



Annual Report

2024



SYNERGY HOUSE BERHAD

(Registration No.: 202101025778 (1426078-V))
(Incorporated in Malaysia under the Companies Act 2016)

synergyhouseberhad.com

3rd

Annual General Meeting



Date
Time
Venue

Wednesday, 28 May 2025
10:00 a.m.
Ballroom 2, Level 10, Courtyard by Marriott Setia Alam
No.6 Jalan Setia Dagang AH U13/AH
Setia Alam, Seksyen U13
40170 Setia Alam
Shah Alam, Selangor Darul Ehsan



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DIGITAL VERSION OF ANNUAL REPORT 2024



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02



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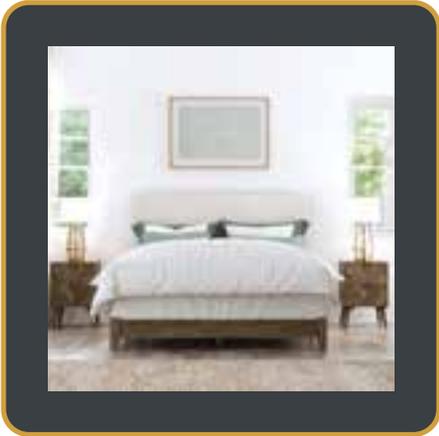


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Get access to the soft copy of our Annual Report

The softcopy of the Annual Report 2024 is available on the Company's website at [synergyhouseberhad.com](https://www.synergyhouseberhad.com)



CORE VALUES

Innovative, Strive for Excellence, Teamwork, Harmonious Working Relationship, Reliable & Trustworthy, Keep Growing and Good Health & Well Being.



OUR MISSION

Combining efforts of excellent team members and strategic business partners to produce stylish yet affordable home furniture for mass market.



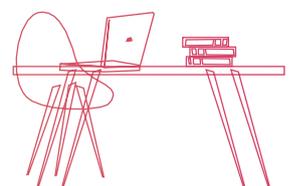
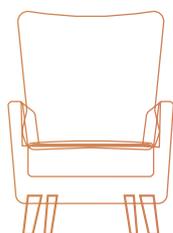
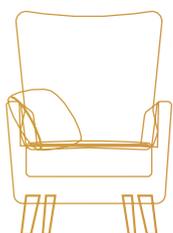
OUR VISION

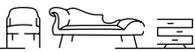
To become the most influential furniture company in Malaysia.

SYNERGY HOUSE

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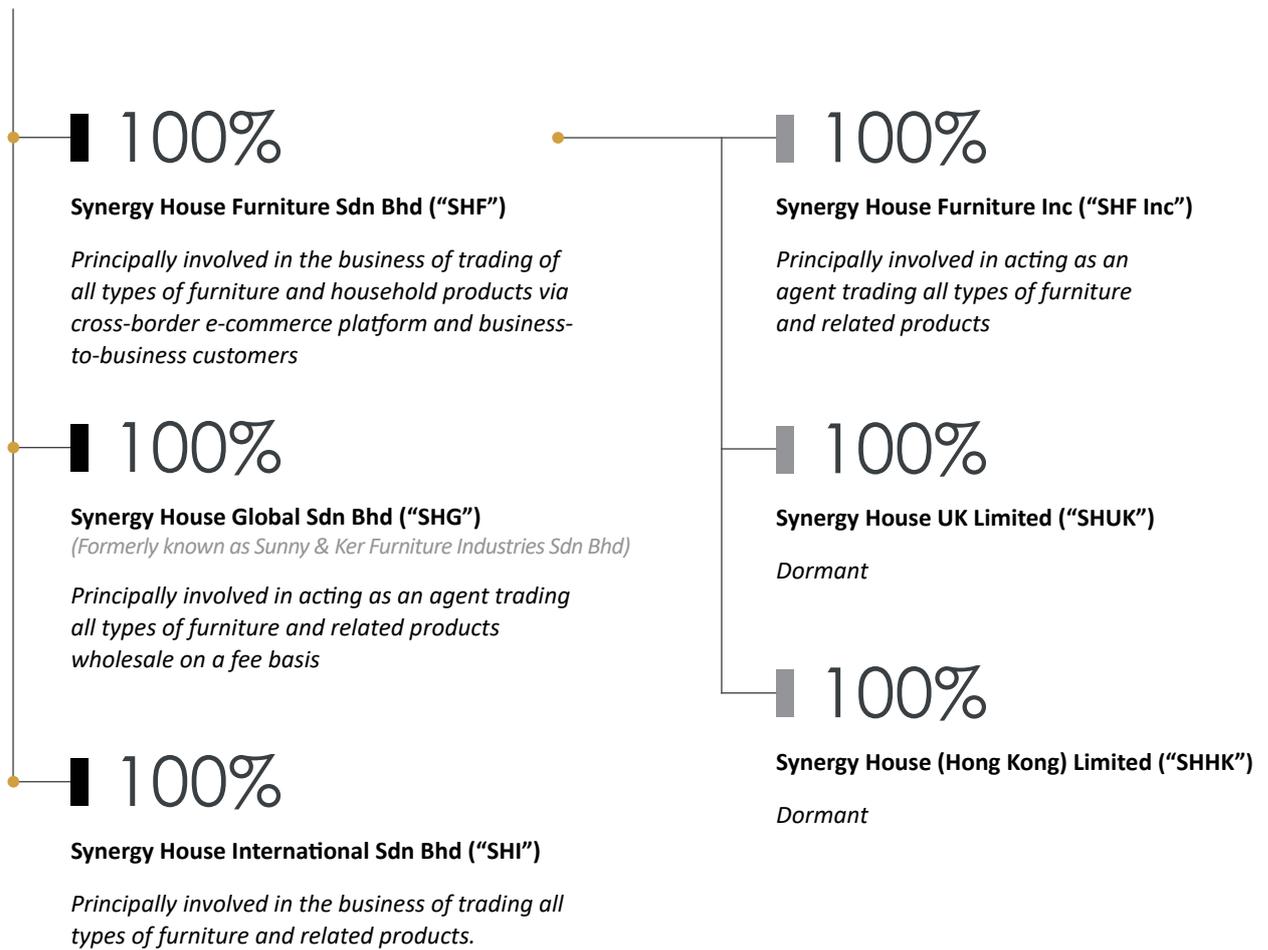


CORPORATE STRUCTURE

SYNERGY HOUSE

Synergy House Berhad

Reg No.: 202101025778 (1426078-V)





CORPORATE INFORMATION

BOARD OF DIRECTORS

MOK JUAN CHEK

Independent Non-Executive Chairman

TEH YEE LUEN

Executive Director

LIEU PEI YEE

Independent Non-Executive Director

TAN EU TAH

Executive Director

YEW YONG LING

Independent Non-Executive Director

YONG KIM FUI

Independent Non-Executive Director

AUDIT COMMITTEE

Chairman

Yong Kim Fui

Independent Non-Executive Director

Member

Yew Yong Ling

Independent Non-Executive Director

Lieu Pei Yee

Independent Non-Executive Director

RISK MANAGEMENT COMMITTEE

Chairman

Yong Kim Fui

Independent Non-Executive Director

Member

Yew Yong Ling

Independent Non-Executive Director

Lieu Pei Yee

Independent Non-Executive Director

REMUNERATION COMMITTEE

Chairperson

Yew Yong Ling

Independent Non-Executive Director

Member

Yong Kim Fui

Independent Non-Executive Director

Lieu Pei Yee

Independent Non-Executive Director

NOMINATION COMMITTEE

Chairperson

Lieu Pei Yee

Independent Non-Executive Director

Member

Yew Yong Ling

Independent Non-Executive Director

Yong Kim Fui

Independent Non-Executive Director

COMPANY SECRETARIES

Fong Seah Lih

(MAICSA 7062297)

CCM Practicing Certificate

No. 202008000973

Tham Yin Tong

(MAICSA 7049718)

CCM Practicing Certificate

No. 202008001314

HEAD OFFICE / PRINCIPAL PLACE OF BUSINESS

Lot 18.A & 18.B & 18.C & Lot 19.A & Lot 23.B
Level 18 & 19 & 23

Top Glove Tower

No. 16, Persiaran Setia Dagang

Bandar Setia Alam, Seksyen U13

40170 Shah Alam, Selangor

Tel : (6017) 366 3426

Email : info@synergy-house.com

SPONSOR

Kenanga Investment Bank Berhad *

16th Floor, Kenanga Tower

237, Jalan Tun Razak

50400 Kuala Lumpur

Tel : (603) 2172 2765

Malacca Securities Sdn Bhd **

B01-A-13A, Level 13A, Menara 2

No. 3, Jalan Bangsar, KL Eco City

59200 Kuala Lumpur

Tel : (603) 2201 2100

* Up to 31 March 2025

** Effective from 1 April 2025

REGISTERED OFFICE

Unit 30-01, Level 30, Tower A
Vertical Business Suite Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur

W.P. Kuala Lumpur, Malaysia

Tel : (603) 2783 9191

Fax : (603) 2783 9111

Email : info@vistra.com

AUDITORS

Crowe Malaysia PLT

201906000005 (LLP0018817-LCA) &
AF 1018

8, Jalan Pesta 1/1, Taman Tun Dr. Ismail 1
Jalan Bakri, 84000 Muar, Johor, Malaysia

Tel : (606) 9524 328

Fax : (606) 9527 328

ISSUING HOUSE AND SHARE REGISTRAR

Tricor Investor &

Issuing House Services Sdn Bhd

Unit 32-01, Level 32

Tower A, Vertical Business Suite

Avenue 3, Bangsar South

No. 8, Jalan Kerinchi

59200 Kuala Lumpur, Malaysia

Tel : (603) 2783 9299

Fax : (603) 2783 9222

Email : is.enquiry@vistra.com

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities Berhad

Stock Name : SYNERGY

Stock Code : 0279

WEBSITE

www.synergyhouseberhad.com

DIRECTORS' PROFILE

MOK JUAN CHEK

Independent Non-Executive Chairman

Malaysian | 69 | Male

Mok Juan Chek is our Independent Non-Executive Chairman. He was appointed to our Board on 3 December 2021.

He graduated with a Diploma in Agriculture from Universiti Pertanian Malaysia in May 1976.

Upon completing his diploma, he joined the Rubber Industry Smallholders Development Authority ("RISDA") as RISDA Officer where he was involved in processing grants and loans to rubber smallholders in Pahang. Subsequently, he was promoted to Senior RISDA Officer where he took on additional responsibilities such as overseeing the performance of his subordinates and managing grants and loans to rubber smallholders in Pahang. While continuing to pursue his career, he was granted full pay study leave by RISDA where he completed his Bachelor of Science in Agribusiness from Universiti Pertanian Malaysia in April 1984.

Upon completing his degree course, he left RISDA in May 1984 and joined a branch office of Public Bank Berhad in Melaka as Senior Operation Officer where he was responsible for marketing credit facilities and preparing credit proposals. Subsequently, he was transferred to the head office of Public Finance Berhad in Kuala Lumpur where he was involved in evaluating credit proposals. In January 1990, he was promoted to Senior Administrative Officer where he assumed similar responsibilities before he left Public Finance Berhad in September 1990.

In October 1990, he joined Chung Khiaw Bank (Malaysia) Bhd as Assistant Manager at its Melaka branch office where he was involved in marketing credit facilities, preparing loan proposals and executing credit administration works. In January 1992, he was promoted to Deputy Manager where he assumed additional responsibilities for managing relationships with clients who engage in loans and credit facilities with the bank's Melaka branch office. Subsequently, in January 1994, he was further promoted to Assistant Vice President where he was responsible for overseeing the overall operations of the credit marketing, processing and administration departments in the Melaka branch office. In April 1995, he left Chung Khiaw Bank (Malaysia) Bhd.

In May 1995, he joined Hong Leong Bank Berhad as Branch Manager where he was responsible for managing and overseeing the operations of a branch office in Melaka. Subsequently, he was transferred to the headquarters of Hong Leong Bank Berhad in Kuala Lumpur where he became the General Manager of the Credit Card Department where his responsibilities covered the supervision and management of the overall operations of the department. Thereafter, in June 2002, he was transferred to the southern regional office in Johor Bahru as General Manager, Business Banking where he was involved in managing the Business Banking segment of the bank for the southern and east coast regions of Malaysia.

In August 2008, he left Hong Leong Bank Berhad and joined AmBank (M) Berhad in September 2008 as General Manager in the southern regional office in Johor Bahru where he was involved in managing and overseeing the Business Banking segment for the southern and east coast regions of Malaysia. In April 2016, he was transferred to the headquarters of AmBank (M) Berhad in Kuala Lumpur and was promoted to Senior Vice President and Head of Mid-Corporates to oversee and spearhead the wholesale banking operations for the Mid-Corporate segment. In April 2019, he was promoted to Executive Vice President and Head of Mid-Corporates where he assumed similar responsibilities. In May 2020, he retired from his position in AmBank (M) Berhad.

In September 2020, he joined Affin Hwang Asset Management Berhad as a Strategic Adviser on a contract basis, a position which he held until 31 December 2022. On 10 February 2022, he was appointed as Independent and Non-Executive Chairman of Ateria Group Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"), which he assumes till present. On 27 May 2022, he was appointed as Independent and Non-Executive Director of ITMAX System Berhad, a company listed on the Main Market of Bursa Securities, a position which he assumes till present. On 1 April 2024, he was appointed as Independent and Non-Executive Director of Tiong Nam Logistics Holdings Berhad, a company listed on the Main Market of Bursa Securities, a position which he assumes till present.

During the financial year ended 31 December 2024, he has attended all the six (6) Board meetings held.



Directors' Profile (Cont'd)

TAN EU TAH

Executive Director

Malaysian | 50 | Male

Tan Eu Tah is our Executive Director. He is responsible for determining the overall strategic direction and management of our Group by spearheading several business functions namely design and development, operations, purchasing, procurement, quality control, warehouse management, IT and internal control. He was appointed to our Board on 3 August 2021.

He graduated with a Bachelor of Science in Business Administration from the University of Nebraska-Lincoln, USA in August 1997.

In September 1997, as the successor to his father, Tan Kau Tiah @ Tan Ching Hai, who was one of the founders of our Group, joined our Group via Malgames Industries Sdn Bhd (now known as Synergy House Furniture Sdn Bhd) as General Manager where he mainly assisted his father in determining our Group's business direction and implementing our Group's business strategies. Over the years, he gradually took on additional responsibilities where he was involved in managing our Group's overall business operations and activities such as building and maintaining relationships with customers and suppliers as well as developing marketing plans to expand our Group's furniture export market. Further, together with Teh Yee Luen, they expanded our Group's business into the design, development and manufacturing of ready-to-assemble ("RTA") home furniture using wood panel products.

TEH YEE LUEN

Executive Director

Malaysian | 50 | Male

Teh Yee Luen is our Executive Director. He is responsible for determining the overall strategic direction and management of our Group by spearheading several business functions namely sales, marketing, human resources, and finance. He was appointed to our Board on 3 August 2021.

He graduated with a Bachelor of Science in Business Administration from the University of Nebraska-Lincoln, USA in December 1997.

Upon graduation, he began his career in 1998 as Business Development Manager in Yong Leong Sports Sdn Bhd where he was involved in identifying new markets for the sale of sports equipment, developing sales and marketing strategies and developing new products for the East Malaysian market to improve the company's sales performance. In 1999, he left Yong Leong Sports Sdn Bhd and joined our Group via Malgames Industries Sdn Bhd (now known as Synergy House Furniture Sdn Bhd) as Marketing Manager. He was responsible for managing our Group's marketing initiatives, as well as exploring business opportunities to expand our Group's furniture export market.

In view of the growing sales of our RTA home furniture and with the intention to scale up our Group's business, in 2004, he and Teh Yee Luen, embarked on an initiative to transform our Group's business model from home furniture manufacturing to solely focus on the design, development and sale of home furniture.

In January 2006, he and Teh Yee Luen, acquired the entire equity stake in Synergy House Furniture Sdn Bhd from former shareholders who are family members and relatives. At the same time, he was appointed as a Director of our Group and assumed his current responsibilities. Over the years, he has consistently propelled our Group's business expansion and revenue growth. This has been achieved through diversifying our range of furniture offerings and refining our operations with the implementation of strict quality control procedures to ensure the highest product standards. Additionally, he has fostered strong relationships with our suppliers to maintain a seamless supply chain. In August 2021, he was re-designated to an Executive Director of our Group.

During the financial year ended 31 December 2024, he has attended all the six (6) Board meetings held.

Further, together with Tan Eu Tah, they expanded our Group's business into the design, development and manufacturing of RTA home furniture using wood panel products.

In view of the growing sales of our RTA home furniture and with the intention to scale up our business, in 2004, he worked together with Tan Eu Tah to transform our Group's business model from home furniture manufacturing to solely focus on the design, development and sale of home furniture.

In January 2006, he and Tan Eu Tah, acquired the entire equity stake in Synergy House Furniture Sdn Bhd from former shareholders who are family members and relatives. At the same time, he was appointed as a Director of our Group and assumed his current responsibilities. Over the years, he has continued to drive our business expansion and revenue growth by expanding and growing our customer base for our export markets and maintaining our relationship with customers. In August 2021, he was re-designated to an Executive Director of our Group.

During the financial year ended 31 December 2024, he has attended all the six (6) Board meetings held.

Directors' Profile (Cont'd)

YEW YONG LING

Independent Non-Executive Director

Malaysian | 54 | Female

Yew Yong Ling is our Independent Non-Executive Director. She was appointed to our Board on 3 December 2021.

She graduated with a Bachelor of Laws from University of London, United Kingdom in August 1998.

Upon graduation, she began her career as Legal Officer in Shuang Hor Enterprise (M) Sdn Bhd in 1998 where she was involved in handling the company's legal matters including legal aspects of the company's expansion into other Asian countries and registration of trademarks and healthcare products with the relevant authorities.

In 2003, she left Shuang Hor Enterprise (M) Sdn Bhd and joined Ferida Hassan Low & Ng as a Chambering Student where she underwent her pupillage. Upon completion of her pupillage, she was called to the Malaysian bar in April 2004.

In 2004, she left Ferida Hassan Low & Ng and joined Pathology & Clinical Laboratory (M) Sdn Bhd as Legal Manager where she was responsible for handling the group's legal matters, researching on relevant acts and liaised with the relevant authorities and counsels for the group's overseas business expansion. She was also involved in managing outlet tenancies and matters related to property investment.

In 2006, she left Pathology & Clinical Laboratory (M) Sdn Bhd and founded a law firm named Yew & Partners. She is the founder, partner and practicing lawyer of Yew & Partners and to date, she has accumulated about 19 years of experience in conveyancing, specialising in real estate transactions, loan documentation and commercial agreements.

During the financial year ended 31 December 2024, she has attended all the six (6) Board meetings held.

LIEU PEI YEE

Independent Non-Executive Director

Malaysian | 35 | Female

Lieu Pei Yee is our Independent Non-Executive Director. She was appointed to our Board on 3 December 2021.

She graduated with a Diploma in Accounting from SEGi University College, Malaysia in July 2010. Further, she continued her studies and obtained a Bachelor of Science (Hons) in Applied Accounting from Oxford Brookes University, UK in association with the Association of Chartered Certified Accountants ("ACCA") in September 2013. She has been a member of the ACCA since January 2018.

While completing her last paper for the ACCA examination, she began her career as an Audit Associate in Crowe Horwath in October 2014 where she was involved in handling and executing audit works. She was promoted to Senior Audit Associate in October 2015. In December 2015, she left Crowe Horwath.

In January 2016, she joined Ernst & Young as Audit Assistant where she was involved in handling and executing audit works. She was subsequently promoted to Audit Senior in October 2016 and thereafter promoted to Audit Supervisor in October 2018, where her responsibilities expanded to managing and

leading more complex and sizeable audit engagements. Further, in October 2019, she was promoted to Audit Manager where she was responsible for managing audit engagement quality, overseeing team performance, managing client relationships and operational efficiency as well as prospecting and securing business opportunities. She has accumulated audit experience covering various industries such as e-commerce, technology services, manufacturing, trading as well as property development and investment.

In August 2021, she left Ernst & Young and joined Crown Worldwide Shared Services Sdn Bhd as Group Consolidation Manager, a position she holds to-date where she is primarily responsible for consolidating and analysing the financial statements of the group and its related companies from different geographical regions. She is also involved in the forecasting analysis and reviewing of the group's restructuring and business acquisition and disposal exercises.

During the financial year ended 31 December 2024, she has attended five (5) out of the six (6) Board meetings held.



Directors' Profile (Cont'd)

YONG KIM FUI

Independent Non-Executive Director

Malaysian | 53 | Male

Yong Kim Fui is our Independent Non-Executive Director. He was appointed to our Board on 9 May 2022.

He graduated with a Bachelor of Commerce from University of Southern Queensland, Australia in September 1996. He obtained his Certified Practising Accountant ("CPA") status from the Australian Society of Certified Practising Accountants (now known as CPA Australia) in March 2000 and has been a Chartered Accountant of the Malaysian Institute of Accountants ("MIA") since June 2001.

He began his career with Coopers & Lybrand (now known as PricewaterhouseCoopers) as an auditor in January 1995. He specialized in the finance and manufacturing sectors, where he actively engaged in corporate restructuring, reviewed financial statements, conducted projections for bonds and other debt instruments, facilitated initial public offerings, and conducted investigations. In August 2000, he left PricewaterhouseCoopers.

In September 2000, he co-founded KYL Consulting Sdn Bhd and assumed the roles of Principal and Director, overseeing the provision of comprehensive accounting, taxation, and

advisory services. Within this capacity, he was involved in tax investigations, conducted thorough reviews of profit and cash flow forecasts, facilitated projections for corporate restructuring, and conducted detailed examinations of financial statements for debt facilities and bonds. Additionally, he played a key role in securing refunds for sales taxes.

In December 2016, he left KYL Consulting Sdn Bhd and joined Securemetric Technology Sdn Bhd (now a subsidiary of Securemetric Berhad) in January 2017 as Chief Financial Officer. Subsequently, with the listing of Securemetric Berhad, he became the group's Chief Financial Officer which he assumes until present. He is responsible for planning, implementation, managing and controlling the financial and related activities of the group.

On 2 February 2018, he was appointed as Non-Independent Executive Director of Securemetric Berhad, a company listed on the ACE Market, a position which he assumes till present.

During the financial year ended 31 December 2024, he has attended five (5) out of the six (6) Board meetings held.

Other Information

- i. Family relationship
None of the Directors has any family relationship with any other Director and/ or major shareholder of the Company, except for Mr. Tan Eu Tah who is the cousin to Mr. Teh Yee Luen, our Executive Director.
- ii. Conflict of interest
None of the Directors have any conflict of interest or potential conflict of interests, including interest in any competing businesses with the Group, except for Mr. Tan Eu Tah who is the cousin to Mr. Teh Yee Luen, our Executive Director.
- iii. Convictions for offences
None of the Directors have been convicted for offences within the past five (5) years other than for traffic offences, if any.
- iv. Interest in the Company
The Directors' interest in the Company is as disclosed in page 101, Analysis of Shareholdings.

KEY SENIOR MANAGEMENT PROFILE

KENNETH NG

Chief Financial Officer

Malaysian | 37 | Male

Kenneth Ng is our Chief Financial Officer. He is responsible for managing and overseeing the accounting and finance function of our Group including financial reporting, audit, tax and banking, internal control, legal and corporate affairs related matters. He passed his examinations in December 2009 and graduated with a Bachelor of Business and Commerce specialising in Accounting and Banking and Finance from Monash University, Malaysia in March 2010. He has been a Chartered Accountant of MIA since April 2018 and was duly admitted to full membership of CPA Australia and is entitled to use the designation of CPA in July 2013. After passing his examinations, he began his career at KPMG PLT in January 2010 as an Audit Associate where he was tasked with assisting seniors in audit works for the manufacturing and trading sectors. Subsequently, in January 2012, he was promoted to Audit Senior Associate where he was involved in leading, handling and executing audit assignments. In January 2013, he was further promoted to Assistant Manager where his responsibilities expanded to managing and leading more complex and sizeable audit engagements as well as conducting internal training programs. Later, in January 2015, he was promoted to Manager where he was responsible for handling audit portfolios, managing clients, managing the billing and collection of audit fees, recruiting team members as well as participating in inter-departmental training programs.

In July 2015, he left KPMG PLT and joined PKT Logistics Group Sdn Bhd as a Senior Finance Manager, Corporate Finance. He was in-charge of managing PKT Logistics Group Sdn Bhd and its related companies' borrowings related matters including liaising with bankers, monitoring loan covenants and repayments as well as reviewing cash flow projections. He was also involved in handling

special projects, including joint venture and private placement exercises, as well as assisting and supporting operations of the Accounts & Finance department. Subsequently, in April 2017, he was promoted to Deputy General Manager, Corporate Finance where he assumed similar responsibilities.

In August 2017, he left PKT Logistics Group Sdn Bhd and joined Ban Seng Lee Industries Sdn Bhd (a subsidiary of BSL Corporation Berhad) in September 2017 as Group Accounts Manager, where he was involved in overseeing and managing the overall BSL Corporation Berhad's accounts and banking related matters. He was also responsible for managing corporate finance related matters and ensuring the group's compliance with corporate governance practices and disclosure requirements issued by the Securities Commission Malaysia ("SC") and Bursa Securities. Subsequently, in September 2021, he was promoted to Group Senior Finance Manager where he was involved in managing and liaising with the Group's Executive Directors and handling more corporate finance related matters.

In December 2021, he left Ban Seng Lee Industries Sdn Bhd and subsequently joined our Group in January 2022 as Group Accountant. He was promoted to Chief Financial Officer on 16 October 2023. He has no family relationship with the substantial shareholders, Directors and other Key Senior Management of our Group. He does not hold any directorship in other public companies. He does not have any conflict of interest in any business arrangement involving the Company or its subsidiaries. He has no convictions for any offences within the past five (5) years other than for traffic offences, if any.

TAN YEE CHI

Marketing Director

Malaysian | 47 | Female

Tan Yee Chi is our Marketing Director. She is responsible for managing and overseeing the sales and marketing department of our Group, including the development of sales and marketing strategies to improve our Group's sales. She completed her degree in December 2001 and subsequently obtained a Bachelor of Arts (Hons) in Business Information Technology from INTI International University, Malaysia in collaboration with Coventry University, United Kingdom in November 2002.

In March 2003, she joined our Group via Malgames Industries Sdn Bhd (now known as Synergy House Furniture Sdn Bhd) as Marketing Executive where she was involved in handling customers' orders as well as performing monthly follow ups.

In 2008, she was promoted to Marketing Manager where she was responsible for leading and supervising our sales and marketing team in generating sales and maintaining relationships with customers, as well as assessing the market potential of new and existing sales opportunities to increase our Group's sales. In 2015, she was promoted to her current position. She is the sister of Mr Tan Eu Tah and cousin of Mr Teh Yee Luen. She does not hold any directorship in other public companies. She does not have any conflict of interest in any business arrangement involving the Company or its subsidiaries. She has no convictions for any offences within the past five (5) years other than for traffic offences, if any.



Key Senior Management Profile (Cont'd)

RICHIE TAN

Chief Operating Officer

Malaysian | 34 | Male

Richie Tan was appointed as the Chief Operating Officer (“COO”) of our Group on 1 April 2024. He holds a Bachelor’s Degree in Mechatronics Engineering from the University of New South Wales (“UNSW”), Sydney, Australia. He obtained his first professional license as a Mechanical Engineer from The Institution of Engineers Australia, where he has been a member since June 2013.

