promoted to Chief Engineer in 1999 in charge of engineering and maintenance at Automotive Power department and led a team of approximately thirty-six (36) technicians and engineers. He later joined Avi-Tech Electronics Ltd., a Singapore company based in Malacca as Sales Manager in 2000 overseeing the Malaysia business.

In 2002, he was promoted to Senior Sales Manager responsible for Malaysia, Philippines and Thailand for the sales of burn-in products and other semi-conductor capital test equipment. Subsequently, he was transferred to Avi-Tech Electronics Ltd.’s headquarters based in Singapore as Senior Sales Manager in 2004 and was in charge of worldwide sales of burn-in products until 2008.

Mr. Goh does not hold any directorship in a public company or listed company.

Mr. Goh does not have any family relationship with any Director and/or major shareholder nor has any conflict of interest or potential conflict of interest, including interest in any competing business with JF Tech and its subsidiaries. He has not been convicted of any offence within the last five (5) years other than traffic offences, if any nor any public sanction or penalty imposed by the regulatory bodies during the financial year ended 30 June 2024.

## SHAMAL MUNDIYATH

SENIOR DIRECTOR FOR CENTER OF  
EXCELLENCE



Male



Indian



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**Mr. Shamal Mundiyyath**, a holder of Malaysia Residence Pass, is a pragmatic engineer with a wealth of experience in design, engineering, and technology.

Mr. Shamal joined JF Tech as a Mechanical Design Engineer in November 2010. Since then, he has held several roles, such as Design and Development Section Head, Engineering and Design & Development Manager, and Engineering Director-Design & Test and Application. In April 2022, Mr. Shamal was promoted to Senior Director for Center of Excellence and is currently leading a team of Research & Development (“**R&D**”) and product development engineers.

Mr. Shamal is in charge of JF Tech’s future products, new product development, patents, R&D, and technology integration. He has authored numerous publications and presentations in the areas of final package testing, both manual validation and high-volume integrated circuit testing.

Mr. Shamal is a Mechanical Engineer, graduated with a Master of Science (MSc) in Engineering and Manufacturing Management from MS Ramaiah School of Advanced Studies, Bangalore, Coventry University, UK, and has over twenty (20) years of experience in various fields such as product development, high-volume manufacturing and applied research environments.

Prior to joining JF Tech, Mr. Shamal was attached to engineering design and manufacturing-related industries across mould-making, high-precision parts manufacturing, medical engineering, automotive and electronics.

Mr. Shamal does not hold any directorship in a public company or listed company.

Mr. Shamal does not have any family relationship with any Director and/or major shareholder nor has any conflict of interest or potential conflict of interest, including interest in any competing business with the Group. He has not been convicted of any offence within the last five (5) years other than traffic offences, if any nor any public sanction or penalty imposed by the regulatory bodies during the financial year ended 30 June 2024.

## KEY MANAGEMENT PROFILE (CONT'D)

### HEW WEI KONG

GENERAL MANAGER – JFH  
TECHNOLOGY (KUNSHAN) CO., LTD.



Male



Malaysian



60

**Mr. Hew Wei Kong** joined JFH Technology (Kunshan) Co. Ltd. In year 2021 as General Manager, responsible for setting up and managing the Group's operations and business growth in China. He is very experienced in all aspects of semiconductor Assembly and Test Manufacturing including inter factory product and technology transfer.

Mr. Hew graduated with Bachelor Degree of Science, Majoring in Physics from University of Malaya. He has thirty-six (36) years of experience in the semiconductor industry, including twenty-six (26) years in management roles within high-volume manufacturing environments. He began his career in 1988 at Harris Advanced Technology (M) Sdn. Bhd. as a Manufacturing Supervisor, where he worked until 1999. He then joined Intersil Corporation as a Manager until year 2000. Mr. Hew held various management roles at STATS ChipPAC which was then acquired by Jiangsu Changjiang Electronics Tech Co., one of the largest outsourced semiconductor assembly and test providers, in year 2015. He concluded his tenure there as Deputy Director in 2019.

Mr. Hew does not hold any directorship in a public company or listed company.

Mr. Hew does not have any family relationship with any Director and/or major shareholder nor has any conflict of interest or potential conflict of interest, including interest in any competing business with the Group. He has not been convicted of any offence within the last five (5) years other than traffic offences, if any nor any public sanction or penalty imposed by the regulatory bodies during the financial year ended 30 June 2024.

### PHANG SWEE TIAN

SALES & MARKETING DIRECTOR



Male



Malaysian



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**Phang Swee Tian** joined JF Tech as Assistant Sales Manager in September 2015. Since then, he has held several roles, such as Sales Manager, Senior Sales Manager throughout 9 years of services. In Jan 2024, he was promoted to Sales & Marketing Director in leading Sales & Marketing department with a team consist of customer service executive, marketing executive & sales engineers. Mr. Phang is a highly experienced sales and engineering professional with over two decades of expertise in the electrical, electronics, and telecommunication industries. Mr. Phang holds a Bachelor's Degree in Electrical and Electronics Engineering from University of Lincoln, UK. He also earned an Advanced Diploma in Telecommunication Engineering from KDU College in year 2001, showcasing his technical proficiency in both fields.

Currently, Mr. Phang serves as the Sales & Marketing Director at JF Technology Bhd., where he has been instrumental in expanding the company's business across major territories, including China, Taiwan, and Malaysia. Since 2015, he has been responsible for developing and executing comprehensive sales and marketing strategies, managing a team, and driving sales growth.

Prior to his current role, Mr. Phang held various sales and engineering positions, including Account Manager at Tele Dynamics Sdn. Bhd. and Sales Engineer at JF Technology Bhd. In these roles, he excelled in corporate account management, market development, and customer relationship building. Earlier in his career, he worked with leading companies such as 3M Malaysia and Qimonda, gaining valuable experience in technical sales, quality engineering, and semiconductor analysis. With a strong foundation in both technical and managerial roles, Mr. Phang combines his in-depth knowledge of engineering with sharp sales acumen, making him a key player in driving business growth. His excellent organisational, leadership, and analytical skills have consistently contributed to the success of the organisations he has worked with.

Mr. Phang does not hold any directorship in a public company or listed company.

Mr. Phang does not have any family relationship with any Director and/or major shareholder nor has any conflict of interest or potential conflict of interest, including interest in any competing business with JF Tech and its subsidiaries. He has not been convicted of any offence within the last five (5) years other than traffic offences, if any nor any public sanction or penalty imposed by the regulatory bodies during the financial year ended 30 June 2024.

## KEY MANAGEMENT PROFILE (CONT'D)

### LIU JIAN GANG DIRECTOR OF OPERATIONS, JF TESTSENSE SDN. BHD.



Male



Malaysian



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**Mr. Liu Jian Gang** joined JF TestSense Sdn. Bhd. (“JF TestSense”) in year 2021 as Deputy Director, chartered to setup JF TestSense’s operations and enabling business offering of test engineering services, test interface products as well as test talent development. Mr. Liu is being promoted in year 2022 and is currently holding the position of Director of Operations, spearheading operations and business growth for the subsidiary.

Mr. Liu has eighteen (18) years of experience in semi-conductor, covering product engineering, test development, process development, as well as test equipment engineering. He is graduated with Bachelor Degree of Electrical and Electronics major in Telecommunication and Information Technology from University of Adelaide, South Australia. Prior to joining JF Tech, Mr. Liu was attached to various Outsource Assembly and Test companies (OSAT) as well as semi-conductor company as Test engineering technical staff as well as part of the senior management team. The exposure enables him to cover a wide spectrum of engineering topics in semi-conductor test industries with great technical depth.

Mr. Liu does not hold any directorship in a public company or listed company.

Mr. Liu does not have any family relationship with any Director and/or major shareholder nor has any conflict of interest or potential conflict of interest, including interest in any competing business with the Group. He has not been convicted of any offence within the last five (5) years other than traffic offences, if any nor any public sanction or penalty imposed by the regulatory bodies during the financial year ended 30 June 2024.

### SIEW CHUN FAI FINANCIAL CONTROLLER



Male



Malaysian



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**Mr. Siew Chun Fai** joined JF Tech as the Financial Controller in July 2024 in replacement to the retired Chief Financial Officer, Ms. Wong Siew Phin. Mr. Siew graduated with Bachelor of Commerce (HONs) Accounting in Universiti Tunku Abdul Rahman. He is a fellow member of the Association of Chartered Certified Accountants, UK, and a Chartered Accountant registered with the Malaysian Institute of Accountants. He is responsible for all the finance, accounting and corporate affairs of JF Tech.

Mr. Siew has more than fifteen (15) years of working experience in auditing, taxation, financial due diligence, corporate exercises, corporate financial reporting, budgeting processes and business valuation. He started his career in year 2009 in an audit firm as audit associate. He then joined Crowe Horwath (now known as Crowe Malaysia PLT) in the same year and last held the audit manager position before his departure in year 2016. Mr. Siew joined two (2) private companies as Finance Manager involved in distribution and healthcare from year 2016 to year 2019. He was with Nexia SSY PLT from year 2020 to 2024 as the Audit Senior Manager prior to joining JF Tech.

Mr. Siew does not hold any directorship in a public company or listed company.

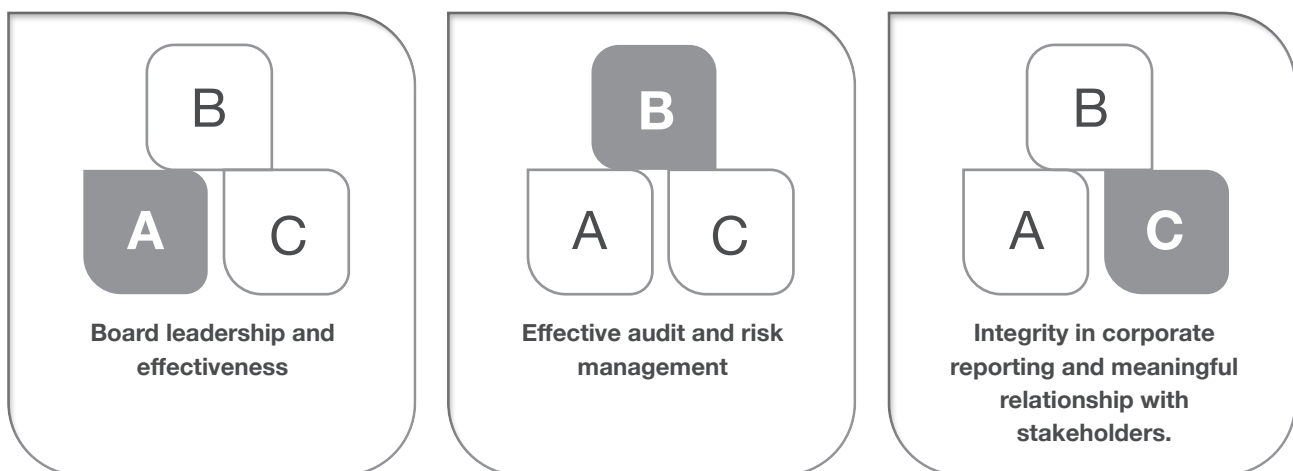
Mr. Siew does not have any family relationship with any Director and/or major shareholder nor has any conflict of interest or potential conflict of interest, including interest in any competing business with the Group. He has not been convicted of any offence within the last five (5) years other than traffic offences, if any nor any public sanction or penalty imposed by the regulatory bodies during the financial year ended 30 June 2024.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“**the Board**”) of JF Technology Berhad (“**the Company**”) recognises the importance of upholding a high standard of corporate governance throughout the Company and its subsidiaries (“**Group**”) to safeguard and enhance long-term shareholder value and all stakeholders’ interests. In line with the principles and recommendations, as set out in the Malaysian Code on Corporate Governance (“**MCCG**”), the Board affirms its commitment to ensuring a sound framework of best corporate governance practices by managing the affairs of the Group with transparency, integrity, and accountability.

This Corporate Governance Overview Statement (“**Statement**”) provides an overview of how the Group applied the three (3) key principles set out in the MCCG during the financial year under review:

- (a) Principle A: Board leadership and effectiveness;
- (b) Principle B: Effective audit and risk management; and
- (c) Principle C: Integrity in corporate reporting and meaningful relationship with stakeholders.



The Statement is also prepared in accordance with Paragraph 15.25 of Bursa Malaysia Securities Berhad (“**Bursa Malaysia Securities**”) Main Market Listing Requirements (“**Main LR**”). It should be read together with the Company’s Corporate Governance Report (“**CG Report**”). The CG Report provides a detailed application for each practice set out in the MCCG. The CG Report is available for download on the Company’s website at <https://www.jf-technology.com/corporate-governance> or through the announcement on the website of Bursa Malaysia Securities.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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## PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

### 1. BOARD RESPONSIBILITIES

#### Clear functions of the Board and Management

The Board takes full responsibility for the overall performance of the Group by setting strategic directions and objectives, formulating policies, and executing key strategic action plans. The Board regularly reviews the Group's business operations and maintains full and effective oversight of the Group's Management.

The duties and responsibilities of the Board include determining the Group's overall strategic plans, performing periodic reviews of businesses and financial performance, and adopting sound risk management practices and internal controls to ensure a robust framework of governance.

The Board has delegated certain responsibilities to specific Board Committees, each operating within clearly defined terms of reference to discharge its duties and responsibilities. The standing Board Committees comprise the Audit Committee, Nomination Committee, and Remuneration Committee. At Board meetings, the Chairman of each Board Committee provides updates on their current activities. It is the Company's general policy that all major decisions are deliberated and made collectively by the Board as a whole.

#### Clear roles and responsibilities

The Board reviewed the sustainability, effectiveness, and implementation of the strategic plans for the financial year under review and provided guidance and input to Management. To ensure the effective discharge of its functions and duties, the principal responsibilities of the Board include:

- review and adopt strategic business continuity plans for the Company and the Group;
- oversee and monitor the performance and conduct of the Group's businesses and financial performance;
- review and approve budgets and financial results for the Company and the Group, ensure compliance with applicable accounting standards, and maintain the integrity and adequacy of financial disclosures;
- identify principal risks and ensure the implementation of appropriate systems to manage those risks;
- review the adequacy and integrity of internal control systems and management information systems within the Company and the Group, including systems for compliance with applicable laws, regulations, rules, directives, and guidelines; and
- ensure competent Management by establishing policies to strengthen the performance of the Group, focusing on proactive business growth through innovation, initiative, technology, new products, and the development of new markets.

#### Strategies to promote sustainability

The Board places significant emphasis on Environmental, Social, and Governance ("ESG") principles, corporate social responsibility ("CSR"), and business sustainability, integrating CSR into the Group's business philosophy and corporate culture.

Details of the Company's CSR activities for the financial year under review are disclosed in a separate section of the Annual Report.

The Company is fully committed to instituting a robust and effective sustainability framework that addresses all aspects of its operations.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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## PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

### 1. BOARD RESPONSIBILITIES (CONT'D)

#### Strategies to promote sustainability (Cont'd)

The Company's sustainability strategies, priorities, targets, and performance against these targets were communicated to its internal and external stakeholders.

The Board is committed to staying informed on sustainability issues relevant to the Company and its operations, including climate-related risks and opportunities, by undergoing the necessary training.

The Board has enhanced its performance evaluation process by including ESG-related questionnaires to strengthen its oversight further.

The Company has established an ESG Committee ("ESGC") comprising Executive Directors, the Chief Operating Officer, the Chief Financial Officer, and key Management from various departments. The ESGC is tasked with providing a dedicated focus on managing sustainability and regularly reports progress and updates to the Board, seeking their advice on related issues as needed.

#### Chairman and Managing Director

The Chairman and Managing Director roles are held by two (2) separate individuals, Datuk Phang Ah Tong and Dato' Foong Wei Kuong, respectively. Their responsibilities are clearly segregated and defined to maintain an appropriate balance of power and authority, ensuring that no single individual holds unfettered decision-making authority.

The Chairman provides leadership, facilitates the interaction between the Board and Management, and ensures active participation from the Board in decision-making. Meanwhile, the Managing Director oversees the day-to-day management of the Group and is primarily responsible for contributing strategies and insights to enable the Group to achieve its goals and objectives efficiently.

#### Company Secretaries

The Company Secretaries are experienced and qualified to serve in their roles pursuant to Section 235 of the Companies Act 2016. The Company Secretaries play an important role in ensuring adherence to the Board's policies and procedures and work closely with Management to facilitate timely communication and the smooth flow of information within the Board and its Committees.

The Board has unrestricted access to the advice and services of the Company Secretaries, who are experienced, competent, and well-versed in relevant laws, regulations, and directives issued by regulatory authorities. The Company Secretaries also guide the Board on the Directors' obligations under the MCGG and Bursa Malaysia Securities Main LR.

Additionally, the Directors are empowered to seek independent professional advice from external consultants, at the expense of the Company, whenever necessary to support informed decision-making.

#### Access to information and advice

The Board is provided with timely and comprehensive information, including detailed Board papers, ahead of Board meetings to enable the Directors to discharge their duties and responsibilities in an informed and competent manner. Management is invited to attend Board and Board Committee meetings to brief and provide explanations to the Directors and Board Committee members on the operations of the Group.

The Board recognises the importance of reviewing and adopting strategic plans and overseeing business operations to ensure proper management. The Board currently reviews the performance of the Group in consideration of the quarterly financial results.

The proceedings and resolutions passed at each Board meeting are minuted and kept in the statutory minutes book at the Company's registered office.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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## PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

### 1. BOARD RESPONSIBILITIES (CONT'D)

#### Demarcation of responsibilities



##### Board Charter

The Board has formalised and adopted a Board Charter, which sets out the roles, functions, composition, operations, and processes of the Board. This Charter serves as a guide for the Board, detailing its roles, duties, responsibilities, and authorities, aligning with sound corporate governance principles. It also serves as a reference for Board members and senior management and is available on the Company's website at <https://www.jf-technology.com/corporate-governance>.

The Board has subsequently adopted an updated Board Charter to ensure compliance with Bursa Malaysia Securities Main LR following the completion of the transfer of listing.



##### Code of Ethics and Conduct

The Board recognises the importance of fostering a corporate culture that promotes business profitability and ethical business conduct. To support this, the Board has adopted a Code of Ethics and Conduct, which aligns with the Company's Corporate Vision, Mission, Core Pillars, and Core Values. The Code of Ethics and Conduct is accessible on the Company's website at <https://www.jf-technology.com/corporate-governance>.



##### Whistleblowing Policy

The Group has established a Whistleblowing Policy to reinforce its commitment to integrity, transparency, and accountability in business operations. This Policy allows employees and the public to raise concerns or report any improper behaviour, misconduct, miscarriage of justice, environmental damage, or actions that could materially affect the Group's reputation or the stakeholders' interests. The Whistleblowing Policy is accessible on the Company's website at <https://www.jf-technology.com/corporate-governance>.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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## PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

### 1. BOARD RESPONSIBILITIES (CONT'D)

#### Demarcation of responsibilities (Cont'd)



##### Anti-Bribery and Anti-Corruption Policy

Pursuant to Section 17A of the Malaysian Anti-Corruption Commission (“**MACC**”) Act 2009 and Paragraph 15.29 of Bursa Malaysia Securities Main LR, the Company has established an Anti-Bribery and Anti-Corruption Policy. This Policy outlines the standards and ethics guidelines that all employees are expected to adhere to in their work and interactions with the public, reflecting the Group’s commitment to combating bribery and corruption. The Anti-Bribery and Anti-Corruption Policy is available on the Company’s website at <https://www.jf-technology.com/corporate-governance>.



##### Directors’ Fit and Proper Policy

The Board recognises its responsibility to ensure that all existing Directors seeking re-election, and candidates nominated or appointed as Directors of the Company meet the fit and proper requirements.

The Board has formalised and adopted the Directors’ Fit and Proper Policy, which sets out the criteria for selecting candidates proposed for appointment as Directors of the Company, as well as those seeking re-election. This Policy guides the Nomination Committee and the Board’s review and assessment processes. The Directors’ Fit and Proper Policy is available on the Company’s website at <https://www.jf-technology.com/corporate-governance>.

