

THE RISE OF MACHINES



INTEGRATED REPORT 2024



COVER RATIONALE

The cover showcases SIRIM's dedication to accelerating IR 4.0 within Malaysia's industrial landscape. The design concept embodies smart manufacturing principles through visual motifs of AI-driven technology, cloud computing, and IoT to represent connectivity, interoperability, and accessibility.

This reflects SIRIM's ongoing commitment to advancing IR 4.0 through machine intelligence. SIRIM continues its operations while enhancing technological readiness across industries to cultivate a resilient, future-ready industrial ecosystem.

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1.0 OVERVIEW OF SIRIM BERHAD

VISION

Best partner for innovation.

MISSION

We provide quality and sustainable innovation to industry, government and society.

STRATEGIC OBJECTIVES

Government

Contribute towards national policies and aspiration.

Society

Improve quality of life through health, safety, environment and consumer protection.

Industry

Enhance trade access, competitiveness and business growth.

CULTURAL BELIEFS



WHAT WE DO

As Malaysia's leading provider for quality assurance and technology innovation, we offer reliable, end-to-end solutions that help industries thrive and promote sustainable growth.

Our core offerings include product testing, inspection, certification, calibration, and metrology services by industrial research, design advisory, training and capability-building programmes that strengthen national industrial competitiveness.

In essence, we support innovation, help SMEs grow, and promote sustainable development through our subsidiaries and statutory roles. We're committed to boosting product quality, refining manufacturing processes, and simplifying access for businesses to global markets. We're purposefully driven to elevate Malaysia's standards of infrastructure through robust governance and ESG principles, while also championing the needs of the industry on both national and international platforms.

THE MANDATES

Corporatisation of SIRIM in 1996

SIRIM's mandate focuses on enhancing health and safety, driving innovation, and ensuring standards compliance to support Malaysia's growth and strengthen its global competitiveness.

OUR FUNCTIONS

- Promote public and industrial welfare, health, and safety.
- Promote and undertake scientific and industrial research:
 - Improving technical processes and methods.
 - Discovering new processes and methods.
 - Encouraging the utilisation of Malaysian products.
 - Adopting or adapting technology developed in other countries for use in Malaysia.
- Provide industrial extension and consultative services to assist industry in meeting standards.
- Generally, to improve production, processes and techniques.

OUR DUTIES

- Planning, developing, operating, and managing national strategic facilities and programmes.
- Managing and participating in government programmes.
- Developing and managing strategic research activities and facilities.
- Running testing and quality assurance schemes for government procurement and regulation enforcement.
- Acting as the enquiry point for World Trade Organisation (WTO) Technical Barriers to Trade.
- Developing programmes for small and medium-sized enterprises (SMEs) on behalf of the government.

OUR COMMERCIAL, DEVELOPMENTAL, AND STATUTORY STRUCTURE

Our given mandates remain vital for Malaysia's industrial development, new technology development and facilitating trades. An integrated function of commercial, developmental and statutory has made SIRIM a very unique institution. This uniqueness has led to the development of extensive competencies and expertise, fostering a comprehensive

ecosystem of product development – from ideation, research and standard development, capacity building and quality assurance to market access, commercialisation and more.

SHAREHOLDER: MINISTER OF FINANCE INCORPORATED

SIRIM BERHAD

COMMERCIAL

- SIRIM QAS INTERNATIONAL SDN. BHD.
- SIRIM ACADEMY SDN. BHD.
- SIRIM CALIBRATION SDN. BHD.
- PACKAGING AND SECURITY DESIGN CENTRE

DEVELOPMENTAL

- SIRIM INDUSTRIAL RESEARCH
- MALAYSIA DESIGN COUNCIL (MRM)
- NATIONAL PRECISION TOOLING SDN. BHD.

STATUTORY

- NATIONAL METROLOGY INSTITUTE OF MALAYSIA (NMIM)

OUR ROLES

COMMERCIAL

Conformity assessment is our Group's largest business, specialising in product testing, inspection and certification through **SIRIM QAS International Sdn. Bhd.** With a strong commitment to ensuring safety, quality, and regulatory compliance, the company serves a broad range of industries including manufacturing, technology, healthcare, automotive, and consumer goods.

Through **SIRIM Academy Sdn. Bhd.**, our Group guides the industry in meeting standard practices by providing consultancy and capacity-building services.

Calibration services by SIRIM Calibration Sdn. Bhd.

ensure that measurement instruments are correctly aligned with standard reference values, which is often a necessary step in conformity assessment.

The SIRIM Packaging and Security Design Centre (PSDC)

offers a diverse range of security solutions that encompass security products, namely security labels, security documents, security packaging and smart cards.

DEVELOPMENTAL

SIRIM Industrial Research drives Malaysia's industrial growth by providing research, development, and support services across various sectors. It focuses on industrial research, SME development, product enhancement, commercialisation, process improvement, and technology-based enterprise development. By offering tailored solutions to businesses, SIRIM helps to improve product quality and optimise manufacturing processes.

The Malaysia Design Council (MRM) advises on industrial design innovation, raising public understanding of design's impact in daily life, and promoting effective design management. Its programmes enable designers to support businesses across sectors, enhancing branding and marketing, and the global appeal of Malaysian products.

National Precision Tooling Sdn. Bhd. serves as a Special Purpose Vehicle for the implementation of the

government-mandated Bumiputera Tools, Dies and Mould (TDM) industry project. The initiative aims to strengthen the local TDM sector, particularly within the automotive manufacturing industry, by promoting import substitution and unlocking export opportunities.

STATUTORY

The National Metrology Institute of Malaysia (NMIM)

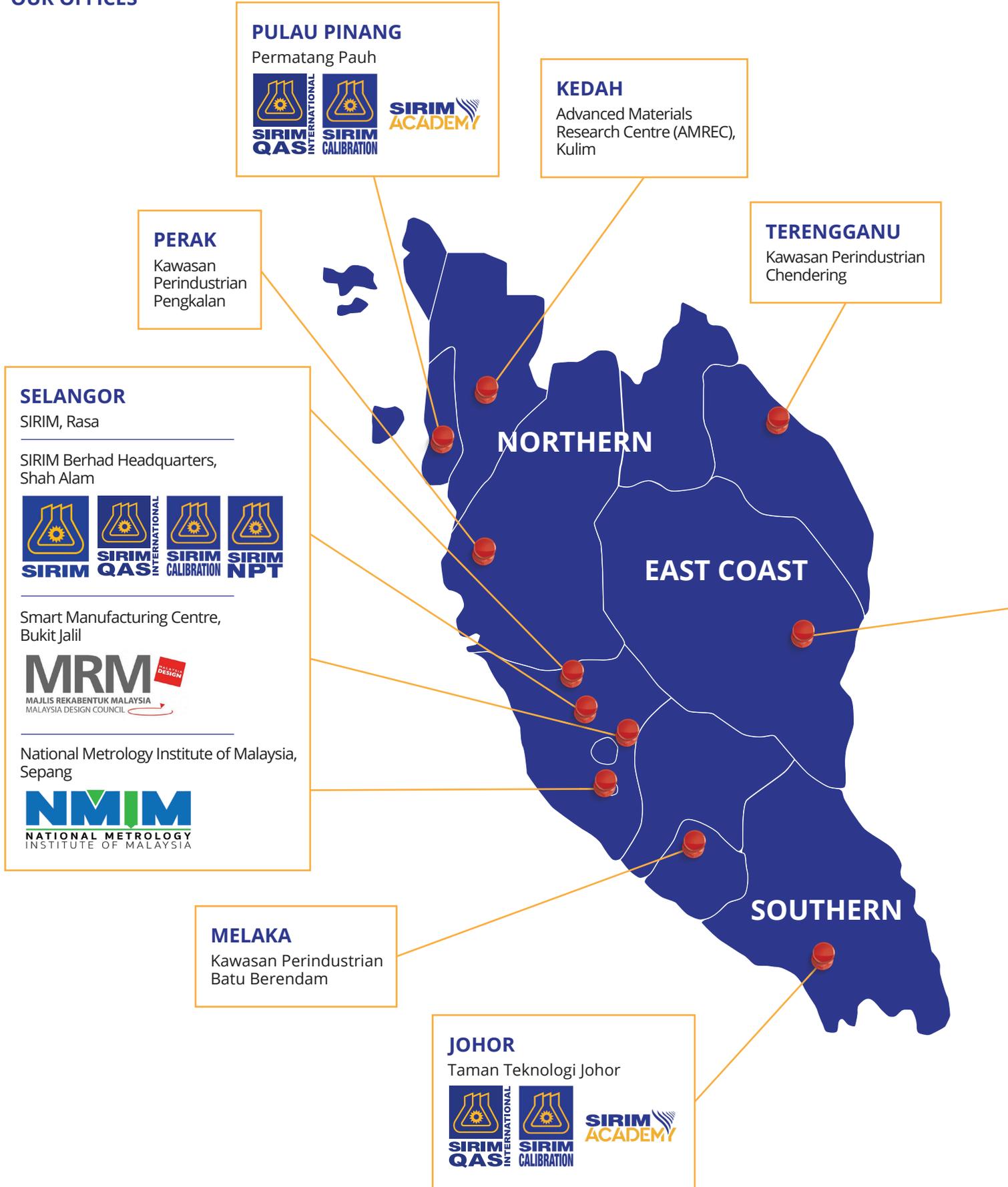
serves as the custodian for the primary and legal metrology, ensuring that national metrology infrastructures meet and comply with global measurement standards to support industry for the trade barrier.

OUR PRESENCE

SIRIM has a strong national and international presence, with its headquarters in Shah Alam, eight branches and four off-campus facilities across Malaysia, and an international base in Huasheng, China. This extensive network allows us to effectively serve our local clients and stakeholders by providing convenient access to our services, expertise and facilities.

SIRIM's presence extends to Hunan Province of the People's Republic of China (PRC) through a joint venture company between SIRIM QAS International Sdn Bhd and Hunan Huasheng International Trade Consultancy, namely SIRIM Huasheng Certification and Inspection Co. Ltd, which started operations in January 2023.

OUR OFFICES





Accreditation and Recognition

SIRIM'S CONTRIBUTION TO THE NATION THROUGH STANDARDS, ACCREDITATION AND SERVICES

SIRIM is accredited and recognised by leading national, regional, and international bodies, demonstrating our technical competence, credibility and compliance with globally accepted standards. These recognitions support the reliability and international acceptance of our conformity assessment and related services.

