



3REN BERHAD
202101012445 (1412744-K)

Building Smarter Future for Everyone

POWERED By
TECHNOLOGY

INNOVATED
By **PEOPLE**

COMMITTED
To **SUSTAINABILITY**

2024

Annual Report

CONTENTS



COVER RATIONALE

The cover design reflects 3REN Berhad's vision of integrating People, Technology, and Sustainability to build a smarter future. The three graphic elements subtly represent the Chinese character for "People", emphasizing our Group's human-centric approach.

The imagery—children for the future, technology for innovation, and nature for sustainability—symbolizes 3REN's commitment to progress. The blend of green and blue tones represents the harmony between technology and environmental responsibility.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Boonler Somchit

Non-Independent Non-Executive Chairman

Koh Dim Kuan

Executive Director/Chief Executive Officer (CEO)

Lee Chee Hoo

Executive Director/Chief Revenue Officer

Ahmad Khairuddin Bin Abdul Rahim

Independent Non-Executive Director

Hanita Binti Othman

Independent Non-Executive Director

Joyce Wong Ai May

Independent Non-Executive Director

Teresa Tan Siew Kuan

Independent Non-Executive Director

Mohammad Hazani Bin Hassan

Non-Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Joyce Wong Ai May (Chairwoman)

Hanita Binti Othman (Member)

Teresa Tan Siew Kuan (Member)

REMUNERATION COMMITTEE

Ahmad Khairuddin Bin Abdul Rahim (Chairman)

Joyce Wong Ai May (Member)

Teresa Tan Siew Kuan (Member)

NOMINATION COMMITTEE

Teresa Tan Siew Kuan (Chairwoman)

Hanita Binti Othman (Member)

Joyce Wong Ai May (Member)

COMPANY SECRETARY

Ong Tze-En (MAICSA 7026537)

(SSM Practicing Certificate No. 202008003397)

REGISTERED OFFICE

170-09-01, Livingston Tower

Jalan Argyll, 10050 George Town, Penang, Malaysia.

Telephone number: +604 229 4390

Fax number: +604 226 5860

Email: boardroom-kl@boardroomlimited.com

HEAD OFFICE

No. 9, Jalan Industri Tangkas 1, Taman Industri Tangkas,
14000 Bukit Mertajam, Penang, Malaysia.

Telephone number: +604 508 9737

E-mail: ir@3ren.com.my

Website: www.3ren.com.my

PRINCIPAL BANKER

RHB Bank Berhad

AUDITOR

Grant Thornton Malaysia PLT

(Registration No. 201906003682

(LLP0022494-LCA) & AF 0737)

Level 5, Menara BHL

51 Jalan Sultan Ahmad Shah

10050 George Town, Penang, Malaysia.

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn. Bhd.

(Registration No. 197101000970 (11324-H))

Unit 32-01, Level 32, Tower A

Vertical Business Suite

Avenue 3, Bangsar South

No. 8, Jalan Kerinchi

59200 Kuala Lumpur,

Wilayah Persekutuan Kuala Lumpur, Malaysia.

Telephone Number: +603 2783 9299

Fax Number: +603 2783 9222

Email: is.enquiry@tricorglobal.com

Website: tricorglobal.com

SPONSOR

KAF Investment Bank Berhad

(Registration No. 197401003530 (20657-W))

Level 13A, Menara IQ

Lingkar TRX, Tun Razak Exchange

55188 Kuala Lumpur,

Wilayah Persekutuan Kuala Lumpur, Malaysia.

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities Berhad

Stock Name: 3REN

Stock Code: 0328

Sector: Technology

Shariah Compliant

GROUP PROFILE

About Us

3REN Berhad was incorporated in Malaysia under the Companies Act 2016 on 5 April 2021 as a private limited company under the name 3REN Sdn Bhd. On 19 February 2024, our status was converted into a public limited company, adopting our current name to reflect our growth and ambitions.

As an investment holding company, 3REN Berhad (3REN) operates through its wholly-owned subsidiaries—Sophic Automation Sdn Bhd (Sophic Automation), Sophic MSC Sdn Bhd (Sophic MSC), and Pinkypye Sdn Bhd (Pinkypye) which are principally involved in the provision of automation solutions and engineering services. Our mission is to provide cutting-edge and effective industrial automation solutions that empower businesses to achieve operational excellence.

Our core business segments are Product Engineering Services, Engineering Support Services, Digitalised Solutions and Automated Equipment. We take pride in product engineering services for the semiconductors, covering post-silicon validation in Integrated Circuit (IC) development, software engineering for lab operations and supporting new product introduction, engineering support services for semiconductor manufacturing, as well as design, development and sale of automation solutions across different industries.

With a commitment to driving industry advancements, we aim to be a trusted partner for businesses across diverse sectors, ensuring seamless integration of advanced technologies and long-term value creation.

3REN was successfully listed on the ACE Market of Bursa Malaysia Securities Berhad (Bursa Securities) on 6 November 2024 and raised gross proceeds of RM30.8 Million.



GROUP PROFILE (cont'd)

Mission, Vision & Our Values

Mission

To continuously optimise our customers' businesses through our world-class solutions, services, and products. We ensure the success of our Company and subsidiaries (Group) by constantly and consistently satisfying our customers, employees, partners & suppliers

Vision

To become a global specialist in enabling Smart Manufacturing implementations in factories worldwide through our integrated automation, and digitalisation solutions and engineering services

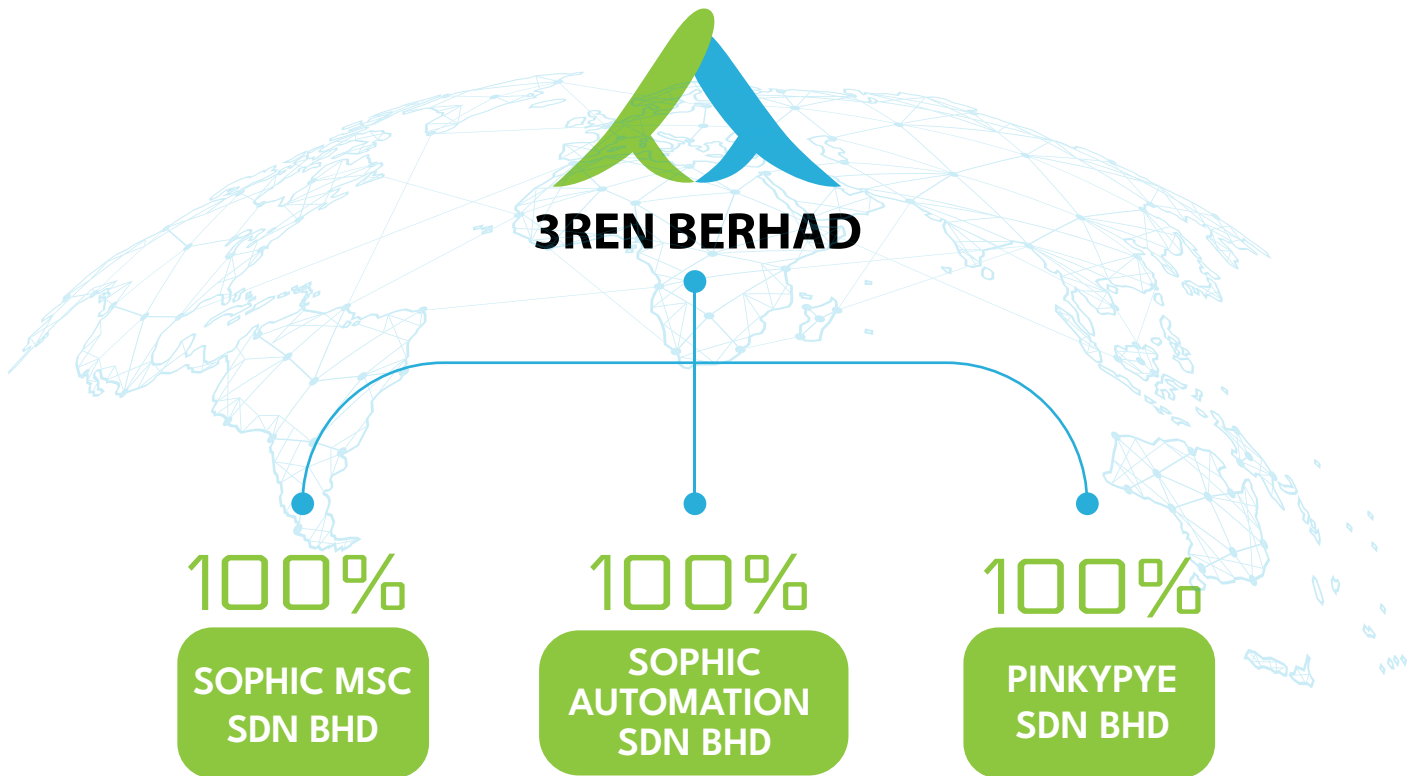
Our Values



GROUP PROFILE (cont'd)

Corporate Structure

Our Group's corporate structure is set out below:-



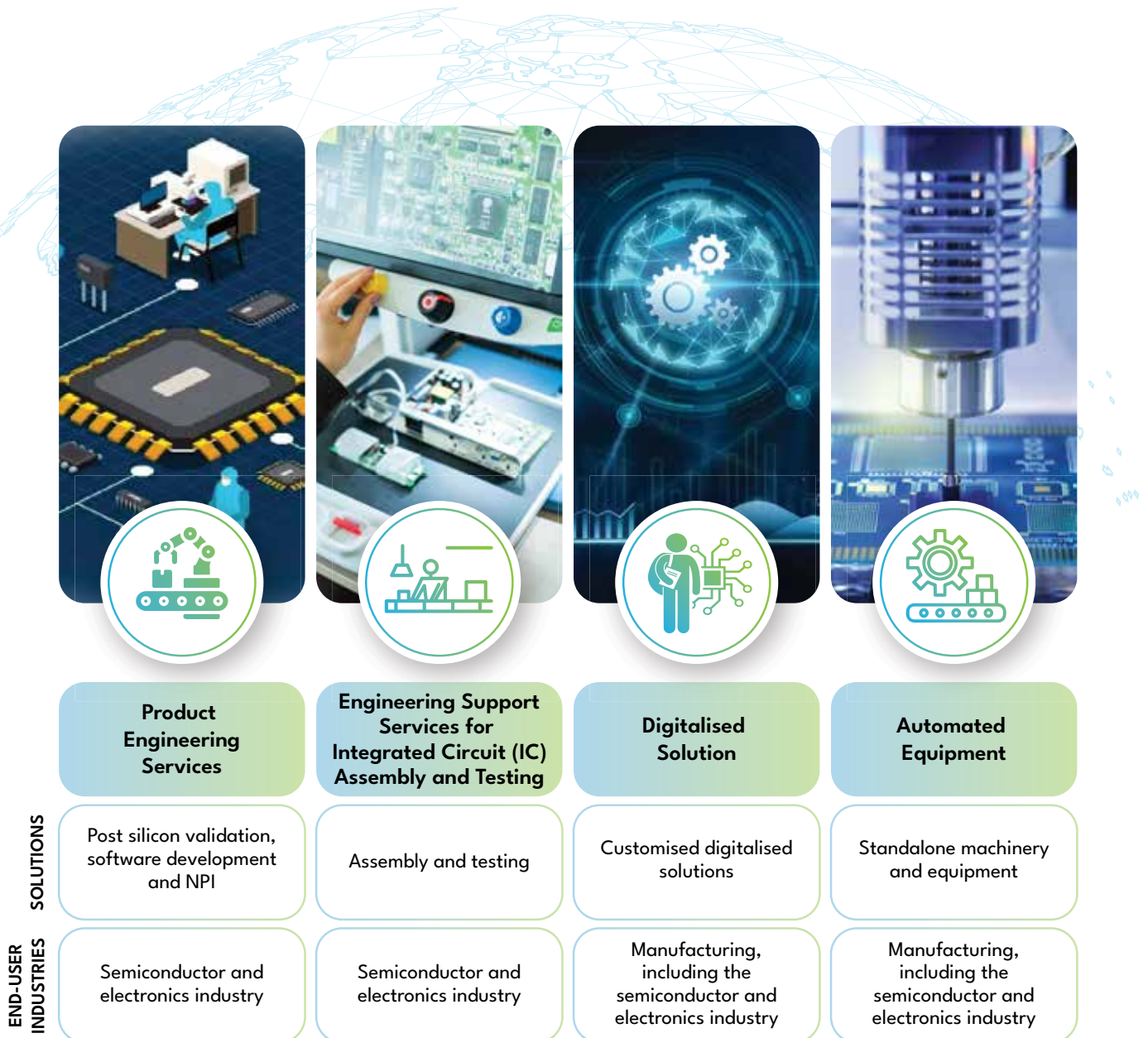
Company/ Registration No	Date/Country of Incorporation	Principal Place of Business	Equity Interest(%)	Principal Activities
Sophic Automation Sdn. Bhd./ (200701036965 (794994-D))	07.11.2007/ Malaysia	Malaysia	100	Provision of automation solutions and engineering services
Sophic MSC Sdn. Bhd./ (201101041653 (969776-D))	29.11.2011/ Malaysia	Malaysia	100	Provision of automation solutions
Pinkypye Sdn. Bhd./ (202101029664 (1429964-K))	13.09.2021/ Malaysia	Malaysia	100	Provision of precision machining and related services

GROUP PROFILE (cont'd)

Business Overview

Business Model

Our business model is summarised as follows:-



GROUP PROFILE (cont'd)

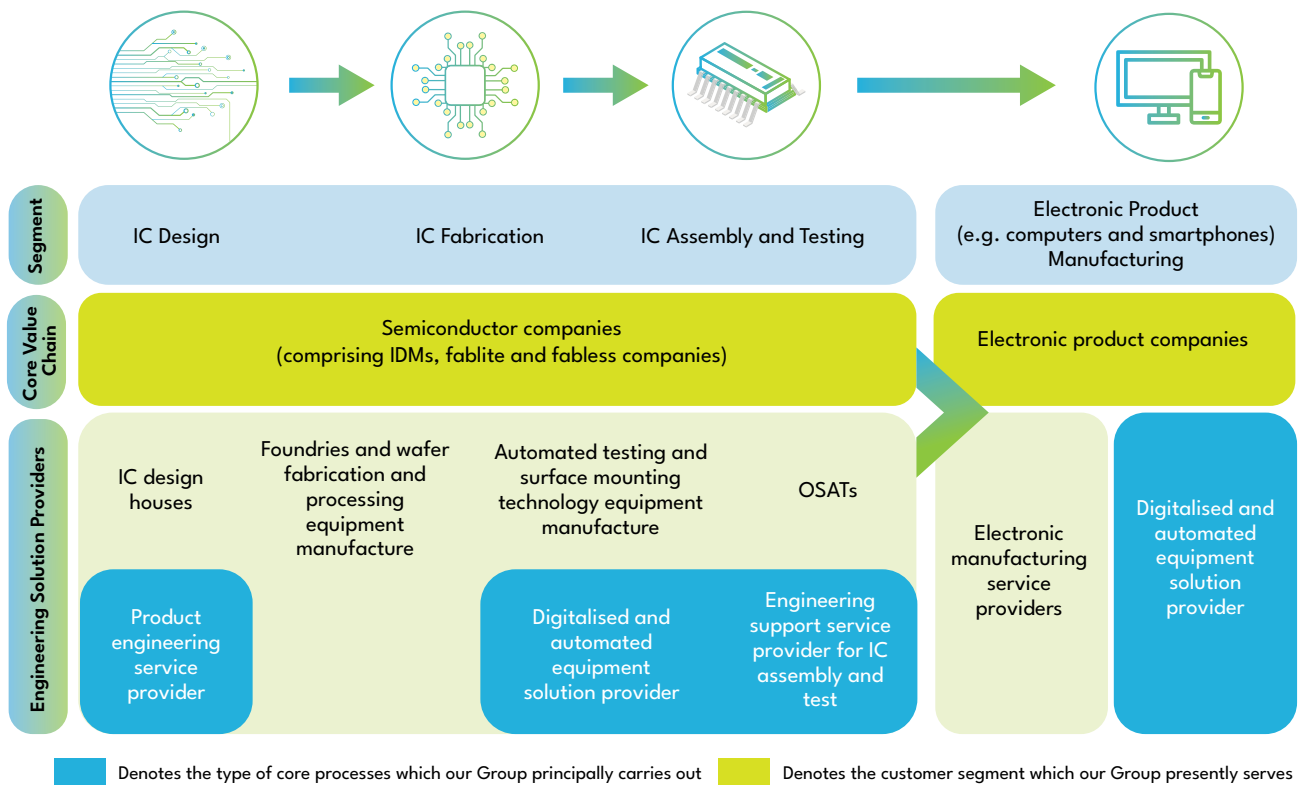
Business Overview

Business Segments

We are an automation solutions and engineering services provider. Our Group's principal business activities and solutions are segmented as follows:-

- (a) Provision of product engineering services;
- (b) Provision of engineering support services for IC assembly and testing;
- (c) Design, development and sale of digitalised solutions; and
- (d) Design, development and sale of automated equipment.

Our principal business activities serve various segments of the semiconductor and electronics industry value chain, as illustrated below:-



Apart from the above, our digitalised solutions and automated equipment are also developed and sold to customers in the manufacturing industries and other sectors such as automotive, healthcare, industrial as well as local city councils.

GROUP PROFILE (cont'd)

Business Overview

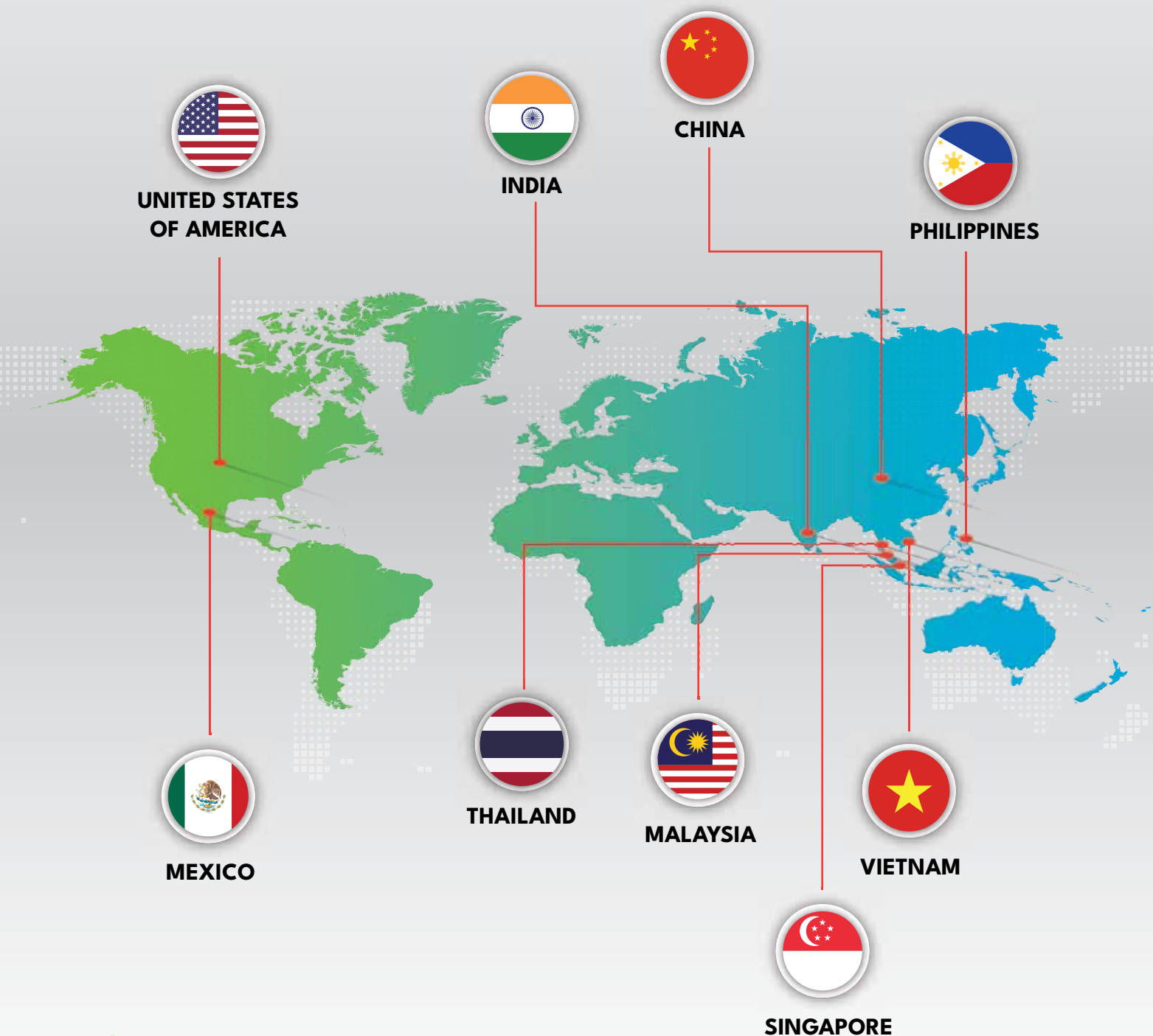
Our Market Presence

Principal Markets

- Malaysia
- Singapore
- Philippines

Other Markets

- United States of America
- Vietnam
- Mexico
- China
- India
- Thailand

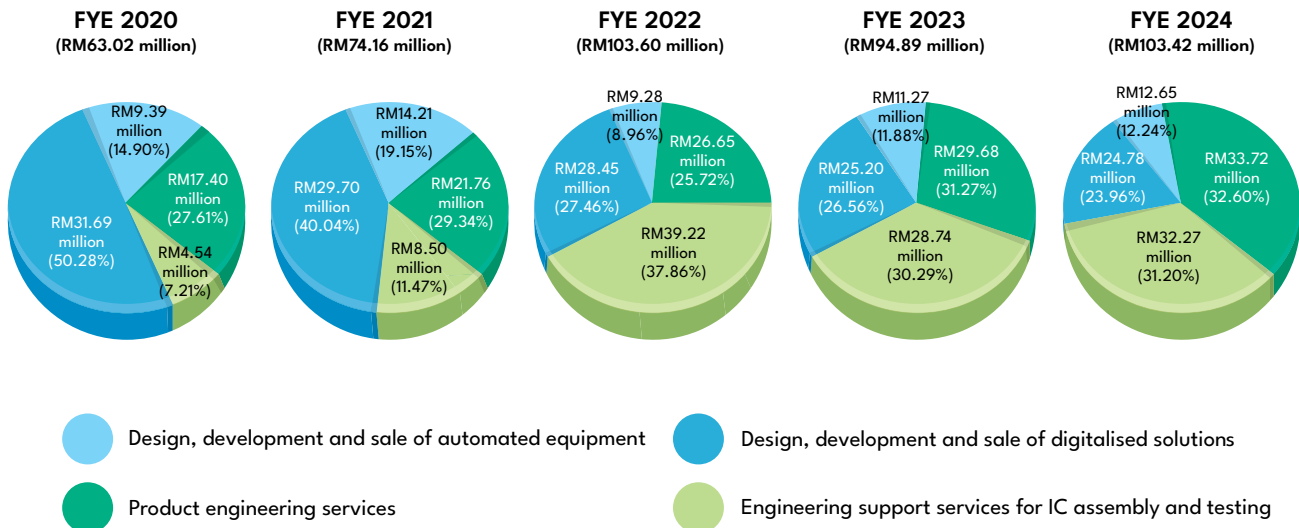


GROUP PROFILE (cont'd)

Business Overview

Revenue Streams

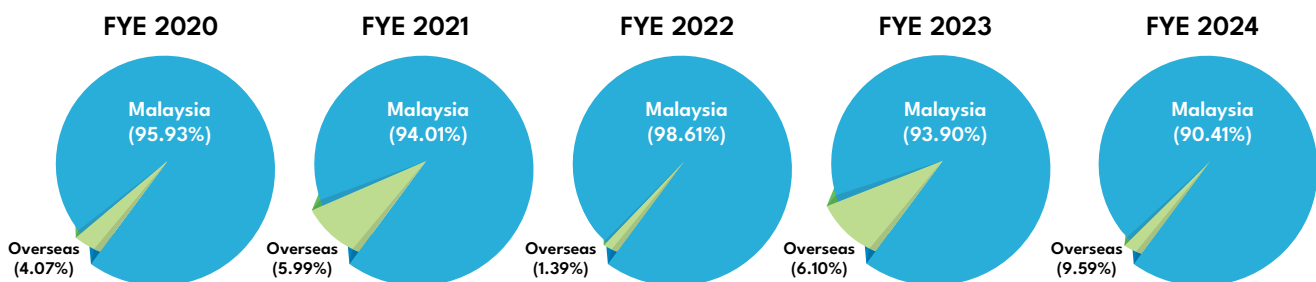
For the financial years ended 31 December (FYEs) under review, our revenue contribution by business segment are as follows:



For the FYEs under review our Group's total revenue increased at a compound annual growth rate (CAGR) of 13.18%, from RM63.02 million in FYE 2020 to RM103.42 million in FYE 2024, mainly contributed by the increased sales from the product engineering services as well as the engineering support services for IC assembly and testing segments.

Principal Markets

A breakdown of our revenue from our principal markets for the FYEs under review is depicted below:



For the FYEs under review our revenue was substantially contributed by sales to customers based in Malaysia across all business segments with contribution of approximately 90.4% whilst the balance from Singapore (4.5%), Philippines (4.2%) and other countries (0.9%) during the FYE 2024.

GROUP PROFILE (cont'd)

Key Events & Milestones

2011

SOPHIC MSC was incorporated & awarded MSC Malaysia status.

2007

SOPHIC Automation incorporated.

2008

SOPHIC Automation secured first project to design and develop a digitalized solution for a printing service provider.

2012

SOPHIC Automation secured its first product engineering service project (post-silicon validation).

2015

SOPHIC MSC set up an office in Bukit Jalil, Kuala Lumpur.

2016

SOPHIC Automation obtained the ISO 9001:2015 certification.

2013

SOPHIC Automation developed and sold its first automated equipment (Automated handler and visual inspection equipment).

2018

SOPHIC Automation began to offer engineering support services for IC assembly and testing.

2021

SOPHIC Automation was granted the Pioneer Status by MIDA.

3REN was set up to facilitate the Listing exercise.

2022

The acquisition of Pinkypye was completed.

A precision engineering facility and office was set up in Tangkas 3 Plant.

2023

Relocation of our headquarters to Tangkas 9 Plant.

Office set up in Setia Spice Office for expansion of our product engineering services.

2024

SOPHIC Automation obtained ISO/IEC 27001:2022 Certification.

SOPHIC MSC set up an office at Stellar Suites Office and relocated from the office in Bukit Jalil.

3REN signed Underwriting Agreement with KAF Investment Bank Berhad for ACE Listing on 2 Sept 2024.

3REN unveiled prospectus for listing on ACE Market on 9 Oct 2024.

3REN listed on ACE Market of Bursa Securities on 6 Nov 2024.

SOPHIC Automation entered into a Memorandum of Understanding ("MOU") with Invest-In-Penang Berhad on 9 Dec 2024.

MEDIA HIGHLIGHTS

8 August 2024

3REN gets nod to list on ACE Market

The Star 3REN gets nod to list on ACE Market

3REN gets nod to list on ACE Market

BUSINESS
Thursday, 08 Aug 2024
1:35 PM MYT

Related News

CORPORATE NEWS 08/08/2024

3REN 3REN will ink MoU for

Investment Penang Investment

package

CORPORATE NEWS 08/08/2024

3REN 3REN is ride on demand

for technology

BOOK ON THE NEWS 08/08/2024

3REN 3REN Under 30% on ACE

Market debut



KUALA LUMPUR: Automation solutions and engineering services provider, 3REN Bhd has received approval to list on Bursa Malaysia's ACE Market.

The initial public offering (IPO) comprises a public issue of 135.5 million new shares and an offer for sale of 45.0 million existing shares, a company statement said today.

Of these 180.5 million shares, 32.5 million will be made available to the Malaysian public.

Another 30.0 million shares will be made available for application by eligible directors, key senior management, employees and persons who have contributed to the group's success.

Executive director and chief executive officer Koh Din Kuan said the approval is an important milestone, allowing the group to access the equity capital market.

"This is a huge boost to our capabilities and resources which will enable us to offer more sophisticated automation solutions and engineering services, and increase our market presence," he said in the statement.

2 September 2024

3REN Signs Underwriting Agreement with KAF Investment bank for ACE Listing

3REN signs ACE Market IPO agreement with KAF IB

PENANG: 3REN Berhad (3REN) has signed an underwriting agreement with KAF Investment Bank Berhad (KAF IB) for its upcoming initial public offering (IPO).

3REN is slated to be listed on the ACE Market of Bursa Malaysia Securities Berhad by the fourth quarter of this year.

3REN's IPO entails a public issue of 135.5 million new ordinary shares and an offer for sale of 45.0 million existing shares.

3REN executive director and chief executive officer Koh Din Kuan said "Pursuant to our signing, the underwriting agreement of an issuing new chapter for us."

"We are excited for what is to come as we plan to continuously support our growth trajectory through the use of the proceeds to strengthen our research and development capabilities, enabling us to deliver and develop innovative solutions as well as expanding our customer base."

3REN is also looking to establish a sales and marketing office in Singapore by the first half of 2025.

"We are looking to establish a sales and marketing office in Singapore by the first half of 2025."

"We are looking to establish a sales and marketing office in Singapore by the first half of 2025."

"We are looking to establish a sales and marketing office in Singapore by the first half of 2025."



Koh Din Kuan (left) with directors from 3REN and KAF IB during their underwriting agreement signing earlier this week.

regional base by setting up a sales and marketing office in Singapore with the aim to better serve our existing international customers in that region and immediately position us as a leading provider in new prospective markets."