### 2. BOARD COMPOSITION

#### Composition and Board Balance

The Board currently comprises one (1) Managing Director, two (2) Executive Directors, one (1) Non-Independent Non-Executive Director, four (4) Independent Non-Executive Directors and one (1) Alternate Director.

The Independent Non-Executive Directors play a pivotal role in ensuring corporate accountability, as reflected by their involvement in various Board Committees and their participation in meetings, detailed below under Board meetings. Their significant contributions to decision-making are evident through their active roles as members of these Board Committees. In addition, the Independent Non-Executive Directors ensure that all matters and issues brought up to the Board are fully discussed and examined, considering the stakeholders’ interests in the Group. The profiles of the members of the Board, as set out in this Annual Report, demonstrate the diverse skills and experience they bring, enhancing discussions on strategy, performance, control, resource allocation, and integrity.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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## PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

### 2. BOARD COMPOSITION (CONT'D)

#### Annual assessment of the independence of Directors

The Board, with the support of the Nomination Committee, adopts the concept of independence in tandem with the definition of an Independent Director as outlined in Paragraph 1.01 of Bursa Malaysia Securities Main LR. The independence of each Independent Non-Executive Director is assessed annually according to a set of criteria prescribed by Bursa Malaysia Securities Main LR.

The Board considers that its Independent Non-Executive Directors provide objective and independent views on various issues at the Board and Board Committees level. All Independent Non-Executive Directors are independent of management and free from any relationship that could affect their judgement. The Board is confident that the current composition of Independent Non-Executive Directors fairly reflects the interests of minority shareholders through their participation on the Board.

The Board is satisfied with the independence demonstrated by the Independent Non-Executive Directors and their ability to act in the Company's best interests.

#### Tenure of Independent Non-Executive Directors

The Company has adopted Practice 5.4 Step-Up of the MCCG, which limits the tenure of Independent Non-Executive Directors to a maximum of nine (9) years with no further extensions. After completing the nine (9)-year term, an Independent Non-Executive Director may continue to serve on the Board, but only in the capacity of a Non-Independent Non-Executive Director.

#### Board diversity

The Board recognises the importance of diversity, including gender, ethnicity, age, and business experience, for its effective operation.

In line with Practice 5.9 of the MCCG, which recommends that at least 30% of the Board's composition be women, the Company has achieved strong female representation. Currently, four (4) out of nine (9) Board members are female Directors, representing 44.44% of the Board.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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## PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

### 2. BOARD COMPOSITION (CONT'D)

#### Nomination Committee

The Nomination Committee is comprised exclusively of Non-Executive Directors, with a majority being Independent Non-Executive Directors. This Committee is established to ensure a formal and transparent process for appointing new Directors to the Board and new members to the Board Committees. Additionally, it is responsible for the ongoing assessment of the performance of individual Directors, the Board as a whole, Board Committees, and their members. The current members of the Nomination Committee are as follows:

Name of Members	Designation	No. of meetings attended/held during the financial year under review
Ms. Chong Kur Sen	Chairperson	2/2
Mr. Koay Kah Ee	Member	2/2
Madam Chua Hui Chen	Member	2/2
Puan Jamilah binti Kamal	Member	2/2

During the financial year under review, the Nomination Committee held two (2) meetings, with full attendance from all members. The main activities carried out by the Nomination Committee during the financial year under review included:

- Reviewed and evaluated the effectiveness and composition of the Board and its Committees, as well as the contributions of each individual Director;
- Reviewed and assessed the contributions and performance of the Audit Committee and its individual members;
- Reviewed and evaluated the independence of the Independent Non-Executive Directors;
- Reviewed the Directors due for re-election at the Company's Annual General Meeting ("AGM") to determine whether to recommend their re-election; and
- Reviewed the suitability of the candidate for the proposed appointment of Alternate Director.

#### (a) Appointment to the Board

To ensure adherence to best practices in appointing new Directors through a formal and transparent procedure, the Nomination Committee is responsible for making recommendations for any new appointment to the Board. Any nominations received are presented to the full Board for assessment and approval.

When considering the appointment of new Directors, the Nomination Committee assesses the suitability of the candidates based on the following criteria:

- required mix of skills, knowledge, expertise and experience;
- professionalism;
- integrity;
- competencies;
- time commitment;
- fit and proper criteria; and
- For candidates for the position of Independent Non-Executive Directors, the Nomination Committee also assesses their ability to discharge such responsibilities/functions expected of Independent Non-Executive Directors.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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## PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

### 2. BOARD COMPOSITION (CONT'D)

#### (a) Appointment to the Board (Cont'd)

The Nomination Committee first reviews and evaluates the re-election of Directors seeking re-election at the Company's AGM in accordance with the Directors' Fit and Proper Policy. After completing the evaluation, the Nomination Committee submits its recommendation to the Board for approval. The Board then decides on the proposed re-election, which is presented to the shareholders for approval.

The Board has access to the services of the Company Secretaries, who ensure that all appointments are properly made and that the necessary information is obtained from Directors. This information is used for internal records, to fulfil statutory obligations, and to comply with Bursa Malaysia Securities Main LR and other regulatory requirements.

#### (b) Re-election of Directors

The re-election of Directors allows shareholders to renew the mandate conferred to the Directors. In this respect, the Company's Constitution provides that all Directors shall retire by rotation once in every three (3) years, or at least one-third (1/3rd) of the Board shall retire from the office but shall be eligible to offer themselves for re-election at the AGM of the Company.

The Board adheres to this requirement at each Company's AGM.

Additionally, Directors appointed by the Board are subject to re-election by the shareholders at the AGM of the Company following their appointment.

#### (c) Annual assessment of the Board and Board Committees

The Nomination Committee conducts an annual assessment of the Directors and Board Committees through the following evaluations:

- (a) Effectiveness of the Board as a whole and the Committees of the Board;
- (b) Contribution and performance of each individual Director;
- (c) Contribution and performance of the Audit Committee and each individual Audit Committee member; and
- (d) Independence of the Independent Non-Executive Directors.

The results of these annual assessments are disclosed in the CG Report, which is available on the Company's website at <https://www.jf-technology.com/corporate-governance>.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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## PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

### 2. BOARD COMPOSITION (CONT'D)

#### FOSTER COMMITMENT

##### Time commitment

The Board expects its members to devote sufficient time to Board activities, ensuring they can effectively discharge their duties as Directors of the Company and make their efforts to attend meetings.

##### Board meetings

During the financial year under review, five (5) Board meetings were held, and the Company Secretary was in attendance. The attendance details of the Board members for the financial year under review are outlined below:

Name of Directors	No. of meetings attended	% of attendance
Datuk Phang Ah Tong	5/5	100
Dato' Foong Wei Kuong	5/5	100
Datin Wang Mei Ling	5/5	100
Mr. Goh Kok Sing	5/5	100
Mr. Koay Kah Ee	5/5	100
Madam Chua Hui Chen	5/5	100
Ms. Chong Kur Sen	5/5	100
Puan Jamilah binti Kamal	5/5	100

All Directors have complied with the minimum 50% attendance requirement for Board meetings stipulated by Bursa Malaysia Securities Main LR. To ensure full participation, the Board and Board Committee meetings schedule is set before the end of the preceding financial year. It allows Directors and Committee members to plan their schedules to attend all meetings.

Directors actively participate in discussions during Board meetings, with no individual dominating the proceedings. Directors are free to express their views and opinions, and Board decisions are made by majority vote. Directors also adhere to the requirement to abstain from deliberating or voting on matters where they have a material personal interest.

The proceedings and resolutions of each Board meeting are recorded in the minutes and signed by the Chairman. Between Board meetings, any matters requiring the Board's approval are addressed via Directors' circular resolutions, accompanied by relevant information for informed decision-making. These Directors' circular resolutions will be noted at the next Board meeting.

The Board also peruses decisions made by Board Committees through their minutes. The Chairpersons of the Board Committees are responsible for updating the Board on any significant matters that require the Board's notation, approval, or direction.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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## PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

### 2. BOARD COMPOSITION (CONT'D)

#### FOSTER COMMITMENT (CONT'D)

##### Directors' training

Continuous learning and training are integral to the Directors' development program. The Directors recognise the importance of attending training sessions to fulfil their responsibilities effectively. All Directors have completed Part I of the Mandatory Accreditation Programme. During the financial year under review, the Directors participated in various training sessions and briefings, including the following:

Directors	Training attended
Datuk Phang Ah Tong	<ul style="list-style-type: none"> <li>- Driving Business Growth and Industry Updates</li> <li>- Bursa Malaysia Mandatory Accreditation Programme (MAP II: Leading for Impact)</li> <li>- Malaysia Semiconductor Industry Association SME Conference</li> <li>- Employment Pass Application via Xpats Gateway System</li> <li>- Impact of AI on the Media Business</li> <li>- Responsible AI</li> </ul>
Dato' Foong Wei Kuong	<ul style="list-style-type: none"> <li>- Winning the Sales Game with AI: The Future of Sales and Customer Relationships</li> <li>- How to Conduct an Effective In-Person Job Interview?</li> <li>- Building Strategic Competitive Advantage</li> <li>- Total Cost of Ownership</li> <li>- ChatGPT AI – Its Application and Impact on Business and Information</li> <li>- Artificial Intelligence (AI) in Human Resource Management</li> <li>- Recruiting Top Talent to Accelerate Growth</li> </ul>
Datin Wang Mei Ling	<ul style="list-style-type: none"> <li>- Tax Update Class: YYC Zoom</li> <li>- 3 Strategies on How to Motivate Your Team to Help You Save Taxes</li> <li>- TaxPOD Revision Class - Date The Guru</li> <li>- Artificial Intelligence (AI) in Human Resource Management</li> <li>- Withholding Tax Webinar</li> </ul>
Mr. Koay Kah Ee	<ul style="list-style-type: none"> <li>- Understanding and Assessing ESG, Risk, Trend and Development</li> <li>- Bursa Malaysia's Enhanced Conflict of Interest Disclosure Requirements</li> <li>- Decoding New Tax Measures in 2024 Budget</li> <li>- Management of Cyber Risk</li> <li>- Mastering TCFD Implementation for Resilience and Competitiveness</li> <li>- Greenhouse Gas Emissions Protocols briefing</li> </ul>
Mr. Goh Kok Sing	<ul style="list-style-type: none"> <li>- Tech Talk CPrime – From Project to Product</li> <li>- Measuring EMC in the Lab</li> </ul>
Madam Chua Hui Chen	<ul style="list-style-type: none"> <li>- Workshop on ISQM 1 Guide &amp; Illustrative Manual</li> <li>- Audit Committee Conference 2023</li> <li>- 2024 Budget Seminar</li> <li>- HASil-CTIM Tax forum 2024</li> <li>- Corporate Tax Strategy - Capitalising the Right Tax Opportunities for Your Business</li> </ul>

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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## PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

### 2. BOARD COMPOSITION (CONT'D)

#### FOSTER COMMITMENT (CONT'D)

##### Directors' training (Cont'd)

Directors	Training attended
Datuk Phang Ah Tong	<ul style="list-style-type: none"> <li>- The Extra-territorial Effect of ESG Legislation from the EU: What Malaysian Lawyers Should Know?</li> <li>- Green Job Opportunity in Malaysia: How to Create Sustainable Development, Potential and Challenges</li> </ul>
Dato' Foong Wei Kuong	<ul style="list-style-type: none"> <li>- Corporate Briefing on Sustainability and Environmental, Social and Governance (ESG)</li> <li>- Anti-Corruption Training for Directors by Amethyst Destiny Sdn. Bhd.</li> </ul>

### 3. REMUNERATION

#### Remuneration Committee

The Board has established the Remuneration Committee to review and recommend the appropriate remuneration levels for Executive Directors and senior management. The current members of the Remuneration Committee are as follows:

Name of Directors	Designation	No. of meetings attended/held during the financial year under review
Puan Jamilah binti Kamal	Chairperson	2/2
Mr. Koay Kah Ee	Member	2/2
Madam Chua Hui Chen	Member	2/2
Ms. Chong Kur Sen	Member	2/2

During the financial year under review, two (2) meetings were held with all members in attendance. The main activities carried out by the Remuneration Committee during the financial year under review included:

- Reviewed the remuneration packages for the Managing Director and Executive Directors for the financial year ended 30 June 2024;
- Reviewed the payment of Directors' fees for the financial year ended 30 June 2023;
- Reviewed the benefits payable to Non-Executive Directors from 6 December 2023 until the next AGM of the Company to be held in 2024; and
- Reviewed the remuneration packages for the senior management team for the financial year 2024.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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## PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

### 3. REMUNERATION (CONT'D)

#### Directors' remuneration

The Remuneration Committee considers the principles recommended by the MCCG when determining Directors' remuneration. The remuneration for Executive Directors is structured to link rewards with the Group's and individual's performance, while the remuneration of Non-Executive Directors is based on their experience and the level of responsibility they assume. Additionally, comparisons are made with other public listed companies' remuneration packages to ensure the Directors' remuneration remains competitive and in line with market expectations.

The Company has established a Remuneration Policy for Directors and Senior Management, outlining the criteria for recommending their remuneration packages. The Remuneration Committee reviews this Policy periodically, and the Remuneration Committee deliberates any proposed amendments before being recommended to the Board for approval.

Executive Directors do not participate in decisions regarding their own remuneration. Similarly, the remuneration of Independent Non-Executive Directors is determined by the Board as a whole, with individual Directors abstaining from discussing their own remuneration.

Details of the remuneration of Directors, including amounts received or receivable from the Company and its subsidiaries during the financial year ended 30 June 2024, are as follows:

#### (a) Company

Name of Directors	Fees (RM)	Allowance (RM)	Salary (RM)	Bonus (RM)	Benefits- in-kind (RM)	Other emoluments (RM)	Total (RM)
<b>Non-Executive Directors</b>							
Datuk Phang Ah Tong	40,320	7,000	-	-	-	-	47,320
Koay Kah Ee	37,632	7,000	-	-	-	-	44,632
Chua Hui Chen	30,912	7,000	-	-	-	-	37,912
Chong Kur Sen	30,912	7,000	-	-	-	-	37,912
Jamilah binti Kamal	30,912	7,000	-	-	-	-	37,912
<b>Executive Directors</b>							
Dato' Foong Wei Kuong	-	-	-	-	-	-	-
Datin Wang Mei Ling	-	-	-	-	-	-	-
Goh Kok Sing	-	-	-	-	-	-	-
<b>Total</b>	<b>170,688</b>	<b>35,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>205,688</b>

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

B

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C

## PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

### 3. REMUNERATION (CONT'D)

#### Directors' remuneration (Cont'd)

##### (b) Group

Name of Directors	Fees (RM)	Allowance (RM)	Salary (RM)	Bonus (RM)	Benefits- in-kind (RM)	Other emoluments (RM)	Total (RM)
<b>Non-Executive Directors</b>							
Datuk Phang Ah Tong	40,320	7,000	-	-	-	-	47,320
Koay Kah Ee	37,632	7,000	-	-	-	-	44,632
Chua Hui Chen	30,912	7,000	-	-	-	-	37,912
Chong Kur Sen	30,912	7,000	-	-	-	-	37,912
Jamilah binti Kamal	30,912	7,000	-	-	-	-	37,912
<b>Executive Directors</b>							
Dato' Foong Wei Kuong	-	112,800	817,200	196,320	17,240	216,090	1,359,650
Datin Wang Mei Ling	-	66,000	526,800	105,500	-	134,882	833,182
Goh Kok Sing	-	-	144,600	28,975	17,400	22,951	213,926
<b>Total</b>	<b>170,688</b>	<b>213,800</b>	<b>1,488,600</b>	<b>330,795</b>	<b>34,640</b>	<b>373,923</b>	<b>2,612,446</b>

#### Remuneration of top five (5) senior management

The remuneration details of the top five (5) senior management personnel, including components such as Employees' Provident Fund (EPF), bonus, Social Security Organisation (SOCSO) contributions, allowances, and benefits-in-kind, are disclosed in bands of RM50,000.00. This information is available in the CG Report, which can be accessed on the Company's website or through the announcement on the website of Bursa Malaysia Securities.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

B

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## PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT

### 4. AUDIT COMMITTEE

#### Composition and activities of the Audit Committee

The composition and details of the activities carried out by the Audit Committee during the financial year ended 30 June 2024 are set out in the Audit Committee Report of this Annual Report.

All members of the Audit Committee possess financial literacy, the necessary skills, financial experience, and expertise to discharge their responsibilities effectively. In addition to overseeing the financial reporting and performance of the Group, the Audit Committee ensures proper coordination between the Internal Auditors and External Auditors, keeping the Audit Committee fully informed of any significant financial matters that could affect the Group.

The qualifications and experience of each Audit Committee member are disclosed in the Directors' Profile section of this Annual Report.

#### Compliance with applicable financial reporting standards

The Company's audited financial statements are prepared in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act 2016. The Board is responsible for ensuring shareholders receive a balanced evaluation of the Company's financial performance, position, and future prospects by issuing annual audited financial statements, quarterly financial reports, and corporate announcements on significant developments in compliance with Bursa Malaysia Securities Main LR.

In this respect:

- Management presented the Company's financial statements, including details on revenues and expenditures, to the Audit Committee and the Board for review of quarter-to-quarter and year-to-date financial performance; and
- The Audit Committee, with assistance from the External Auditors, fulfilled its role by reviewing the financial statements before recommending them for the Board's approval and subsequent issuance to shareholders.

#### Cooling period of a former key audit partner

In line with the recommendations of the MCCG, the terms of reference for the Audit Committee include a mandatory cooling-off period of at least three (3) years before a former partner of the external audit firm of the Company or its affiliate firm (including those providing advisory or tax consulting services) can be appointed as a member of the Audit Committee.

None of the current members of the Board were former partners of the external audit firm of the Company, and the Board has no intention of appointing any former partner of the external audit firm as a member of the Board.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

B

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C

## PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT

### 4. AUDIT COMMITTEE (CONT'D)

#### Assessment of sustainability and independence of External Auditors

The Audit Committee applies best practices by conducting a thorough assessment to ensure the External Auditors' suitability, objectivity, and independence. For the financial year ended 30 June 2024, the Audit Committee conducted an annual evaluation and reviewed Crowe Malaysia PLT's 2023 Transparency Report. The Audit Committee was satisfied with the performance and independence of the External Auditors as well as their compliance with key criteria such as the independence of the External Auditors, the quality of audit review procedures, and the adequacy of the firm's expertise and resources to carry out the assigned audit work.

Crowe Malaysia PLT also confirmed to the Audit Committee that they maintained their independence throughout the audit engagement for the financial year under review.

### 5. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

#### Sound framework to manage risks

The Board acknowledges its overall responsibility for maintaining a sound system of risk management and internal controls to safeguard shareholders' investments and the Group's assets. However, the Board recognises that this system is structured to manage, rather than eliminate, the risk of not achieving corporate objectives.

An overview of the Group's risk management and internal control systems is provided in the Statement on Risk Management and Internal Control, which is included in the Annual Report.

#### Internal audit function

The outsourced Internal Auditors, Wensen Consulting Asia (M) Sdn. Bhd. maintain regular communication with and report directly to the Audit Committee. The internal audit function conducts regular audits to ensure the adequacy and effectiveness of the Group's risk management, control, and governance processes. Representatives from the outsourced Internal Auditors attended two (2) Audit Committee meetings during the financial year ended 30 June 2024.

The internal audit reviews of the Company's operations encompass an independent assessment of its compliance with internal controls and recommendations for improvement.

An overview of the Group's risk management and internal control systems during the financial year under review is provided in the Statement on Risk Management and Internal Control of this Annual Report.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)



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

### 6. COMMUNICATION WITH STAKEHOLDERS

#### Shareholders' communication and investor relations

The Board endeavours to provide timely and accurate disclosure of all material information regarding the Group to shareholders and investors. When appropriate, the Board is open to dialogue with institutional shareholders. Information is disseminated through disclosures and announcements to Bursa Malaysia Securities, also electronically available on Bursa Malaysia Securities' website at <http://www.bursamalaysia.com>. Additionally, the Company maintains its website at <https://www.jf-technology.com/>, which provides essential corporate information about the Group, its products, and announcements made to Bursa Malaysia Securities for public access.