104 Laboratory Facilities

SIRIM BERHAD

22 Accredited Labs

SIRIM QAS INTERNATIONAL SDN. BHD.

13 Accredited Labs

SIRIM CALIBRATION SDN. BHD.

35 Accredited Labs

NATIONAL METROLOGY INSTITUTE OF MALAYSIA

34 Accredited Labs

Accreditation and Recognition



Member of



BOARD OF DIRECTORS



- 1 DATUK Ir. (Dr) KHAIROL ANUAR MOHAMAD TAWI
- 2 MOHD NIZAM MOHD KHIR
- 3 DATUK BAHRIA MOHD TAMIL
- 4 DATO' Ir. LIM YEW SOON

- 5 MOHD RASHID MOHD YUSOF
- 6 DATUK OMAR SHARIFF MYDEEN
- 7 NORLIN ABDUL SAMAD
- 8 REMA DEVI A/P V.K.PADMANABHAN
- 9 MOHAMMAD ASRI HASSAN SABRI



MANAGEMENT COMMITTEE



DATO' INDERA Ir. DR. HJ AHMAD SABIRIN ARSHAD, FASC
President and Group Chief Executive Officer, SIRIM Berhad



RAFIDAH MOKHDAR
Group Chief Strategy Officer,
Group Strategy, SIRIM Berhad



KHAIRUL MUPHINORA MAHIZAN
Group Chief Finance Officer,
Group Finance, SIRIM Berhad



SABARINA HARUN
Group Chief Operating Officer,
Group Operations, SIRIM Berhad



NUR FADHILAH MUHAMMAD
Chief Executive Officer,
SIRIM QAS International Sdn. Bhd.



ADI AFUAN ZAINUDIN
Group Chief People Officer,
Group People and Culture, SIRIM Berhad



Ir. DR. MUHAMMAD IZZAL ISMAIL
Chief Technology Officer,
SIRIM Industrial Research



MOHD FAISAL ABDUL SHUKOR
Group Chief Marketing Officer,
Group Marketing, SIRIM Berhad



DR. FARIDAH HUSSAIN
Chief Metrologist,
National Metrology Institute of Malaysia
Covering Chief Executive Officer,
SIRIM Calibration Sdn. Bhd.



NIK SAZALI NIK HUSSIN
Chief Executive Officer,
SIRIM Academy Sdn. Bhd.



TS. MOHD FAUZI ISMAIL
Chief Executive Officer,
National Precision Tooling Sdn. Bhd.

CHAIRMAN'S MESSAGE

WELCOME TO THE FUTURE OF PRODUCTION



“The launch of the Smart Manufacturing Experience Centre (SMEC) marked a significant milestone.”

Datuk Ir. (Dr) Khairol Anuar Mohamad Tawi
Chairman, SIRIM Berhad



IR 4.0 as a Catalyst: SIRIM's Role in Malaysia's Industrial Transformation

Dear Stakeholders, As Chairman of SIRIM Berhad, it's an honour to present the SIRIM Integrated Report for the period ending 31 December 2024. The year 2024 marks a defining chapter for SIRIM as we accelerate Malaysia's transition into the era of Industry Revolution 4.0 (IR 4.0). In line with our mandate as the nation's machinery for industrial research and as the national champion of quality, SIRIM continues to position itself at the forefront of technological advancements, digitalisation, and sustainability.

Empowering Industries Through IR 4.0

IR 4.0 is no longer a future aspiration, but a present necessity. For Malaysia to remain competitive in global supply chains, digitalisation and automation must be embedded across industries. In support of the Government's vision under the New Industrial Master Plan 2030 (NIMP2030), SIRIM has aligned its efforts to implementing smart factories, focusing on intelligent and integrated processes across physical, cyber, and human domains, as well as leveraging advanced technologies to enhance manufacturing efficiency and competitiveness.

SIRIM stands at the forefront of accelerating this transition by guiding Small and Medium-sized Enterprises (SMEs) and Micro, Small and Medium Enterprises (MSMEs). More than 2,400 SMEs benefited from technology interventions and infrastructure investments. The launch of the Smart Manufacturing Excellence Centre (SMEC) marked a significant milestone, serving as a hub for IR 4.0 integration and the upskilling of manufacturers. SMEC has enhanced the efficiency and global competitiveness of local businesses.

Advancing Innovation Through Research and Technology

Complementing our industry advancement efforts, our Research and Development (R&D) initiatives continue to shape the technological backbone of IR 4.0 adoption, equipping industries with innovative solutions that enhance productivity and competitiveness.

Innovations, such as the SIRIM Digital Production Management System (DPIO), smart packaging, and advanced materials, reflect our commitment to a data-driven, innovation-led industrial ecosystem. By deploying and commercialising these smart technologies across industries, SIRIM ensures industries have access to the tools necessary for digital acceleration and sustainable growth, reinforcing Malaysia's technological resilience.

Building Long-Term, Inclusive, and Sustainable Growth

Beyond adoption and innovation, SIRIM is committed to ensuring that IR 4.0 is not only accessible to large corporations, but also SMEs and MSMEs nationwide. Our initiatives on capacity building, technological localisation, workforce upskilling, and green solutions promote inclusive growth and sustainable economic progress. Together, these efforts contribute to the nation's holistic industrial transformation, supporting both current competitiveness and long-term resilience.

Looking Ahead

Moving forward, SIRIM remains committed to driving Malaysia's industrial competitiveness through IR 4.0 readiness. By reinforcing smart factory principles, digital transformation, and equipping industries with forward-thinking capabilities, we are laying the foundation for a thriving and resilient nation in the globally competitive industrial landscape.

**PRESIDENT &
GROUP CHIEF EXECUTIVE
OFFICER'S REPORT**

LEADING THE SMART REVOLUTION



“ We ensured that industries across sectors have access to the tools needed to adopt IR 4.0 solutions & elevate their long-term competitiveness. ”

Dato' Indera Ir. Dr. Ahmad Sabirin Arshad, FASc
President & Group Chief Executive Officer,
SIRIM Berhad

Turning IR 4.0 Vision into Action

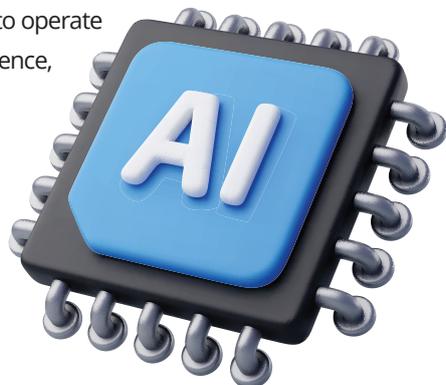
Dear Stakeholders, 2024 marks a transformative year for SIRIM as we translate our IR 4.0 aspirations into meaningful progress for Malaysian industries. Guided by our mandate and aligned with the New Industrial Master Plan 2030 (NIMP2030), we continue to reinforce our role as a national enabler of industrial development by advancing smart manufacturing, accelerating digital integration, and supporting industries in adapting to a rapidly evolving global landscape. Our efforts this year have been focused on creating long-term value, strengthening technological readiness, expanding innovation capabilities, and building long-term national competitiveness.

Leading IR 4.0 Adoption Across Industries

SIRIM continues to serve as a trusted national partner for industrial development, standards compliance, and innovation-led transformation. Throughout 2024, we ensured that industries across sectors have access to the tools, technologies, and guidance needed to adopt IR 4.0 solutions and elevate their long-term competitiveness. In particular, Small and Medium-sized Enterprises (SMEs) and Micro, Small and Medium Enterprises (MSMEs).

Through the Smart Manufacturing Excellence Centre (SMEC), we delivered hands-on training for SMEs in the Internet of Things (IoT) and Artificial Intelligence (AI), introducing 20 automation solutions to enhance production efficiency. We also commercialised the SIRIM Digital Production Integrated Optimisation (DPIO) platform as a homegrown Manufacturing Execution System (MES) designed to streamline manufacturing processes, deliver customised automation, and strengthen digital integration within smart factory environments.

These initiatives collectively advanced the digital maturity of local enterprises, enabling them to operate with greater efficiency, resilience, and readiness for IR 4.0.



Scaling Industry Capabilities and Sustainable Adoption

Beyond technology deployment, SIRIM's efforts in 2024 emphasised strengthening industry capabilities to support long-term, scalable IR 4.0 adoption. Through SIRIM Academy, we expanded national talent development by equipping thousands of participants with standards-based competencies, specialised certifications, and practical skills aligned with industry needs.

Our SIRIM-Fraunhofer Programme engaged more than 2,400 SMEs through 831 technology audits and advisory programmes. These initiatives helped enterprises meet international quality and packaging standards to enhance export potential and leverage IR 4.0 solutions effectively in the future.

Simultaneously, our initiatives in smart packaging and advanced green materials further supported IR 4.0 adoption while aligning with national sustainability priorities, including the Zero Single-Use Plastics Roadmap. Collectively, these efforts enhanced operational efficiency, competitiveness, and integration into national and global supply chains. These accomplishments have opened new pathways for long-term industrial resilience.

Outlook

Through targeted programmes and initiatives aligned with our mandate and the NIMP2030, we are turning IR 4.0 strategy into tangible outcomes that strengthen Malaysia's industrial ecosystem. We will continue embedding smart factory principles, deepening collaboration with SMEs and MSMEs, and aligning our strategies with national policy priorities. Our goal is clear: to ensure that IR 4.0 is not a distant aspiration, but an accessible, present reality that drives industrial competitiveness, sustainability, and future economic growth.

As we shape the future of production, SIRIM is leading the smart revolution. This integrated report provides a comprehensive overview of our key initiatives, achievements, and strategic progress that defined SIRIM's 2024 journey, showcasing how these efforts have advanced Malaysia's industrial transformation.

STRATEGIC INDUSTRIAL RESEARCH SERVICES

ADVANCING SMART MANUFACTURING AND INDUSTRIAL INNOVATION

In March 2024, SIRIM strengthened its commitment to advancing industrial capabilities and fostering manufacturing innovation by establishing the **Smart Manufacturing Centre (SMC)**. It marks a strategic consolidation of expertise through the merger of the Machinery Technology Centre (MTC) and the Industrial Centre of Innovation in Smart Manufacturing.

A dedicated team of 84 professionals operates across four specialised sections: Precision Engineering, Innovative Engineering, Advanced Automation, and Intelligent Systems. These teams are strategically located at two operational sites, SIRIM Rasa and SIRIM Bukit Jalil, ensuring broad coverage and efficient service delivery. The multidisciplinary competencies position SMC as a pivotal enabler of next-generation manufacturing solutions. SMC also maintains ISO 9001:2015 certification for its high-quality engineering services.