Along with the ongoing efforts to strengthen our manufacturing industry growth, we are confident this IPO will allow us to further capitalise on the opportunities to enhance our operational efficiency and expand our market reach over the coming years ahead," he added.

KAF IB's chief executive officer, Rajanand Sivasankaran, said 3REN has a competitive edge and a clear strategy to lead in the semiconductor and electronics industry, especially in the areas of precision engineering and manufacturing services.

"With this agreement, management team and investors by its strong engineering and software skills, we believe 3REN has a solid foundation for its future growth and will continue to excel in the long term," he said.

"This signing marks a significant chapter in 3REN's journey, allowing them to further solidify the group's position in the industry and the various solutions by its commitment to serve up the value chain in the semiconductor industry."

A KAF IB's principal adviser, corporate, side underwriter and sole placement agent for this IPO, KAF IB has a solid foundation for its future growth and will continue to excel in the long term," he said.

9 October 2024

3REN Berhad IPO Prospectus Launch

3REN unveils prospectus for listing on ACE Market

Automation, engineering services provider to raise RM300m through public issue of 135.5 million ordinary shares at 28 sen each

By AMAN THAZIR

Penang, Malaysia

KUALA LUMPUR: 3REN Bhd, an automation solutions and engineering services provider, has unveiled its initial public offering (IPO) prospectus for its listing on the ACE Market of Bursa Malaysia Securities Berhad today.

In a statement, 3REN said the IPO will raise a total of RM300 million through the public issue of 135.5 million new ordinary shares at an issue price of 28 sen per share, with 45.0 million (33.2%) of the proceeds allocated for business expansion and operational requirements.

Business expansion includes setting up delivery centres (20.0%, RM26.0 million), research and development expenditure (10.0%, RM12.0 million), establishment of a Singapore office (5.0%, RM6.0 million) and working capital (2.0%, RM2.0 million).

Application to the public issue, announced the IPO opened yesterday and will close on Oct 15.

3REN executive director and CEO Koh Din Kuan said that as the first step towards the business, their new potential for growth. The global semiconductor industry is set to continue expanding and will drive demand across for emerging technologies such as artificial intelligence, its adoption, and the Internet of Things.

"This growth, similar to faster supported by the modernisation and transformation of manufacturing facilities towards Industry 4.0 and AI technology. This enables smart factories and sustainable operations, in addition to the increased engineering and software solutions for the manufacturing industry."



Koh Din Kuan (left) and CEO Koh Din Kuan (right) at the press conference for the IPO prospectus launch.

business Asia, which positions us favourably to capturing first-mover opportunities," he said in his speech at the IPO prospectus launch yesterday.

Regarding Budget 2025, Koh said the company hopes the government will address the talent shortage faced by the industry.

He mentioned that the government has announced the National Semiconductor Strategy and that the prime minister's recent visit to India has given them the opportunity to discuss relevant issues.

"The talent issue has been highlighted very well in India, and it is a source of the challenges, so we believe that there will be a solution according to the government's plan. We are very excited and looking forward to having the announcement," Koh said in a press conference at the event.

He said that the government has laid out some incentive plans to support semiconductor design and development companies, such as launching the e-Design Hub and digital hub in Penang.

"With the launch of the e-Design Hub and digital hub in Penang, the government also has laid out some of the incentive plans to support the companies involved in e-Design development," he said.

As for the company's expansion plans, Koh revealed that they are targeting to establish a sales and marketing office in Singapore by the first half of 2025.

"We are looking to establish a sales and marketing office in Singapore by the first half of 2025, and at this time, we are seeking some executives in Singapore. Our main commitment is to get their contribution," he said.

25 October 2024

ACE Market bound 3REN IPO oversubscribed by 84 times

ACE Market-bound 3REN IPO oversubscribed by 84 times

The Business 25 October 2024 at 5:00pm



ACE Market-bound 3REN Bhd's public issue of 135.5 million shares made available for application by the Malaysian public has been oversubscribed by 84 times.

KUALA LUMPUR: ACE Market-bound 3REN Bhd's public issue of 135.5 million shares made available for application by the Malaysian public has been oversubscribed by 84 times.

It said in a filing with Bursa Malaysia that a total of 25,768 applications for 2.74 billion public issue shares were received for the 135.5 million public issue shares made available for subscription.

It said 14.25 million public issue shares have been set aside for the hampers portion, which represents 10 per cent of the public issue shares available for public subscription, while the remaining public issue shares were allotted under the public portion.

"For the hampers portion, a total of 13,097 applications for 1.18 billion public issue shares were received, which represents an oversubscription rate of 71.69 times."

6 November 2024

3REN debuts on ACE Market, Climbs 20% on ACE Market Debut



Koh (fourth left) and other directors from 3REN, KAF Investment Bank and Bursa Malaysia during their listing ceremony.

3REN debuts on ACE Market, eyes boom in tech growth

KUALA LUMPUR: 3REN Berhad (3REN), an automation solutions and engineering services provider, officially made its debut on the ACE Market of Bursa Malaysia Securities Berhad with an opening price of RM0.335.

This represents a 19.6 per cent premium over its issue price of RM0.28 with an opening volume of 11.7 million shares. The Group is listed under the technology sector, bearing the stock name of '3REN' and stock code of 0338.

As part of its initial public offering (IPO) exercise, which involves a public issue of 110 million new shares, 3REN has

successfully raised RM30.8 million, of which RM19.2 million has been allocated towards business expansion while the remaining balance of RM11.6 million will be channelled towards the repayment of bank borrowings and to defray listing expenses.

Under the business expansion, RM7.2 million will be used to set up new delivery centres, RM5.1 million will be for research and development expenditure, RM3.0 million will be to establish a new Singapore office and RM3.9 million for working capital.

3REN executive director and

chief executive officer Koh Dim Kuan said, "The future is wired with unlimited possibilities and semiconductors are the building blocks of a new era."

"Having said that, we have positioned ourselves right at the centre of the booming semiconductor industry backed by key demand drivers coming from technological revolution, embracing technologies such as artificial intelligence, 5G and the Internet of Things."

"In addition to that, Southeast Asia has also since emerged as a hotspot for manufacturing activities due to the increasing

demand for outsourcing activities which will serve as strong catalyst given the modernisation and transformation of manufacturing facilities towards Industry 4.0 and 5.0, providing 3REN with room to further extend its growth."

"Given the opportunities that lie ahead, our strategic plans bode well for us to capture higher market share and we look forward towards the next chapter of our journey as a listed entity."

KAF Investment Bank Berhad is the principal adviser, sponsor, sole underwriter and sole placement agent for this IPO exercise.

3REN rises 19.6% on ACE Market debut



3REN rises 19.6% on ACE Market debut

3REN Bhd jumps almost 20pcnt on ACE Market debut



3REN Bhd jumps almost 20pcnt on ACE Market debut

3REN, through our wholly owned subsidiary Sophia Automation Sdn Bhd, is proud to be part of the "Penang Silicon Design @5km+" initiative. This collaboration with InvestPenang, formalised through a memorandum of understanding (MOU), aims to drive growth in Malaysia's semiconductor and IC design sectors.

9 December 2024

3REN Signs MOU with Invest-In Penang Bhd

3REN Inks Deal With State For Penang Silicon Design @5km+ Project

By Editor - December 6, 2024



3REN Berhad has inked a memorandum of understanding with Invest-In-Penang Berhad to collaborate on the Penang Silicon Design @5km+ initiative to promote growth in the semiconductor and integrated circuit design sectors.

The project InvestPenang will build an interconnected ecosystem for IC designs and technology enterprises within a 5km radius from the Bayan Lepas Industrial Park, offering attractive incentive packages to spearhead this initiative. 3REN will utilise the incentive packages provided to conduct IC design and development-related activities and fulfill relevant roles in the value chain. It will support the development, operation, and success of this initiative while growing its capabilities to cater to the ever-evolving industry demand for semiconductors and ICs.

3REN Joins Penang Silicon Design @5km+ Through MOU with InvestPenang



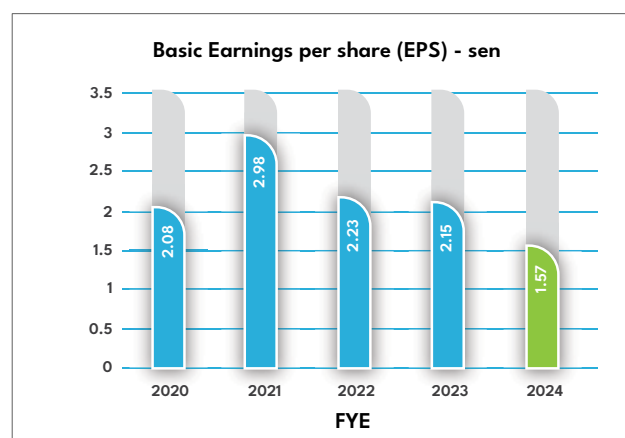
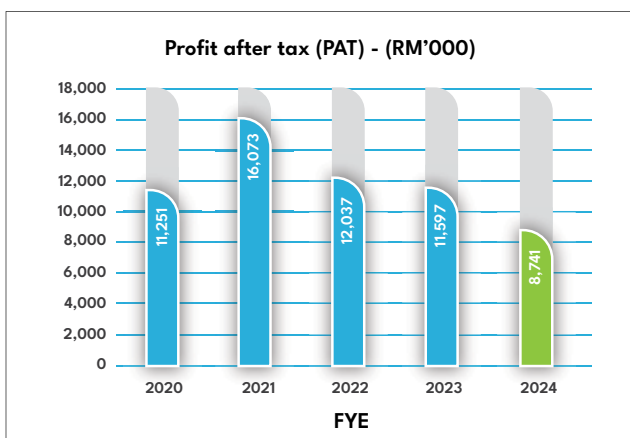
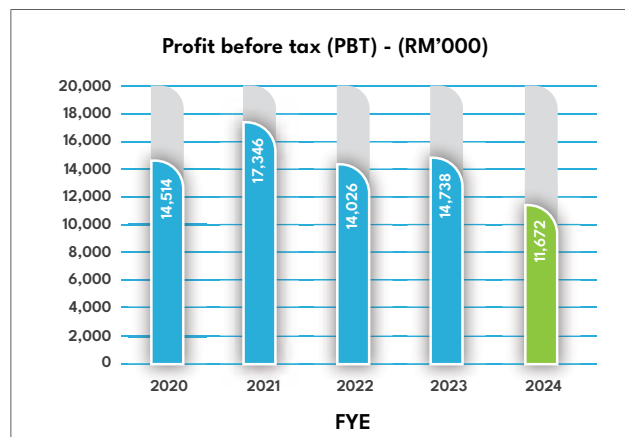
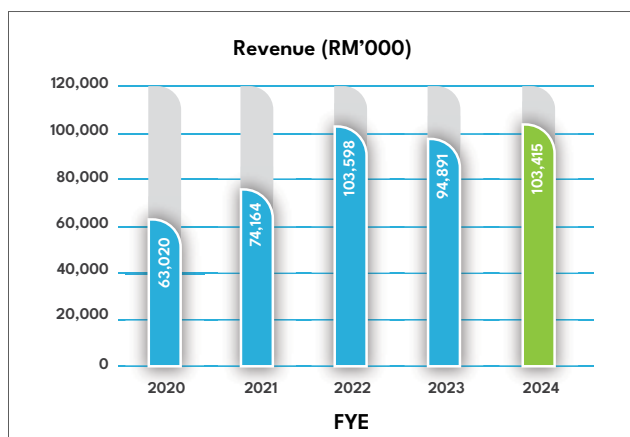
3REN, through our wholly owned subsidiary Sophia Automation Sdn Bhd, is proud to be part of the "Penang Silicon Design @5km+" initiative. This collaboration with InvestPenang, formalised through a memorandum of understanding (MOU), aims to drive growth in Malaysia's semiconductor and IC design sectors.

The initiative focuses on building an interconnected ecosystem within a 5km radius of the Bayan Lepas Industrial Park, encompassing the Penang IC Design & Digital Park, Penang Chip Design Academy, and Silicon Research & Innovation Space. These hubs will provide advanced facilities, talent development, and innovation spaces to support the global semiconductor industry.

"This recognition strengthens our position in the semiconductor value chain, allowing us to broaden our capabilities and collaborate with global leaders in IC design," said Executive Director and CEO Koh Dim Kuan. 3REN is excited to contribute to Penang's leadership in the global semiconductor landscape.

FINANCIAL HIGHLIGHTS

Financial Year Ended 31 December	2020	2021	2022	2023	2024
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	63,020	74,164	103,598	94,891	103,415
Earnings before interest, taxation, depreciation and amortization (EBITDA)	14,901	17,768	15,207	17,249	14,149
Profit before tax (PBT)	14,514	17,346	14,026	14,738	11,672
Profit after tax (PAT)	11,251	16,073	12,037	11,597	8,741
Basic Earnings per share (EPS)-sen	2.08	2.98	2.23	2.15	1.57
PBT Margin (%)	23.03	23.39	13.54	15.53	11.29
PAT Margin (%)	17.85	21.67	11.62	12.22	8.45



BOARD OF DIRECTORS

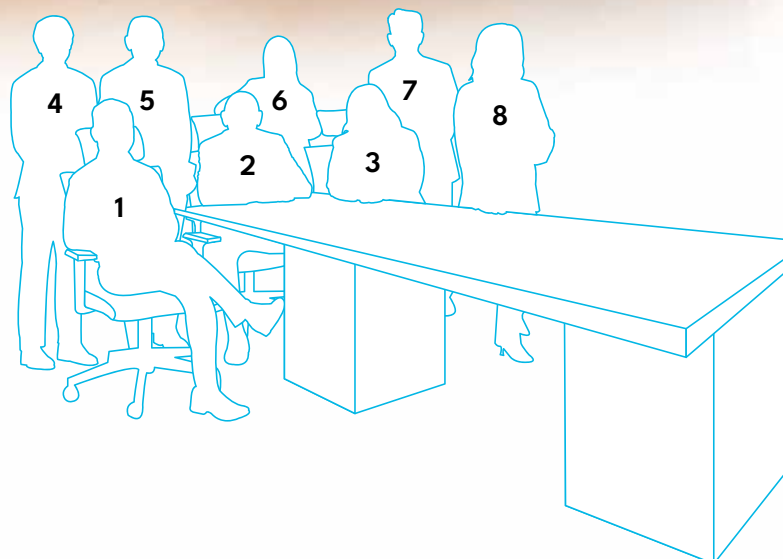


From Left to Right (Seated)

1. **Koh Dim Kuan**
Executive Director/Chief Executive Officer (CEO)
2. **Dato' Boonler Somchit**
Non-Independent Non-Executive Chairman
3. **Teresa Tan Siew Kuan**
Independent Non-Executive Director

From Left to Right (Standing)

4. **Lee Chee Hoo**
Executive Director/Chief Revenue Officer
5. **Mohammad Hazani Bin Hassan**
Non-Independent Non-Executive Director
6. **Joyce Wong Ai May**
Independent Non-Executive Director
7. **Ahmad Khairuddin Bin Abdul Rahim**
Independent Non-Executive Director
8. **Hanita Binti Othman**
Independent Non-Executive Director



CHAIRMAN'S STATEMENT



Dear Esteemed Shareholders,

On behalf of the Board of Directors, I am pleased to present you with 3REN Berhad's (3REN or the Company) first annual report for the financial year ended 31 December 2024 (FYE 2024). The year in particular has been pivotal for 3REN, marked with significant achievements which culminated in our initial public offering (IPO) and successful debut on the ACE Market of Bursa Malaysia Securities Berhad (Bursa Securities) on 6 November 2024.

In essence, 3REN and its subsidiaries (Group) is a technology-driven automation solutions and engineering services provider which encompasses the design, development and sale of digitalised solutions and automated equipment as well as the provision of product engineering services and engineering support services for integrated circuit development, assembly and testing. We predominantly cater to various segments of the semiconductor, electronics and manufacturing industries' value chains where we have a strong regional exposure across several countries.

FINANCIAL PERFORMANCE

I am delighted to report that 3REN delivered a solid set of financial results for FYE 2024, registering a 9.0% increase in revenue, over the previous year, to RM103.4 million and a normalised profit after tax of RM11.4 million after adjusting for listing related expenses of RM2.7 million. The surge in revenue was primarily driven by the higher sales from product engineering services which recorded a growth of 13.6% followed by the engineering support services which improved by 12.3% while the automated equipment segment experienced a 12.2% growth.

A key strength of our business lies in our business model which comprises both recurring and project-based income models, enabling us with a two-pronged strategy for continuous growth while mitigating risks from economic downturns with a stable stream of recurring income. Our recurring revenue model under product engineering services and engineering support services accounted for 63.8% of FYE 2024's total revenue while the remaining 36.2% was from the digitalised solutions and automated equipment's project-based model.

Our balance sheet remains relatively healthy with cash & cash equivalent of RM40.5 million and a gearing ratio of 0.11 times. Paired with the RM30.8 million gross proceeds raised from our IPO exercise, we are poised for significant growth by enhancing our overall business offerings through the strengthening of our research & development capabilities along with the establishment of new delivery centres in Penang and a new office in Singapore to cater to the growing demand for our products and services.

CHAIRMAN'S STATEMENT (cont'd)

INDUSTRIAL PROSPECTS

Shifting the focus towards the market landscape, the industries that we predominantly serve are exceptionally robust and are expected to see heightened demand, driven by key demand drivers as highlighted in the Independent Market Research Report by Providence Strategic Partners Sdn. Bhd. as disclosed in our Prospectus dated 9 October 2024. Notably, the technological revolution and advancements across the semiconductor, electronics and manufacturing sectors coupled with the modernisation of facilities towards Industry 4.0 and 5.0 technologies are expected to play a crucial role in spearheading the demand for our business offerings.

Having said that, Malaysia's semiconductor sector is poised for continuous growth as the product engineering services industry is projected to expand at an compound annual growth rate (CAGR) of 19.7% between 2024 and 2026, reaching an estimated RM1.2 billion by 2026 while globally it is expected to grow by 15.4% to RM9.4 billion by 2026.¹ Concurrently, the integrated circuits (IC) assembly and test services industry in Malaysia is forecasted to grow at a CAGR of 10.2% between 2024 and 2026, reaching RM23.3 billion with the global market's projected corresponding growth at 4.5% to RM173.1 billion over the same period.¹

The Malaysia's automated manufacturing and digitalisation solutions industry is also well poised for substantial growth, with an anticipated CAGR of 12.7% between 2024 and 2026, reaching RM17.4 billion, likely to be driven by the accelerated adoption of Industry 4.0 and 5.0 technologies to enable smart factories and sustainable operations, in particular the technological revolution with 5G adoption and the emergence of 6G, Industrial Internet of Things, artificial intelligence, machine learning and big data analytics.¹ On a global scale, this said industry is projected to grow at a CAGR of 8.7% from 2024 to 2026, reaching an astonishing RM2.1 trillion.¹

The shifts in global supply chain strategies and the relocation of manufacturing operations to Southeast Asia have fortified Malaysia's position as a strategic hub for semiconductor and high-tech manufacturing activities. The country's favourable investment climate, talented pool of skilled workforce and government incentives are attracting multinational corporations, thereby driving sustained demand for IC assembly and testing, automation solutions and engineering support services.

MOVING FORWARD

Building upon the momentum of the IPO journey, 3REN has strategically initiated a series of growth-focused endeavours. Our Group is making substantial investments in research and development to fortify and expand our digitalised solutions and automated equipment segments. Concurrently, we are aggressively pursuing diversification and customer base expansion as well as establishing new business model through the commercialisation of new delivery centres in Penang, Malaysia. One of which is already operational and is dedicated to a key new client, while the second is projected to be completed by the end of 2025. In terms of regional expansion, we are establishing an overseas office in Singapore to enhance our sales and marketing capabilities, enabling us to effectively support both existing and prospective clients within that region. Furthermore, we have recently formalised a memorandum of understanding with InvestPenang, under the Penang Silicon Design @5km+ initiative which strategically positions us within the semiconductor ecosystem, allowing for the expansion of our IC design, development and engineering solution capabilities and fostering collaborations with other key industry players.

With these strategic developments underway, 3REN reaffirms its commitment to execute initiatives to solidify its position within the semiconductor and automation industries. By leveraging our expertise in product engineering and engineering support as well as provision of turnkey automation solutions, we aim to capitalise on the sector's robust expansion, strategically growing our existing customer base, with support from the National Semiconductor Strategy and Malaysia's commitment towards advanced manufacturing.

¹ Source: Independent Market Research Report on the Integrated Circuit ("IC") Design, Assembly and Test Segments of the Semiconductor Industry, Automated Manufacturing and Digitalised Solutions Industry, and Semiconductor and Electronics Industries in conjunction with the Listing of 3REN BERHAD and its subsidiaries (collectively referred to as "3REN GROUP") on the ACE Market of Bursa Malaysia Securities Berhad by Providence Strategic Partners Sdn Bhd, as disclosed in our Prospectus dated 9 October 2024

CHAIRMAN'S STATEMENT (cont'd)

Sustainability is also an integral part of 3REN's growth strategy. We are deeply committed towards reducing our environmental impact through our sustainability initiatives. We prioritise strong governance practices throughout our business operations to uphold transparency and embrace ethical standards. By integrating sustainability into our operations, we aim to foster long-term value for our stakeholders while contributing positively to the environment and communities that we serve.

DIVIDENDS

In acknowledgement of our shareholders' valuable support, the Board has proposed a single-tier interim dividend of 0.5 sen per ordinary share, totalling to RM3.25 million for FYE 2024. The payout works out to 37.2% of our net profit and reflects our commitment to deliver meaningful shareholders' returns while ensuring sufficient cashflow for the implementation of our growth strategies ahead.

APPRECIATION

In conclusion, I wish to extend my deepest gratitude to all who have been integral to 3REN's success. Your unwavering support and confidence have been the bedrock of our journey, particularly during our transformative transition to being a listed issuer on Bursa Securities.

I also wish to acknowledge the unwavering dedication and exceptional talent of our employees, whose expertise and resilience have been the driving force behind our achievements. Their commitment to excellence have enabled us to not only navigate dynamic industries' landscapes but to seize every emerging opportunity. To our valued customers, suppliers and business partners, your trust and collaborative spirit have been the cornerstone of our growth and we look forward towards a long-lasting relationship in the years to come. Let us continue to redefine industry standards and reach unprecedented heights.

Dato' Boonler Somchit

Non-Independent Non-Executive Chairman

INNOVATED
By PEOPLE

POWERED By
TECHNOLOGY

COMMITTED
To SUSTAINABILITY

PROFILE OF DIRECTORS

DATO' BOONLER SOMCHIT

Non-Independent Non-Executive Chairman
Appointed on 20 March 2024

Age

72

Gender

Male

Nationality



Board Meetings

Attendance
2/3



Dato' Boonler Somchit, a Malaysian aged 72, is our Non-Independent Non-Executive Chairman. He was appointed to our Board on 20 March 2024.

He graduated with a Bachelor of Science with Honours in Ecology (Honours) from Universiti Malaya (UM) in 1977. In January 1978, he joined UM as a Graduate Assistant and he was subsequently promoted to Administrative Assistant in May 1979 and to Assistant Registrar in April 1982 where he was involved with administrative functions in various departments within UM before leaving UM in June 1984.

In August 1984, he joined the ASEAN Food Handling Bureau, a non-profit organisation involved in food handling consultancy and research, where he was responsible for the administration and management function of the organisation. He left in January 1988 and in February 1988, he joined Sunway College Sdn Bhd as the Registrar where he oversees and administers the overall administration and academic functions of the company. He left Sunway College Sdn Bhd in May 1989. In June 1989, he joined Penang Skills Development Centre (PSDC) as a director and was subsequently designated as the CEO. He was responsible for overseeing the overall operations, management and development of the centre before retiring in February 2014.

During his tenure with PSDC, he was instrumental in providing leadership and strategy development to ensure PSDC's continued relevance as a talent development organisation. He developed and maintained high-level key relationships with the PSDC management team, multinational corporations, small and medium enterprises (SMEs) and many government bodies and agencies, including Talent Corporation Malaysia Berhad, Northern Corridor Implementation Authority, Khazanah Nasional Berhad, Economic Planning Unit, and Malaysian Investment Development Authority (MIDA). His other key responsibilities in PSDC include managing the operational and budget matters for the organisation, interfacing with trainers/subject matter experts and interacting with stakeholders and customer base to develop opportunities to support customers' development needs. He also represented PSDC as a guest speaker at national and international seminars, symposiums and conferences. He was also involved in providing consultancy and advisory services for several feasibility studies and setting up training and development centres nationally and internationally. He also sat on several boards and steering committees at both national and state government bodies/agencies.

Other than 3REN, he does not sit on the board of directors of any public listed companies and listed issuer.

Family relationship with Directors and/or major shareholders of 3REN Berhad

None

Conflict of interest with 3REN Berhad

None

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty by the relevant regulatory bodies during the financial year

None

PROFILE OF DIRECTORS (cont'd)

KOH DIM KUAN

Executive Director & Chief Executive Officer
Appointed on 8 February 2024

Age

44

Gender

Male

Nationality



Board Meetings

Attendance
3/3



Koh Dim Kuan, a Malaysian aged 44, is our substantial shareholder and Executive Director & Chief Executive Officer. He was appointed to our Board on 8 February 2024. He is responsible for the business strategy, development, management and the overall operations of our Group.

He graduated with a Diploma in Technology (Electronic Engineering) and an Advanced Diploma in Technology (Electronic Engineering) from Tunku Abdul Rahman College in 2002 and 2004 respectively. He subsequently obtained a Bachelor in Electronics Systems Engineering from Sheffield Hallam University, United Kingdom in 2004.

He started his engineering career as a Graduate Trainee with Intel Microelectronics (M) Sdn Bhd in November 2004. He was promoted to Validation Design (Senior) in February 2005 where he was involved with post-silicon validation, product validation test plans and strategies, new product validation, managing project resources and providing technical debug support. He left the company in November 2008 to join Sophic Design as the Operation Manager and subsequently became a partner in October 2009. He was mainly responsible for overseeing the business operation as well as coordinating the overall training and consultancy works for Sophic Design. Sophic Design, a partnership formerly set up by Lee Chee Hoo, ceased its operation and transferred all of its businesses to SDTC Innovation Center Sdn Bhd (now known as System Innotech Integration Experts Sdn Bhd) (SIIE) and the partnership subsequently expired in February 2011.

In May 2009, he co-founded SIIE to undertake engineering and technical training, design and consultancy services. During his tenure at SIIE, he co-ordinated an industrial automation training development course, which included an advanced programmable logic controller module, microcontroller application design, servo controller training kit, and sensor and data acquisition integration. In addition, he also managed the semiconductor tests and measurement

lab in the Selangor Human Resource Development Centre to support requests from industrial engineers, conduct training and prototype product test and measurement services. In May 2015, he resigned as a director and ceased to be a shareholder of SIIE to focus on the business of our Group. SIIE had since been dissolved in July 2023.

Leveraging on his experience and expertise in control system design and engineering as well as his network of customers in the industry, he joined Sophic Automation in June 2011 and assumed the role of Chief Operations Officer to oversee the overall operations, marketing and business development activities. He was redesignated as our CEO in June 2020. In November 2011, he co-founded Sophic MSC with Lee Chee Hoo to initially undertake information system engineering and solution development activities.

Together with Lee Chee Hoo, he has been instrumental in the development, growth and success of our Group. He has been involved in the semiconductor industry for more than 15 years with extensive knowledge in automation solutions and engineering services. He was the Chairman of Malaysia Industrial 4.0 System Integrator Association since January 2021 and he resigned in January 2023.

He also sits on the Board of all of our subsidiary companies, namely Sophic Automation, Sophic MSC and Pinkypye.

Other than 3REN, he does not sit on the board of directors of any public listed companies and listed issuer.

Family relationship with Directors and/or major shareholders of 3REN Berhad

None

Conflict of interest with 3REN Berhad

None

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty by the relevant regulatory bodies during the financial year

None

PROFILE OF DIRECTORS (cont'd)

LEE CHEE HOO

Executive Director & Chief Revenue Officer
Appointed on 8 February 2024

Age

52

Gender

Male

Nationality



Board Meetings

Attendance
2/3



Lee Chee Hoo, a Malaysian aged 52, is our Executive Director and Chief Revenue Officer (CRO). He was appointed to our Board on 8 February 2024. He is responsible for leading and facilitating our Group's business solutions, business growth and collaboration with ecosystem partners.

He graduated with a Bachelor in Electrical and Electronics Engineering from Universiti Sains Malaysia in 1998.

He started his career in June 1998 as an Engineer with Golden Hope Fibreboard Sdn Bhd where his responsibility included overseeing automation functions involving electrical devices and instruments at the company's manufacturing plant. In February 1999, he left the company to join Intel Products (M) Sdn Bhd as an Equipment and Process Engineer where he was responsible for various production and quality control activities including equipment and tooling development, product yield loss elimination activities and production capacity savings. He was promoted to Package Design Engineer and Electrical Analysis and Design Engineer in February 2001 where he was responsible for developing models and simulations for semiconductor chips. In January 2004, he was transferred to Intel Technology Sdn Bhd as a Senior Design Integrator, where he led a team of engineers in designing advanced semiconductor packaging for network processors. He was also responsible for the overall project management including managing production schedules, resource planning and design execution. He left Intel Technology in June 2007. During the same year, he set up a partnership, namely, Sophic Design, to offer technical training courses, design and consultancy services such as automation training kits and technical training program. In February 2011, Sophic Design ceased its operations and transferred all its businesses to SIIE, and the partnership subsequently expired in the same month.