After graduating from his undergraduate study, he began his career as a Design Engineer at Coopers Gap Wind Farm Pty Ltd, where he was responsible for research, design, and structural improvements of wind turbines. His role required advanced expertise in programmable logic controllers (“PLC”) and computational fluid dynamics (“CFD”).

In February 2014, he returned to Malaysia and joined Karex Berhad as a Deputy Project Manager, overseeing building and infrastructure expansion as well as machine design. In January 2015, he was promoted to Operations Manager, where he managed and supervised various functions, including purchasing, production, quality control, warehouse, logistics, and research & development. He also played a pivotal role in international marketing, engaging with industry leaders and customers. His contributions were instrumental in launching the company’s in-house branded condom, achieving significant market success in subsequent years.

In January 2018, he left Karex Berhad and joined Coca-Cola Beverages Singapore Pte Ltd as a Senior Operation Manager, where he led operational functions and acted as the liaison between the company and its headquarters. He also contributed to the sales and marketing strategy for South America, driving market penetration efforts.

In January 2021, he transitioned to Guan Chong Berhad as a Senior Operations Manager, managing day-to-day operations across multiple international entities, including those in the UK, Germany, and West Africa. He was a pioneer in introducing Circular Economy (“CE”) principles, successfully minimizing waste through biomass technology, converting waste into energy.

In December 2023, he left Guan Chong Berhad and subsequently joined our Group in December 2023 as Operational Excellence Manager. He was promoted to Chief Operating Officer on 1 April 2024. He is the key person of the operation functions of our Group including Design & Development, Purchasing, Product Development, Sample Manufacturing, Quality Assurance, Quality Control, Compliance, Operation, Shipping, Inventory Financial, Warehouse, Operational Excellence, Customer Services and Information Technology.

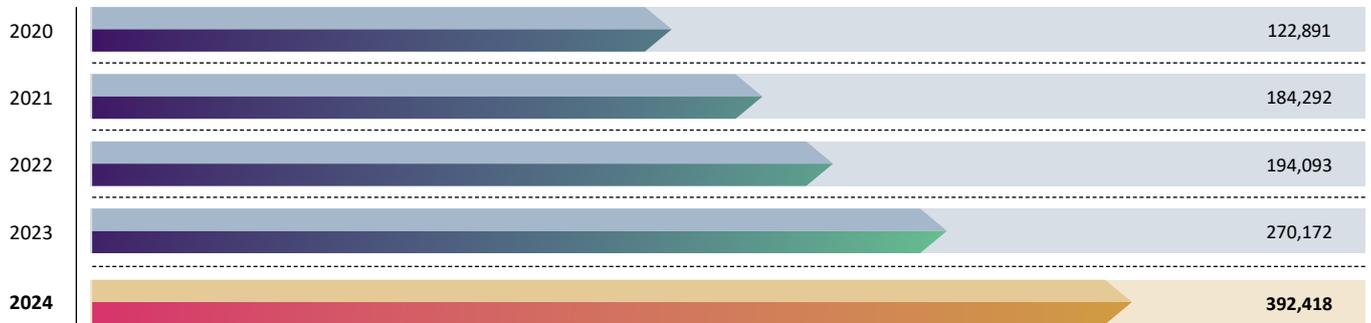
He has over 10 years of experience in FMCG industry who overlooked the operational functions of the subsidiary plants. He has actively contributed to the development and promotion of CE and Corporate Social Responsibility (“CSR”) in the organisation.

He has no family relationship with the substantial shareholders, Directors and other Key Senior Management of our Group. He does not hold any directorship in other public companies. He does not have any conflict of interest in any business arrangement involving the Company or its subsidiaries. He has no convictions for any offences within the past five (5) years other than for traffic offences, if any.

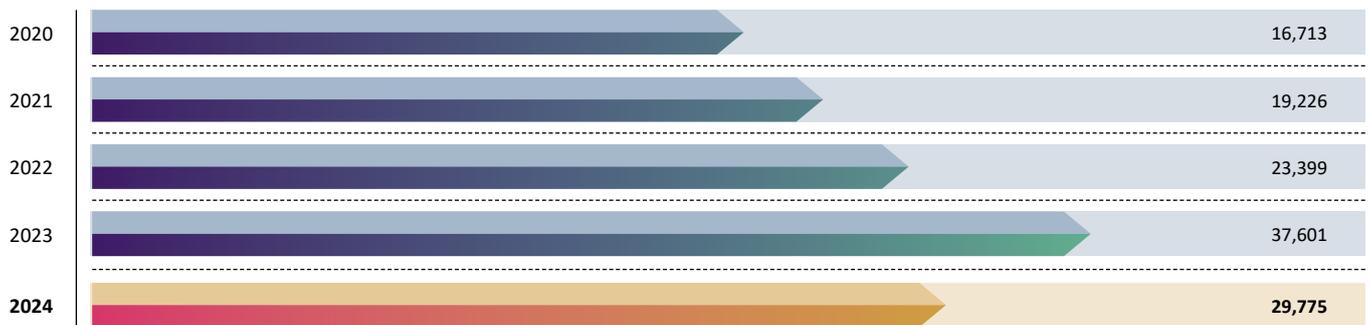
GROUP FINANCIAL REVIEW

	2020	2021	2022	2023	2024
Group	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	122,891	184,292	194,093	270,172	392,418
Profit Before Tax	16,713	19,226	23,399	37,601	29,775
Profit After Tax attributable to: - Owners of the Company	12,107	14,387	16,624	27,148	27,838

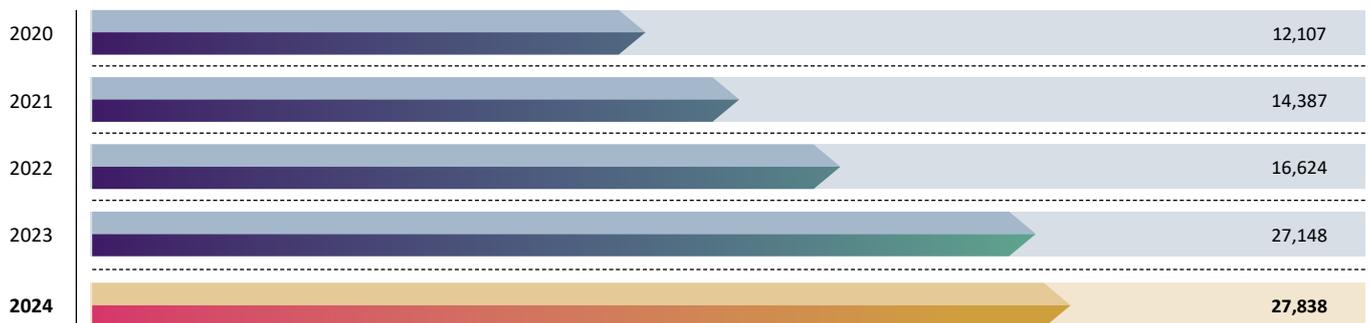
Revenue (RM'000)



Profit Before Tax (RM'000)



Profit After Tax attributable to: Owners of the Company (RM'000)





CHAIRMAN'S STATEMENT

Dear Esteemed Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report for Synergy House Berhad for the financial year ended 31 December 2024. This year has been a transformative one, marked by strategic growth, resilience in navigating global economic challenges, and continued commitment to operational excellence. Our strong performance is a testament to our dedication to innovation, sustainability, and customer-centric solutions in the global furniture market.



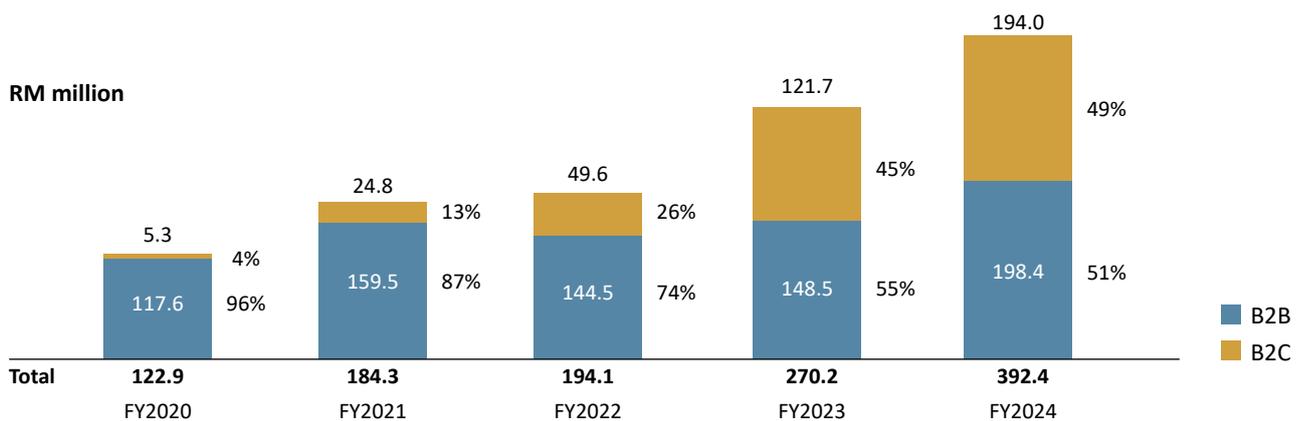
2024 Overview

The global economic landscape in 2024 continued to be shaped by macroeconomic shifts, geopolitical tensions, and evolving consumer behaviors. Despite these challenges, Synergy House Berhad successfully expanded its market presence, with revenue growing 45.2% year-on-year to RM392.4 million from RM270.2 million in FY2023. This was driven by robust demand in both our Business-to-Business (B2B) and Business-to-Consumer (B2C) segments, particularly in key markets such as the United States and United Kingdom.

Our B2C segment, in particular, experienced substantial growth of 59.4%, reaching RM194.0 million in revenue, reaffirming our strategic focus on e-commerce. The team continue to drive growth in the key platforms that we operate in and also having more SKUs available on offer to customers. This augurs well with the direction of Synergy House to focus and expand in the B2C business segment. The B2B segment, also maintained a strong trajectory, increasing 33.6% year-on-year to RM198.4 million with growth coming from our USA and UK customers. While the B2C is our main focus and growth prospect, we continue serving the demands of our B2B customers.

Financial and Operational Performance

The B2C business segment continues to contribute to a larger segment of the Group's total revenue as shown by the chart below.



The B2C segment has remained a key pillar of our growth strategy, with increasing traction in international e-commerce markets. Our ability to leverage digital platforms such as Wayfair and Amazon has significantly boosted our online presence, allowing us to expand our customer reach across multiple geographies.

Throughout 2024, we focused on optimising our customer acquisition strategies, including data-driven marketing, personalised promotions, and enhanced logistics support. This has resulted in higher order volumes and translates higher revenue. This is the testament of the growth potential of this segment. Additionally, our strategic partnerships with logistics providers have allowed us to optimize our supply chain, ensuring that we meet delivery expectations while keeping costs competitive.

Chairman's Statement (Cont'd)

Strategic Initiatives and Growth Plans

Looking ahead, Synergy House Berhad remains committed to its long-term growth strategies:

1. **Expansion of B2C Segment:** We plan to further strengthen our e-commerce presence by listing on additional digital platforms, expanding product categories, and increasing our market share in the existing markets. We remain focused in growing the markets we are in currently while cultivating the new platforms and products we just started.
2. **Leveraging Technology and AI:** Adoption of AI-driven market intelligence tools will enable us to analyse consumer trends, optimize pricing strategies, and enhance operational efficiency.
3. **Sustainable Growth & ESG Initiatives:** We continue to integrate sustainability into our business operations by optimising resource efficiency and exploring environmentally friendly furniture production processes.

In acknowledgement of our robust financial achievements and our pledge to enhance shareholder value, Synergy House declared 2 interim dividends for FY2024 for a total dividend of 1.64 sen. This represents approximately 29% of the profit after tax for FY2024 of Synergy House.

Appreciation and Acknowledgment

I extend my sincere gratitude to our Board of Directors, management team, and employees for their unwavering commitment and hard work in driving Synergy House Berhad forward. To our shareholders, customers, financiers, and business partners, your trust and support have been invaluable in shaping our success.

As we embark on 2025, we remain confident in our ability to navigate challenges and seize new opportunities in the global furniture market. The team remains very committed with the growing the company and will not rest in its laurels. We acknowledge the challenges in the environment but believe that with our strategic direction and strong foundation, we are well-positioned to sustain growth and create long-term value for all stakeholders.

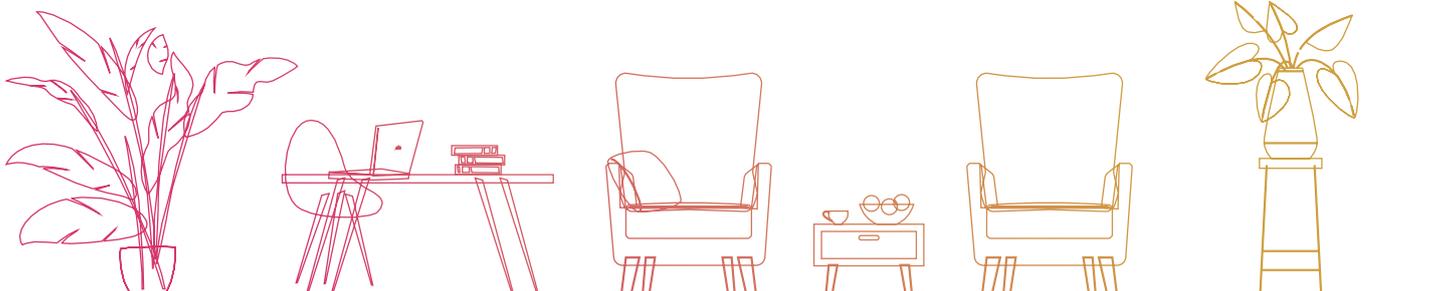
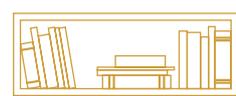
Warm regards,

Mok Juan Chek

Independent Non-Executive Chairman

Synergy House Berhad

31 December 2024





MANAGEMENT DISCUSSION & ANALYSIS STATEMENT

BRINGING COMFORT ACROSS BORDERS: EXPANDING OUR CROSS-BORDER FURNITURE E-COMMERCE



Synergy House Berhad is a cross-border e-commerce seller and furniture exporter that specialises in beautifully designed and affordable Ready-to-Assemble (“RTA”) home furniture. RTA home furniture is designed in flat-packed form for ease of storage and transportation, requiring assembly by customers upon purchase. Our sales channels include both business-to-business (“B2B”) and business-to-consumer (“B2C”) models. Under the B2B model, we sell our RTA home furniture to online retailers, chain-store retailers, and wholesalers. These products may be branded under third-party brand names. Conversely, our B2C sales model involves direct sales to end consumers through our in-house online store and third-party e-commerce platforms, such as Wayfair and Amazon in respective countries. These products may carry our in-house brand names or third-party brand names.

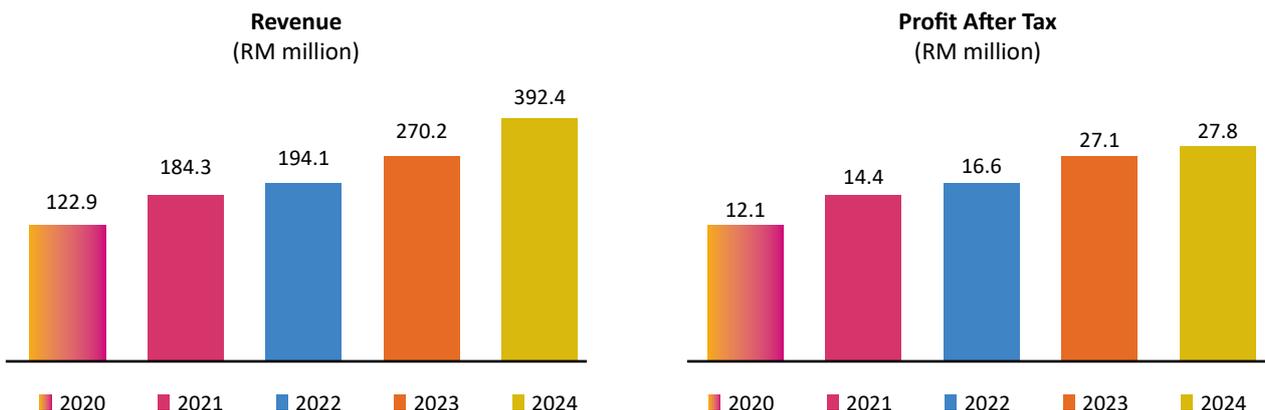
As we look ahead, Synergy House Berhad remains dedicated to expanding our B2C operations, focusing on enhancing our presence on additional e-commerce platforms and entering new markets, with a notable initiative to commence B2C sales in France. We aim to significantly increase our product listings, growing to more than 1,900 stock keeping units (“SKUs”) in 2024 to a substantially higher count. This expansion will include the introduction of new product categories such as bathroom furniture, kids furniture and an exploration to a higher price point segment of the e-commerce furniture market, catering to a broader customer base with diverse needs. In parallel, we are committed to leveraging technology and artificial intelligence (“AI”) and robotic process automations (“RPA”) to underpin these growth strategies. This commitment ensures our team is equipped with the necessary skills and we are continuously investing in advanced software and hardware. These strategic initiatives are designed to enhance our market presence, operational efficiency, innovate our processes, customer engagement, aligning with our goal to meet and exceed the growing demand for our products in the global market.

Furthermore, we recognise the importance of leveraging technology and AI to enhance efficiency and stay ahead of market trends. By investing in market intelligence software, we aim to obtain the latest information on consumer preferences and market trends for home furniture. This will enable us to make data-driven decisions and adapt our strategies to meet evolving consumer demands effectively. Moving forward, we are also commencing the usage of robotics processes to automate manual processes to further enhance efficiency and effectiveness of our work.

Our B2C sales serve international markets, including the USA, UK, Canada, France and Germany, and local consumers in Malaysia and through third party e-commerce platforms and our online store. This global reach underscores our commitment to providing quality RTA home furniture to customers worldwide.

REVIEW OF FINANCIAL PERFORMANCE

In the financial year ended 31 December 2024 (“FY2024”), Synergy House Berhad not only navigated through the complexities of the global market but also seized opportunities for substantial growth and strategic advancements. We achieved a total revenue of RM392.4 million, making a significant year-on-year increase of RM122.2 million or 45.2% compared to RM270.2 million in FY2023. This strong performance was driven by the growth across both business segments, with the B2C segment expanding by an impressive 59.4%, reflecting its promising potential.

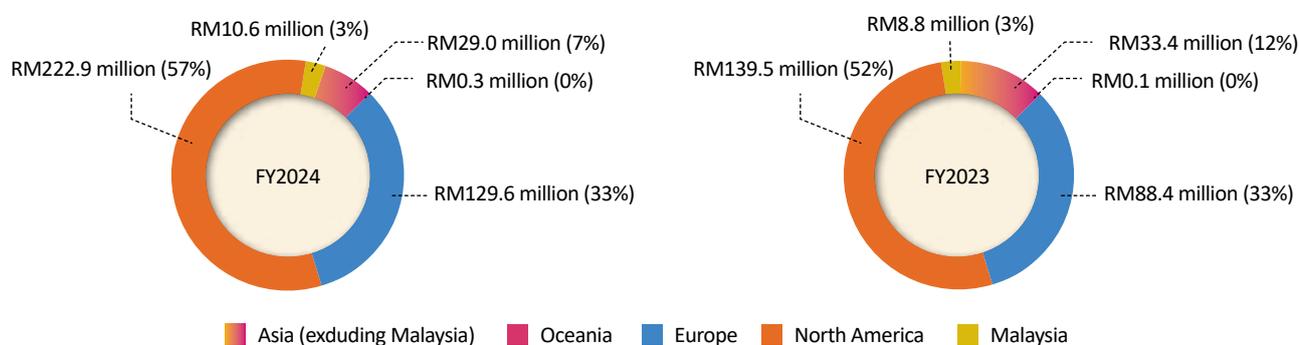


Management Discussion & Analysis Statement (Cont'd)

REVIEW OF FINANCIAL PERFORMANCE (CONT'D)

Despite the higher revenue recorded in 2024, Profit After Tax (“PAT”) improved to RM27.8 million, reflecting a 2.58% increase from RM27.1 million in FY2023, the revenue growth outpacing the profit expansion resulted from the net provision for doubtful debts and trade credit insurance recovery amounting to RM10.25 million in second quarter of FY2024. Although the Group reported lower PBT, PAT remain resilience primarily driven by the tax incentives received through Synergy House Furniture Sdn Bhd (“SHF”), a wholly owned subsidiary of the Company, which was recognised by the Malaysia External Trade Development Corporation (“MATRADE”) as a Malaysian International Trading Company (“MITC”) qualified for a tax exemption of 20% on the value of increased exports for five (5) consecutive years from the year of assessment 2024 to 2028, subject to specific conditions. In 2024, the Group benefited from a tax exemption of approximately RM6.1 million, contributing to the higher PAT. The Group remains committed to sustainable growth, operational efficiency, and long-term value creation for our stakeholders.

Revenue breakdown by geographical region, for FY2024 and FY2023.



Our geographical expansion strategy yielded remarkable results, with revenue from the North America soaring by 59.78% to RM222.9 million, up from RM139.5 million in FY2023. The European market also showed solid growth, with revenue increasing by 46.61% to RM129.6 million from RM88.4 million. This also signifies that the Group has reasonable concentration healthiness in terms of its geographical exposure.

In FY2024, the B2B segment of Synergy House Berhad achieved a revenue of RM198.4 million, marking a year-on-year growth of 33.60% from the previous RM148.5 million. Meanwhile, the B2C segment exhibited remarkable dynamism, with its revenue surging to RM194.0 million, an impressive year-on-year increase of 59.41% from the prior RM121.7 million. This significant growth in the B2C segment, alongside the steady performance of the B2B segment, underscores our strategic adaptability and diversified approach, effectively meeting the evolving demands across varied markets and capitalising on extensive growth opportunities.

Our achievements this year, including strategic expansions into new markets such as France not only diversified our revenue streams but also solidified our presence in the global furniture market.

Balance sheet breakdown for FY2024 and FY2023.

Our financial position	Audited 31.12.2024	Audited 31.12.2023	Variance	
	RM'000	RM'000	RM'000	%
Non-current assets	66,181	55,586	10,595	19.06
Current assets	214,990	164,818	50,172	30.44
Non-current liabilities	25,484	29,117	(3,633)	(12.47)
Current liabilities	128,274	90,467	37,807	41.79
Equity attributable to owners of the Company	127,413	100,819	26,594	26.38

Non-current assets which comprised mainly property, plant and equipment, investment properties and right-of-use assets, increased by RM10.6 million to RM66.2 million, representing a 19.06% growth. Current assets surged by RM50.2 million to RM215.0 million from RM164.8 million, an increase of 30.44%. Current assets consist mainly of cash and cash equivalent, trade and other receivables, inventories and others. The higher current assets were attributable to higher inventory balances in-line with higher B2C sales, lower trade receivables balance due to higher sales towards the year end as well as higher cash and bank balances.



Management Discussion & Analysis Statement (Cont'd)

REVIEW OF FINANCIAL PERFORMANCE (CONT'D)

Balance sheet breakdown for FY2024 and FY2023.(cont'd)

Non-current liabilities decreased by RM3.6 million to RM25.5 million, reflecting a decline of 12.47%. Current liabilities rose by RM37.8 million to RM128.3 million due to higher trade payables and bank borrowings balances as at the financial year ended 31 December 2024.

Equity attributable to owners of the Company surged by RM26.6 million to RM127.4 million mainly due an increase in revaluation reserves and profit after tax generated during the financial year under review.

Liquidity, capital resources and gearing.

Our cash flow from/(used in)	Audited	Audited	Variance	
	31.12.2024	31.12.2023	RM'000	%
Operating activities	27,337	(5,818)	33,155	569.87
Investing activities	(2,265)	(2,288)	23	1.01
Financing activities	17,380	27,091	(9,712)	(35.85)
Net changes in cash and cash equivalents	42,452	18,986	23,466	123.60

As at 31 December 2024, our cash and cash equivalents including short-term investments reported a substantial increase of RM40.4 million. The Group's cash holdings comprise of the following:

- Cash and bank balances increased by RM15.0 million to RM28.4 million as at 31 December 2024, when compared to RM13.4 million as at 31 December 2023;
- Fixed deposits with licensed banks increased by RM5.8 million to RM17.7 million as at 31 December 2024, when compared to RM11.9 million as at 31 December 2023;
- Short-term investments increased by RM8.5 million to RM29.8 million as at 31 December 2024 as compared to RM21.3 million as at 31 December 2023.

The profit before tax reported in FYE 2024 of RM29.8 million contributed to a positive cash flow before working capital changes of RM48.0 million. The Group reported a positive net cash for operating activities due to changes in working capital as summarized below:

- Lower trade receivables balances as at 31 December 2024 of RM56.9 million as compared to RM63.5 million as at 31 December 2023. This included a net provision for doubtful debts and trade credit insurance claimed amount to RM10.3 million in FY2024. Despite the higher contribution of B2C sales towards the end of the financial year compared to the previous year, the Group effectively managed collections, ensuring improved cash flow before the Christmas and New Year holidays.
- Higher inventories balances as at 31 December 2024 of RM71.2 million as compared to RM48.6 million as at 31 December 2023. The higher inventories balances is catered for the higher B2C sales of the Group as evidenced by the growth in B2C sales of 59.4% from the previous financial year FYE 2023 whereby the B2C segment requires the Group to hold more inventories.
- The above were offset by higher trade and other payables balances of RM63.0 million as at 31 December 2024 as compared to RM44.0 million as at 31 December 2023.

The Group reported net cash used for investing activities for FY2024 due to purchase of property, plant and equipment of RM3.2 million.

Meanwhile, the Group reported net cash from financing activities of RM17.4 million mainly due to withdrawal of fixed deposited pledged with licensed bank RM11.2 million which is offset by the interest paid of RM3.6 million and dividend paid during FYE 2024 of RM12.5 million.

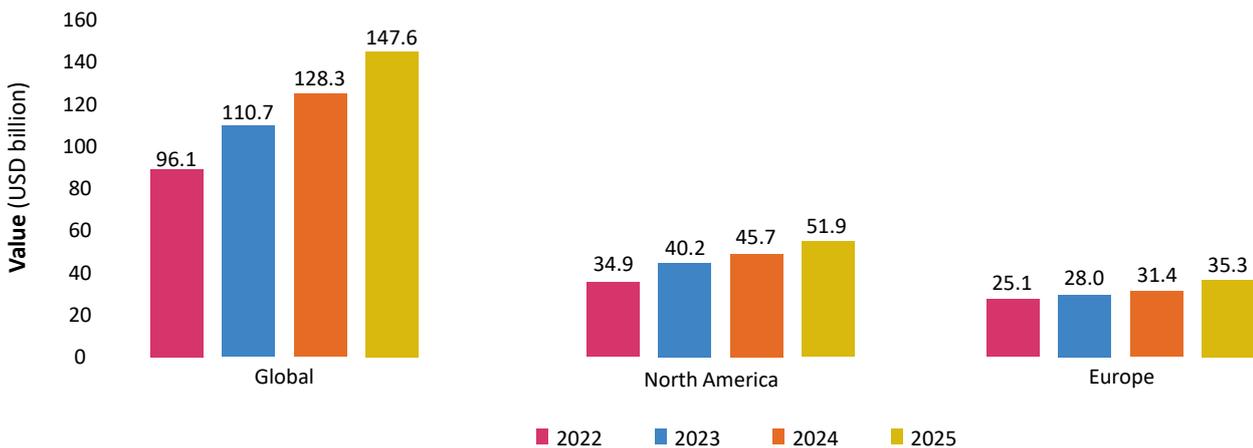
The gearing of the Group stood at a healthy level of 0.7 as at 31 December 2024 as compared to 0.6 as at 31 December 2023. The gearing was a slightly higher by 0.1 due to increase in borrowings to support business expansion and working capital needs. While the Group maintained a strong capital structure, the slight rise in gearing reflects a strategic approach to leveraging debt for growth while ensuring financial stability of the Group.