Strategic Focus and Capability Development

SMC delivers tailored solutions for the industry, government agencies, and society, reflecting its ongoing drive across critical sectors. To meet increasing stakeholder expectations, SMC has strengthened its internal capabilities by training technical personnel as certified auditors, verifiers, and assessors. These roles are essential in validating various technical applications, particularly related to technology innovation, investment initiatives, and tax incentive programmes. SMC also actively

engages in frontier technology programmes supported by strategic partnerships and collaborative efforts that enable effective project implementation and long-term sustainability.

Advancing Localisation and Industrial Capability

In 2024, the Precision Engineering Section (PES) reinforced its strategic role in supporting industries through the development of metal parts and components aligned with national localisation initiatives for industrial self-reliance. Notably, the rail and defence industries exhibited strong demand. PES responded effectively by executing multiple high-impact projects that underscored its technical expertise and commitment.



Parts and components for the defence sector



Parts and components for railway rolling stock

PES continued to deliver critical machining and fabrication services across the SIRIM Group of Companies, reinforcing its key provider role within the organisation. Its specialised assistance to SIRIM QAS International Sdn. Bhd., include:

- Machining of test specimens for plastic products, ensuring full compliance with relevant standards.
- Fabrication of furnace enclosures for the Fire Protection Laboratory, directly contributing to the enhancement of fire safety testing infrastructure and capabilities.



Machined test specimens for plastic product testing for SQASI

Additionally, PES sustained its commitment to technology dissemination and capacity building throughout 2024. Demand for customised programmes remained consistent with the previous year's trends. PES delivered targeted training in foundry and machining technologies to industry stakeholders and Technical and Vocational Education and Training (TVET) institutions including ProEight Sdn. Bhd. and Tech Terrain College contributing to the enhancement of technical competencies and workforce readiness. Looking ahead, localisation will continue to be a strategic priority, encompassing the full development cycle from design and prototyping to pilot-scale production.

Expanding Capabilities and Advancing Digital Leadership

In 2024, the Innovative Engineering Section (IES) continued to strengthen its role as a catalyst for industrial innovation and digital transformation by successfully delivering:

- **Development Fund Projects:** Eight projects were executed under the SIMF and ECMAS programmes through the SIRIM–Fraunhofer initiative, supporting national innovation priorities and critical industry needs.
- **R&D Fund Initiatives:** Two strategic research projects were undertaken (1) Digitalisation of Clear Aligner Production Through Direct 3D Printing Technology, and (2) Smart Aerial Security System Using Autonomous Drone Station; both aimed at advancing high-impact, future-ready solutions.
- **Commercial Services:** Over 50 commercial jobs were completed in additive manufacturing, simulation, and reverse engineering, delivering measurable value to industry clients and reinforcing IES's technical versatility.

IES also made notable contributions to thought leadership and knowledge dissemination by publishing five peer-reviewed papers and presenting seven technical papers across conferences, forums, and seminars. These engagements not only enhanced visibility, but also fostered collaboration, expert feedback, and new commercialisation opportunities.

Furthermore, IES introduced three new offerings to enhance end-to-end solutions across the product development lifecycle—from design and prototyping to testing and market deployment. It positions IES to meet evolving industry demands, attract new clients, and drive innovation-led growth.

Two IES staff members earned PhDs in Mechanical Engineering and Software Engineering in 2024, reflecting the

Section's dedication to continuous learning and internal expertise. Doctorate-level knowledge enhances IES's capacity to lead frontier research, develop cutting-edge technologies, and provide strategic technical leadership.

Driving Industrial Innovation and Technical Assurance

In 2024, the Advanced Automation Section (AAS) continued to serve as a strategic innovation partner with two core focuses. Its machine development capabilities span conceptual design, analysis, embodiment design, assembly and integration, as well as performance testing—enabling tailored solutions for complex production challenges across diverse industrial settings.

Its engineering capabilities allow the AAS as a technical verifier and assessor for a broad spectrum of government and industry programmes. For example, AAS continues to uphold rigorous assessment standards by dedicating a team of 11 qualified verifiers for the Malaysian Investment Development Authority's (MIDA) Automation Capital Allowance (ACA) programme. The dual function reinforces its position as both a solution provider and a trusted evaluator of emerging technologies.

Customer confidence was reflected in several successful commercial projects:

- *Program Pembangunan Industri Teknologi Halal (PPITH)*, funded by TEKUN Nasional, where AAS is actively enhancing production productivity for 10 entrepreneurs through mechanisation and automation solutions.
- Design and Development of One Unit of Exhaust Chamber for Carding Machine, aimed at upgrading equipment for operational efficiency and safety standards.



Technical evaluation activity at the participating company under the PPITH project

AAS also delivered a strong performance under the SIRIM Fraunhofer (SF) programme, completing nine projects supporting various industrial applications, such as food processing and metal manufacturing. In its research and development activities, AAS published several outputs, including six articles featured in various publications:

- Recent studies of human limb rehabilitation using mechanomyography signal.
- Performance characteristics of stroke patients using the motor activity log and ANOVA analysis.
- Mechanomyography in assessing muscle spasticity: A systematic literature review.
- Quantifying and assessing post-stroke patients' functional capability level for independent daily activities: A review.
- Tracheid effect using 650 nm laser on three Malaysian tropical heavy hardwood species: Balau, Chengal, and Merbau.
- Machine learning based density estimation of light red meranti (*Shorea* spp).

Enabling Digital Transformation and AI Integration

The Intelligent System Section (ISS) continues to lead in the development of web- and mobile-based software applications and electronic products with core competencies spanning IoT, data and image analytics, blockchain and cryptography, robotics, and control systems. Three staff members have attained certification as ISO/IEC 42001 AI Lead Auditors, reinforcing ISS's commitment to responsible AI deployment and governance. In 2024, ISS broadened its impact through strategic engagements with local enterprises, such as:

- Technical consultation under the SF Programme.
- Contributions to the Business Innovation Towards Sustainability initiative under the Vendor Development Programme.
- Delivery of customised training in IoT and Data Analytics to various organisations, enhancing digital capabilities and workforce readiness.

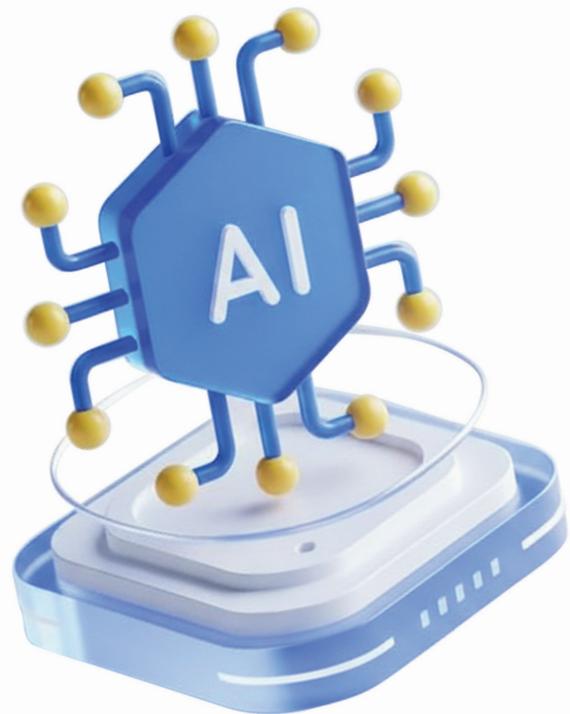
ISS also successfully executed several commercial projects, including:

- ProVEN (Phase 2): Development of a Master Meter Proving Module for Petroliaam Nasional Berhad (Petronas).
- Retrofitting project for SIRIM QAS International Sdn. Bhd.: Integration of an automatic temperature control and monitoring system into an indicative furnace, improving operational precision and safety.

ISS completed a collaborative project with the National Institute of Occupational Safety and Health (NIOSH) to create a digital knowledge base for Hazard Identification, Risk Assessment, and Risk Control (HIRARC). This initiative featured a web-based application supported by a descriptive and predictive analytics dashboard tailored for the manufacturing sector.

ISS also advanced its proprietary innovation—the Smart and Intelligent Packaging Platform (SIPP) that includes modules for Track and Trace of Packaging Products (TePaD), Product Information, Warranty Tracking, and Inventory Management. Seven companies have successfully adopted the system.

Further strengthening its cryptography and IoT expertise, ISS filed a patent for a Digital Signature Platform and secured copyright protection for an IoT-based Mosquito Repellent Dispenser. Looking ahead, ISS remains committed to accelerating Malaysia's Industry 4.0 transformation.



ADVANCING MATERIALS INNOVATION AND SUSTAINABILITY

SIRIM's advanced materials research continues to play a crucial role in bridging the gap between fundamental research and real-world applications. The **Advanced Materials Research Centre (AMREC)** is a premier research hub dedicated to advancing innovation in material science and engineering, driving through collaboration with academic institutions, industries, and government agencies.

AMREC's key objectives are:

- To conduct fundamental and applied research in advanced materials.
- To provide advanced facilities for testing, characterisation, and prototyping.
- To foster industry-academia partnerships for technology transfer and commercialisation.
- To support sustainable development through eco-friendly material innovations.
- To build human capital by training researchers, engineers, and postgraduate students.

Technology Focus Areas in 2024

The following are the forefront of AMREC's research and development efforts:

- Green Plastics Technology.
- National Rechargeable Battery Testing Centre (NRBTC).
- Medical Device Innovation Centre (MDIC).
- Ethylene Oxide (EtO) Sterilisation Technology.
- Water/Air Filtration Technology.
- Sustainable Agriculture Technology (SAT).
- Advanced Composite Technology (ACT).

Enhancing Medical Device Safety Through Sustainable Sterilisation

Key developments and industry advancements in Ethylene Oxide (EtO) Sterilisation Technology:

- Growing demand among local SMEs and medical suppliers.
- Other centres have large chambers, catering only to large pallets of medical devices.
- Over 200 medical-device SMEs need sterilisation services.
- AMREC has established small-scale, high-quality sterilisation facilities to serve this segment.
- SIRIM's EtO Sterilisation process supports sustainability with lower environmental exposure and release.

SIRIM Berhad's EtO sterilisation facilities offer:

1. Validation and routine cycles.
2. Conventional and Parametric Release compatible.
3. Sustainable cycle optimisation.
4. Training and Expertise Development.