He joined Sophic Automation as its director and became one of its shareholders in November 2008 and December 2008 respectively, and then assumed the role of CEO in 2013. Together with Koh Dim Kuan who joined Sophic Automation in June 2011, he gradually grew the business of Sophic Automation to be involved in the automation and digitalised solutions business and subsequently incorporated Sophic MSC with Koh Dim Kuan in November 2011. In August 2012, he became a director of SIIE where he was involved in the management of the overall business operations. In August 2015, he left SIIE to focus on growing and expanding our business operations. He was redesignated to his current position as a CRO in March 2025 and has successfully guided and led the development of new digitalised solutions for our Group.

Together with Koh Dim Kuan, he has been instrumental in the development, growth and success of our Group. He has been involved in the automation and digitalisation industry for more than 20 years and has vast knowledge in the area of design and development of automated and digitalised solutions.

He also sits on the Board of Sophic Automation and Sophic MSC.

Other than 3REN, he does not sit on the board of directors of any public listed companies and listed issuer.

Family relationship with Directors and/or major shareholders of 3REN Berhad

None

Conflict of interest with 3REN Berhad

None

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty by the relevant regulatory bodies during the financial year

None

PROFILE OF DIRECTORS (cont'd)

AHMAD KHAIRUDDIN BIN ABDUL RAHIM

Independent Non-Executive Director
Appointed on 20 March 2024

Age

63

Gender

Male

Nationality



Board Meetings

Attendance
3/3



Ahmad Khairuddin Bin Abdul Rahim, a Malaysian aged 63, is our Independent Non-Executive Director. He was appointed to our Board on 20 March 2024. He is also the Chairman of our Remuneration Committee.

He obtained a Diploma in Business Studies from Institut Teknologi MARA (now known as Universiti Teknologi MARA (UiTM)) in 1983. He also obtained a Bachelor of Business Administration from Eastern Michigan University, USA in 1985 and a Master of International Business Administration from the United States International University, USA in 1988.

He started his career as an Assistant Registrar with International Islamic University, Malaysia in February 1989 where he was involved with general administration. He left the university in December 1990 and in January 1991, he joined MIDA as an Assistant Director in several divisions i.e. Resource Based Industries Division, Planning Division and Industry Support Division. In December 1999, he was assigned as Assistant Director to MIDA office in London, UK. He returned to Malaysia in February 2003 and was attached to the Manufacturing-related Services Division and was later promoted to Senior Assistant Director. He was subsequently promoted to Deputy Director in December 2005 and to Senior Deputy Director (Logistic Services and Regional Operation Division) in January 2008.

In November 2009, he was assigned as Director to MIDA

office in Sydney, Australia. In January 2013, he returned to Malaysia and assumed the position of Director in Clean/ Green Technology and Management Division. He was subsequently promoted to Executive Director of Investment Promotion in July 2014, after which he was transferred to the Manufacturing Development (Resource) in May 2015. In May 2019, he was promoted to Senior Executive Director for Strategic Planning and Development. He was subsequently promoted to Deputy Chief Executive Officer for Investment Development in December 2019.

He retired from MIDA in February 2022 and he brings with him more than 30 years of working experience and knowledge with MIDA in various roles and functions. Throughout his tenure with MIDA, he was responsible for overseeing the investment promotion and industrial development of areas under the purview of MIDA. His portfolio in MIDA was on investment development, covering 11 divisions, namely, business services and regional operations; chemical and advanced materials; electrical and electronics; food technology and resources; life sciences and medical technology; lifestyle; machinery and metal; oil and gas, maritime and logistics; green technology; healthcare, education and hospitality; transport technology; and one unit, i.e., biocircular economy.

Other than 3REN, he does not sit on the board of directors of any public listed companies and listed issuer.

Family relationship with Directors and/or major shareholders of 3REN Berhad

None

Conflict of interest with 3REN Berhad

None

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty by the relevant regulatory bodies during the financial year

None

PROFILE OF DIRECTORS (cont'd)

HANITA BINTI OTHMAN

Independent Non-Executive Director
Appointed on 20 March 2024

Age

60

Gender

Female

Nationality



Board Meetings

Attendance
3/3



Hanita Binti Othman, a Malaysian aged 60, is our Independent Non-Executive Director. She was appointed to our Board on 20 March 2024. She is a member of our Audit and Risk Management Committee and the Nomination Committee.

She graduated with the Association of Chartered Certified Accountants (ACCA) from Emile Woolf College, United Kingdom in 1989. She is a member of the Malaysian Institute of Accountants (MIA) and a fellow of ACCA.

She started her career in auditing when she joined Coopers & Lybrand Kuala Lumpur as Audit Semi-Senior in June 1990. During her tenure at Coopers & Lybrand Kuala Lumpur, she was involved in various statutory and non-statutory audit of companies, due diligence review, internal control review and reporting accountant activities. She left Coopers & Lybrand Kuala Lumpur in September 1997 as an Audit Manager, to join SPK Sentosa Corporation Bhd as Senior Accountant where she was involved in managing the group's accounting activities. In February 1998, she left SPK Sentosa Corporation Bhd to join Price Waterhouse (presently known as PricewaterhouseCoopers) as Audit Manager where she continued her career in auditing. In September 1999, she left Price Waterhouse to join the Kuala Lumpur Stock Exchange (presently known as Bursa Securities) as a Manager of the Financial Review and Surveillance department where she was involved in monitoring corporate activities and financial irregularities of listed companies.

In January 2001, she was transferred to the Securities Issues department in preparation to undertake a review of applications for listing on the Malaysian Exchange of Securities Dealing and Automated Quotation (MESDAQ) Market (revamped into the ACE Market in 2009). implementation of certain initiatives under the Capital Market Masterplan. This also involved secondment to the Securities Commission Malaysia's (SC) Securities Issues department. The KLSE-MESDAQ merger was completed in March 2002.

She became Head of the Securities Issues department in 2003. In January 2005, she was transferred to the Group Strategic Planning department where she was responsible for planning business strategies, monitoring Bursa Securities-wide initiatives and the implementation of certain initiatives under the Capital Market Masterplan.

In January 2006, she joined the SC as Assistant General Manager where she resumed her previous function involving the assessment and processing of applications for companies' listing on the MESDAQ Market as well as secondary fund raisings on the Main Board, Second Board and MESDAQ Market. In September 2009, she left SC and returned to Bursa Securities as Head of Issuers – ACE Market department where she continued her role in the assessment and processing of applications for listing on the ACE Market. In February 2017 she was transferred to the Primary Market of Securities Market division where she was involved in the marketing and development of initial public offering and fund-raising ecosystem. In August 2018, she was promoted to Senior Vice President of the Primary Market, Listing Development department. In March 2021, she left Bursa Securities to pursue her personal interests in other areas of corporate finance. Since March 2022, she serves as a consultant for Brunei Darussalam Central Bank on matters relating to listing and public offerings.

Other than 3REN, she does not sit on the board of directors of any public listed companies and listed issuer.

Family relationship with Directors and/or major shareholders of 3REN Berhad

None

Conflict of interest with 3REN Berhad

None

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty by the relevant regulatory bodies during the financial year

None

PROFILE OF DIRECTORS (cont'd)

JOYCE WONG AI MAY

Independent Non-Executive Director
Appointed on 20 March 2024

Age

49

Gender

Female

Nationality



Board Meetings

Attendance
3/3



Joyce Wong Ai May, a Malaysian aged 49, is our Independent Non-Executive Director. She is the Chairwoman of our Audit and Risk Management Committee and a member of our Remuneration Committee and Nomination Committee.

She obtained a Bachelor of Commerce from the University of Tasmania, Australia in 1998. She is a member of the MIA, a corporate member of the Institute of Internal Auditors Malaysia and a fellow member of the Certified Practising Accountants, Australia.

She began her career as an Accounts Executive with Smith Zain Securities Sdn Bhd in June 1999 and later became the Head of Finance in 2002 under BBMB Securities Sdn Bhd, Penang Branch (BBMB Securities Sdn Bhd took over the business of Smith Zain Securities Sdn Bhd). She was responsible for treasury, management accounting and financial accounting. Following a takeover of the business of Smith Zain Securities Sdn Bhd by BBMB Securities Sdn Bhd, she was rehired as the company's Penang branch Head of Finance in December 2002 where she was in charge of the overall branch-level activities for the Finance department before leaving the company in January 2004. In February 2004, she joined Hwang-DBS Securities Berhad as an Internal Audit Officer where she was responsible for conducting independent audits on risk management, operations, and financial areas.

In July 2004, she left Hwang-DBS Securities Berhad. In August 2004, she joined Fastrack Corporate Sdn Bhd as an Executive, mainly responsible for handling secretarial-related matters for private and public companies. She left the company in January 2005 and joined UHY Malaysia as an Audit Supervisor and was subsequently promoted to Director in January 2015, where she was in charge of supervising the firm's overall operations.

She left the firm in May 2016 to set up her own consulting firm, JWC Consulting Sdn Bhd which provides business management consultancy services and serves public listed companies with reviews on their business processes, corporate governance and risk management. Joyce also sits on the Industry Advisory Panel of the School of Business of Distd College, Penang.

She is currently an Independent Non-Executive Director of Foundpac Group Berhad, PCCS Group Berhad and Edeltec Holdings Berhad which are public companies listed on Bursa Securities. She is also an Independent Director of Caritas Malaysia, a non-profit organisation.

Family relationship with Directors and/or major shareholders of 3REN Berhad

None

Conflict of interest with 3REN Berhad

None

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty by the relevant regulatory bodies during the financial year

None

PROFILE OF DIRECTORS (cont'd)

TERESA TAN SIEW KUAN

Independent Non-Executive Director
Appointed on 20 March 2024

Age

56

Gender

Female

Nationality



Board Meetings

Attendance
3/3



Teresa Tan Siew Kuan, a Malaysian aged 56, is our Independent Non-Executive Director. She was appointed to our Board on 20 March 2024. She is the Chairwoman of our Nomination Committee and also a member of our Audit and Risk Management Committee and Remuneration Committee.

She graduated with a Bachelor of Economics from the University of Adelaide, Australia in 1992. She is a fellow member of the Certified Practising Accountant, Australia and a member of the MIA.

She started her career as an Audit Assistant with Kassim Chan + Co (now known as Deloitte) in February 1992, where she was involved in external audit fieldwork for financial statements and internal control procedures for corporate clients. In October 1993, she left and joined Coopers & Lybrand (now known as Price Waterhouse Coopers) as a Tax Assistant, where she was mainly involved in tax audit works. In June 1995, she left and joined Malaysian International Merchant Bankers Berhad (now known as Hong Leong Investment Bank Berhad) as an Executive, Corporate Finance and held her last position as an Assistant Vice President, Corporate Finance and Acting Branch Manager in July 2004. She then left to join K&N Kenanga Berhad (now known as Kenanga Investment Bank Berhad) in August 2004 as a Senior Manager, Corporate Finance. During her tenure with the investment banks, she mainly provided corporate advisory services to corporate/institutional clients and public listed companies. She left in August 2007 and took a 1-year career break before joining KDU College Penang (now known as UOW Malaysia KDU Penang University College) in August 2008 as a lecturer in accounting and auditing subjects of the Australian tertiary twinning programmes.

She left KDU College Penang in November 2009 and in February 2010, she rejoined K&N Kenanga Berhad (now known as Kenanga Investment Bank Berhad) as a Senior Manager for the investment banking division, where she was responsible for marketing the group's products and services. In March 2014, she was transferred to Kenanga Investors Berhad, Penang as the Vice President, Business Development Manager where she was mainly responsible for the marketing and distribution of products and services to the retail market segment and the financial, operational and administrative matters of the Penang branch. In November 2017, she left Kenanga Investors Berhad and joined TT Vision Holdings Berhad as the Chief Finance Officer where she was responsible for the overall finance and accounts of the group whilst overseeing the listing exercise of the company on the LEAP Market of Bursa Securities. She left TT Vision Holdings Berhad in September 2019. Currently, she provides management and business consultancy services on a freelance basis.

She is currently an Independent Director of IQ Group Holdings Berhad which is listed on Main Market of Bursa Securities as well as BWYS Group Berhad which is listed on the ACE Market of Bursa Securities. She is also the Independent Non-Executive Chairperson of WTEC Group Berhad, which is en-route for listing on the ACE Market of Bursa Securities.

Family relationship with Directors and/or major shareholders of 3REN Berhad

None

Conflict of interest with 3REN Berhad

None

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty by the relevant regulatory bodies during the financial year

None

PROFILE OF DIRECTORS (cont'd)

MOHAMMAD HAZANI BIN HASSAN

Non-Independent Non-Executive Director
Appointed on 20 March 2024

Age

60

Gender

Male

Nationality



Board Meetings

Attendance
3/3



Mohammad Hazani Bin Hassan, a Malaysian aged 60, is our Non-Independent Non-Executive Director. He was appointed to our Board on 20 March 2024.

He obtained a Bachelor of Science in Mechanical Engineering from the California State University, Sacramento, USA in 1988 and a Diploma in Management for Technology from the Singapore Institute of Engineering Technologists in 1993.

He started his career as a Research Assistant with SIRIM Berhad in October 1988 where he was mainly responsible for research work. He left the company in March 1989 to join Omron (M) Sdn Bhd as a Management Trainee. He left the company in March 1993 with his last position as Section Head, where he was involved in managing engineers and technicians for daily operations of plant facilities and machinery. During the same month, he joined Malaysian Technology Development Corporation Sdn Bhd (MTDC) as an Assistant Manager of Investment. He had held several positions within MTDC before he left as Assistant General Manager, Investment and Special Project in July 2001. He was mainly involved in deal sourcing and evaluation, deal structuring, technology transfer (locally and abroad) and fundraising activities.

In August 2001, he joined Kumpulan Modal Perdana Sdn Bhd (KMP) in August 2001 as Senior Vice President. He was also seconded to Hi Tech Ventures Capital LP in Silicon Valley, USA between October 2004 and October 2007. He left the company in May 2012 with his last position as the Principal. During his tenure with KMP, he was involved with venture capital funds activities, managing special projects, including the local microchip design initiative and business accelerator operation through plug and play technology management. In June 2012, he rejoined MTDC as Director, Technology Transfer and Commercialisation. In June 2015, he was promoted to Director, Technology Ventures Division before being promoted to his current position as CEO in January 2023.

He has vast experience in fund management, venture capital and technology transfer having been involved in the industry for the last 30 years, both locally and internationally. He was previously the Chairman of the Malaysian Venture Capital Association and a management committee member of the Technopreneur Association of Malaysia management committee.

Other than 3REN, he does not sit on the board of directors of any public listed companies and listed issuer.

Family relationship with Directors and/or major shareholders of 3REN Berhad

None

Conflict of interest with 3REN Berhad

None

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty by the relevant regulatory bodies during the financial year

None

PROFILE OF KEY SENIOR MANAGEMENT

Yeap Siew Wen Chief Financial Officer

Age

32

Gender

Female

Nationality



Yeap Siew Wen, a Malaysian aged 32, is our Chief Financial Officer. She graduated from Universiti Tunku Abdul Rahman with a Bachelor of Commerce (Hons) in Accounting in 2015. She is a member of the MIA and a fellow member of the ACCA.

She started her career in July 2016 as an Audit Associate with BDO PLT (previously known as BDO Malaysia). She was promoted to Audit Senior Associate in July 2017 and Assistant Manager, Audit in July 2019, before leaving the company in September 2021. She managed and supervised the external audits involving multinational, public and private companies from various industries including technology, healthcare, property development, industrial products and services. She was also involved in the audit and preparation of accountants' reports for companies seeking listing on Bursa Securities. She joined our Group as the Accounts and Finance Manager in September 2021 and was redesignated as the Corporate Development and Strategy Manager in October 2022. Following corporate reorganisation ahead of 3REN Berhad's listing on the ACE Market of Bursa Securities, she was promoted to Head of Finance in June 2023. In March 2025, she was promoted to her current position where she is responsible for overseeing the overall finance and accounting functions, corporate development, corporate finance, tax and treasury matters of the Group.

Family relationship with Directors and/or major shareholders of 3REN Berhad

None

Conflict of interest with 3REN Berhad

None

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty by the relevant regulatory bodies during the financial year

None

Loh Paik Hoe (Janniece) Chief Culture Officer

Age

40

Gender

Female

Nationality



Loh Paik Hoe, a Malaysian age 40 is our Chief Culture Officer. She graduated from Universiti Utara Malaysia (UUM) with a Bachelor of Business Administration (Hons) in 2008.

She started her career in 2008 Sony EMC (M) Pg Tec as a Production Planner. She was promoted to Senior Production Planner in 2010. During her tenure with the company, she was involved in order management, production planning and scheduling, inventory and resource management, process improvement and efficiency. In 2015 she resigned from Sony EMC (M) Pg Tec and took a short career break. In 2018 she joined our Group as a Human Resource Manager. She was promoted to Senior Human Resource Manager in 2022 and to Head of Talent & Culture in 2023. She is responsible for developing HR strategy, managing employee relations and ensuring compliance with labour laws. She is also tasked with developing innovative recruitment strategies, overseeing the recruitment and selection process, drawing up competitive compensation packages and directing the process of training and development of employees in the organisation.

Family relationship with Directors and/or major shareholders of 3REN Berhad

None

Conflict of interest with 3REN Berhad

None

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty by the relevant regulatory bodies during the financial year

None

PROFILE OF KEY SENIOR MANAGEMENT (cont'd)

Liew Chee Kin CEO & Director of Sophic MSC

Age

43

Gender

Male

Nationality



Liew Chee Kin, a Malaysian aged 43, is the CEO and Director of Sophic MSC. He graduated with a Diploma in Electronic Engineering (Computer) from Ungku Omar Polytechnic in 2003.

He started his career as a Mask Designer with Kelly Services (Malaysia) Sdn Bhd in December 2003, where he was assigned to an engineering support services project with Intel Microelectronics (M) Sdn Bhd to design and test ICs. In January 2005, he was absorbed as a full-time employee and was designated as an Engineer Technician, where he performed pre-silicon and post-silicon validation activities. He left Intel Microelectronics (M) Sdn Bhd in January 2006. In January 2006, he joined Vitrox Technologies Sdn Bhd as a Service Engineer, providing customer technical support services for the company's automated visual inspection equipment. In July 2007, he left to join Keyence (Malaysia) Sdn Bhd as Consulting Sales Engineer, where he proposed suitable solutions, undertook sales activities, performed installation and provided technical support services for the company's automated equipment to customers. He left the company in March 2009 and joined Autovation Sdn Bhd as Senior Sales and Application Engineer from April 2009 to January 2014. He was mainly responsible for identifying potential markets and industries to market the company's industrial automation product, supervised project status and progress, proposed suitable solutions, and led a team in carrying out product demonstrations and providing technical support services. He joined our Group as a Technical Sales Manager in August 2014, where he was responsible for business development in the central region. In December 2019, he acquired an equity stake in Sophic MSC and assumed the Director role. He is responsible for the overall business operations and business development of the Group in the central and southern regions in Malaysia.

Family relationship with Directors and/or major shareholders of 3REN Berhad

None

Conflict of interest with 3REN Berhad

None

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty by the relevant regulatory bodies during the financial year

None

Elwyn Toh Jiern Wae Head Of Software Innovation

Age

31

Gender

Male

Nationality



Elwyn Toh Jiern Wae, Malaysian aged 31, is our Head of Software Innovation. He graduated with a Bachelor of Engineering (Hons) in Electrical and Electronic Engineering from the University of Bradford, UK in 2017.

He started his career in January 2017 when he joined our Group as a Junior Programmer, assisting senior programmers in testing and customising software. He was promoted to Software Developer in March 2018, where he was responsible for developing software for our digitalised solutions and automated equipment. In March 2019, he assumed the position of Assistant Manager, where he was responsible for the execution of digitalised solution projects for the Group and led a team in carrying out software development for these projects. He was promoted to Software Innovation Manager in September 2020 and re-designated as Head of Software Innovation in June 2023. He is responsible for the overall development and customisation of software applications/platforms for use in the automated equipment and digitalised solutions of our Group.

Family relationship with Directors and/or major shareholders of 3REN Berhad

None

Conflict of interest with 3REN Berhad

None

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty by the relevant regulatory bodies during the financial year

None

PROFILE OF KEY SENIOR MANAGEMENT (cont'd)

Lai Goey Choo

Head of Product Engineering Services

Age

54

Gender

Female

Nationality



Lai Goey Choo, a Malaysian aged 54, is our Head of Product Engineering Services. She obtained a certificate in Electrical Engineering Technicians (Microprocessors) from City and Guilds of London Institute, UK in 1994 and a Diploma in Business Administration from KDU College, Penang in 1999. She also obtained the Executive Master of Preventive Health from Open University Malaysia in 2017.

She started her career as a Technician with Intel Microelectronics (M) Sdn Bhd in August 1990. She was promoted to Product Development Engineer in August 2000 and Component Design Engineer in August 2006. During her tenure with the company, she was involved in conducting validation and testing on ICs, generating product validation test plans and strategies, and validating and verifying semiconductor devices and components. In May 2014, she joined our Group as the Business Process Outsourcing Manager. She was mainly responsible for the product engineering service projects of the Group, which included managing customers and implementing strategies to enhance operational efficiency and productivity whilst ensuring the key performance indicators and objectives set out by our customers were met. She was re-designated to Head of Product Engineering Services in March 2022. Currently, she is mainly responsible for the product engineering services including managing contracts and relationships with the customers as well as overseeing the management and training project teams.

Family relationship with Directors and/or major shareholders of 3REN Berhad

None

Conflict of interest with 3REN Berhad

None

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty by the relevant regulatory bodies during the financial year

None

Wong Shin Guey

Head of Research and Development

Age

44

Gender

Male

Nationality



Wong Shin Guey, a Malaysian aged 44, is our Head of Research and Development (R&D). He graduated from Universiti Teknologi Malaysia with a Bachelor of Engineering (Computer) (Hons) in 2005. He also obtained a Master of Engineering (Electrical - Computer and Microelectronic System) from Universiti Teknologi Malaysia in 2010.

He started his career in May 2005 as an Electrical Validation Content Engineer with Intel Technology Sdn Bhd and was promoted to Senior Electrical Validation Content Engineer in March 2011. He was in charge of defining software test frameworks for electrical validation and carrying out pre-silicon simulation activities. In September 2014, he resigned from Intel Technology Sdn Bhd and took a short career break. In April 2015, he joined our Group as an Industrial IoT Architect, where he was responsible for developing software for our digitalised solutions and automated equipment. He was re-designated as Head of R&D in June 2023. He is responsible for spearheading the R&D activities for automated digitalised solutions, software applications and platforms that can enhance our Group's operational processes.

Family relationship with Directors and/or major shareholders of 3REN Berhad

None

Conflict of interest with 3REN Berhad

None

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty by the relevant regulatory bodies during the financial year

None

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

On 9 October 2024, we had successfully launched our Prospectus for our Initial Public Offering (IPO) in conjunction with the listing of 3REN Berhad (3REN or the Company) on the ACE Market of Bursa Malaysia Securities Berhad (Bursa Securities). The IPO received an overwhelming response from the investing public, with the public portion being oversubscribed by 84 times, reflecting strong market confidence in our business and growth prospects. Subsequently on 6 November 2024, 3REN was successfully listed on the ACE Market of Bursa Securities, marking a significant milestone in our Group's corporate journey.

Review of Our Operations

3REN was incorporated in Malaysia under the Companies Act, 2016 on 5 April 2021 as a private limited company under the name of 3REN Sdn Bhd. On 19 February 2024, our Company was converted into a public limited company and assumed its present name.

Our Company is principally an investment holding company whilst our subsidiaries (collectively referred as the "Group") are principally involved in the provision of automation solutions and engineering services.

Financial Performance

(a) Revenue

For the financial year ended 31 December 2024 (FYE 2024), our Group reported a total revenue of RM103.42 million compared to RM94.89 million for FYE 2023, representing an improvement of 8.99% year-on-year (YoY). The increase in our revenue was primarily driven by higher contributions from product engineering services, which grew by RM4.04 million (13.61%), and engineering support services, which recorded an increase of RM3.53 million (12.28%) and the design, development and sale of automated equipment which recorded a growth of approximately RM1.38 million (12.21%). However, these gains were partially offset by lower sales from the design, development, and sale of digitalized solutions during the financial year.

Our revenue was mainly derived from customers located in Malaysia, which contributed 90.41% of total revenue. The remaining export markets were from Singapore, Philippines and other countries.

The breakdown of our Group's revenue by business segment and geographical locations are as follows: -

Revenue by business segment

Business Segment	Audited FYE 2024		Audited FYE 2023	
	RM'000	%	RM'000	%
Product engineering services	33,716	32.60	29,676	31.27
Manufacturing operating solutions and services	69,699	67.40	65,215	68.73
TOTAL REVENUE	103,415	100.00	94,891	100.00

MANAGEMENT

DISCUSSION AND ANALYSIS (cont'd)

Revenue by geographical locations

Geographical Locations	Audited FYE 2024		Audited FYE 2023	
	RM'000	%	RM'000	%
Local				
Malaysia	93,500	90.41	89,106	93.90
Overseas				
Singapore	4,639	4.49	2,280	2.40
Philippines	4,366	4.22	1,198	1.26
Others	910	0.88	2,307	2.44
	<u>9,915</u>	<u>9.59</u>	<u>5,785</u>	<u>6.10</u>
TOTAL REVENUE	<u>103,415</u>	<u>100.00</u>	<u>94,891</u>	<u>100.00</u>

(b) Profitability

For the FYE 2024, the Group's gross profit (GP) margin declined marginally from 28.98% in FYE 2023 to 26.78%, primarily due to a lower GP margin from the provision of automation solutions. However, this was partially mitigated by improved margins from engineering services delivered during the year.

Our Group's profit before taxation (PBT) shrank by RM3.07 million (20.83%), from RM14.74 million for FYE 2023 to RM11.67 million for FYE 2024. The decline was mainly attributable to one-off listing expenses amounting to approximately RM2.70 million, which were charged out upon our Company's listing on the ACE Market of Bursa Securities on 6 November 2024. Additionally, higher staff costs and benefits as well as marketing and logistics to support our Group's overseas business had also resulted in the decrease in our profitability.

Excluding the impact of listing expenses, our Group's normalized PBT for FYE 2024 stood at RM14.37 million, reflecting a slight decline of RM0.37 million (2.51%) compared to the previous financial year. Similarly, our Group's profit after tax (PAT) declined by RM2.86 million (24.66%), primarily due to the listing expenses recognized during the financial year. On a normalized basis, excluding these expenses, our Group's PAT stood at RM11.44 million.

(c) Capital Structure and Capital Resources

For the FYE 2024, our Group's total assets increased by 50.29% YoY, rising from RM79.56 million for FYE 2023 to RM119.57 million. This growth was primarily due to higher inventories, trade receivables, contract assets, intangible assets as well as higher bank balances boosted by IPO gross proceeds of RM30.80 million. Additionally, our Group held fixed deposits with licensed banks totaling RM8.28 million.

Shareholders' equity improved by 65.20% YoY, reaching RM97.50 million from RM59.02 million in FYE 2023, mainly due to the contribution from enlarged share capital from the IPO and increased retained earnings.

Total liabilities rose marginally by 7.45% YoY to RM22.07 million for FYE 2024 from RM20.54 million for FYE 2023, primarily due to increased contract liabilities.

As a result, the Group reports a strong balance sheet with a current ratio of 9.56 times and a low gearing ratio of 0.11 times. Return on equity stood at 8.96%.

(d) Dividend

A single tier interim dividend of RM0.005 per ordinary share, amounting to approximately RM3.25 million for the FYE 2024, was paid on 28 March 2025 to shareholders of the Company whose names appear in the record of depositors on 12 March 2025.

MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

Anticipated and known risks

The following are the main factors that may affect the operational risks of the Group:

(a) Dependency on certain major customers

A significant portion of our Group's revenue is derived from Intel group of companies, either directly or indirectly through Intel's managed service providers. While invoicing is addressed to the said service providers, our Group works directly with Intel's teams in delivering product engineering services, including post-silicon validation and new product introduction (NPI) support, as well as engineering support services for integrated circuit assembly and testing. This operational structure results in our Group being heavily dependent on Intel for revenue generated via the said service providers.

Given this dependency, any reduction, delay, or termination of purchase orders from the Intel group—whether issued directly or indirectly could adversely affect our Group's financial performance. Although 3REN has maintained longstanding relationships with these parties, there is no assurance of continued engagement. Our Group's ability to secure future orders hinges on meeting customer expectations in terms of technical capability, competitive pricing, delivery timelines, and service quality.

(b) Dependence on key management and skilled personnel

Our Group's vision, strategic direction, leadership, business planning and development and management of our Group's business operations are highly dependent on the skills, experiences, abilities and continued efforts by our Executive Directors. We are also dependent on our key senior management who possess the required knowledge and skills to ensure the smooth progress of the business.

The loss of any of our Executive Directors and/or key senior management may result in an adverse impact to the performance of our Group. In order to attract and retain the senior management personnel to support the business operations, our Group has put in place human resources strategies which include providing competitive and performance-based remuneration and on-going training programmes to enhance their knowledge and capabilities.

(c) Competition Risks

Our Group faces competition from both existing and prospective local and international industry players which may have the capability of offering similar services and solutions to pose a serious threat to the success and sustainability of our business.

Our Group will continue to take strategic measures and action to address these risks to move ahead of the competition.

(d) Political, Economic and Regulatory Considerations

Our Group's business, prospects and level of profitability may be affected by developments in the economic, political and regulatory environment in the domestic and international markets as well as the global supply chain. Political and economic uncertainties include but not limited to risk of war, global economic downturn, changes in political leadership, changes in investment policies, inflation, introduction of new regulations, import duties and tariffs.