Management Discussion & Analysis Statement (Cont'd)

2025 OUTLOOK

The Group maintains a cautiously optimistic stance for the year ahead, underpinned by continuous expansion in the e-commerce furniture segment. Greater adoption and evolving consumer preference are expected to drive sustained demand. The Group's focus on cross border e-commerce aligns well with these market dynamics and positions it to capture further growth in the key export markets. However, the recent imposition of tariffs on Malaysian furniture exports has introduced a degree of uncertainty. While the tariff rate applied to Malaysian goods is relatively lower than that imposed on several other regional furniture exporters such as China, it still presents cost challenges that may impact price competitiveness. That said, the disparity in tariff rates may create a window of opportunity for Malaysian furniture companies to position themselves more favorably in the U.S. market, particularly as buyers look to diversify sourcing away from countries facing steeper trade barriers. While we recognize the evolving challenges posed by trade developments and economic shifts, we are equally mindful of the opportunities they present. We remain vigilant in monitoring the global landscape and are committed to responding with agility and resilience. With a balanced approach grounded in innovation, operational efficiency, and market diversification and also a view on long term sustainability, Synergy House Berhad is well-positioned to navigate the year ahead.

Global furniture e-commerce sales (2022 - 2025(f))



According to the report by QY Research, global furniture e-commerce sales increased to USD 128.3 billion from USD 110.7 billion in 2024, signaling a 15.9% growth on a year-on-year basis. It is forecast to a readjusted size of USD 147.6 billion in 2025 with an increased of 15.04% growth from 2024. North America is the largest furniture e-commerce region which accounts 36% of the total global market share while Asia-Pacific accounts for 34% of the global market share.¹ This projection does not account for the latest tariff measures introduced by the U.S. administration.

Malaysia's furniture industry continues to strengthen its global presence, ranking 10th in the world for furniture exports.² The country's wooden furniture exports reached RM9.9 billion in 2024, reflecting an 8.4% increased from previous year.³ The Malaysia's furniture market is forecast to generate a revenue of about US\$4.59 billion in 2025 and enjoy a respectable annual compound annual growth rate of about 3.9% between 2025 and 2029.⁴ Looking further ahead, Malaysia's furniture exports are projected to maintain steady growth in 2025, reinforcing the country's position as a key player in the global furniture market.

Heading to 2025, Synergy House is set to further establish itself in the cross-border B2C e-commerce market, particularly in the United States and Europe. These regions offer significant growth opportunities due to their well-developed e-commerce infrastructure, tech-savvy consumers, and higher purchasing power. To capitalise on these factors, Synergy House plans to expand its product range, introducing more B2C SKUs, including kids' furniture and bathroom vanity furniture as well as the high end products, while optimizing speed-to-market and targeting new platforms and regions. This strategic approach, supported by the Company's organic growth, aims to enhance its competitive edge and sustain long-term success in the dynamic global e-commerce landscape.

¹ <https://www.qyresearch.com/reports/3492501/furniture-e-commerce>

² <https://research.hktdc.com/en/article/MTk1NjQ2MzMyMg>

³ <https://www.nst.com.my/news/nation/2025/03/1182299/miff-drives-malysias-furniture-industry-growth-johari>

⁴ <https://www.statista.com/outlook/cmo/furniture/malaysia>



Management Discussion & Analysis Statement (Cont'd)

ANTICIPATED OR KNOWN RISKS

In the dynamic realm of the furniture e-commerce market, Synergy House recognises several anticipated or known risks that could potentially impact our strategic objectives and operational efficiency. Among these, the dependency on third-party manufacturers stands out as a significant concern. This reliance brings to the forefront challenges associated with maintaining uniform quality standards across our product range and the risk of encountering production delays. Such delays could hinder our ability to meet market demand promptly, affecting customer satisfaction and our brand reputation. To mitigate these risks, we have instituted stringent processes with our manufacturing partners, emphasising the adherence to detailed design blueprints and material specifications as well as mobilising our internal quality control team to perform checks on finished products. This approach ensures that our quality control benchmarks are met consistently, and production timelines are closely monitored and adhered to. Furthermore, the Company has worked with a number of third-party manufacturers with years of established relationship which enables the Company to better manage the risk relating to reliance on third-party manufacturers.

Besides that, the fluctuations in foreign exchange rates, particularly those concerning the US Dollar, present a notable risk to our revenue streams as a global e-commerce entity. While an appreciation of the US Dollar could potentially augment our revenue, it also poses a risk by impacting our cost structures and pricing strategies in various markets. In response to this challenge, Synergy House is strategically expanding its market presence, thereby diversifying the currencies in which transactions are conducted. This diversification strategy, coupled with the implementation of hedging strategies and diligent monitoring of foreign exchange markets, aims to minimise the adverse impacts of currency fluctuations on our financial health.

In the dynamic landscape of our B2C segment, managing inventory with precision is paramount to sidestep the challenges of overstocking or harbouring obsolete stock. In light of this, we have embraced technological measures to refine our inventory management processes. These innovations afford us improved visibility into our inventory, enhance our demand forecasting accuracy, and enable the fine-tuning of stock levels. This strategic integration of technology not only aids in mitigating inventory-related risks but also ensures our offerings remain in sync with the latest market trends and consumer inclinations. As a forward-thinking organisation, we are continually in pursuit of improvement, constantly evaluating and upgrading our systems to stay at the forefront of inventory management efficiency.

Additionally, there is the risk of the ongoing trade wars and imposition of tariffs by the United States of America aimed at addressing trade imbalances. The Group is actively assessing the potential impact of these tariffs on our operations and are committed to implementing strategic measures to minimise the adverse effects. Addressing these anticipated risks through proactive measures, continuous improvements and strategic planning is integral to sustaining Synergy House's growth trajectory. Our commitment to innovation, quality control, and market responsiveness positions us well to navigate the complexities of the global e-commerce landscape, ensuring long-term value creation for our stakeholders and maintaining our competitive edge in the furniture industry.



Management Discussion & Analysis Statement (Cont'd)

FORWARD LOOKING STATEMENT

We are mindful of evolving market conditions, including global economic uncertainties and the recent implementation of tariff by the United States on Malaysian exports, effective 5 April 2025 and the subsequent development thereafter. This development may impact cost structures and demand patterns in one of our key markets. However, compared to competitors from China, which face higher tariffs, Malaysia remains relatively better positioned. In response, we are adopting a proactive approach such as strengthening supply chain resilience, optimising costs, and reinforcing our market diversification efforts to ensure sustainable performance in the face of a changing global landscape.

Our focus remains steadfast on amplifying our B2C sales segment. In the coming fiscal year, we aim to broaden our customer base by embracing a multi-faceted approach: enhancing our visibility on additional third-party e-commerce platforms, intensifying our marketing and promotional endeavours, and establishing localised e-commerce fulfilment centres to streamline our supply chain and ensure prompt delivery. Additionally, we are set to augment our inventory management for overseas fulfilment centres, harnessing cutting-edge technology and artificial intelligence to obtain real-time market insights, thereby elevating our operational efficiency and responsiveness to market demands.

Focused on excellence and market leadership, we are diversifying our product range through innovative design and development. Despite economic challenges, our competitive pricing and high quality products position us for resilience. With a strong presence in key international markets like the USA, UK, and Canada, we are poised for sustained growth. Looking ahead, our strategic initiatives align with the dynamic global furniture e-commerce landscape, ensuring Synergy House Berhad stays innovative and customer-focused. Committed to delivering value, we are building on a solid foundation for the future.

Moving forward, Synergy House Berhad will continue to adapt to changing market conditions with strategic agility and proactive planning. While remaining vigilant about United States trade policy shifts, we are concentrating on three key growth drivers: optimising operational efficiency, developing innovative customer solutions, and increase offerings and grow the existing platforms we are onboarded currently. These focused initiatives will enable us to create sustainable value while maintaining our competitive edge. With our strong operational foundation and market expertise, we are well-prepared to capitalise on emerging opportunities and overcome challenges in the global furniture e-commerce sector throughout 2025 and in the years to come. Our balanced approach positions us for continued success in this dynamic industry landscape.

DIVIDEND

Synergy House is proud to announce the declaration and payment of dividends for FY2024, reflecting our strong financial performance and dedication to shareholder value. The first interim dividend of 0.9 cent per share was paid on 19 December 2024, signifying confidence in our growth and strategic direction. A subsequent dividend of 0.74 cent per share followed on 28 February 2025, further demonstrating our commitment to shareholder returns and confidence in the Group's prospects.

Our approach to dividends, guided by careful consideration of our financial health, operational requirements, and growth investments, highlights our commitment to sustainable development and balanced capital management. This resilience and strategic foresight, even in challenging economic conditions, underscores our ongoing commitment in delivering value to our shareholders.





SUSTAINABILITY STATEMENT

INTRODUCTION



Synergy House Berhad (“Synergy House”) is committed to integrating sustainability into our core business operations. The following statement details our sustainability performance for the financial year ended 31 December 2024, highlighting our efforts in addressing key environmental, social, and economic (EES) factors, and outlining our continued commitment to creating long-term value for our stakeholders.



SCOPE

This statement covers sustainability performance of the Company and its subsidiaries (“**Group**”) for the period from 1 January 2024 to 31 December 2024.

COMMITMENT TO SUSTAINABILITY

Synergy House is committed to embedding sustainable practices into our core business strategy, ensuring responsible social, environmental, and governance conduct to drive long-term value creation.

The Board prioritises sustainability, balancing stakeholder interests with a mindful approach to minimising our environmental impact. We are dedicated to integrating economic, environmental, and social (EES) principles throughout our supply chain, and fostering a culture of sustainable practices across all departments.

GOVERNANCE STRUCTURE

The Board of Directors is responsible for the overall governance of sustainability within Synergy House. The following outlines the responsibilities for each level of the organisation.

BOARD OF DIRECTORS

- Provides primary oversight of all sustainability matters, ensuring alignment with the company’s strategic goals and stakeholder expectations.
- Approves the company’s sustainability policies, targets, and performance indicators.
- Reviews and monitors the company’s sustainability performance, including progress towards established targets, and ensures transparent reporting.



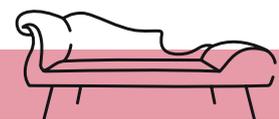
MANAGEMENT LEVEL

- Support the sustainability strategies and framework development.
- Managing the implementation of sustainability practices approved by the Board.
- Provides regular reports to the Board on sustainability performance and progress.
- Facilitates communication and engagement with key stakeholders on sustainability matters.



DEPARTMENTAL FUNCTIONS

- Executes sustainability policies and actions within their respective departments.
- Identifies and implements opportunities for improving sustainability performance within their departments.
- Collects and reports relevant sustainability data to the management level.
- Promotes sustainability awareness and provides training to department employees.



Sustainability Statement (Cont'd)

STAKEHOLDER ENGAGEMENT

Stakeholders	Areas of interest	Engagement Channels
Shareholders / Investors 	<ul style="list-style-type: none"> Business and financial performance Corporate governance Return on investment Information on a timely basis 	<ul style="list-style-type: none"> AGM & EGM Quarterly financial announcement Annual report Timely announcements in Bursa Securities website Company website Corporate briefings
Board of Directors 	<ul style="list-style-type: none"> Corporate strategy Corporate governance Financial results 	<ul style="list-style-type: none"> Board meetings Committee Meetings
Customers 	<ul style="list-style-type: none"> Quality of products Timeliness of delivery Customer service & support 	<ul style="list-style-type: none"> Customer survey Customer meeting Response to customer feedback and reviews Customer support team
Suppliers 	<ul style="list-style-type: none"> Good business relationship Product quality Prompt payment 	<ul style="list-style-type: none"> Supplier review Supplier meeting New supplier evaluation
Employees 	<ul style="list-style-type: none"> Job satisfaction Adequate remuneration Growth and development 	<ul style="list-style-type: none"> Employee induction briefing Performance appraisal Training and development Employee engagement activities
Government and Authorities 	<ul style="list-style-type: none"> Compliance of law and regulations 	<ul style="list-style-type: none"> Compliance with government legislative



ECONOMIC

At Synergy House, we recognise that sustainable economic prosperity is intrinsically linked to responsible environmental and social stewardship. We are committed to generating long-term economic value for our stakeholders while minimising our environmental footprint and contributing positively to society. Our approach to economic sustainability encompasses:

- Continuously expand its B2C business segment**
 To capitalise on the sustained growth of e-commerce post-COVID-19, Synergy House is strategically expanding its B2C business segment. We have implemented several key initiatives, including onboarding to new e-commerce platforms, exploring expansion into new countries, and significantly increasing our product offerings. As a result, operate more than 15 e-commerce platforms spanning 6 countries. This expansion not only broadens our product outreach within the burgeoning furniture e-commerce market but also contributes to economic growth through job creation in new markets, and partnerships with local businesses.
- Maintaining the B2B business segment**
 While the Group’s direction is continuously growing the B2C business segment, the Group still places emphasis on its B2B business segment. The Group has built years of relationships with its long term B2B segment customers and will continue to nurture this relationship and will work on opportunities to grow the business.
- Utilising of technology and artificial intelligence in its operations**
 The Group places a strong focus on technology, artificial intelligence and fostering innovation to enhance all facets of its key operations. With the emphasis on investment in information technology and human capital, the Group can improve the operational efficiency and effectiveness. Technology is used largely in our marketing activities such as market trend analysis, customer service and support, advertisement and monitoring and preparation of product description amongst others.
- Supplier compliance:**
 Another key aspect of Synergy House’s business model is the importance of the third-party manufacturers. As the Group does not carry out any manufacturing work and totally outsources the manufacturing to third party, the third-party manufacturers are an important part of its economic sustainability. The social responsibility of our key suppliers is of paramount importance to us. Each year, the Group conducts SMETA audits on our key suppliers to ensure that their labor workforce is managed in a socially responsible manner. These audits cover various aspects such as working hours, child labor policies, living wages and benefits, and living conditions. Given that the Group outsources all its manufacturing activities to third-party manufacturers, the sustainability and ethical practices of our suppliers are integral to our success. We work closely with 26 third-party manufacturers, with 20 being local and 6 international, to produce our RTA home furniture. In the financial year ended 31 December 2024, approximately 93% of our total purchases were sourced locally, underscoring our commitment to supporting local suppliers and economies.



Sustainability Statement (Cont'd)



ENVIRONMENT

The Group is deeply committed to environmental sustainability, and our use of wood panel products such as particle boards and medium-density fibreboards as a primary raw material underscores our dedication to responsible sourcing and eco-conscious practices. These raw materials used in the production of our RTA home furniture's are generally made from wood scraps or waste wood products which are more eco-friendly.

- **Energy Management**

We are committed to taking energy-saving measures to reduce the Group's carbon emissions across our operations and value chain. We implement activities on electricity saving such as regulating the centralised air-conditioning system to a reasonable temperature as well as advocate for the closure of non-essential lights during lunch breaks amongst others. We believe every small measures taken will contribute towards the overall well-being of the environment. Below is the breakdown of electricity consumption:

Metric	YA2023	YA2024	Percentage Change
Total electricity (kWh)	114,082.78	126,321.47	10.73%
Electricity usage per employee (kWh)	1,299.64	957.45	(26.33%)

In the year under review, our total electricity consumption for the Group have increased by 10.73% primary due to additional operating locations. However, the Group is able to reduce the electricity usage per employee.

- **Responsible Sourcing**

We partner with suppliers who share our commitment to responsible forestry practices and promote for the suppliers to obtain certification standards such as Forest Stewardship Council ("FSC"). The Group itself also has the FSC certification to promote confidence from our customers on our responsible sourcing.

- **Product Innovation and Lifecycle Management**

Our commitment extends beyond the production phase. We continually innovate and explore new methods to enhance the durability, recyclability, and eco-friendliness of chipboard based products. We also emphasise these during our design & development stage where we focus on optimising the use of packaging materials such as foam and paper to reduce wastage while ensuring the products still meets the relevant requirements.

We also work with customers to achieve eco-friendly products where we develop and test with one customer currently on a pilot project to remove polyfoams from the packaging materials and sources for eco-friendly substitute material for polyfoam without compromising the overall product.

- **Demonstrating Environmental Commitment Through Tree Planting**

Recognising the crucial role of the environment in the well being of our communities, the Group organised a corporate social responsibility event in the National Zoo during the year. Our employees participated in tree planning activities as well as support in the cleaning up and maintaining of the environment in the National Zoo. This initiative served not only as a clear demonstration of the Group's commitment to environmental protection for our employees, but also as a catalyst to foster a culture of awareness and inspiring future sustainable actions within our organisation. In addition, this activity also enables our employees an opportunity to create a deeper bond outside of the workplace.

- **Relevants Standards**

In addition, the Group also ensures it complies with the necessary requirements imposed by countries it exports to. For instance, our products shipped to the United States of America complied with the California Air Resources Board 2 requirements on formaldehyde contents which reduces the chemical concentration in our products, making it safer and more environmentally friendly.

At the Group, as wood panel products serves as our key raw material, we are dedicated to leveraging this resource responsibly, ensuring that our operations not only meet industry standards but set a benchmark for sustainable practices within our industry.

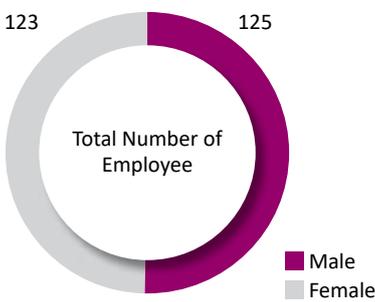
Sustainability Statement (Cont'd)



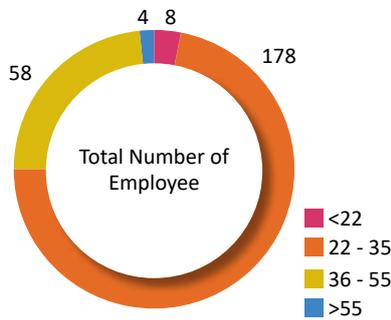
SOCIAL

Human capital is essential for the Group to achieve success in its line of business. Hence, emphasis is heavily placed on growing and developing the workforce of the Group. As of 31 December 2024, the total number of employees of the Group stood at 248.

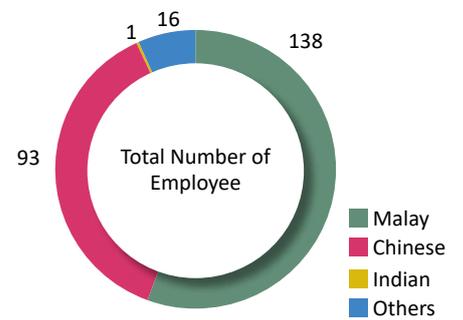
Gender Diversity



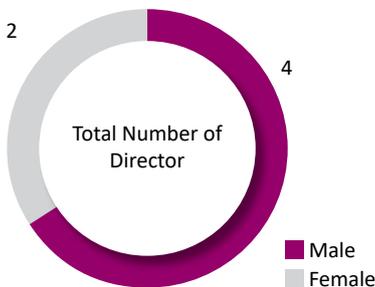
Age Group Diversity



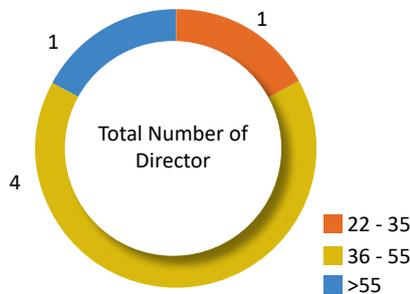
Employees Ethnicity



Gender Diversity at the Board of Directors level



Age Group Diversity at the Board of Directors Level



At the Group, we recognise that sustainability goes beyond environmental stewardship; it encompasses our responsibility towards fostering thriving communities, nurturing diverse cultures, and prioritising the well-being of individuals. We are committed to upholding a social sustainability ethos that centers on empowering people and honouring diverse cultures.

- Empowering People**

Our commitment begins with our people. We strive to create a workplace that values diversity, equality, and inclusivity. We foster an environment where every individual feels respected, supported, and empowered to contribute their unique perspectives and talents. Through initiatives such as company activities on a frequent basis, sponsored weekly sporting events, we aim to enhance professional development, ensure fair opportunities, and promote a healthy work-life balance for all as well as foster stronger teamwork and relationships among the staff.



Sustainability Statement (Cont'd)

SOCIAL (CONT'D)

- Empowering People (Cont'd)**

In addition, the Group also encourages professional development and supports trainings covering technical, interpersonal and market updates for its staff. Among the training organised and supported by the Group:

List of training organised for staff

No.	Training Titles
1	Basic Fire Fighter
2	Dale Carnegie
3	The Vitrox Experience
4	SMETA Training
5	Scaling Up Kuala Lumpur
6	The Belt and Road Entrepreneur Development
7	EAN Six Sigma Green and Yellow Belt
8	Roles & Responsibilities of Directors, Board & Board Committee

No.	Training Titles
9	Lights, Camera, Onboard: Crafting Impactful Videos with AI - Human Resource
10	Navigating Employment Termination of Employment and Conduct Issues in the Workplace
11	Modern Human Capital Management - Merit Point Management
12	Online Training Microsoft Excel all level
13	AI Conference DMCKL 2024 - Marketing

- Continuous Improvement**

We recognise that our commitment to social sustainability is an ongoing journey. We are dedicated to continuous improvement, regularly reviewing our practices through annual stakeholder consultations and independent audits and seeking innovative solutions that further enhance the social fabric of our organisation and the communities we impact.

We are driven by a vision where sustainability is synonymous with a thriving society. By prioritising the well-being of our employees, customers, and local communities, we strive to make a measurable, lasting impact for generations to come. We will communicate our progress through annual sustainability reports, ensuring transparency and accountability.

GOVERNANCE

The Group's commitment to sustainability extends to our governance practices, guiding our decisions, operations, and interactions with stakeholders. We recognise the critical importance of robust governance in driving responsible business conduct, ethical decision-making, and long-term value creation.

The Group has established key governance policies, including the Conflict-of-Interest Policy, Anti-Corruption Policy, and Whistleblowing Policy, among others. These policies are integral to the Group's culture, reinforcing its commitment to ethical business practices and sustainability. They are publicly accessible on the Group's official website (www.synergyhouseberhad.com) and form a key part of the employee onboarding process.

The Group also makes available its whistleblowing policy and contact for reporting in its website. Furthermore, the Group also includes this in its corporate presentation briefings which creates awareness to the public about its governance practises.

CONCLUSION

The Group is committed to ensure our operations are in line with the EES best practices. We are taking steps to further implement sustainable practices in our operations and to ensure our business operations comply with the applicable laws and regulations. We will also continuously review our operations and practices to ensure compliance and in-line the latest EES best practices.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) of Synergy House Berhad (“Company”) recognises the importance of establishing and maintaining good corporate governance within Synergy House Berhad and its subsidiary Companies (“Group”) and is committed to such a mission.

Below is the Company’s Corporate Governance overview statement of the Company’s approach with respect to the Principles and Practices of the Malaysian Code on Corporate Governance (“the Code”) and the ACE Market Listing Requirements (“AMLR” or “Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”). The detailed application of each practice as set out in the Code is disclosed in the Corporate Governance Report (“CG Report”), announced together with this Annual Report to Bursa Securities, and is available on the Company’s website at www.synergyhouseberhad.com. The CG Report sets out the key aspects of how the Group have applied the principles and recommendations of the Code during the financial year under review up to the date of this report.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. Board Responsibilities

Clear Functions of the Board and Management

The Company acknowledges the pivotal role played by the Board in the stewardship of its direction and operations, and ultimately the enhancement of its shareholders’ value. To fulfil this role, the Board is responsible for the overall corporate governance of the Group, including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

All Board Committees have written terms of reference which are approved by the Board and can be found on the Company’s website at www.synergyhouseberhad.com. The Chairman of the Audit Committee (“AC”), Risk Management Committee (“RMC”), Nomination Committee (“NC”) and Remuneration Committee (“RC”) report to the Board subsequent to the respective committee meetings.

The Executive Directors are responsible for the day-to-day operations of the Company’s business and shall implement policies, strategies and decisions approved by the Board and shall be accountable for the management functions of the Company and/or Group and for the results and performance, including conduct and disciplines, which would include leadership by example.

The Independent Directors act independently of the management and do not participate in any day-to-day operations. They provide an effective check and balance and provide valuable independent assessment to the Board’s decision making process.

Clear Roles and Responsibilities

The Board has the overall responsibility for the long-term success of the Company and delivery of sustainable value to its stakeholders. In discharging its fiduciary duties and responsibilities, the Board assumed the following corporate governance guidelines:-

- together with management, promoting good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour;
- reviewing and setting a strategic plan for the Group to ensure that the strategic plan of the Group supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
- reviewing, challenging and deciding on management’s proposals for the Group, and monitoring its implementation by management;
- overseeing the conduct of the Group’s business to ensure it is properly managed, including supervising and assessing corporate behaviour and conduct of the business of the Group;
- identifying the principal risks and ensuring implementation of appropriate internal controls and mitigation measures to achieve a proper balance between risks incurred and potential returns to the shareholders;



Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

1. Board Responsibilities (Cont'd)

Clear Roles and Responsibilities (Cont'd)

- reviewing the information and risk management and internal control system and the effectiveness of the management;
- ensuring there is an orderly succession of senior management positions who are of high calibre and have the necessary skills and experience. The Board delegates to the NC and RC to review succession plans and remuneration packages for the Directors respectively as well as the Group's policies and procedures on remuneration for the consultants who are employees of the Group. The Board also ensures that there are appropriate policies for training, appointment and performance monitoring of management positions;
- developing and implementing an investor relations programme or shareholders' communications policy for the Group to enable effective communication with stakeholders;
- reviewing and approving the AC, RMC, NC and RC reports at the end of each financial year;
- undertaking a formal and objective annual evaluation to determine the effectiveness of the Board, the Board Committees and each individual director;
- ensuring the integrity of the Company's financial and non-financial reporting; and
- reviewing and approving the financial statements and the Company's annual report.

The Board has a formal schedule of matters reserved to itself for decision, which includes the overall Group strategy and direction, acquisition and investment, consideration of significant financial matters and the review of the financial and operating performance of the Group. The schedule ensures that the governance of the Group is firmly in the Board's hand.

Formalised Ethical Standards through Code of Conduct and Ethics

The Board has adopted a Code of Conduct and Ethics which includes principles in relation to conflicts of interests, integrity, professionalism and the use of confidential information. The Board's Code of Conduct and Ethics is provided in the Board Charter, which is available on the Company's website at www.synergyhouseberhad.com.

The Group is committed to conduct its businesses and operations with integrity, openness and accountability and to also conduct its affairs in an ethical, responsible and transparent manner. To facilitate the observation and application of the above values, the Group encourages its employees to raise genuine concerns about possible improprieties in matters of financial reporting, compliance with regulatory requirements and other malpractices or misconducts.