Achievements and Impact

1. The Green Plastic Technology, titled "Crafting Future Innovative Plastics for a Better Tomorrow", funded under MITI's Enhance Industrial Eco-Innovation Through Environmental Technology Verification.
2. 100 plastic industry companies were supported in Green Plastics Technology with testing and characterisation, failure analysis, training, knowledge transfer, and access to resources, such as grants.
3. The NRBTC, launched in late 2022, has advanced its role as a national hub for electric mobility growth and stationary energy storage. Its SIRIM Kulim facility now provides infrastructure for electrical, mechanical, and thermal testing of high-power rechargeable batteries.
4. A RM6.5 million NIMP project has been secured, titled "To upgrade the capability of the national secondary measurement standard system (length and dimensions) to sustain and stimulate industrial growth, new investments, and increase services exports in the post-COVID-19 era".
5. EtO sterilisation facilities have been established to support local medical-device SMEs needing low-quantity sterilisation services.
6. Numerous awards and medals were received, including a gold award for "Non-asbestos Brake Pad for Rail Transit Application" at the International Invention, Innovation and Technology Exhibition, Malaysia (ITEX 2024).

ADVANCING INNOVATION IN LIFE SCIENCES AND BIOSAFETY

SIRIM's life sciences initiatives focus on three core areas: Biobased Product and Scaling Up, Biosafety and Compliance Testing, and Smart Lifesciences and Wellness. Its integrated framework supports industry and government stakeholders through R&D, pilot-scale production, compliance testing, and commercialisation. The **Life Sciences Centre (LSC)** helps industries develop safe, effective, and compliant products that support pharmaceuticals, medical devices, biotechnology, food, agriculture, and healthcare. In 2024, LSC strengthened its capabilities and delivered strong results in national priorities like health, sustainability, and safety.



Key Services

Product Safety and Compliance Testing

- Toxicology and biocompatibility (safety checks for drugs, devices, cosmetics, chemicals).
- Immunotoxicology (testing new therapies).
- Microbiology and molecular testing (authenticity, contamination, safety).
- Material characterisation (quality and performance).
- PPE and chemo-drug permeation testing (safety of gloves, masks, protective gear).
- Full regulatory and GLP compliance with OECD/ISO standards.

Next-Gen Research Platforms

- Organ-on-Chip and Organoids: Mini human-organ models for safer, more accurate, and ethical drug testing.
- Gene Editing (CRISPR and others): Customised solutions for healthcare, agriculture, and industrial biotech.

Biobased Development and Scale-Up

- End-to-End Bioprocess Solutions: From laboratory research to industrial-scale production (up to 2000 L) using in-house bioreactors, including strain improvement, fermentation, downstream purification, stability testing, and pilot-scale production.
- Market-Ready Product Development: Support for waste-to-value processes, GMP compliance, technology transfer to full-scale plants, cosmetics formulation development, and small-scale GMP-HALAL production to meet market access requirements.
- Testing, Training and Innovation: Dermatological testing for cosmetic products, basic training in cosmetics and detergents, and exploration of marine microalgae biomass for diverse industrial applications.

Biosafety and Compliance Section

The following are the key achievements, new services, challenges, progress and way forward of the Section:

Key Achievements

- Generated total revenue of RM 3.2 million in 2024, reflecting strong performance across pre-clinical study, Biocompatibility and Toxicology, material characterisation, and Personal Protective Equipment (PPE) compliance study.
- Achieved and maintained recognised compliance in the facility, reinforcing our commitment to local and international quality and regulatory standards.
- Recognised as a national reference laboratory for PPE compliance, trusted by industries and regulators alike.
- Expanded test capabilities in chemical permeation, establishing LSC as a regional leader in safety compliance services.

New Services Introduction (2024)

The Section strengthened its portfolio of advanced testing services with two new capabilities to support bio-based, pharmaceutical, and healthcare product development.

In Vitro Skin Sensitisation Testing

- Adoption of internationally recognised OECD guidelines (TG 442 series) for in chemico and in vitro assays.
- Provides a non-animal alternative for evaluating the sensitisation potential of cosmetic, personal care, and bio-based products.

- Supports regulatory compliance with EU REACH, OECD, and ASEAN cosmetic directives.
- Enables manufacturers to accelerate product safety validation while adhering to ethical and sustainability standards.

Pharmacokinetic–Pharmacodynamic (PK/PD) Studies

- Pharmacokinetics (PK): Determination of absorption, distribution, metabolism, and excretion (ADME) profiles.
- Pharmacodynamics (PD): Assessment of biological activity, therapeutic effects, and dose–response relationships.
- Integrated PK/PD Modelling: Providing predictive data for product efficacy, safety, and dosage optimisation.

Pre-Clinical Testing for Pharmaceutical Products

- Provides predictive modelling and simulation for efficacy, safety, and dosage optimisation.
- Supports regulatory submissions and product positioning for pharmaceuticals, bio-based health products, and medical devices.
- Strengthens LSC's role as a comprehensive preclinical testing hub, bridging innovation with compliance and market readiness.

Challenges

- Increasing demand for advanced compliance testing, particularly permeation testing against chemotherapy drugs.
- Requirement for continuous laboratory upgrades and specialised expertise to meet global standards.
- Growing expectations for faster service delivery amidst rising industry demand.

Progress and Way Forward

- Initiated groundwork for chemo-drug PPE permeation testing, with targeted readiness in 2025.
- Strengthened synergies with the Biobased Section via PKPD, ensuring sustainability and safety standards go hand in hand.
- Focus on technical upskilling and facility modernisation to maintain status as a regional centre of excellence.
- NEW: Vivarium consultation and specialised training in biosafety and compliance.



Smart Lifesciences and Wellness Section

The following are the key achievements, services, challenges, progress and way forward of the Section:

Key Achievements

- The Section advances frontier and emerging technologies to bolster the circular bioeconomy, healthcare, bio-based products, and natural ingredients—all towards sustainable future generations.
- The Section expanded research on bioactive compounds and natural wellness solutions, supporting the nutraceutical and functional food sectors.
- The Section strengthened collaborations with universities and industry partners, translating lab findings into prototype formulations for wellness applications.

Key Services

Bioassay and Efficacy Solutions

A major revenue driver offering end-to-end services for product claim substantiation and regulatory compliance across cosmeceuticals, nutraceuticals, and functional foods. This includes biomarker analysis, in vitro efficacy testing with advanced 3D skin models, skin microbiome studies, cell-based assays (protein and gene expression), high-content imaging, and flow cytometry-based assays — ensuring data-driven validation for market access.

Genomics and Molecular Services

Providing specialised genomics and molecular biology solutions that support industrial and research clients. Key offerings include molecular diagnostics, microbial species identification, gene expression profiling, microbiome sequencing (NGS), DNA cloning, halal testing, and industrial biotech protein production — enabling precision solutions and technology-driven growth.

Nutraceutical and Functional Food Development

Driving innovation through the development of functional ingredients and finished products, with expertise in bioavailability, stability, and efficacy studies. Services include chemical profiling, encapsulation of bioactives, advanced preservation techniques (spray drying, freeze drying), dermal/transdermal Franz diffusion studies, COA issuance, and technical training — supporting clients from concept to commercialisation.

Challenges

- Market readiness remains a barrier, with SMEs facing challenges in regulatory approvals and clinical validation.
- Resource constraints in managing R&D, product testing, and commercialisation simultaneously.

Progress and Way Forward

Smart Health and Precision Medicine

Driving innovation in smart health technologies, including the development of wellness monitoring tools and organ-on-chip (OOC) platforms to predict toxicity, model diseases, and personalise treatment. Leveraging AI and machine learning for precision medicine and predictive modelling to support drug discovery and healthcare advancements.

Advanced Nutraceutical and Pharmaceutical Delivery Systems

Expanding expertise in encapsulation technologies to improve the bioavailability and stability of nutraceuticals and pharmaceuticals. Supporting industry adoption through technology licensing of innovations such as Pineimmune, Phyto Beads, and Rambutan Skin and Nail Cream (anti-fungal), creating new market opportunities locally and internationally.

Genomics, Agriculture and Sustainability Solutions

Harnessing genomic data and next-generation sequencing (NGS) for precision agriculture, microbial engineering, and disease control strategies that reduce chemical inputs and improve sustainability. Deploying tissue culture solutions to strengthen global food security and support environmentally responsible production systems.

Industry Linkages and Market Expansion

Strengthening collaboration with industry partners to accelerate the commercialisation of halal-certified wellness products, bridging research outputs to market-ready solutions, and contributing to Malaysia's positioning in the global health and wellness sector.

Biobased Product and Scaling Up Section

The following are the key achievements, challenges, and progress and way forward of the Section:

Key Achievements

- Successfully carried out experimental scaling for Bioplastic (PHA) of bio-based polymers involving collaboration with an international partner.
- Upscaling our industrialisation process includes animal vaccines for poultry, biofertilisers and biopesticides for palm oil plantations.
- Provided and conducted theory and hands-on in the area of cosmetics and detergents for SME involvement with over 70 participants.
- New service for dermatological testing for cosmetic (human skin efficacy)
- Developed cosmetics with cutting-edge delivery systems (Exosome, Phytosome, Microbiome Skincare) in line with global beauty and personal care trends.
- Awarded with Bionexus Partners Laboratories (BNP) by the Deputy Minister of MOSTI.
- Production of *Trichoderma asperellum* biomass using an 800 L bioreactor for the manufacture of biopesticides to prevent *Ganoderma boninense* infection at the base of oil palm trunks.
- Exploring the potential of marine microalgae biomass across multiple industries.

Challenges

- Higher production cost of bio-based materials compared to petrochemical counterparts, limiting rapid industry adoption.
- Technical hurdles in maintaining quality and reproducibility during the transition from lab to industrial scale.
- Market Competition – The highly saturated cosmetic market demands unique selling points to stand out among competitors (OEM).
- The pilot plant at Building 19 is equipped with downstream and recovery systems of low capacity, which are insufficient to handle high production volumes.
- Availability of bioreactors at both laboratory and pilot scales is limited, which will significantly prolong the optimisation process.



Progress and Way Forward

- Ongoing PKPD trials with SMEs to facilitate commercial-ready sustainable products.
- Exploring new applications in food packaging, agriculture, and healthcare materials.
- Integration with the Biosafety Section to ensure regulatory compliance of biobased materials.
- Ongoing improvement of formulations and exploration of emerging cosmetic trends (biotech ingredients, sustainability, clean beauty).
- Engaging distributors, retailers, and digital platforms to strengthen brand presence.
- Training staff in Response Surface Methodology (RSM) to enhance capacity for designing effective and reliable experiments.