The Company remains committed to exploring more opportunities to broaden its channel for disseminating information and engaging with shareholders.

#### Corporate Disclosure Policy

The Company recognises the value of transparent, consistent, and coherent communication with the investment community while respecting commercial confidentiality and regulatory requirements.

Although the Board has not yet formalised a Corporate Disclosure Policy, it remains committed to ensuring that communications to the investing public regarding the Company's businesses, operations, and financial performance are accurate, timely, factual, informative, consistent, and broadly disseminated. Any information filed with regulators will also comply with all legal and regulatory requirements.

#### Leverage information technology for effective dissemination of information

The Company's website, which provides all relevant information on the Company, is publicly accessible at <https://www.jf-technology.com/>.

### 7. CONDUCT OF GENERAL MEETINGS

#### Shareholders' participation at general meetings

The AGM of the Company serves as the primary forum for dialogue and interaction with shareholders, who are encouraged to raise any questions regarding the proposed resolutions or the Group's business operations and affairs. The notice of the AGM and the form of proxy are given to shareholders at least twenty-eight (28) days before the AGM of the Company, giving shareholders sufficient time to prepare to attend the AGM of the Company or to appoint a proxy to attend and vote on their behalf. Each item of special business in the notice of the AGM is accompanied by an explanatory statement to help shareholders fully understand and evaluate the issues involved.

The minutes of the Seventeenth AGM held on 5 December 2023 was uploaded to the Company's website within thirty (30) business days after the meeting. During the AGM, the Chairman and the Board respond to shareholders' questions, and the External Auditors are present to offer professional and independent clarifications, if required, on matters raised by shareholders.

Corporate and financial information of the Group is also publicly available on the Company's website at <https://www.jf-technology.com/>.

#### COMPLIANCE WITH MCCG

The Board is satisfied that during the financial year under review, the Company has complied with the best practices outlined in the MCCG regarding the application of principles and best practices in corporate governance, except for those areas highlighted in the CG Report.

This Statement has been approved in accordance with a resolution passed by the Board on 3 October 2024.

# ADDITIONAL COMPLIANCE INFORMATION

## OTHER INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS

### Utilisation of Proceeds

On the following dates, the Company completed the first and second tranches of the private placement exercise of 20,999,900 new ordinary shares (“**Private Placement**”). The total gross proceeds raised from the Private Placement were RM69.98 million.

Listing date	Issue price (RM)	Placement shares	Proceeds raised (RM)
4 September 2020	3.20	15,749,900	50,399,680
6 November 2020	3.73	5,250,000	19,582,500
<b>Total</b>		<b>20,999,900</b>	<b>69,982,180</b>

The utilisation status of the proceeds raised from the Private Placement as of 30 June 2024 is as set out below:

Details of utilisation	Proposed utilisation (RM'000)	Actual utilisation (RM'000)	Intended timeframe for utilisation	Balance to be utilised (RM'000)
Factory capacity expansion	23,000	23,000	Within 36 months	
Research and development laboratory expansion	4,000	4,000	Within 24 months	-
Setting up of new test interface and services business unit	12,000	12,000	Within 24 months	-
Purchase of input materials and manufacturing consumables	5,000	5,000	Within 60 months	-
Future working capital/ investment	25,632	18,773	Within 60 months. Expire on 3 September 2025	6,859
Estimated expenses in relation to the proposed Private Placement	350	350	Within 36 months	-
<b>Total</b>	<b>69,982</b>	<b>63,123</b>		<b>6,859</b>

### Audit and Non-Audit Fees

During the financial year under review, the amount of audit and non-audit fees paid by the Company and the Group to the External Auditors and their affiliated companies or firms are as follows:

Details of utilisation	Company (RM'000)	Group (RM'000)
Audit Fees	98	186
Non-Audit Fees	7	7

### Material Contracts

No material contracts entered into by the Group involving Directors' and major shareholders' interests either still subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year.

# STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors (“**the Board**”) of JF Technology Berhad (“**the Company**”) is committed towards maintaining a sound system of internal control and risk management and is pleased to provide this Statement of Risk Management and Internal Control (“**this Statement**”) which outlines the scope and nature of internal controls and risk management of the Company and its subsidiaries (“**the Group**”) for the financial year ended 30 June 2024.

For the purpose of disclosure, this Statement is prepared pursuant to Paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Listing Requirements**”) and is guided by the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers.

## **Responsibility for Risk Management and Internal Control**

The Board recognises that it is responsible for the Group’s system of risk management and internal control and for reviewing its effectiveness whilst the role of Management is to implement Board policies on risk management and control. The Board is committed to maintain the effective risk management practices, as it understands that such practices are essential in the maintenance of a sound system of internal control.

However, in any system of internal controls, there are inherent limitations that may impede the achievement of the Group’s business objectives. Therefore, the system of internal control can only provide reasonable assurance and not absolute assurance against any material misstatement, losses and fraud.

The Board has received assurance from the Managing Director and the Financial Controller that the Group’s risk management and internal control system is operating adequately and effectively in all material aspects, based on the risk management and internal control system of the Group.

## **Risk Management Framework**

Throughout the financial year ended 30 June 2024 and up to the date of approval of the statement, the Board had identified, evaluated and managed the significant risks faced by the Group by monitoring the Group’s operations performance and profitability during the Board meetings. This serves as an on-going process of identifying, assessing and managing risks faced by the Group. The Board, through its Audit Committee, reviews the results of this process, including mitigating measures implemented by Management to address the key risks as identified.

This review mechanism is overseen by the Audit Committee. The process of risk management is also addressed by compilation of risk profiles of each department in the Group. The risk action plans and internal controls that Management has taken and/or is taking are documented in the minutes of the Audit Committee meetings.

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

## Key Elements of Internal Control

The fundamental elements of internal controls that have been ingrained perpetually in the Group's system of internal control are:

- i. Organisation structure defining the hierarchy structure of reporting lines;
- ii. Limit of authority and approval facilitating delegation of authority;
- iii. Compare actual result against budget to monitor and track the Company's performance;
- iv. ISO 9001:2015 Quality Management System forming the basis of operational procedures of the production processes and a reference point to Management in furthering their improvement on their operating procedures;
- v. Clearly defined Terms of Reference of the Board Committee, i.e. Audit Committee, Nomination Committee and Remuneration Committee;
- vi. Regular Management and Operation meetings are conducted to ensure activities and risk mitigation actions are executed; and
- vii. There has been active participation by the Executive Directors in the day-to-day running of business operations and regular dialogue and reporting to the Board.

The Board views that the existing level of system of internal control is reasonable to achieve the Group's business objectives. Nonetheless, the Board recognises that the system of internal control should be continuously improved to be in line with the evolving business development. It should also be noted that the risk management systems and system of internal control are only designed to manage rather than eliminate risks of failure to achieve the business objectives. Therefore, these systems can only provide reasonable and not absolute assurance against material misstatements, frauds and losses.

The presence of the internal audit function supports this review mechanism and assists the Audit Committee in conducting their review more effectively. Additionally, the Audit Committee also reviews the financial information and reports produced by Management. This financial information and reports also include quarterly financial results, annual report and Audited Financial Statements. In this respect, the Audit Committee, upon consultation with Management, deliberates the integrity of the information and data before recommending to the Board for presenting to the shareholders and public investors.

## Internal Audit Function

The Group has outsourced its internal audit function to an independent internal audit service provider to carry out reviews and assessment on the adequacy and integrity of the system of internal control of the Group. The independent internal auditors report directly to the Audit Committee, who receives reports of issues and recommendations arising from each review.

The scope of works of the internal audit function includes but not limited to the following:-

- i. Review and assess the adequacy, efficiency and effectiveness of the Group's internal control system;
- ii. Review the extent of compliance of the Group with the policies, standard operating procedures and other laws and regulations which possibly cause significant impact to the business operations of the Group;
- iii. Report significant issues in relation to the operations and activities of the Group and make recommendations for improvements in the internal audit reports to the Audit Committee;
- iv. Conduct follow-up visits to ensure that all agreed corrective action plans are satisfactorily implemented by the respective Management and reports the same to the Audit Committee; and
- v. Highlight any irregularities to the Audit Committee.

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

During the financial year under review, there were no material losses incurred as a result of weaknesses in the internal control system that would require disclosure in this annual report. The Board will continue to improve and enhance the existing risk management and internal control system to ensure its adequacy and relevance in safeguarding the shareholders' interest and the Group's assets.

The costs incurred for the internal audit function in respect of the financial year 2024 was RM31,000.00.

## **Review of the Statement by External Auditors**

Pursuant to Paragraph 15.23 of the Listing Requirements, the External Auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in this Annual Report. Their reviews were performed in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagement Other than Audits or Reviews of Historical Financial Information and 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. Based on their review, nothing has come to their attention that causes them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

## **Adequacy and Effectiveness of the Group's Risk Management and Internal Control System**

The Board is of the view that the risk management and internal control system is sound and adequate to safeguard the Group's operations and assets at the existing level of operations of the Group. No material weakness in the risk management and internal control system has resulted and/or give rise to any material loss, contingency and/or uncertainty during the financial year under review.

This Statement was made in accordance with the resolution of the meeting of the Board on 3 October 2024.

# AUDIT COMMITTEE REPORT

The Board of Directors of JF Technology Berhad is pleased to present the Audit Committee Report and a summary of its activities for the financial year ended 30 June 2024 (“**FYE 2024**”).

## **COMPOSITION OF THE AUDIT COMMITTEE AND MEETINGS**

During FYE 2024, the Audit Committee held a total of five (5) meetings. The members of the Audit Committee and their respective attendance at these meetings are set out below:

Name	Designation	Attendance
Chua Hui Chen	Chairperson/Independent Non-Executive Director	5/5
Chong Kur Sen	Member/Independent Non-Executive Director	5/5
Jamilah binti Kamal	Member/Independent Non-Executive Director	5/5

All members of the Audit Committee possess a working knowledge of finance and accounting practices. Madam Chua Hui Chen is a member of the Malaysian Institute of Accountants.

## **FORMATION**

The Board of Directors formed the Audit Committee on 18 January 2008.

## **TERMS OF REFERENCE**

The full terms of reference of the Audit Committee, outlining its composition, procedures for retirement and resignation, meeting protocols, authority, and duties and responsibilities, can be assessed on the Company’s website at <https://www.jf-technology.com/corporate-governance>

## **SUMMARY OF ACTIVITIES DURING FYE 2024**

The activities undertaken by the Audit Committee in fulfilling its functions and duties during FYE 2024 are summarised as follows:

### **1) Financial Reporting**

- a) Reviewed the quarterly financial statements and made recommendations to the Board of Directors for approval as follows:

Date of Meetings	Review of Quarterly Financial Statements
23 August 2023	Fourth quarter results for the financial year ended 30 June 2023 (“ <b>FYE 2023</b> ”)
15 November 2023	First quarter results for FYE 2024
23 February 2024	Second quarter results for FYE 2024
23 May 2024	Third quarter results for FYE 2024

# AUDIT COMMITTEE REPORT

## (CONT'D)

The purpose of the review was to verify that the Company's quarterly results were prepared in compliance with the following standards and regulations:

- Malaysian Financial Reporting Standards ("**MFRS**"); in particular MFRS 134: *Interim Financial Reporting*;
  - Disclosure requirements of Bursa Malaysia Securities Berhad ("**Bursa Malaysia Securities**") Main Market Listing Requirements ("**Main LR**"); and
  - Companies Act 2016.
- b) Reviewed and made recommendations to the Board of Directors in respect of the Audited Financial Statements of the Company and the Group for FYE 2023 during the meeting held on 3 October 2023. The review assessed whether the Audited Financial Statements presented a true and fair view of the Company's financial position and performance, ensuring full compliance with regulatory requirements.

### 2) External Audit

- a) Reviewed and deliberated the Audit Completion Report for FYE 2023 with the External Auditors during the meeting held on 23 August 2023 and the Audit Review Memorandum for FYE 2023 at the meeting held on 3 October 2023.
- b) Reviewed the Audit Planning Memorandum for FYE 2024 presented by the External Auditors on 23 May 2024.
- c) Deliberated and considered the significant accounting adjustments and auditing issues arising from the final audit in consultation with the External Auditors. Additionally, two (2) private discussions were held with the External Auditors, without the presence of Management and Executive Directors, to review issues related to the financial controls and operational efficiency of the Company and its subsidiaries.
- d) Crowe Malaysia PLT, the External Auditors declared their independence and confirmed that they were not aware of any relationship between Crowe Malaysia PLT and the Group that, in their professional judgement, could impair their independence.
- e) Evaluated the performance of the External Auditors, considering aspects such as calibre, quality processes, audit team, independence, audit scope, communication, and audit fees. Based on the evaluation conducted, the Audit Committee recommended to the Board of Directors the re-appointment of the External Auditors for FYE 2024 during the meeting held on 3 October 2023.

### 3) Internal Audit

During FYE 2024, the Company appointed Wensen Consulting Asia (M) Sdn. Bhd., an independent professional services firm, to assist the Audit Committee in discharging its duties and responsibilities more effectively.

For FYE 2024, the internal audit function conducted the following audits in line with the approved Internal Audit Plan for FYE 2024:

Audit Activities	Audit Entities
Sales and Marketing Management	J Foong Technologies Sdn. Bhd. JF Microtechnology Sdn. Bhd.
Credit Assessment and Control Management	J Foong Technologies Sdn. Bhd. JF Microtechnology Sdn. Bhd.

# AUDIT COMMITTEE REPORT

## (CONT'D)

The Audit Committee reviewed the significant audit findings and recommendations outlined in the Internal Audit Report and the respective Management responses during a meeting held on 23 February 2024. Additionally, the Audit Committee assessed the performance of the Internal Auditors for FYE 2023 and reviewed the proposed Internal Audit Plan for the financial years 2024, 2025, and 2026.

### 4) Risk Management Progress Report

The Audit Committee reviewed and deliberated the Risk Management Reports for the periods of October 2023 to March 2024 and April 2024 to October 2024. These reports, which covered the Group's principal risks (including strategic, project, and product risks) as well as non-principal risks (such as operational, strategic, and financial risks), were deliberated during the meetings held on 15 November 2023 and 23 May 2024, respectively.

### 5) Conflict of Interest ("COI")

During FYE 2024, the Audit Committee regularly reviewed any COIs or potential COIs. No instances of COIs, whether current, ongoing, or anticipated, were reported by the Board members. To manage COIs effectively, measures have been put in place, including assessing COIs during annual appraisals and new appointments. Board members are also required to declare any actual or potential COIs during Board meetings.

### 6) Other Activities

- a) Reviewed related party transactions to ensure compliance with Bursa Malaysia Securities Main LR.
- b) Reviewed and made recommendations to the Board of Directors in respect of the Audit Committee Report and Statement on Risk Management and Internal Control for inclusion in the 2023 Annual Report.
- c) Reviewed and recommended the revised terms of reference of the Audit Committee to the Board of Directors for approval.

## INTERNAL AUDIT FUNCTION

The Audit Committee is supported by an independent and well-resourced internal audit function, which has been outsourced to a professional services firm. The Audit Committee recognises that the internal audit function is essential in providing the necessary assurance regarding the effectiveness of the system of internal control.

The primary responsibility of the internal audit function is to review the effectiveness of the systems of internal control, ensuring this is performed with impartiality, proficiency, and due professional diligence.

During FYE 2024, internal audit activities were carried out in line with the approved Internal Audit Plan. The total cost incurred for the internal audit function for FYE 2024 was RM31,000 (FYE 2023: RM35,200).

# STATEMENT OF DIRECTORS' RESPONSIBILITY IN RELATION TO THE FINANCIAL STATEMENTS

Pursuant to the Companies Act 2016, Bursa Malaysia Securities Berhad Main Market Listing Requirements (“**Bursa Malaysia Securities Main LR**”), and the applicable approved accounting policies, the Directors are required to ensure that the financial statements prepared for each financial year give a true and fair view of the state of affairs of the Group and the Company as at the financial year end and of the results and cash flows for that year then ended.

The Directors consider that in preparing the financial statements:

- the Group and the Company have used appropriate accounting policies which are consistently applied;
- reasonable and prudent judgements and estimates were made; and
- all applicable approved accounting standards in Malaysia have been followed.

The Directors are responsible for ensuring that the Group and the Company maintain accounting records that disclose with reasonable accuracy the financial position of the Group and the Company, which enables them to ensure that the financial statements comply with the provisions of the Companies Act 2016, Bursa Malaysia Securities Main LR and the applicable Malaysian Accounting Standard Board approved accounting standards in Malaysia.

The Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

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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 30 June 2024.

## PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements.

## RESULTS

	The Group RM'000	The Company RM'000
Profit after taxation for the financial year	6,217	1,383
Attributable to:-		
Owners of the Company	5,823	1,383
Non-controlling interest	394	-
	6,217	1,383

## DIVIDENDS

Dividends paid or declared by the Company since 30 June 2023 are as follows:-

	RM'000
<b>Ordinary Share</b>	
<u>In respect of the financial year 30 June 2023</u>	
A final dividend of 0.50 sen per ordinary share, paid on 27 September 2023	4,635

On 30 August 2024, the Company declared a final dividend of 0.25 sen per ordinary share amounting to approximately RM2,318,000 in respect of the current financial year, paid on 2 October 2024, to shareholders whose names appeared in the record of depositors on 17 September 2024. The financial statements for the current financial year do not reflect this final dividend. Such dividend will be accounted for in the equity as an appropriation of retained earnings in the financial year ending 30 June 2025.

## RESERVES AND PROVISIONS

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

# DIRECTORS' REPORT (CONT'D)

## ISSUES OF SHARES AND DEBENTURES

During the financial year:-

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

## OPTIONS GRANTED OVER UNISSUED SHARES

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

## WARRANT

On 25 January 2021, the Company issued 461,999,170 warrants pursuant to bonus issue of warrants to all the entitled shareholders of the Company on the basis of two (2) warrants for every one (1) existing ordinary share held in the Company.

The warrants were under a Deed Poll dated 30 December 2020 and each warrant entitled the registered holder the right at any time during the exercise period from 25 January 2021 to 23 January 2026 to subscribe in cash for one new ordinary share of the Company at an exercise price of RM1.16 each.

The new ordinary shares allotted and issued upon exercise of the warrants shall rank equally in all respects with the existing ordinary shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the new ordinary shares arising from the exercise of the warrants.

As at 30 June 2024, the total number of warrants that remain unexercised were approximately 458,939,000 (2023 - 458,939,000) units. The details of the warrants are disclosed in Note 19(c) to the financial statements.

## DIRECTORS

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

Dato' Foong Wei Kuong  
Datin Wang Mei Ling  
Goh Kok Sing  
Koay Kah Ee  
Datuk Phang Ah Tong  
Chong Kur Sen  
Chua Hui Chen  
Jamilah Binti Kamal  
Lee Eng Kiat (Appointed on 1.7.2024, alternate director to Dato' Foong Wei Kuong)

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:-

Foong Mei Leng  
Hew Wei Kong  
Goh Joo Hwa  
Jiang Dacai (姜达才)

# DIRECTORS' REPORT (CONT'D)

## DIRECTORS' INTERESTS

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

	← At 1.7.2023	Number of Ordinary Shares		→ At 30.6.2024
		Bought	Sold	
<i>Direct Interests in the Company</i>				
Dato’ Foong Wei Kuong	219,862,088	200,000	-	220,062,088
Datin Wang Mei Ling	39,702,580	-	-	39,702,580
Goh Kok Sing	460,000	-	-	460,000
Koay Kah Ee	1,550,000	10,500	-	1,560,500
Datuk Phang Ah Tong	306,664	20,000	-	326,664
Jamilah Binti Kamal	-	20,000	-	20,000
<i>Indirect Interests in the Company</i>				
Dato’ Foong Wei Kuong#	250,000,000	-	-	250,000,000
Datuk Phang Ah Tong*	5,000	-	-	5,000
Chong Kur Sen^	5,000	-	-	5,000
Chua Hui Chen*	50,000	-	(50,000)	-

	←	Number of Warrants		→
	At 1.7.2023	Bought	Sold/ Exercised	At 30.6.2024
<i>Direct Interests in the Company</i>				
Dato' Foong Wei Kuong	209,931,044	-	-	209,931,044
Datin Wang Mei Ling	44,851,290	-	-	44,851,290
Goh Kok Sing	250,000	-	-	250,000
Koay Kah Ee	300,000	-	(300,000)	-
Datuk Phang Ah Tong	153,332	-	-	153,332

# Deemed interested in the shares held by Fowa Sdn. Bhd. via FOONG WANG (L) FOUNDATION pursuant to Section 8 of the Companies Act 2016.