The recent surge in tariff policy changes by developed nations, unprecedented in both scale and scope has introduced new layers of volatility to the global trade environment.

Our Group will continue to take necessary measures such as prudent management to mitigate any adverse political and economic factors that will affect our Group's business.

MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

Outlook and Prospects

The market outlook for automation solutions and engineering services is expected to rise in the future as a result of several factors, including but not limited to a robust and diverse economy, a trained and skilled workforce, various initiatives/policies unveiled by the government such as the National Semiconductor Strategy to move up the country's semiconductor value chain and focus on higher-value segments including technological innovations, infrastructure investment and globalization.

Nevertheless, the outlook for 2025 remains challenging for both domestic and export markets due to global economic uncertainties, geopolitical events and fluctuations in global trade relations.

Our Group is focusing its efforts on diversification and growth of customer base and continue to expand its business by securing orders from existing and new customers. Our first Delivery Centre* has been in operation since fourth quarter of FYE 2024 to deliver product engineering services to a fabless semiconductor company.

Our Group will continuously grow its market share in automation solutions and engineering services. The regional expansion will also be facilitated by the establishment of a new office in Singapore targeted to be completed by the end of second quarter of FYE 2025.

As talents are our key assets to drive innovation and generate more economic value, our Group will continue to hire more talents for product engineering services and research & development (R&D). In addition, our Group will continue to invest in R&D initiatives to offer new and enhanced automation solutions to a wide range of manufacturing industries such as semiconductor and electronics, food and beverage, medical device and automotive.

Premised on the above, we remain optimistic of the prospects and outlook for our Group.

** A dedicated premise set up for a customer to house product engineering activities*

SUSTAINABILITY STATEMENT

饮水思源 yǐn shuǐ sī yuán

The proverb 饮水思源 (yǐn shuǐ sī yuán) teaches us to instil a sense of gratitude and mindfulness towards nature's gifts. This ancient wisdom reminds us to be grateful for all our blessings.

At 3REN Berhad, we are adopting this as a guiding principle in our sustainability efforts and cultivating a responsible mindset. Through initiatives aimed at giving back to the community, reducing waste, and promoting environmentally greener practices, we aspire to make a positive contribution to the community and nature and cultivate behaviours that cherish resources. Additionally, we deeply value our employees, partners, and customers, recognizing the vital roles they play.



Our Sustainability Structure

Our Board of Directors, supported by the Audit and Risk Management Committee (ARMC), oversees the Group's sustainability strategies, risk management, and business resilience. The ARMC ensures sustainability is integrated into decision-making, performance monitoring, and risk mitigation, aligning with 3REN Berhad's business operations.



SUSTAINABILITY STATEMENT (cont'd)

Environmental

As one of the leading providers of automation solutions and engineering services, we recognise our responsibility to minimise environmental impact. Our approach includes:

- **Resource Efficiency**

Implementing cutting-edge technologies to reduce energy consumption and optimise resource utilisation across our operations.

- **Sustainable Practices**

Adopting eco-friendly materials and processes in our engineering solutions to lessen our carbon footprint.

- **Waste Management**

Establishing comprehensive waste reduction and recycling programs to promote environmental conservation.

These approaches include the following:

Building Automation Features in Premises

We have implemented a control and command solution to monitor and manage the temperature and lighting in our premises via sensors. This will lead to efficient electricity utilisation and promote energy conservation.

Digitalisation and Recycling

Our employees are encouraged to communicate via electronic means e.g. email and instant messaging to reduce paper usage. We recycle our material wastes and practice responsible disposal for non-recyclable waste. We have organised a 5R awareness campaign with the assistance of Tzu Chi (a Taiwanese international humanitarian and non-governmental organization whose work includes medical aid, disaster relief, and environmental work) to educate our employees on the concept of waste management. To further reinforce this, we have volunteered at Tzu Chi Environment Protection Centre for better understanding of the recycling process.

Tree Planting



Our employees have taken part in tree planting programmes by planting trees around the Group's premises with the aim of lowering our carbon footprint and support environmental preservation. We have installed an auto sprinkler system to for the watering of the plants and are currently developing a rainwater harvesting system to collect rainwater for cleaning and watering of plants while supporting a greener environment.



SUSTAINABILITY STATEMENT (cont'd)

Social Responsibility

We believe in the importance of nurturing relationships, and the success of our business relies on the cooperation and mutual support of all stakeholders. By fostering a culture of inclusion and cooperation, we not only strengthen our sustainability efforts but also fortify the bonds that sustain our businesses and communities. People and communities are integral to our success. We are dedicated to:

- **Employee Well-being**

Fostering a safe, inclusive, and supportive workplace that encourages professional development and personal growth.

- **Community Engagement**

Collaborating with local communities to support educational initiatives, health programs, and social welfare projects, thereby contributing to societal advancement.

- **Customer Commitment**

Delivering high-quality, innovative solutions that meet the evolving needs of our clients while upholding ethical business practices.

As part of our employee well-being and personnel development, we have implemented programmes in enhancing the quality of life for our employees as follows:

Compensation and Benefits

We have established the Long Term Incentive Plan (LTIP) to reward and retain Eligible Persons with the opportunity to participate in this plan where they may benefit from the capital gains or income from dividends declared.

Occupational Health and Safety

Safety is paramount in our organisation. We have put in place standard operating procedures for ensuring the safety of our employees, visitors and contractors. Our new employees are also required to attend safety briefings during their orientation to create awareness of the importance of safety.

Recreation

We believed that the office environment is not just about workstations and files but also a place where the employees can relax, and unwind. In achieving this work life balance, we have equipped our workplace with games, snooker tables, karaoke and smart televisions to promote staff bonding, release work stress and boost employee morale. We also organised team events to foster team-building.

Employment, Diversity and Equal Opportunity

We promote gender diversity and equal opportunity to individuals from diverse background, ethnicity and gender. This is shown in our workforce composition where approximately 30% of our workforce is female.



SUSTAINABILITY

STATEMENT (cont'd)

Retention of Employees/Training and Education

We provide our employees with competitive remuneration packages and also through continuous technical training and thus supporting their professional development, which in turn would result into higher productivity and performance. These include the following:

Year	Training programmes	Organiser
FYE 2024	Introduction to SA 8000 Social Accountability	BSI Training Academy
	Procedure for termination & retrenchment of employees (<i>Prosedur Penamatan & Pemecatan Pekerja</i>)	Department of Trade Union Affairs
	EQ vs IQ	Surge Connection Sdn Bhd
	Communication & Negotiation Skills	Surge Connection Sdn Bhd
	Keppure Fundamental Training	Supplier A
	Understanding & Awareness of RBA Version 8.0	HR Act Sdn Bhd
	3D Modelling for 3D Printing	Supplier A
	E-Invoice: Quickstart and Compliance for Malaysian Businesses	HR Act Sdn Bhd
	Occupational Safety & Health Coordinator Competency Programme	HR Act Sdn Bhd
	Foreign Worker & Expatriate Payroll Management (<i>Pengurusan Penggajian Pekerja Asing & Ekspatriat</i>)	Department of Trade Union Affairs
	Intelligent Manufacturing Conference-The Digital Transition For Sustainable Manufacturing	Selangor Human Resource Development Centre
	National Tax Conference 2024	Chartered Tax Institute of Malaysia

Scholarships and Career Talks

We have offered scholarships and career talks to students who intend to further their studies in the engineering fields. Through these initiatives, we impart relevant industry knowledge and provide practical advice to such candidates. These initiatives include:

Date	Name	Description
March 2024	Sponsorship for Engineering, Entrepreneurship, Technology Project and Innovation Exhibition 2024	Provision of knowledge regarding the latest technology used in the manufacturing industry as well as recruitment of suitable graduates
April 2024	Industrial Visit to Sophic Automation from Advanced Technology Training Center, Kulim and Politeknik Sultan Abdul Halim Mu'adzam Shah	Provision of knowledge regarding the latest technology used in the manufacturing industry as well as recruitment of suitable graduates
May 2024	Sponsorship for The Makerthon 2024	Supported the event
May 2024	Career Fair	Provision of knowledge regarding the latest technology used in the manufacturing industry as well as recruitment of suitable graduates
June 2024	Career Fair	Provision of knowledge regarding the latest technology used in the manufacturing industry as well as recruitment of suitable graduates
August 2024	STEM Showcase 2024	Provision of knowledge regarding the latest technology used in the manufacturing industry

SUSTAINABILITY STATEMENT (cont'd)

We have also participated in charity events as illustrated below:

Date	Name	Beneficiary Party	Description
February 2024	Social Volunteering Activity	Thean Oon Senior Home	Participated in social welfare activities at Thean Oon Senior Home.
April 2024	Social Volunteering Activity	Tzu Chi Environmental Protection & Recycle Centre	Participated in social welfare activities at Tzu Chi Environmental Protection & Recycle Centre.

Social Activities

Thean Oon Senior Home Care Centre Visitation



Life Saving Program (CPR-AED)



SUSTAINABILITY STATEMENT (cont'd)

Volunteering at Tzu Chi Environmental Protection & Recycle Centre



Enhancing Life Skills



STEM (Science, Technology, Engineering, Mathematics) Showcase



SUSTAINABILITY STATEMENT (cont'd)

Governance

Our Group is committed to uphold good corporate governance and ethical conduct in accordance with the principles and guidance under the Malaysian Code of Corporate Governance (MCCG) 2021. We have adopted the practices of MCCG 2021 into our Board Charter, Board Committee's Terms of Reference and Board policies. We emphasize the following:

- **Ethical Conduct**

Upholding the highest standards of integrity, transparency, and accountability in all our business dealings.

- **Regulatory Compliance**

Adhering strictly to legal and regulatory requirements, ensuring robust risk management and internal controls.

- **Stakeholder Engagement**

Maintaining open and constructive communication with shareholders, employees, customers, and other stakeholders to build trust and foster long-term relationships.

The following are some of the key governance practices under MCCG 2021 that we have adopted:

Practice 1.2	Appointment of Chairman of the Board	Dato' Boonler Somchit, our Non-Independent Non-Executive Chairman, will be responsible for instilling good corporate governance practices, providing leadership and effectiveness of the Board.
Practice 1.3	The positions of Chairman and CEO	The positions of Chairman and CEO of our Company are held by different individuals, namely by Dato' Boonler Somchit and Koh Dim Kuan respectively.
Practice 1.4	The Chairman of the board should not be a member of committees of the Board	Dato' Boonler Somchit, our Non-Independent Non-Executive Chairman is not a member of the Audit and Risk Management, Nomination and Remuneration Committees.
Practice 4.1	Governance of sustainability	Our Board together with senior management will be responsible for the governance of our Group's sustainability initiatives.
Practice 5.2	Board membership	Half of the Board comprises independent directors. Currently, none of our independent directors has served on the Board for more than 9 years. Annual performance evaluation of our Board members was conducted by the Nomination Committee, which is chaired by our Independent Non-Executive Director, Teresa Tan Siew Kuan.
Practice 9.4	Audit and Risk Management Committee	We have established an Audit and Risk Management Committee comprising 3 Independent Non-Executive Directors.
Practice 1.1, 2.1, 3.1, 3.2, 7.2, 10.1 & 10.2	Board Charter, Code of Conduct and Ethics, Whistleblowing Policy, Directors' Fit and Proper Policy and other policies and procedures.	Our Board Charter, Anti-Bribery & Corruption Policy, Board Diversity Policy, Code of Conduct and Ethics, Conflict of Interest Policy, Remuneration Policy & Procedures, Whistleblowing Policy, Director's Fit & Proper Policy are made available on our company website and will be reviewed periodically.
Practice 5.9	At least 30% of the Board comprises female directors	3 out of 8 i.e. 37.5%, of our Board members are women.



SUSTAINABILITY STATEMENT (cont'd)

Our board composition has the appropriate balance in terms of diversity of skills and expertise to lead us into the future and protect our stakeholders' interest. It possesses the required mix of talents, foresight and business acumen to govern our Group effectively.

In alignment with our sustainability objectives, we undertake several strategic initiatives to create lasting value for our stakeholders and contribute positively to the global sustainability agenda as follows;

STAKEHOLDER COLLABORATION



Engage proactively with stakeholders to gather insights and foster partnerships that drive sustainable development.



REGULAR ASSESSMENT

Continuously evaluate and enhance our ESG practices to adapt to emerging challenges and opportunities.

RESEARCH & DEVELOPMENT



A portion of the Initial Public Offering (IPO) proceeds is allocated to bolster our research and development capabilities, driving innovation in automation solutions and engineering services. This investment underscores our commitment to delivering cutting-edge, sustainable technologies to our clients.



TRANSPARENCY & REPORTING

Provide regular updates on our sustainability performance, ensuring accountability and openness in our communications.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (Board) of 3REN (3REN or the Company) is pleased to present our Corporate Governance (CG) Overview Statement (Statement) to provide shareholders and investors with key insights into the CG practices of the Company and its subsidiaries (Group) for the financial year ended 31 December 2024 (FYE 2024). This CG Overview Statement is prepared in compliance with Bursa Malaysia Securities Berhad (Bursa Securities) ACE Market Listing Requirements (AMLR) and is to be read together with the CG Report. This overview sets out the extent to which the key corporate governance principles specified in the Malaysian Code of Corporate Governance (MCCG) are applied in the Group during FYE 2024.

The Board has also provided specific disclosures on the application of each Practice in its CG Report which is available in the Company's website at www.3ren.com.my as well as through an announcement made to Bursa Securities.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Board Composition

The business affairs of the Group are managed by an experienced Board with diverse experience, which is responsible for guiding the Group in achieving its strategic goals, good governance and structure and increasing long-term shareholders value. The roles and responsibilities of the Board are set out in the Board Charter. The background, experiences and qualifications of the Directors are set out under the Profile of Directors in this Annual Report.

As at 31 December 2024, at least half of the board members are independent non-executive directors. The current composition of the Board consists of one (1) Non-Independent Non-Executive Chairman, one (1) Non-Independent Non-Executive Director, two (2) Executive Directors and four (4) Independent Non-Executive Directors.

The positions of Chairman and Chief Executive Officer (CEO) are held by different individuals. The Chairman of the Board, Dato' Boonler Somchit is responsible for overseeing all Board meetings of directors, instilling good corporate governance practices and overseeing the effective functioning and leadership of the Board while the CEO, Mr. Koh Dim Kuan leads and sets the strategic business direction and operations of the Group, ensuring the management of daily operations align with the strategic plan and the implementation of the Board's policies and decisions.

The Board acknowledges the positive impact of diversity in the Board to ensure high level of effectiveness and good corporate governance. Currently the Board consists of three (3) female members out of eight (8) members, which is more than 30% of the total number of directors.

The Board is supported by a suitably qualified and competent company secretary, Ms. Ong Tze-En (MAICSA 7026537) (SSM PC No.: 202008003397).

Board Responsibilities

The roles and responsibilities of the Board are set out in the Board Charter which will ensure that the Board is aware of their duties in carrying out their fiduciary functions and its obligations to the stakeholders. These responsibilities include overall leadership of the Group, adopting strategic plans, identify principal risks, oversee the implementation of the Group's sustainability strategies, reviewing the adequacy and integrity of the Group's internal control systems and management information systems, and ensuring the Company's financial statements are true, fair and conform to any applicable laws and/or regulations.

The Board delegates responsibility for the day-to-day operation of the businesses to the CEO who ensures that the Group is operating within a framework of prudent principles with proper due diligence and care.

The Board Charter is reviewed periodically to ensure that the Company is able to adapt to changing business environment and respond quickly to any development in rules and regulations that may have an impact on the discharge of the Board's duties and responsibilities.

CORPORATE GOVERNANCE

OVERVIEW STATEMENT (cont'd)

During the financial year, three (3) Board meetings were held, and the Board members' attendance details are set out below:

Director	Number of meetings attended during FYE 2024
Dato' Boonler Somchit Non-Independent Non-Executive Chairman	2/3
Koh Dim Kuan Executive Director and Chief Executive Officer	3/3
Lee Chee Hoo Executive Director and Chief Revenue Officer	2/3
Ahmad Khairuddin Bin Abdul Rahim Independent Non-Executive Director	3/3
Hanita Binti Othman Independent Non-Executive Director	3/3
Joyce Wong Ai May Independent Non-Executive Director	3/3
Teresa Tan Siew Kuan Independent Non-Executive Director	3/3
Mohammad Hazani Bin Hassan Non-Independent Non-Executive Director	3/3

The Board receives updates from the Company Secretary and management on the training programmes that are available from regulators and professional bodies. During FYE 2024 the trainings attended by each Director is shown in the table below:

Director	Training/Courses Attended	Organiser / Trainer	Date
Dato' Boonler Somchit	• Mandatory Accreditation Programme	Institute of Corporate Directors Malaysia (ICDM)	15-16 May 24
Koh Dim Kuan	• Mandatory Accreditation Programme	Institute of Corporate Directors Malaysia (ICDM)	14-15 Aug 24
Lee Chee Hoo	• Mandatory Accreditation Programme	Institute of Corporate Directors Malaysia (ICDM)	15-16 May 24
Ahmad Khairuddin Bin Abdul Rahim	• Mandatory Accreditation Programme	Institute of Corporate Directors Malaysia (ICDM)	10-11 Jun 24
Hanita Binti Othman	• Mandatory Accreditation Programme	Institute of Corporate Directors Malaysia (ICDM)	10-11 Jun 24
Joyce Wong Ai May	<ul style="list-style-type: none"> • How Can You Start Preparing For E-Invoice Implementation • Understanding Financial Statements • Why data management framework is essential for audit and compliance • Is There A Gold Standard for Transitioning to Net Zero? • Women in Leadership: Shaping the Future of the SHEconomy • Sustainability Awareness Training for Key Senior Management • ESG Potentials and The Way Forward • BURSA: Conflict of Interest ("COI") and Governance of COI • How To Recruit The Right Talent For Your Business • Mandatory Accreditation Programme Part II ; Leading For Impact (LIP) 	Shinewing Malaysian Institute of Accountants CPA Australia CPA Australia CPA Australia Dr Lee Chin Hwa, PhD Aqilah Bursa Malaysia NAWEM Institute of Corporate Directors Malaysia (ICDM)	28 May 24 25 Jun 24 27 Jun 24 3 Jul 24 16 Jul 24 24 Jul 24 6 Aug 24 2 Oct24 20 Nov 24 4-5 Dec 24
Teresa Tan Siew Kuan	<ul style="list-style-type: none"> • Budget 2024 highlights, e-invoice and transfer pricing • Nominee Directors under Companies Act 2016 • Unclaimed Moneys Act 1965 by Jabatan Akauntan Negara Malaysia 	CPA Australia Learnabee International Sdn Bhd Malaysian Institute of Accountants	31 Jan 24 06 Sept 24 19 Sept 24

CORPORATE GOVERNANCE

OVERVIEW STATEMENT (cont'd)

Director	Training/Courses Attended	Organiser / Trainer	Date
Teresa Tan Siew Kuan	• Approaches to Company Valuation - Live Webinar	CPA Australia	03 Oct 24
	• Tax Seminar on Budget 2025	REMS Tax Services Sdn Bhd	15 Nov 24
Mohammad Hazani Bin Hassan	• Mandatory Accreditation Programme Part II: LEADING FOR IMPACT (LIP)	Institute of Corporate Directors Malaysia (ICDM)	15-16 May 24
	• SEMICON Southeast Asia 2024	SEMI Southeast Asia Pte Ltd	28-30 May 24
	• Sustainable and Responsible Investment Conference (SRI) 2024	Securities Industry Development Corporation (SIDC)	20 Jun 24
	• Intelligent Manufacturing Kuala Lumpur 2024	Messe Frankfurt	10-12 Jul 24
	• 2024 APAC Technopreneurship Empowerment Conference (ATEC 2024)	Centre of Regional Strategic Studies (CROSS)	08 Aug 24
	• NEXEA: Entrepreneurship Summit	EXEA - Venture Capital, Angel Investors Network & Startup Accelerator	24 Oct 24
	• Nation Global Summit 2024	Malaysian Research Accelerator for Technology & Innovation (MRANTI)	2- 4 Dec 24

Board Committees

The Board has established Audit and Risk Management Committee (ARMC), Nomination Committee (NC), and Remuneration Committee (RC) that are delegated with specific responsibilities and authorities to assist the Board in executing its duties and to recommend significant issues and actions deliberated in the respective committees for Board's approval.

Each Committee is governed by its own Terms of Reference which sets out its functions and duties, composition, rights and meeting procedures. The Chairperson of these three Board Committees will report to the Board the outcome of the Committee meetings which will be recorded in the minutes of the Board meeting. The ultimate responsibility for decision making, however, lies with the Board.

Nomination Committee

The NC comprises three (3) members, all of whom are Independent Non-Executive Directors as follows:

Chairwoman : Teresa Tan Siew Kuan

Member : Joyce Wong Ai May

Member : Hanita Binti Othman

The Board has established a Directors' Fit and Proper policy on 22 March 2024 for the purpose of guiding the Board in their review and assessment of potential candidates for appointment as Directors as well as Directors who are seeking for re-election in 3REN Berhad and/or all its subsidiary companies within the Group.

This Policy will address the criteria for the assessment of directors i.e. they should possess character, integrity, relevant range of skills, knowledge, experience, competence and time commitment to carry out their roles and responsibilities. The Policy will be subject to periodic review and aligned to any legal or regulatory changes and the best practices under the Malaysian Code on Corporate Governance.

The NC will conduct self-assessment annually to evaluate the performance of the Board, Board Committees and individual Directors where each Director is required to complete a detailed questionnaire which covers among other things, contribution to the interaction, quality of input, skill, competency and understanding of their roles in their respective Board Committees.

Based on the evaluations carried out for FYE 2024, the NC is satisfied that the Board and Board committees have discharged their responsibilities in a commendable manner and contributed effectively to the Board.

CORPORATE GOVERNANCE

OVERVIEW STATEMENT (cont'd)

In accordance with the Company's Constitution, 1/3 of the Board, or if the number is not 3 or a multiple of 3, then the number nearest to 1/3 will retire by rotation at every Annual General Meeting (AGM) of the Company. Each Director shall retire at least once in every 3 years and shall be eligible for re-election.

The details of the NC's duties and responsibilities are formalised in its Terms of Reference which is available on the Company's website at www.3ren.com.my.

REMUNERATION

Remuneration Policy and Procedures

The Board has put in place a fair and transparent Remuneration Policy and Procedures with the objective of guiding the Group in attracting, retaining and motivating highly qualified and talented individuals to serve on the Board and as key senior management (KSM) to guide the Group successfully.

In determining the remuneration of directors and KSM, the RC will consider the qualifications, skills, competency and experience of the directors and KSM, the demands and complexities of the Group's businesses, performance of the Group, market competitiveness and market benchmark. All the affected directors will abstain from participating and voting on his or her own remuneration.

The RC carried out an annual review of the remuneration package for directors and KSM for FYE 2024. All deliberations and recommendations of the RC are properly documented in the minutes of RC meetings and reported to the Board.

The detailed disclosure of the directors' remuneration for FYE 2024 is shown in Practice Note 8.1 in the Corporate Governance Report.

The Terms of Reference of the RC and the remuneration policy and procedures are available on the Company's website at www.3ren.com.my.

Remuneration Committee

The RC comprises three(3) members, all of whom are Independent Non-Executive Directors as follows:

Chairman : Ahmad Khairuddin Bin Abdul Rahim
Member : Joyce Wong Ai May
Member : Teresa Tan Siew Kuan

The RC has put in place a Remuneration Policy and Procedures to ensure that the Company is able to attract and retain its directors and KSM and motivate them to run the Group successfully.

The RC will adopt the principles set out in the Remuneration Policy and Procedures to determine and recommend to the Board the remuneration for directors and KSM.

CODE OF CONDUCT AND ETHICS

The Board has established a Code of Conduct and Ethics which covers the principles and standards of business ethics and conduct of the Group.

The Board promotes a culture of diversity, respect and equal opportunity across the workforce and advocates high standards of integrity in all business interactions, transactions and operations. The Group does not tolerate abuse of power, discrimination or prejudice, misconduct or harassment in any form.

The Code of Conduct and Ethics is available on the Company's website at www.3ren.com.my.

CORPORATE GOVERNANCE

OVERVIEW STATEMENT (cont'd)

WHISTLEBLOWING POLICY

The Board has formalised a Whistleblowing Policy, with the aim of instilling confidence on and assure our employees that they will be protected from possible reprisals or victimization that if they raise concerns in good faith, and believing them to be true.

The Whistleblowing Policy provides an avenue for raising concerns regarding possible breaches of business conduct, non-compliance of laws, improper conduct, malpractices or wrongdoing.

During FYE 2024, the Board did not receive any complaints from whistleblowers.

The said policy is available on the Company's website at www.3ren.com.my

Anti-Bribery and Anti-Corruption Policy

The Board has established an Anti-Bribery and Anti-Corruption Policy (ABAC Policy) on 22 March 2024.

This Policy is applicable to anyone who is employed by or work with 3REN Group and encompasses employees, directors, company secretaries, consultants, contractors, agents, representatives and service providers of any kind for and on behalf of 3REN.

This Policy prohibits all forms of bribery and corruption practices, and makes no distinction between whether they are being made to persons in the public or private sectors and other external parties.

The Group's ABAC Policy is available on company's website at www.3ren.com.my.

Access to Information

The Board has direct access to the advice and services of the Company Secretary with full unrestricted access to information, documents, records and personnel in the performance of their duties. The Company Secretary assists the Board on matters related to the company's constitution, policies and procedures and compliance with the relevant regulatory requirements and legislations. Whenever necessary, the Board may seek external independent professional advice to enable them to discharge their duties effectively and efficiently.

The meeting agenda and Board Papers are delivered beforehand to ensure the Board has sufficient time to read and seek any clarification that they need from the Company Secretary or KSM.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

i. Audit and Risk Management Committee

The members of ARMC comprise solely Independent Non-Executive Directors, and the Chairman of the ARMC is not the Chairman of the Board. The ARMC supports the Board by overseeing the Group's risk management framework and regularly assessing the framework to ascertain its adequacy and effectiveness.

The Company, through the ARMC has maintained a transparent and professional relationship with the external auditors which ensures the objectivity and independence of the external auditor's role.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

It is established in the ARMC Terms of Reference not to appoint a former audit partner as a member of the ARMC unless a three- year cooling off period has been observed.

The details of the ARMC's duties and responsibilities of the ARMC are stated in its Terms of Reference which is available on the Company's website at www.3ren.com.my.

ii. Risk Management and Internal Control

The Board acknowledges its responsibility in establishing a sound system of internal control and risk management practices within the Group and has put in place an effective risk management and internal control framework. The Group has established a risk management and internal control policy to identify and assess key business and operational risks and take the necessary actions to mitigate these risks and ensure compliance with relevant laws and regulations in a proactive and ongoing manner.

The Board has formed a Sustainability and Risk Management Team (SRM Team) which comprises senior management and heads of departments. The SRM Team will report the identified risks, the mitigation plan and the management implementation status to Top Management.

The Statement on Risk Management and Internal Control is set out in the company's Annual Report detailing the state and fundamentals of the risk management and internal control systems in the Group.

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

Communication with Stakeholders

The Board recognises the importance of information for the investing community to stay posted with the latest developments of the Group's business activities. The corporate development and financial performance information of the Group is communicated to the investors via the Company's annual reports, information on the company's website and through various ongoing announcements made to Bursa Securities' website.

The Annual General Meeting (AGM) is one of the various means used by the Board to disseminate information on major corporate developments and events and also a forum for open and candid discussions with the shareholders.

Conduct of General Meetings

3REN Berhad was listed on the ACE Market of Bursa Securities on 6 November 2024. For the forthcoming AGM in 2025, the notice to shareholders will be given at least 28 days before the meeting. By doing so, shareholders will have sufficient time to prepare and consider the resolutions that will be discussed and will be able to make an informed decision when exercising their voting rights.

At the forthcoming AGM, there will be opportunities for the shareholders or their proxies to raise their queries and concerns to the Board. The shareholders may enquire on the resolutions being proposed and on the financial and business operations of the Group during this Q & A session.

This CG Overview Statement is made by a resolution of the Board on 24 April 2025

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL

INTRODUCTION

The Statement on Risk Management and Internal Control (Statement) is made in accordance with Rule 15.26(b) of the ACE Market Listing Requirements (AMLR) of Bursa Malaysia Securities Berhad (Bursa Securities), Malaysian Code on Corporate Governance (MCCG) and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers pursuant to Guidance Note 11 of AMLR. The Statement outlines the nature and scope of risk management and internal control of 3REN Berhad (3REN or the Company) and its subsidiaries (Group) for the financial year ended 31 December 2024 (FYE 2024).

BOARD'S RESPONSIBILITIES

The Board of Directors (Board) affirms its overall responsibility for risk management practices and internal control system of the Group in order to safeguard the shareholders' interest and ensuring risk management practices are in place for the proper supervision and oversight of risks, costs and returns.

The Board of Directors (Board) is committed to establishing and maintaining a sound system of risk management and internal controls which are embedded in the activities of the Group in order to manage the Group's risk to an acceptable level. The risk management and internal control systems will address strategic, operational, financial and compliance risks. The Board wishes to highlight that such a system is designed to provide reasonable, but not absolute assurance against material misstatements, losses or fraud. As such it cannot eliminate risks that may impede the Group's corporate objectives and targets.

RISK MANAGEMENT FRAMEWORK

The Board acknowledges that the management of principal risks plays an important and integral part in achieving the Group's corporate objectives.