In 2024, LSC delivered strong achievements across its three core sections:

- Smart Lifesciences and Wellness advanced R&D on bioactive compounds and smart health solutions, though market readiness and regulatory challenges remain.
- Biobased Product and Scaling Up successfully initiated pilot-scale trials and the PKPD platform, positioning SMEs to scale sustainable innovations despite higher production costs.
- Biosafety and Compliance Testing reached a milestone in PPE testing, particularly in permeation and chemical resistance evaluations, solidifying its reputation as a trusted compliance centre. The Section is also developing chemo-drug permeation testing and toxicology capabilities to support industry safety and regulatory compliance.

LSC plans to increase its testing capacity and biosafety compliance services to meet new safety standards and keep industries compliant with international standards. Meanwhile, the Centre will work with industry partners and SMEs to scale bio-based and wellness products, and promote sustainable solutions. LSC will remain a national and regional reference centre, promoting innovation, sustainability, and safety in line with Malaysia's strategic priorities.

DRIVING SUSTAINABILITY THROUGH ENERGY AND ENVIRONMENTAL INNOVATION

In March 2024, SIRIM strengthened its commitment to expanding capacity for sustainable development and climate action by realigning the Energy and Environment Centre (EEC). It marks a strategic consolidation of expertise through the merger of the **Environmental Technology Research Centre (ETRC)**, the Industrial Centre of Innovation in Renewable Energy (IC-RE), and the Ceramic Technology Centre (Advanced Ceramic).

A dedicated team of 50 technical and administrative personnel operates across two core sections. Environmental Technology and Sustainability (ETS) provides various environment-related services, including testing and analysis, technology development, waste management, and regulatory compliance support. Renewable and Clean Energy (RCE) focuses on the development, promotion, and implementation of sustainable energy solutions such as renewable energy technologies, energy efficiency improvements, clean energy research, and supporting the transition to low-carbon energy systems.

Field Testing Facility and Workshop

EEC is equipped with a test site for small scale projects requiring ground water facility and ponds. At SIRIM Jalan Beremban, a workshop is available for ceramic related activities such as for casting of coral substrates and Fish Aggregating Devices (FAD).

Accredited Laboratories

Good Laboratory Practice (GLP) compliant facilities for (eco) toxicology studies and ISO 17025 accredited laboratories for regulatory compliance support and voluntary green product testing.

Advancing Environmental Technology and Sustainability

The Environmental Technology and Sustainability (ETS) Section's services are offered to both industry and government stakeholders. Our goal is to help companies proactively manage environmental risks, stay ahead of regulatory developments, and access new markets through credible, science-based environmental credentials.

Key Services

- Hazardous Waste Characterisation.
- Application Support for Special Waste Management.
- Water and Wastewater Analysis.
- Product Safety and Chemical Risk Assessment.
- Life Cycle Assessment (LCA).
- Greenhouse Gas (GHG) Emission Calculations.
- Environmental Technology Verification (ETV).

Specialised Laboratory Testing Capabilities

Our laboratories are accredited to national and international standards, providing scientifically robust and reliable results. Core areas include:

Ecotoxicology

Aquatic and terrestrial toxicity assessments using fish, algae, daphnia, and earthworms to support environmental hazard classification and eco-label compliance.

Genotoxicology and Safety Testing

Mutagenicity (Ames Test), Skin Irritation, and Skin Corrosion testing following OECD guidelines, applicable for chemical safety assessments, regulatory submissions, and export requirements.

Biodegradation and Material Testing

Evaluation of plastic and chemical biodegradability to support sustainable packaging and material development.

Analytical Chemistry

Detection and quantification of Semi-Volatile Organic Compounds (SVOCs), Volatile Organic Compounds (VOCs), and analytical services to support pollution control and compliance.

Water and Wastewater Testing

Analysis of influent and effluent water according to Standard A and B of Malaysian regulations.

Sludge characterisation in line with DOE guidelines

Biofuel Analysis

Proximate and Ultimate Analysis for biomass and biofuel evaluation.

Challenges

- The environmental testing and consultancy market is highly competitive, with many similar services, pushing providers to differentiate through innovation, quality, and customer value.
- To stay ahead in a dynamic market, service innovation must be ongoing, supported by the continuous expansion and upgrading of laboratory capabilities aligned with emerging environmental and energy trends.
- Specialised services (e.g. genotoxicology, ecotoxicology) require skilled scientists and technicians.

Accelerating Renewable and Clean Energy Solutions

The Renewable and Clean Energy Section (RCE) achieved two significant milestones: the Bioplastic Fermentation Project and the Energy Audits at SIRIM facilities. The Bioplastic Fermentation Project upscales the recovery and purification stages of bioplastic production to a fully operational pilot-scale system.

The project collaborates with USM and was funded by Fujimori Limited (Japan). RCE oversees the overall design, monitoring of fabrication, installation and commissioning of the pilot equipment. The team also leads the development and integration of the control system and SCADA, ensuring automation and real-time monitoring.

The Energy Audits for NMIM Sepang and SIRIM Jalan Pahat generated detailed insights into the facilities' energy performance, pinpointing inefficiencies and identifying opportunities for optimisation. The findings' key focus areas included cooling systems, lighting, plug loads, and laboratory equipment.

Together, these achievements reflect RCE's commitment to renewable and clean energy innovation, sustainable practices, and supporting SIRIM's leadership in environmental stewardship and energy efficiency.

Bioplastic Fermentation Project

Bioplastic plant full layout



Energy Audit Identified Opportunities for Optimisation



This centre creates a unified platform to accelerate industry decarbonisation and strengthen policy advocacy. Over the coming years, the merged entity is expected to:

Drive Industrial Decarbonisation

- Provide integrated solutions that combine energy efficiency, renewable energy, carbon management, and environmental safeguards.
- Support industries in adopting low-carbon technologies and circular economy practices through coordinated research, pilot projects, and technical services.
- Offer a holistic framework for measuring, reporting, and reducing emissions, helping industries meet ESG and net-zero commitments.

Enhance Policy Influence

- Act as a central knowledge hub, providing government and regulators with evidence-based recommendations that balance energy security, economic growth, and environmental protection.
- Strengthen alignment with national policies (e.g., NETR, NIMP, CCUS Bill 2025, EECA 2024) and international agreements.
- Advocate for progressive standards, incentives, and regulatory frameworks that enable large-scale industrial decarbonisation.

Create Long-Term Value

- Position the merged entity as a leader in sustainability and innovation, strengthening credibility among industry, government, and international partners.
- Build synergies across energy and environmental domains, reducing duplication while amplifying impact.
- Support Malaysia's global competitiveness by ensuring industries comply with emerging low-carbon trade requirements.



NATIONAL MANDATE

MEASURING METROLOGY SUCCESS

As the **National Metrology Institute of Malaysia (NMIM)**, we remain steadfast in delivering the Government's mandates by ensuring uniformity in measurement standards, traceability to the International System of Units, and coordinating the national measurement system.

Our focus remained on supporting regulators, such as the Royal Malaysian Police, Road Transport Department, Department of Environment, and Ministry of Domestic Trade and Costs of Living, as well as accredited laboratories, industry, academia and Government in furthering science and innovation across the New Industrial Master Plan (NIMP) 2030 areas, including semiconductors and data centres.

NMIM disseminated measurement traceability across Legal Metrology, Scientific Metrology, and Industrial Metrology. In 2024, over 6,459 unique services and reference materials were supplied to over 572 local companies, Government agencies, and overseas customers. 35 instruments were also approved for trade and legal use.

Through the National Measurement System (NMS), the Malaysia Government funded NMIM to provide advanced measurement science that supports both public and business sectors with traceable and precise standards.

Five projects were secured with a RM8.82 million budget to strengthen infrastructures in key sectors. Additionally, five measurement standards were developed under the 12th Malaysia Plan (Rolling Plan 4, RP4 2025), attracting opportunities in the international supply chain.



NMS for EV



NMS for Time Stamping

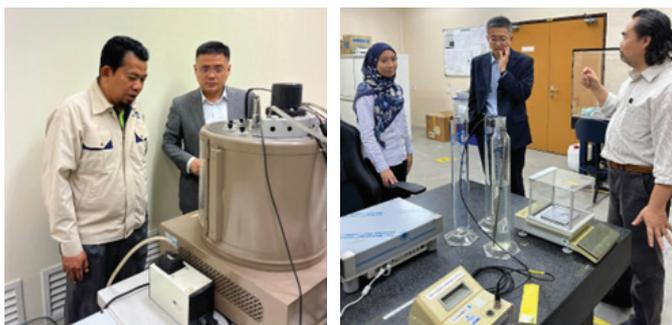


NMS for Length and Dimensional

NMS for Current and Capacitance

Two new Calibration and Measurement Capabilities (CMC) submissions were approved, increasing Malaysia's total CMC to 134, published in the International Bureau of Weights and Measures Key Comparison Database (BIPM KCDB) website.

On-site visits by peer reviewers are integral to maintaining the required quality in the National Metrology Institute's approved CMC. Three peer review sessions were conducted in March and September 2024 focusing on Length, Liquid Volume and Viscosity by KRISS Korea and NIM China.



*Peer Review for Liquid Volume
by NIM China experts, 24 - 25 September 2024*

A total of 45 networking sessions and marketing visits with Government agencies and private companies were executed to highlight the importance of efficient measurement and the impact of an established national metrology infrastructure through high-end calibrations. NMIM participated in 14 industry-themed exhibitions nationwide, including those organised by MITI & Agencies, representing National Measurement Council (Majlis Pengukuran Kebangsaan, MPK) and by SIRIM Berhad.

Following her appointment as NMIM's Chief Metrologist on 13 May 2024, Dr. Faridah Hussain received courtesy visits from KPDM-licensed companies. The visits aimed to reinforce relationships and mutual commitment in strengthening national legal metrology activities.



*31st Asia Pacific Legal Metrology Forum
Meetings (APLMF), Chinese Taipei: 6 - 8 November 2024*

NMIM's global presence was strengthened when Malaysia was re-appointed as the host economy for the Asia Pacific Legal Metrology Forum (APLMF) Presidency for the 2025-2026 term. Malaysia continues to administer the development of legal metrology in the Forum and the activities related to the United Nation Sustainable Development Goals (UN SDG). Malaysia also

supports international and regional collaborations activities for greater harmonisation and development such as the effective use of OIML Recommendations and Certificate System.