\* Deemed interested through spouse's shareholding in the Company.

^ Deemed interested through family member's shareholding in the Company.

By virtue of Section 8 of the Companies Act 2016, Dato' Foong Wei Kuong is deemed interested in the shares of the subsidiaries during the financial year to the extent that the Company has interest.

The other director holding office at the end of the financial year had no interest in shares of the Company or its related corporations during the financial year.

# DIRECTORS' REPORT

## (CONT'D)

### DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 34(b) to the financial statements.

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

### DIRECTORS' REMUNERATION

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

	The Group RM'000	The Company RM'000
Fees	171	171
Emoluments other than fees	2,304	35
	2,475	206

The estimated monetary value of benefits-in-kind provided by the Group was RM34,000.

### INDEMNITY AND INSURANCE COST

During the financial year, the amount of indemnity coverage and insurance premium paid for the directors of the Company were RM5,000,000 and RM16,500 respectively.

### SUBSIDIARIES

The details of the subsidiary name, place of incorporation, principal activities and percentage of issued share capital held by the Company in each subsidiary are disclosed in Note 5 to the financial statements.

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

# 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 made out, the directors took reasonable steps:-
  - (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that there are no known bad debts and that no allowance for impairment losses on receivables is required; and
  - (ii) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.
- (b) In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

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

- (a) The directors are not aware of any circumstances:-
  - (i) which would require the writing off of bad debts, or the allowance for impairment losses on receivables in the financial statements of the Group and of the Company;
  - (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 render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (b) In the opinion of the directors:-
  - (i) there has not arisen in the interval between the end of the financial year and date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and
  - (ii) no contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve (12) months after the end of the financial year which will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

#### (III) AS AT THE DATE OF THIS REPORT

- (a) There does not exist any charges on the assets of the Group and of the Company which have arisen since the end of the financial year which secure the liabilities of any other person.
- (b) There does not exist any contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (c) The directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

# DIRECTORS' REPORT (CONT'D)

## SIGNIFICANT EVENT OCCURING AFTER THE REPORTING PERIOD

The significant event occurring after the reporting period is disclosed in Note 39 to the financial statements.

## AUDITORS

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

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

	The Group RM'000	The Company RM'000
Audit fees	186	98
Non-audit fee	7	7
	193	105

Signed in accordance with a resolution of the directors dated 3 October 2024.

**Dato' Foong Wei Kuong**  
Director

**Datin Wang Mei Ling**  
Director

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

We, Dato' Foong Wei Kuong and Datin Wang Mei Ling, being two of the directors of JF Technology Berhad, state that, in the opinion of the directors, the financial statements set out on pages 102 to 166 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2024 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 3 October 2024.

**Dato' Foong Wei Kuong**  
Director

**Datin Wang Mei Ling**  
Director

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

I, Datin Wang Mei Ling, being the director primarily responsible for the financial management of JF Technology Berhad, do solemnly and sincerely declare that the financial statements set out on pages 102 to 166 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned  
Datin Wang Mei Ling,  
at Kuala Lumpur  
in the Federal Territory  
on this 3 October 2024

**Datin Wang Mei Ling**

Before me  
**Muhammad Faiz Dharmendra (No. W737)**  
Commissioner of Oaths

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JF TECHNOLOGY BERHAD

(Incorporated in Malaysia)

Registration No: 200601027925 (747681 – H)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of JF Technology Berhad, which comprise the statements of financial position as at 30 June 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 102 to 166.

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 30 June 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### Basis for Opinion

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

#### *Independence and Other Ethical Responsibilities*

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

### Key Audit Matters

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

# INDEPENDENT AUDITORS' REPORT (CONT'D)

## Key Audit Matters (Cont'd)

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

<b>Impairment assessment of intangible asset</b> Refer to Note 9 to the financial statements	
<b>Key Audit Matter</b>	<b>How our audit addressed the Key Audit Matter</b>
<p>As at 30 June 2024, the carrying amount of the Group's intangible asset amounted to approximately RM4,649,000.</p> <p>We focused on this area due to the significant amount of the intangible asset, and the inherent judgements involved in determining the useful life, revenue forecasts, profit margins and discount rates.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> <li>(a) Reviewed management's estimate of the recoverable amount and test of the cash flows forecast for their accuracy;</li> <li>(b) Reviewed the key business drivers underpinning the cash flows forecast prepared to support the recoverable amount;</li> <li>(c) Evaluated the appropriateness and reasonableness of the key assumptions by considering prior budget accuracy, comparison to recent performance and our understanding of the business and trend analysis;</li> <li>(d) Performed sensitivity analysis over the key assumptions to understand the impact of changes over the valuation model; and</li> <li>(e) Reviewed the adequacy of disclosure of intangible asset in the financial statements.</li> </ul>

## 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.

# INDEPENDENT AUDITORS' REPORT (CONT'D)

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

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

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

## **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

# 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 International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (Cont'd)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors, is disclosed in Note 5 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.

### Crowe Malaysia PLT

201906000005 (LLP0018817-LCA) & AF 1018

Chartered Accountants

Kuala Lumpur

3 October 2024

### Tan Keng Chiew

03709/01/2025 J

Chartered Accountant

# STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2024

		The Group		The Company	
		2024	2023	2024	2023
	Note	RM'000	RM'000	RM'000	RM'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Investments in subsidiaries	5	-	-	28,459	27,659
Investment in an associate	6	665	-	-	-
Property, plant and equipment	7	54,807	45,483	41	47
Right-of-use assets	8	6,059	5,614	-	-
Intangible asset	9	4,649	5,119	-	-
Other investments	10	718	682	592	556
Goodwill	11	-	95	-	-
Amount owing by subsidiaries	12	-	-	13,462	9,629
Deferred tax asset	13	58	40	-	-
		66,956	57,033	42,554	37,891
<b>Current assets</b>					
Inventories	14	7,446	6,233	-	-
Trade and other receivables	15	10,260	12,794	53	4,825
Amount owing by subsidiaries	12	-	-	837	157
Current tax assets		2,059	2,208	86	65
Fixed deposit with a licensed bank	16	247	241	247	241
Cash and cash equivalents	17(d)	63,722	70,995	55,811	59,647
		83,734	92,471	57,034	64,935
<b>TOTAL ASSETS</b>		150,690	149,504	99,588	102,826
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	18	94,066	94,066	94,066	94,066
Reserves	19	38,999	37,795	5,312	8,564
<b>Equity attributable to owners of the Company</b>		133,065	131,861	99,378	102,630
Non-controlling interest	5(b)	1,579	1,172	-	-
<b>TOTAL EQUITY</b>		134,644	133,033	99,378	102,630

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

# STATEMENTS OF FINANCIAL POSITION

## AS AT 30 JUNE 2024 (CONT'D)

		The Group		The Company	
		2024	2023	2024	2023
	Note	RM'000	RM'000	RM'000	RM'000
<b>Non-current liabilities</b>					
Deferred income	20	3,404	2,984	-	-
Lease liabilities	21	1,722	1,392	-	-
Deferred tax liabilities	13	1,811	2,091	-	-
Borrowings	22	1,571	1,929	-	-
		8,508	8,396	-	-
<b>Current liabilities</b>					
Trade and other payables	23	6,490	7,080	210	196
Current tax liabilities		65	-	-	-
Lease liabilities	21	585	580	-	-
Borrowings	22	398	415	-	-
		7,538	8,075	210	196
<b>TOTAL LIABILITIES</b>		16,046	16,471	210	196
<b>TOTAL EQUITY AND LIABILITIES</b>		150,690	149,504	99,588	102,826

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 30 JUNE 2024

		The Group		The Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	24	41,631	45,349	14	9,608
Cost of sales	25	(15,740)	(15,312)	-	-
Gross profit		25,891	30,037	14	9,608
Other income	26	3,475	3,688	2,583	2,340
Administrative expenses	27	(19,462)	(18,455)	(774)	(1,263)
Other expenses	28	(3,276)	(3,393)	(63)	(83)
Profit from operations		6,628	11,877	1,760	10,602
Share of results of an associate		(135)	-	-	-
Finance costs	29	(155)	(202)	-	-
Profit before taxation		6,338	11,675	1,760	10,602
Tax (expenses)/income	30	(121)	81	(377)	(124)
Profit after taxation		6,217	11,756	1,383	10,478
Other comprehensive income					
<u>Item that will be reclassified subsequently to profit or loss</u>					
Foreign currency translation differences		29	(77)	-	-
Total comprehensive income		6,246	11,679	1,383	10,478

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 30 JUNE 2024 (CONT'D)

	Note	The Group 2024 RM'000	2023 RM'000	The Company 2024 RM'000	2023 RM'000
<b>Profit after taxation attributable to:-</b>					
Owners of the Company		5,823	12,167	1,383	10,478
Non-controlling interest		394	(411)	-	-
		6,217	11,756	1,383	10,478
<b>Total comprehensive income attributable to:-</b>					
Owners of the Company		5,839	12,124	1,383	10,478
Non-controlling interest		407	(445)	-	-
		6,246	11,679	1,383	10,478

	Note	The Company 2024	2023
Earnings per ordinary share (sen)	31		
- Basic		0.63	1.31
- Diluted		0.63	1.31

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

# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

The Group	Note	←Non-Distributable→		Distributable		Attributable to Owners of the Company	Non- Controlling Interest	Total Equity
		Share Capital RM'000	Foreign Exchange Translation Reserve RM'000	Capital Reserve RM'000	Retained Earnings RM'000			
Balance as at 1 July 2022		94,066	51	2,481	32,409	129,007	1,617	130,624
Profit after taxation		-	-	-	12,167	12,167	(411)	11,756
Other comprehensive income:								
- foreign currency translation differences		-	(43)	-	-	(43)	(34)	(77)
Total comprehensive income		-	(43)	-	12,167	12,124	(445)	11,679
Distributions to owners of the Company:								
- dividends	32	-	-	-	(9,270)	(9,270)	-	(9,270)
Balance as at 30 June 2023		94,066	8	2,481	35,306	131,861	1,172	133,033

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

# STATEMENTS OF CHANGES IN EQUITY

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONT'D)

The Group	Note	←Non-Distributable→		Distributable		Attributable to Owners of the Company	Non-Controlling Interest	Total Equity
		Share Capital	Foreign Exchange Translation Reserve	Capital Reserve	Retained Earnings			
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 July 2023		94,066	8	2,481	35,306	131,861	1,172	133,033
Profit after taxation		-	-	-	5,823	5,823	394	6,217
Other comprehensive income:								
- foreign currency translation differences		-	16	-	-	16	13	29
Total comprehensive income		-	16	-	5,823	5,839	407	6,246
Distributions to owners of the Company:								
- dividends	32	-	-	-	(4,635)	(4,635)	-	(4,635)
Balance as at 30 June 2024		94,066	24	2,481	36,494	133,065	1,579	134,644

The accompanying notes form an integral part of the financial statements

# STATEMENTS OF CHANGES IN EQUITY

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONT'D)

The Company	Note	Share Capital RM'000	Retained Earnings RM'000	Total Equity RM'000
Balance as at 1 July 2022		94,066	7,356	101,422
Profit after taxation/Total comprehensive income for the financial year		-	10,478	10,478
Distributions to owners of the Company:				
- Dividends	32	-	(9,270)	(9,270)
Balance as at 30 June 2023/1 July 2023		94,066	8,564	102,630
Profit after taxation/Total comprehensive income for the financial year		-	1,383	1,383
Distributions to owners of the Company:				
- Dividends	32	-	(4,635)	(4,635)
Balance as at 30 June 2024		94,066	5,312	99,378

The accompanying notes form an integral part of the financial statements

# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Note	The Group		The Company	
		2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
<b>CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES</b>					
Profit before tax		6,338	11,675	1,760	10,602
Adjustments for:-					
Amortisation of intangible asset		365	366	-	-
Depreciation of property, plant and equipment		4,267	3,676	6	4
Depreciation of right-of-use assets		703	691	-	-
Fair value loss on other payable		-	222	-	-
Interest expenses		155	202	-	-
Inventories written down		98	167	-	-
Impairment loss of goodwill		95	-	-	-
Impairment loss of intangible asset		105	-	-	-
Loss on disposal of property, plant and equipment		101	-	-	-
Property, plant and equipment written off		2	-	-	-
Share of net loss of equity accounted associate		135	-	-	-
Unrealised loss on foreign exchange		350	458	57	79
Amortisation of deferred income		(617)	(225)	-	-
Dividend income		(14)	(8)	-	-
Fair value gain on other investment		(38)	(48)	(38)	(48)
Imputed interest on non-current amount owing by subsidiaries		-	-	-	(240)
Interest income		(2,157)	(2,072)	(2,544)	(2,008)
Unrealised gain on foreign exchange		(174)	(353)	-	-
Operating profit/(loss) before working capital changes		9,714	14,751	(759)	8,389
Increase in inventories		(1,301)	(1,534)	-	-
Decrease/(Increase) in trade and other receivables		2,362	(1,186)	4,772	(4,094)
(Decrease)/Increase in trade and other payables		(557)	(1,339)	14	(67)
Increase in amount owing by subsidiaries		-	-	(3,960)	1,256
Cash generated from operating activities		10,218	10,692	67	5,484

The accompanying notes form an integral part of the financial statements

# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 (CONT'D)

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash generated from operating activities		10,218	10,692	67	5,484
Net tax paid		(202)	(103)	(398)	(196)
Net cash from/(for) operating activities		10,016	10,589	(331)	5,288
<b>CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES</b>					
Government grant received		1,037	2,179	-	-
Dividends received		14	8	-	-
Purchase of other investments		-	(126)	-	-
Interest received		2,151	2,067	1,965	1,888
Proceeds from disposal of property, plant and equipment		46	-	-	-
Purchase of property, plant and equipment	17(a)	(13,720)	(16,635)	-	(11)
Proceeds from disposal of other investments		2	-	2	-
Additional investment in an existing subsidiary		-	-	(800)	-
Investment in an associate		(800)	-	-	-
Net cash (for)/from investing activities		(11,270)	(12,507)	1,167	1,877
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>					
Dividends paid	32	(4,635)	(9,270)	(4,635)	(9,270)
Interest paid	17(b)	(155)	(202)	-	-
Repayment of hire purchase payables	17(b)	(220)	(556)	-	-
Repayment of lease liabilities	17(b)	(876)	(598)	-	-
Repayment of term loan	17(b)	(155)	(158)	-	-
Net cash for financing activities		(6,041)	(10,784)	(4,635)	(9,270)
Net decrease in cash and cash equivalents		(7,295)	(12,702)	(3,799)	(2,105)
Cash and cash equivalents at beginning of the financial year		70,995	84,078	59,647	61,751
Effects of exchange rate changes		22	(381)	(37)	1
Cash and cash equivalents at end of the financial year	17(d)	63,722	70,995	55,811	59,647

The accompanying notes form an integral part of the financial statements

# NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2024

## 1. GENERAL INFORMATION

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

The registered office of the Company is located at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur.

The principal place of business of the Company is located at Lot 6, Jalan Teknologi 3/6, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya.

These financial statements comprise both separate and consolidated financial statements. The financial statements of the Company are separate financial statements, while the financial statements of the Group are consolidated financial statements that include those of the Company and its subsidiaries as of the end of the reporting period. The Company and its subsidiaries and collectively referred to as “the Group”

The financial statements of the Company and of the Group are presented in Ringgit Malaysia (“RM”), which is the Company’s functional and presentation currency and has been rounded to the nearest thousand, unless otherwise stated.

The financial statements were authorised for issue in accordance with a resolution of the directors dated 3 October 2024.

## 2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements.

## 3. BASIS OF PREPARATION

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

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

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

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MFRS 17: Insurance Contracts

Amendments to MFRS 17: Insurance Contracts

Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information

Amendments to MFRS 101: Disclosure of Accounting Policies

Amendments to MFRS 108: Definition of Accounting Estimates

Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to MFRS 112: International Tax Reform – Pillar Two Model Rules

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

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

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

### *Amendments to MFRS 101: Disclosure of Accounting Policies*

The Amendments to MFRS 101 'Disclosure of Accounting Policies' did not result in any changes to the existing accounting policies of the Group and of the Company. However, the amendments require the disclosure of 'material' rather than 'significant' accounting policies and provide guidance on how entities apply the concept of materiality in making decisions about the material accounting policy disclosures. The Group and the Company have made updates to the accounting policies presented in Note 4 to the financial statements in line with the amendments.

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

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-Current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026

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

### *MFRS 18 Presentation and Disclosure of Financial Statements*

MFRS 18 'Presentation and Disclosure in Financial Statements' will replace MFRS 101 'Presentation of Financial Statements' upon its adoption. This new standard aims to enhance the transparency and comparability of financial information by introducing new disclosure requirements. Specifically, it requires that income and expenses be classified into 3 defined categories: "operating", "investing" and "financing" and introduces 2 new subtotals: "operating profit or loss" and "profit or loss before financing and income tax". In addition, MFRS 18 requires the disclosure of management-defined performance measures and sets out principles for the aggregation and disaggregation of information, which will apply to all primary financial statements and the accompanying notes. The statement of financial position and the statement of cash flows will also be affected. The Group and the Company are currently assessing the impact of implementing this new standard.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 4. MATERIAL ACCOUNTING POLICY INFORMATION

### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

#### *Key Sources of Estimation Uncertainty*

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

#### **(a) Depreciation of Property, Plant and Equipment**

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group and the Company anticipate that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 7 to the financial statements.

#### **(b) Amortisation of Intangible Asset**

The estimates for the residual values, useful lives and related amortisation charges for the intangible asset is based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its intangible asset will be insignificant. As a result, residual value is not being taken into consideration for the computation of the amortisation amount. Changes in the expected level of usage and technological development could impact the economic useful live and the residual value of the asset, therefore future amortisation charges could be revised. The carrying amount of intangible asset as at the reporting date is disclosed in Note 9 to the financial statements.

#### **(c) Impairment of Goodwill**

The assessment of whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which the goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at reporting date and the key assumptions and sensitivity analysis are disclosed in Note 11 to the financial statements.

#### **(d) Write-down of Inventories**

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 14 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

#### *Key Sources of Estimation Uncertainty (Cont'd)*

#### (e) Impairment of Trade Receivables

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables. The carrying amount of trade receivables as at the reporting date is disclosed in Note 15 to the financial statements.

#### (f) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information. Carrying amounts of the amount owing by subsidiaries and other receivables as at the reporting date are disclosed in Notes 12 and 15 to the financial statements.

#### (g) Impairment of Investments in Subsidiaries, An Associate, Property, Plant and Equipment and Intangible Asset

The Group determines whether an item of its investments in subsidiaries, an associate property, plant and equipment and intangible asset are impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amounts of investments in subsidiaries, an associate, property, plant and equipment and intangible asset as at the reporting date are disclosed in Notes 5, 6, 7 and 9 to the financial statements.