The Group encourages employees who are facing conflicts to discuss accordingly with their superior to solve the matter in a peaceful manner. The Executive Directors are always available to be contacted by any employees with regards to matters such as corrupt practices, unethical behavior, misuse of company assets or any incompliance with rules and regulations.

The Group has an official policy on whistle-blowing both internal staff and external contractors/suppliers are able to submit report anonymously of any wrong doings or breach. Reports can be submitted via emails and phone numbers stated in the policy and confidentiality are assured. The whistle-blowing reports can be directed to the Group via a dedicated email, which will be redirected to the Audit Committee and Executive Directors. This policy is published on the Company's website at www.synergyhouseberhad.com.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

1. Board Responsibilities (Cont'd)

Access to Information and Advice

Management has been invited to the Board and Board Committees' meetings to report or present on areas within their responsibilities to ensure the members were able to effectively discharge their responsibilities. All Directors also have full and free access to information within the Group, as well as the prerogative to seek the Company Secretaries' and independent professional advice, in furtherance of their duties, at the expense of the Group, should such advisory services be considered necessary.

Qualified and Competent Company Secretary

Directors have direct access to the advice and services of the Company Secretaries. The Company Secretaries are qualified to act in accordance with the requirements of the Companies Act 2016. The Board is advised and updated on statutory and regulatory requirements pertaining to their duties and responsibilities as well as appropriate procedures for management of meetings. The Board is supported to ensure adherence to board policies and procedures, rules, relevant laws and best practices on the Code.

The Company Secretary also undertakes the following functions, among others:

- i. advise and remind the Directors of their obligations to disclose their interest in securities, any conflict of interest and related party transactions;
- ii. advise the Directors of their duties and responsibilities;
- iii. advise and remind the Directors on the prohibition on dealing in securities during closed period and the restriction on disclosure of price sensitive information;
- iv. prepare agenda items of meetings for Board and Board Committees and send to the respective Board and Board Committees; and
- v. attending all Board and Board Committees meetings and to ensure that meetings are properly convened, and that accurate and proper records of the proceedings and resolution passes are made and maintained accordingly.

The Company Secretaries are suitably qualified and have attended relevant training and seminars to keep abreast with the statutory and regulatory requirements' updates.

Board Charter

The Board has adopted a Board Charter to promote the standards of corporate governance and clarifies, amongst others, the role and responsibilities of the Board. The details of the Board Charter are available for reference at www.synergyhouseberhad.com.

Any amendment to the Board Charter can only be approved by the Board. The Board Charter was last reviewed on 15 June 2022 and would be reviewed and updated periodically in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities.

2. Compositions, Independence and Diversity of the Board

Composition of the Board

The Board currently has six (6) members; comprising two (2) Executive Directors and four (4) Independent Non-Executive Directors.

The concept of independence adopted by the Board is in tandem with the definition of an independent director as stated in Rule 1.01 of the AMLR of Bursa Securities. The key element for fulfilling the criteria is the appointment of an independent Director who is not a member of management and who is free of any relationship which could interfere with the exercise of independent judgement or the ability to act in the best interest of the Company. The Company is in compliance with Rule 15.02 of the AMLR of Bursa Securities that two directors or one-third (1/3) of the Board, whichever is the higher, are independent Directors. If the number of directors of the listed issuer is not 3 or a multiple of 3, then the number nearest 1/3 must be used.



Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

2. Compositions, Independence and Diversity of the Board (Cont'd)

Composition of the Board (Cont'd)

The Directors with their different backgrounds and specialisations, collectively bring with them a wide range of experience and expertise in areas such as finance, corporate affairs, marketing and operations. The Executive Directors, are responsible for implementing the policies and decisions of the Board, overseeing the operations as well as co-ordinating the development and implementation of business and corporate strategies. The Independent Non-Executive Directors provide objective and independent judgement to decision making and serve as a capable check and balance for the Executive Directors. The brief profile of each Director is presented on pages 4 to 7 of the Annual Report.

The current composition of the Board meets the best practice of The Code where it states that at least half of the board comprises Independent Directors. There are altogether four (4) Independent Non-Executive Directors of total six (6) members in the Board. The four (4) Independent Non-Executive Directors are not considered employees, and there are no affiliations or situations that may influence, or give the appearance of influencing, their impartial judgement. They contribute an external viewpoint, actively question, and contribute to the refinement of strategic proposals. Additionally, they oversee Management's performance in achieving established objectives, and they closely monitor the Group's business risk profile and the accuracy of business performance reporting.

Tenure of Independent Directors

The Code recommends that the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, the Independent Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director. The Board must justify and seek shareholders' approval through a two-tier voting process in accordance with the practices of the Code in the event it retains as an Independent Director, a person who has served in that capacity for more than nine (9) years.

3. Board Committees

Nomination Committee ("NC")

The NC assists the Board in proposing new nominees for appointment to the Board of the Company, assessing the effectiveness of Directors on an ongoing basis, and reviews the effectiveness of the Executive Directors. The NC also reviews and recommends training and orientation needs/requirements for each individual Director and ensures the same are fulfilled accordingly.

The NC is appointed by the Board and consists entirely of Independent Non-Executive Directors. It comprises the following members:-

- i. Lieu Pei Yee - *Chairperson, Independent Non-Executive Director*
- ii. Yew Yong Ling - *Member, Independent Non-Executive Director*
- iii. Yong Kim Fui - *Member, Independent Non-Executive Director*

Among others, the duties and responsibilities of the NC are as follows:-

- i. To assess and review the size, composition, mix of skills and experience, and diversity (including gender diversity) of the Board and Board Committee, and recommend to the Board for approval;
- ii. Identify, consider and recommend to the Board suitable candidates for appointment as Directors when the need arises.
- iii. Assess annually the effectiveness of the Board as a whole, Board Committees, and the contribution of each individual Director including his/her character, competence, experience and time commitment; and
- iv. Review and recommend to the Board, the development and implementation of the relevant policies and procedures on nomination related matters concerning our Group.

Members of the NC may relinquish their membership in the NC with prior written notice to the Company Secretaries, and in which case, the NC will review and recommend to the Board for approval, another Director to fill the vacancy.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

3. Board Committees (Cont'd)

Nomination Committee ("NC") (Cont'd)

The Term of Reference of the NC is included in the Board Charter and available on the Company's website at www.synergyhouseberhad.com.

The NC has full, free and unrestricted access to the Company's records, properties and personnel in carrying out its duties and responsibilities. The NC is also authorised to seek independent professional advice, subject to the approval of the Board, at the expense of the Company, in carrying out its duties. However, the NC is not authorised to implement its own recommendations but reports the same to the Board for the latter's consideration, approval and implementation.

The NC will meet at any time when the need arises. The presence of the majority of the Independent Non-Executive Directors shall form the quorum of the meeting.

Develop, Maintain and Review Criteria for Recruitment and Annual Assessment of Directors

a. Recruitment or New Appointment of Directors

The NC recommends to the Board, candidates for all directorships and to review the Board's policies and procedures for the selection of Board members. In making the recommendations, the NC should also consider candidates proposed by the Chairman/CEO, and within the bounds of practicability, by any other senior executive, Director or shareholder. In making its recommendations, the NC shall assess and consider the candidates':

- skills, knowledge, expertise and experience;
- professionalism;
- time commitment to effectively discharge his/her role as a director;
- contribution and performance;
- character, integrity and competence;
- boardroom diversity including gender diversity, ethnicity diversity, age group diversity; and
- in the case of candidates for the position of Independent Non-Executive Directors, the NC shall also evaluate the candidates' ability to discharge such responsibilities/functions as are expected from Independent Non-Executive Directors.

The Board has implemented Director Fit and Proper Policy for the selection and re-election of Directors for Group. This policy is designed to guarantee that Directors possess the requisite qualities, competencies, and integrity essential for effectively fulfilling their roles.

New Directors are provided with comprehensive information on the Group to enable them to gain a better understanding of the Group's strategies and operations, and hence allow them to effectively contribute to the Board. The NC will ensure that a formal orientation program is in place for future new recruits to the Board.

b. Gender, Ethnicity and Age Group Diversity Policy

The Board noted the Code recommended the establishment of boardroom gender diversity and company to take steps to ensure that women candidates are sought in its recruitment exercise for both board and senior management positions. The Board does not have a specific policy on gender, ethnicity and age group for candidates to be appointed to the Board and senior management level. The Company does not practice any form of gender, ethnicity and age group biasness as all candidates shall be given fair and equal treatment. The Board believes that there is no detriment to the Company in not adopting a formal gender, ethnicity and age group diversity policy as the Company is committed to provide fair and equal opportunities and nurturing diversity within the Company. In identifying suitable candidates for appointment to the Board and senior management level, the NC will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board and senior management level. The Group currently has two (2) female members on the Board, representing >30% of the total Board Members.



Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

3. Board Committees (Cont'd)

Develop, Maintain and Review Criteria for Recruitment and Annual Assessment of Directors (Cont'd)

c. Annual Assessment

The NC had on 17 April 2025 reviewed and assessed the mix of skills, expertise, composition, size and experience of the Board, including core competencies of the Directors, the contribution of each individual Director as well as their character, integrity and time commitment, independence of the Independent Directors, effectiveness of the Board as a whole, and the Board Committees, and also the Directors eligible for re-election.

Self and peer evaluations had been conducted by each Individual Director and Independent Director and a summary of the evaluations was furnished to the NC prior to the NC meeting. The evaluations of the Board Committees, Independent Directors and the individual Directors produced positive results on the performance of the Board and each director.

Remuneration Committee ("RC")

The RC reviews and reports to the Board on remuneration and personnel policies, compensation and benefits programs with the aim to attract, retain and motivate individuals of the highest quality. The remuneration should be aligned with the business strategy and long-term objectives of the Company, and to reflect the Board's responsibilities, expertise and complexity of the Group's activities.

The RC shall be appointed by the Board and should only consist of non-executive directors and a majority of them must be independent directors as recommended by the Code. The members of the RC during the financial year are:-

- i. Yew Yong Ling - *Chairperson, Independent Non-Executive Director*
- ii. Yong Kim Fui - *Member, Independent Non-Executive Director*
- iii. Lieu Pei Yee - *Member, Independent Non-Executive Director*

There was one (1) remuneration meeting held during the financial year with full attendance from all the members of the Remuneration Committee.

The remuneration package of each individual Executive Director and Senior Management is structured to reflect his experience, performance and scope of responsibilities. The remuneration of Non-Executive Directors is in the form of annual fees and reflects the experience and the level of responsibilities undertaken by the Non-Executive Director concerned.

The RC has full, free and unrestricted access to the Company's records, properties and personnel in carrying out its duties and responsibilities. The RC is not authorised to implement its own recommendations but reports the same to the Board for the latter's consideration, approval and implementation.

Directors who are shareholders should abstain from voting at general meetings to approve their fees and/or benefits. Similarly, Executive Directors shall abstain from the deliberation and voting on decisions in respect of their own remuneration package which comprise monthly salary, bonuses, benefits-in-kind and other benefits. In the event where the Chairman's remuneration is to be decided, he shall abstain from discussion and voting. The remuneration and entitlements of Non-Executive Directors should be endorsed by the Board for approval by the shareholders at general meeting. The individuals concerned should abstain from discussions pertaining to their own remuneration.

The activities of the RC are developed from year to year by the Committee in consultation with the Board.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

3. Board Committees (Cont'd)

Directors' Remuneration and Benefits

The details of the Directors' remuneration and benefits received and receivable by Executive and Non-Executive Directors during the financial year under review is as follows:

	Salary (RM'000)	Bonus (RM'000)	Benefits In-Kind (RM'000)	Fee (RM'000)	Other Emoluments (RM'000)	Total (RM'000)
Executive Directors						
Tan Eu Tah	720	-	8.8	-	87.6	816.4
Teh Yee Luen	720	-	6.5	-	87.6	814.1
Non-Executive Directors						
Mok Juan Chek	-	-	-	72	-	72
Yew Yong Ling	-	-	-	60	-	60
Lieu Pei Yee	-	-	-	60	-	60
Yong Kim Fui	-	-	-	60	-	60

Key Management Personnel's Remuneration and Benefits

The remuneration and benefits received and receivable by Key Management Personnel's during the financial year under review in bands of RM50,000 is as follows:

Name	Position	Remuneration (RM'000)
Ng Boon Kean Kenneth	Chief Financial Officer	400 - 450
Tan Yee Chi	Chief Marketing Director	450 - 500
Richie Tan Qi Guang	Chief Operating Officer	250 - 300

Board Meetings

The Board usually meets at least six (6) times a year at quarterly intervals with additional meetings convened when necessary. During the financial year, the Board met on six (6) occasions; where it deliberated on matters such as the Group's financial results, major investments and strategic decisions, its business plan, corporate finance and developments and the strategic direction of the Group among others. Board meetings for each year are scheduled in advance before the end of the preceding year in order for Directors to plan their schedules.

The record of the Directors' attendance at Board Meeting for the financial year ended 31 December 2024 is contained in the table below:

No	Director	Board Attendance
1	Mok Juan Chek - <i>Independent Non-Executive Director (Chairman)</i>	6/6
2	Tan Eu Tah - <i>Executive Director</i>	6/6
3	Teh Yee Luen - <i>Executive Director</i>	6/6
4	Yew Yong Ling - <i>Independent Non-Executive Director</i>	6/6
5	Lieu Pei Yee - <i>Independent Non-Executive Director</i>	5/6
6	Yong Kim Fui - <i>Independent Non-Executive Director</i>	5/6



Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

3. Board Committees (Cont'd)

Directors' Training

The Directors attended courses, seminars, conferences and talks to enhance their skill sets and knowledge to enable them to carry out their duties and discharge their responsibilities as Directors of the Company. The Directors kept themselves updated with the changes in the business and regulations through sharing and discussion in official Board meetings and unofficially through small group discussions among the Directors. In addition to the Mandatory Accreditation Programme ("MAP") as required by Bursa Securities, Board members are also encouraged to attend training programs which are relevant to the Company's operations and business.

The following training programmes were attended by the Directors during the FYE 2024

Name of Director	Courses / Training Programmes Attended
Mok Juan Chek	Conflict of Interest Unleashing the Transformation power of AI Anti Bribery and Anti-Corruption Economic Outlook for 2nd half of 2024 Board Ethics, Growing concerns from New Technology, ICDM Stakeholders interest and COI. Tax and Business Summit
Tan Eu Tah	Mandatory Accreditation Programme Part II: Leading for Impact (LIP) Roles & Responsibilities of Directors, Board & Board Committees (including Financial Statements) As Prescribed under The Listing Requirements & MCGG
Teh Yee Luen	Mandatory Accreditation Programme Part II: Leading for Impact (LIP) Roles & Responsibilities of Directors, Board & Board Committees (including Financial Statements) As Prescribed under The Listing Requirements & MCGG
Yew Yong Ling	Roles & Responsibilities of Directors, Board & Board Committees (including Financial Statements) As Prescribed under The Listing Requirements & MCGG
Lieu Pei Yee	Roles & Responsibilities of Directors, Board & Board Committees (including Financial Statements) As Prescribed under The Listing Requirements & MCGG
Yong Kim Fui	MIA Webinar Series : Capital Gains Tax on Domestic and International Transactions MIA International Accountants Conference 2024 Mandatory Accreditation Programme Part II: Leading for Impact (LIP) FIDO APAC Summit 2024

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1. Audit Committee ("AC")

The Audit Committee was established by the Board to support its oversight of the financial reporting process and to monitor the accuracy and integrity of the Group's annual and quarterly financial statements. Additionally, the AC evaluates the performance of both external and internal audits to ensure the efficiency and effectiveness of the Group's operations. It assesses the adequacy of internal control systems, compliance with established policies and procedures, transparency in decision-making processes, and the accountability of financial and management information.

The present members of the Audit Committee are:

- i. Yong Kim Fui - Chairman, *Independent Non-Executive Director*
- ii. Yew Yong Ling - Member, *Independent Non-Executive Director*
- iii. Lieu Pei Yee - Member, *Independent Non-Executive Director*

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (Cont'd)

1. Audit Committee ("AC") (Cont'd)

The AC comprises of three (3) members, all of whom are Independent Non-Executive Directors of which the terms of reference was approved by the Board and a copy of the terms of reference can be found in the Board Charter which is available on the Company website at www.synergyhouseberhad.com. To ensure the overall effectiveness and independence of the AC, the positions of the Chairman of the Board and Chairman of the AC are held by different persons.

The Board is assisted by the AC to oversee the Group's financial reporting processes and the quality of its financial reporting and to ensure that the financial statements of the Group and the Company comply with applicable financial reporting standards in Malaysia. Such financial statements comprise the quarterly financial report announced to Bursa Securities and the annual audited financial statements. A statement by the Board of its responsibilities (Directors' Responsibility Statement) in respect of the preparation of the annual audited financial statements is set out on page 42 of this Annual Report.

Through the annual audited financial statements, the quarterly financial results as well as the Chairman's statement and review of operations in the Annual Report, the Board aims to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects.

The AC oversees and appraises the quality of the audits conducted by the Company's external auditors; maintain open lines of communication between the Board and external auditors for the exchange of views and information, as well as to confirm their respective authority and responsibilities; and assess the adequacy of the risk management systems and internal control environment as well as the financial reporting systems based on audit feedback from the external auditors. The representatives of Messrs Crowe Malaysia PLT were invited to the AC meetings to present annual audit findings for the respective reporting period specifically on financial matters and the integrity of systems that relate to financial aspects of the Company from time to time.

2. Risk Management and Internal Control

The Board ensures that there is an on-going process of identifying, evaluating and managing the significant risks via the examination of principal business risks in critical areas, assessing the likelihood of material exposures and the identification of measures taken to mitigate, avoid or reduce these risks are undertaken by the Executive Directors and senior management through meeting held during the financial year. Kindly refer to pages 33 to 37 of the Annual Report on the Statement on Risk Management and Internal Control for more information.

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

1. Communication with Stakeholders

The Board acknowledges the importance of accountability and timely communications with its shareholders and stakeholders and recognises their rights to be well informed on the activities and performance of the Group and to make their own evaluation and investment decision. The Board would ensure compliance with the disclosure requirements as set out in the AMLR of Bursa Securities at all time. The Annual Report and announcements in Bursa Securities remains the principal form of communication by providing shareholders and stakeholders with an overview of the Group's activities and performances. All information to shareholders is available electronically as soon as it is announced or published. Other modes of communications are via the Annual General Meeting as well as the Group's website at www.synergyhouseberhad.com.

2. Conduct of General Meeting

The Annual General Meeting ("AGM") and any other general meeting are the principal forum for dialogue with the shareholders and investors. In 2025, the third (3rd) AGM will be conducted physically at Ballroom 2, Level 10, Courtyard by Marriott Setia, No. 6 Jalan Setia Dagang AH U13/AH, Setia Alam, Seksyen U13, 40170 Setia Alam, Shah Alam, Selangor on 28 May 2025 to provide an opportunity for shareholders to participate at the AGM and pose relevant questions to the Chairman and the Board.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

In line with the Malaysian Code on Corporate Governance (“MCCG”), Rule 15.26(“b”) of the ACE Market Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad, and guided by the Statement on Risk Management & Internal Control Guidelines for Directors of Listed Issuers, the Board of Synergy House Berhad (“the Company”) and its subsidiaries (“the Group”) is committed to overseeing risk management and internal control to safeguard the Group’s assets.

This statement outlines the nature and scope of the risk management and internal control framework adopted by the Group for the financial year ended 31 December 2024 (“FYE 2024”).

BOARD RESPONSIBILITY

The Board of Directors acknowledges its responsibility for ensuring the adequacy and effectiveness of the Group’s risk management and internal control system, encompassing financial, operational, and regulatory compliance. This includes establishing a structured framework to identify, assess, and mitigate risks that could impede the achievement of business objectives and strategies. The Board commits to regularly reviewing and updating these systems to ensure their sufficiency and effectiveness.

The Board fully supports the Group’s risk management framework. Key responsibilities for implementing this framework across all business operations are delegated to the Risk Management Committee (“RMC”), the Internal Control Department, and the respective Business/Operations Heads.

During Financial Year 2024, the RMC (lead by 3 Non-Executive Director) reviewed, appraised, and assessed the controls and actions in place to mitigate and manage the Group’s overall risk exposure, including risks such as cybersecurity vulnerabilities, market fluctuations, and supply chain disruptions. The RMC raised issues of concern and recommended mitigating actions. A summary of its deliberations and decisions was presented to the Board on a quarterly basis.

During the financial year, the adequacy and effectiveness of the system of internal controls was reviewed by the Audit Committee (“AC”) in relation to the internal audits conducted by outsourced audit firms, Talent League Sdn Bhd, covering operational, financial, and compliance controls, as well as control issues reported by the external auditors. The AC deliberated on the audit issues and the actions taken by Management, and a summary of these deliberations was presented to the Board.

While the Group recognises that no risk management and internal control system can provide absolute assurance against all potential risks, including fraud, we are committed to continually enhancing our systems to mitigate risks effectively and adapt to evolving challenges. Our aim is to provide reasonable assurance through robust controls and continuous improvement.

RISK MANAGEMENT FRAMEWORK

The Group has implemented an Enterprise Risk Management (“ERM”) Framework to address a spectrum of activities that assess the inherent risk profile inherent in the business’s nature. As a failure to adequately address these risks could compromise the Group’s objectives and sustainability. The framework classifies risks concerning strategic, operational, financial, and compliance aspects, in line with the Group’s business objectives.

The Board reiterates its endorsement of the Group’s risk management framework and maintains continuous oversight of organisation risks and opportunities, with the assistance of the RMC. This oversight includes periodic reviews to ensure the integrity of systems and controls for identifying, analysing, evaluating, managing, and monitoring significant financial and non-financial risks.

Primary responsibility and accountability on ensuring the risk management framework and internal controls are applied across the Group is overseen by the Executive Director (“ED”) and supported by the Chief Financial Officer (“CFO”), as well as the rest of the members in the RMC. The Board receives reasonable assurance on the financial effectiveness of the Group’s risk management practices and internal control systems as reported and advised by the RMC.

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

RISK MANAGEMENT FRAMEWORK (CONT'D)

The RMC comprises representatives from the Board of Directors who are guided by formalised risk reporting and operational feedback provided by the Internal Control Department. The overall risk reporting process is conducted on a quarterly basis with emphasis on three key focus areas:

- **Risk Register**
Encompassing significant and potential risks
- **Risk Rating**
Recording changes in risk status upon the implementation of mitigation measures; and
- **Risk Profile**
Highlighting new identified risk, significant risks and mitigating controls pertinent to the operations of the Group

Throughout the financial year, any significant risks highlighted by respective Head of Departments within the organisation are monitored and analysed by the Internal Control Department and reported to the RMC for their deliberation and management decision.

The Board endorses a clear and defined risk organisation structure that outlines key responsibilities held by respective groups as defined below:

Roles & Responsibility	
Board of Directors	<ul style="list-style-type: none"> • Identify principal risks and ensure implementation of appropriate systems to manage these risks; • Approve risk management philosophy; • Communication with external shareholders and other stakeholders; and • Review the risk profile of the Group.
Risk Management Committee (“RMC”)	<ul style="list-style-type: none"> • Review and recommend risk management strategies, policies and risk appetite/tolerance for board’s approval; • Review and assess adequacy of risk management policies and framework in identifying, measuring, monitoring and controlling risk and the extent to which these are operating effectively; and • Review management’s periodic Group Risk Profile reports on risk exposure and risk management activities.
Internal Control Department (“Internal Control”)	<ul style="list-style-type: none"> • Review adequacy and effectiveness of risk management process and system; • Review and present to the RMC, the broad terms risk guidelines and risk appetite of the Group on a quarterly basis; • Review identified key risks of the Group’s operations; • Report to the RMC on material and pervasive findings which exceeded the risk appetite; • Guide Business/Operations Head in identifying, evaluating and managing key risks; and • Monitor progress of action plans to address key risks identified.
Risk owners (Head of Department/ Head of Divisions)	<ul style="list-style-type: none"> • Implements the risk management processes approved by the Board; • Submits quarterly updates via the risk register to the Internal Control; and • Identifies potential and actual risks associated to their respective process; highlights the risk in the risk register and make appropriate recommendations and controls to mitigate the risk.



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

INTERNAL AUDIT FUNCTION

The Group has appointed Talent League Sdn Bhd as its outsourced internal audit firm to provide independent, objective, and reasonable assurance in assessing and improving the effectiveness of risk management, internal control, and governance processes. Through a systematic and disciplined approach, the internal audit function assists the Group in achieving its objectives while enhancing the overall efficiency of operations.

The Audit Committee ("AC") holds regular meetings to review internal audit findings, deliberate on recommendations, and report key matters to the Board of Directors. To ensure comprehensive audit coverage, internal audit assignments are prioritised based on risk assessment results, the audit cycle, and discussions with Senior Management. The annual internal audit plan is then presented to the AC for review and approval.

Furthermore, the Internal Audit team conducts follow-up reviews to assess the implementation status of management's action plans. Any key concerns, along with management's responses and corrective actions, are reported directly to the AC to ensure that internal control deficiencies are addressed in a timely and effective manner. The professional fee incurred for the internal audit function in respect of 31 December 2024 was RM44,000.

KEY INTERNAL CONTROL SYSTEMS AND STRUCTURE

The Board and Management of the Group has put in place the following key internal controls to ensure that the Group's objectives and operational effectiveness:

Board Committee

In undertaking its oversight function, the Board is supported by four Board Committees whose responsibilities are outlined by specific terms of reference and authority assigned for areas within their scope.

These Committees are:

Committee and Responsibility	
Audit Committee ("AC")	<p>The AC is a key subcommittee of a company's board of directors, responsible for overseeing financial reporting, internal controls, risk management, and compliance.</p> <p>Its primary role is to ensure the integrity of financial statements, promote transparency, and safeguard the interests of shareholders.</p>
Risk Management Committee ("RMC")	<p>The RMC is a specialised subcommittee of the board of directors responsible for overseeing the organisation's risk management framework.</p> <p>Its primary role is to ensure that the company identifies, assesses, manages, and mitigates risks effectively to protect shareholder value and achieve strategic objectives.</p>
Remuneration Committee ("RC")	<p>The RC is a subcommittee of the board of directors responsible for overseeing higher executive and director compensation policies and practices.</p> <p>Its primary role is to ensure that compensation is aligned with the company's strategic goals, performance, and shareholder interests, while also complying with legal and regulatory requirements.</p>
Nomination Committee ("NC")	<p>The NC is a subcommittee of the board of directors responsible for overseeing the composition, structure, and effectiveness of the board.</p> <p>Its primary role is to ensure that the board has the right mix of skills, experience, and diversity to effectively govern the organisation and achieve its strategic objectives.</p>

The Board Committees report to the Board and in line with their respective terms of reference and authorisation of limits granted by the Board, the Board Committees will either approve or propose recommendations for the Board's decisions. The structure, terms of reference of these committees are periodically reviewed to ensure that they remain effective and aligned to the Group's needs.

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

KEY INTERNAL CONTROL SYSTEMS AND STRUCTURE (CONT'D)

Board Meetings

Board Meetings are held quarterly with a formal meeting agenda on matters for deliberation and discussion. Board papers are distributed prior to the Board meetings and Board members are provided with access to all relevant information.

Group and Organisational Structure

The Group has an organisation structure that clearly defines the reporting lines, roles and responsibilities, accountability and authority from Board and Management to operational levels. The effectiveness of the organisational structure is assessed regularly, and enhancements will be implemented as and when necessary.