Representing Malaysia, NMIM attended the 12th ASEAN Expert Group on Metrology (EGM) Meeting, which was held in Thailand on 18 - 20 September 2024. It was discussed in partnership with the Philippines, to lead a project on the traceability and calibration of EV charging stations.

NMIM served as the trainer for the international course, 'Verification of Rice Moisture Meters', delivered by Haslina Abdul Kadir, Malaysia's representative and APLMF Chair of the Working Group on Quality Measurement for Agricultural Products. Held from 18 to 20 September 2024 at the National Metrology Centre, Cambodia, the training was organised under the PTB Germany and ACCSQ WG3 project on Strengthening Quality Infrastructure in ASEAN for NMC Cambodia researchers.

For further international collaboration, NMIM has engaged with seven economies: Brunei, Indonesia, Philippines, Papua New Guinea, China, Korea and United States of America, providing calibration services, pattern approval, field audit (on-site calibration), as well as training, consultations, and interlaboratory comparison programmes.

These efforts were further strengthened through regional workshops conducted in collaboration with international and industry partners. NMIM, together with Ernst & Young (EY), a global professional services firm, supported the ASEAN Regional Workshop on Pattern Approval and Verification of Automatic Weighing Instruments (AWIs) for Conformity Assessment. The workshop was hosted by the Regional Trade for Development (RT4D) Facility on 21 - 22 August 2024. It was aimed to build capacity in pattern approval and verification of WIM instruments, with NMIM demonstrating practical verification testing and best practices aligned with international guidelines.

Overall, NMIM continues its commitment to advancing metrology excellence in support of Malaysia's investment, trade, industrial competitiveness and regulatory assurance, while strengthening the national measurement infrastructure through sustained efforts and international recognition to underpin the metrology community's needs.

DESIGNING MALAYSIA'S FUTURE

Founded in 1993, the **Malaysia Design Council (MRM)** operates as an advisory entity focused on fostering industrial design innovation, raising public understanding of design's impact in daily life, and promoting effective design management. Its programmes enable designers to support businesses across sectors, enhancing branding and marketing, and the global appeal of Malaysian products. MRM's initiatives showcase its commitment to design excellence, sustainable practices, and Malaysia's international design presence. From national awards and certifications to regional knowledge sharing and competitions, these efforts reflect a strategic approach to building a future-ready, high-impact design sector.

The Malaysia Good Design Award (MDGA) 2024

Established in 1997, the MDGA is the national highest recognition for design excellence, endorsed by the Government of Malaysia and conferred through MRM. Modelled after leading international recognitions such as the Japan Good Design Award, the MDGA is to position the design industry on par with global benchmarks.

The MDGA recognises designs beyond aesthetics — those that deliver tangible benefits to users, embrace environmental sustainability, and create a positive societal impact. In 2024, 35 products from 13 companies received the award, including the Perodua Axia (D74A) for its outstanding design tailored for urban driving, fuel efficiency, and comfort.



Perodua Axia (D74A) has won the Public Areas and Transportation Products award at the Malaysia Good Design Award

Certified Industrial Designer (CiDe)

The programme is the highest recognition for professional competence in industrial design. It acknowledges designers who demonstrate mastery of knowledge and technical skills, uphold the highest professional and ethical standards, and remain committed to continuous professional development.

Benefits of Certification

It signifies that the designers are capable of performing their duties with integrity, leveraging experience while applying the latest technologies. This positions them as industrial reference figures and professional ambassadors, carrying the responsibility of strengthening the nation's image and advancement. In 2024, 29 designers were certified, totaling to 79 certified industrial designers nationwide.

CiDe Certificate Presentation Ceremony

On 12 December 2024, the MRM convened the MRM-Industry Dialogue at Menara MITI, Kuala Lumpur as a mid-term review of the National Design Roadmap (NDR) 2019–2029. The programme was officiated by Liew Chin Tong, Deputy Minister of MITI, and successfully engaged 137 participants, including industry leaders, academics, government agencies, and government-linked companies (GLCs). It served as a critical platform to assess the effectiveness of current policies while shaping new responsive strategies to the evolving industry and societal needs. The event presented 24 CiDe certificates to 24 recipients, led by Dato' Indera Ir. Dr. Ahmad Sabirin Arshad, President and Group Chief Executive Officer of SIRIM Berhad. It reflects MRM's involvement in continuous sustainability commitment.



Certified Industrial Designer (CiDe) Certificate Presentation Ceremony at Dewan Perdana, MITI, Kuala Lumpur

Asia Design Sharing 2024: Leading the Creative Future of Asia

The annual programme brings together seven regional nations — Malaysia, Indonesia, Korea, Vietnam, Thailand, the Philippines, and Singapore — on a single, dynamic platform that champions creative collaboration and cross-border innovation. Each member country stimulates new design and entrepreneurship opportunities, strong professional networks, and expands Asia’s market access. By sharing knowledge, cultural exchange, and strategic initiatives, the programme acts as a catalyst in building a sustainable, high-impact regional design ecosystem.

In 2024, the initiative successfully convened a 100-participant seminar and all members meeting from 25 to 27 June 2024, in Langkawi. The theme was “Empowering ESG Through Design,” highlighting the role of design in advancing environmental, social, and governance (ESG) priorities across member countries. The seminar featured member-nations panel discussions exploring the theme. Malaysia’s panel contributions included insights from the Malaysian Investment Development Authority (MIDA) and the Malaysian Green Technology and Climate Change Corporation (MGTC).



14th annual Asia Design Sharing Council Meeting was held in Langkawi

Waste To Wealth Innovation (WAWI) Design Competition 2024

WAWI was launched in 2022 as a strategic collaboration between the Perbadanan Pengurusan Sisa Pepejal dan Pembersihan Awam (SWCorp) and the MRM. It is a dynamic platform for nurturing creative talent and promoting sustainability-driven product development. With MRM’s involvement, the competition ensures that product outcomes are more commercially viable and aligned with industry needs. Thus, WAWI positions Malaysia as a regional leader in innovative waste management practices.

In line with Sustainable Development Goal (SDG) 12, WAWI is designed to:

- Drive effective waste reduction
- Encourage recycling practices
- Advance a sustainable circular economy

With a RM49,000 total prize pool, WAWI 2024 attracted 396 entries across Professional and Community categories. The theme was Eco Furniture with a focus on chair design — highlighting the potential of sustainable furniture creation that blends functionality, environmental responsibility, and aesthetic appeal.

MRM Competition Winner

PERTANDINGAN REKABENTUK WASTE TO WEALTH INNOVATION (WAWI) 2024

Jaihar Jallani bin Ismail
Noor Syahidah binti Abdullah

PANTUN

Logos: Malaysia Good, CiDe, Green Design, WASTE TO WEALTH INNOVATION, ASIA DESIGN SHARING, 50th Anniversary of design.

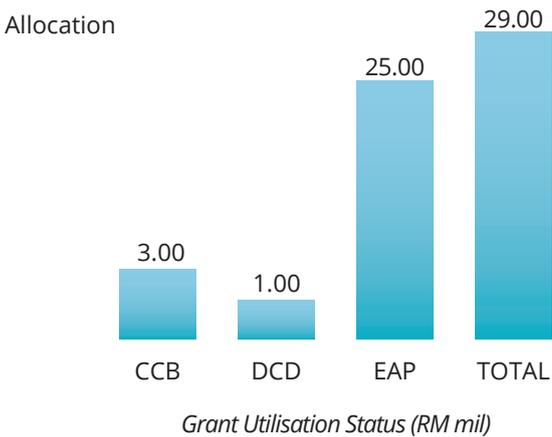
STRENGTHENING TOOLING ECOSYSTEM

The **National Precision Tooling Sdn Bhd (NPT)** led the Development of the Bumiputera Tool, Die and Mould (TDM) Industry Project, also known as TDM 2.0 Project from 2022 to 2025 and has two main objectives:

- To accelerate capability and capacity development of the Bumiputera TDM and machining-based engineering companies in Automotive, Aerospace, Medical Devices and Rail sectors.
- To increase their participation in the TDM business through opportunities in local automotive, aerospace, medical devices, and rail manufacturing sectors for import substitution and export potential.

In 2024, an allocation amounting to RM35 million was disbursed under RMK12 to finance the TDM project for 46 registered companies as beneficiary companies (BC) from four industry sectors; the automotive, aerospace, medical devices and rail sectors. All BCs will undergo three main programmes:

- Coaching and Certification Building Programme (CCB).
- Equipment Acquisition Programme (EAP).
- Design Capability Development Programme (DCD).



The Coaching and Certification Building Programme (CCB)

SIRIM NPT has utilised 91.2% of the total grant under CCB programmes of Training and Coaching by SIRIM Academy, Equipment Calibration by SIRIM Calibration, and Certification by SIRIM QAS International.

The Equipment Acquisition Programme (EAP)

As of 31 December 2024, SIRIM NPT has committed 86.3% of the total grant allocation (RM25 million) under EAP. This involved purchases of 89 equipment by 35 companies, with a total of 56 equipment delivered:

- Advance Pact Sdn. Bhd. - HAAS CNC Desktop Machine.
- Eneel Precision Engineering Sdn. Bhd. - SHINING 3D Freescan 3D Scanner & CREATBOT 3D Printer.
- Hicom Diecastings Sdn. Bhd. - NUEAR Die Sinking EDM Machine.
- Benchmark Biomedical Supplies Sdn. Bhd. - PROFETA Metal 3D Printer.



Ideal Healthcare Sdn. Bhd. - CREALITY Halot Mage Pro 3D Printer

The Design and Capability Development (DCD)

After nearly two years of TDM 2.0 Project, SIRIM NPT purchased various CAD/CAM software to help companies enhance their design capability and manufacturing.

CATIA

Three CATIA V5 CAD Software units were procured in October 2023, with a total of 26 BCs completing installation.

SolidWorks

Seven SolidWorks CAD Software units were procured in May 2024, with 31 BCs completing installation.

Mastercam

Procurement of two Mastercam CAM Software units is ongoing, with installation, testing, and commissioning expected to be completed by December 2025.

The software has enabled companies to improve design capabilities, enabling them to create more sophisticated and complex models. It also enhances design efficiency, streamlines workflows, and reduces production time. This includes developing components, precision moulds, and in-house manufacturing tools.