#### (h) Income Taxes

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

	The Group		The Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Current tax assets	2,059	2,208	86	65
Current tax liabilities	65	-	-	-

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

#### *Key Sources of Estimation Uncertainty (Cont'd)*

#### **(i) Discount Rates used in Leases**

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

#### *Critical Judgements Made in Applying Accounting Policies*

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

### 4.2 GOODWILL

Goodwill is initially measured at cost. Subsequent to the initial recognition, the goodwill is measured at cost less accumulated impairment losses, if any. A bargain purchase gain is recognised in profit or loss immediately.

### 4.3 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries (including the fair value adjustments on inter-company loans at inception date), which are eliminated on consolidation, are stated in the financial statements of the Company at cost less impairment losses, if any.

### 4.4 INVESTMENTS IN ASSOCIATES

Investments in associates are stated in the financial statements of the Company at cost less impairment losses, if any, and accounted for using the equity method in the financial statements of the Group.

### 4.5 FINANCIAL INSTRUMENTS

#### **(a) Financial Assets**

#### Financial Assets Through Profit or Loss

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

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

### 4.5 FINANCIAL INSTRUMENTS (CONT'D)

#### (a) Financial Assets (Cont'd)

##### Financial Assets at Amortised Cost

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

#### (b) Financial Liabilities

##### Financial Liabilities Through Profit or Loss

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

##### Financial Liabilities at Amortised Cost

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

#### (c) Equity

##### Ordinary Shares

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

#### (d) Financial Guarantee Contracts

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to the initial recognition, the financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the reimbursement is recognised as a liability and measured at the higher of the amount of loss allowance determined using the expected credit loss model and the amount of financial guarantee initially recognised less cumulative amortisation.

### 4.6 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost.

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

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

### 4.6 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principal annual depreciation rates are:-

Building	50 years
Computer and software	10 - 33%
Furniture and fittings	10%
Motor vehicles	20%
Office equipment	10%
Plant and machinery	8 - 10%
Renovation	10 - 20%
Signboard	10%
Tools and equipment	10%

Capital work-in-progress represent office buildings under construction and equipment under installation. They are not depreciated until such time when the asset is available for use.

### 4.7 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

#### (a) Short-term Leases and Leases of Low-value Assets

The Group apply the “short-term lease” and “lease of low-value assets” recognition exemption. For these leases, the Group recognise the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

#### (b) Right-of-use Assets

Right-of-use assets are initially measured at cost. Subsequent to the initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term.

#### (c) Lease Liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

### 4.8 RESEARCH AND DEVELOPMENT COSTS

Research costs are recognised as an expense when they are incurred.

Capitalised development costs are initially measured at cost. Subsequent the to initial recognition, the development costs are stated at cost less accumulated amortisation and any accumulated impairment losses.

### 4.9 INTANGIBLE ASSET

Intangible asset is initially measured at cost. The cost of intangible asset recognised in a business combination is their fair values as at the date of acquisition. Subsequent to the initial recognition, the intangible asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

#### **Intangible Asset with Definite Useful Lives**

The intangible asset is amortised using the straight-line method to allocate their depreciable amounts over 15 years.

### 4.10 INVENTORIES

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

### 4.11 GOVERNMENT GRANTS

The Group presents government grants related to an asset by setting up the grants as deferred income and are amortised to profit or loss on a systematic basis over the expected useful life of the relevant asset.

## 5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2024	2023
	RM'000	RM'000
Unquoted shares, at cost	20,201	19,401
Fair value adjustment on loans to subsidiaries	1,358	1,358
Equity loan to a subsidiary	6,900	6,900
	28,459	27,659

Equity loan to a subsidiary is unsecured, interest-free and has no fixed terms of repayment.

The discounts on loans to subsidiaries represent the fair value adjustments on intragroup loans at inception date. These amounts are treated as part of the Company's net investment in the subsidiaries.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2024	2023	
Subsidiaries of the Company				
J Foong Technologies Sdn. Bhd. (“JFT”)	Malaysia	100%	100%	Manufacturing and trading of electronic products and components.
JF Microtechnology Sdn. Bhd. (“JFM”)	Malaysia	100%	100%	Design, development, custom manufacture and sale of integrated circuit test sockets, interconnect, test solutions and equipment for the semi- conductor and electronic assembly markets.
JF International Sdn. Bhd. (“JFI”)	Malaysia	100%	100%	Investment holding.
JF Testsense Sdn. Bhd. (“JFTS”)	Malaysia	100%	100%	Test development engineering services, talent development and sale of test interface solutions.
Subsidiary of JFI				
JFH Technology (Kunshan) Co., Ltd. (“JFH”) #	The People's Republic of China	55%	55%	Design, manufacture, sales and provision of technical support for integrated circuits test contacting solution.

Note:

- <sup>#</sup> - The statutory financial year end of JFH is 31 December and does not coincide with the Group. The subsidiary has been consolidated based on audited financial statements for the 12-month ended 30 June 2024. The subsidiary is in the midst of applying the relief from Companies Commission of Malaysia to continue to has financial year which does not coincide with the holding company.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (a) On 1 December 2023, the Company has subscribed additional 800,000 ordinary shares in JF International Sdn. Bhd. for a cash consideration of RM800,000 and remained as a wholly-owned subsidiary of the Company.
- (b) The non-controlling interest at the end of the reporting period comprise the following:-

	Effective Equity Interest		The Group	
	2024	2023	2024 RM'000	2023 RM'000
JFH Technology (Kunshan) Co., Ltd.	45%	45%	1,579	1,172

- (c) The summarised financial information (before intra-group elimination) for the subsidiary that has non-controlling interest that is material to the Group is as follows:-

	JFH	
	2024 RM'000	2023 RM'000
<u>At 30 June</u>		
Non-current assets	5,837	6,256
Current assets	5,850	5,323
Non-current liabilities	(5,092)	(1,378)
Current liabilities	(2,593)	(7,104)
Net assets	4,002	3,097
<u>Financial Year Ended 30 June</u>		
Revenue	9,860	7,106
Profit/(Loss) for the financial year	876	(912)
Total comprehensive income/(expenses)	905	(989)
Total comprehensive income/(expenses) attributable to non-controlling interest	407	(445)
Net cash from/(for) operating activities	1,145	(3,305)
Net cash for investing activities	(110)	(72)
Net cash (for)/from financing activities	(1,207)	1,786

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 6. INVESTMENT IN AN ASSOCIATE

	The Group	
	2024	2023
	RM'000	RM'000
Unquoted shares, at cost	800	-
Share of loss of an associate during the financial year	(135)	-
	665	-

(a) The details of the associate are as follows:-

Name of Associate	Principal Place of Business/ Country of Incorporation	Percentage of Ownership		Principal Activities
		2024	2023	
<i>Associate of JFI</i> HFC Tech Sdn. Bhd. ("HFCT")	Malaysia	20%	-	Production and sales of electromagnetic shielding materials, thermal interface materials, and superconducting thermal components.

HFCT involves in the various cutting-edge products which are used in various applications. It is a strategic investment which transforming the Group to become a comprehensive one-stop solution provider.

- (b) HFCT has a different financial year end from the Group. In applying the equity method of accounting, the financial statements of the associate for the financial period from 21 November 2023 (date of incorporation) to 30 June 2024 have been used and appropriate adjustments have been made for the effects of significant transactions between 22 November 2023 and 30 June 2024.
- (c) On 13 November 2023, JFI, a wholly-owned subsidiary of the Company has entered into an agreement with HFC Industry HK Limited. JFI contributed a total of RM800,000 comprising 800,000 ordinary shares representing 20% of the capital of HFCT. Consequently, HFCT became an associate of JFI.
- (d) Summarised financial information has not been presented as the associate is not material to the Group.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 7. PROPERTY, PLANT AND EQUIPMENT

The Group 2024	Balance as at 1.7.2023 RM'000	Additions RM'000	Write off RM'000	Disposal RM'000	Reclassification RM'000	Foreign currency translation differences RM'000	Balance as at 30.6.2024 RM'000
<b>Cost</b>							
Building	11,997	10,337	-	-	17,413	-	39,747
Computer and software	2,814	141	-	-	-	-	2,955
Furniture and fittings	611	193	(1)	-	30	-	833
Motor vehicles	2,795	-	(49)	-	-	-	2,746
Office equipment	731	580	(5)	-	400	-	1,706
Plant and machinery	15,090	1,188	(49)	(531)	-	26	15,724
Renovation	3,386	-	-	-	-	27	3,413
Signboard	34	-	-	-	-	-	34
Tools and equipment	10,697	1,281	(7)	-	-	-	11,971
Capital work-in progress	17,843	-	-	-	(17,843)	-	-
	65,998	13,720	(111)	(531)	-	53	79,129

The Group 2024	Balance as at 1.7.2023 RM'000	Depreciation charges RM'000	Write off RM'000	Disposal RM'000	Foreign currency translation differences RM'000	Balance as at 30.6.2024 RM'000
<b>Accumulated depreciation</b>						
Building	3,353	567	-	-	-	3,920
Computer and software	1,867	398	-	-	6	2,271
Furniture and fittings	534	23	(1)	-	-	556
Motor vehicles	1,584	385	(49)	-	-	1,920
Office equipment	465	101	(5)	-	-	561
Plant and machinery	7,135	963	(48)	(384)	49	7,715
Renovation	1,523	793	-	-	(22)	2,294
Signboard	5	1	-	-	-	6
Tools and equipment	3,117	1,036	(6)	-	-	4,147
	19,583	4,267	(109)	(384)	33	23,390

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

	Balance as at 1.7.2023/ 30.6.2024 RM'000
<b>2024</b>	
<b>Accumulated impairment losses</b>	
Plant and machinery	759
Tools and equipment	173
	932

The Group 2023	Balance as at 1.7.2022 RM'000	Additions RM'000	Write off RM'000	Reclassification RM'000	Foreign currency translation differences RM'000	Balance as at 30.6.2023 RM'000
<b>Cost</b>						
Building	11,997	-	-	-	-	11,997
Computer and software	2,322	139	-	354	(1)	2,814
Furniture and fittings	603	14	(6)	-	-	611
Motor vehicles	2,419	376	-	-	-	2,795
Office equipment	625	109	(3)	-	-	731
Plant and machinery	15,040	100	-	-	(50)	15,090
Renovation	3,440	-	-	-	(54)	3,386
Signboard	34	-	-	-	-	34
Tools and equipment	7,631	3,066	-	-	-	10,697
Capital work-in-progress	5,139	13,058	-	(354)	-	17,843
	49,250	16,862	(9)	-	(105)	65,998

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

2023	Balance as at 1.7.2022 RM'000	Depreciation charges RM'000	Write off RM'000	Foreign currency translation differences RM'000	Balance as at 30.6.2023 RM'000
<b>Accumulated depreciation</b>					
Building	3,113	240	-	-	3,353
Computer and software	1,489	378	-	-	1,867
Furniture and fittings	525	15	(6)	-	534
Motor vehicles	1,201	383	-	-	1,584
Office equipment	430	38	(3)	-	465
Plant and machinery	6,127	1,010	-	(2)	7,135
Renovation	779	793	-	(49)	1,523
Signboard	4	1	-	-	5
Tools and equipment	2,299	818	-	-	3,117
	15,967	3,676	(9)	(51)	19,583

2023	Balance as at 1.7.2022/ 30.6.2023 RM'000
<b>Accumulated impairment losses</b>	
Plant and machinery	759
Tools and equipment	173
	932

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

2023	Balance as at 1.7.2022 RM'000	Depreciation charges RM'000	Balance as at 30.6.2023 RM'000
<b>Accumulated depreciation</b>			
Computer and software	20	3	23
Furniture and fittings	2	-	2
Signboard	4	1	5
	26	4	30

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

	The Group		The Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<b>Carrying amount</b>				
Building	35,827	8,644	-	-
Computer and software	684	947	13	18
Furniture and fittings	277	77	-	-
Motor vehicles	826	1,211	-	-
Office equipment	1,145	266	-	-
Plant and machinery	7,250	7,196	-	-
Renovation	1,119	1,863	-	-
Signboard	28	29	28	29
Tools and equipment	7,651	7,407	-	-
Capital work-in-progress	-	17,843	-	-
	54,807	45,483	41	47

- (a) The building has been charged to a licensed bank for a term loan facility granted to the Group as disclosed in Note 22 to the financial statements.
- (b) The details of the Group's property, plant and equipment under hire purchase arrangement are analysed as follows:-

	The Group	
	2024	2023
	RM'000	RM'000
Motor vehicles	791	1,113

These assets have been pledged as security for the hire purchase payables of the Group as disclosed in Note 22(b) to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 8. RIGHT-OF-USE ASSETS

The Group 2024	Balance as at 1.7.2023 RM'000	Addition RM'000	Foreign currency translation difference RM'000	Balance as at 30.6.2024 RM'000
<b>Cost</b>				
Long-term leasehold land	4,601	-	-	4,601
Building	3,411	-	(20)	3,391
Machineries	-	1,194	(12)	1,182
	8,012	1,194	(32)	9,174

2024	Balance as at 1.7.2023 RM'000	Depreciation charges RM'000	Foreign currency translation difference RM'000	Balance as at 30.6.2024 RM'000
<b>Accumulated depreciation</b>				
Long-term leasehold land	729	46	-	775
Building	1,669	616	14	2,299
Machineries	-	41	-	41
	2,398	703	14	3,115

2023	Balance as at 1.7.2022 RM'000	Foreign currency translation difference RM'000	Balance as at 30.6.2023 RM'000
<b>Cost</b>			
Long-term leasehold land	4,601	-	4,601
Building	3,458	(47)	3,411
	8,059	(47)	8,012

2023	Balance as at 1.7.2022 RM'000	Depreciation charges RM'000	Foreign currency translation difference RM'000	Balance as at 30.6.2023 RM'000
<b>Accumulated depreciation</b>				
Long-term leasehold land	683	46	-	729
Building	1,029	645	(5)	1,669
	1,712	691	(5)	2,398

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 8. RIGHT-OF-USE ASSETS (CONT'D)

	The Group	
	2024	2023
	RM'000	RM'000
<b>Carrying amount</b>		
Building	3,826	3,872
Computer and software	1,092	1,742
Furniture and fittings	1,141	-
	6,059	5,614

- (a) The Group has lease contracts for long-term leasehold land, building and machineries used in its operations. Their lease terms are as below:-

	The Group	
	2024	2023
Long-term leasehold land	99 years	99 years
Building	5 years	5 years
Machineries	3 years	-

- (b) The Group also has leases with lease terms of 12 months or less and leases of office equipment with low value. The Group has applied the 'short-term lease' and 'lease of low value assets' recognition exemptions for these leases.
- (c) The long-term leasehold land of the Group has been charged to a licensed bank as security for a term loan facility granted to the Group as disclosed in Note 22 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 9. INTANGIBLE ASSET

	The Group	
	2024	2023
	RM'000	RM'000
<b>Cost</b>		
At 1 July 2023/2022 and 30 June	5,485	5,485
<b>Accumulated amortisation</b>		
At 1 July 2023/2022	366	-
Amortisation during the financial year	365	366
At 30 June	731	366
<b>Accumulated impairment</b>		
At 1 July 2023/2022	-	-
Impairment during the financial year	105	-
At 30 June	105	-
<b>Carrying amount</b>		
At 30 June	4,649	5,119

- (a) The intangible asset is in respect of designs, intellectual property, know-how and technology. The amortisation charges and impairment loss on intangible asset are recognised in profit or loss under the "Other Expenses" line item.
- (b) The Group has assessed its recoverable amount of intangible asset which is determined using the value-in-use approach. Cash flow projections are based on 14 years (2023 - 15 years) of financial budgets approved by the management. The other key assumptions used in the determination of the recoverable amount are disclosed in Note 11(a) to the financial statements.
- (c) If the discount rate were to increase by 1%, the additional impairment loss on intangible asset is approximately RM275,000. If the revenue growth rate were reduced by 1%, the additional impairment loss is approximately RM395,000. Any reasonably possible change in the other key assumptions on which the recoverable amounts are based would not cause the carrying amount of other cash-generating units to exceed their recoverable amounts.

In the prior financial year, there were no reasonably possible changes in any of the key assumptions that would have resulted in an impairment loss on intangible asset.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 10. OTHER INVESTMENTS

	The Group		The Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Quoted shares, at fair value	592	556	592	556
Golf club membership, at cost	126	126	-	-
	718	682	592	556

## 11. GOODWILL

	The Group	
	2024	2023
	RM'000	RM'000
<b>Cost</b>		
At 1 July 2023/2022 and 30 June	95	95
<b>Accumulated impairment</b>		
At 1 July 2023/2022	-	-
Impairment during the financial year	(95)	-
At 30 June	(95)	-
<b>Carrying amount</b>		
At 30 June	-	95

- (a) During the current financial year, an impairment loss of RM95,000 was recognised in "Other Expenses" line item of the statements of profit or loss and other comprehensive income which had been incurring losses for a number of financial years.

The Group has assessed its recoverable amounts of goodwill and intangible asset which are determined using the value-in-use approach. Cash flow projections are based on 14 years (2023 - 15 years) of financial budgets approved by the management. The other key assumptions used in the determination of the recoverable amount are as follows:-

	Gross Margins		Growth Rates		Discount Rates	
	2024	2023	2024	2023	2024	2023
JFTS	65%	75%	5% - 15%	0.5% - 1.5%	11.95%	13.68%

- (i) Budgeted gross margins      Average gross margin achieved on past experience and actual results increased for expected efficiency improvements and cost saving measures.
- (ii) Growth rates                      Based on the expected projection of the revenue to be generated from intellectual property.
- (iii) Discount rates (pre-tax)      The rate reflects specific risks relating to the relevant cash-generating unit.

The values assigned to the key assumptions represent management's assessment of future trends in the cash-generating unit and is based on both external sources and internal historical data.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 11. GOODWILL (CONT'D)

- (b) In the prior financial year, there were no reasonably possible changes in any of the key assumptions that would have resulted in an impairment loss on the goodwill.

## 12. AMOUNT OWING BY SUBSIDIARIES

	The Company	
	2024	2023
	RM'000	RM'000
<u>Non-current</u>		
Non-trade balances	13,462	9,629
<u>Current</u>		
Non-trade balances	837	157
	14,299	9,786

- (a) The non-trade balances (non-current) represent unsecured advances at effective interest rates range from 2% to 4.72% (2023 - 2%) per annum which are repayable in year 2026 to 2028 (2023 - 2026 to 2028) and measured at amortised cost at an imputed rate of 2.72% (2023 - 2.72%) per annum. The amount owing is to be settled in cash.
- (b) The non-trade balances (current) represent unsecured interest-free advances. The amount owing is repayable on demand and is to be settled in cash.

## 13. DEFERRED TAX ASSET/(LIABILITIES)

- (a) The deferred tax asset/(liabilities) are made up of the following:-

	The Group	
	2024	2023
	RM'000	RM'000
<u>Deferred tax asset</u>		
At 1 July 2023/2022	40	25
Recognised in profit or loss (Note 30)	18	15
At 30 June	58	40
<u>Deferred tax liabilities</u>		
At 1 July 2023/2022	(2,091)	(2,244)
Recognised in profit or loss (Note 30)	280	153
At 30 June	(1,811)	(2,091)
	(1,753)	(2,051)

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 13. DEFERRED TAX ASSET/(LIABILITIES) (CONT'D)

(b) The deferred tax asset/(liabilities) are attributable to the following:-

	The Group	
	2024	2023
	RM'000	RM'000
Others	58	40
Accelerated capital allowances over depreciation	(1,811)	(862)
Fair value adjustments in a purchase price allocation	-	(1,229)
	(1,753)	(2,051)

## 14. INVENTORIES

	The Group	
	2024	2023
	RM'000	RM'000
Raw materials	2,919	2,509
Work-in-progress	349	330
Finished goods	4,178	3,394
	7,446	6,233
Recognised in profit or loss:-		
Inventories recognised as cost of sales	15,642	15,146
Inventories written down to net realisable value	98	167

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 15. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<b>Trade receivables</b>				
Third parties	8,632	12,124	-	-
<b>Other receivables, deposits and prepayments</b>				
Other receivables	28	2	25	-
Deposits	1,233	386	1	1
Prepayments	349	271	24	24
Staff advances	15	11	-	-
Dividend receivable	3	-	3	4,800
	1,628	670	53	4,825
	10,260	12,794	53	4,825

Trade receivables are non-interest bearing and the normal credit terms granted by the Group range from 30 to 90 days (2023 - 30 to 90 days) from date of invoice. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

(a) The foreign currency exposure profile of trade and other receivables are as follows:-

	The Group	
	2024	2023
	RM'000	RM'000
United States Dollar	3,780	6,079
Chinese Renminbi	3,075	2,919
	6,855	8,998
Less: Assets denominated in the respective entities' functional currencies	(3,057)	(2,880)
Currency exposure	3,798	6,118

(b) Information on financial risks of trade and other receivables are disclosed in Note 38 to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 16. FIXED DEPOSITS WITH A LICENSED BANK

- (a) The fixed deposits with a licensed bank of the Group and of the Company at the end of the reporting period bore effective interest rates of 2.40% (2023 - 2.70%) and 2.40% (2023 - 2.70%) per annum, respectively. The fixed deposits have maturity periods of 30 (2023 - 30) and 30 (2023 - 30) days for the Group and the Company, respectively.
- (b) The fixed deposits with a licensed bank of the Group and of the Company at the end of the reporting period were pledged to licensed bank as security for bank facilities granted to the Group.