The Group has formalised the risk management process through Group Risk Management Framework. Under this Framework, the Sustainability and Risk Management (SRM) Team has been formed in February 2025 and consists of senior management and heads of departments. These personnel will be tasked with the responsibility to identify the significant risks, assess the likelihood and impact of the identified risks, develop risk mitigation measures and ensuring action is taken to address these risks.

The SRM Team will conduct a review and assessment of the adequacy of the Group's risk profile, risk management framework, effectiveness of internal controls. This review and assessment will be presented to the ARMC at least once in each financial year.

The responsibilities of the SRM Team include the following;

- i) To review the adequacy and effectiveness of the risk management systems, internal control and governance process implemented by the Group;
- ii) To oversee and recommend the risk management policies and procedures of the Group and recommend changes as needed to ensure that the Group has in place at all times a risk management policy which addresses the strategic, operational, financial and compliance risks;
- iii) To implement and maintain a sound risk management framework which identifies, assesses, manages and monitors the Group's business risks;
- iv) To set reporting guidelines for management to report to the ARMC on the effectiveness of the Group's management of its business risks;
- v) To review the risk profile of the Group, the adequacy of management response and to evaluate the measures taken to mitigate the business risks;
- vi) To report to the Board on the Group's major risk exposures, including the review on the risk assessment framework used to monitor the risk exposures and the Management's views on the acceptable and appropriate level of risks faced by respective business units/division of the Group.

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL (cont'd)

INTERNAL CONTROL SYSTEM

The key internal controls are embedded in our work processes and procedures in order to support the function of the SRM Team. The following are the key features of the control framework in place:

- The Board maintains an organisational structure with clearly defined levels of responsibility and authority and appropriate reporting procedures.
- Delegation and separation of responsibilities and duties between Board, Board Committees and Management of the Group in overseeing all aspects of the business of the Group.
- Clearly documented internal procedures such as standard operating procedures for guiding the employees of the Group on carrying out their duties effectively.
- Monitoring actual results against budget and investigation of significant variances are investigated and followed up and resolved.
- Regular management meetings, departments and performance monitoring are in place to ensure the business is progressing in accordance with its targets and objectives.
- Quality management systems of ISO 9001:2015 certification is adopted in the Group for proper guidance of the employees in achieving operational effectiveness and efficiency.
- The Board has put in place a whistleblowing policy which allows, supports and encourages its employees to raise genuine concerns about any possible improprieties pertaining to financial reporting, compliance, malpractices and unethical business conduct within the Group at the earliest possible time and in an appropriate way.
- The Board has established the Code of Conduct and Ethics which sets out the principles and standards of business ethics and conduct of the Group.
- The Group has adopted an Anti-Bribery and Anti-Corruption Policy to provide principles and guidelines to employees, directors, company secretaries, contractors, sub-contractors, consultants, agents, representatives and service providers to avoid improper conduct, solicitation, bribery and corrupt activities that are not in compliance with all applicable laws and regulations.

INTERNAL AUDIT

As our Company was listed on 6 November 2024, no internal audit work was performed during FYE 2024. Nevertheless, in preparation for the listing of the Company on the ACE Market, we have engaged GovernanceAdvisory.com Sdn Bhd (GA) as an Internal Control Review Consultant to assist the Board to assess the adequacy and sufficiency of systems, procedures and controls of our Group and its compliance to AMLR with regards to the risk to the internal controls risk management, and corporate governance as stipulated under the MCCG. The review was carried out for the following specific key processes:

- Corporate Governance and Risk Management (Group)
- Sales and Business Development
- Project Management
- Product Engineering Services
- Field Application Specialist
- Software Innovation/ Research and Development/ Information Technology
- Supply Chain Management
- Quality Assurance
- Human Resource
- Finance & Administrative

Commencing from 2025, the internal audit function has been outsourced to Tan Yen Yeow and Company (TYY) who is tasked with providing independent and objective report on the adequacy and effectiveness of the risk management and internal control system in the Group. TYY is led by Mr Tan Yen Yeow who is a member of both Malaysian Institute of Accountants (MIA) and Institute of Internal Auditors Malaysia (IIAM).

STATEMENT ON RISK MANAGEMENT & INTERNAL CONTROL (cont'd)

ASSURANCE TO THE BOARD

The Board has received assurance from the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) stating that to the best of their knowledge, the Group's risk management and internal control system are operating adequately and effectively in all material aspects.

REVIEW OF STATEMENT BY THE EXTERNAL AUDITORS

The External Auditors have reviewed the Statement on Risk Management and Internal Control pursuant to Rule 15.23 of the ACE Market Listing Requirements and in accordance with the Audit and Assurance Practice Guide 3 ("AAPG 3"): Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants (MIA) for inclusion in the Annual Report of the Group for the financial year ended 31 December 2024 and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the Annual Report of the Group, in all material respects:

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

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

CONCLUSION

The Board is satisfied with the adequacy and effectiveness of the Group's risk management and internal control systems which have been in place for the FYE 2024 and up to the date of approval of this Statement to safeguard the interest of stakeholders and assets of our Group. For the financial year under review there were no material losses, contingencies or uncertainties that would require disclosure in the annual report of our Company.

This Statement is made in accordance with the resolution of the Board dated 24 April 2025.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

COMPOSITION

The Audit and Risk Management Committee (ARMC) comprises three (3) members who are Independent Non-Executive Directors. The following is the composition of the ARMC:

Chairwoman : Joyce Wong Ai May
Member : Hanita binti Othman
Member : Teresa Tan Siew Kuan

The composition of the ARMC is in line with Rule 15.09 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities) (AMLR) which prescribes that the ARMC must consist of at least three (3) members with majority of the members being Independent Non-Executive Directors and at least one member of the ARMC must be a member of the Malaysian Institute of Accountants.

The ARMC Chairwoman, Ms. Joyce Wong Ai May is a member of the Malaysian Institute of Accountants, corporate member of the Institute of Internal Auditors, Malaysia and a fellow member of the Certified Practising Accountants, Australia.

The ARMC members have diverse backgrounds and experience in accountancy, taxation, legal, and compliance practices. None of the members of the ARMC were former partners of the Company's external audit firm. The detailed profiles of all members of the ARMC can be found in the Profile of Directors in the Annual Report.

The Board assessed and evaluated the performance of the ARMC and its members through the Nomination Committee for the FYE 2024. Based on the outcome of the assessment, the Board is satisfied with the performance of the ARMC and its members and concluded that they have effectively discharged their functions, duties and responsibilities in accordance with the Terms of Reference (TOR) of the ARMC.

The TOR is published on the corporate website at www.3ren.com.my

REVIEW OF THE TERMS AND REFERENCE

The TOR of the ARMC shall be reviewed periodically by ARMC and the Board as and when required especially when there are changes to the AMLR, the Malaysian Code on Corporate Governance 2021 and Companies Act 2016.

ATTENDANCE AT MEETINGS

There was one (1) ARMC meeting held in the financial year 2024 and all three (3) ARMC members attended the meeting as follows:

Director	Position	Attendance
Joyce Wong Ai May Independent Non-Executive Director	Chairwoman	1/1
Hanita Binti Othman Independent Non-Executive Director	Member	1/1
Teresa Tan Siew Kuan Independent Non-Executive Director	Member	1/1

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (cont'd)

SUMMARY OF ACTIVITIES

During the financial year, the activities undertaken by the ARMC in discharging its duties and functions concerning their responsibilities are summarised as follows:

- (a) Reviewed and reported to the Board that there was no Conflict of Interest (COI) and potential COI of Directors and Key Senior Management, including Chief Financial Officer (CFO) who is not a member of the Board of Directors.
- (b) Reviewed and discussed with Grant Thornton Malaysia PLT their Audit Planning Memorandum in respect of the financial year ended 31 December 2024 (FYE 2024) covering the audit approach, areas of significant risks, their independence and other matters relating to the accounting and reporting requirements.
- (c) Reviewed the Unaudited Quarterly Report on Consolidated Financial Results for the period 01 July 2024 to 30 September 2024 in respect of the financial year ended 31 December 2024 (Q3 FYE 2024) and recommended the same to the Board of Directors for approval and subsequent announcement to Bursa Securities.

INTERNAL AUDIT FUNCTION

In preparation for the listing of our Company on the ACE market of Bursa Securities, we had engaged GovernanceAdvisory.com Sdn Bhd (GA) as an Internal Control Review Consultant to review the adequacy and sufficiency of systems, procedures and controls of our Group.

Subsequent to listing, our Internal Audit function has been outsourced to Tan Yen Yeow & Company to provide internal audit services to the Group. Functionally, the internal auditors report directly to the ARMC and is responsible to assist the Board and ARMC in assessing the adequacy, efficiency and effectiveness of the Groups' risk management, governance and system of internal controls and provide reasonable assurance that such systems continue to operate satisfactorily.

This Statement is made in accordance with the resolution of the Board dated 24 April 2025.

STATEMENT OF DIRECTORS' RESPONSIBILITY

In accordance with the Companies Act 2016, the Directors are required to prepare financial statements for each financial year in accordance with applicable MFRS Accounting Standards, IFRS Accounting Standards, the requirements of the Companies Act 2016 in Malaysia, and the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad so as to give a true and fair view of the financial position of the Company and its subsidiaries (Group) and of the Company and the results and cash flows of the Group and of the Company as at end of the financial year.

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

In preparing the financial statements, the Directors need to ensure that management have

- Adopted appropriate accounting policies and applied them consistently;
- Made judgments and estimates that are reasonable and prudent; and
- Prepared the financial statements on a going concern basis.

The Directors are responsible for ensuring that the Company and the Group maintain proper accounting records which disclose with reasonable accuracy the financial positions of the Company and the Group and which enable them to ensure that the financial statements comply with the Companies Act 2016.

This statement is made in accordance with the resolution of the Board dated 24 April 2025.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS

3REN Berhad was successfully listed on the Bursa Securities on 6 November 2024. In conjunction with the listing, the Company undertook a public issue of 110,000,000 new ordinary shares at an issue price of RM0.28 per share, raising gross proceeds of RM30.8 million. As at 31 December 2024, the status of the utilisation of proceeds of the Initial Public Offering (IPO) proceeds is set out below:

Description	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Utilisation Rate %	Timeframe for Utilisation Upon Listing
Setting up new Delivery Centres	7,200	0	0	Within 36 months
Research and Development (R&D) expenditure	5,100	0	0	Within 24 months
Establishment of new Singapore office	3,000	0	0	Within 36 months
Repayment of bank borrowings	7,600	0	0	Within 6 months
Working capital requirements	3,900	0	0	Within 24 months
Estimated listing expenses	4,000	4,000	100	Immediate
Total cash proceeds	30,800			

2. AUDIT AND NON AUDIT FEES

The amount of audit and non-audit fees rendered to the Company and its subsidiaries (Group) for the FYE 2024 by the Group's Auditors are as follows:

Description	Audit Fees Review (RM)	Non- Audit Fees * RM
Company	50,000	5,000
Group	133,000	10,000

3. MATERIAL CONTRACTS

Material contracts entered into by the Company and its subsidiaries which involved the directors' and major shareholders' interests either still subsisting at the end of FYE 2024 or entered into since the end of the previous financial year are as follows:

- Conditional share sale agreement (SSA) dated 20 March 2024 entered into between our Company and Lee Chee Hoo, Koh Dim Kuan, Low Chee Onn and MTDC in relation to the acquisition of Sophic Automation Sdn Bhd, which was completed on 23 July 2024.
- Conditional SSA dated 20 March 2024 entered into between our Company and Sophic Automation Sdn Bhd and Liew Chee Kin in relation to the Acquisition of Sophic MSC Sdn Bhd, which was completed on 30 July 2024.
- Conditional SSA dated 20 March 2024 entered into between our Company and Sophic Automation in relation to the Acquisition of Pinkypye Sdn Bhd, which was completed on 30 July 2024.
- Underwriting Agreement dated 2 September 2024 between the Company and KAF Investment Bank Berhad for the underwriting of 62,500,000 Public Issue Shares for an underwriting commission of 2.50% of the total value of the Public Issue Shares underwritten at the IPO Price.

ADDITIONAL COMPLIANCE INFORMATION (cont'd)

4. CONTRACT RELATED TO LOANS

There were no material contracts relating to loans entered into by the Group Involving the Directors and major shareholders during the financial year ended 31 December 2024.

5. RECURRENT RELATED PARTY TRANSACTIONS

There were no material recurrent related party transactions with related parties undertaken by the Group during the financial year ending 31 December 2024.

6. OFFER OF OPTIONS UNDER THE SHARE OPTION PLAN ("SOP OPTIONS") OF 3REN'S LONG TERM INCENTIVE PLAN ("LTIP")

On 6 November 2024, 3REN Berhad has announced that it has offered options to eligible directors and employees to subscribe to new ordinary shares in the Company under the Share Options Plan.

This LTIP shall be effective for 5 years on 5 November 2024 and shall expire on 4 November 2029. The LTIP may be extended for an additional 5 years and shall not in aggregate exceed 10 years from the effective date. As at 31 December 2024, the SOP options have yet to be exercised as the vesting period only commences from 30 June 2025.

Details of the SOP Options offered under the LTIP to the eligible directors and employees of the 3REN Group are as follows:

Date of SOP Options offered	6 November 2024	
Exercise price of the SOP Option	RM0.28 (being the IPO price)	
Number of SOP Options offered	13,737,500 ("First Tranche of SOP Award")	
Closing market price on the date of SOP Options offered	RM0.395	
Number of SOP Options offered to each Director of 3REN under the First Tranche of SOP Award	Director	No. of SOP Option Offered
	Dato' Boonler Somchit Non-Independent Non-Executive Chairman	20,000
	Ahmad Khairuddin Bin Abdul Rahim Independent Non-Executive Director	20,000
	Hanita Binti Othman Independent Non-Executive Director	20,000
	Joyce Wong Ai May Independent Non-Executive Director	20,000
	Teresa Tan Siew Kuan Independent Non-Executive Director	20,000
	Mohammad Hazani Bin Hassan Non-Independent Non-Executive Director	20,000
Vesting period of the SOP Options offered under the First Tranche of SOP Award	Vesting Date	Maximum % of SOP Option Exercisable
	30 June 2025	25%
	30 June 2026	25%
	30 June 2027	25%
	30 June 2028	25%

The salient terms of the share option plan are outlined on page 116 of this Annual Report.



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3REN BERHAD
Registration No. 202101012445 (1412744-K)
(Incorporated in Malaysia)

CORPORATE INFORMATION

Directors

Dato' Boonler Somchit (Non-Independent Non-Executive Chairman)
Koh Dim Kuan (Executive Director)
Lee Chee Hoo (Executive Director)
Ahmad Khairuddin Bin Abdul Rahim (Independent Non-Executive Director)
Hanita Binti Othman (Independent Non-Executive Director)
Joyce Wong Ai May (Independent Non-Executive Director)
Teresa Tan Siew Kuan (Independent Non-Executive Director)
Mohammad Hazani Bin Hassan (Non-Independent Non-Executive Director)

Audit and Risk Management Committee

Joyce Wong Ai May (Chairwoman)
Hanita Binti Othman
Teresa Tan Siew Kuan

Nomination Committee

Teresa Tan Siew Kuan (Chairwoman)
Hanita Binti Othman
Joyce Wong Ai May

Remuneration Committee

Ahmad Khairuddin Bin Abdul Rahim (Chairman)
Joyce Wong Ai May
Teresa Tan Siew Kuan

Secretary

Ong Tze-En

Registered Office

170-09-01, Livingston Tower
Jalan Argyll
10050 George Town
Penang

Business Address

No. 9 Jalan Industri Tangkas 1
Taman Industri Tangkas
14000 Bukit Mertajam
Penang

Registration No. 202101012445 (1412744-K)

3REN BERHAD
Registration No. 202101012445 (1412744-K)
(Incorporated in Malaysia)

CORPORATE INFORMATION

Auditors	Grant Thornton Malaysia PLT Chartered Accountants
Principal Banker	RHB Bank Berhad
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
Stock Exchange Listing	ACE Market of Bursa Malaysia Securities Berhad

3REN BERHAD
Registration No. 202101012445 (1412744-K)
(Incorporated in Malaysia)

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended **31 December 2024**.

PRINCIPAL ACTIVITIES

The Company was a private limited company, incorporated and domiciled in Malaysia. The Company was subsequently converted into a public limited company on 19 February 2024 and assumed its present name.

The principal activity of the Company consists of investment holding.

The principal activities of the subsidiaries are set out in Note 7 to the financial statements.

RESULTS

	GROUP RM	COMPANY RM
Profit for the financial year	8,740,741	3,352,053

In the opinion of the directors, the results of operations of the Group and of the Company for the financial year ended **31 December 2024** have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

On 21 February 2025, the Company has declared an interim single tier dividend of RM0.005 per ordinary share amounting to RM3,250,000 in respect of the financial year ended 31 December 2024 paid on 28 March 2025. The financial statements for the current financial year do not reflect this declared dividend. Such dividend will be accounted for in equity as an appropriation of retained profits for the financial year ending 31 December 2025.

The directors do not recommend any final dividend payment 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 notes to the financial statements.

SHARE CAPITAL AND DEBENTURE

During the financial year, the Company has increased its issued and fully paid-up ordinary share capital by way of issuance of:

- (i) 539,999,998 new ordinary shares in the Company amounting to RM54,000,000 to satisfy the acquisition of Sophic Automation Sdn. Bhd., Sophic MSC Sdn. Bhd. and Pinkypye Sdn. Bhd. in conjunction with the internal restructuring of the Company as disclosed in Note 38(i) to the financial statements; and
- (ii) 110,000,000 new ordinary shares in conjunction with the Initial Public Offering ("IPO") exercise as disclosed in Note 38(ii) to the financial statements.

The new ordinary shares issued during the financial year rank *pari passu* in all respects with the existing ordinary shares of the Company.

LONG TERM INCENTIVE PLAN ("LTIP")

The Company's LTIP is governed by the By-Laws which were approved by the Company's directors ("Board") at an Extraordinary General Meeting held on 12 September 2024. The LTIP is to be in force for a period of 5 years from 5 November 2024. The LTIP comprises of the share grant awards pursuant to the employees' share grant plan and/or the award of number of options pursuant to the employees' share option plan ("ESOP"). The Board will have the discretion upon the recommendation of the LTIP Committee to extend the LTIP for another 5 years as it deemed fit immediately from the expiry of the first 5 years, provided that the LTIP does not exceed a maximum period of 10 years in its entirety. The LTIP shall not in aggregate exceed 15% of the total number of issued shares (excluding treasury shares, if any) at any point of time during the duration of the LTIP.

The salient features and other terms of the ESOP are disclosed in Note 37 to the financial statements.

As at 31 December 2024, the ESOP offered to take up unissued ordinary shares and the exercise price are as follows:

Grant date	Number of ESOP shares			
	Balance at 1.1.2024	Granted	Issued	Balance at 31.12.2024
6.11.2024	-	13,737,500	-	13,737,500

DIRECTORS

The directors of the Company in office since the beginning of the financial year to the date of this report are:

Directors of the Company:

Dato' Boonler Somchit (Appointed on 20.3.2024)
 *Koh Dim Kuan (Appointed on 8.2.2024)
 *Lee Chee Hoo (Appointed on 8.2.2024)
 Ahmad Khairuddin Bin Abdul Rahim (Appointed on 20.3.2024)
 Hanita Binti Othman (Appointed on 20.3.2024)
 Joyce Wong Ai May (Appointed on 20.3.2024)
 Teresa Tan Siew Kuan (Appointed on 20.3.2024)
 Mohammad Hazani Bin Hassan (Appointed on 20.3.2024)
 Saw Siew Khim (Resigned on 15.2.2024)
 Matthew Ng Hau Keat (Resigned on 15.2.2024)

Directors of the subsidiaries:

Liew Chee Kin

*These directors are also directors of the Company's subsidiaries.

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the interests of directors in office at the end of the financial year in shares in the Company during the financial year are as follows:

	----- Number of ordinary shares -----			
	Balance at 1.1.2024	Allotment/ Subscription	Sold	Balance at 31.12.2024
The Company				
Direct Interest:				
Dato' Boonler Somchit	-	500,000	-	500,000
Koh Dim Kuan	-	28,292,700	-	28,292,700
Lee Chee Hoo	-	129,211,000	-	129,211,000
Ahmad Khairuddin Bin Abdul Rahim	-	150,000	(50,000)	100,000
Hanita Binti Othman	-	150,000	(50,000)	100,000
Joyce Wong Ai May	-	150,000	(50,000)	100,000
Teresa Tan Siew Kuan	-	150,000	(50,000)	100,000
Mohammad Hazani Bin Hassan	-	150,000	-	150,000
Deemed Interest:				
¹ Koh Dim Kuan	-	260,000,000	-	260,000,000
¹ Lee Chee Hoo	-	260,000,000	-	260,000,000

	----- Number of ESOP shares -----			
	Balance at 1.1.2024	Granted	Exercised	Balance at 31.12.2024
Dato' Boonler Somchit	-	50,000	-	50,000
Ahmad Khairuddin Bin Abdul Rahim	-	20,000	-	20,000
Hanita Binti Othman	-	20,000	-	20,000
Joyce Wong Ai May	-	20,000	-	20,000
Teresa Tan Siew Kuan	-	20,000	-	20,000
Mohammad Hazani Bin Hassan	-	20,000	-	20,000

Note:

¹ Deemed interest pursuant to Section 8 of the Companies Act 2016 by virtue of shares held through R3 Capital Sdn. Bhd..

DIRECTORS' REMUNERATION AND BENEFITS

During the financial year, the fees and other benefits received and receivable by the directors of the Company are as follows:

	COMPANY RM	SUBSIDIARIES RM	GROUP RM
Fees	215,161	35,988	251,149
Salaries, allowances and bonus	5,100	600,040	605,140
Defined contribution plan	-	72,000	72,000
Social security contribution and employment insurance scheme	-	2,434	2,434
	220,261	710,462	930,723

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors as shown above) by reason of a contract made by the Company or a related corporation with a director or with a firm of which the director is a member or with a company in which the director has a substantial financial interest, other than those related party transactions disclosed in the notes to the financial statements.

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the objects of enabling directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

No indemnity has been given to or insurance effected for any of the directors and officers of the Group and of the Company during the financial year.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and satisfied themselves that there were no bad debts to be written off and that adequate provision had been made for doubtful debts; and
- (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

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

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

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

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

In the opinion of the directors:

- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due, and
- (ii) 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 to affect substantially the results of the operations of the Group and of the Company for the current financial year in which this report is made.

SIGNIFICANT EVENTS DURING AND AFTER THE REPORTING PERIOD

The details of the significant events during and after the reporting period are disclosed in Note 38 to the financial statements.

AUDITORS

The auditors, **Grant Thornton Malaysia PLT**, have expressed their willingness to continue in office.

The total amount of fees paid to or receivable by the auditors as remuneration for their services to the Group and the Company for the financial year ended 31 December 2024 are as follows:

	GROUP RM	COMPANY RM
Statutory audit	133,000	50,000
Assurance related and non-audit services	10,000	5,000
Total	143,000	55,000

The Company has agreed to indemnify the auditors to the extent permissible under the provisions of the Companies Act 2016 in Malaysia. However, no payment has been made under this indemnity for the financial year.

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

.....
Koh Dim Kuan

Penang,

Date: 24 April 2025

.....
Lee Chee Hoo

3REN BERHAD
Registration No. 202101012445 (1412744-K)
(Incorporated in Malaysia)

DIRECTORS' STATEMENT

In the opinion of the directors, the financial statements set out on pages 70 to 117 are properly drawn up in accordance with MFRS Accounting Standards, IFRS Accounting 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 at **31 December 2024** and of their financial performance and cash flows for the financial year then ended.

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

.....
Koh Dim Kuan

.....
Lee Chee Hoo

Date: 24 April 2025

STATUTORY DECLARATION

I, **Koh Dim Kuan**, the director primarily responsible for the financial management of **3REN Berhad**, do solemnly and sincerely declare that the financial statements set out on pages 70 to 117 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed at Penang, this **24th**)
day of **April 2025**.)

.....
Koh Dim Kuan

Before me,

.....
Goh Suan Bee (P125)
Commissioner for Oath

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
3REN BERHAD**

Registration No. 202101012445 (1412744-K)

(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **3REN Berhad**, which comprise the statements of financial position as at **31 December 2024** of the Group and of the Company, and the statements of 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 70 to 117.

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 cash flows for the financial year then ended in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's 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 period. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Independent Auditors' Report To The Members Of
3REN Berhad (cont'd)
Registration No. 202101012445 (1412744-K)
(Incorporated in Malaysia)**

Key Audit Matters	How Our Audit Addressed the Key Audit Matters
<p>Revenue recognition <i>(Note 26 to the financial statements)</i></p> <p>The Group's revenue is mainly derived from the provision of manufacturing operating solutions and services and product engineering services.</p> <p>We focus on this area due to the magnitude and voluminous transactions which may give rise to a higher risk of material misstatements in respect of the timing and amount of revenue recognised. In addition, different customers with different deliverable arrangements could impact the point at which the control of the goods is passed on to the customers.</p>	<p>Our audit procedures in relation to the revenue recognition included, amongst others, the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the Group's revenue recognition process and application; • Performed analytical procedures on the trend of revenue recognised to identify for any abnormalities; • Performed substantive testing on a sampling basis to verify that revenue recognition criteria was properly applied by checking to the documents which evidenced the delivery of goods to the customers; • Assessed whether revenue was recognised in the correct period by testing cut-off through assessing sales transaction taking place at either side of the reporting date as well as reviewing credit notes and sales returns issued after the reporting date; and • Reviewed the sales ledger to identify any sales transactions that were entered using journals or non-sales invoices references and evaluated the nature of the transactions to determine whether they were <i>bona fide</i> transactions.

There are no key audit matters to be communicated in respect of the audit of the financial statements of the Company.

**Independent Auditors' Report To The Members Of
3REN Berhad (cont'd)
Registration No. 202101012445 (1412744-K)
(Incorporated in Malaysia)**

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 the Directors' Report, 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 the financial statements of the Group and of the Company so as to give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of the 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 misstatements, 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 the financial statements of the Group and of the Company.

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 misstatements 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.

**Independent Auditors' Report To The Members Of
3REN Berhad (cont'd)
Registration No. 202101012445 (1412744-K)
(Incorporated in Malaysia)**

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial period 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.

**Independent Auditors' Report To The Members Of
3REN Berhad (cont'd)
Registration No. 202101012445 (1412744-K)
(Incorporated in Malaysia)**

Other Matter

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

**Grant Thornton Malaysia PLT
AF: 0737
201906003682 (LLP0022494-LCA)
Chartered Accountants**

**Terence Lau Han Wen
No. 03298/04/2027 J
Chartered Accountant**

Penang

Date: 24 April 2025

3REN BERHAD
Registration No. 202101012445 (1412744-K)
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

		GROUP		COMPANY	
	NOTE	2024 RM	2023 ^(*) RM	2024 RM	2023 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	17,068,317	17,750,459	10,843	-
Intangible assets	5	6,263,624	4,648,395	-	-
Right-of-use assets	6	982,252	937,762	-	-
Investment in subsidiaries	7	-	-	54,223,386	-
Trade receivable	8	-	1,383,170	-	-
Contract assets	9	389,433	844,444	-	-
		<u>24,703,626</u>	<u>25,564,230</u>	<u>54,234,229</u>	<u>-</u>
Current assets					
Inventories	10	6,605,143	3,355,232	-	-
Trade receivables	8	31,550,279	26,350,015	-	-
Other receivables, deposits and prepayments	11	2,855,538	3,172,677	358,181	-
Contract assets	9	5,403,080	4,276,238	-	-
Contract costs	12	1,503,523	740,421	-	-
Amount due from a subsidiary	13	-	-	3,920,497	-
Current tax assets		218,245	178,245	-	-
Fixed deposits with licensed banks	14	8,276,553	9,976,257	-	-
Cash and bank balances	15	38,458,297	5,944,800	28,592,828	2
		<u>94,870,658</u>	<u>53,993,885</u>	<u>32,871,506</u>	<u>2</u>
TOTAL ASSETS		<u>119,574,284</u>	<u>79,558,115</u>	<u>87,105,735</u>	<u>2</u>
EQUITY AND LIABILITIES					
Share capital	16	83,519,634	2	83,519,634	2
Invested equity	17	-	9,660,000	-	-
Merger deficit	18	(44,340,000)	-	-	-
ESOP reserve	19	226,051	-	226,051	-
Retained profits	20	58,096,502	49,355,761	3,324,237	(27,816)
Total equity		<u>97,502,187</u>	<u>59,015,763</u>	<u>87,069,922</u>	<u>(27,814)</u>

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

3REN BERHAD
Registration No. 202101012445 (1412744-K)
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STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

		GROUP		COMPANY	
	NOTE	2024 RM	2023 ^(*) RM	2024 RM	2023 RM
Non-current liabilities					
Deferred income	21	558	1,062	-	-
Lease liabilities	6	157,327	202,468	-	-
Borrowings	22	10,286,672	11,021,584	-	-
Deferred tax liabilities	23	1,704,000	1,609,000	-	-
		<u>12,148,557</u>	<u>12,834,114</u>	<u>-</u>	<u>-</u>
Current liabilities					
Trade payables	24	1,446,880	888,219	-	-
Other payables and accruals	25	2,440,710	2,943,455	7,813	27,816
Contract liabilities	9	4,164,800	2,661,519	-	-
Deferred income	21	672	672	-	-
Lease liabilities	6	313,654	193,109	-	-
Borrowings	22	727,421	802,860	-	-
Current tax liabilities		829,403	218,404	28,000	-
Total current liabilities		<u>9,923,540</u>	<u>7,708,238</u>	<u>35,813</u>	<u>27,816</u>
Total liabilities		<u>22,072,097</u>	<u>20,542,352</u>	<u>35,813</u>	<u>27,816</u>
TOTAL EQUITY AND LIABILITIES		<u>119,574,284</u>	<u>79,558,115</u>	<u>87,105,735</u>	<u>2</u>

Note:

(*) As disclosed in Note 38(i) to the financial statements, the comparative figures in the Group's financial statements are presented as if the combination of entities under common control had occurred before the start of the earliest period presented.