Regular management and operation meetings are conducted by Senior Management which comprises the Group Executive Director, Chief Operation Officer, Chief Financial Officer, and department/divisional heads.

Authority Limits and Approved Policies

The Group has instituted clearly defined organisational roles, responsibilities and authorities via the approved Chart of Authorisation ("COA") and Standard Operating Procedures ("SOP"). The COA is reviewed on a periodic basis and updated in line with changes in the organisation.

SOP are documented and formalised and is continuously reviewed to ensure compliance with internal controls, relevant laws and regulations. Internal control activities have been established in all department with clearly defined lines of responsibilities, authority limits for procurement and capital expenditure, awarding of contracts, approving operating expenditures and other significant transactions, segregation of duties, performance monitoring and safeguarding of assets.

Integrity Management

An Anti-Corruption policy and procedures that is aligned with the Malaysian Anti-Corruption Act 2009, adopted since 24 February 2023, was last reviewed and approved by the Board of Directors on 26 February 2025. This Anti-Corruption policy defines the responsibilities of all group members in preventing bribery and corruption, by setting out the required standards of behaviour, reporting procedures, and the consequences of non-compliance, in order to maintain the groups ethical business practices, and legal compliance.

A Conflict-of-Interest Policy has been established and was last approved by the Board of Directors on 20 November 2024. This policy outlines the responsibilities for identifying, disclosing, and managing conflicts of interest, including those related to gifts and hospitality, to ensure the Group's integrity and impartial decision-making.

A Whistleblowing Policy was adopted by the Board of Director since 24 February 2023. The policy provides clarity of oversight of the whistleblowing process, protection and confidentiality to whistle-blowers. The policy sets out a protocol for employees and stakeholders to raise genuine possibilities of improprieties, malpractices and misconduct within the Group for remedial action.

The abovementioned policies are available for reference on the Company's website at <https://synergyhouseberhad.com/corporate-governance>.



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

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

Pursuant to Rule 15.23 of the ACE Market Listing Requirements (“AMLR”) of Bursa Securities, the external auditors conducted a limited assurance engagement on the Statement on Risk Management and Internal Control for inclusion in the Annual Report for the financial year ended 31 December 2024. Their review adhered to the guidelines outlined in the Audit and Assurance Practice Guide 3 (“AAPG 3”) issued by the Malaysian Institute of Accountants. It should be noted that under AAPG 3, auditors are not required to provide an opinion on the adequacy and effectiveness of the Group’s risk management and internal control system.

Based on their prescribed procedures, the external auditors communicated to the Board of Directors that they did not identify any matters that would lead them to believe that the Statement on Risk Management and Internal Control contains material deviations from the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor that the Statement on Risk Management and Internal Control is factually inaccurate.

CONCLUSION

The Board has received assurance from the Executive Director and senior management that, based on established risk assessment criteria, the Group’s existing risk management and internal control system is operating effectively in material aspects to meet the Group’s objectives for the financial year. Management has also committed to ongoing reviews and enhancements of the risk management and internal control system to ensure its continued adequacy and robustness.

After considering the assurance from Management and input from internal audit, external audit, and the board subcommittee, the Board concludes that the Group’s risk management and internal control system, as implemented during the financial year, is adequate and effective in safeguarding the interests of shareholders and the assets of the Group.

AUDIT COMMITTEE REPORT

The Audit Committee (“AC”) currently comprises of three (3) members, whom are Independent Non-Executive Directors of our Company. The AC meets the requirement of Rules 15.09 and 15.10 of ACE Market Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) as well as Practice Note 9.4 (Step Up) of the Malaysian Code on Corporate Governance (“MCCG”).

Yong Kim Fui - *Chairman, Independent Non-Executive Director*

Yew Yong Ling - *Member, Independent Non-Executive Director*

Lieu Pei Yee - *Member, Independent Non-Executive Director*

TERMS OF REFERENCE

The Terms of Reference (“TOR”) of the Company will be reviewed from time to time to ensure its effectiveness and relevance to the Board’s objective. The TOR of the AC is available on our corporate website www.synergyhouseberhad.com.

MEETING AND ATTENDANCE

The details of attendance of Audit Committee member in the AC meetings held during the financial year ended 31 December 2024 (“FYE 2024”) are as follows:

Name of Committee Members	Position	No. of Meetings Attended
Yong Kim Fui	Chairman, <i>Independent Non-Executive Director</i>	4/5
Yew Yong Ling	Member, <i>Independent Non-Executive Director</i>	5/5
Lieu Pei Yee	Member, <i>Independent Non-Executive Director</i>	4/5

The AC reviews the unaudited quarterly financial results and reports by the External Auditor on year-end audit procedures to ensure that the financial statements were prepared in compliance with the Malaysian Financial Reporting Standard (“MFRS”) 134 and the relevant Listing Requirements. The Executive Directors and key management were invited to attend the meeting to provide clarifications and information required of the Company.

SUMMARY OF ACTIVITIES

The main activities carried out by the AC in line with its TOR during FYE 2024 are summarized as below:

a. Financial Reporting

- i. Reviewed the quarterly unaudited financial results of the Group for an announcement to Bursa Securities before recommending them for the Board’s approval. The review was to ensure that the unaudited quarterly financial results were prepared in accordance with the requirements of MFRS 134, International Accounting Standard 34: Interim Financial Reporting, and provisions of the Listing Requirements of Bursa Securities; and
- ii. Reviewed for any related party transactions entered into by the Group and any conflict of interest situation that may arise within the Group;

b. External Audit

- i. Reviewed and approved the External Auditors assessment policy which is published in the Group’s website at www.synergyhouseberhad.com;
- ii. Assessed on 17 April 2025 the performance, suitability, objectivity and independent of Crowe Malaysia PLT (“Crowe”) based on an assessment questionnaire which took into consideration criteria such as the quality of services, sufficiency of resources, and trained professional staff assigned to the audit;



Audit Committee Report (Cont'd)

SUMMARY OF ACTIVITIES (Cont'd)

b. External Audit (Cont'd)

- iii. Reviewed and discussed with the External Auditors, Crowe's audit planning memorandum for the financial year ended 31 December 2024, outlining the auditors' engagement and reporting responsibilities, audit approach, materiality and performance materiality, areas of significant auditors' attention, engagement team, as well as reporting, deliverables and audit fees;
- iv. Having private session with the External Auditors without the presence of the Executive Directors and management in November 2024 and February 2025; and
- v. Reviewed the audit fee for FYE 2024 and recommended the audit fee to the Board for approval in November 2024.

c. Internal Audit

- i. Reviewed the reports by internal auditors, representations made and corrective actions taken by the management in addressing and resolving issues as well as ensuring that all issues were adequately addressed on a timely basis;
- ii. Reviewed the follow-up reports from the internal audit and to ensure the issues were appropriately addressed on a timely basis;
- iii. Reviewed the adequacy, scope, function, competency and resources of Internal Audit function; and
- iv. Assessed on 17 April 2025, the performance and work scope amongst others of Talent League Sdn Bhd based on an assessment questionnaire.

Based on the above, where appropriate, the AC will seek further detailed clarifications from the management team to understand the matter in depth prior to making any decisions or recommendations.

Internal audit function

The Group has outsourced its internal audit function to an independent external party, Talent League Sdn. Bhd. which reports directly to the AC. The AC reviews internal audit and monitors its relationship with the Internal Auditor, including plans and performance. It reviews and assesses the quarterly Internal Audit reports together with management's actions on findings to gain assurance as to the effectiveness of the internal control framework throughout the Group. The total cost incurred in relation to the Group's outsourced internal audit function during FYE 2024 was RM44,000.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS RAISED FROM THE LISTING EXERCISE

The Company was listed on the ACE Market of Bursa Securities on 1 June 2023 (“Listing”). In conjunction with the Listing Requirements of Bursa Securities, the Company undertook a public issue of 80,000,000 new ordinary shares at an issue price of RM0.43 per share, raising gross proceeds of RM34.4 million (“IPO Proceeds”).

The status of the utilisation of the IPO Proceeds as of 31 December 2024 is as follows:

Details of Utilisation of Proceeds	Proposed Utilisation RM'000	Actual Utilisation RM'000	Re-allocation ⁽¹⁾ RM'000	Variation RM'000	Balance RM'000	Estimated Timeframe for Utilisation upon Listing ⁽³⁾
E-commerce fulfilment centres in Muar, Johor and overseas countries - Purchase of inventories	10,000	(11,500)	-	⁽²⁾ 1,500	-	Within 18 months
E-commerce fulfilment centre in Muar, Johor - Purchase of racking system and forklifts	1,500	-	-	⁽²⁾ (1,500)	-	Within 18 months
E-commerce advertising and promotions	1,000	(1,000)	-	-	-	Within 18 months
Repayment of borrowings	10,000	(10,000)	-	-	-	Within 6 months
Working capital	7,700	(7,821)	121	-	-	Within 12 months
Estimated listing expenses	4,200	(4,079)	(121)	-	-	Within 1 month
Total	34,400	(34,400)	-	-	-	

Notes:

- ⁽¹⁾ The unutilised balance of RM0.12 million from the estimated listing expenses was allocated for working capital purposes.
- ⁽²⁾ The Initial Public Offering (“IPO”) Proceeds of RM1.50 million were initially earmarked for the purchase of racking systems and forklift for the Group’s new warehouse in Muar, Johor. The Company has resolved to vary the utilisation of the RM1.50 million to fund the purchase of inventories for the Group’s e-commerce fulfilment centres in overseas countries as per the announcement dated 1 October 2024 in Bursa Securities. The Group has yet to identify a suitable location for its e-commerce fulfilment center in Muar, Johor that meets the Group’s internal requirements. Nonetheless, the delay in securing a location for the Group’s new warehouse in Muar, Johor is not expected to significantly impact the operations of the Group’s B2C segment due to the Group’s existing operational capability and support system to manage the B2C segment supply chain.
- ⁽³⁾ There is no change in the timeframe for the use of proceeds.

2. AUDIT AND NON-AUDIT FEES

During the financial year ended 31 December 2024 (“FYE 2024”), the audit fees and non-audit fees paid/payable to the Company’s external auditors or a firm or corporation affiliated to the auditors’ firm as follows:

	Group RM'000	Company RM'000
Audit fees	141	35
Non-audit fees	5	5
	146	40



Additional Compliance Information (Cont'd)

3. MATERIAL CONTRACTS INVOLVING THE INTEREST OF THE DIRECTORS AND MAJOR SHAREHOLDERS

There were no material contracts (not being contracts entered into in the ordinary course of business) either subsisting as at the financial year end or entered into since the end of the previous financial year by the Company and its subsidiaries involving the interest of the directors and major shareholders.

4. RECURRENT RELATED PARTY TRANSACTIONS ("RRPT")

During the FYE 2024, there was no recurrent related party transactions of a revenue or trading nature which requires shareholders' mandate.

DIRECTORS' RESPONSIBILITY

STATEMENT IN RESPECT OF THE ANNUAL AUDITED FINANCIAL STATEMENTS

The Directors are responsible for the preparation of financial statements in accordance with the applicable MFRS, IFRS, the provisions of the Act as well as the AMLR of Bursa Securities.

The Directors are responsible to ensure that financial statements give a true and fair view of the financial position of the Company and its subsidiaries as at the end of the financial year, and of the financial performance and cash flows for the financial year.

In ensuring the preparation of these financial statements of Synergy House Berhad, the Directors have ensured the following:-

- Adopted suitable accounting policies and apply them consistently;
- Made judgments and estimates that are reasonable and prudent; and
- Making of judgments and estimates that are appropriate, reasonable and prudent.

The Directors are responsible for ensuring that proper accounting and other records are kept which disclose with reasonable accuracy the financial position of the Company and ensuring that the financial statements comply with the provisions of the Companies Act 2016.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Group, and to prevent and detect fraud and other such 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 31 December 2024.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holdings and provision of management services. The principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	The Group RM	The Company RM
Profit after tax for the financial year	27,837,927	5,391,351
Attributable to: Owners of the Company	27,837,927	5,391,351

DIVIDENDS

Dividends paid or declared by the Company since 31 December 2023 are as follows:

- (a) Second interim dividend of 0.6 sen per ordinary share amounting to RM 3,000,000 in respect of the financial year ended 31 December 2023 was paid on 22 March 2024.
- (b) First interim dividend of 0.9 sen per ordinary share amounting to RM 4,500,000 in respect of the financial year ended 31 December 2024 was paid on 19 December 2024.

The Company declared on 28 February 2025 and paid on 27 March 2025 a second interim dividend of 0.74 sen per ordinary share amounting to RM 3,700,000 in respect of the current financial year to shareholders whose names appeared in the record of depositors on 14 March 2025. The financial statements for the current financial year do not reflect this interim dividend. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2025.

The directors do not recommend the payment of any further dividends for the financial year.

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.

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.



Directors' Report (Cont'd)

BAD AND DOUBTFUL DEBTS

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

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

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

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

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature other than as disclosed in Notes 28 and 29 to the financial statements.

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

Directors' Report (Cont'd)

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:

Tan Eu Tah*
 Teh Yee Luen*
 Mok Juan Chek
 Yew Yong Ling
 Lieu Pei Yee
 Yong Kim Fui

* Directors of the Company and the subsidiaries

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:

The Company		At 01.01.2024	Number of Ordinary Shares		At 31.12.2024
			Bought	Sold	
Tan Eu Tah	- Direct	600,000	476,100	-	1,076,100
	- Indirect ⁽¹⁾	370,000,000	-	-	370,000,000
Teh Yee Luen	- Direct	1,488,000	-	-	1,488,000
	- Indirect ⁽¹⁾	370,000,000	-	-	370,000,000
Mok Juan Chek	- Direct	125,000	-	-	125,000
Yew Yong Ling	- Direct	125,000	-	-	125,000
Lieu Pei Yee	- Direct	78,000	-	-	78,000
Yong Kim Fui	- Direct	125,000	-	-	125,000

Holding company - Synergy House Furniture Holdings Sdn. Bhd. ("SHFH")

		At 01.01.2024	Number of Ordinary Shares		At 31.12.2024
			Bought	Sold	
Tan Eu Tah		500	-	-	500
Teh Yee Luen		500	-	-	500

Notes:

⁽¹⁾ Deemed interest by virtue of his direct interests in SHFH.

By virtue of their shareholdings in SHFH, Tan Eu Tah and Teh Yee Luen are deemed to have interests in shares in its related corporations during the financial year to the extent of SHFH's interests, in accordance with Section 8 of the Companies Act 2016.



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" section 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 35(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	The Company RM
Fees	252,000	252,000
Salaries, bonuses and other benefits	1,442,434	-
Defined contribution plan	172,800	-
	1,867,234	252,000

The estimated monetary value of benefits-in-kind provided by the Group and the Company to the directors of the Company were RM 15,300 and RM Nil respectively.

INDEMNITY AND INSURANCE COST

The Company maintains a Directors' and Officers' Liability Insurance Policy on a group basis. During the financial year, the amount of indemnity coverage and insurance premium paid for the directors and certain officers of the Group were RM 5,000,000 and RM 9,750 respectively.

There was no indemnity given to or professional indemnity insurance effected for the auditors of the Company.

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 6 to the financial statements.

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

SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

The significant events occurring after the reporting period are disclosed in Note 39 to the financial statements.

Directors' Report (Cont'd)

HOLDING COMPANY

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

AUDITORS

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

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

	The Group RM	The Company RM
Audit fees	141,000	35,000
Non-audit fees	5,000	5,000
	<hr/> 146,000	<hr/> 40,000

Signed in accordance with a resolution of the directors dated 17 April 2025

Tan Eu Tah

Teh Yee Luen



STATEMENT BY DIRECTORS

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

We, Tan Eu Tah and Teh Yee Luen, being two of the directors of Synergy House Berhad, state that, in the opinion of the directors, the financial statements set out on pages 53 to 99 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 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 17 April 2025

Tan Eu Tah

Teh Yee Luen

STATUTORY DECLARATION

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

I, Ng Boon Kean Kenneth, MIA Membership Number: 43837, being the officer primarily responsible for the financial management of Synergy House Berhad, do solemnly and sincerely declare that the financial statements set out on pages 53 to 99 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
Ng Boon Kean Kenneth at Muar in the Johor Darul Takzim
on this 17 April 2025

Ng Boon Kean Kenneth

Before me
Lim Pei Ling (No. J 238)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SYNERGY HOUSE BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Synergy House Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 53 to 99.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

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

Carrying amount of inventories Refer to Note 10 to the financial statements	
key audit matter	How our audit addressed the key audit matter
<p>The Group held inventories with carrying amount of RM 71,177,695 as at 31 December 2024.</p> <p>The carrying value of inventories is stated at the lower of cost and net realisable value.</p> <p>We have considered carrying values of inventories as a key area of our audit as management periodically reviews the inventories for potential write-down by considering their ageing profile, estimation of market price fluctuation and net realisable value.</p> <p>These reviews involve judgements and estimation uncertainty in forming expectations about future consumptions, sales and demands.</p>	<p>Our procedures included, among others:</p> <ul style="list-style-type: none"> • Compared the net realisable value to the cost of inventories at the end of the reporting period to assess the reasonableness of inventories write-down. • Performed ageing test on the inventories and reviewed the impairment for slow-moving inventories, where applicable. • Obtained third parties' confirmation and performed quantities verification as well as inventory observation to assess the existence of inventories.



Independent Auditors' Report (Cont'd)

To the members of Synergy House Berhad

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

Independent Auditors' Report (Cont'd)

To the members of Synergy House Berhad

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

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

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

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

We also provide the directors with a statement that we have 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 subsidiaries of which we have not acted as auditors, are disclosed in Note 6 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

Low Chong Lian
03623/12/2025 J
Chartered Accountant

Muar, Johor Darul Takzim

Date : 17 April 2025



STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
ASSETS					
NON-CURRENT ASSETS					
Investment in subsidiaries	6	-	-	56,898,000	56,898,000
Property, plant and equipment	7	16,010,391	33,621,034	-	-
Investment properties	8	28,000,000	-	-	-
Right-of-use assets	9	22,170,212	21,964,699	-	-
		66,180,603	55,585,733	56,898,000	56,898,000
CURRENT ASSETS					
Inventories	10	71,177,695	48,624,694	-	-
Trade receivables	11	56,884,034	63,487,920	-	-
Other receivables, deposits and prepayments	12	5,478,433	5,754,011	1,248,793	103,700
Dividend receivables		-	-	-	2,960,000
Short-term investments	13	29,778,484	21,316,036	9,174,751	14,723,366
Current tax assets		5,293,115	218,885	512	-
Derivative assets	14	269,587	73,973	-	-
Fixed deposits with licensed banks	15	17,735,898	11,892,366	-	-
Cash and bank balances		28,372,813	13,449,635	284,628	16,405
		214,990,059	164,817,520	10,708,684	17,803,471
TOTAL ASSETS		281,170,662	220,403,253	67,606,684	74,701,471
EQUITY AND LIABILITIES					
EQUITY					
Share capital	16	67,419,124	67,419,124	67,419,124	67,419,124
Reserves	17	59,993,994	33,399,993	32,232	2,140,881
TOTAL EQUITY		127,413,118	100,819,117	67,451,356	69,560,005
NON-CURRENT LIABILITIES					
Borrowings	18	24,240,097	26,227,152	-	-
Lease liabilities	19	581,036	201,417	-	-
Deferred tax liabilities	20	662,752	2,688,098	-	-
		25,483,885	29,116,667	-	-
CURRENT LIABILITIES					
Trade payables	21	45,244,500	29,094,324	-	-
Other payables and accruals	22	17,817,719	14,885,516	155,328	122,466
Borrowings	18	63,141,426	37,544,864	-	-
Lease liabilities	19	527,905	463,880	-	-
Dividend payable	23	-	5,000,000	-	5,000,000
Current tax liabilities		-	3,478,885	-	19,000
Derivative liabilities	14	1,542,109	-	-	-
		128,273,659	90,467,469	155,328	5,141,466
TOTAL LIABILITIES		153,757,544	119,584,136	155,328	5,141,466
TOTAL EQUITY AND LIABILITIES		281,170,662	220,403,253	67,606,684	74,701,471

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Revenue	24	392,418,175	270,171,697	6,200,000	9,100,000
Other income		11,801,430	5,005,732	373,502	304,161
Purchase of trading goods		(302,164,449)	(205,511,625)	-	-
Changes in inventories		22,554,178	21,736,182	-	-
Depreciation		(2,657,540)	(1,942,067)	-	-
Employee benefits	26	(19,922,429)	(13,820,607)	(252,000)	(252,000)
Finance costs	27	(3,865,570)	(3,937,502)	-	-
Net impairment losses on financial assets	28	(10,484,650)	-	-	-
Other expenses		(57,904,301)	(34,100,302)	(930,433)	(1,210,648)
Profit before tax	29	29,774,844	37,601,508	5,391,069	7,941,513
Income tax expense	30	(1,936,917)	(10,453,398)	282	(19,000)
Profit after tax For the financial year		27,837,927	27,148,110	5,391,351	7,922,513
Other comprehensive income	31				
<u>Items that will not be reclassified</u> <u>subsequently to profit or loss</u>					
Revaluation of property, plant and equipment		6,256,074	-	-	-
Total other comprehensive income		6,256,074	-	-	-
Total comprehensive income for the financial year		34,094,001	27,148,110	5,391,351	7,922,513
Profit after tax attributable to owners of the Company		27,837,927	27,148,110	5,391,351	7,922,513
Total comprehensive income attributable to owners of the Company		34,094,001	27,148,110	5,391,351	7,922,513
Earnings per share (RM)	32				
- Basic / Diluted		0.06	0.06		

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



STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Non-distributable		Distributable		Total equity RM
		Share capital RM	Re-organisation reserve RM	Revaluation reserve RM	Retained profits RM	
The Group						
Balance at 1 January 2023		2,610,002	-	7,654,555	36,085,328	46,349,885
Profit after tax and total comprehensive income for the financial year		-	-	-	27,148,110	27,148,110
Contributions by and distributions to owners of the Company:						
- Issuance of shares for the acquisition of subsidiaries		34,398,000	-	-	-	34,398,000
- Adjustment on the acquisition of subsidiaries		(2,610,000)	(31,788,000)	-	-	(34,398,000)
- Issuance of shares for the public issue		34,400,000	-	-	-	34,400,000
- Share issuance expenses		(1,378,878)	-	-	-	(1,378,878)
- Dividends	33	-	-	-	(5,700,000)	(5,700,000)
Balance at 31 December 2023/1 January 2024		67,419,124	(31,788,000)	7,654,555	57,533,438	100,819,117
Profit after tax for the financial year		-	-	-	27,837,927	27,837,927
Other comprehensive income for the financial year:						
- Revaluation of property, plant and equipment		-	-	6,256,074	-	6,256,074
Total comprehensive income for the financial year		-	-	6,256,074	27,837,927	34,094,001
Distributions to owners of the Company:						
- Dividends	33	-	-	-	(7,500,000)	(7,500,000)
Balance at 31 December 2024		67,419,124	(31,788,000)	13,910,629	77,871,365	127,413,118

	Note	Share capital RM	Distributable		(Capital deficiency)/ Total equity RM
			(Accumulated losses)/ Retained profits RM		
The Company					
Balance at 1 January 2023		2	(781,632)		(781,630)
Profit after tax and total comprehensive income for the financial year		-	7,922,513		7,922,513
Contributions by and distributions to owners of the Company:					
- Issuance of shares for the acquisition of subsidiaries		34,398,000	-		34,398,000
- Issuance of shares for the public issue		34,400,000	-		34,400,000
- Share issuance expenses		(1,378,878)	-		(1,378,878)
- Dividends	33	-	(5,000,000)		(5,000,000)
Balance at 31 December 2023/1 January 2024		67,419,124	2,140,881		69,560,005
Profit after tax and total comprehensive income for the financial year		-	5,391,351		5,391,351
Distributions to owners of the Company:					
- Dividends	33	-	(7,500,000)		(7,500,000)
Balance at 31 December 2024		67,419,124	32,232		67,451,356

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS FROM/(FOR)					
OPERATING ACTIVITIES					
Profit before tax		29,774,844	37,601,508	5,391,069	7,941,513
Adjustments for:					
Depreciation of property, plant and equipment		1,860,476	1,357,317	-	-
Depreciation of right-of-use assets		797,064	584,750	-	-
Dividend income from subsidiaries		-	-	(6,200,000)	(9,100,000)
Dividend income from short-term investments		(882,447)	(316,036)	(371,385)	(223,366)
Fair value loss/(gain) on derivatives		1,346,495	(73,973)	-	-
Gain on derecognition due to lease modification		-	(2,582)	-	-
Gain on disposal of property, plant and equipment		(69,132)	(9,345)	-	-
Impairment losses on trade receivables		10,484,650	-	-	-
Inventories written down		246,439	211,380	-	-
Inventories written off		1,177	-	-	-
Property, plant and equipment written off		18,635	11,747	-	-
Reversal of inventories previously written down		(227,550)	(65,247)	-	-
Unrealised loss on foreign exchange		1,584,119	2,431,372	-	-
Interest expenses		3,825,772	3,889,626	-	-
Interest income		(712,727)	(284,937)	(2,117)	(80,795)
Operating profit/(loss) before working capital changes		48,047,815	45,335,580	(1,182,433)	(1,462,648)
Inventories		(22,573,067)	(21,882,315)	-	-
Trade receivables		(3,396,333)	(49,472,873)	-	-
Other receivables, deposits and prepayments		(513,039)	747,180	104,907	237,878
Trade payables		15,921,247	19,342,840	-	-
Other payables and accruals		2,892,324	8,003,021	32,862	(1,000,744)
CASH FROM/(FOR) OPERATIONS		40,378,947	2,073,433	(1,044,664)	(2,225,514)
Dividend received		-	-	9,160,000	6,140,000
Interest received		712,727	284,937	2,117	80,795
Tax paid		(13,875,246)	(8,268,752)	(19,230)	-
Tax refund		121,108	92,643	-	-
NET CASH FROM/(FOR) OPERATING ACTIVITIES		27,337,536	(5,817,739)	8,098,223	3,995,281
CASH FLOWS FOR					
INVESTING ACTIVITIES					
Advances to a subsidiary		-	-	(1,250,000)	-
Dividend received from short-term investments		882,447	316,036	371,385	223,366
Investment in subsidiaries		-	-	-	(56,898,000)
Proceeds from disposal of property, plant and equipment		71,900	37,800	-	-
Purchase of property, plant and equipment	34(a)	(3,219,206)	(2,641,728)	-	-
NET CASH FOR INVESTING ACTIVITIES		(2,264,859)	(2,287,892)	(878,615)	(56,674,634)

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



Statements of Cash Flows (Cont'd)

For the Financial Year Ended 31 December 2024

	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS FROM/(FOR)					
FINANCING ACTIVITIES					
Dividends paid		(12,500,000)	(700,000)	(12,500,000)	-
Interest paid	34(b)	(3,644,150)	(3,645,246)	-	-
Net movements in bankers' acceptances	34(b)	25,144,877	14,874,123	-	-
Net movements in invoice financing	34(b)	(714,888)	20,034	-	-
Net movements in receivable financing	34(b)	1,093,903	(364,132)	-	-
Net movements in trade financing	34(b)	(228,236)	950,234	-	-
Net proceeds from issuance of ordinary shares		-	33,021,122	-	67,419,122
Repayment of hire purchase payables	34(b)	(474,006)	(198,032)	-	-
Repayment of revolving financing	34(b)	-	(3,187,164)	-	-
Repayment of term loans	34(b)	(1,895,416)	(12,091,196)	-	-
Repayment of lease liabilities	34(b)	(558,933)	(322,959)	-	-
Withdrawal/(Additional) of fixed deposits pledged		11,156,468	(1,265,333)	-	-
NET CASH FROM/(FOR) FINANCING ACTIVITIES		17,379,619	27,091,451	(12,500,000)	67,419,122
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		42,452,296	18,985,820	(5,280,392)	14,739,769
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		(2,066,670)	(1,020,028)	-	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		34,765,671	16,799,879	14,739,771	2
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	34(d)	75,151,297	34,765,671	9,459,379	14,739,771

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

1. GENERAL INFORMATION

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

Registered office : Unit 30-01, Level 30, Tower A,
Vertical Business Suite, Avenue 3,
Bangsar South, No 8, Jalan Kerinchi,
59200 Kuala Lumpur.