## 17. CASH FLOW INFORMATION

- (a) The cash disbursed for the purchases of property, plant and equipment and right-of-use assets are as follows:-

	The Group		The Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment				
Cost of property, plant and equipment (Note 7)	13,720	16,862	-	11
Less: Acquired through hire purchase arrangement (Note 17(b))	-	(227)	-	-
	13,720	16,635	-	11

	The Group	
	2024	2023
	RM'000	RM'000
Right-of-use assets		
Cost of right-of-use assets (Note 8)	1,194	-
Less: Addition of new lease liabilities (Note 17(b))	(1,194)	-
	-	-

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

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

The Group	Note	Lease Liabilities RM'000	Hire Purchase Payables RM'000	Term Loan RM'000	Total RM'000
<b>2024</b>					
At 1 July 2023		1,972	766	1,578	4,316
<u>Changes in Financing Cash Flows</u>					
Repayment of principal		(876)	(220)	(155)	(1,251)
Repayment of interests		(56)	(28)	(71)	(155)
		(932)	(248)	(226)	(1,406)
<u>Other Changes</u>					
Addition during the financial year	17(a)	1,194	-	-	1,194
Interest expenses recognised in profit or loss		56	28	71	155
Foreign exchange adjustments		17	-	-	17
		1,267	28	71	1,366
At 30 June 2024		2,307	546	1,423	4,276

	Note	Lease Liabilities RM'000	Hire Purchase Payables RM'000	Term Loan RM'000	Total RM'000
<b>2023</b>					
At 1 July 2022		2,624	1,095	1,736	5,455
<u>Changes in Financing Cash Flows</u>					
Repayment of principal		(598)	(556)	(158)	(1,312)
Repayment of interests		(91)	(39)	(72)	(202)
		(689)	(595)	(230)	(1,514)
<u>Other Changes</u>					
Interest expenses recognised in profit or loss		91	39	72	202
Foreign exchange adjustments		(54)	-	-	(54)
Proceeds from drawdown	17(a)	-	227	-	227
		37	266	72	375
At 30 June 2023		1,972	766	1,578	4,316

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

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

	The Group 2024 RM'000	2023 RM'000
Payment of short-term leases	98	53
Payment of low value assets	8	8
Interest paid on lease liabilities	56	91
Payment of lease liabilities	876	598
	1,038	750

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

	The Group 2024 RM'000	2023 RM'000	The Company 2024 RM'000	2023 RM'000
Cash in hand	21	15	#	#
Bank balances	3,340	4,524	149	185
Cash and bank balances	3,361	4,539	149	185
Short-term funds:				
- Money market funds	60,361	66,456	55,662	59,462
Cash and cash equivalents	63,722	70,995	55,811	59,647

Note:

# Amount below RM1,000.

Money market 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.

Included in the cash and cash equivalents of the Group and of the Company is an amount of RM52,254,000 (2023 - RM45,066,000) and RM48,601,000 (2023 - RM38,852,000) maintained under Islamic fund.

(e) The foreign currency exposure profile of cash and cash equivalents is as follows:-

	The Group 2024 RM'000	2023 RM'000
United States Dollar	1,608	1,847
Chinese Renminbi	692	254
	2,300	2,101
Less: Assets denominated in the respective entities' functional currencies	(692)	(254)
Currency exposure	1,608	1,847

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

- (f) Information on financial risks of cash and cash equivalents are disclosed in Note 38 to the financial statements.

## 18. SHARE CAPITAL

	The Group/The Company			
	2024		2023	
	Number Of Shares '000	RM'000	Number Of Shares '000	RM'000
<b>Issued and Fully Paid-Up</b>				
Ordinary Shares				
At 1 July 2023/2022 and 30 June	927,059	94,066	927,059	94,066

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

## 19. RESERVES

		The Group		The Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-distributable reserves:-					
Capital reserve	(a)	2,481	2,481	-	-
Foreign exchange translation reserve	(b)	24	8	-	-
		2,505	2,489	-	-
Distributable reserve:-					
Retained earnings		36,494	35,306	5,312	8,564
		38,999	37,795	5,312	8,564

- (a) Capital reserve

The capital reserve represents capital contribution of a shareholder which maintained by the Group's subsidiary in China.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 19. RESERVES (CONT'D)

### (b) Foreign exchange translation reserve

The foreign exchange translation reserve arose from the translation of the financial statements of a foreign subsidiary whose functional currency is different from the Group's presentation currency.

### (c) Warrants

Warrants 2021/2026 were listed on Bursa Malaysia on 25 January 2021. Each Warrant 2021/2026 entitles its holder the right to subscribe for 1 new ordinary share in the Company at any time up to the expiry date of 23 January 2026 at an exercise price of RM1.16 each.

The number of Warrants 2021/2026 remained unexercised at the end of the financial year is as follows:-

	The Group/The Company	
	2024	2023
	Unit ('000)	Unit ('000)
At 1 July 2023/2022 and 30 June	458,939	458,939

Salient features of the Warrants 2021/2026 are as follows:-

- (i) Each warrant will entitle the registered holder to subscribe for 1 new ordinary share in the Company at an exercise price of RM1.16 each subject to adjustment in accordance with the conditions stipulated in the Deed Poll;
- (ii) The warrants may be exercised at any time on or before the maturity date falling five years (2021/2026) from the date of issue of the warrants on 25 January 2021. Warrants not exercised after the exercise period will thereafter lapse and cease to be valid;
- (iii) The new shares to be issued pursuant to the exercise of the warrants shall, upon allotment issue, rank equally in all respects with the existing ordinary shares of the Company in issue except that they will not be entitled to any dividend, rights, allotments and/or any other forms of distributions that may be declared, made or paid to shareholders, the entitlement date of which is before the allotment and issuance of the new ordinary shares; and
- (iv) The persons to whom the warrants have been granted have no rights to participate in any distribution and/or offer of further securities in the Company until/and unless warrants holders exercise their warrants for new ordinary shares.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 20. DEFERRED INCOME

	The Group	
	2024	2023
	RM'000	RM'000
At 1 July 2023/2022	2,984	1,030
Addition during the financial year	1,037	2,179
Recognised in profit or loss (Note 26)	(617)	(225)
At 30 June	3,404	2,984

The Group received government grants in relation to the purchase of property, plant and equipment. The grants are being amortised over the useful lives of the property, plant and equipment.

## 21. LEASE LIABILITIES

	The Group	
	2024	2023
	RM'000	RM'000
At 1 July 2023/2022	1,972	2,624
Addition during the year (Note 8)	1,194	-
Interest expenses recognised in profit and loss (Note 29)	56	91
Repayment of principal	(876)	(598)
Repayment of interest expenses	(56)	(91)
Foreign exchange adjustments	17	(54)
At 30 June	2,307	1,972
<b>Analysed by:-</b>		
Current liabilities	585	580
Non-current liabilities	1,722	1,392
	2,307	1,972

The lease liabilities bore effective interest rates ranging from 3.85% to 3.95% (2023 - 3.85%) per annum.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 22. BORROWINGS

	The Group	
	2024	2023
	RM'000	RM'000
<u>Non-current</u>		
Term loan	1,220	1,383
Hire purchase payables	351	546
	1,571	1,929
<u>Current</u>		
Term loan	203	195
Hire purchase payables	195	220
	398	415
<u>Total</u>		
Term loan	1,423	1,578
Hire purchase payables	546	766
	1,969	2,344

- (a) The term loan was drawn down by a subsidiary of the Group. The term loan of the Group at the end of the reporting period bore an effective interest rate of 4.72% (2023 - 4.72%) per annum.

Term loan of the Group is secured by:-

- (i) a first party charge over the long-term leasehold land and building of a subsidiary as disclosed in Notes 7 and 8 to the financial statements; and
  - (ii) a corporate guarantee of the Company.
- (b) The hire purchase creditors of the Group are secured by motor vehicles under hire purchase arrangements as disclosed in Note 7 to the financial statements. The hire purchase arrangements are expiring from 1 to 3 (2023 - 1 to 4) years.
- (c) The hire purchase of the Group at the end of the reporting period bore effective interest rates ranging from 3.93% to 5.87% (2023 - 3.93% to 5.87%) per annum.

Information on financial risks of borrowings are disclosed in Note 38 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 23. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<b>Trade payables</b>				
Third parties	1,454	1,362	-	-
<b>Other payables and accruals</b>				
Other payables	453	2,567	20	6
Accruals	4,564	1,670	190	190
Deposits	2	1,459	-	-
Sales and service tax payable	17	22	-	-
	5,036	5,718	210	196
	6,490	7,080	210	196

- (a) Trade payables are non-interest bearing and the normal credit terms granted to the Group range from 30 to 60 days (2023 - 30 to 60 days) from date of invoice.
- (b) The deposits represent advances from overseas customer which will be netted-off against future sales.
- (c) The foreign currency exposure profile of trade and other payables is as follows:-

	The Group	
	2024	2023
	RM'000	RM'000
United States Dollar	245	833
Chinese Renminbi	1,849	1,114
Singapore Dollar	2	-
	2,096	1,947
Less: Liabilities denominated in the respective entities' functional currencies	(1,849)	(1,114)
Currency exposure	247	833

- (d) Information on financial risks of trade and other payables are disclosed in Note 38 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 24. REVENUE

	The Group		The Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<b>Revenue from Contracts with Customers</b>				
<u>Recognised at a point in time</u>				
Sale of electronic products, components and test probes	39,926	42,865	-	-
Testing development engineering services	1,691	2,476	-	-
	41,617	45,341	-	-
<u>Revenue from Other Sources</u>				
Dividend income from a subsidiary	-	-	-	9,600
Dividend income from investment	14	8	14	8
	14	8	14	9,608
	41,631	45,349	14	9,608

(a) The information on disaggregation of revenue by geographical market is disclosed in Note 35(b) to the financial statements.

(b) The information about the performance obligations in contracts with customers is summarised below:-

<u>Nature of Goods or Services</u>	<u>Timing and Method of Revenue Recognition</u>	<u>Significant Payment Terms</u>	<u>Variables Considerations</u>	<u>Warranty and Obligation Returns or Refunds</u>
Sales of electronic products, components and test probes	When the goods are delivered and accepted by customers.	Credit period of 60 days from the invoice date.	Not applicable.	Not applicable.
Testing development engineering services	When the services have been rendered to the customers and coincides with the delivery of services and acceptance by customers.	Credit period of 60 days from the invoice date.	Not applicable.	Not applicable.

(c) The information of the revenue from other sources is summarised below:-

### Dividend income

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

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 25. COST OF SALES

	The Group	
	2024	2023
	RM'000	RM'000
Included in cost of sales are:-		
Depreciation of property, plant and equipment	2,742	2,571
Inventories written down	98	167
Lease expenses:		
- short-term leases	5	10
- low value assets	3	4

## 26. OTHER INCOME

	The Group		The Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Included in other income are:-				
Amortisation of deferred income	617	225	-	-
Interest income from:				
- bank balances	-	-	#	#
- fixed deposit	6	5	6	5
- short-term funds	2,151	2,067	1,965	1,809
- loan to subsidiaries	-	-	573	194
Gain on foreign exchange:				
- realised	358	908	-	-
- unrealised	174	353	-	-
Imputed interest on non-current amount owing by subsidiaries	-	-	-	240
Fair value gain on short-term funds	-	42	-	42
Fair value gain on other investment	38	48	38	48

Note:

# Amount below RM1,000.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 27. ADMINISTRATIVE EXPENSES

	The Group		The Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Included in administrative expenses are:-				
Auditors' remuneration:				
- audit fees	186	179	98	95
- non-audit fee	7	6	7	6
Directors' remuneration:				
- fees	171	184	171	184
- emoluments other than fees	2,304	2,494	35	37
Lease expenses:				
- short-term leases	93	43	-	-
- low value assets	5	4	-	-
Commission fee	1,315	1,128	-	-
Professional fees	844	1,293	218	737

## 28. OTHER EXPENSES

	The Group		The Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	1,525	1,105	6	4
Depreciation of right-of-use assets	703	691	-	-
Amortisation of intangible asset	365	366	-	-
Fair value loss on other payable	-	222	-	-
Property, plant and equipment written off	2	-	-	-
Impairment of goodwill	95	-	-	-
Impairment of intangible asset	105	-	-	-
Loss on disposal of property, plant and equipment	101	-	-	-
Loss on foreign exchange:				
- realised	30	551	-	-
- unrealised	350	458	57	79
	3,276	3,393	63	83

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 29. FINANCE COSTS

	The Group 2024 RM'000	2023 RM'000
Interest expenses:		
- lease liabilities	56	91
- borrowings	99	111
	155	202

## 30. TAX EXPENSES/(INCOME)

	The Group 2024 RM'000	2023 RM'000	The Company 2024 RM'000	2023 RM'000
Current tax:				
- for the financial year	352	124	315	124
- under/(over)provision in the previous financial year	67	(37)	62	-
	419	87	377	124
Deferred tax (Note 13):				
- relating to origination and reversal of temporary differences	(298)	(168)	-	-
	121	(81)	377	124

A subsidiary was granted Pioneer Status under the Promotion of Investments Act 1986, for a period of 5 years which commenced from 1 April 2006 to 31 March 2011, as an incentive for the production of interconnect and integrated circuit test socket. The Pioneer Status was extended for another 5 years which commenced from 1 April 2011 and expired on 31 March 2016. The subsidiary has been granted an extension of Pioneer Status commencing from 1 April 2016 to 31 March 2021. On 24 June 2023, the subsidiary has been granted another extension of Pioneer Status commencing from 1 April 2021 to 31 March 2026.

The salient terms of the Pioneer Status are as follows:-

- (i) the subsidiary is granted 100% tax exemption on business income;
- (ii) unabsorbed pioneer capital allowances can be carried forward to the post pioneer period; and
- (iii) unabsorbed pioneer losses can be carried forward to the post pioneer period.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 30. TAX EXPENSES/(INCOME) (CONT'D)

A reconciliation of tax expenses/(income) applicable to the profit before taxation at the statutory tax rate to tax expenses/(income) at the effective tax rate of the Group and of the Company is as follows:-

	The Group		The Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	6,338	11,675	1,760	10,602
Tax at statutory tax rate of 24% (2023 - 24%)	1,521	2,802	422	2,544
Tax effects in respect of:-				
Effects of differential in tax rates of a subsidiary	9	(9)	-	-
Non-allowable expenses	773	772	78	206
Non-taxable income	(610)	(442)	(185)	(2,626)
Deferred tax assets not recognised	1,059	230	-	-
Realisation of deferred tax arising from fair value adjustments in a purchase price allocation	(1,229)	-	-	-
Tax-exempt income from Pioneer Status	(1,469)	(3,397)	-	-
	54	(44)	315	124
Under/(Over)provision in the previous financial year:				
- current tax	67	(37)	62	-
	121	(81)	377	124

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2023 - 24%) of the estimated assessable profit for the financial year. The taxation of other jurisdictions is calculated at the rates prevailing in the respective jurisdiction.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 30. TAX EXPENSES/(INCOME) (CONT'D)

The temporary differences attributable to the deferred tax asset which are not recognised in the financial statements are as follows:-

	The Group	
	2024	2023
	RM'000	RM'000
Unused tax losses:		
- expires in year of assessment 2026	1,739	1,739
- expires in year of assessment 2027	3,147	3,147
- expires in year of assessment 2028	295	295
- expires in year of assessment 2032	632	632
- expires in year of assessment 2033	2,993	2,993
- expires in year of assessment 2034	3,600	-
	12,406	8,806
Unabsorbed capital allowances	1,737	923
	14,143	9,729

Based on the current legislation, the unused tax losses up to the year of assessment 2018 can be carried forward until the year of assessment 2018 and the unused tax losses for 2019 onwards are allowed to be utilised for 10 consecutive years of assessment immediately following that year of assessment; whereas, the unabsorbed capital allowances are allowed to be carried forward indefinitely.

## 31. EARNINGS PER ORDINARY SHARE

### (a) Basic earnings per ordinary share

Basic earnings per ordinary share for the financial year is calculated by dividing the consolidated profit after taxation attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	The Group	
	2024	2023
Profit after taxation attributable to owners of the Company (RM'000)	5,823	12,167
Weighted average number of ordinary shares in issue ('000):-		
Ordinary shares at 1 July 2023/2022 and 30 June	927,059	927,059
Basic earnings per ordinary share (sen)	0.63	1.31

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 31. EARNINGS PER ORDINARY SHARE (CONT'D)

### (b) Diluted earnings per ordinary share

	The Group	
	2024	2023
Profit after taxation attributable to owners of the Company (RM'000)	5,823	12,167
Weighted average number of ordinary shares for basic earnings per share ('000)	927,059	927,059
Effect of dilution - warrants	*	*
Weighted average number of ordinary shares for diluted earnings per share ('000)	927,059	927,059
Diluted earnings per ordinary share (sen)	0.63	1.31

\* The potential conversion of warrants are anti-dilutive as their exercise price is higher than the average market price of the Company's ordinary shares during the current financial year. Accordingly, the exercise of warrants has been ignored in the calculation of dilutive earnings per share.

## 32. DIVIDENDS

	The Group/The Company	
	2024	2023
	RM'000	RM'000
Paid:-		
Final dividend of 0.50 sen per ordinary share in respect of the financial year ended 30 June 2022	-	4,635
First interim dividend of 0.50 sen per ordinary share in respect of the financial year ended 30 June 2023	-	4,635
Final dividend of 0.50 sen per ordinary share in respect of the financial year ended 30 June 2023	4,635	-
	4,635	9,270

On 30 August 2024, the Company declared a final dividend of 0.25 sen per ordinary share amounting to approximately RM2,318,000 in respect of the current financial year, paid on 2 October 2024, to shareholders whose names appeared in the record of depositors on 17 September 2024. The financial statements for the current financial year do not reflect this final dividend. Such dividend will be accounted for in the equity as an appropriation of retained earnings in the financial year ending 30 June 2025.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 33. EMPLOYEE BENEFITS

	The Group		The Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Salaries and allowances	13,275	12,103	-	-
Defined contribution plan	1,463	1,410	-	-
Other employee benefits	2,358	2,763	35	37
	17,096	16,276	35	37

Included in employee benefits of the Group and of the Company are Directors' other emoluments amounting to RM2,304,000 (2023 - RM2,494,000) and RM35,000 (2023 - RM37,000) respectively.