TDM Industry Engagement Programme

This programme aimed to gather insights from various industry stakeholders, and highlight issues within the context “Pemeriksaan Agenda Bumiputera”. It was conducted on 26 June 2024 at Mardhiyyah Hotel and Suites, Shah Alam, in collaboration with Unit Peneraju Agenda Bumiputera (TERAJU) and MIDF Berhad. Both speakers shared potential financial assistance that can be utilised by the BCs. Other key speakers include representatives from Innopeak (M) Sdn. Bhd., PHN Industry Sdn. Bhd., Vencast Sdn. Bhd. and Ideal Healthcare Sdn. Bhd., sharing their experience and knowledge on TDM industry value chain and ecosystem, and opportunities.



CEO NPT delivering updates of TDM 2.0 Project

NEW TDM, way forward to transform local TDM industry

As TDM 2.0 is coming to an end by 2025, SIRIM NPT has proposed to the government a transformational programme, NEW TDM, that aims to elevate the Bumiputera TDM companies. The programme has three major focus areas:

Digital Platform as a Collaborative Ecosystem

By integrating advanced design tools, simulation software, and AI-powered optimisation, the platform not only streamlines the design process, but also enhances product quality and reduces prototyping times.

The incorporation of real-time data analytics further empowers stakeholders’ decision-making by identifying production bottlenecks, anticipating maintenance needs, and optimising workflows. Additionally, this platform is a marketplace for tooling components and specialised services, facilitating SMEs’ access while providing training materials for continuous learning and quick troubleshooting.

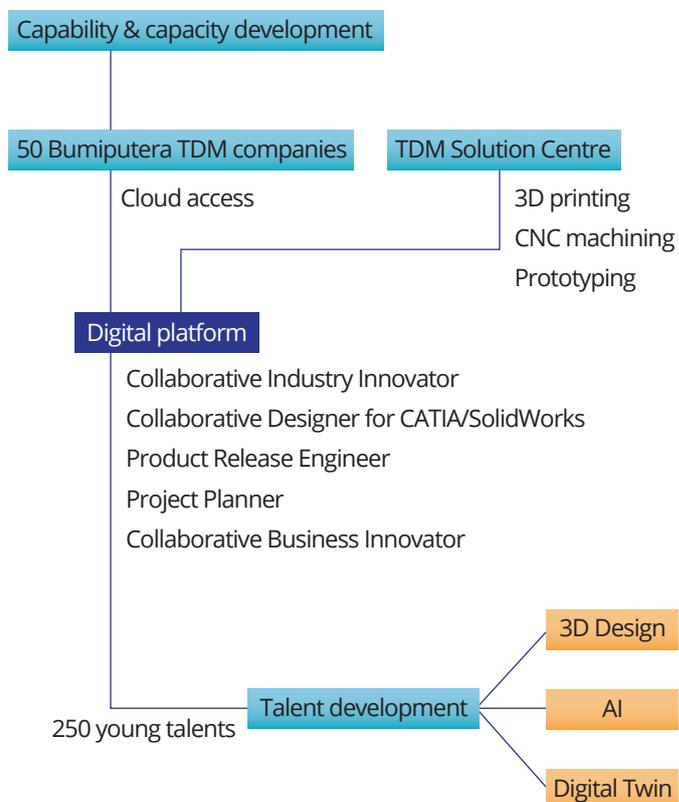
Talent Development Tailored to Industry Needs

Collaboration with educational institutions ensures curricula are aligned with modern technologies, such as digital manufacturing, Industry 4.0, and workforce readiness. Hands-on internships bridge theoretical knowledge with real-world experience. Continuous upskilling and reskilling initiatives keep professionals updated on emerging fields, like additive manufacturing and IoT, while targeted outreach campaigns help attract young talent and retain experienced workers by highlighting clear career progression, and the sector’s innovative nature.

One Solution Centres as Innovation and Support Hubs

The centres especially benefit SMEs by offering advanced equipment, prototyping facilities, and expert advice. They create learning opportunities that encourage industry-wide adoption. Centralising expertise and resources in these centres helps bridge technological gaps, promoting technology transfer and standardisation within the Malaysian TDM sector.

Transforming the Bumiputera TDM Industry through 3D Digital Platform, Artificial Intelligence and Digital Twin Technology



TESTING, INSPECTION, CERTIFICATION AND CALIBRATION

DRIVING ORGANISATIONAL GROWTH AND ENGAGEMENT

SIRIM QAS International achieved a notable milestone by conducting 41 engagement activities. It engaged in a series of courtesy visits, seminars, and collaborative meetings with key stakeholders, including Petronas, Panasonic, JKR, and many others. These engagements are anticipated to enhance customer relationships, strengthen industry reputation, and ensure compliance with regulatory standards. In addition, SIRIM QAS International received accolades at the Marketing Excellence Awards Malaysia 2024, further enhancing their reputation in the industry.

Business Report

The business report for 2024 showcases the successful launch of 11 new schemes, products and services, besides demonstrating significant customer growth from 18,108 in 2023 to 19,440 in 2024. The growth in new customer acquisition showed an encouraging trend, rising from 7,799 in 2023 to 8,353 in 2024. These achievements reflect SIRIM QAS International's strategic focus on growth, innovation, and operational excellence.



New Schemes / Products / Services

SIRIM QAS International successfully introduced 11 new schemes, products, and services aimed at generating future growth.

- 1 ESG Certification
- 2 MS 2735:2021 Emergency Preparedness & Response (EPR)
- 3 SIRIM Label on Regulated Cable Product
- 4 Certification for EV Charging Station (EVCS)
- 5 Certification & Labelling of Engine Oil for Motor Vehicles
- 6 EVCS Component Test (e.g. Plug/Socket)
- 7 Lubricant Oil Test (SIRIM 58:2022 – Genuine)
- 8 Energy Efficiency for Oven
- 9 Noise Risk Assessment
- 10 Verification of Odour Control System
- 11 Euro Classification for Fire Testing

ENSURING CALIBRATION EXCELLENCE

SIRIM Calibration Sdn Bhd (SIRIMCal) achieved notable milestones by reinforcing its role in providing reliable, high-quality calibration and measurement services to support industry and government needs. It engaged in a series of courtesy visits, seminars, and collaborative meetings with key stakeholders. SIRIMCal operates in seven strategic locations: Shah Alam, Permatang Pauh, Senai, Kuantan, Kuching, Kota Kinabalu and Kemaman Supply Base. Its services extend across Singapore, Thailand, and Brunei too.

Milestones

- Achieved 20% growth in total companies served.
- Achieved 15% growth in total calibration and verification reports produced.
- New in-house services on verification.
- Localise calibration services to industries and government agencies.

Quality Assurance

- Maintained our ISO/IEC 17025:2017 accreditation for all our labs.
- Conducted regular training programmes for our technicians in line with the latest industry standards.

Sales, Marketing and Business Development Strategies

- Launched a comprehensive digital marketing campaign to expand our online presence.
- Participated in industry exhibitions and conferences to expand our expertise and network.
- Strategic alliances with
 - SIRIM State offices to promote calibration services in respective states.
 - Vendors and contractors in various industries.
 - Government agencies related to national defence.
 - Several local research institutions.

- Exploring the international market.
- Dialogue sessions with the industry on the importance of calibration and verification.
- New Proposal with Interactive Deals and Packages.
- Develop new packages together with SIRIM Academy on the Certified Calibrator Technician.



TRAINING AND CONSULTANCY

DRIVING CAPABILITY AND EXCELLENCE THROUGH LEARNING

In 2024, **SIRIM Academy** strengthened its international position as a training provider through multiple globally and regionally recognised certifications and accreditations.

On 2 October 2024, SIRIM Academy reaffirmed its Exemplar Global Recognised Training Provider status for 10 Lead Auditor and Assessor courses, continuing the 2023 recognition programme. These programmes include ISO 9001 (Quality Management), ISO 14001 (Environmental Management), ISO 45001 (Occupational Health and Safety), ISO/IEC 27001 (Information Security), ISO 22301 (Business Continuity), ISO 37001 (Anti-Bribery), ISO 17025 (Laboratory Quality), and ISO 41001 (Facility Management). This validation confirms SIRIM Academy's training programmes satisfy global standards and are endorsed by a reputable third-party organisation.

SIRIM Academy became a Certified Regional Training Partner of the Global Reporting Initiative (GRI) on 1 October 2024. Authorisation to teach GRI-certified courses, including Reporting with GRI Standards, Reporting on Human Rights, Navigating Sector Standards, and Decoding the Sustainability Reporting Landscape. SIRIM Academy is an AWS Accredited Test Facility (ATF) for the AWS Certified Welder Programme and an IECEx Recognised Training Provider (RTP) for explosive atmosphere equipment training.

SIRIM Academy reaffirmed its Registered Training Provider accreditation under HRD Corp on 19 October 2024, enabling it to operate grant-eligible professional certification programmes with high impact.

The Academy renewed its Halal Training Provider certification from JAKIM's Halal Professional Board from 1 January 2024 to 31 December 2025, supporting programmes like Certified Halal Executive and Certified Internal Halal Auditor.

The Malaysian Sustainable Palm Oil (MSPO) scheme endorsed SIRIM Academy as a Training Provider on 20 March 2024, giving Lead Auditor and Awareness Training for MSPO MS2530:2022. In technical and vocational education, SIRIM Academy is accredited by *Jabatan Pembangunan Kemahiran (JPK)* for approved programmes in ultrasonic and radiographic inspection for the oil and gas industry. SIRIM Academy handled the first International Conference on Quality and Innovation (ICQI) organised by SIRIM Berhad. ICQI 2024 exceeded expectations, attracting private sectors, ministries/government agencies, and SIRIM Group participations. Participants formed significant connections through networking sessions, exchanging ideas and building relationships.



*International Conference on Quality and Innovation (ICQI) 2024
6 - 7 November 2024*

Business report

SIRIM Academy's profit increased 22% in 2024 from the year 2023. The result met 98% of the expected and 84% of business plan goals. Profit after tax (PAT) increased up to 458.75%. The Quality Section topped sales with 71%. ESG consultancy rose 232%, along with conferences, e-learning, and SBMS consultancy. Technology revenue rose 205%. Demand for NDT, welding, IECEx, and IEEE technology training fuelled this. Standards Development and Consultancy revenue grew 27%. Strong standards and advising sales helped.

EMPOWERING BRAND INTEGRITY AND MARKET COMPETITIVENESS

The **SIRIM Packaging and Security Design Centre (PSDC)** offers a diverse range of security solutions that encompass security products, namely security labels, security documents, security packaging and smart cards.

In 2024, the production and printing of security labels for Product Certification Schemes at SIRIM QAS International Sdn Bhd continued to be the key activity under Security Design (SD) and Printing. The SD and printing business in 2024 grew to RM 12.0 million, which includes security labels, licences for city councils, academic certificates for higher learning institutions and product packaging for industry. The SD programme has expanded its security design and printing for local authorities' licenses, integrated systems, academic certificates, and smart cards.