Principal place of business : Lot 18.A & 18.B & 18.C & Lot 19.A & Lot 23.B
Level 18 & 19 & 23
Top Glove Tower,
No. 16, Persiaran Setia Dagang,
Bandar Setia Alam, Seksyen U13,
40170 Shah Alam, Selangor.

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 are 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.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 17 April 2025.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holdings and provision of management services. The principal activities of the subsidiaries are set out in Note 6. There have been no significant changes in the nature of these activities during the financial year.

3. HOLDING COMPANY

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

4. BASIS OF PREPARATION

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

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

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

Amendments to MFRS 16: Lease Liability in a Sale and Leaseback
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current
Amendments to MFRS 101: Non-current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements

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



Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2024

4. BASIS OF PREPARATION (CONT'D)

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

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 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity	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 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 in 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 statements of financial position and the statements of cash flows will also be affected. The potential impact of the new standard on the financial statements of the Group and of the Company has yet to be assessed.

5. MATERIAL ACCOUNTING POLICY INFORMATION

5.1 Critical accounting estimates and judgements

Key sources of estimation uncertainty

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

(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 anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2024

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.1 Critical accounting estimates and judgements (Cont'd)

Key sources of estimation uncertainty (Cont'd)

(b) Property, plant and equipment and right-of-use assets under revaluation

Certain properties of the Group are reported at revalued amounts which are based on valuations performed by independent professional valuers by reference to the selling prices of recent transactions and asking prices of similar properties of nearby location and where necessary, adjusting for tenure, location, size and market trends. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting valuations.

(c) Valuation of investment properties

Investment properties of the Group are reported at fair value which is based on valuations performed by independent professional valuers by reference to the selling prices of recent transactions and asking prices of similar properties of nearby location and where necessary, adjusting for tenure, location, size and market trends. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting fair value.

(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.

(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.

(f) 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.

(g) Discount rates used in leases

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



Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2024

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.1 Critical accounting estimates and judgements (Cont'd)

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 other than as disclosed below:

Lease terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

5.2 Financial instruments

(a) Financial assets

Financial assets through profit or loss

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

Financial assets at amortised cost

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

(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.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2024

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.2 Financial instruments (Cont'd)

(d) Derivatives

Derivatives are initially measured at fair value. Subsequent to the initial recognition, the derivatives are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss.

(e) 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 Company, 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.

5.3 Basis of consolidation

The Group applies the acquisition method of accounting for all business combinations except for those involving entities under common control which are accounted for applying the merger method of accounting.

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

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

5.4 Investment in subsidiaries

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

5.5 Property, plant and equipment

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

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

Freehold land and buildings are stated at revalued amounts based on periodic valuations, at least once in every 3 years, less subsequent depreciation for buildings. Surpluses arising from the revaluation are recognised in other comprehensive income and accumulated in equity under the revaluation reserve to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss. Deficits arising from the revaluation, to the extent that they are not supported by any previous revaluation surpluses, are recognised in profit or loss.



Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2024

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.5 Property, plant and equipment (Cont'd)

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

Buildings	2%
Plant and machinery	10%
Motor vehicles	20%
Furniture and fittings, office and computer equipment	10% - 20%
Renovations and signboard	10% - 20%
Tools and equipment	10%

Capital work-in-progress are not depreciated until such time when the asset is available for use.

5.6 Investment properties

Investment properties are initially measured at cost. Subsequent to the initial recognition, the investment properties are measured at fair value with fair value changes recognised in profit or loss.

5.7 Right-of-use assets and lease liabilities

(a) Short-term leases and leases of low-value assets

The Group applies the "short-term lease" and "lease of low-value assets" recognition exemption. For these leases, the Group recognises 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, other than leasehold land, are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

Leasehold land is stated at revalued amounts based on periodic valuations, at least once in every 3 years, less subsequent depreciation. Surpluses arising from the revaluation are recognised in other comprehensive income and accumulated in equity under the revaluation reserve to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss. Deficits arising from the revaluation, to the extent that they are not supported by any previous revaluation surpluses, are recognised in profit or loss.

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)

For The Financial Year Ended 31 December 2024

5. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

5.8 Inventories

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

6. INVESTMENT IN SUBSIDIARIES

	The Company	
	2024 RM	2023 RM
Unquoted shares, at cost	56,898,000	56,898,000

The details of the subsidiaries are as follows:

Name of subsidiaries	Principal place of business and country of incorporation	Percentage of issued share capital held by parent		Principal activities
		2024 %	2023 %	
<i>Subsidiaries of the Company</i>				
Synergy House Furniture Sdn. Bhd. ("SHF")	Malaysia	100	100	Trading all types of furniture and household products via cross-border e-commerce platform and business-to-business customers
Synergy House Global Sdn. Bhd. (formerly known as Sunny & Ker Furniture Industries Sdn. Bhd.)	Malaysia	100	100	Acting as an agent trading all types of furniture and related products wholesale on a fee basis
Synergy House International Sdn. Bhd.	Malaysia	100	100	Trading all types of furniture and related products.
<i>Subsidiary of SHF</i>				
Synergy House Furniture Inc.^	United States of America	100	100	Acting as an agent trading all types of furniture and related products
Synergy House UK Limited^	United Kingdom	100	-	Dormant

^ Not required to be audited under the laws of the country of incorporation.

- On 23 January 2024, SHF subscribed an additional 70,000 ordinary shares of USD 1 each in Synergy House Furniture Inc. ("Synergy US") for a total cash consideration of USD 70,000 (equivalent to RM 321,510). Following the completion of the transaction, Synergy US remained a 100% owned subsidiary of SHF and indirect subsidiary of the Company.
- On 13 November 2024, SHF incorporated a wholly-owned subsidiary known as Synergy House UK Limited ("Synergy UK") with an initial issued share capital of GBP 1, consisting of 1 ordinary share. As of the date of authorisation of this report, no paid-up capital has been subscribed.
- In the previous financial year, SHF subscribed 1,000 ordinary shares of USD 1 each representing 100% of the paid-up share capital in Synergy House Furniture Inc. ("Synergy US") for a total cash consideration of USD 1,000 (equivalent to RM 4,634). As a result, Synergy US became a wholly-owned subsidiary of SHF and an indirect subsidiary of the Company.



Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2024

7. PROPERTY, PLANT AND EQUIPMENT

The Group	Freehold land RM	Buildings RM	Plant and machinery RM	Motor vehicles RM	Furniture and fittings, office and computer equipment RM	Renovations and signboard RM	Tools and equipment RM	Capital work-in-progress RM	Total RM
At cost/valuation									
At 1 January 2024	14,000,000	13,882,200	2,270,413	2,565,432	3,839,619	483,489	1,666,815	506,803	39,214,771
Additions	-	-	317,719	584,454	1,905,150	383,998	1,396,533	188,548	4,776,402
Disposals	-	-	-	(88,851)	(17,092)	-	-	-	(105,943)
Revaluation	4,000,000	3,494,834	-	-	-	-	-	-	7,494,834
Reclassification	-	149,000	-	-	-	6,000	-	(155,000)	-
Transfer to investment properties (Note 8)	(18,000,000)	(10,343,834)	-	-	-	-	-	-	(28,343,834)
Write off	-	-	-	-	(85,470)	-	-	-	(85,470)
At 31 December 2024	-	7,182,200	2,588,132	3,061,035	5,642,207	873,487	3,063,348	540,351	22,950,760
Representing:									
At cost	-	62,200	2,588,132	3,061,035	5,642,207	873,487	3,063,348	540,351	15,830,760
At valuation	-	7,120,000	-	-	-	-	-	-	7,120,000
Less : Accumulated depreciation									
At 1 January 2024	-	420,441	933,847	1,883,191	1,868,030	113,340	374,888	-	5,593,737
Charge for the financial year	-	285,104	207,739	291,369	741,906	76,039	258,319	-	1,860,476
Disposals	-	-	-	(88,851)	(14,324)	-	-	-	(103,175)
Transfer to investment properties (Note 8)	-	(343,834)	-	-	-	-	-	-	(343,834)
Write off	-	-	-	-	(66,835)	-	-	-	(66,835)
At 31 December 2024	-	361,711	1,141,586	2,085,709	2,528,777	189,379	633,207	-	6,940,369
Representing:									
At cost	-	1,762	1,141,586	2,085,709	2,528,777	189,379	633,207	-	6,580,420
At valuation	-	359,949	-	-	-	-	-	-	359,949
Carrying amount									
At 31 December 2024	-	6,820,489	1,446,546	975,326	3,113,430	684,108	2,430,141	540,351	16,010,391
Representing:									
At cost	-	60,438	1,446,546	975,326	3,113,430	684,108	2,430,141	540,351	9,250,340
At valuation	-	6,760,051	-	-	-	-	-	-	6,760,051
At 31 December 2024	-	6,820,489	1,446,546	975,326	3,113,430	684,108	2,430,141	540,351	16,010,391

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2024

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

The Group	Freehold land RM	Buildings RM	Plant and machinery RM	Motor vehicles RM	Furniture and fittings, office and computer equipment RM	Renovations and signboard RM	Tools and equipment RM	Capital work-in-progress RM	Total RM
At cost/valuation									
At 1 January 2023	14,000,000	13,820,000	1,719,722	2,138,432	3,102,549	364,989	885,345	633,714	36,664,751
Additions	-	62,200	210,000	427,000	752,234	118,500	819,270	213,780	2,602,984
Disposals	-	-	-	-	-	-	(37,800)	-	(37,800)
Reclassification	-	-	340,691	-	-	-	-	(340,691)	-
Write off	-	-	-	-	(15,164)	-	-	-	(15,164)
At 31 December 2023	14,000,000	13,882,200	2,270,413	2,565,432	3,839,619	483,489	1,666,815	506,803	39,214,771
Representing:									
At cost	-	62,200	2,270,413	2,565,432	3,839,619	483,489	1,666,815	506,803	11,394,771
At valuation	14,000,000	13,820,000	-	-	-	-	-	-	27,820,000
At 31 December 2023	14,000,000	13,882,200	2,270,413	2,565,432	3,839,619	483,489	1,666,815	506,803	39,214,771
Less : Accumulated depreciation									
At 1 January 2023	-	143,523	750,461	1,692,836	1,363,603	57,912	240,847	-	4,249,182
Charge for the financial year	-	276,918	183,386	190,355	507,844	55,428	143,386	-	1,357,317
Disposals	-	-	-	-	-	-	(9,345)	-	(9,345)
Write off	-	-	-	-	(3,417)	-	-	-	(3,417)
At 31 December 2023	-	420,441	933,847	1,883,191	1,868,030	113,340	374,888	-	5,593,737
Representing:									
At cost	-	518	933,847	1,883,191	1,868,030	113,340	374,888	-	5,173,814
At valuation	-	419,923	-	-	-	-	-	-	419,923
At 31 December 2023	-	420,441	933,847	1,883,191	1,868,030	113,340	374,888	-	5,593,737
Carrying amount									
At 31 December 2023	14,000,000	13,461,759	1,336,566	682,241	1,971,589	370,149	1,291,927	506,803	33,621,034
Representing:									
At cost	-	61,682	1,336,566	682,241	1,971,589	370,149	1,291,927	506,803	6,220,957
At valuation	14,000,000	13,400,077	-	-	-	-	-	-	27,400,077
At 31 December 2023	14,000,000	13,461,759	1,336,566	682,241	1,971,589	370,149	1,291,927	506,803	33,621,034



Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2024

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

- (a) The following property, plant and equipment have been pledged to licensed banks as security for banking facilities granted to the Group (Note 18(a)):

	The Group	
	2024 RM	2023 RM
Carrying amount		
Freehold land	-	14,000,000
Buildings	5,492,945	13,461,759
	5,492,945	27,461,759

- (b) The Group's freehold land and buildings were last revalued based on independent professional valuation on 30 June 2022. The surplus arising from the revaluations, net of deferred tax, had been credited to other comprehensive income and accumulated in equity under the revaluation reserve.

- (c) The details of the Group's freehold land and buildings carried at fair value are analysed as follows:

The Group	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2024				
Buildings	-	7,120,000	-	7,120,000
2023				
Freehold land	-	14,000,000	-	14,000,000
Buildings	-	13,820,000	-	13,820,000
	-	27,820,000	-	27,820,000

The level 2 fair values have been determined based on the market comparison approach that reflects recent transaction prices for similar properties and cost approach as a check to ascertain the value of the properties. The most significant input into this valuation approach is price per square foot of comparable properties. There has been no change to the valuation technique during the financial year.

There were no transfers between level 1 and level 2 during the financial year.

The fair value measurements of the freehold land and buildings are based on the highest and best use which does not differ from their actual use.

- (d) If the freehold land and buildings were measured using the cost model, the carrying amounts would be as follows:

	The Group	
	2024 RM	2023 RM
Freehold land	-	14,224,033
Buildings	7,224,485	13,634,570
	7,224,485	27,858,603

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2024

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

(e) The following property, plant and equipment of the Group were held under hire purchase arrangements:

	The Group	
	2024	2023
	RM	RM
Carrying amount		
Plant and machinery	113,167	127,167
Motor vehicles	402,111	498,855
Computer equipment	632,537	-
	1,147,815	626,022

These assets have been pledged as security for the hire purchase payables of the Group (Note 18(a)).

(f) There is no property, plant and equipment in the Company throughout the current and previous financial years.

8. INVESTMENT PROPERTIES

	The Group	
	2024	2023
	RM	RM
Carrying amount		
At 1 January	-	-
Transfer from property, plant and equipment (Note 7)	28,000,000	-
At 31 December	28,000,000	-
Included in the above are:		
Freehold land, at fair value	18,000,000	-
Building, at fair value	10,000,000	-
	28,000,000	-

(a) The investment properties of the Group are leased to a customer under operating leases with rentals payable monthly. The lease contains initial non-cancellable periods of 3 (2023 : Nil) years and an option that is exercisable by the customer to extend the lease for 3 (2023 : Nil) years.

The Group requires 2 (2023 : Nil) months of advanced rental payments from the customer. The lease does not include a residual value guarantee and variable lease payments that depend on an index or rate.

As at the reporting date, the future minimum rentals receivable under the non-cancellable operating leases are as follows:

	The Group	
	2024	2023
	RM	RM
Within 1 year	1,200,000	-
Between 1 and 2 years	1,000,000	-
	2,200,000	-

(b) The investment properties have been pledged to a licensed bank as security for banking facilities granted to the Group (Note 18(a)).



Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2024

8. INVESTMENT PROPERTIES (CONT'D)

- (c) The fair value of the investment properties has been determined based on valuations performed by independent professional valuers on 5 November 2024, using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size, location and market trends. The most significant input into this valuation approach is the price per square foot of comparable properties. There has been no change to the valuation technique during the financial year.

The fair values of the investment properties are within level 2 of the fair value hierarchy.

There were no transfers between level 1 and level 2 during the financial year.

The fair value measurements of the investment properties are based on the highest and best use which does not differ from their actual use.

- (d) Rental income and direct operating expenses arising from investment properties during the financial year are as follows:

	The Group	
	2024 RM	2023 RM
Rental income	1,200,000	-
Direct operating expenses: - generating rental income	242,299	-

9. RIGHT-OF-USE ASSETS

The Group	Leasehold land RM	Offices RM	Hostel RM	Total RM
Carrying amount				
At 1 January 2023	21,575,287	734,984	8,096	22,318,367
Additions	-	233,733	28,003	261,736
Depreciation	(249,425)	(329,880)	(5,445)	(584,750)
Derecognition due to lease modification	-	-	(30,654)	(30,654)
At 31 December 2023/1 January 2024	21,325,862	638,837	-	21,964,699
Additions	-	563,606	-	563,606
Depreciation	(249,425)	(547,639)	-	(797,064)
Reassessment of lease liabilities (Note 19)	-	438,971	-	438,971
At 31 December 2024	21,076,437	1,093,775	-	22,170,212
Representing:				
At cost	-	1,093,775	-	1,093,775
At valuation	21,076,437	-	-	21,076,437
	21,076,437	1,093,775	-	22,170,212

- (a) The Group leases a piece of leasehold land and a number of offices of which the leasing activities are summarised below:

- (i) Leasehold land The Group has entered into a non-cancellable operating lease agreement for the use of land. The lease is for a period of 95 (2023 : 95) years with no renewal or purchase option included in the agreement.
- (ii) Offices The Group has leased 5 (2023 : 2) offices that run between 1.5 and 3 (2023 : 1.5 and 3) years, with an option to renew the lease after that date.

- (b) The leasehold land of the Group has been pledged to a licensed bank as security for banking facilities granted to the Group (Note 18(a)).

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2024

9. RIGHT-OF-USE ASSETS (CONT'D)

(c) The Group's leasehold land was last revalued based on independent professional valuation on 30 June 2022. The surplus arising from the revaluations, net of deferred tax, had been credited to other comprehensive income and accumulated in equity under the revaluation reserve.

(d) The details of the Group's leasehold land carried at fair value are analysed as follows:

The Group	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2024				
Leasehold land	-	21,700,000	-	21,700,000
2023				
Leasehold land	-	21,700,000	-	21,700,000

The level 2 fair values have been determined based on the market comparison approach that reflects recent transaction prices for similar properties and cost approach as a check to ascertain the value of the properties. The most significant input into this valuation approach is price per square foot of comparable properties. There has been no change to the valuation technique during the financial year.

There were no transfers between level 1 and level 2 during the financial year.

The fair value measurements of the leasehold land is based on the highest and best use which does not differ from their actual use.

(e) If the leasehold land was measured using the cost model, the carrying amount would be as follows:

	The Group	
	2024 RM	2023 RM
Leasehold land	11,388,207	11,521,402

10. INVENTORIES

	The Group	
	2024 RM	2023 RM
Raw materials	174,247	120,614
Finished goods	71,003,448	48,504,080
	<u>71,177,695</u>	<u>48,624,694</u>
Recognised in profit or loss:		
Inventories recognised as cost of sales	279,591,382	183,629,310
Inventories written down	246,439	211,380
Inventories written off	1,177	-
Reversal of inventories previously written down	(227,550)	(65,247)



Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2024

11. TRADE RECEIVABLES

	The Group	
	2024 RM	2023 RM
Third parties	67,396,136	63,515,372
Allowance for impairment losses	(10,512,102)	(27,452)
	56,884,034	63,487,920
Allowance for impairment losses:		
At 1 January	(27,452)	(27,452)
Addition during the financial year (Note 28)	(10,484,650)	-
At 31 December	(10,512,102)	(27,452)

The Group's normal trade terms granted to customers are as follows:

	The Group	
	2024	2023
Third parties	Cash term - 60 days	Cash term - 75 days

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Amount owing by a subsidiary	-	-	1,248,293	-
Amount owing by a related party	250	-	-	-
Sundry receivables	698,166	175,467	-	-
	698,416	175,467	1,248,293	-
Deposits	1,149,375	2,318,987	500	500
Deposits paid to suppliers	1,906,195	2,529,332	-	-
Goods and services tax recoverable	198	198	-	-
Prepayments	1,724,249	730,027	-	103,200
	5,478,433	5,754,011	1,248,793	103,700

(a) The amounts owing by a subsidiary and a related party are unsecured, interest-free and repayable on demand.

(b) Included in deposits of the Group is an amount of RM 53,430 (2023 : RM 845,084) being paid for future purchase of property, plant and equipment (Note 34(a)).

13. SHORT-TERM INVESTMENTS

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Money market funds, at fair value	29,778,484	21,316,036	9,174,751	14,723,366

The money market funds represent investments in highly liquid money market instruments and deposits with financial institutions in Malaysia which are redeemable within 1 to 5 (2023 : 5) days' notice at known amounts of cash, and are subject to an insignificant risk of changes in value.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2024

14. DERIVATIVE ASSETS/(LIABILITIES)

	Contract/Notional amount		The Group	
	2024 RM	2023 RM	2024 RM	2023 RM
Derivative assets				
Forward currency contracts	8,312,400	6,028,750	269,587	73,973
Derivative liabilities				
Forward currency contracts	40,413,250	-	(1,542,109)	-

The Group uses forward currency contracts to manage some of its transaction exposure. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency translation exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting. The settlement dates on forward currency contracts range between 1 to 3 (2023 : 1) months after the end of the reporting period.

15. FIXED DEPOSITS WITH LICENSED BANKS

- (a) The effective annual interest rates and maturity periods for the fixed deposits with licensed banks of the Group are as follows:

	The Group	
	2024	2023
Effective annual interest rates (%)	2.30 - 3.10	1.85 - 3.10
Maturity periods (days)	6 - 366	30 - 365

- (b) Included in the fixed deposits with licensed banks is the following amount being pledged for banking facilities of the Group (Note 18(a)):

	The Group	
	2024 RM	2023 RM
Fixed deposits with licensed banks	735,898	11,892,366

16. SHARE CAPITAL

	2024		The Group		2023	
	Number of shares	RM	Number of shares	RM	Number of shares	RM
Issued and fully paid-up						
Ordinary shares						
At 1 January	500,000,000	67,419,124	2,610,002	2,610,002		
Issuance of new shares pursuant to:						
- Acquisition of subsidiaries (b)	-	-	419,999,998	34,398,000		
- Adjustment on the acquisition of subsidiaries	-	-	(2,610,000)	(2,610,000)		
- Public issue (c)	-	-	80,000,000	34,400,000		
- Share issuance expenses	-	-	-	(1,378,878)		
At 31 December	500,000,000	67,419,124	500,000,000	67,419,124		



Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2024

16. SHARE CAPITAL (CONT'D)

	The Company			
	2024			2023
	Number of shares	RM	Number of shares	RM
Issued and fully paid-up				
Ordinary shares				
At 1 January	500,000,000	67,419,124	2	2
Issuance of new shares pursuant to:				
- Acquisition of subsidiaries (b)	-	-	419,999,998	34,398,000
- Public issue (c)	-	-	80,000,000	34,400,000
- Share issuance expenses	-	-	-	(1,378,878)
At 31 December	500,000,000	67,419,124	500,000,000	67,419,124

- (a) 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.
- (b) On 20 January 2023, the Company increased its issued and paid-up share capital from RM 2 to approximately RM34,398,002 by way of an issuance of 419,999,998 new ordinary shares for a total consideration of approximately RM34,398,000 as full payment for the acquisition of the entire issued and paid-up share capital of Synergy House Furniture Sdn. Bhd., Synergy House International Sdn. Bhd., and Sunny & Ker Furniture Industries Sdn. Bhd.. The new ordinary shares issued rank pari passu in all respect with the existing ordinary shares of the Company.
- (c) On 1 June 2023, the Company undertook a public issue of 80,000,000 new ordinary shares ("Public Issue") in conjunction with its initial public offering at an issuance price of RM 0.43 per ordinary share.

17. RESERVES

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Non-distributable				
Reorganisation reserve	(31,788,000)	(31,788,000)	-	-
Revaluation reserve	13,910,629	7,654,555	-	-
Distributable				
Retained profits	77,871,365	57,533,438	32,232	2,140,881
	59,993,994	33,399,993	32,232	2,140,881

(a) Reorganisation reserve

The reorganisation reserve arose from the difference between carrying value of the investment and the nominal value of the shares of the subsidiaries upon consolidation under merger accounting principles.

(b) Revaluation reserve

The revaluation reserve arises from:

- (i) the net increase in the fair value of freehold land, buildings, and leasehold land of the Group (net of deferred tax, where applicable) presented under property, plant and equipment and right-of-use assets.
- (ii) revaluation surpluses (net of deferred tax) of property, plant and equipment immediately prior to its reclassification as investment properties as a result of change in use. Upon retirement or disposal of the investment properties, the revaluation reserve will be transferred directly to retained profits.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2024

18. BORROWINGS

	The Group	
	2024 RM	2023 RM
Current liabilities		
Secured - Bankers' acceptances	58,401,667	33,256,790
- Hire purchase payables	293,147	255,105
- Invoice financing	-	714,888
- Receivable financing	2,528,108	1,427,686
- Term loans	1,196,506	940,161
- Trade financing	721,998	950,234
	63,141,426	37,544,864
Non-current liabilities		
Secured - Hire purchase payables	394,307	229,601
- Term loans	23,845,790	25,997,551
	24,240,097	26,227,152
	87,381,523	63,772,016
Total borrowings		
Secured - Bankers' acceptances	58,401,667	33,256,790
- Hire purchase payables	687,454	484,706
- Invoice financing	-	714,888
- Receivable financing	2,528,108	1,427,686
- Term loans	25,042,296	26,937,712
- Trade financing	721,998	950,234
	87,381,523	63,772,016

(a) The borrowings are secured by the followings:

- (i) Certain buildings, plant and machinery, motor vehicles and computer equipment of the Group (Notes 7(a) and 7(e));
- (ii) Investment properties of the Group (Note 8(b));
- (iii) Leasehold land of the Group (Note 9(b));
- (iv) Fixed deposits with licensed banks (Note 15(b));
- (v) Corporate guarantee by the Company;
- (vi) Joint and several guarantee by certain directors of the Company;
- (vii) Assignment of Sun Inspirasi policy issued by Sun Life Malaysia Takaful Berhad under insured person covered name of certain directors of the Company;
- (viii) Guarantee cover for 80% of the facilities and interest thereon from the Government of Malaysia under Special Relief Facility Scheme ("SRFS") as administered by Syarikat Jaminan Pembiayaan Perniagaan Berhad;
- (ix) Letter of Guarantee from Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP) under Working Capital Guarantee Scheme; and
- (x) Guarantee by Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP) under PEMULIH Government Guarantee Scheme (PGGS) for 80% of the principal amount and profit outstanding.



Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2024

18. BORROWINGS (CONT'D)

(b) The major covenants of the borrowings are as follows:

- (i) A subsidiary's gearing ratio shall not exceed 1.25 times; or
- (ii) Dividend payment made by a subsidiary shall obtain prior consent if exceeding 50% of the net profit after tax for the respective year.

The covenants are tested yearly. The Group has complied with the covenants throughout the reporting periods.

There are no indicators that the Group would have difficulties complying with the upcoming covenant assessments.