## 34. RELATED PARTY DISCLOSURES

### (a) Subsidiaries

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

### (b) Related Party Transactions and Balances

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

	The Company	
	2024	2023
	RM'000	RM'000
Dividend received/receivable from a subsidiary	-	9,600
Loan to subsidiaries	7,143	5,344
Loan interest received/receivable from subsidiaries	573	194

The abovementioned related party transactions were carried out based on negotiated terms and conditions that were mutually agreed with respective related parties.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 34. RELATED PARTY DISCLOSURES (CONT'D)

### (c) Compensation of Key Management Personnel

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

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

	The Group		The Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<i>Executive Directors:</i>				
Short-term employee benefits:				
- salaries and allowances	1,919	2,076	-	-
- defined contribution plan	350	381	-	-
<i>Non-executive Directors:</i>				
Short-term employee benefits:				
- allowances	35	37	35	37
- fee	171	184	171	184
<i>Other Key Management Personnel:</i>				
Short-term employee benefits:				
- fee	13	-	-	-
- salaries and allowances	2,421	2,057	-	-
- defined contribution plan	288	243	-	-
<b>Total</b>	<b>5,197</b>	<b>4,978</b>	<b>206</b>	<b>221</b>

The estimated monetary value of benefits-in-kind received by the Directors and other key management personnel other than in cash from the Group amounted to RM34,000 (2023 - RM31,000) and RM190,000 (2023 - RM124,000) respectively.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 35. SEGMENTAL INFORMATION

### (a) Segmental information

The revenue from external customers in Malaysia amounted to approximately RM11,440,000 (2023 - approximately RM15,021,000), and the total revenue from external customers from other countries amounted to approximately RM30,191,000 (2023 - approximately RM30,328,000).

Segment analysis has not been prepared as the Group's business is focused only in manufacturing and trading of electronic products, components and test probes, including production, packaging, marketing and distribution of its products principally in Malaysia, and this forms the focus of the Group's internal reporting systems.

The chief operating decision maker reviews the business performance of the Group as a whole and management monitors the operating results of its business for the purpose of making decisions on resources allocation and performance assessment.

### (b) Geographical information

Revenue is based on the country in which the customers are located.

Non-current assets are determined according to the country where these assets are located. The amounts of non-current assets do not include financial instruments and deferred tax asset.

	Revenue		Non-current Assets	
	2024	2023	2024	2023
The Group	RM'000	RM'000	RM'000	RM'000
Malaysia	11,440	15,021	60,401	50,095
China	15,749	13,584	5,779	6,216
United States	3,386	3,419	-	-
Singapore	3,795	3,366	-	-
Philippines	3,993	5,993	-	-
Others	3,268	3,966	-	-
Total	41,631	45,349	66,180	56,311

### (c) Information about major customers

Revenue from transactions with a major customer who accounted for 10% or more of the Group's revenue is as follows:-

	The Group Revenue	
	2024	2023
	RM'000	RM'000
Customer A	4,913	-

# NOTES TO THE FINANCIAL STATEMENTS

## (CONT'D)

### 36. CAPITAL COMMITMENT

	The Group		The Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Purchase of property, plant and equipment	1,329	14,611	6	6

### 37. FINANCIAL INSTRUMENTS

#### (a) CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that entities of the Group would be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity ratio.

The Group manages its capital structure and make adjustments to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment, return of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio. The debt-to-equity ratio of the Group at the end of the reporting period is not presented as its cash and cash equivalents exceeded the total loans and borrowings.

There was no change in the Group's approach to capital management during the financial year.

The Group is not subject to any externally imposed capital requirements.

#### (b) CLASSIFICATION OF FINANCIAL INSTRUMENTS

	2024		2023	
	The Group	The Company	The Group	The Company
	RM'000	RM'000	RM'000	RM'000
<b>Financial Assets</b>				
Amortised Cost				
Trade and other receivables	8,663	28	12,126	4,800
Other investments	126	-	126	-
Fixed deposits with a licensed bank	247	247	241	241
Cash and bank balances	3,361	149	4,539	185
Amount owing by subsidiaries	-	14,299	-	9,786
	12,397	14,723	17,032	15,012

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 37. FINANCIAL INSTRUMENTS (CONT'D)

### (b) CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

	2024		2023	
	The Group RM'000	The Company RM'000	The Group RM'000	The Company RM'000
<b>Financial Assets</b>				
<u>Fair Value Through Profit or Loss</u>				
Short-term funds	60,361	55,662	66,456	59,462
Other investments	592	592	556	556
	60,953	56,254	67,012	60,018
<b>Financial Liabilities</b>				
<u>Fair Value Through Profit or Loss</u>				
Trade and other payables	-	-	600	-
<u>Amortised Cost</u>				
Borrowings	1,969	-	2,344	-
Trade and other payables	6,471	210	5,599	196
	8,440	210	7,943	196

### (c) GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	2024		2023	
	The Group RM'000	The Company RM'000	The Group RM'000	The Company RM'000
<b>Financial Assets</b>				
<u>Amortised Cost</u>				
Net gains recognised in profit or loss	190	522	334	122
<u>Mandatorily at Fair Value Through Profit or Loss</u>				
Net gains recognised in profit or loss	2,203	2,018	2,165	1,908
<b>Financial Liabilities</b>				
<u>Mandatorily at Fair Value Through Profit or Loss</u>				
Net loss recognised in profit or loss	-	-	(222)	-
<u>Amortised Cost</u>				
Net losses recognised in profit or loss	(621)	-	(325)	-

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 37. FINANCIAL INSTRUMENTS (CONT'D)

### (d) FAIR VALUE INFORMATION

The fair values of the financial assets and financial liability of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments Not Carried at Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
The Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>2024</b>								
<u>Financial Assets</u>								
Short-term funds	-	60,361	-	-	-	-	60,361	60,361
Other investments								
- Quoted shares	592	-	-	-	-	-	592	592
	592	60,361	-	-	-	-	60,953	60,953
<u>Financial Liability</u>								
Borrowings								
- Term loan	-	-	-	-	1,423	-	1,423	1,423
- Hire purchase payables	-	-	-	-	499	-	499	546
	-	-	-	-	1,922	-	1,922	1,969

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 37. FINANCIAL INSTRUMENTS (CONT'D)

### (d) FAIR VALUE INFORMATION (CONT'D)

	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments Not Carried at Fair Value			Total Fair Value	Carrying Amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
The Group								
<b>2023</b>								
<u>Financial Asset</u>								
Short-term funds	-	66,456	-	-	-	-	66,456	66,456
Other investments								
- Quoted shares	556	-	-	-	-	-	556	556
	556	66,456	-	-	-	-	67,012	67,012
<u>Financial Liability</u>								
Borrowings								
- Term loan	-	-	-	-	1,578	-	1,578	1,578
- Hire purchase payables	-	-	-	-	810	-	810	766
	-	-	-	-	2,388	-	2,388	2,344
<b>The Company</b>								
<b>2024</b>								
<u>Financial Asset</u>								
Short-term funds	-	55,662	-	-	-	-	55,662	55,662
Other investments	592	-	-	-	-	-	592	592
Amount owing by subsidiaries (Non-current)	-	-	-	-	-	13,462	13,462	13,462
	592	55,662	-	-	-	13,462	69,716	69,716

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 37. FINANCIAL INSTRUMENTS (CONT'D)

### (d) FAIR VALUE INFORMATION (CONT'D)

	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments Not Carried at Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
The Company	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>2023</b>								
Financial Asset								
Short-term funds	-	59,462	-	-	-	-	59,462	59,462
Other investments	556	-	-	-	-	-	556	556
Amount owing by subsidiaries (Non-current)	-	-	-	-	-	9,629	9,629	9,629
	556	59,462	-	-	-	9,629	69,647	69,647

#### (a) Fair Value of Financial Instruments Carried at Fair Value

- (i) The fair value of short-term funds is determined by reference to statements provided by the respective financial institutions, with which the investments were entered into at the end of the reporting period.
- (ii) The fair value of quoted equity investments is determined at their quoted closing bid prices at the end of the reporting period.

#### (b) Fair Value of Financial Instruments Not Carried at Fair Value

- (i) The fair value of the Group's hire purchase payables that carry fixed interest rates are determined by discounting the relevant future contractual cash flows using current market interest rates for similar instruments at the end of the reporting period.
- (ii) The fair value of the Group's term loans that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.
- (iii) The fair value of amounts owing by subsidiaries (non-current) is calculated based on the present value of the projected repayment of loans.

# NOTES TO THE FINANCIAL STATEMENTS

## (CONT'D)

### 38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risk management objective of the Group and the Company are 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 Group operates within an established risk management framework and clearly defined guidelines that are regularly reviewed by the Board of Directors and does not trade in derivative financial instruments. Financial risk management is carried out through risk review programmes, internal control systems, insurance programmes and adherence to the Group's financial risk management policies. The Group and the Company are exposed mainly to credit risk, liquidity and cash flow risk, interest rate risk, foreign currency risk and equity price risk. Information on the management of the related exposures is detailed below.

#### (a) Credit risk

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

Also, the Company's exposure to credit risk includes loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to serve their loans on an individual basis.

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

The Group determines concentration of credit risk by monitoring its trade receivables on an ongoing basis.

The Group's major concentration of credit risk relates to the amounts owing by 1 customer (2023 - 2) which constituted approximately 12% (2023 - 36%) of its trade receivables at the end of the reporting period.

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

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

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiaries as disclosed under the 'Maturity analysis' of item (b) below, representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period. As at the end of the reporting period, there was no indication that the subsidiaries would default on repayment.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

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

#### (iii) Assessment of impairment losses

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

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

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

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

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

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than 365 days past due.

#### Trade Receivables

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

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

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

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

The expected loss rates are based on the payment profiles of sales over 12 months (2023 - 12 months) before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates were not adjusted to reflect forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts as the Group has not identified any forward-looking assumptions which correlate to the historical loss rates.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

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

#### (ii) Assessment of impairment losses (Cont'd)

##### Trade Receivables (Cont'd)

##### *Allowance for Impairment Losses*

The information about the credit exposure and loss allowances recognised for trade receivables are as follows:-

The Group	Gross Amount RM'000	Lifetime Individual Allowance RM'000	Lifetime Collective Impairment RM'000	Carrying Amount RM'000
<b>2024</b>				
Current (not past due)	3,529	-	-	3,529
1 to 30 days past due	1,761	-	-	1,761
31 to 60 days past due	948	-	-	948
61 to 90 days past due	1,280	-	-	1,280
More than 90 days past due	1,114	-	-	1,114
	8,632	-	-	8,632
<b>2023</b>				
Current (not past due)	8,293	-	-	8,293
1 to 30 days past due	2,958	-	-	2,958
31 to 60 days past due	525	-	-	525
61 to 90 days past due	269	-	-	269
More than 90 days past due	79	-	-	79
	12,124	-	-	12,124

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

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

#### (iii) Assessment of impairment losses (Cont'd)

##### Amount owing by Subsidiaries (Non-trade Balances)

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances.

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

The Company measures the expected credit losses on individual basis, which is aligned with its credit risk management practices on the inter-company balances.

The Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded.

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiary.

For loans and advances that are not repayable on demand, impairment loss is measured on 12-month expected credit losses by considering the likelihood that the subsidiaries would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is expected to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Company considers the subsidiaries' past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information macroeconomic factors affecting the ability of the receivable to settle its debts.

There are no significant changes in the estimation, techniques and assumptions as compared in the previous financial year.

At the end of the reporting period, there was no indication that the amount owing is not recoverable.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

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

#### (iii) Assessment of impairment losses (Cont'd)

##### Financial Guarantee Contracts

Corporate guarantees for borrowing facilities granted to subsidiary are financial guarantee contract.

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

The Company closely monitors the subsidiary financial strength to reduce the risk of loss.

The Company considers there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. A financial guarantee contract is credit impaired when:

- The subsidiary is unlikely to repay its obligation to the bank in full: or
- The subsidiary is having a deficit in equity and is continuously loss making.

The Company determines the probability of default of the guaranteed amounts individually using internal information available.

##### *Allowance for Impairment Losses*

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

##### Fixed Deposits with A Licensed Bank, Cash and Cash Equivalents

The Group and the Company consider the licensed banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group and the Company are of the view that the loss allowance is immaterial and hence, it is not provided for.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### (b) Liquidity and cash flow risk

The Group actively manages its operating cash flows and the availability of funding to ensure all financing, repayment and funding needs are met. Due to the dynamic nature of the underlying business, the Group aims at maintaining flexibility in funding by keeping committed credit lines available. In liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the Group's activities.

#### Maturity analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

The Group	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 to 5 Years RM'000	Over 5 Years RM'000
<b>2024</b>					
<u>Non-derivative Financial Liabilities</u>					
Trade and other payables	6,471	6,471	6,471	-	-
Term loan	1,423	1,656	251	1,005	400
Hire purchase payables	546	579	129	308	142
Lease liabilities	2,307	2,588	1,330	1,258	-
	10,747	11,294	8,181	2,571	542
<b>2023</b>					
<u>Non-derivative Financial Liabilities</u>					
Trade and other payables	5,599	5,599	5,599	-	-
Term loan	1,578	1,874	251	1,005	618
Hire purchase payables	766	827	248	579	-
Lease liabilities	1,972	2,204	818	1,386	-
	9,915	10,504	6,916	2,970	618

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

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

#### Maturity analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

The Company	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000
<b>2024</b>			
<u>Non-derivative Financial Liabilities</u>			
Other payables	210	210	210
Financial guarantee contracts in relation to corporate guarantee given to subsidiaries*	-	1,422	1,422
	210	1,632	1,632
<b>2023</b>			
<u>Non-derivative Financial Liabilities</u>			
Other payables	196	196	196
Financial guarantee contracts in relation to corporate guarantee given to a subsidiary*	-	1,578	1,578
	196	1,774	1,774

Note:-

- \* The contractual undiscounted cash flows represent the outstanding credit facilities of the subsidiaries at the end of the reporting period. The financial guarantees have not been recognised in the financial statements since their fair value on initial recognition were not material.

# NOTES TO THE FINANCIAL STATEMENTS

## (CONT'D)

### 38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

#### (c) Interest rate risk

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

The fixed rate debt instruments of the Group are not subject to interest rate risk since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 22 to the financial statements.

Any reasonably possible change in the interest rates of floating rate term loans at the end of the reporting period does not have a material impact on the profit after taxation and equity of the Group and hence, no sensitivity analysis is presented.

#### (d) 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 transactions and balances that are denominated in currencies other than Ringgit Malaysia. The currency giving rise to this risk are primarily United States Dollar ('USD'), Chinese Renminbi ('CNY') and Singapore Dollar ('SGD').

It is not the Group's policy to enter into foreign exchange contracts in managing its foreign exchange risk resulting from cash flows on transactions denominated in foreign currency as transactions denominated in foreign currency are minimal.

Information regarding foreign currency exposure are disclosed in Notes 15(a), 17(e) and 23(c) to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

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

#### Sensitivity analysis for foreign currency risk

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

		The Group	
		2024	2023
		RM'000	RM'000
		Profit after tax	Profit after tax
USD/RM	-strengthened by 10%	390	539
	-weakened by 10%	(390)	(539)
CNY/RM	-strengthened by 10%	1	3
	-weakened by 10%	(1)	(3)
SGD/RM	-strengthened by 10%	#	-
	-weakened by 10%	#	-

Note:

# Amount below RM1,000.

### (e) Equity price risk

The Group's principal exposure to equity price risk arises mainly from changes in quoted investment price. The Group manages its exposure to equity price risk by maintaining a portfolio of equities with different risk profiles.

#### Sensitivity analysis for equity price risk

Any reasonably possible change in the price of quoted investment classified as fair value through other comprehensive income at the end of the reporting period does not have a material impact on the profit after taxation and equity of the Group and of the Company and hence, no sensitivity analysis is presented.

# NOTES TO THE FINANCIAL STATEMENTS

## (CONT'D)

### 39. SIGNIFICANT EVENT OCCURING AFTER THE REPORTING PERIOD

On 8 August 2024, the Company has entered into a cross-distribution agreement with Ironwood Electronics Inc ("Ironwood"), where, amongst other details, the Group will utilise Ironwood's contact assembly cartridges and Ironwood will utilise the Group's high performance contact pins, both cantilever and rigid, within its contact assembly cartridges, within their test sockets. Both companies will continue to sell their own products worldwide, but will now also have the right to sell each other's products, with Ironwood focusing on the United State and Europe where the Group focusing on Asia.

### 40. COMPARATIVE FIGURES

The following figures have been reclassified to conform with the presentation of the current financial year:-

	As Previously Reported RM'000	As Restated RM'000
<b>The Company</b>		
<b>2023</b>		
<b>Statement of Cash Flows (Extract):-</b>		
Net cash from operating activities	480	5,288
Net cash from investing activities	6,685	1,877

# LIST OF PROPERTIES

No.	Name of registered owner: Lot. No. /Postal address	Description/ Existing use	Tenure	Year of Expiry	Net book value RM'000	Area (sq. ft.)	Age of building (Year)	Date of revaluation
1	<b>JF Microtechnology Sdn. Bhd.</b> H.S. (D) 241029, PT No. PT9918, Mukim of Pekan Baru Sungai Buloh, District of Petaling, State of Selangor  <b>Bearing postal address:</b> Lot No. 6, Jalan Teknologi 3/6, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan	2-storey office cum factory/ Corporate Headquarters & factory	99 years Leasehold (83 years)*	2106	12,229	92,783	14	18 September 2007 §
2	<b>JF Microtechnology Sdn. Bhd.</b> Lot 54814, PT No. PN122124, Mukim of Pekan Baru Sungai Buloh, District of Petaling, State of Selangor  <b>Bearing postal address:</b> Lot No. 6, Jalan Teknologi 3/6, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan	4-storey office cum factory with a single storey car park and a single story staff facilities	99 years Leasehold (83 years)*	2106	27,423	93,280	0	13 June 2023

## Note :

\* Balance of leasehold tenure

§ Date of acquisition

# ANALYSIS OF SHAREHOLDINGS

AS AT 27 SEPTEMBER 2024

Total Number of Issued Shares	:	927,058,140 Ordinary Shares
Class of Shares	:	Ordinary shares
Number of Shareholders	:	14,300
Voting Rights	:	One (1) vote per ordinary share on a poll

## DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Shareholders	%	No. of Shares	%
1-99	83	0.58	2,891	0.00
100-1,000	2,450	17.13	1,691,185	0.18
1,001-10,000	7,981	55.81	38,120,840	4.11
10,001-100,000	3,312	23.16	100,327,084	10.82
100,001-46,352,906 (*)	471	3.30	396,267,384	42.75
46,352,907 and above (**)	3	0.02	390,648,756	42.14
<b>Total</b>	<b>14,300</b>	<b>100.00</b>	<b>927,058,140</b>	<b>100.00</b>

Remark: \* Less than 5% of issued shares  
 \*\* 5% and above of issued shares

## SUBSTANTIAL SHAREHOLDERS

No.	Name	Direct		Indirect	
		No. of shares	(%)	No. of shares	(%)
1.	Fowa Sdn. Bhd.	250,000,000	26.97	-	-
2.	Dato' Foong Wei Kuong	220,062,088	23.74	250,000,000 <sup>(a)</sup>	26.97
3.	FOONG WANG (L) FOUNDATION	-	-	250,000,000 <sup>(b)</sup>	26.97

Note: -

<sup>(a)</sup> Deemed interested by virtue of his interest in Fowa Sdn. Bhd. via FOONG WANG (L) FOUNDATION pursuant to Section 8 of the Companies Act 2016 ("the Act")

<sup>(b)</sup> Deemed interested by virtue of its interest in Fowa Sdn. Bhd. pursuant to Section 8 of the Act

## DIRECTORS' SHAREHOLDINGS

No.	Name	Direct		Indirect	
		No. of shares	(%)	No. of shares	(%)
1.	Dato' Foong Wei Kuong	220,062,088	23.74	250,000,000 <sup>(a)</sup>	26.97
2.	Datin Wang Mei Ling	39,702,580	4.28	-	-
3.	Datuk Phang Ah Tong	326,664	0.04	5,000 <sup>(b)</sup>	^
4.	Goh Kok Sing	460,000	0.05	-	-
5.	Koay Kah Ee	1,560,500	0.17	-	-
6.	Chong Kur Sen	-	-	5,000 <sup>(c)</sup>	^
7.	Chua Hui Chen	-	-	-	-
8.	Jamilah binti Kamal	30,000	^	-	-
9.	Lee Eng Kiat (Alternate Director)	1,778,200	0.19	126,664 <sup>(b)</sup>	0.01