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

3REN BERHAD
Registration No. 202101012445 (1412744-K)
(Incorporated in Malaysia)

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		GROUP		COMPANY	
	NOTE	2024 RM	2023 ^(*) RM	2024 RM	2023 RM
Revenue	26	103,415,538	94,891,368	6,350,000	-
Cost of sales		<u>(75,720,437)</u>	<u>(67,388,078)</u>	<u>-</u>	<u>-</u>
Gross profit		27,695,101	27,503,290	6,350,000	-
Other income		256,542	110,611	-	-
Allowance for expected credit losses on receivables		(154,656)	(4,541)	-	-
Other operating expenses		<u>(16,213,450)</u>	<u>(12,670,347)</u>	<u>(3,097,621)</u>	<u>(9,297)</u>
Operating profit/(loss)		11,583,537	14,939,013	3,252,379	(9,297)
Finance income		620,494	361,884	127,674	-
Finance costs		<u>(532,366)</u>	<u>(563,180)</u>	<u>-</u>	<u>-</u>
Profit/(Loss) before tax	27	11,671,665	14,737,717	3,380,053	(9,297)
Taxation	28	<u>(2,930,924)</u>	<u>(3,141,064)</u>	<u>(28,000)</u>	<u>-</u>
Net profit/(loss), representing total comprehensive income/(loss) for the financial year		<u>8,740,741</u>	<u>11,596,653</u>	<u>3,352,053</u>	<u>(9,297)</u>
Earnings per share attributable to owners of the Company (sen)					
- Basic	29	1.57	2.15		
- Diluted	29	<u>1.56</u>	<u>2.15</u>		

Note:

(*) As disclosed in Note 38(i) to the financial statements, the comparative figures in the Group's financial statements are presented as if the combination of entities under common control had occurred before the start of the earliest period presented.

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

3REN BERHAD
Registration No. 202101012445 (1412744-K)
(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

NOTE	Share Capital RM	Invested Equity RM	-----Non-distributable----- Merger Deficit RM	ESOP Reserve RM	Distributable Retained Profits RM	Total Equity RM
2024						
Balance at beginning	2	9,660,000	-	-	49,355,761	59,015,763
Total comprehensive income for the financial year	-	-	-	-	8,740,741	8,740,741
<i>Transactions with owners of the Company:</i>						
Adjustment on the acquisition of subsidiaries	-	(9,660,000)	9,660,000	-	-	-
Issuance of shares pursuant to:						
- acquisition of subsidiaries	16	54,000,000	-	(54,000,000)	-	-
- public issue	16	30,800,000	-	-	-	30,800,000
Share issuance expenses for the public issue	16	(1,280,368)	-	-	-	(1,280,368)
Grant of ESOP to employees	19	-	-	226,051	-	226,051
Total transactions with owners		(9,660,000)	(44,340,000)	226,051	-	29,745,683
Balance at end	83,519,632	-	(44,340,000)	226,051	58,096,502	97,502,187

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

3REN BERHAD
Registration No. 202101012445 (1412744-K)
(Incorporated in Malaysia)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

	NOTE	Share Capital RM	Invested Equity RM	Distributable Retained Profits RM	Total Equity RM
2023 (*)					
Balance at beginning		2	9,660,000	47,759,108	57,419,110
Total comprehensive income for the financial year		-	-	11,596,653	11,596,653
<i>Transaction with owners:</i>					
Dividends	30	-	-	(10,000,000)	(10,000,000)
Balance at end		2	9,660,000	49,355,761	59,015,763

Note:

(*) As disclosed in Note 38(i) to the financial statements, the comparative figures in the Group's financial statements are presented as if the combination of entities under common control had occurred before the start of the earliest period presented.

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

3REN BERHAD
Registration No. 202101012445 (1412744-K)
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Share Capital RM	Non-distributable ESOP Reserve RM	Distributable Retained Profits RM	Total Equity RM
NOTE					
2024					
Balance at beginning		2	-	(27,816)	(27,814)
Total comprehensive income for the financial year		-	-	3,352,053	3,352,053
<i>Transactions with owners of the Company:</i>					
Issuance of shares pursuant to:					
- acquisition of subsidiaries	16	54,000,000	-	-	54,000,000
- public issue	16	30,800,000	-	-	30,800,000
Share issuance expenses for the public issue	16	(1,280,368)	-	-	(1,280,368)
Grant of ESOP to employees	19	-	226,051	-	226,051
Total transactions with owners		83,519,632	226,051	-	83,745,683
Balance at end		83,519,634	226,051	3,324,237	87,069,922
2023					
Balance at beginning		2	-	(18,519)	(18,517)
Total comprehensive loss for the financial year		-	-	(9,297)	(9,297)
Balance at end		2	-	(27,816)	(27,814)

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

3REN BERHAD
Registration No. 202101012445 (1412744-K)
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	GROUP		COMPANY	
	2024	2023 ^(*)	2024	2023
	RM	RM	RM	RM
CASH FLOWS FROM				
OPERATING ACTIVITIES				
Profit/(Loss) before tax	11,671,665	14,737,717	3,380,053	(9,297)
Adjustment for:				
Accretion of interest on lease liabilities	24,962	26,484	-	-
Allowance for expected credit losses on receivables	154,656	4,541	-	-
Amortisation of intangible assets	718,737	589,520	-	-
Depreciation of property, plant and equipment	1,572,181	1,445,959	957	-
Depreciation of right-of-use assets	274,810	275,438	-	-
Equity-settled share-based payment	226,051	-	2,466	-
Fair value loss on other investments, net	-	27,000	-	-
Gain on lease modification	-	(452)	-	-
Gain on disposal of property, plant and equipment	-	(199)	-	-
Government grants released to profit or loss	(504)	(672)	-	-
Interest expense	532,366	563,180	-	-
Interest income	(620,494)	(361,884)	(127,674)	-
IPO expenses	2,415,193	-	2,415,193	-
Unrealised loss on foreign exchange	161,935	72,197	-	-
Unwinding discount on contract assets	(29,583)	105,749	-	-
Unwinding discount on trade receivables	-	176,968	-	-
Operating profit/(loss) before working capital changes				
carried forward	17,101,975	17,661,546	5,670,995	(9,297)

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

3REN BERHAD
Registration No. 202101012445 (1412744-K)
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

NOTE	GROUP		COMPANY	
	2024 RM	2023 ^(*) RM	2024 RM	2023 RM
Operating profit/(loss) before working capital changes brought forward	17,101,975	17,661,546	5,670,995	(9,297)
Changes in:				
Inventories	(3,249,911)	1,589,389	-	-
Receivables	(3,565,517)	(2,090,070)	(358,181)	-
Payables	(30,161)	342,079	(20,003)	1,121
Contract assets	(642,248)	(839,856)	-	-
Contract costs	(763,102)	7,595	-	-
Contract liabilities	1,503,281	(1,868,210)	-	-
Cash generated from/(used in) operations	10,354,317	14,802,473	5,292,811	(8,176)
Interest paid	(532,366)	(563,180)	-	-
Interest received	620,494	361,884	127,674	-
Tax paid	(2,264,926)	(1,495,717)	-	-
Tax refunded	-	650,490	-	-
Net cash from/(used in) operating activities	8,177,519	13,755,950	5,420,485	(8,176)
CASH FLOWS FROM INVESTING ACTIVITIES				
Addition to intangible assets	(2,333,966)	(1,659,612)	-	-
Changes in subsidiary balance	-	-	(3,920,497)	-
Net changes in other investments	-	324,500	-	-
Net changes in a director's account	-	-	-	8,176
Placement of fixed deposits with licensed banks	(4,490,666)	(624,679)	-	-
Proceeds from disposal of property, plant and equipment	-	200	-	-
Purchase of property, plant and equipment	(890,039)	(1,373,281)	(11,800)	-
Net cash (used in)/from investing activities	(7,714,671)	(3,332,872)	(3,932,297)	8,176
Balance carried forward	462,848	10,423,078	1,488,188	-

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

3REN BERHAD
Registration No. 202101012445 (1412744-K)
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	NOTE	GROUP		COMPANY	
		2024 RM	2023 ^(*) RM	2024 RM	2023 RM
Balance brought forward		462,848	10,423,078	1,488,188	-
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid		-	(10,000,000)	-	-
Proceeds from issuance of shares		30,800,000	-	30,800,000	-
Proceeds from employees' share option plan		-	-	199	-
IPO expenses		(3,695,561)	-	(3,695,561)	-
(Repayment)/Drawdown of promissory notes	B	(109,896)	109,896	-	-
(Repayment)/Drawdown of term loans, net	B	(480,179)	(786,857)	-	-
Repayment of hire purchase loans	B	(220,276)	(203,229)	-	-
Payment of lease liabilities	B	(268,858)	(284,696)	-	-
Net cash from/(used in) financing activities		<u>26,025,230</u>	<u>(11,164,886)</u>	<u>27,104,638</u>	<u>-</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		26,488,078	(741,808)	28,592,826	-
Effects of exchange translation differences on cash and cash equivalents		(164,951)	(38,110)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING		14,194,635	14,974,553	2	2
CASH AND CASH EQUIVALENTS AT END		40,517,762	14,194,635	28,592,828	2

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

3REN BERHAD
Registration No. 202101012445 (1412744-K)
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	GROUP		COMPANY	
	2024	2023 ^(*)	2024	2023
	RM	RM	RM	RM
The cash and cash equivalents are represented by:				
Cash and bank balances	38,458,297	5,944,800	28,592,828	2
Fixed deposits with licensed banks	8,276,553	9,976,257	-	-
	46,734,850	15,921,057	28,592,828	2
Less: Fixed deposits pledged to licensed banks and with maturity more than 3 months	(6,217,088)	(1,726,422)	-	-
	40,517,762	14,194,635	28,592,828	2
A. Purchase of property, plant and equipment				
Total acquisition cost	890,039	1,480,281	11,800	-
Acquired under hire purchase loans	-	(107,000)	-	-
Total cash acquisition	890,039	1,373,281	11,800	-

B. Liabilities arising from financing activities

Reconciliation between the opening and closing balances in the consolidated statement of financial position for liabilities arising from financing activities is as follows:

	Balance at beginning	Cash flows	Others*	Balance at end
	RM	RM	RM	RM
GROUP				
2024				
Hire purchase loans	747,362	(220,276)	-	527,086
Lease liabilities	395,577	(268,858)	344,262	470,981
Promissory notes	109,896	(109,896)	-	-
Term loans	10,967,186	(480,179)	-	10,487,007
	12,220,021	(1,079,209)	344,262	11,485,074

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

3REN BERHAD
Registration No. 202101012445 (1412744-K)
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Balance at beginning RM	Cash flows RM	Others* RM	Balance at end RM
2023				
Hire purchase loans	843,591	(203,229)	107,000	747,362
Lease liabilities	665,069	(284,696)	15,204	395,577
Promissory notes	-	109,896	-	109,896
Term loans	11,754,043	(786,857)	-	10,967,186
	<u>13,262,703</u>	<u>(1,164,886)</u>	<u>122,204</u>	<u>12,220,021</u>

* Others consist of non-cash movement as follows:

	GROUP	
	2024 RM	2023 ^(*) RM
Accretion of interest	24,962	6,064
Addition of lease liabilities	319,300	666,378
Derecognition of lease liabilities	-	(253,741)
Plant and equipment acquired under hire purchase loans	-	107,000
	<u>344,262</u>	<u>525,701</u>

Note:

(*) As disclosed in Note 38(i) to the financial statements, the comparative figures in the Group's financial statements are presented as if the combination of entities under common control had occurred before the start of the earliest period presented.

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

3REN BERHAD
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(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2024

1. CORPORATE INFORMATION

General

The Company is a private limited company, incorporated and domiciled in Malaysia. The Company was subsequently converted into a public limited company on 19 February 2024 and assumed its present name.

The registered office of the Company is located at 170-09-01 Livingston Tower, Jalan Argyll, 10050 George Town, Penang.

The principal place of business of the Company is located at No. 9 Jalan Industri Tangkas 1 Taman Industri Tangkas, 14000 Bukit Mertajam, Penang.

The principal activity of the Company consists of investment holding.

The principal activities of the subsidiaries are set out in Note 7 to the financial statements.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 24 April 2025.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The financial statements of the Group and of the Company have been prepared in accordance with applicable MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

2.2 Basis of Measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention.

2.3 Functional and Presentation Currency

Ringgit Malaysia ("RM") is the presentation currency of the Group and of the Company.

RM is also the functional currency of the Company and its subsidiaries. The functional currency is the currency of the primary economic environment in which the entity operates.

2.4 Adoption of Amendments to MFRSs

The accounting policies adopted by the Group and by the Company are consistent with those of the previous financial years except for the adoption of the following amendments to MFRSs that are mandatory for the current financial year:

Effective for annual periods beginning on or after 1 January 2024

Amendments to MFRS 16 Leases: Lease Liability in a Sale and Leaseback

Amendments to MFRS 101 Presentation of Financial Statements: Non-Current Liabilities with Covenants

Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements

Initial application of the above amendments to MFRSs did not have any material impact to the financial statements of the Group and of the Company upon adoption.

2.5 Standards Issued But Not Yet Effective

The following are accounting standards/amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and for the Company:

Effective for annual periods beginning on or after 1 January 2025

Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

Effective for annual periods beginning on or after 1 January 2026

Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments

Annual Improvements to MFRS Accounting Standards - Volume 11

Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures - Contracts Referencing Nature-dependent Electricity

Effective for annual periods beginning on or after 1 January 2027

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 19 Subsidiaries without Public Accountability: Disclosures

Effective date yet to be confirmed

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

The initial application of the above standards/amendments to MFRSs is not expected to have any material impact to the financial statements of the Group and of the Company upon adoption, except for *MFRS 18 Presentation and Disclosure in Financial Statements*.

MFRS 18 introduces new requirements on presentation within the statements of profit or loss, including specified totals and subtotals. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to *MFRS 107 Statement of Cash Flows* and *MFRS 134 Interim Financial Reporting*.

The amendments will have an impact on the Group's and on the Company's presentation of statements of comprehensive income, statements of cash flows and additional disclosures in the notes to the financial statements but not on the measurement or recognition of any items in the Group's and the Company's financial statements.

The Group is currently assessing the impact of *MFRS 18* and plans to adopt the new standard on the required effective date.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgement, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

(i) Revenue recognition

Revenue from the sale of goods and rendering of services are recognised at point in time or over time when control of the goods is transferred and service is rendered to the customer. The management applies judgements in identifying the performance obligations and estimating the point of revenue recognition under different contractual agreements. The different types of revenue are disclosed in Note 26 to the financial statements.

(ii) Internally generated development costs

Management monitors progress of internally generated research and development projects by using a project management system. Significant judgment is required in distinguishing the research phase from the development phase. Development costs are recognised as an asset when all the criteria are met, whereas research costs are expensed as incurred.

To distinguish any research-type project phase from the development phase, it is the Group's accounting policy to also require a detailed forecast of sales or cost savings expected to be generated by the intangible asset. The forecast is incorporated into the Group's overall budget forecast as the capitalisation of development costs commences. This ensures that managerial accounting, impairment testing procedures and accounting for internally-generated intangible assets is based on the same data.

The management also monitors whether the recognition requirements for development costs continue to be met. This is necessary as the economic success of any product development is uncertain and may be subject to future technical problems after the time of recognition.

(iii) Determining the lease term of contracts with extension options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised.

The Group has lease contracts that include extension option. The Group applies judgement in evaluating whether the Group is reasonably certain to exercise the option to extend the leases through considering all relevant factors that create an economic incentive for it to exercise the extension. After the commencement date, the Group reassesses the lease terms if there is a significant event or change in circumstances that is within their control and affects its ability to exercise the option to extend.

3.2 Key Sources of Estimation Uncertainty

The key assumptions 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 are discussed below:

(i) Inventories

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable values, management takes into account the most reliable evidence available at the time the estimate is made. Possible changes in these estimates could result in revisions to the valuations of inventories.

The carrying amount of the Group's inventories as at the end of the reporting period is disclosed in Note 10 to the financial statements.

(ii) Provision for expected credit loss ("ECL") of receivables

The Group uses a provision matrix to calculate ECL for receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may be different from customer's actual default in the future.

The information about the ECL on the Group's trade receivables is disclosed in Note 34.3 (iii) to the financial statements.

4. PROPERTY, PLANT AND EQUIPMENT

GROUP		Freehold land RM	Buildings RM	Machinery RM	Office equipment, computers, furniture and fittings RM	Renovation RM	Motor vehicles RM	Capital work in progress RM	Total RM
2024									
At cost									
Balance at beginning		4,574,536	7,087,965	2,019,836	2,966,143	2,591,938	1,690,967	207,325	21,138,710
Additions		-	-	32,450	440,233	409,043	8,313	-	890,039
Reclassification		-	-	-	-	207,325	-	(207,325)	-
Balance at end		4,574,536	7,087,965	2,052,286	3,406,376	3,208,306	1,699,280	-	22,028,749
Accumulated depreciation									
Balance at beginning		-	312,685	362,063	1,434,626	627,459	651,418	-	3,388,251
Current charge		-	138,309	274,752	488,980	532,491	137,649	-	1,572,181
Balance at end		-	450,994	636,815	1,923,606	1,159,950	789,067	-	4,960,432
Carrying amount		4,574,536	6,636,971	1,415,471	1,482,770	2,048,356	910,213	-	17,068,317

GROUP	Freehold land RM	Buildings RM	Machinery RM	Office equipment computers, furniture and fittings RM	Renovation RM	Motor vehicles RM	Capital work in progress RM	Total RM
2023								
At cost								
Balance at beginning	4,574,536	6,214,403	1,988,366	2,269,248	1,548,654	1,575,667	1,490,935	19,661,809
Additions	-	27,674	31,470	673,112	411,096	115,300	221,629	1,480,281
Disposals	-	-	-	(3,380)	-	-	-	(3,380)
Reclassification	-	845,888	-	27,163	632,188	-	(1,505,239)	-
Balance at end	4,574,536	7,087,965	2,019,836	2,966,143	2,591,938	1,690,967	207,325	21,138,710
Accumulated depreciation								
Balance at beginning	-	174,743	91,724	967,758	193,280	518,166	-	1,945,671
Current charge	-	137,942	270,339	470,247	434,179	133,252	-	1,445,959
Disposals	-	-	-	(3,379)	-	-	-	(3,379)
Balance at end	-	312,685	362,063	1,434,626	627,459	651,418	-	3,388,251
Carrying amount	4,574,536	6,775,280	1,657,773	1,531,517	1,964,479	1,039,549	207,325	17,750,459

	COMPANY	
	2024	2023
	RM	RM
Office equipment, computers, furniture and fittings		
At cost		
Additions/Balance at end	11,800	-
Accumulated depreciation		
Current charge/Balance at end	(957)	-
Carrying amount	10,843	-

(i) **Material accounting policy information**

All property, plant and equipment are initially measured at cost which includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and to the Company and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Freehold land is not depreciated as it has an infinite life.

Depreciation on other property, plant and equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on a straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Buildings	1.75% - 2%
Machinery	10% - 20%
Office equipment, computers, furniture and fittings	10% - 20%
Renovation	20%
Motor vehicles	10%

Capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The depreciation method, useful life and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment. Any changes are accounted for as a change in estimate. When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss. Upon the disposal of an item of plant and equipment, the differences between the net disposal proceeds and its carrying amount is charged or credited to profit or loss.

- (ii) The property, plant and equipment pledged to licensed banks for banking facilities granted are as follows:

	GROUP	
	2024 RM	2023 RM
Freehold land	4,574,536	4,574,536
Buildings	6,636,971	6,775,280
	11,211,507	11,349,816

- (iii) The carrying amount of property, plant and equipment acquired under hire purchase is as follows:

	GROUP	
	2024 RM	2023 RM
Motor vehicles	861,221	982,573

5. INTANGIBLE ASSETS

	GROUP	
	2024 RM	2023 RM
Development expenditure		
At cost		
Balance at beginning	5,494,895	3,835,283
Addition	2,333,966	1,659,612
Balance at end	7,828,861	5,494,895
Accumulated amortisation		
Balance at beginning	(846,500)	(256,980)
Current charge	(718,737)	(589,520)
Balance at end	(1,565,237)	(846,500)
Carrying amount	6,263,624	4,648,395

The intangible assets represent development cost incurred for digitalised solutions such as command and control centre, operational efficiency solutions, workforce efficiency solutions, asset management system and manufacturing operating system framework.

Material accounting policy information

Expenditure incurred on projects to develop new products is capitalised as development costs and deferred only when the Group can demonstrate the technical feasibility of completing the asset so that it will be available for use or sale, their intention to complete and their ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Development costs which do not meet these criteria are recognised in profit or loss as incurred.

Capitalised development costs comprise direct attributable costs incurred for development. Capitalised development costs, considered to have finite useful lives, are stated at cost less accumulated amortisation. Development costs are amortised using the straight-line basis over 5 to 10 years.

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group has lease contracts for leasehold land and the rental of office premises used in its operations. The lease term of the land is 57 years while the lease term of the office premises ranged from 2 to 3 years with an option to renew the leases for another 1 year. The Group expects that it is reasonably certain that it will exercise the options to extend the leases and has factored the extension options as part of the lease term for leases of office premise. The lease contracts restrict the Group from assigning and subleasing the leased assets.

Set out below are the carrying amount of right-of-use assets recognised and the movements during the financial year:

	Leasehold land RM	Office RM	Total RM
GROUP			
2024			
Balance at beginning	551,255	386,507	937,762
Addition	-	319,300	319,300
Depreciation	(10,601)	(264,209)	(274,810)
Balance at end	<u>540,654</u>	<u>441,598</u>	<u>982,252</u>
2023			
Balance at beginning	561,856	662,172	1,224,028
Depreciation	(10,601)	(264,837)	(275,438)
Lease modification	-	(10,828)	(10,828)
Balance at end	<u>551,255</u>	<u>386,507</u>	<u>937,762</u>

Set out below are the carrying amount of lease liabilities recognised and the movements during the financial year:

	GROUP	
	2024 RM	2023 RM
Lease liabilities		
Balance at beginning	395,577	665,069
Addition	319,300	-
Accretion of interest	24,962	26,484
Payments	(268,858)	(284,696)
Lease modification	-	(11,280)
Balance at end	470,981	395,577
Represented by:		
Non-current liabilities	157,327	202,468
Current liabilities	313,654	193,109
Balance at end	470,981	395,577

(i) **Material accounting policy information**

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the leases and the estimated useful lives of the assets as follows:

Leasehold land	57 years
Office premise	2 to 3 years

The Group applies the short-term lease recognition exemption to their short-term leases of office premise and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). They also apply the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

(ii) The following are the amounts recognised in profit or loss:

	GROUP	
	2024 RM	2023 RM
Depreciation expense of right-of-use assets	(274,810)	(275,438)
Accretion of interest on lease liabilities	(24,962)	(26,484)
Expenses relating to low value assets	(5,363)	(2,460)
Expenses relating to short-term leases (**)	(42,063)	(78,891)
Gain on lease modification	-	452
Total amount recognised in profit or loss	(347,198)	(382,821)

(**) The Group leases premises and equipment with contract term of less than 1 year. These leases are short-term in nature and the Group has elect not to recognise right-of-use asset and lease liabilities for these leases.

The Group's total cash outflows for leases during the financial year are **RM316,284** (2023: RM336,047).

(iii) The right-of-use asset pledged to licensed banks for banking facilities granted is as follows:

	GROUP	
	2024 RM	2023 RM
Leasehold land	540,654	551,255

7. INVESTMENT IN SUBSIDIARIES

	COMPANY 2024 RM
Unquoted shares, at cost	54,000,000
Employees' share scheme granted to employees of subsidiaries	223,386
	54,223,386

The details of the subsidiaries, all of which were incorporated and their principal place of business are in Malaysia, except where indicated, are as follows:

Name of Companies	Effective Equity Interest		Principal Activities
	2024 %	2023 %	
Sophic Automation Sdn. Bhd. ("SA")	100	-	Provision of automation solutions and engineering services
Sophic MSC Sdn. Bhd. ("MSC")	100	-	Provision of automation solutions
Pinkypye Sdn. Bhd. ("Pinkypye")	100	-	Provision of precision machining and related services

(i) Material accounting policy information

Investment in subsidiaries are measured at cost less any impairment losses in the Company's separate financial statements.

The consolidation of all the subsidiaries involves a business combination under common control. As such, the consolidation is accounted for using the merger accounting principle. Accordingly, the results of the subsidiaries are presented as if the merger had been effected throughout the years under review. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholders at the date of merger. On consolidation, the cost of the merger is cancelled with the values of the shares received. Any resulting debit difference is adjusted against the merger reserve. Any other reserves which are attributable to share capital of the merged entities, to the extent that it has not been capitalised by a debit difference, is reclassified and presented as movement in other capital reserves.

(ii) **Acquisition of subsidiaries**

On 23 July 2024, the Company completed the acquisition of SA, followed by the acquisitions of MSC and Pinkypye on 30 July 2024, pursuant to the internal restructuring disclosed in Note 38(i) to the financial statements.

8. **TRADE RECEIVABLES**

	GROUP	
	2024 RM	2023 RM
Non-current asset		
Trade receivable	-	1,383,170
Current asset		
Trade receivables	31,703,583	26,393,663
Less: Allowance for expected credit losses		
Balance at beginning	(43,648)	(39,107)
Current year	(109,656)	(4,541)
Balance at end	(153,304)	(43,648)
	31,550,279	26,350,015
Total trade receivables	31,550,279	27,733,185

The currency profile of trade receivables is as follows:

	GROUP	
	2024 RM	2023 RM
Ringgit Malaysia	27,357,762	25,727,181
United States Dollar ("USD")	4,192,517	2,006,004
	31,550,279	27,733,185

The trade receivables are non-interest bearing and generally on **30 to 120 days** (2023: 30 to 120 days) credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Included in trade receivables was an amount of **RM1,730,550** (2023: RM2,293,582) arising from sales in the previous financial year which have been arranged to be repaid over 24 months commencing December 2023.

9. CONTRACT ASSETS/(LIABILITIES)

		GROUP	
	NOTE	2024 RM	2023 RM
Non-current asset			
Contract assets			
- Revenue contracts	9.1	389,433	844,444
Current asset			
Contract assets			
- Revenue contracts	9.1	5,403,080	4,276,238
Total contract assets		5,792,513	5,120,682
Current liabilities			
Contract liabilities			
- Revenue contracts	9.2	-	(30,930)
- Deposits received from customers	9.3	(4,164,800)	(2,630,589)
Total contract liabilities		(4,164,800)	(2,661,519)

9.1 Contract assets – revenue contracts*

	GROUP	
	2024 RM	2023 RM
Balance at beginning	5,120,682	4,386,575
Revenue recognised during the year	65,667,033	59,729,951
Progress billings during the year	(64,995,202)	(58,995,844)
	5,792,513	5,120,682

9.2 Contract liabilities – revenue contract*

	GROUP	
	2024 RM	2023 RM
Balance at beginning	30,930	140,593
Revenue recognised during the year	(30,930)	(329,770)
Progress billings during the year	-	220,107
	-	30,930

* Contract assets/liabilities arising from revenue contracts are timing differences between the point where revenue is recognised to the point where invoice/billing is raised to the customer. The timing difference occurs when the billing does not coincide to the actual work performed to date for the customer and this occurs for sales contracts where recognition of revenue is over time.

9.3 Contract liabilities – deposits received from customers

	GROUP	
	2024 RM	2023 RM
Balance at beginning	2,630,589	4,389,136
Revenue recognised during the year	(1,536,980)	(3,562,590)
Progress billings during the year	3,071,191	1,804,043
	4,164,800	2,630,589

Deposits received in advance are from customers within manufacturing operating solutions and services segment.

9.4 Unsatisfied performance obligations

The aggregate amount of unsatisfied performance obligations at the end of the reporting period and the expected timing of recognition of revenue are as follows:

	GROUP	
	2024 RM	2023 RM
Within one year	3,076,980	5,387,922

10. INVENTORIES

	GROUP	
	2024 RM	2023 RM
Raw materials	425,125	549,076
Work-in-progress	6,180,018	2,806,156
	6,605,143	3,355,232

The inventories recognised as cost of sales in the profit or loss of the Group amounted to **RM23,893,463** (2023: RM21,509,921).

Material accounting policy information

Inventories are stated at the lower of cost and net realisable value. The cost of inventories includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes direct labour and attributable production overheads.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Other receivables	321,740	47,900	201,840	-
Less: Allowance for expected credit losses	(45,000)	-	-	-
	276,740	47,900	201,840	-
Refundable deposits	273,557	298,712	-	-
Prepayments	2,305,241	2,826,065	156,341	-
	2,855,538	3,172,677	358,181	-

The currency profile of other receivables, deposits and prepayments is as follows:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Ringgit Malaysia	2,773,112	3,062,493	358,181	-
USD	9,838	110,184	-	-
Chinese Renminbi ("CNY")	72,588	-	-	-
	2,855,538	3,172,677	358,181	-

12. CONTRACT COSTS

	GROUP	
	2024 RM	2023 RM
Cost to fulfill a contract	1,503,523	740,421

Project related costs that are attributable to the on-going projects are presented as contract fulfilment costs. These costs are recognised to profit or loss when the related revenues are recognised.