(c) The borrowings of the Group at the end of the reporting period bear effective annual interest rates as follows:

	The Group	
	2024 %	2023 %
Bankers' acceptances	3.87 - 5.43	3.91 - 6.95
Hire purchase payables	4.87 - 6.97	4.71 - 6.24
Invoice financing	-	8.15
Receivable financing	4.56	4.67 - 4.77
Term loans	3.50 - 6.85	3.50 - 7.70
Trade financing	5.46 - 5.49	5.33 - 5.42

19. LEASE LIABILITIES

	The Group	
	2024 RM	2023 RM
At 1 January	665,297	759,756
Additions (Notes 9 and 34(b))	563,606	261,736
Interest expense recognised in profit or loss (Note 27)	44,980	37,022
Changes due to reassessment of lease term (Notes 9 and 34(b))	438,971	-
Derecognition due to lease modification (Note 34(b))	-	(33,236)
Repayment of principal	(558,933)	(322,959)
Repayment of interest expense	(44,980)	(37,022)
At 31 December	1,108,941	665,297
Analysed by:		
Current liabilities	527,905	463,880
Non-current liabilities	581,036	201,417
	1,108,941	665,297

The lease liabilities of the Group at the end of the reporting period bear effective annual interest rates as follows:

	The Group	
	2024 %	2023 %
Effective annual interest rates	5.85	5.85

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2024

20. DEFERRED TAX LIABILITIES

	At 1 January RM	Recognised in profit or loss (Note 30(a)) RM	Recognised in other compre- hensive income (Note 30(b)) RM	At 31 December RM
The Group 2024				
Deferred tax assets				
Allowance for impairment losses	-	(3,272,000)	-	(3,272,000)
Other temporary differences	(182,130)	182,130	-	-
Deferred tax liabilities				
Property, plant and equipment *	464,228	(174,236)	-	289,992
Right-of-use assets *	2,406,000	-	-	2,406,000
Investment properties ^	-	-	1,238,760	1,238,760
	<u>2,688,098</u>	<u>(3,264,106)</u>	<u>1,238,760</u>	<u>662,752</u>
2023				
Deferred tax assets				
Other temporary differences	(297,130)	115,000	-	(182,130)
Deferred tax liabilities				
Property, plant and equipment *	579,228	(115,000)	-	464,228
Right-of-use assets *	2,406,000	-	-	2,406,000
	<u>2,688,098</u>	<u>-</u>	<u>-</u>	<u>2,688,098</u>

* Includes the deferred tax from the revaluation of property, plant and equipment and right-of-use assets.

^ Being deferred tax recognised on the revaluation surplus of investment properties transferred from property, plant and equipment.

At the end of the reporting period, the amounts of deferred tax assets not recognised (stated at gross) due to uncertainty of their realisation are as follows:

	The Group	
	2024 RM	2023* RM
Malaysian subsidiary		
Unused tax losses:		
- expires year of assessment 2033	876,000	876,000
- expires year of assessment 2034	516,000	727,000
Unabsorbed capital allowances	-	75,000
	<u>1,392,000</u>	<u>1,678,000</u>

* Certain comparative figures have been restated to reflect the revised tax losses carry-forward and other temporary differences available to the Group.

Based on the current legislation, 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, unabsorbed capital allowances is allowed to be carried forward indefinitely.



Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2024

21. TRADE PAYABLES

The normal trade terms granted to the Group by suppliers range from cash term - 60 days of credit (2023 : cash term - 45 days of credit).

22. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Accruals	516,034	777,766	43,085	89,417
Accrued purchases	5,321,450	3,549,017	-	-
Amount owing to subsidiaries	-	-	14,055	15,762
Customers deposits	500,621	708,103	-	-
Deposit received	200,000	200,000	-	-
Goods and services tax payables	1,783,053	600,954	-	-
Provision for bonus	2,537,170	2,000,000	-	-
Provision of rebates to customers	2,807,028	2,750,422	-	-
Sundry payables	4,152,363	4,299,254	98,188	17,287
	17,817,719	14,885,516	155,328	122,466

(a) The amount owing to subsidiaries are unsecured, interest-free and repayable on demand.

(b) Included in sundry payables of the Group is an amount of RM 163,810 (2023 : RM 75,022) payable for the purchase of property, plant and equipment (Note 34(a)).

23. DIVIDEND PAYABLE

A first interim dividend of approximately 1 sen per ordinary share amounting to RM 5,000,000 in respect of the financial year ended 31 December 2023 was declared on 28 December 2023 and paid on 31 January 2024.

24. REVENUE

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Revenue from contracts with customers				
<u>Recognised at a point in time</u>				
Sales of ready-to-assemble home furniture	392,418,175	270,171,697	-	-
Revenue from other source				
Dividend income from subsidiaries	-	-	6,200,000	9,100,000
	392,418,175	270,171,697	6,200,000	9,100,000

(a) The information on the disaggregation of revenue by geographical market is disclosed in Note 36(b).

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2024

24. REVENUE (CONT'D)

(b) The information about the performance obligations in contracts with customers is summarised below:

Nature of goods or services	Timing and method of revenue recognition	Significant payment terms	Variable considerations	Warranty and obligation for returns or refunds
Sales of ready-to assemble home furniture	When the goods are delivered and accepted by customers or reached the destination set by customers	Cash term - 60 days	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.

25. KEY MANAGEMENT PERSONNEL COMPENSATION

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

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

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Executive directors				
Salaries, bonuses and other benefits	1,442,434	1,445,021	-	-
Defined contribution plan	172,800	172,800	-	-
	1,615,234	1,617,821	-	-
Non-executive directors				
Fees	252,000	252,000	252,000	252,000
	1,867,234	1,869,821	252,000	252,000
Other key management personnel				
Salaries, bonuses and other benefits	1,055,256	586,589	-	-
Defined contribution plan	126,040	65,733	-	-
	1,181,296	652,322	-	-
	3,048,530	2,522,143	252,000	252,000

The estimated monetary value of benefits-in-kind provided by the Group to the directors and other key management personnel of the Group was RM 15,300 and RM 16,967 (2023 : RM 15,300 and RM Nil) respectively.



Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2024

26. EMPLOYEE BENEFITS

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Key management personnel compensation (excluding benefits-in-kind)(Note 25)	3,048,530	2,522,143	252,000	252,000
Other staff costs				
Salaries, bonuses and other benefits	15,258,133	10,256,150	-	-
Defined contribution plan	1,615,766	1,042,314	-	-
	16,873,899	11,298,464	-	-
	19,922,429	13,820,607	252,000	252,000

27. FINANCE COSTS

	The Group	
	2024 RM	2023 RM
Interest on:		
Bankers' acceptances	2,250,269	1,825,732
Hire purchase payables	48,994	21,644
Invoice financing	1,596	51,014
Lease liabilities	44,980	37,022
Revolving financing	-	63,580
Term loans	1,440,172	1,867,281
Trade financing	39,761	23,353
	3,825,772	3,889,626
Bill receivable charges	38,343	38,399
Credit card charges	1,455	9,477
	3,865,570	3,937,502

28. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	The Group	
	2024 RM	2023 RM
Impairment losses:		
- trade receivables (Note 11)	10,484,650	-

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2024

29. PROFIT BEFORE TAX

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
This is arrived at after charging:				
Auditors' remuneration:				
- audit fees:				
- current financial year	141,000	138,000	35,000	33,000
- under provision in the previous financial year	-	33,250	-	-
- non-audit fees:				
- auditors of the Company	5,000	5,000	5,000	5,000
- member firms of the auditors of the Company	17,600	23,100	2,500	2,700
Deposits forfeited	-	2,000	-	-
Depreciation of property, plant and equipment	1,860,476	1,357,317	-	-
Depreciation of right-of-use assets	797,064	584,750	-	-
Direct operating expenses on investment properties	242,299	-	-	-
Fair value loss on derivatives	1,346,495	-	-	-
Inventories written down	246,439	211,380	-	-
Inventories written off	1,177	-	-	-
Listing expenses	-	896,108	-	896,108
Property, plant and equipment written off	18,635	11,747	-	-
Realised loss on foreign exchange	-	-	1,616	-
Rental expenses:				
- equipment	3,156	1,440	-	-
- forklift	162,050	116,450	-	-
- hostel	1,655	10,000	-	-
- land	-	3,200	-	-
Short-term leases:				
- factory	101,400	95,400	-	-
- hostel	62,615	43,386	-	-
- office	57,635	103,423	-	-
Unrealised loss on foreign exchange	1,584,119	2,431,372	-	-
And crediting:				
Dividend income from short-term investments	(882,447)	(316,036)	(371,385)	(223,366)
Fair value gain on derivatives	-	(73,973)	-	-
Gain on derecognition due to lease modification	-	(2,582)	-	-
Gain on disposal of property, plant and equipment	(69,132)	(9,345)	-	-
Realised gain on foreign exchange	(6,328,652)	(2,465,402)	-	-
Rental income:				
- investment properties	(1,200,000)	-	-	-
- property, plant and equipment	-	(200,000)	-	-
- right-of-use assets	-	(64,000)	-	-
Reversal of inventories previously written down	(227,550)	(65,247)	-	-
Total interest income on financial assets measured at amortised cost	(712,727)	(284,937)	(2,117)	(80,795)



Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2024

30. INCOME TAX EXPENSE

(a) Income tax expenses recognised in profit or loss

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Current tax expense	4,710,020	10,259,522	488	19,000
Under/(Over) provision in the previous financial year	491,003	193,876	(770)	-
	5,201,023	10,453,398	(282)	19,000
Deferred tax (income)/expense (Note 20):				
- Origination and reversal of temporary differences	(3,274,106)	-	-	-
- Under provision in the previous financial year	10,000	-	-	-
	(3,264,106)	-	-	-
	1,936,917	10,453,398	(282)	19,000

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

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit before tax	29,774,844	37,601,508	5,391,069	7,941,513
Tax at the statutory tax rate	7,146,000	9,048,000	1,294,000	1,906,000
Tax effect of non-deductible expenses	724,914	1,655,522	283,488	297,000
Tax effect of non-taxable income	(212,000)	(625,000)	(1,577,000)	(2,184,000)
Deferred tax assets not recognised	-	181,000	-	-
Utilisation of deferred tax assets previously not recognised	(95,000)	-	-	-
Utilisation of tax incentives	(6,128,000)	-	-	-
Under provision in the previous financial year:				
- current tax expense	491,003	193,876	(770)	-
- deferred tax expense	10,000	-	-	-
	1,936,917	10,453,398	(282)	19,000

The income tax is calculated at the Malaysian statutory tax rate of 24% (2023 : 24%) of the estimated assessable profit for the financial year.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2024

30. INCOME TAX EXPENSE (CONT'D)

(b) Income tax expenses recognised in other comprehensive income

	The Group	
	2024 RM	2023 RM
Deferred tax on revaluation of property, plant and equipment (Note 31)	1,238,760	-

31. OTHER COMPREHENSIVE INCOME

	The Group	
	2024 RM	2023 RM
Items that will not be reclassified subsequently to profit or loss		
Revaluation of property, plant and equipment (Note 7)	7,494,834	-
Less: Deferred tax (Notes 20 and 30(b))	(1,238,760)	-
	6,256,074	-

32. EARNINGS PER SHARE

(a) Basic earnings per share

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

	The Group	
	2024 RM	2023 RM
Profit after tax attributable to owners of the Company	27,837,927	27,148,110
	Units	Units
Weighted average number of ordinary shares in issue	500,000,000	466,904,110
Basic earnings per share (RM)	0.06	0.06

(b) Diluted earnings per share

The Group has not issued any diluted potential ordinary shares and hence, the diluted earnings is equal to the basic earnings per share.



Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2024

33. DIVIDENDS

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
In respect of financial year ended 31 December 2024				
First interim dividend of 0.9 sen per ordinary share	4,500,000	-	4,500,000	-
In respect of financial year ended 31 December 2023				
First interim dividend of 1 sen per ordinary share	-	5,000,000	-	5,000,000
Second interim dividend of 0.6 sen per ordinary share	3,000,000	-	3,000,000	-
In respect of financial year ended 31 December 2022				
<u>Synergy House Furniture Sdn. Bhd.</u>				
Second interim dividend of 70 sen per ordinary share	-	700,000	-	-
	7,500,000	5,700,000	7,500,000	5,000,000

The Company declared on 28 February 2025 and paid on 27 March 2025 a second interim dividend of 0.74 sen per ordinary share amounting to RM 3,700,000 in respect of the current financial year to shareholders whose names appeared in the record of depositors on 14 March 2025. The financial statements for the current financial year do not reflect this interim dividend. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2025.

34. CASH FLOWS INFORMATION

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

	The Group	
	2024 RM	2023 RM
Property, plant and equipment		
Cost of property, plant and equipment purchased (Note 7)	4,776,402	2,602,984
Acquired through hire purchase arrangements	(676,754)	(479,200)
Deposits made in prior years	(845,084)	(252,118)
Deposits made for future purchase (Note 12(b))	53,430	845,084
Unpaid balances included in sundry payables (Note 22)	(163,810)	(75,022)
Cash paid in respect of acquisition in previous financial year	75,022	-
Cash paid during the financial year	3,219,206	2,641,728
Right-of-use assets		
Cost of right-of-use assets acquired (Note 9)	563,606	261,736
Addition of new lease liabilities (Note 19)	(563,606)	(261,736)
Cash paid during the financial year	-	-

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2024

34. CASH FLOWS INFORMATION (CONT'D)

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

The Group	Bankers' acceptances RM	Hire purchase payables RM	Invoice financing RM	Receivable financing RM	Term loans RM	Trade financing RM	Lease liabilities RM	Total RM
At 1 January 2024	33,256,790	484,706	714,888	1,427,686	26,937,712	950,234	665,297	64,437,313
<u>Changes in financing cash flows</u>								
Proceeds from drawdown	130,595,543	-	-	29,784,169	-	3,218,185	-	163,597,897
Repayment of principal	(105,450,666)	(474,006)	(714,888)	(28,690,266)	(1,895,416)	(3,446,421)	(558,933)	(141,230,596)
Repayment of interests	(2,068,647)	(48,994)	(1,596)	-	(1,440,172)	(39,761)	(44,980)	(3,644,150)
	23,076,230	(523,000)	(716,484)	1,093,903	(3,335,588)	(267,997)	(603,913)	18,723,151
<u>Other changes</u>								
Acquisition of new lease	-	-	-	-	-	-	563,606	563,606
New hire purchase payables	-	676,754	-	-	-	-	-	676,754
Changes due to reassessment of lease term	-	-	-	-	-	-	438,971	438,971
Foreign exchange adjustments	-	-	-	6,519	-	-	-	6,519
Accrued interest	(181,622)	-	-	-	-	-	-	(181,622)
Interest expenses recognised in profit or loss	2,250,269	48,994	1,596	-	1,440,172	39,761	44,980	3,825,772
	2,068,647	725,748	1,596	6,519	1,440,172	39,761	1,047,557	5,330,000
At 31 December 2024	58,401,667	687,454	-	2,528,108	25,042,296	721,998	1,108,941	88,490,464



Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2024

34. CASH FLOWS INFORMATION (CONT'D)

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

The Group	Bankers'	Hire	Invoice	Receivable	Revolving	Term	Trade	Lease	Total
	acceptances	purchase	financing	financing	financing	loans	financing	liabilities	RM
	RM	RM	RM	RM	RM	RM	RM	RM	RM
At 1 January 2023	18,265,426	203,538	694,854	1,813,954	3,187,164	39,028,908	-	759,756	63,953,600
<u>Changes in financing cash flows</u>									
Proceeds from drawdown	99,466,594	-	2,785,170	30,068,800	-	-	2,269,595	-	134,590,159
Repayment of principal	(84,592,471)	(198,032)	(2,765,136)	(30,432,932)	(3,187,164)	(12,091,196)	(1,319,361)	(322,959)	(134,909,251)
Repayment of interests	(1,581,352)	(21,644)	(51,014)	-	(63,580)	(1,867,281)	(23,353)	(37,022)	(3,645,246)
	13,292,771	(219,676)	(30,980)	(364,132)	(3,250,744)	(13,958,477)	926,881	(359,981)	(3,964,338)
<u>Other changes</u>									
Acquisition of new lease	-	-	-	-	-	-	-	261,736	261,736
New hire purchase payables	-	479,200	-	-	-	-	-	-	479,200
Derecognition due to lease modification	-	-	-	-	-	-	-	(33,236)	(33,236)
Foreign exchange adjustments	117,241	-	-	(22,136)	-	-	-	-	95,105
Accrued interest	(244,380)	-	-	-	-	-	-	-	(244,380)
Interest expenses recognised in profit or loss	1,825,732	21,644	51,014	-	63,580	1,867,281	23,353	37,022	3,889,626
	1,698,593	500,844	51,014	(22,136)	63,580	1,867,281	23,353	265,522	4,448,051
At 31 December 2023	33,256,790	484,706	714,888	1,427,686	-	26,937,712	950,234	665,297	64,437,313

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

	The Group	
	2024	2023
	RM	RM
Payment of short-term leases	221,650	242,209
Payment of lease liabilities	558,933	322,959
Interest paid on lease liabilities	44,980	37,022
	825,563	602,190

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2024

34. CASH FLOWS INFORMATION (CONT'D)

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

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Short-term investments	29,778,484	21,316,036	9,174,751	14,723,366
Fixed deposits with licensed banks	17,735,898	11,892,366	-	-
Cash and bank balances	28,372,813	13,449,635	284,628	16,405
	75,887,195	46,658,037	9,459,379	14,739,771
Less: Fixed deposits pledged to licensed banks	(735,898)	(11,892,366)	-	-
	75,151,297	34,765,671	9,459,379	14,739,771

35. RELATED PARTY DISCLOSURES

(a) Holding company and subsidiaries

The holding company is disclosed in Note 3.

The subsidiaries as disclosed in Note 6.

(b) Significant related party transactions and balances

The Group and the Company carried out the following significant transactions with the related parties during the financial year:

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Holding company				
Dividend paid	-	700,000	-	-
Subsidiaries				
Dividend income	-	-	(6,200,000)	(9,100,000)
Advances	-	-	1,250,000	-
Companies in which the directors have substantial financial interest				
Rental expenses	101,400	103,800	-	-

The significant outstanding balances of the related parties together with their terms and conditions are disclosed in the Notes 12 and 22.



Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2024

36. OPERATING SEGMENTS

(a) Business segments

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

(b) Geographical information

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

Segmental revenue is presented based on the geographical region of the customers as follows:

	The Group	
	2024 RM	2023 RM
Asia (excluding Malaysia)	29,009,362	33,446,223
Oceania	319,507	160,122
Europe	129,624,099	88,356,853
North America	222,876,592	139,456,254
Malaysia	10,588,615	8,752,245
	392,418,175	270,171,697

(c) Major customers

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

	The Group	
	2024 RM	2023 RM
Customer A	121,780,105	91,590,625
Customer B	*	34,372,433
Customer C	*	34,940,518
Customer D	59,088,893	-
	140,857,998	160,903,576

* Not being major customer by definition herein for the reporting period.

37. CAPITAL COMMITMENTS

	The Group	
	2024 RM	2023 RM
Purchase of property, plant and equipment	911,000	1,361,000
	911,000	1,361,000

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2024

38. FINANCIAL INSTRUMENTS

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

38.1 Financial risk management policies

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

(a) Market risk

(i) Foreign currency risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than functional currency, Ringgit Malaysia ("RM"). The currencies giving rise to this risk are primarily United States Dollar ("USD") and Great Britain Pound ("GBP"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. On occasion, the Group enters into forward currency contracts to hedge against its foreign currency risk. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

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

Foreign currency exposure

The Group	USD RM	GBP RM	RM RM	Others RM	Total RM
2024					
Financial assets					
Trade receivables	48,521,782	6,361,421	8,286	1,992,545	56,884,034
Other receivables	56,818	-	641,598	-	698,416
Short-term investments	-	-	29,778,484	-	29,778,484
Derivative assets	269,587	-	-	-	269,587
Fixed deposits with licensed banks	-	-	17,735,898	-	17,735,898
Cash and bank balances	12,253,683	1,668,591	13,771,929	678,610	28,372,813
	61,101,870	8,030,012	61,936,195	2,671,155	133,739,232
Financial liabilities					
Trade payables	776,823	-	44,467,677	-	45,244,500
Other payables and accruals	2,867,380	457,099	1,197,381	146,537	4,668,397
Borrowings	2,528,108	-	84,853,415	-	87,381,523
Derivative liabilities	1,542,109	-	-	-	1,542,109
	7,714,420	457,099	130,518,473	146,537	138,836,529
Net financial assets/(liabilities)	53,387,450	7,572,913	(68,582,278)	2,524,618	(5,097,297)
Less: Net financial (assets)/ liabilities denominated in the respective entities' functional currency	(342,632)	-	68,582,278	-	68,239,646
Less: Forward currency contracts (contracted notional principal)	(48,725,650)	-	-	-	(48,725,650)
Currency exposure	4,319,168	7,572,913	-	2,524,618	14,416,699



Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2024

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 Financial risk management policies (Cont'd)

(a) Market risk (Cont'd)

(i) Foreign currency risk (Cont'd)

Foreign currency exposure (Cont'd)

The Group	USD RM	GBP RM	RM RM	Others RM	Total RM
2023					
Financial assets					
Trade receivables	60,122,031	3,145,141	7,534	213,214	63,487,920
Other receivables	33,632	-	141,835	-	175,467
Short-term investments	-	-	21,316,036	-	21,316,036
Derivative assets	73,973	-	-	-	73,973
Fixed deposits with licensed banks	-	-	11,892,366	-	11,892,366
Cash and bank balances	7,421,710	174,089	5,846,836	7,000	13,449,635
	67,651,346	3,319,230	39,204,607	220,214	110,395,397
Financial liabilities					
Trade payables	1,311,273	-	27,783,051	-	29,094,324
Other payables and accruals	3,700,412	10,719	1,365,889	-	5,077,020
Dividend payable	-	-	5,000,000	-	5,000,000
Borrowings	1,754,206	-	62,017,810	-	63,772,016
	6,765,891	10,719	96,166,750	-	102,943,360
Net financial assets/(liabilities)	60,885,455	3,308,511	(56,962,143)	220,214	7,452,037
Less: Net financial (assets)/ liabilities denominated in the respective entities' functional currency	(4,017)	-	56,962,143	-	56,958,126
Less: Forward currency contracts (contracted notional principal)	(6,028,750)	-	-	-	(6,028,750)
Currency exposure	54,852,688	3,308,511	-	220,214	58,381,413

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

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2024

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 Financial risk management policies (Cont'd)

(a) Market risk (Cont'd)

(i) Foreign currency risk (Cont'd)

Foreign currency risk sensitivity analysis

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

	The Group	
	2024	2023
	RM	RM
Effects on profit after tax		
USD/RM		
- strengthened by 5%	164,128	2,084,402
- weakened by 5%	(164,128)	(2,084,402)
<hr/>		
GBP/RM		
- strengthened by 5%	287,771	125,723
- weakened by 5%	(287,771)	(125,723)
<hr/>		

There is no impact on the Group's equity.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group adopts 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 of the Group based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 18.

The Company does not have any interest-bearing borrowings and hence, is not exposed to interest rate risk.

Interest rate risk sensitivity analysis

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 tax and equity of the Group and hence, no sensitivity analysis is presented.

(iii) Equity price risk

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



Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2024

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 Financial risk management policies (Cont'd)

(b) 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 exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances 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 the concentration of credit risk by monitoring the geographical region of its trade receivables on an ongoing basis. The credit risk concentration profile of trade receivables, net of loss allowance, at the end of the reporting period is as follows:

	The Group	
	2024 RM	2023 RM
Asia (excluding Malaysia)	1,928,823	4,381,770
Europe	18,252,007	11,336,919
North America	36,694,918	47,761,697
Malaysia	8,286	7,534
	56,884,034	63,487,920

At the end of the reporting period, the Group's major concentration of credit risk relates to the amounts owing by 2 (2023 : 2) customers which constituted approximately 68% (2023 : 71%) of its trade receivables, net of loss allowance.

(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 of RM 87,171,089 (2023 : RM 37,586,331), representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period. These corporate guarantees have not been recognised in the Company's financial statements since their fair values on initial recognition were not material.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2024

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 Financial risk management policies (Cont'd)

(b) Credit risk (Cont'd)

(iii) Assessment of impairment losses

The Group and the Company have 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 receivables. The Group and the Company closely monitor the receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group and the Company 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; or
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

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

Trade receivables

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

Inputs, assumptions and techniques used for estimating impairment losses

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

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

The expected loss rates are based on the payment profiles of sales over 24 months (2023 : 24 months) before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates were not adjusted to reflect forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts as the Group has not identified any forward-looking assumptions which correlate to the historical loss rates.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.



Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2024

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 Financial risk management policies (Cont'd)

(b) Credit risk (Cont'd)

(iii) Assessment of impairment losses (Cont'd)

Trade receivables (Cont'd)

Allowance for impairment losses

The information about the credit exposure and loss allowances recognised for trade receivables are as follows:

	Gross amount RM	Lifetime individual allowance RM	Lifetime collective allowance RM	Carrying amount RM
The Group				
2024				
Current (not past due)	55,144,229	-	(126,734)	55,017,495
1 to 30 days past due	1,652,592	-	(9,694)	1,642,898
31 to 60 days past due	66,589	-	-	66,589
61 to 90 days past due	16,154	-	-	16,154
Credit impaired	10,516,572	(10,272,608)	(103,066)	140,898
	67,396,136	(10,272,608)	(239,494)	56,884,034
2023				
Current (not past due)	52,803,185	-	-	52,803,185
1 to 30 days past due	10,492,251	-	-	10,492,251
31 to 60 days past due	146,309	-	-	146,309
61 to 90 days past due	33,747	-	-	33,747
Credit impaired	39,880	(27,452)	-	12,428
	63,515,372	(27,452)	-	63,487,920

The movements in the loss allowance in respect of trade receivables are disclosed in Note 11.

Trade receivables that are individually determined to be impaired relate to debtors who are in significant financial difficulties and have defaulted on payments. These debtors are not secured by any collateral or credit enhancement.

Trade receivables that are collectively determined to be impaired relate to expected credit losses measured based on the Group's observed default rates.

There has not been any significant change in the gross amounts of trade receivables that impacted the allowance for impairment losses.

Amount owing by subsidiary (non-trade balances)

The Company applies the 3-stage general approach to measure expected credit losses for all inter-company balances. The Company considers advances to inter-companies have low credit risks. The Company assumes that there is a significant increase in credit risk when the inter-company's financial position deteriorates significantly.

The Company measures the expected credit losses on an individual basis, which is aligned with its credit risk management practices on the inter-company balances.

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2024

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 Financial risk management policies (Cont'd)

(b) Credit risk (Cont'd)

(iii) Assessment of impairment losses (Cont'd)

Amount owing by subsidiary (non-trade balances) (Cont'd)

For 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 inter-company does not have sufficient highly liquid resources when the 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 inter-company.

Allowance for impairment losses

At the end of the reporting period, there was no indication that the amount owing by subsidiary is not recoverable.

Sundry receivables

The Group measures the expected credit losses of sundry receivables that are credit impaired and with a high risk of default on an individual basis.

Allowance for impairment losses

At the end of the reporting period, there was no indication that the sundry receivables are not recoverable.

Fixed deposits with licensed banks and bank balances

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.

Financial guarantee contracts

Corporate guarantees for borrowing facilities granted to subsidiaries are financial guarantee contract.

Inputs, assumptions and techniques used for estimating impairment losses

The Company closely monitors the subsidiaries' 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.



Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2024

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 Financial risk management policies (Cont'd)

(c) Liquidity risk

Liquidity risk arises mainly from general funding and business activities. The Group and the Company practise prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

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	Effective interest rate % per annum	Carrying amount RM	Contractual undiscounted cash flows RM	Within 1 year RM	1 - 5 years RM	Over 5 years RM
2024						
<u>Non-derivative financial liabilities</u>						
Trade payables	-	45,244,500	45,244,500	45,244,500	-	-
Other payables and accruals	-	4,668,397	4,668,397	4,668,397	-	-
Borrowings:						
- Bankers' acceptances	3.87 - 5.43	58,401,667	58,401,667	58,401,667	-	-
- Hire purchase payables	4.87 - 6.97	687,454	751,585	332,060	419,525	-
- Receivable financing	4.56	2,528,108	2,528,108	2,528,108	-	-
- Term loans	3.50 - 6.85	25,042,296	37,158,342	2,558,557	7,009,308	27,590,477
- Trade financing	5.46 - 5.49	721,998	721,998	721,998	-	-
Lease liabilities	5.85	1,108,941	1,186,661	575,289	611,372	-
<u>Derivative financial liabilities</u>						
Forward currency contracts (gross settled):	-	1,542,109	-	-	-	-
- gross payments	-	-	40,413,250	40,413,250	-	-
		139,945,470	191,074,508	155,443,826	8,040,205	27,590,477
2023						
<u>Non-derivative financial liabilities</u>						
Trade payables	-	29,094,324	29,094,324	29,094,324	-	-
Other payables and accruals	-	5,077,020	5,077,020	5,077,020	-	-
Dividend payable	-	5,000,000	5,000,000	5,000,000	-	-
Borrowings:						
- Bankers' acceptances	3.91 - 6.95	33,256,790	33,256,790	33,256,790	-	-
- Hire purchase payables	4.71 - 6.24	484,706	521,603	274,069	247,534	-
- Invoice financing	8.15	714,888	714,888	714,888	-	-
- Receivable financing	4.67 - 4.77	1,427,686	1,427,686	1,427,686	-	-
- Term loans	3.50 - 7.70	26,937,712	39,160,147	2,522,235	7,122,463	29,515,449
- Trade financing	5.33 - 5.42	950,234	950,234	950,234	-	-
Lease liabilities	5.85	665,297	694,865	490,493	204,372	-
		103,608,657	115,897,557	78,807,739	7,574,369	29,515,449

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2024

38. FINANCIAL INSTRUMENTS (CONT'D)

38.1 Financial risk management policies (Cont'd)

(c) Liquidity risk (Cont'd)

Maturity analysis (Cont'd)

The Company	Carrying amount RM	Contractual undiscounted cash flows RM	Within 1 year RM
2024			
<u>Non-derivative financial liabilities</u>			
Other payables and accruals	155,328	155,328	155,328
Financial guarantee contracts in relation to corporate guarantee given to subsidiaries	-	87,171,089	87,171,089
	155,328	87,326,417	87,326,417
2023			
<u>Non-derivative financial liabilities</u>			
Other payables and accruals	122,466	122,466	122,466
Dividend payable	5,000,000	5,000,000	5,000,000
Financial guarantee contracts in relation to corporate guarantee given to subsidiaries	-	37,586,331	37,586,331
	5,122,466	42,708,797	42,708,797

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 values on initial recognition were not material.

38.2 Capital risk management

The Group and the Company manage their capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders value. To achieve this objective, the Group and the Company may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group and the Company manage their capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group and the Company include within net debt, interest bearing loans and borrowings, less cash and cash equivalents. Capital includes equity attributable to the owners of the Company. The debt-to-equity ratios of the Group and of the Company at the end of the reporting period is as follows:

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Borrowings	87,381,523	63,772,016	-	-
Less: Cash and cash equivalents (Note 34(d))	(75,151,297)	(34,765,671)	(9,459,379)	(14,739,771)
Net debt/(Net cash)	12,230,226	29,006,345	(9,459,379)	(14,739,771)
Total equity	127,413,118	100,819,117	67,451,356	69,560,005
Debt-to-equity ratio	0.10	0.29	*	*

* Not applicable as the Company's cash and cash equivalents exceed its borrowings.

There was no change in the approach to capital management during the financial year.



Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2024

38. FINANCIAL INSTRUMENTS (CONT'D)

38.3 Classification of financial instruments

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Financial assets				
<u>Fair value through profit or loss</u>				
Short-term investments	29,778,484	21,316,036	9,174,751	14,723,366
Derivative assets	269,587	73,973	-	-
	30,048,071	21,390,009	9,174,751	14,723,366
<u>Amortised cost</u>				
Trade receivables	56,884,034	63,487,920	-	-
Other receivables	698,416	175,467	1,248,293	-
Dividend receivables	-	-	-	2,960,000
Fixed deposits with licensed banks	17,735,898	11,892,366	-	-
Cash and bank balances	28,372,813	13,449,635	284,628	16,405
	103,691,161	89,005,388	1,532,921	2,976,405
Financial liabilities				
<u>Fair value through profit or loss</u>				
Derivative liabilities	1,542,109	-	-	-
<u>Amortised cost</u>				
Trade payables	45,244,500	29,094,324	-	-
Other payables and accruals	4,668,397	5,077,020	155,328	122,466
Dividend payable	-	5,000,000	-	5,000,000
Borrowings	87,381,523	63,772,016	-	-
	137,294,420	102,943,360	155,328	5,122,466

38.4 Gains or losses arising from financial instruments

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Financial assets				
<u>Fair value through profit or loss</u>				
Net gains recognised in profit or loss	1,078,061	390,009	371,385	223,366
<u>Amortised cost</u>				
Net (losses)/gains recognised in profit or loss	(11,352,832)	(2,124,635)	2,117	80,795
Financial liabilities				
<u>Fair value through profit or loss</u>				
Net losses recognised in profit or loss	(1,542,109)	-	-	-
<u>Amortised cost</u>				
Net losses recognised in profit or loss	(3,784,002)	(3,874,404)	-	-

Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2024

38. FINANCIAL INSTRUMENTS (CONT'D)

38.5 Fair value information

The fair values of the financial assets and financial liabilities 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 RM	Carrying amount RM
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM	RM	RM	RM	RM	RM		
The Group								
2024								
<u>Financial assets</u>								
Short-term investments								
- money market funds	-	29,778,484	-	-	-	-	29,778,484	29,778,484
Derivative assets								
- forward currency contracts	-	269,587	-	-	-	-	269,587	269,587
<u>Financial liabilities</u>								
Hire purchase payables	-	-	-	-	685,932	-	685,932	687,454
Term loans	-	-	-	-	25,042,296	-	25,042,296	25,042,296
Derivative liabilities								
- forward currency contracts	-	1,542,109	-	-	-	-	1,542,109	1,542,109
2023								
<u>Financial assets</u>								
Short-term investments								
- money market funds	-	21,316,036	-	-	-	-	21,316,036	21,316,036
Derivative assets								
- forward currency contracts	-	73,973	-	-	-	-	73,973	73,973
<u>Financial liabilities</u>								
Hire purchase payables	-	-	-	-	483,526	-	483,526	484,706
Term loans	-	-	-	-	26,937,712	-	26,937,712	26,937,712



Notes to the Financial Statements (Cont'd)

For The Financial Year Ended 31 December 2024

38. FINANCIAL INSTRUMENTS (CONT'D)

38.5 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 RM	Carrying amount RM
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM	RM	RM	RM	RM	RM		
The Company 2024								
Financial asset								
Short-term investments								
- money market funds	-	9,174,751	-	-	-	-	9,174,751	9,174,751
2023								
Financial asset								
Short-term investments								
- money market funds	-	14,723,366	-	-	-	-	14,723,366	14,723,366

(a) Fair value of financial instruments carried at fair value

(i) The fair values above have been determined using the following basis:

- (aa) The fair values of money market funds are determined by reference to statements provided by the respective financial institutions, with which the investments were entered into.
- (bb) The fair values of forward currency contracts are determined by discounting the difference between the contractual forward prices and the current forward prices for the residual maturity of the contracts using a risk-free interest rate (government bonds).

(ii) There were no transfers between level 1 and level 2 during the financial year.

(b) Fair value of financial instruments not carried at fair value

The fair values, which are for disclosure purposes, have been determined using the following basis:

- (i) The fair values of hire purchase payables that carry fixed interest rates are determined by discounting the relevant future contractual cash flows using current market interest rates for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows are 4.88% - 6.97% (2023 : 4.88% - 6.31%) per annum.
- (ii) The fair values of 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.

39. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

- (a) On 8 January 2025, a subsidiary of the Company, Synergy House Furniture Sdn. Bhd. incorporated a wholly-owned subsidiary known as Synergy House (Hong Kong) Limited ("Synergy HK") with an initial issued share capital of HKD 1, consisting of 1 ordinary share. As of the date of authorisation of this report, no paid-up capital has been subscribed.
- (b) On 24 January 2025, the Company has implemented the Employees' Share Option Scheme ("ESOS"). The Company has offered and granted 5,180,000 units of ESOS options to the eligible employees of the Group with an exercise price of RM 0.98.

LIST OF PROPERTIES

No.	Location	Tenure	Description	Existing use	Land area / Built-up area (approximate)	Approx. age of building (year)	Revaluation Date	Net book value as at 31 December 2024 (RM'000)
Property, Plant and Equipment								
1.	No. 2, 4, 6, 8, 10, 12, 14, 16, 18, 20, 22, 24, 26 & 28, Lorong Sultan Mohamed 25A, Taman IKS PKNS, Bandar Sultan Sulaiman, 42000 Pelabuhan Klang, Selangor	Leasehold of 99 years expiring on 30 June 2105	14 units of 3-storey terrace corner shop office	Showroom	Land area 22,603 sq. ft. Built-up area 67,749 sq. ft.	18	11/05/2022	5,493
2.	No. 17, 19, 21 & 23, Lorong Sultan Mohamed 25A, Taman IKS PKNS, Bandar Sultan Sulaiman, 42000 Pelabuhan Klang, Selangor	Leasehold of 99 years expiring on 30 June 2105	4 units of 1½-storey intermediate terrace factory	Prototype assembly facility	Land area 9,600 sq. ft. Built-up area 10,040 sq. ft.	18	11/05/2022	1,327
3.	Persiaran Sultan Alauddin KU17, Kawasan Perindustrian Bandar Sultan Sulaiman Fasa 4, 42000, Pelabuhan Klang, Selangor	Leasehold of 99 years expiring on 7 December 2110	A parcel of land	Vacant	Land area 310,456 sq. ft. Built-up area Not applicable	Not applicable	11/05/2022	21,076
Investment Properties								
4.	No. 7, Jalan Astana 1F/KU2, Bandar Bukit Raja, 41050 Klang, Selangor	Freehold	Individually designed warehouse comprising of: (a) 3-storey building; (b) single storey warehouse annexed; (c) guard house; (d) pump house; and (e) refuse chamber.	Rented	Land area 90,546 sq. ft. Built-up area <u>3-storey building</u> 18,988 sq. ft. <u>Warehouse</u> 32,164 sq. ft. <u>Guard house, pump house and refuse chamber</u> 336 sq. ft.	4	05/11/2024	28,000



ANALYSIS OF SHAREHOLDINGS

ANALYSIS BY SIZE OF HOLDINGS AS AT 27 MARCH 2025

Class of Shares	: Ordinary Shares
Voting Rights by poll	: One vote for every share held
Issued and Paid-up Capital	: 500,000,000 Ordinary Shares

DISTRIBUTION OF SHAREHOLDINGS AND NUMBER OF SHAREHOLDERS AS AT 27 MARCH 2025

Size of Shareholdings	No. of Shareholders	Percentage (%) of Shareholdings	No. of Shares Held	Percentage (%) of Issued Shares
Less than 100	11	0.831	92	0.000
100 – 1,000	324	24.471	164,249	0.032
1,001 – 10,000	550	41.541	2,787,200	0.557
10,001 – 100,000	312	23.565	10,133,400	2.026
100,001 – 24,999,999*	126	9.517	116,915,059	23.383
25,000,000 and above**	1	0.075	370,000,000	74.000
Total	1,324	100.000	500,000,000	100.000

* - Less than 5% of issued shares

** - 5% and above of issued shares

LIST OF SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 27 MARCH 2025

Name	No. of Shares			
	Direct	%	Indirect	%
CIMSEC Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Synergy House Furniture Holdings Sdn Bhd (PB)</i>	370,000,000	74.00	-	-
Tan Eu Tah	1,255,100	0.25	370,000,000	⁽¹⁾ 74.00
Teh Yee Luen	1,488,000	0.30	370,000,000	⁽¹⁾ 74.00

Note:

⁽¹⁾ Deemed interest by virtue of his interest in Synergy House Furniture Holdings Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

LIST OF DIRECTORS' SHAREHOLDINGS AS PER REGISTER OF DIRECTORS' SHAREHOLDINGS AS AT 27 MARCH 2025

Name	No. of Shares			
	Direct	%	Indirect	%
Tan Eu Tah	1,255,100	0.25	370,000,000	⁽¹⁾ 74.00
Teh Yee Luen	1,488,000	0.30	370,000,000	⁽¹⁾ 74.00
Mok Juan Chek	125,000	0.03	-	-
Yew Yong Ling	125,000	0.03	-	-
Lieu Pei Yee	78,000	0.02	-	-
Yong Kim Fui	125,000	0.03	-	-

Note:

⁽¹⁾ Deemed interested by virtue of his interest in Synergy House Furniture Holdings Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

Analysis of Shareholdings (Cont'd)

LIST OF THIRTY (30) LARGEST SHAREHOLDERS AS PER RECORDS OF DEPOSITORS AS AT 27 MARCH 2025

No.	Name of Shareholders	No. of Shares Held	Percentage (%)
1	CIMSEC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR SYNERGY HOUSE FURNITURE HOLDINGS SDN BHD (PB)</i>	370,000,000	74.000
2	PHILLIP NOMINEES (TEMPATAN) SDN BHD <i>EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD</i>	11,452,300	2.290
3	YEOH YEW CHOO	8,519,700	1.703
4	PHILLIP NOMINEES (TEMPATAN) SDN BHD <i>EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD</i>	7,948,700	1.589
5	PUBLIC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR LIM SOON POO (E-KLG/KAP)</i>	6,180,000	1.236
6	TEE KIAN HENG	5,203,500	1.040
7	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. <i>PLEDGED SECURITIES ACCOUNT FOR ANG KOK SEONG (M55015)</i>	4,066,500	0.813
8	PHILLIP NOMINEES (TEMPATAN) SDN BHD <i>EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD</i>	3,898,000	0.779
9	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD <i>EXEMPT AN FOR FORTRESS CAPITAL ASSET MANAGEMENT (M) SDN BHD</i>	3,645,000	0.729
10	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-R ES)</i>	3,644,000	0.728
11	MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR ANG KOK SEONG</i>	3,432,200	0.686
12	PIAU CHEZ SDN BHD	3,197,000	0.639
13	NIO VENTURES SDN. BHD.	2,940,000	0.588
14	CIMSEC NOMINEES (TEMPATAN) SDN BHD <i>CIMB FOR YOONG KAH YIN (PB)</i>	2,654,000	0.530
15	LOW SU KIAN	2,503,000	0.500
16	HLB NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR ANG LAY TING</i>	2,443,800	0.488
17	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TAN BOON PING (7004677)</i>	2,177,000	0.435
18	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD <i>CIMB COMMERCE TRUSTEE BERHAD FOR PHILLIP MASTER EQUITY GROWTH FUND (50144 TR01)</i>	2,126,000	0.425
19	PUBLIC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR LIM SOO KIAM (E-KLG/JTH)</i>	1,520,000	0.304
20	TEH YEE LUEN	1,488,000	0.297
21	CARTABAN NOMINEES (ASING) SDN BHD <i>THE BANK OF NEW YORK MELLON FOR ACADIAN EMERGING MARKETS MICRO-CAP EQUITY MASTER FUND</i>	1,372,500	0.274
22	TAN EU TAH	1,255,100	0.251
23	LING YOKE HUA	1,238,600	0.247
24	TEH AH HUAT @ TEH KWI HUAT	1,215,000	0.243
25	AMSEC NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AMBANK (M) BERHAD (PB-D)	1,134,865	0.226
26	WONG YOKE YUNG	1,040,500	0.208
27	RHB NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR PU SIANG YEN</i>	1,021,100	0.204
28	YEW AH KOW	1,000,000	0.200
29	MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>MTRUSTEE BERHAD FOR PHILLIP SELECT BALANCE FUND (UT-PM-SBAL)(419473)</i>	917,700	0.183
30	TAN YEE CHI	881,500	0.176



NOTICE OF THIRD ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Third Annual General Meeting (“AGM”) of Synergy House Berhad (“the Company”) will be held at Ballroom 2, Level 10, Courtyard by Marriott Setia Alam, No.6 Jalan Setia Dagang AH U13/AH, Setia Alam, Seksyen U13, 40170 Setia Alam, Shah Alam, Selangor on **Wednesday, 28 May 2025** at **10.00 a.m.** to transact the following business:-

AGENDA

Ordinary Business

- | | | |
|----|--|---|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon. | (Please refer to Note (1) of the Explanatory Notes) |
| 2. | To re-elect the following Directors who are retiring by rotation in accordance with Clause 76(3) of the Company’s Constitution:- | |
| | (i) Mr Teh Yee Luen | Ordinary Resolution 1 |
| | (ii) Ms Yew Yong Ling | Ordinary Resolution 2 |
| 3. | To approve the payment of Directors’ fees of RM252,000 for the financial year ending 31 December 2025. | Ordinary Resolution 3 |
| 4. | To approve the payment of Directors’ benefits up to RM20,000 for the period from 29 May 2025 until the Fourth AGM of the Company to be held in 2026. | Ordinary Resolution 4 |
| 5. | To re-appoint Crowe Malaysia PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. | Ordinary Resolution 5 |

Special Business

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

- | | | |
|----|---|-----------------------|
| 6. | AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 | |
| | <p>“THAT subject always to the Companies Act 2016 (“the Act”), the Constitution of the Company, the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approvals of the relevant government/regulatory authorities, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Act, to allot shares in the Company from time to time at such price, upon such terms and conditions, to such persons and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this Ordinary Resolution does not exceed 10% of the total number of the issued shares (excluding treasury shares) of the Company for the time being AND THAT the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Securities AND FURTHER THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting (“AGM”) of the Company, or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is earlier, unless revoked or varied by an ordinary resolution of the Company in a general meeting.”</p> | Ordinary Resolution 6 |
| 7. | To transact any other business of which due notice shall have been given in accordance with the Company’s Constitution and the Companies Act 2016. | |

BY ORDER OF THE BOARD

FONG SEAH LIH (MAICSA 7062297) / (SSM PC No. 202008000973)
THAM YIN TONG (MAICSA 7049718) / (SSM PC No. 202008001314)
 Company Secretaries

Kuala Lumpur
 29 April 2025

Notice of Third Annual General Meeting (Cont'd)

Notes:

1. For the purpose of determining who shall be entitled to attend this General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 20 May 2025. Only a member whose name appears on this Record of Depositors shall be entitled to attend this General Meeting or appoint a proxy to attend, speak and vote on his/her/its behalf.
2. A member entitled to attend and vote at this General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
3. A member of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the General Meeting.
4. If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.
5. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one 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. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
7. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
8. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote:
 - (i) In hard copy form

In the case of an appointment made in hard copy form, the proxy form must be deposited at the Share Registrar of the Company situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, drop-in-box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
 - (ii) By electronic means via Tricor's TIH Online website at <https://tiah.online>

Please refer to the Administrative Guide of the Third AGM for further information on electronic lodgement of proxy form.
9. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
10. Last date and time for lodging the proxy form is Monday, 26 May 2025 at 10.00 a.m.
11. Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:
 - a. Identity card (NRIC) (Malaysian), or
 - b. Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or
 - c. Passport (Foreigner).



Notice of Third Annual General Meeting (Cont'd)

12. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Share Registrar of the Company situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, drop-in-box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
13. For a corporate member who has appointed a representative instead of a proxy to attend this meeting, please deposit the ORIGINAL certificate of appointment of authorised representative with the Share Registrar of the Company situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, drop-in-box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

The certificate of appointment of authorised representative should be executed in the following manner:

- a. If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
 - b. If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - i. at least two (2) authorised officers, of whom one shall be a director; or
 - ii. any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
14. Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of general meeting will be put to vote by way of poll.

Explanatory Notes to the Agenda:

Ordinary Business

1. Audited Financial Statement for the financial year ended 31 December 2024

The Audited Financial Statements are meant for discussion only as the approval from shareholders is not required pursuant to Section 340(1)(a) of the Companies Act 2016. Hence, this Agenda item will not be put forward for voting by shareholders of the Company.

2. Ordinary Resolutions 1 and 2
Re-election of Directors

Mr Teh Yee Luen and Ms Yew Yong Ling are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the Third AGM of the Company.

Pursuant to Practice 5.7 of the Malaysian Code on Corporate Governance, the profiles of the Directors are set out on pages 5 to 6 of the Annual Report 2024. For the purpose of determining the eligibility of the Directors to stand for re-election at the Third AGM of the Company, the Board had through its Nomination Committee ("NC"), considered, assessed and deliberated on the suitability and fit and properness of the retiring Directors.

Based on the recommendation of the NC, the Board is supportive of their re-election with the following justifications:-

Ordinary Resolution 1 – Re-election of Mr Teh Yee Luen as Non-Independent Executive Director

Mr Teh Yee Luen is mainly responsible for determining the overall strategic direction and management of the Group by spearheading several business functions namely sales, marketing, human resources and finance.

The Board is satisfied with his performance and contribution, and will continue to carry out his duty diligently and effectively and demonstrate his commitment to the roles.

Notice of Third Annual General Meeting (Cont'd)

Explanatory Notes to the Agenda: (Cont'd)

Ordinary Business (Cont'd)

2. Ordinary Resolutions 1 and 2 (Cont'd)
Re-election of Directors

Ordinary Resolution 2 – Re-election of Ms Yew Yong Ling as Independent Non-Executive Director

Ms Yew Yong Ling's specialised knowledge and expertise in the legal function equipped her to make informed decisions and recommendations to the Company and also to properly carry out her responsibility as the Chairperson of the Remuneration Committee of the Company.

The Board is satisfied with her performance and contribution, and will continue to carry out her duty diligently and effectively and demonstrate her commitment to the roles.

3. Ordinary Resolution 3
Directors' fees for the financial year ending 31 December 2025

The Directors' fees proposed for the financial year ending 31 December 2025 are calculated based on the current board size and the assessment on the performance of the Board by the Nomination Committee and assuming that all Non-Executive Directors will hold office until the next AGM. This resolution is to facilitate payment of Directors' fees on current financial year basis.

In the event the Directors' fees proposed are insufficient (e.g. due to more meetings or enlarged board size), approval will be sought at the next AGM for additional fees to meet the shortfall.

4. Ordinary Resolution 4
Directors' benefits for the period from 29 May 2025 until the Fourth AGM

Pursuant to Section 230(1) of the Companies Act 2016, the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries, shall be approved at a general meeting.

The Directors' benefits (excluding Directors' fees, salaries and bonuses and statutory contributions) comprise benefits-in-kind for the Executive Directors.

5. Ordinary Resolution 5
Re-appointment of Auditors

The Board has through the Audit Committee, considered the re-appointment of Crowe Malaysia PLT as the Auditors of the Company. The factors considered by the Audit Committee in making the recommendation to the Board to table their re-appointment at the Third AGM are disclosed in the Audit Committee Report of the 2024 Annual Report.

6. Ordinary Resolution 6
Authority to issue shares pursuant to Sections 75 and 76 of the Act

The Ordinary Resolution 6, if passed, will renew the mandate granted to the Directors at the Second Annual General Meeting held on 28 May 2024 ("Second AGM") and provide flexibility to the Directors to undertake fundraising activities, including but not limited to placement of shares for the purpose of funding the Company's future investment project(s), working capital and/or acquisition(s), by the issuance of shares in the Company to such persons at any time as the Directors may deem fit provided that the aggregate number of shares issued pursuant to the mandate does not exceed ten per centum (10%) of the total number of the issued shares (excluding treasury shares) of the Company for the time being, without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is earlier.

As at the date of this Notice, the Company did not issue and allot any shares pursuant to the mandate granted to the Directors at the Second AGM as there was no requirement for such fundraising activities.



SYNERGY HOUSE

Synergy House Berhad
Reg No.: 202101025778 (1426078-V)

PROXY FORM

CDS Account No.

No. of shares held

Telephone no. (During office hours) _____

I/We _____ NRIC (New)/ Company No _____
PLEASE USE BLOCK CAPITAL

of _____
(FULL ADDRESS)

being member(s) of **SYNERGY HOUSE BERHAD**, hereby appoint:

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and / or* (*delete as appropriate)

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him, the Chairperson of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the Third Annual General Meeting ("AGM") of the Company to be held at Ballroom 2, Level 10, Courtyard by Marriott Setia Alam, No.6 Jalan Setia Dagang AH U13/AH, Setia Alam, Seksyen U13, 40170 Setia Alam, Shah Alam, Selangor on **Wednesday, 28 May 2025 at 10.00 a.m.** or any adjournment thereof, and to vote as indicated below:

Ordinary Business	Resolution	For	Against
Re-election of Mr Teh Yee Luen as Director in accordance with Clause 76(3) of the Company's Constitution	Ordinary Resolution 1		
Re-election of Ms Yew Yong Ling as Director in accordance with Clause 76(3) of the Company's Constitution	Ordinary Resolution 2		
Approval of Directors' fees of RM252,000 for the financial year ending 31 December 2025	Ordinary Resolution 3		
Approval of Directors' benefits of up to RM20,000 for the period from 29 May 2025 until the Fourth AGM of the Company to be held in 2026	Ordinary Resolution 4		
Re-appointment of Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration	Ordinary Resolution 5		
Special Business			
Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016	Ordinary Resolution 6		

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

Signed this _____ day of _____ 2025

Signature of Member(s) or/ Common Seal

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

Notes:

- (1) For the purpose of determining who shall be entitled to attend this General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 20 May 2025. Only a member whose name appears on this Record of Depositors shall be entitled to attend this General Meeting or appoint a proxy to attend, speak and vote on his/her/its behalf.
- (2) A member entitled to attend and vote at this General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
- (3) A member of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the General Meeting.
- (4) If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.
- (5) Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- (6) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one 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. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
- (7) Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- (8) The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote:
 - (i) In hard copy form
In the case of an appointment made in hard copy form, the proxy form must be deposited at the Share Registrar of the Company situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, drop-in-box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
 - (ii) By electronic means via Tricor's TIIH Online website at <https://tjih.online>
Please refer to the Administrative Guide for the Third AGM for further information on electronic lodgement of proxy form.

- (9) Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
- (10) Last date and time for lodging the proxy form is Monday, 26 May 2025 at 10.00 a.m.
- (11) Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:
 - a. Identity card (NRIC) (Malaysian), or
 - b. Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or
 - c. Passport (Foreigner).
- (12) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Share Registrar of the Company situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, drop-in-box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- (13) For a corporate member who has appointed a representative instead of a proxy to attend this meeting, please deposit the **ORIGINAL** certificate of appointment of authorised representative with the Share Registrar of the Company situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, drop-in-box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

The certificate of appointment of authorised representative should be executed in the following manner:

- a) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
- b) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - i. at least two (2) authorised officers, of whom one shall be a director; or
 - ii. any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
- (14) Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of general meeting will be put to vote by way of poll.



SYNERGY HOUSE

Lot 18.A & 18.B & 18.C & Lot 19.A & Lot 23.B
Level 18 & 19 & 23, Top Glove Tower
No. 16, Persiaran Setia Dagang
Bandar Setia Alam, Seksyen U13
40170 Shah Alam, Selangor

TEL NO. : (6017) 366 3426

EMAIL : info@synergy-house.com

SYNERGY HOUSE BERHAD

(Registration No.: 202101025778 (1426078-V))
(Incorporated in Malaysia under the Companies Act 2016)

synergyhouseberhad.com