Notes: -

<sup>(a)</sup> Deemed interested by virtue of his interest in Fowa Sdn. Bhd. via FOONG WANG (L) FOUNDATION pursuant to Section 8 of the Act

<sup>(b)</sup> Deemed interested by virtue of the shares held by his spouse pursuant to Section 59(1)(c) of the Act

<sup>(c)</sup> Deemed interested by virtue of the shares held by her father pursuant to Section 8 of the Act

^ Negligible

# ANALYSIS OF SHAREHOLDINGS (CONT'D)

## THIRTY (30) LARGEST SHAREHOLDERS

No.	Name	Shareholdings	%
1.	Fowa Sdn. Bhd.	250,000,000	26.97
2.	Dato' Foong Wei Kuong	91,279,292	9.85
3.	Dato' Foong Wei Kuong	49,369,464	5.33
4.	RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Dato' Foong Wei Kuong	40,000,000	4.31
5.	Datin Wang Mei Ling	39,702,580	4.28
6.	Sim Ah Yoong	29,113,332	3.14
7.	Kok Kean Loon	21,747,164	2.35
8.	Hubble Ventures Co., Limited	17,687,200	1.91
9.	Dato' Foong Wei Kuong	17,213,332	1.86
10.	AMSEC Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account - AmBank (M) Berhad for Dato' Foong Wei Kuong (Smart)	15,000,000	1.62
11.	Chong Toh Wee	10,240,000	1.10
12.	Citigroup Nominees (Asing) Sdn. Bhd. Exempt An for UBS AG Singapore (Foreign)	9,835,300	1.06
13.	Hor Lee Chen	7,405,600	0.80
14.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Dato' Foong Wei Kuong	7,000,000	0.76
15.	Tam Juat Hong	4,805,600	0.52
16.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Kok Kean Loon	4,620,032	0.50
17.	Oon Soon Keat	4,126,900	0.45
18.	Ooi Sock Hoon	4,001,000	0.43
19.	Helmi Sin bin Abdullah	2,743,500	0.30
20.	Low Wan Choon	2,572,332	0.28
21.	Chow Yik Peng	2,402,000	0.26
22.	Yeow Teck Chai	2,305,000	0.25
23.	TASEC Nominees (Tempatan) Sdn. Bhd. Exempt An for TA Investment Management Berhad (Clients)	2,287,340	0.25
24.	HSBC Nominees (Tempatan) Sdn. Bhd. HSBC (M) Trustee Bhd for Manulife Investment Al-Faid (4389)	2,248,800	0.24
25.	Maybank Nominees (Tempatan) Sdn. Bhd. for Lim Yoke Cho	2,090,864	0.23
26.	Zakaria bin Arshad	2,070,000	0.22
27.	Ng Ah Tiam	2,000,000	0.22
28.	Universal Trustee (Malaysia) Berhad for TA Dana Fokus	1,889,000	0.20
29.	Hew Wei Kong	1,781,732	0.19
30.	Lee Eng Kiat	1,778,200	0.19

# ANALYSIS OF SHAREHOLDINGS (CONT'D)

## ANALYSIS OF WARRANT HOLDINGS AS AT 27 SEPTEMBER 2024

Total Number of Outstanding Warrants Issued : 458,939,370 Warrants  
Number of Warrant holders : 3,123

## DISTRIBUTION OF WARRANT HOLDINGS

Size of Holdings	No. of Warrant holders	%	No. of Warrants	%
1-99	119	3.81	5,389	0.00
100-1,000	410	13.13	241,584	0.05
1,001-10,000	1,290	41.31	6,533,233	1.42
10,001-100,000	1,011	32.37	34,768,490	7.58
100,001- 22,946,967 (*)	290	9.28	174,715,006	38.07
22,946,968 and above (**)	3	0.10	242,675,668	52.88
<b>Total</b>	<b>3,123</b>	<b>100.00</b>	<b>458,939,370</b>	<b>100.00</b>

Remark: \* Less than 5% of issued warrants  
\*\* 5% and above of issued warrants

## DIRECTORS' WARRANT HOLDINGS

No.	Name	Direct		Indirect	
		No. of Warrants	(%)	No. of Warrants	(%)
1.	Dato' Foong Wei Kuong	209,931,044	45.74	-	-
2.	Datin Wang Mei Ling	44,851,290	9.77	-	-
3.	Datuk Phang Ah Tong	153,332	0.03	-	-
4.	Goh Kok Sing	250,000	0.05	-	-
5.	Koay Kah Ee	-	-	-	-
6.	Chong Kur Sen	-	-	-	-
7.	Chua Hui Chen	-	-	-	-
8.	Jamilah binti Kamal	-	-	-	-
9.	Lee Eng Kiat (Alternate Director)	922,600	0.20	33,332 <sup>(a)</sup>	0.01

Notes: -

<sup>(a)</sup> Deemed interested by virtue of the shares held by his spouse pursuant to Section 59(11)(c) of the Act

# ANALYSIS OF SHAREHOLDINGS (CONT'D)

## THIRTY (30) LARGEST WARRANT HOLDERS

No.	Name	Warrant holdings	%
1.	Dato' Foong Wei Kuong	165,639,646	36.09
2.	Datin Wang Mei Ling	44,851,290	9.77
3.	Dato' Foong Wei Kuong	32,184,732	7.01
4.	Dato' Foong Wei Kuong	12,106,666	2.64
5.	Kok Kean Loon	11,614,932	2.53
6.	Chong Toh Wee	9,100,000	1.98
7.	Hubble Ventures Co., Limited	8,843,600	1.93
8.	Tan Eng Hock	6,522,400	1.42
9.	HLIB Nominees (Tempatan) Sdn. Bhd. Hong Leong Bank Bhd for Sin Ket Hin	5,250,800	1.14
10.	Chow Hong Lit	4,925,900	1.07
11.	AMSEC Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Yong Chen Voon	4,640,000	1.01
12.	Oon Soon Keat	3,720,600	0.81
13.	Ng Poh Chan	3,000,000	0.65
14.	Helmi Sin bin Abdullah	2,623,600	0.57
15.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Kok Kean Loon	2,200,066	0.48
16.	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Yong Kwee Lian	2,100,000	0.46
17.	Lee Mei Ling	2,032,900	0.44
18.	Low Wan Choon	1,714,866	0.37
19.	Thong Swee Seng	1,684,000	0.37
20.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lim Khek Keng (E-TAI)	1,679,500	0.37
21.	Tam Juat Hong	1,599,300	0.35
22.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Koh Chong Hap (Penang-CL)	1,597,800	0.35
23.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Razana Binti Amran (MY0981)	1,573,700	0.34
24.	Tan Yang Kiong	1,415,500	0.31
25.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Khoo Chai Pek (MY1030)	1,330,000	0.29
26.	Yee Chee Chen	1,300,000	0.28
27.	Ng Seok Moi	1,271,600	0.28
28.	Tan Yeap Hong	1,217,100	0.27
29.	Sin Kek Yong	1,211,000	0.26
30.	Chow Yik Peng	1,204,400	0.26

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Eighteenth Annual General Meeting (“**AGM**”) of the Company will be held at Greens III, Sports Wing, Tropicana Golf & Country Resort Berhad, Jalan Kelab Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 3 December 2024 at 9:00 a.m. for the following purposes:

## AGENDA

1. To receive the Audited Financial Statements for the financial year ended 30 June 2024 together with the Reports of the Directors and the Auditors thereon. **(Refer to Explanatory Note 1)**
2. To approve the payment of Directors’ fees amounting to RM170,688.00 for the financial year ended 30 June 2024. **Resolution 1**
3. To approve an amount of up to RM50,000.00 as benefits payable to the Non-Executive Directors from 4 December 2024 until the next Annual General Meeting of the Company to be held in 2025. **Resolution 2**
4. To re-elect the following Directors who shall retire by rotation pursuant to Clause 117 of the Company’s Constitution and being eligible, have offered themselves for re-election:
  - (a) Datin Wang Mei Ling **Resolution 3**
  - (b) Mr. Goh Kok Sing **Resolution 4**
  - (c) Ms. Chong Kur Sen **Resolution 5**
5. To re-appoint Crowe Malaysia PLT as Auditors of the Company until the conclusion of the next Annual General Meeting of the Company and to authorise the Directors to fix their remuneration. **Resolution 6**
6. As Special Business:

To consider and, if thought fit, with or without any modifications, to pass the following resolutions as ordinary resolutions:

- (a) **ORDINARY RESOLUTION NO. 1** **Resolution 7**  
- **AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016 AND WAIVER OF PRE-EMPTIVE RIGHTS**

“**THAT** subject to the provisions of the Companies Act 2016 (“**the Act**”), the Constitution of the Company and the approvals from Bursa Malaysia Securities Berhad (“**Bursa Malaysia Securities**”) and any other relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to the Act, to issue and allot shares in the capital of the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit provided always that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being;

**THAT** the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities;

**THAT** pursuant to Section 85 of the Act to be read together with Clause 13 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Sections 75 and 76 of the Act;

**AND THAT** such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

# NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

(b) **ORDINARY RESOLUTION NO. 2**

**Resolution 8**

**- PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")**

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**"THAT** subject always to the Companies Act 2016 (**"the Act"**), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (**"Bursa Malaysia Securities"**) and any other applicable laws, guidelines, rules and regulations for the time being in force, the Company be and is hereby authorised to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Malaysia Securities, upon such terms and conditions as the Directors in their absolute discretion deem fit and expedient in the best interest of the Company, provided that:

- (i) the aggregate number of ordinary shares to be purchased and/or held by the Company shall not exceed ten per centum (10%) of the total number of issued shares of the Company as at the point of purchase(s); and
- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts of the Company (where applicable) available at the time of the purchase(s);

**THAT** upon completion of the purchase by the Company of its own shares, the Directors of the Company be authorised to deal with the shares so purchased in their absolute discretion in the following manners:

- (i) cancel all the shares so purchased; and/or
- (ii) retain the shares so purchased in treasury for distribution as dividends to the shareholders and/or resell on the market of Bursa Malaysia Securities; and/or
- (iii) retain part thereof as treasury shares and cancel the remainder; and/or
- (iv) transfer the shares for the purposes of or under an employees' share scheme; and

in any other manner as prescribed by the Act, rules, regulations, and orders made pursuant to the Act and the requirements of Bursa Malaysia Securities and any other relevant authority for the time being in force;

**THAT** such authority conferred by this Resolution shall commence immediately upon the passing of this Resolution and shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting (**"AGM"**) of the Company following this AGM at which such resolution was passed, at which time the authority will lapse unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM of the Company after that date is required by law to be held; or
- (c) revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first;

# NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

**AND THAT** the Directors of the Company be authorised to do all acts, deeds, and things and to take all such steps as they may deem fit, appropriate, expedient, or necessary in the best interest of the Company to give full effect to the Proposed Renewal of Share Buy-Back Authority with full powers to assent to any condition, modification, variation and/or amendment as may be required or imposed by the relevant authorities and to take all such steps, and do all such acts and things as they may deem fit and expedient in the interest of the Company."

7. To transact any other ordinary business for which due notice has been given.

By Order of the Board

**CHUA SIEW CHUAN (SSM PC NO. 201908002648) (MAICSA 0777689)**

**CHIN MUN YEE (SSM PC NO. 201908002785) (MAICSA 7019243)**

Company Secretaries

Kuala Lumpur

Dated: 25 October 2024

## **Explanatory notes:**

1. Audited Financial Statements for the financial year ended 30 June 2024

This Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 ("the Act") does not require the formal approval of the shareholders of the Company and, hence, is not put forward for voting.

2. Resolution 2 – Directors' benefits

The Directors' benefits comprise the meeting allowances payable to the Non-Executive Directors. In determining the total Directors' benefits, the size of the Board of Directors ("**Board**") and Board Committees and the number of meetings estimated to be held were considered.

3. Resolutions 3 to 5 – Re-election of Directors who retire by rotation pursuant to Clause 117 of the Constitution of the Company

Pursuant to Clause 117 of the Constitution of the Company, at every AGM of the Company, one-third (1/3<sup>rd</sup>) of the Directors for the time being or, if the number is not three (3) or a multiple of three (3), the number nearest to one-third (1/3<sup>rd</sup>) shall retire from office and be eligible for re-election. A Director retiring at a meeting shall retain office until the conclusion of the meeting. A retiring Director shall be eligible for re-election. Hence, three (3) out of eight (8) Directors are to retire in accordance with Clause 117 of the Constitution of the Company.

For the purpose of determining the eligibility of the Directors to stand for re-election at the Eighteenth AGM of the Company, the Board, through its Nomination Committee, undertakes a formal evaluation to determine the eligibility of each retiring Director in line with the Malaysian Code on Corporate Governance, which includes the following:

- (i) Contribution and performance of each individual Director;
- (ii) Independence of the Independent Non-Executive Director, where relevant; and
- (iii) Fit and proper assessment.

# NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Based on the results of the abovementioned evaluations, the Board considered the performance of Datin Wang Mei Ling, Mr. Goh Kok Sing, and Ms. Chong Kur Sen (each referred to as “**retiring Director**”) to be effective. The retiring Directors met the Board’s expectations regarding experience, expertise, integrity, competency, participation, and contribution. Each retiring Director demonstrates a commitment to the role and has sufficient time to meet his/her commitment to the Company. The retiring Directors had abstained from deliberations and decisions on their own eligibility to stand for re-election at the meetings of the Board and Nomination Committee, where relevant.

The details of the retiring Directors are available in the Directors’ Profile of the Annual Report 2024.

4. Resolution 7 - Authority to issue shares pursuant to the Act and waiver of pre-emptive rights

The proposed adoption of Ordinary Resolution No. 1 is to grant a renewed general mandate (“**General Mandate**”) and empower the Directors, pursuant to the Act, to issue and allot new shares in the Company from time to time provided that the aggregate number of shares issued pursuant to the General Mandate does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being. Unless revoked or varied by the Company in a general meeting, the General Mandate will expire at the conclusion of the Company’s next AGM.

As of the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the Seventeenth AGM of the Company held on 5 December 2023, which will lapse at the conclusion of the Eighteenth AGM of the Company.

The General Mandate will provide flexibility to the Company for the allotment of shares for any possible fundraising activities for the purpose of funding future investment project(s), working capital, and/or acquisition(s).

Pursuant to Section 85(1) of the Act be read together with Clause 13 of the Constitution of the Company, shareholders of the Company have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other convertible securities.

5. Resolution 8 - Proposed renewal of authority for the Company to purchase its own shares

The proposed adoption of Ordinary Resolution No. 2 is to renew the authority given to the Company to purchase its own shares of up to ten per centum (10%) of the total number of issued shares of the Company at any time within the period stipulated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Unless revoked or varied by the Company in a general meeting, this authority will expire at the conclusion of the next AGM of the Company.

Please refer to the Statement to Shareholders dated 25 October 2024 for further information.

**Notes:**

1. With respect to deposited securities, only members whose names appear in the Record of Depositors on 26 November 2024 (General Meeting Record of Depositors) shall be eligible to attend the Meeting.
2. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint up to two (2) proxies to attend, participate, speak, and vote in his/her stead. Where the member appoints two (2) proxies in relation to a Meeting, the appointments shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.
3. A proxy need not be a member of the Company, and a member may appoint any person to be his/her proxy. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to attend, participate, speak, and vote at the Meeting.

## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

4. Where a member of the Company is an exempt authorised nominee who holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing under the hand of the member or of his/her attorney duly authorised in writing or, if the member is a corporation, under its common 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 notary-certified copy of that power or authority shall be deposited at the Registered Office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time appointed for holding the Meeting or adjourned Meeting. The lodging of the Form of Proxy does not preclude any shareholder from attending and voting at the Meeting should any shareholder subsequently wish to do so, provided a Notice of Termination of Authority to act as Proxy is given to the Company and deposited at the Registered Office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than twenty-four (24) hours before the time stipulated for holding the Meeting or any adjournment thereof. All resolutions set out in the Notice of Eighteenth AGM are to be voted by poll.

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We Bring Possibilities

**JF TECHNOLOGY BERHAD**

[Registration No. 200601027925 (747681-H)]  
(Incorporated in Malaysia)

**FORM OF PROXY**

No. of shares held	CDS Account no.
Telephone no.	Email address

\*I/We \_\_\_\_\_

\*NRIC/Passport no./Company no./Registration no. \_\_\_\_\_

of \_\_\_\_\_

being \*a member/members of **JF TECHNOLOGY BERHAD**, hereby appoint:

(1) Name of proxy : \_\_\_\_\_ NRIC/Passport no. : \_\_\_\_\_  
Address : \_\_\_\_\_  
Email address : \_\_\_\_\_ Telephone no. : \_\_\_\_\_

\*and/or

(2) Name of proxy : \_\_\_\_\_ NRIC/Passport no. : \_\_\_\_\_  
Address : \_\_\_\_\_  
Email address : \_\_\_\_\_ Telephone no. : \_\_\_\_\_

\*and/or the Chairman of the Meeting as \*my/our proxy to attend and vote for \*me/us and on \*my/our behalf, at the Eighteenth Annual General Meeting (“**AGM**”) of the Company to be held at Greens III, Sports Wing, Tropicana Golf & Country Resort Berhad, Jalan Kelab Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 3 December 2024 at 9:00 a.m., or at any adjournment thereof.

Please indicate with an “**X**” in the spaces provided below, how you wish your votes to be cast. In the absence of specific directions, your proxy or proxies will vote or abstain at \*his/her/their discretion.

1.	To receive the Audited Financial Statements for the financial year ended 30 June 2024 together with the Reports of the Directors and the Auditors thereon.		
No.	Resolutions	For	Against
2.	To approve the payment of Directors’ fees amounting to RM170,688.00 for the financial year ended 30 June 2024. <b>(Resolution 1)</b>		
3.	To approve an amount of up to RM50,000.00 as benefits payable to the Non-Executive Directors from 4 December 2024 until the next Annual General Meeting of the Company to be held in 2025. <b>(Resolution 2)</b>		
4. (a)	To re-elect Datin Wang Mei Ling, who retires by rotation pursuant to Clause 117 of the Company’s Constitution. <b>(Resolution 3)</b>		
4. (b)	To re-elect Mr. Goh Kok Sing, who retires by rotation pursuant to Clause 117 of the Company’s Constitution. <b>(Resolution 4)</b>		
4. (c)	To re-elect Ms. Chong Kur Sen, who retires by rotation pursuant to Clause 117 of the Company’s Constitution. <b>(Resolution 5)</b>		
5.	To re-appoint Crowe Malaysia PLT as Auditors of the Company until the conclusion of the next Annual General Meeting of the Company and to authorise the Directors to fix their remuneration. <b>(Resolution 6)</b>		
	<b>As Special Business:</b>		
6. (a)	Authority to issue shares pursuant to the Companies Act 2016 and waiver of pre-emptive rights. <b>(Resolution 7)</b>		
6. (b)	Proposed renewal of authority for the Company to purchase its own shares. <b>(Resolution 8)</b>		

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2024

\_\_\_\_\_  
Signature/ Seal

For the appointment of two (2) proxies, the percentage of shareholdings to be represented by each proxy:		
	No. of shares	Percentage (%)
Proxy 1		
Proxy 2		
<b>Total</b>		<b>100</b>

\* Strike out whichever is not applicable

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**Notes:**

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AFFIX  
STAMP

The Company Secretaries

**JF TECHNOLOGY BERHAD**

[Registration No. 200601027925 (747681-H)]

Level 7, Menara Milenium  
Jalan Damanlela, Pusat Bandar Damansara  
Damansara Heights  
50490 Kuala Lumpur  
Wilayah Persekutuan

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