13. AMOUNT DUE FROM A SUBSIDIARY

COMPANY

The amount due from a subsidiary is non-trade related, unsecured and classified based on the expected timing of realisation.

14. FIXED DEPOSITS WITH LICENSED BANKS

	GROUP	
	2024 RM	2023 RM
Unencumbered:		
Fixed deposits with licensed banks	7,343,399	9,064,594
Encumbered:		
Fixed deposits with licensed banks	933,154	911,663
	8,276,553	9,976,257

The encumbered fixed deposits are pledged to licensed banks for banking facilities granted to certain subsidiaries as disclosed in Note 22 to the financial statements.

The effective interest rates per annum and maturities of the fixed deposits with licensed banks as at the end of the reporting period are as follows:

	GROUP	
	2024 RM	2023 RM
Interest rates (%)	2.50 to 3.80	2.60 to 3.95
Maturities (months)	1-12	1-12

15. CASH AND BANK BALANCES

The currency profile of cash and bank balances is as follows:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Ringgit Malaysia	34,919,107	3,741,054	28,592,828	2
USD	3,539,190	2,203,746	-	-
	38,458,297	5,944,800	28,592,828	2

16. SHARE CAPITAL

	Number of ordinary shares		Amount	
	2024 Unit	2023 Unit	2024 RM	2023 RM
Issued and fully paid with no par value:				
Balance at beginning	2	2	2	2
Issuance of shares pursuant to:				
- acquisition of subsidiaries	539,999,998	-	54,000,000	-
- public issue	110,000,000	-	30,800,000	-
Share issuance expenses	-	-	(1,280,368)	-
	650,000,000	2	83,519,634	2

During the financial year, the Company has increased its issued and fully paid-up ordinary share capital by way of issuance of:

- (i) 539,999,998 new ordinary shares in the Company amounting to RM54,000,000 to satisfy the acquisition of Sophic Automation Sdn. Bhd., Sophic MSC Sdn. Bhd. and Pinkypye Sdn. Bhd. in conjunction with the internal restructuring of the Company as disclosed in Note 38(i) to the financial statements; and
- (ii) 110,000,000 new ordinary shares in conjunction with the Initial Public Offering ("IPO") exercise as disclosed in Note 38(ii) to the financial statements.

17. INVESTED EQUITY

		Number of shares		Amount	
	Note	2024 Unit	2023 Unit	2024 RM	2023 RM
Issued and fully paid shares with no par value	17.1	-	860,000	-	860,000
Redeemable convertible preference shares ("RCPS")	17.2	-	8,800,000	-	8,800,000
		-	9,660,000	-	9,660,000

Invested equity comprised the share capital of the subsidiaries acquired. The amount has been reversed against the merger deficit as disclosed in Note 18 to the financial statements.

17.1 Issued and fully paid shares with no par value

	Number of shares		Amount	
	2024 Unit	2023 Unit	2024 RM	2023 RM
Balance at beginning	860,000	860,000	860,000	860,000
Conversion of RCPS	71,700	-	8,800,000	-
Effects of acquisition of subsidiaries	(931,700)	-	(9,660,000)	-
	-	860,000	-	860,000

Material accounting policy information

Business combinations arising from transfers of interest in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any resulting gain/loss is recognised directly in equity.

On consolidation, the cost of the merger is cancelled with the values of the shares received. Any resulting debit difference is adjusted against the merger reserve.

17.2 RCPS

	Number of shares		Amount	
	2024 Unit	2023 Unit	2024 RM	2023 RM
Balance at beginning	8,800,000	8,800,000	8,800,000	8,800,000
Conversion of RCPS	(8,800,000)	-	(8,800,000)	-
	-	8,800,000	-	8,800,000
Represented by:				
RCPS Series A	-	2,700,000	-	2,700,000
RCPS Series B	-	6,100,000	-	6,100,000
	-	8,800,000	-	8,800,000

Conversion Notice

On 14 March 2024, the subsidiary of the Company, SA received a proposal for notice of conversion by the Malaysian Technology Development Corporation Sdn. Bhd. ("MTDC"), the RCPS holder, to convert all of its 8,800,000 RCPSs held in SA, which comprise 2,700,000 RCPS Series A and 6,100,000 RCPS series B, into 71,700 new ordinary shares in SA based on a conversion rate of 2.1 multiple over the nominal value of the entire RCPS. The conversion was completed on 5 July 2024.

18. MERGER DEFICIT**GROUP**

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

19. ESOP RESERVE**GROUP AND COMPANY**

The ESOP reserve represents the fair value of ESOP options granted to eligible directors and employees of the Group. The reserve is made up of the cumulative value of services received from these directors and employees recorded over the vesting period commencing from the grant date and is reduced by the expiry, vesting or exercise of the ESOP options. The salient terms of the ESOP options are disclosed in Note 37 to the financial statements.

20. RETAINED PROFITS**COMPANY**

The franking of dividends of the Company is under the single tier system and therefore there is no restriction on the Company to distribute dividends subject to the availability of retained profits.

21. DEFERRED INCOME

	GROUP	
	2024 RM	2023 RM
Balance at beginning	1,734	2,406
Recognised in profit or loss	(504)	(672)
	1,230	1,734
Analysed as:		
Non-current	558	1,062
Current	672	672
	1,230	1,734

22. **BORROWINGS**

	GROUP	
	2024 RM	2023 RM
Non-current liabilities		
<u>Term loans</u>		
Total amount payable	10,487,007	10,967,186
Amount due within one year included under current liabilities	(497,405)	(472,689)
	9,989,602	10,494,497
<u>Hire purchase loans</u>		
Total amount payable	555,488	803,480
Future finance charges	(28,402)	(56,118)
	527,086	747,362
Amount due within one year included under current liabilities	(230,016)	(220,275)
	297,070	527,087
	10,286,672	11,021,584
Current liabilities		
Hire purchase loans	230,016	220,275
Promissory note	-	109,896
Term loans	497,405	472,689
	727,421	802,860
Total borrowings	11,014,093	11,824,444

The borrowings (except for hire purchase loans) are secured by way of:

- (i) first legal charge over the property, plant and equipment and right-of-use assets of the Group as disclosed in Note 4 and 6 to the financial statements;
- (ii) the Company is in the process of discharging personal guarantees by directors, to be replaced by corporate guarantee by 3REN Berhad; and
- (iii) pledged against fixed deposit as disclosed in Note 14 to the financial statements.

The hire purchase loans are secured over the corresponding assets acquired as disclosed in Note 4 to the financial statements.

A summary of the effective interest rates and the maturities of the borrowings are as follows:

	Effective interest rates per annum (%)	Total RM	Within one year RM	More than one year and less than two years RM	More than two years and less than five years RM	More than five years RM
Group						
2024						
Hire purchase loans	3.78 to 6.40	527,086	230,016	245,645	51,425	-
Term loans	3.50 to 8.15	10,487,007	497,405	553,562	1,528,268	7,907,772

	Effective interest rates per annum (%)	Total RM	Within one year RM	More than one year and less than two years RM	More than two years and less than five years RM	More than five years RM
2023						
Hire purchase loans	3.78 to 6.40	747,362	220,275	230,017	297,070	-
Promissory note	3.62	109,896	109,896	-	-	-
Term loans	3.50 to 8.15	10,967,186	472,689	497,313	1,460,633	8,536,551

23. DEFERRED TAX LIABILITIES

	GROUP	
	2024 RM	2023 RM
Balance at beginning	1,609,000	1,216,876
Recognised in profit or loss	176,000	407,124
	<u>1,785,000</u>	<u>1,624,000</u>
Over provision in prior year	(81,000)	(15,000)
Balance at end	<u>1,704,000</u>	<u>1,609,000</u>

The deferred tax liabilities at the end of the reporting period are made up of the temporary difference arising from:

	GROUP	
	2024 RM	2023 RM
Property, plant and equipment	267,000	431,000
Intangible assets	1,504,000	1,116,000
Others	(67,000)	62,000
	<u>1,704,000</u>	<u>1,609,000</u>

24. TRADE PAYABLES

The currency profile of trade payables is as follows:

	GROUP	
	2024 RM	2023 RM
Ringgit Malaysia	1,430,482	887,400
USD	6,483	650
EURO	9,388	169
Others	527	-
	<u>1,446,880</u>	<u>888,219</u>

The normal credit terms granted by trade payables range from **30 to 60 days** (2023: 30 to 60 days).

25. OTHER PAYABLES AND ACCRUALS

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Other payables	315,568	279,215	7,224	25,816
Accruals	2,125,142	2,664,240	589	2,000
	2,440,710	2,943,455	7,813	27,816

Included in other payables is an amount of **RM Nil** (2023: RM24,695) due to a director of the Company and of the Group. The amount due to a director is non-trade related, unsecured, non-interest bearing and repayable on demand.

26. REVENUE**26.1 Disaggregation of revenue from contracts with customers**

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Type of revenue				
Manufacturing				
Operating Solutions and Services	69,699,154	65,215,464	-	-
Product Engineering Services	33,716,384	29,675,904	-	-
Revenue from contracts with customer	103,415,538	94,891,368	-	-
Dividend income, representing other revenue	-	-	6,350,000	-
	103,415,538	94,891,368	6,350,000	-
Timing of revenue recognition				
Point in time	36,667,181	36,463,847	6,350,000	-
Over time	66,748,357	58,427,521	-	-
Total revenue from contracts with customer	103,415,538	94,891,368	6,350,000	-
By geographical markets				
Malaysia	93,500,362	89,106,513	6,350,000	-
Singapore	4,638,933	2,279,885	-	-
Philippines	4,365,511	1,198,197	-	-
Thailand	390,213	172,700	-	-
United States of America	343,710	1,630,225	-	-
Mexico	78,340	-	-	-
Vietnam	47,610	80,946	-	-
India	27,711	-	-	-
China	23,148	395,362	-	-
Costa Rica	-	24,925	-	-
Taiwan	-	2,615	-	-
Total revenue from contracts with customer	103,415,538	94,891,368	6,350,000	-

26.2 Contract balances

	GROUP	
	2024 RM	2023 RM
Trade receivables (Note 8)	31,550,279	27,733,185
Contract assets (Note 9)	<u>5,792,513</u>	<u>5,120,682</u>

26.3 Performance obligations

The performance obligations of the Group are as set out below.

Manufacturing operating solutions and services

Manufacturing operating solutions and services comprise revenue from design, development and sales of digitalised solutions and automated equipment and provision of engineering support services for integrated circuit ("IC") assembly and testing.

The Group designs, develops, assembles, integrates, configures, tests and commission production/operational modernisation digital solutions and systems and automated equipment based on customers orders received. The Group recognises revenue when a contract exists and when, or as, it satisfies a performance obligation by transferring control of a product or service to a customer. Contracts are accounted for when they have approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable. A performance obligation is a promise in a contract to transfer a distinct good or service to the customer. Depending on the substance of the respective contract with customer, the control of the promised goods or services may transfer over time or at point in time.

For point in time contracts, revenue is recognised when the transfer of controls of the goods have been passed to the customer, which typically occurs upon shipment or delivery depending on the terms of the underlying contract. Under certain circumstances, customer acceptance is conducted at customer's site i.e. to ensure that the equipment purchased can be integrated with the customer's production flow. Under such circumstance, revenue is only recognised once customer acceptance has been received at customer's site.

For over time contracts, revenue is recognised by reference to the stage of completion of the contract at the end of each reporting period. The Group uses both the input and output method to measure progress and the choice of method is dependent on what best depicts the transfer of the asset to the customer.

The Group also consider whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration and consideration payable to the customer, if any.

For certain sales transactions, the Group provides a standard part warranty of one year after delivery. These warranties are assurance type and accounted for under MFRS 137 Provisions, Contingent Liabilities and Contingent Assets. Such warranties provision are not recognised by the Group as it is able to claim any defects from its suppliers over the same period.

The Group is also providing engineering support services during the assembly and testing stage of its customers' production flow. Revenue from contracts with customers is recognised over time when control of the services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services.

Product engineering services

The Group is also involved in the provision of product engineering services, which entails mainly post design validation services during the design stage of its customers' production flow. Revenue from contracts with customers is recognised over time when control of the services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services.

27. PROFIT/(LOSS) BEFORE TAX

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
After charging:				
Amortisation of intangible assets	718,737	589,520	-	-
Auditors' remuneration				
- Statutory audits				
- Grant Thornton Malaysia PLT				
- Current year	133,000	62,000	50,000	2,000
- Under provision in prior year	3,000	-	-	-
- Assurance related and non-audit services				
- Grant Thornton Malaysia PLT	10,000	-	5,000	-
Depreciation on:				
- property, plant and equipment	1,572,181	1,445,959	957	-
- right-of-use assets	274,810	275,438	-	-
Directors' fees	241,149	60,000	215,161	-
Expenses relating to lease of low value assets	5,363	2,460	-	-
Expenses relating to short term leases	42,063	78,891	-	-
Equity-settled share-based payment	226,051	-	2,466	-
Interest expense on:				
- Hire purchase loans	27,716	34,319	-	-
- Lease liabilities	24,962	26,484	-	-
- Term loans	479,688	502,377	-	-
Realised loss on foreign exchange	183,760	-	-	-
Research and development expenses	326,307	1,014,812	-	-
* Staff costs	60,294,663	55,790,225	5,100	-
Unrealised loss on foreign exchange	161,935	72,197	-	-
Unwinding of discount on contract assets	(29,583)	105,749	-	-
Unwinding of discount on trade receivables	-	176,968	-	-

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
And crediting:				
Government grant released	504	672	-	-
Gain on disposal of property, plant and equipment	-	199	-	-
Gain on lease modification	-	452	-	-
Interest income	620,494	361,884	-	-
Realised gain on foreign exchange	4,194	74,153	-	-
	4,194	74,153	-	-
* Staff costs				
- Salaries, allowances and bonus	53,018,305	48,848,700	5,100	-
- EPF contribution	6,297,519	6,043,389	-	-
- SOCSO and EIS	978,839	898,136	-	-
	60,294,663	55,790,225	5,100	-

The directors' emoluments of the Group and of the Company are as follows:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Executive directors of the Company:				
- Salaries, allowances and bonus	600,040	540,040	-	-
- EPF contribution	72,000	64,800	-	-
- SOCSO and EIS	2,434	2,317	-	-
	674,474	607,157	-	-
Non-executive directors of the Company:				
- Fees	251,149	60,000	215,161	-
- Salaries, allowances and bonus	5,100	5,000	5,100	-
	256,249	65,000	220,261	-
Executive director of the subsidiaries:				
- Salaries, allowances and bonus	252,784	378,736	-	-
- EPF contribution	30,264	44,520	-	-
- SOCSO and EIS	1,217	2,124	-	-
	284,265	425,380	-	-
Total directors' remuneration	1,214,988	1,097,537	220,261	-

28. TAXATION

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Current tax:				
- Malaysian income tax	(2,908,000)	(2,683,000)	(28,000)	-
Deferred tax relating to the origination and reversal of temporary differences	(176,000)	(407,124)	-	-
	<u>(3,084,000)</u>	<u>(3,090,124)</u>	<u>(28,000)</u>	<u>-</u>
Over/(Under) provision in prior years				
- Current tax	72,076	(65,940)	-	-
- Deferred tax	81,000	15,000	-	-
	<u>153,076</u>	<u>(50,940)</u>	<u>-</u>	<u>-</u>
	<u>(2,930,924)</u>	<u>(3,141,064)</u>	<u>(28,000)</u>	<u>-</u>

The reconciliation of tax expense of the Group and of the Company is as follows:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit/(Loss) before tax	<u>11,671,665</u>	<u>14,737,717</u>	<u>3,380,053</u>	<u>(9,297)</u>
Income tax at Malaysian statutory rate at 24%	(2,801,200)	(3,537,053)	(811,213)	2,231
Income not subjected to tax	-	-	1,524,000	-
Expenses not deductible for tax purposes	(933,375)	(75,436)	(740,787)	(2,231)
Deferred tax assets not recognised	(105,978)	(144,977)	-	-
Pioneer income not subject to tax	756,553	667,342	-	-
	<u>(3,084,000)</u>	<u>(3,090,124)</u>	<u>(28,000)</u>	<u>-</u>
Over/(Under) provision in prior years	<u>153,076</u>	<u>(50,940)</u>	<u>-</u>	<u>-</u>
	<u>(2,930,924)</u>	<u>(3,141,064)</u>	<u>(28,000)</u>	<u>-</u>

- (i) The Company has been granted full income tax exemption for 10 years with effect from 21 January 2021 to undertake the activity of automated guided vehicle or automated mobile robot, automated intelligent vision inspection system, automated intelligent material management system, intelligent command center system and automated intelligent handling and testing system and 70% income tax exemption for 5 years with effect from 1 January 2021 to undertake the activity of augmented reality smart glass.

- (ii) The following deferred tax assets (gross amount) have not been recognised as at the end of the reporting period as it is not probable that future taxable profit will be available against which may be utilised:

	2024 RM	2023 RM
Deferred tax recognised:		
Property, plant and equipment	(577,732)	(67,023)
Unabsorbed capital allowances	313,446	59,746
Unused tax losses	264,286	7,277
	-	-
Deferred tax not recognised:		
Unused tax losses	959,941	551,261
Unabsorbed capital allowances	32,895	-
	992,836	551,261

The gross amount and future availability of unused tax losses and unabsorbed allowances which are available to be carried forward for set-off against future taxable income are estimated as follows:

	2024 RM	2023 RM
Unabsorbed capital allowances	346,341	59,746
Unused tax losses	1,224,227	558,538

The unused tax losses can be carried forward for ten consecutive years of assessment immediately following that year of assessment ("YA") of which tax losses was incurred, while the unabsorbed capital allowances can be carried forward indefinitely.

The unused tax losses will be disregarded in the following YAs:

	2024 RM	2023 RM
YA 2034	558,538	558,538
YA 2035	665,689	-
	1,224,227	558,538

29. EARNINGS PER SHARE

29.1 Basic earnings per share

Basic earnings per share of the Group is calculated by dividing the profit for the financial year of the Company by the weighted average number of ordinary shares in issue during the financial year as follows:

	GROUP	
	2024 RM	2023 RM
Profit for the financial year (RM)	8,740,741	11,596,653
Weighted average number of ordinary shares in issue	556,575,342	540,000,000
Basic earnings per ordinary share (sen)	1.57	2.15

In the calculation of earnings per ordinary share for the financial year ended 31 December 2023, it is assumed that the acquisition of the subsidiaries had taken place. Whilst the weighted average number of ordinary shares for the financial year ended 31 December 2024 took into consideration the acquisition of the subsidiaries and the completion of the IPO.

29.2 Diluted earnings per share

The diluted earnings per share is calculated by dividing the profit for the financial year by the weighted average number of ordinary shares in issue during the financial year after adjusting for the dilutive effects of all potential ordinary shares as follows:

	GROUP	
	2024	2023
Profit for the financial year (RM)	8,740,741	11,596,653
Weighted average number of ordinary shares in issue	556,575,342	540,000,000
Adjustment for dilutive effect of ESOP	3,960,338	-
	560,535,680	540,000,000
Diluted earnings per ordinary share (sen)	1.56	2.15

30. DIVIDENDS

	GROUP	
	2024 RM	2023 RM
In respect of financial year ended 31 December 2023:		
- First interim single tier interim dividend of RM5.00 per ordinary share	-	2,500,000
- Second interim single tier interim dividend of RM5.00 per ordinary share	-	2,500,000
- Third interim single tier interim dividend of RM9.75 per ordinary share	-	4,875,000
- First interim single tier interim dividend of RM0.0142 per RCPS	-	125,000
	-	10,000,000

In respect of financial year ended 31 December 2024:

On 21 February 2025, the Company has declared an interim single tier dividend of RM0.005 per ordinary share amounting to RM3,250,000 in respect of the financial year ended 31 December 2024 paid on 28 March 2025. The financial statements for the current financial year do not reflect this declared dividend. Such dividend will be accounted for in equity as an appropriation of retained profits for the financial year ending 31 December 2025.

31. OPERATING SEGMENT

The Group has two reportable segments which comprise its major business segments. These business segments are involved in different activities and managed by segment managers who report directly to the Group's executive directors.

The reportable segments are as follows:

Reportable segments	Activities
Manufacturing operating solutions and services	- Engineering support services for IC assembly and testing - Design, development and sale of digitalised solutions - Design, development and sale of automated equipment
Product engineering services	- Product engineering services

Management monitors its business units separately up to segment results for the purpose of making decisions about performance assessment. Segment assets and liabilities information are not presented to the decision makers by management as management does not distinguish assets and liabilities into the two operating segments. Hence, no disclosure is made on segment assets and liabilities.

	Manufacturing operating solutions and services RM	Product engineering services RM	Elimination RM	Total RM
GROUP 2024				
Revenue	69,699,154	33,716,384	-	103,415,538
Segment results	7,473,165	7,080,319	-	14,553,484
Finance costs				(532,366)
Finance income				620,494
Loss arising from non-reportable segment**				<u>(2,969,947)</u>
Profit before tax				11,671,665
Tax expense				<u>(2,930,924)</u>
Profit for the financial year				<u>8,740,741</u>
2023				
Revenue	65,215,464	29,675,904	-	94,891,368
Segment results	8,850,992	6,124,318	-	14,975,310
Finance costs				(563,180)
Finance income				361,884
Investing results*				(27,000)
Loss arising from non-reportable segment**				<u>(9,297)</u>
Profit before tax				14,737,717
Tax expense				<u>(3,141,064)</u>
Profit for the financial year				<u>11,596,653</u>

* Investing results include dividend income and fair value gain/(loss) on other investments.

** Non-reportable segment comprises the results of the Company, being an investment holding company.

Geographical segments

Revenue of the Group based on geographical location of its customers are disclosed in Note 26 of the combined financial statements.

The Group's non-current assets are entirely located in Malaysia.

Major customers

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

	GROUP	
	2024 RM	2023 RM
Customer A	63,197,983	53,775,870
Customer B	26,352,543	14,312,667
	89,550,526	68,088,537

A customer is defined as an entity or group of entities under the same ultimate holding company.

32. RELATED PARTY DISCLOSURES**(i) Identity of related parties**

Related parties may be individuals or other entities and include the following:

- (a) Subsidiaries as disclosed in Note 7.
- (b) Key management personnel.

(ii) Related party transactions

	COMPANY	
	2024 RM	2023 RM
Dividends received from a subsidiary	6,350,000	-

(iii) Compensation of key management personnel

Key management personnel are those persons including directors having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company, directly or indirectly. The remuneration of key management personnel which only comprise of directors of the Group and of the Company during the financial year is as follows:

	GROUP		COMPANY	
	2024 RM	2023 RM	2024 RM	2023 RM
- Salaries, allowances and bonus	857,924	923,776	5,100	-
- EPF contribution	102,264	109,320	-	-
- SOCSO and EIS	3,651	4,441	-	-
	963,839	1,037,537	5,100	-
Directors' fee	251,149	60,000	215,161	-
	1,214,988	1,097,537	220,261	-

33. CAPITAL COMMITMENT

	GROUP	
	2024 RM	2023 RM
Contracted but not provided for: - Property, plant and equipment	308,776	3,025

34. FINANCIAL INSTRUMENTS

34.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as amortised cost ("AC").

	Carrying amount RM	AC RM
GROUP		
2024		
Financial assets		
Trade receivables	31,550,279	31,549,814
Other receivables and refundable deposits	550,297	562,297
Fixed deposits with licensed banks	8,276,553	8,276,553
Cash and bank balances	38,458,297	38,458,297
	78,835,426	78,846,961
Financial liabilities		
Trade payables	1,446,880	1,446,880
Other payables and accruals	2,440,710	2,440,710
Borrowings	11,014,093	11,014,093
	14,901,683	14,901,683
2023		
Financial assets		
Trade receivables	27,733,185	27,733,185
Other receivables and refundable deposits	346,612	346,612
Fixed deposits with licensed banks	9,976,257	9,976,257
Cash and bank balances	5,944,800	5,944,800
	44,000,854	44,000,854
Financial liabilities		
Trade payables	888,219	888,219
Other payables and accruals	2,943,455	2,943,455
Borrowings	11,824,444	11,824,444
	15,656,118	15,656,118

	Carrying amount RM	AC RM
COMPANY		
2024		
Financial assets		
Other receivables and refundable deposits	201,840	201,840
Amount due from a subsidiary	3,920,497	3,920,497
Cash and bank balances	<u>28,592,828</u>	<u>28,592,828</u>
	32,715,165	32,715,165
Financial liabilities		
Other payables and accruals	<u>7,813</u>	<u>7,813</u>
2023		
Financial assets		
Cash and bank balances	<u>2</u>	<u>2</u>
Financial liabilities		
Other payables and accruals	<u>27,816</u>	<u>27,816</u>

34.2 Financial risk management

The Group and the Company are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign exchange risk. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative activities.

34.3 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's exposure to credit risk arises principally from its trade receivables whilst the Company's exposure to credit risk arises principally from advances to a subsidiary.

(i) Credit risk concentration profile

The Group's major concentration of credit risk that accounted for 10% or more of total trade receivables at the end of each reporting period is as follows:

	GROUP	
	2024 RM	2023 RM
Number of customers	1	1
Percentage of trade receivables	<u>49%</u>	<u>44%</u>

(ii) Exposure to credit risk

At the end of each reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the consolidated statement of financial position of the Group after deducting any allowance for impairment losses.

(iii) **Assessment of impairment losses**

The Group extends credit terms to customers that range between 30 to 120 days. Credit period extended to its customers is based on careful evaluation of the customers' financial condition and credit history. Receivables are monitored on an on-going basis via the Group's management reporting procedures and action will be taken for long outstanding debts. In order to further minimise its exposure to credit risk, the Group may request deposits from its customers or request for progressive payments as the work is performed.

The Group assesses ECL on trade receivables based on a provision matrix, the expected loss rates are based on the payment profile for sales in the past as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forwarding looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. At each reporting date, the historical default rates are updated and changes in the forward-looking estimates are analysed. However, given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period.

As at the end of the reporting period, the maximum exposure to the credit risk arising from trade receivables is presented by the carrying amounts in Note 8 to the financial statements.

The ageing of trade receivables of the Group are as follows:

GROUP

	Gross RM	Allowance for expected credit losses RM	Net RM
2024			
Not past due	24,349,648	-	24,349,648
Past due 1 to 30 days	1,100,104	-	1,100,104
Past due 31 to 60 days	1,012,333	-	1,012,333
Past due 61 days to 90 days	81,466	-	81,466
Past due more than 90 days	5,006,728	-	5,006,728
	7,200,631	-	7,200,631
Individually impaired	153,304	(153,304)	-
	31,703,583	(153,304)	31,550,279
2023			
Not past due	23,946,707	-	23,946,707
Past due 1 to 30 days	733,180	-	733,180
Past due 31 to 60 days	138,051	-	138,051
Past due 61 days to 90 days	35,439	-	35,439
Past due more than 90 days	2,879,808	-	2,879,808
	3,786,478	-	3,786,478
Individually impaired	43,648	(43,648)	-
	27,776,833	(43,648)	27,733,185

Trade receivables that are neither past due nor impaired are creditworthy customers with good payment record with the Group. None of the Group's trade receivables that are neither past due nor impaired has been renegotiated during the financial year.

The Group has trade receivables amounting to **RM7,200,631** (2023: RM3,786,478) that are past due at the end of the reporting period but not impaired as the management is of the view that these past due amounts will be collected in due course.

The allowance account in respect of trade receivables is used to record impairment losses. Unless the Group is satisfied that recovery of the amounts is possible, the amount considered irrecoverable is written off against the receivable directly.

34.3.2 Other receivables

The maximum exposure to credit risk is represented by their carrying amount in Note 11 to the financial statements.

34.3.3 Intercompany balances

The Company provides advances to one of its subsidiary.

The maximum exposure to credit risk is represented by their carrying amount in the Company's statement of financial position.

As at the end of the reporting period, there was no indication that the advances to its subsidiaries are not recoverable. The Company does not specifically monitor the ageing of the advances to its subsidiaries.

34.3.4 Fixed Deposits with Licensed Banks, Cash 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.

34.4 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as and when they fall due. The Group and the Company actively manage their debt maturity profile, operating cash flows and availability of funding so as to ensure that all repayment and funding needs are met. As part of their overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash and cash equivalents to meet their working capital requirements.

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

	Carrying amount RM	Contractual cash flows RM	Within one year RM	More than one year and less than two years RM	More than two years and less than five years RM	More than five years RM
GROUP						
<i>Non-derivative financial liabilities</i>						
2024						
Trade payables	1,446,880	1,446,880	1,446,880	-	-	-
Other payables and accruals	2,440,710	2,440,710	2,440,710	-	-	-
Borrowings	11,014,093	15,703,223	1,202,407	1,278,502	2,819,745	10,402,569
Lease liabilities	470,981	493,082	330,010	122,304	40,768	-
	15,372,664	20,083,895	5,420,007	1,400,806	2,860,513	10,402,569

	Carrying amount RM	Contractual cash flows RM	Within one year RM	More than one year and less than two years RM	More than two years and less than five years RM	More than five years RM
2023						
Trade payables	888,219	888,219	888,219	-	-	-
Other payables and accruals	2,943,455	2,943,455	2,943,455	-	-	-
Borrowings	11,824,444	16,926,978	1,303,807	1,197,155	2,984,393	11,441,623
Lease liabilities	395,577	415,412	207,706	207,706	-	-
	<u>16,051,695</u>	<u>21,174,064</u>	<u>5,343,187</u>	<u>1,404,861</u>	<u>2,984,393</u>	<u>11,441,623</u>
				Carrying amount RM	Contractual cash flows RM	Within one year RM

COMPANY

Non-derivative financial liabilities

2024

Other payables and accruals	<u>7,813</u>	<u>7,813</u>	<u>7,813</u>
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2023

Other payables and accruals	<u>27,816</u>	<u>27,816</u>	<u>27,816</u>
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34.5 Interest rate risk

The Group's fixed rate instruments are exposed to a risk of change in its fair value due to changes in interest rates. The Group's floating rate instruments are exposed to a risk of change in cash flows due to changes in interest rates.

The interest rate profile of the Group's interest bearing financial instruments based on their carrying amounts as at the end of the reporting period are as follows:

	2024 RM	2023 RM
GROUP		
Fixed rate instruments		
Financial assets	8,276,553	9,976,257
Financial liabilities	<u>527,086</u>	<u>857,258</u>
Floating rate instrument		
Financial liabilities	<u>10,487,007</u>	<u>10,967,186</u>

Sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Sensitivity analysis for variable rate instruments

An increase of 25 basis point at the end of the reporting period would have decreased profit before tax and equity of the Group by the amount shown below and a decrease would have an equal but opposite effect. This analysis assumes that all other variables remain constant.

	GROUP	
	2024 RM	2023 RM
Decrease in profit before tax	26,218	27,418
Decrease in equity	19,925	20,838

34.6 Foreign exchange risk

The objectives of the Group's foreign exchange policies are to allow the Group to manage exposures that arise from trading activities effectively within a framework of controls that does not expose the Group to unnecessary foreign exchange risks.

The Group is exposed to foreign currency risk on sales that are denominated in currency other than the functional currency of the Group. The currency giving rise to this risk is primarily the US Dollar.

Sensitivity analysis for foreign currency risk

A 10% strengthening of the RM against the US Dollar as at the end of the reporting period would have minimal impact to the profit before tax and equity of the Group and of the Company.

35. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The carrying amounts of the financial assets and financial liabilities of the Group and of the Company as at the end of the reporting period approximate their fair values due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rate on or near the end of the reporting period.

The carrying amount of non-current portion of lease liabilities and hire purchase loans are reasonable approximation of fair value due to their insignificant impact of discounting.

36. CAPITAL MANAGEMENT

The primary objective of the Group's capital management policy is to maintain a strong capital base to support its businesses and to maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions or expansion of the Group. The Group may adjust the capital structure by issuing new shares, returning capital to shareholders or adjusting the amount of dividends to be paid to shareholders or sell assets to reduce debts. No changes were made in the objective, policy and process during the financial year under review as compared to the previous financial year.

The Group considers its total equity and total loans and borrowings to be the key components of its capital structure. The Group monitors capital using a debt-to-equity ratio, which is calculated as total borrowings divided by total equity as follows:

	GROUP	
	2024 RM	2023 RM
Total borrowings	11,014,093	11,824,444
Total equity	97,502,187	59,015,763
Gearing ratio	0.11	0.20

37. LONG TERM INCENTIVE PLAN ("LTIP")

The Company's LTIP is governed by the By-Laws which were approved by the Company's directors ("Board") at an Extraordinary General Meeting held on 12 September 2024. The LTIP is to be in force for a period of 5 years from 5 November 2024. The LTIP comprises of the share grant awards pursuant to the employees' share grant plan and/or the award of number of options pursuant to the employees' share option plan ("ESOP"). The Board will have the discretion upon the recommendation of the LTIP Committee to extend the LTIP for another 5 years as it deemed fit immediately from the expiry of the first 5 years, provided that the LTIP does not exceed a maximum period of 10 years in its entirety. The LTIP shall not in aggregate exceed 15% of the total number of issued shares (excluding treasury shares, if any) at any point of time during the duration of the LTIP.

The salient features of the ESOP are as follows:

- (a) The total number of new ordinary shares which are available to be issued under the ESOP shall not exceed fifteen percent (15%) of the total issued and fully paid-up share capital of the Company at any time throughout the duration of the ESOP.
- (b) The option price shall be determined at a discount of not more than 10% from the weighted average market quotation of the Company's shares as quoted on Bursa Malaysia Securities Berhad ("Bursa Securities") for the five (5) market days immediately preceding the date of the offer.
- (c) The shares under options shall remain unissued until the options are exercised and shall, on allotment, rank *pari passu* in all respects with the existing shares of the Company at the time of allotment save and except that the holders of such new shares shall not be entitled to any dividends, rights and/or other forms of distribution declared, made or paid to ordinary shareholders, where the entitlement precedes the date of issuance and allotment of such new shares pursuant to the exercise of the ESOP granted under LTIP and will be subject to the provisions of the Constitution of the Company and ACE Market Listing Requirements of Bursa Securities.
- (d) The Board of Directors has the absolute discretion, without the approval of the Company's shareholders in general meeting to extend the duration of the ESOP for up to further five (5) years.

As at 31 December 2024, the ESOP offered to take up unissued ordinary shares are as follows:

Grant date	|----- Number of ESOP shares -----|			
	Balance at 1.1.2024	Granted	Issued	Balance at 31.12.2024
6.11.2024	-	13,737,500	-	13,737,500

38. SIGNIFICANT EVENTS DURING AND AFTER THE REPORTING PERIOD

(i) Internal restructuring

(a) Acquisition of Sophic Automation Sdn. Bhd. ("Sophic Automation")

On 20 March 2024, the Company has entered into a share sale agreement to acquire the entire equity interest in Sophic Automation comprising 571,700 ordinary shares for a purchase consideration of RM49,000,000. The purchase consideration was satisfied by the issuance of 489,999,998 new ordinary shares in the Company at an issue price of RM0.10 per ordinary share. The acquisition was completed on 23 July 2024.

(b) Acquisition of Sophic MSC Sdn. Bhd. ("Sophic MSC")

On 20 March 2024, the Company has entered into a share sale agreement with Sophic Automation and a third party to acquire the entire equity interest in Sophic MSC comprising 100,000 ordinary shares for a purchase consideration of RM4,000,000. The purchase consideration was satisfied by the issuance of 40,000,000 new ordinary shares in the Company at an issue price of RM0.10 per ordinary share. The acquisition was completed on 30 July 2024.

(c) Acquisition of Pinkypye Sdn. Bhd. ("Pinkypye")

On 20 March 2024, the Company has entered into a share sale agreement with Sophic Automation to acquire the entire equity interest in Pinkypye comprising 25 ordinary shares for a purchase consideration of RM1,000,000. The purchase consideration was satisfied by the issuance of 10,000,000 new ordinary shares in the Company at an issue price of RM0.10 per ordinary share. The acquisition was completed on 30 July 2024.

(ii) IPO

Following the Acquisition of the subsidiaries, the Company had on 9 October 2024 launched its IPO prospectus in conjunction with its listing on the ACE Market of Bursa Securities which comprises of a Public Issue of 110,000,000 new ordinary shares in the Company at an issue price of RM0.28 per ordinary share and an offer for sale of 45,000,000 existing ordinary shares at an offer price of RM0.28 per ordinary share.

On 6 November 2024, the Company was successfully admitted to the Official List of Bursa Securities and the Company's entire enlarged issued shares of 650,000,000 ordinary shares was listed and quoted on the ACE Market of Bursa Securities.

(iii) Reciprocal tariffs

On 2 April 2025, the US government announced a reciprocal tariff on imported goods from certain countries. The reciprocal tariff imposed a baseline of 10% tariff on all imports from countries worldwide effective 5 April 2025 whilst higher tariffs were imposed on specific countries whereby Malaysia was imposed a tariff rate of 24%, which will take effect from 9 April 2025. On 9 April 2025, the US government has announced that the higher tariffs imposed will be temporarily suspended for 90 days for all countries except China, though the 10% baseline tariff remains.

At this juncture, the management does not expect the reciprocal tariff will have a material impact on the Group's business operations or financial performance as the Group's direct export to US is negligible. However, the management is aware that the US government is currently reviewing the tariffs on the semiconductor components and will continue to monitor the situation closely and take appropriate and timely measures to address the potential implications that may arise from this reciprocal tariff.

LIST OF PROPERTIES

Registered Owner	Location	Description and Existing Use	Land Area/ Built-up Area (sq ft)	Date of CF/CCC* Issuance	Land Status/ Category of Land Used	Encumbrances	Audited NBV as at 31.12.2024
Sophic Automation	Address No. 9, Jalan Industri Tangkas 1, Taman Industri Tangkas, 14000, Bukit Mertajam, Penang	Tangkas 9 Plant comprised three- storey link terraced factory used as the Group's corporate headquarters,	9,332.31/ 11,981	18.03.2020 and 05.12.2022	Freehold/ No restriction of category of land used and it is currently being used as industrial land	A charge in favour of RHB Islamic Bank Berhad and RHB Bank Berhad registered on 29.11.2021 and 28.03.2023 respectively	5,128
	Title Lot 31599, Mukim 14, Daerah Seberang Perai Tengah, Pulau Pinang held under GM 9712	production facility and future innovation lab					
Sophic Automation	Address No. 3, Jalan Industri Tangkas 2, Taman Industri Tangkas, 14000, Bukit Mertajam, Penang	Tangkas 3 Plant comprised three-storey link terraced factory.	5,995.50/ 11,981	18.03.2020	Freehold/ No restriction of category of land used and it is currently being used as industrial land	A charge in favour of RHB Islamic Bank Berhad and RHB Bank Berhad registered on 27.04.2022 and 28.03.2023 respectively	3,682
	Title Lot 31605, Mukim 14, Daerah Seberang Perai Tengah, Pulau Pinang held under GM 9718						
Sophic Automation	Address 6, Lorong Perindustrian Bukit Minyak 1/1, Taman Perindustrian Bukit Minyak, 14100 Simpang Ampat, Penang	Double-storey semi-detached terrace factory used as the production facility and engineering office	3,153.83/ 3,087.10	22.11.2016 and 16.11.2021	60-year lease expiring on 13 April 2075/ Industrial	A charged in favour of Maybank Islamic Berhad registered on 09.10.2018 and 22.08.2019	901
	Title Lot 20839, Mukim 13, Daerah Seberang Perai Tengah, Pulau Pinang held under PN11572						

*CF-Certificate of Fitness, CCC-Certificate of Completion and Compliance.

LIST OF PROPERTIES (cont'd)

Registered Owner	Location	Description and Existing Use	Land Area/ Built-up Area (sq ft)	Date of CF/CCC* Issuance	Land Status/ Category of Land Used	Encumbrances	Audited NBV as at 31.12.2024
Sophic Automation	Address No. 8, Lorong Perindustrian Bukit Minyak 1/1, Taman Perindustrian Bukit Minyak, 14100 Simpang Ampat, Penang	Double-storey semi-detached terrace factory used as the warehouse and office	3,153.83/ 3,087.10	22.11.2016 and 16.11.2021	60-year lease expiring on 13 April 2075/ Industrial	A charged in favour of Maybank Islamic Berhad registered on 09.10.2018 and 22.08.2019	901
	Title Lot 20840, Mukim 13, Daerah Seberang Perai Tengah, Pulau Pinang held under PN11573						
Sophic MSC	Address 21-13A, Stellar Suites, Jalan Puteri 4/7, Bandar Puteri Puchong, 47140 Puchong, Selangor	A unit on the 21st floor of a 31-storey building used as an office	861/ 861	29.06.2022 and 05.03.2024	Freehold/ Industrial	A charged in favour of Maybank Islamic Berhad registered on 29.05.2023	465
	Title Bangunan M1, Tingkat No. 21 Petak No. 198 Petak Aksesori No. A334 held under Hakmilik Strata No. Geran 33526/M1/21/198, Lot No. 115900, Mukim Petaling, Daerah Petaling, Negeri Selangor						
Sophic MSC	Address 21-16, Stellar Suites, Jalan Puteri 4/7, Bandar Puteri Puchong, 47140 Puchong, Selangor	A unit on the 21st floor of a 31-storey building used as an office	893/ 893	29.06.2022 and 05.03.2024	Freehold/ Industrial	A charged in favour of Maybank Islamic Berhad registered on 29.05.2023	496
	Title Bangunan M1, Tingkat No. 21 Petak No. 199 Petak Aksesori No. A157 held under Hakmilik Strata No. Geran 33526/M1/21/199, Lot No. 115900, Mukim Petaling, Daerah Petaling, Negeri Selangor						

*CF-Certificate of Fitness, CCC-Certificate of Completion and Compliance.

ANALYSIS OF SHAREHOLDINGS

AS AT 04/04/2025

Total number of issued shares : 650,000,000
Number of shareholders : 3,086
Class of Shares : Ordinary Shares
Voting Rights : One vote per Ordinary Share on a poll

DISTRIBUTION OF SHAREHOLDERS

Size of Holdings	No of holders	%	No of shares	%
1-99	2	0.064	99	0.000
100-1,000	340	11.017	171,800	0.026
1,001 – 10,000	1,341	43.454	7,737,200	1.190
10,001 – 100,000	1,163	37.686	43,515,501	6.694
100,001 – 32,499,999 (*)	238	7.712	209,364,400	32.209
32,500,000 and above (**)	2	0.064	389,211,000	59.878
TOTAL	3,086	100.000	650,000,000	100.000

Remark: * Less than 5% of issued shares **5% and above of issued shares

DIRECTORS' SHAREHOLDINGS

Name	No of shares (Direct)	%	No of shares (Indirect)	%
Dato' Boonler Somchit	500,000	0.077	...	...
Koh Dim Kuan	28,292,700	4.353	260,000,000*	40.000
Lee Chee Hoo	129,311,000	19.894	260,000,000*	40.000
Ahmad Khairuddin Bin Abdul Rahim	100,000	0.015	...	...
Hanita Binti Othman	100,000	0.015	...	...
Joyce Wong Ai May	100,000	0.015	...	...
Teresa Tan Siew Kuan	100,000	0.015	...	...
Mohammad Hazani Bin Hassan	150,000	0.023	...	...

* Deemed interested by virtue of their respective shareholdings in R3 Capital Sdn Bhd

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

Name	No of shares (Direct)	%	No of shares (Indirect)	%
1. R3 Capital Sdn Bhd	260,000,000	40.000	...	...
2. Lee Chee Hoo	129,311,000	19.894	260,000,000*	40.000
3. Koh Dim Kuan	28,292,700	4.353	260,000,000*	40.000

* Deemed interested by virtue of their respective shareholdings in R3 Capital Sdn Bhd

THIRTY LARGEST SHAREHOLDERS

AS AT 04/04/2025

No	Name	No of shares	%
1	R3 CAPITAL SDN. BHD.	260,000,000	40.000
2	LEE CHEE HOO	129,311,000	19.894
3	MALAYSIAN TECHNOLOGY DEVELOPMENT CORPORATION SDN BHD	32,460,000	4.993
4	KOH DIM KUAN	28,292,700	4.353
5	LOW CHEE ONN	20,318,395	3.125
6	LIEW CHEE KIN	11,000,000	1.692
7	KHOO CHOON KEAT	4,500,000	0.692
8	CHONG CHEE KEONG	3,571,429	0.549
9	HAMINNUDDIN BIN ABD HAMID	3,500,000	0.538
10	HENG HAN SIANG	3,297,476	0.507
11	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR BARCLAYS CAPITAL SECURITIES LTD (SBL/PB)	3,167,100	0.487
12	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD EXEMPT AN FOR AHAM ASSET MANAGEMENT BERHAD (TSTAC/CLNTT)	3,126,000	0.480
13	AMANAHRAYA TRUSTEES BERHAD PMB DANA BESTARI	3,000,000	0.461
14	MNOSYS SDN. BHD.	2,900,000	0.446
15	NG THEAN GIN	2,700,000	0.415
16	LOO CHA HING	2,330,000	0.358
17	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIEW CHEE KIN (CCTS)	2,165,000	0.333
18	AMANAHRAYA TRUSTEES BERHAD PMB DANA AL-AIMAN	2,000,000	0.307
19	LEE PENG SOON	2,000,000	0.307
20	OOI ENG LEONG	2,000,000	0.307
21	CHEE SOO LEE	1,900,000	0.292
22	OOI SEONG GUAN	1,750,000	0.269
23	MALACCA SECURITIES SDN BHD IVT(200) TEAM KL01	1,663,300	0.255
24	SOONG TZE CHOONG	1,610,000	0.247
25	WONG SHIN GUEY	1,500,000	0.230
26	RUSLI BIN MAT ZIN	1,400,000	0.215
27	HSBC NOMINEES (ASING) SDN BHD J.P. MORGAN SECURITIES PLC	1,356,000	0.208
28	KENANGA INVESTMENT BANK BERHAD EXEMPT AN FOR SENTOSA JAYA CAPITAL SDN BHD	1,334,900	0.205
29	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN KOK SAN	1,300,000	0.200
30	MAYBANK NOMINEES (TEMPATAN) SDN BHD AHAM ASSET MANAGEMENT BERHAD FOR YAYASAN SABAH	1,299,000	0.199

NOTICE OF SECOND ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Second Annual General Meeting (“2nd AGM”) of 3REN BERHAD (“the Company”) will be held at Sri Perak Hall, Level 4, Bayview Hotel Georgetown, 25-A, Farquhar Street, 10200 George Town, Pulau Pinang, Malaysia on Friday, 30 May 2025 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the following resolutions, with or without any modifications:

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of Directors and Auditors thereon.
2. To re-elect the following Directors, each of whom retires in accordance with Clause 188 of the Company’s Constitution and being eligible, offers themselves for re-election:

(a)	Mr. Koh Dim Kuan;	Ordinary Resolution 1
(b)	Mr. Lee Chee Hoo; and	Ordinary Resolution 2
(c)	Dato’ Boonler Somchit	Ordinary Resolution 3
3. To approve the payment of Directors’ fees to the Directors of an amount up to RM350,000 for the period from the next day of the 2nd AGM until the conclusion of the next annual general meeting (“AGM”) of the Company in 2026. Ordinary Resolution 4
4. To approve the payment of benefits to the Directors of an amount up to RM50,000 for the period from the next day of the 2nd AGM until the conclusion of the next AGM of the Company in 2026. Ordinary Resolution 5
5. To re-appoint Grant Thornton Malaysia PLT as auditors of the Company for the financial year ending 31 December 2025 and to authorise the Directors to determine their remuneration. Ordinary Resolution 6

AS SPECIAL BUSINESS

To consider and if thought fit, pass the following resolutions with or without modifications:

6. **AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** Ordinary Resolution 7

“THAT subject to the Companies Act 2016 (“the Act”), the Company’s Constitution, the ACE Market Listing Requirements (“ACE LR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approvals of the relevant government or regulatory authorities, the Directors of the Company be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act to issue and allot from time to time such number of ordinary shares of the Company upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, PROVIDED ALWAYS THAT the aggregate number of ordinary shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued share capital (excluding treasury shares, if any) of the Company for the time being.

THAT the Directors are also empowered to obtain the approval for the listing and quotation for the additional shares so issued on the Bursa Securities AND THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier.

NOTICE OF SECOND ANNUAL GENERAL MEETING (cont'd)

THAT pursuant to Section 85 of the Act to be read together with Clause 37 of the Constitution of the Company, all new shares or other convertible securities in the Company shall, before they are issued, be first offered to such persons who are entitled to receive notices from the Company of general meetings as at the date of the offer in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled ("**Pre-emptive Rights**").

THAT should this resolution be passed by the shareholders, this resolution shall have the effect of the shareholders having agreed to irrevocably waive their Pre-emptive Rights pursuant to Section 85 of the Act and Clause 37 of the Constitution of the Company in respect of the new shares to be issued and allotted by the Company and the issuance of such new shares of the Company will result in a dilution to their shareholding percentage in the Company. Subsequent to the passing of this resolution, if this paragraph is or is found to be in any way void, invalid or unenforceable, then this paragraph shall be ineffective to the extent of such voidness, invalidity or unenforceability and the remaining provisions of this resolution shall remain in full force and effect.

AND THAT the new shares to be issued shall, upon issuance and allotment, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares."

7. To transact any other business of which due notice shall have been given.

By Order of the Board

ONG TZE-EN (MAICSA 7026537 | SSM PC No. 202008003397)

Company Secretary
Penang

30 April 2025

NOTICE OF SECOND ANNUAL GENERAL MEETING (cont'd)

NOTES:

APPOINTMENT OF PROXY

1. A proxy need not be a shareholder and a shareholder may appoint any person to be his/her proxy without limitation save that the proxy must be of full age.
2. The proxy form must be deposited/submitted via the following manner at least forty-eight (48) hours before the time set for holding the AGM or at any adjournment thereof PROVIDED that in the event the shareholder duly executes the proxy form but does not name any proxy, such shareholder shall be deemed to have appointed the Chairman of the meeting as his/her proxy, provided always that the rest of the proxy form, other than the particulars of the proxy(ies) have been duly completed by the shareholder:
 - (a) By hardcopy form
In the case of an appointment made in hard copy form, the proxy form must be deposited at the office of 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, Wilayah Persekutuan Kuala Lumpur, Malaysia or in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia.
 - (b) By electronic form
The proxy form can be electronically lodged via TIIH Online website at <https://tiih.online>. Please refer to the Administrative Guide on the procedure for electronic lodgement of the proxy form via TIIH Online.
3. A shareholder is entitled to appoint not more than two (2) proxies to exercise all or any of the shareholder's rights to attend, speak and vote at the meeting. The proxy(ies) appointed shall have the same rights as the shareholders to speak at the meeting.
4. If a shareholder appoints more than one (1) proxy, they must specify, in the proxy form, the proportion of the shareholder's shareholdings to be represented by each proxy.
5. Where a shareholder is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there shall be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. A proxy form given by:
 - (a) an individual must be signed by the individual or an attorney who is authorised to act on behalf of the individual; and
 - (b) a corporation must be sealed with the corporation's seal or signed by an officer of the corporation or an attorney who is authorised to act on behalf of the corporation.
7. In respect of deposited securities, only shareholders whose names appear on the Record of Depositors on 26 May 2025 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.

EXPLANATORY NOTES

1. **Ordinary Resolutions 1, 2, and 3** deal with the re-election of Mr. Koh Dim Kuan, Mr. Lee Chee Hoo and Dato' Boonler Somchit. All of them are standing for re-election and being eligible, have offered themselves for re-election at this 2nd AGM. The Board of Directors ("**the Board**"), through the Nomination Committee ("**NC**"), had conducted assessments on Mr. Koh Dim Kuan, Mr. Lee Chee Hoo and Dato' Boonler Somchit and considered the results of the assessments which include commitment, contributions, knowledge, integrity and experience and their overall performance and was satisfied that all of them met the performance in the discharge of their duties and responsibilities.

NOTICE OF SECOND ANNUAL GENERAL MEETING (cont'd)

Mr. Koh Dim Kuan and **Mr. Lee Chee Hoo** are the Executive Directors of the Company and its subsidiaries (“**the Group**”). They lead business development efforts to grow the Group and initiatives to expand market outreach that have contributed to building our businesses and value creation.

Dato’ Boonler Somchit is a Non-Independent Non-Executive Chairman of the Company. He has demonstrated his objectivity through his proactive engagements during meeting of the Board by sharing valuable, relevant, independent and impartial insights, views and opinions on issues tabled for discussion. He has exercised due care and carried out his professional duties proficiently and effectively throughout his tenure as a Director of the Company.

The retiring Directors do not have any conflict of interest with the Company and had also abstained from deliberation and decision making on their re-election at Board meetings.

2. In respect of **Ordinary Resolution 4** and **Ordinary Resolution 5**, the Directors’ fees and benefits have been reviewed by the Remuneration Committee (“**RC**”) and the Board which considered the fees and benefits are in the best interest of the Company and in accordance with the remuneration framework. The fee also includes a contingency sum to cater to unforeseen circumstances such as the appointment of any additional Director and/or for the formation of additional **Board Committees** (collectively, the Audit and Risk Management Committee, NC and RC). The benefits payable comprises meeting day allowances and is calculated based on the number of days scheduled for meetings of the Board and Board Committees. It also included contingency to account for additional unscheduled meeting days. In the event the proposed amounts are insufficient, approval will be sought at the next AGM for the shortfall.
3. **Ordinary Resolution 7: Authority to issue and allot shares pursuant to Sections 75 and 76 of the Act**
This Ordinary Resolution, is for the purpose of granting authority to the Board to issue and allot ordinary shares up to a maximum of ten per centum (10%) of the total number of issued shares (excluding treasury shares, if any) of the Company at any time in their absolute discretion and that such authority shall continue in force until the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting, whichever is the earlier (“**General Mandate**”).

The General Mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for purpose of funding future investment projects, working capital and/or acquisitions as well as to avoid any delay and cost in convening general meeting to specifically approve such issuance of shares.

The waiver of pre-emptive rights pursuant to Section 85 of the Act and Clause 37 of the Company’s Constitution will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the General Mandate.

At this juncture, there is no decision to issue new shares but the Directors consider it desirable to have the flexibility permitted to respond to market developments and to enable allotments to take place to finance business opportunities without making a pre-emptive offer to existing shareholders. If there should be a decision to issue new shares after the General Mandate is obtained, the Company will make announcement in respect thereof.

Statement Accompanying Notice of Annual General Meeting

(Pursuant to Rule 8.29(2) of the ACE LR)

As at the date of this notice, no individual is standing for election as a Director at the forthcoming 2nd AGM of the Company.

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3REN BERHAD

Registration No. 202101012445 (1412744-K)
(Incorporated in Malaysia)

PROXY FORM

No. of Shares held

CDS Account No.

*I/We

(Full Name in Block Letters and NRIC No./Passport No./Company No.)

of

and

(Address)

(Tel. No./Email Address)

being a shareholder/shareholder(s) of **3REN Berhad** (the "Company"), hereby appoint

Full Name and Address (in Block Letters)	NRIC/Passport No.	No. of Shares	% of shareholding

* and/or failing *him/her

Full Name and Address (in Block Letters)	NRIC/Passport No.	No. of Shares	% of shareholding

or failing *him/her, the CHAIRMAN OF THE MEETING as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the Second Annual General Meeting ("2nd AGM") of the Company, to be held at Sri Perak Hall, Level 4, Bayview Hotel Georgetown, 25-A, Farquhar Street, 10200 George Town, Pulau Pinang, Malaysia on Friday, 30 May 2025 at 10.00 a.m. or at any adjournment thereof.

Please indicate with an "X" in the appropriate space(s) provided below on how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting at *his/her discretion.

No.	Ordinary Resolutions	For	Against
	To re-elect the following Directors, each of whom retires in accordance with Clause 188 of the Company's Constitution and being eligible, offers themselves for re-election:		
1.	Mr. Koh Dim Kuan		
2.	Mr. Lee Chee Hoo		
3.	Dato' Boonler Somchit		
4.	To approve the payment of Directors' fees to the Directors of an amount up to RM350,000 for the period from the next day of the 2nd AGM until the conclusion of the next annual general meeting ("AGM") of the Company in 2026.		
5.	To approve the payment of benefits to the Directors of an amount up to RM50,000 for the period from the next day of the 2nd AGM until the conclusion of the next AGM of the Company in 2026.		
6.	To re-appoint Grant Thornton Malaysia PLT as auditors of the Company for the financial year ending 31 December 2025 and to authorise the Directors to determine their remuneration.		
	Special Business		
7.	Authority to issue and allot shares pursuant to sections 75 and 76 of the Companies Act 2016		

Signed this day of 2025

Signature of Shareholder(s)/ Common Seal

**Strike out whichever is not desired.*

NOTES:

APPOINTMENT OF PROXY

- A proxy need not be a shareholder and a shareholder may appoint any person to be his/her proxy without limitation save that the proxy must be of full age.
- The proxy form must be deposited/submitted via the following manner at least forty-eight (48) hours before the time set for holding the AGM or at any adjournment thereof PROVIDED that in the event the shareholder duly executes the proxy form but does not name any proxy, such shareholder shall be deemed to have appointed the Chairman of the meeting as his/her proxy, provided always that the rest of the proxy form, other than the particulars of the proxy(ies) have been duly completed by the shareholder:

- (a) By hardcopy form

In the case of an appointment made in hard copy form, the proxy form must be deposited at the office of 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 in the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia.

- (b) By electronic form

The proxy form can be electronically lodged via TIH Online website at <https://tiah.online>. Please refer to the Administrative Guide on the procedure for electronic lodgement of the proxy form via TIH Online.

3. A shareholder is entitled to appoint not more than two (2) proxies to exercise all or any of the shareholder's rights to attend, speak and vote at the meeting. The proxy(ies) appointed shall have the same rights as the shareholders to speak at the meeting.
4. If a shareholder appoints more than one (1) proxy, they must specify, in the proxy form, the proportion of the shareholder's shareholdings to be represented by each proxy.
5. Where a shareholder is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there shall be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. A proxy form given by:
 - (a) an individual must be signed by the individual or an attorney who is authorised to act on behalf of the individual; and
 - (b) a corporation must be sealed with the corporation's seal or signed by an officer of the corporation or an attorney who is authorised to act on behalf of the corporation.
7. In respect of deposited securities, only shareholders whose names appear on the Record of Depositors on 26 May 2025 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.

Personal Data Privacy

By submitting the duly executed proxy form, the member and his/her proxy consent to the Company and/or its agents/service providers to collect, use and disclose the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the 2nd AGM of the Company and any adjournment thereof.

Please fold across the line and close

**AFFIX
STAMP**

The Share Registrar

3REN BERHAD (202101012445 (1412744-K))
C/O 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, Wilayah Persekutuan Kuala Lumpur, Malaysia.

Please fold across the line and close



3REN BERHAD

202101012445 (1412744-K)

HEAD OFFICE

No 9, Jalan Industri Tangkas 1,
Taman Industri Tangkas,
14000 Bukit Mertajam, Penang
Telephone number: +(604) 508 9737
E-mail: ir@3ren.com.my
Website: www.3ren.com.my