Driving Entrepreneurial Growth through Advisory and Development Programmes

Entrepreneur Development Programmes (EDP) are dynamic programmes by PSDC that target micro and small enterprises. This consultancy is crafted to foster human capital development through advisory and training, enhance quality improvement practices, enhance product capabilities, particularly in packaging and e-commerce marketing, and conduct impact assessments.



Innovating Market-Ready Packaging Solutions

The innovative packaging programme, or Innopack programme, focuses on packaging development from basic labelling products to complete design and printing of the packaging according to the requirements of local and global markets.

PSDC offered customised services to entrepreneurs and MSMEs, such as advisory and consulting, idea and concept, design and branding, brand registration, nutrition testing, packaging development and printing, training and workshops, as well as audit impact assessment. PSDC collaborated with government ministries and agencies to serve micro- and small enterprises as beneficiaries.

Among the commercial projects for Innopack were:

- Product Transformation Programme (PUTRA 4.0)
- Entrepreneur Empowerment Programme

Building Entrepreneurial Competence through Training and Capacity Building

A training programme for entrepreneurs (BizTransformation programme) was offered to relevant stakeholders to assist entrepreneurs in understanding and acquiring knowledge and skills in packaging, branding and labelling and how to increase the quality of their products and to market the products as well.

In 2024, a total of 583 entrepreneurs participated in the Technopreneurship and Biztransformation training programme.



KEY SIGNIFICANT EVENTS



EMPOWERING CONNECTIONS: STRENGTHENING CUSTOMER RELATIONS

At SIRIM, building strong and trusted relationships with our customers remains central to our mission. Our approach to “Empowering Connections” focuses on deepening engagement with industries, government agencies, and strategic partners through meaningful interactions, collaborations, and knowledge-sharing platforms. These key events reflect our commitment to strengthening partnerships, enhancing service delivery, and reinforcing confidence in our role as a national and industry enabler.

9 January: *Penyerahan Penapis Air.*

Handover of three mobile filtration units by SIRIM to the Malaysian Civil Defence Force in Kota Tinggi, Johor. SIRIM's President and Chief Executive Officer, Dato' Indera Ir. Dr. Ahmad Sabirin Arshad, presented the units to the Civil Defence Force Commissioner, Datuk KPj. (PA) Aminurrahim Mohamed. The ceremony was witnessed by Deputy Prime Minister, Datuk Seri Dr Ahmad Zahid Hamidi.



2 February: *MITI Retreat.*

SIRIM hosted MITI Retreat 2024 and welcomed the delegation from the Ministry of Investment, Trade and Industry (MITI). The momentous occasion was graced by the presence of MITI Minister, Senator Tengku Datuk Seri Utama Zafrul Tengku Abdul Aziz and Deputy Minister, Liew Chin Tong. The retreat was filled with insightful discussions and collaboration in shaping a resilient future.



8 May: MoU Signing between SIRIM Berhad with Institut Penyelidikan Sains dan Teknologi Pertahanan (STRIDE).

Representing SIRIM Berhad was Dato' Indera Ir. Dr. Ahmad Sabirin Arshad, President and Group Chief Executive Officer of SIRIM, while signing on behalf of STRIDE was Datuk Seri Isham Ishak, Secretary General, Ministry of Defence (MINDEF). This partnership marks a significant milestone in enhancing defense and security capabilities through collaborative research and knowledge exchange.

24 June: Launching of SIRIM 55 Certification Scheme.

The certification allows companies to communicate their sustainability performance by emphasising SIRIM's dedication to setting industry standards through comprehensive ESG management.



26 June: Industry Engagement Programme.

The event aims to provide updates on the progress of TDM 2.0 and highlight key initiatives designed to transition the TDM Community and its stakeholders to a digital platform, thereby enhancing industry collaboration, productivity, and talent development.



8 October: Hari Bertemu Pelanggan.

The event featured an explanation of the services offered by SIRIM's Packaging Design and Safety Centre. In addition to the briefing, a quiz and a set of prizes were also provided, related to the briefing and questions about SIRIM Berhad.





6-7 November: International Conference on Quality and Innovation 2024 (ICQI 2024).

SIRIM Berhad proudly hosted this inaugural premier two-day event, themed 'Design Your Future Sustainability,' gathered global experts, policymakers, and industry experts to inspire impactful discussions on quality, innovation, and sustainable development.

22 November: MoU Signing.

Another strategic partnership was formed between SIRIM and five distinguished companies, Pak Ali Food Industries Sdn Bhd, Lewre Bespoke (KL) Sdn Bhd, Free The Seed Sdn Bhd, HICOM Engineering Sdn Bhd (HESB) and Swift Bridge Technologies (M) Sdn Bhd, which focuses on innovation, green technology, and industrial advancement.



7 December: Majlis SIRIM Industri 2024.

The event recognised 17 outstanding companies for their pioneering achievements in ESG standards. This year's event unveils the highly anticipated SIRIM ESG Holistic Ecosystem - encompassing initiative designed to empower Malaysian industries to drive sustainable transformation and support Net Zero carbon emissions by 2050.

13 December: Certified Industrial Designer (CiDe) Certificate Presentation Ceremony.

24 Certified Industrial Designers (CiDe) received certificates presented by Liew Chin Tong, Deputy MITI. The event was organised by the Malaysia Design Council (MRM) at Dewan Perdana, MITI, Kuala Lumpur.



19 December: The Agro Selangor Convention 2024.

The Selangor State Government, through FAMA Selangor, organised the programme aimed at bringing together entrepreneurs in the Micro, Small, and Medium Agri-food Enterprises of Selangor. SIRIM's Packaging and Security Design Centre has been invited as a speaker for the packaging topic, which was held at Mardhiyyah Hotel and Suites, Shah Alam, Selangor.

BEYOND BORDERS: STRENGTHENING OUR GLOBAL PRESENCE

At SIRIM, we are committed to expanding our global footprint by strengthening our presence in key international markets. Our approach to "Beyond Borders" focuses on delivering exceptional conformity assessment services and driving innovation in standard research activities. By leveraging our expertise and cutting-edge technologies, we position ourselves as the premier authority in ensuring quality, safety, and compliance worldwide. Through strategic partnerships, continuous investment in research, and a relentless focus on customer satisfaction, we are shaping the future of global standards and setting new benchmarks for excellence in every market we serve.

29 February: MoU Signing Ceremony between SIRIM Berhad and the National Institute of Standards and Industrial Technology (NISIT), Papua New Guinea.

This MoU will strengthen standardisation and enhance industrial activities in Papua New Guinea, with SIRIM providing a range of services, such as metrology, training, certification, and testing.



29 August: MoU Signing between SIRIM Berhad and Pakar Tenaga Bersatu.

This agreement aims to enhance research, innovation, and industry collaboration, focusing on advancing technological solutions in Brunei.

6-12 October: Malaysia Technical Cooperation Programme (MTCP) 2024.

This programme involves sharing Malaysia's technical expertise with developing countries, in which SIRIM facilitates capacity-building and training workshops. Laos, Vietnam, and Timor-Leste representatives visited SIRIM Shah Alam labs and supporting organisations like T-Biomax, Ensulifescience, and Penang Chendul factories. These visits provided insights into Malaysia's industrial innovations and potential collaboration.





11 November: Technical Visit by China Automotive Technology and Research Centre Co., Ltd. (CATARC).

The delegation led by Dr. Zhao Dongchang, the Chief Expert, visited for a productive discussion on potential collaborations in testing, product certification, and research.

13-15 November: WAITRO Summit 2024.

The summit highlighted SIRIM's commitment to fostering a vibrant innovation ecosystem that drives transformative technologies and creates lasting, sustainable impacts globally. During the summit, SIRIM Berhad's President and Group Chief Executive Officer was appointed as the regional representative for Asia and the Pacific for the 2025-2026 term.



14 November: 17th Annual SEADMA Conference.

SIRIM QAS International was honored to participate as a speaker at the prestigious 17th Annual SEADMA Conference, held at the New World Saigon Hotel, Ho Chi Minh City, Vietnam. SIRIM's session underscored the critical importance of quality, safety, and reliability in navigating today's dynamic.

22 November: ISO/TC 189 Plenary Meeting.

SIRIM QAS International represents Malaysia at ISO/TC 189 Plenary Meeting on Ceramic Tiles in Ílhavo, Portugal. Malaysia will host the next ISO/TC 189 Plenary Meeting in 2025 which will be organised by Jabatan Standard Malaysia, with SIRIM QAS International as the co-host.



17-27 November: Third Country Training Programme (TCTP).

SIRIM Berhad, in collaboration with the Japan International Cooperation Agency (JICA) and the Ministry of Foreign Affairs of Malaysia, organised a 10-day programme titled "Embracing the New Way of Tourism and Delivery by Adopting Muslim-Friendly Hospitality Services Requirements". The programme included participants from nine countries, such as Indonesia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan.

3 December: Convention on International Halal Healthcare & Beauty.

SIRIM Berhad co-hosted this convention with the Thailand Institute of Scientific and Technological Research (TISTR) in Bangkok, Thailand. The event focused on integrating Halal standards into international healthcare and beauty markets.



Acknowledgements

As we reflect on the section's report for 2024 and how it positions us for 2025 and beyond, we extend our sincerest appreciation to our valued SIRIM team. We thank our Board of Directors, management committee, and dedicated employees, whose unwavering commitment and expertise have fuelled SIRIM's achievements. We also express our gratitude to all of our important stakeholders for their continuous trust and collaboration, including industries, government agencies, partners, and clients. Your support has been vital in advancing our mandate in strengthening Malaysia's industrial capabilities and driving innovation across sectors. In the coming years, we look forward to building on this IR 4.0 momentum and achieving greater resilience and impact.



2.0

CORPORATE GOVERNANCE

OVERVIEW

STATEMENT

SIRIM is committed to embrace, uphold and promote good corporate governance practices in the conduct of its business and in all aspects of its operations. Guided by best practices, we continually strive to improve and create sustainable value and growth for all stakeholders.

We are committed to promoting sound governance practices and a culture of integrity as well as transparency throughout SIRIM and its group of companies (SIRIM Group or the Group). The Board of Directors (the Board) believes in setting an appropriate tone from the top to ensure that ethical standards of behaviour permeate throughout the Group at all levels.

During the financial year under review, SIRIM's corporate governance practices were consistent and complied with the following statutory and regulatory requirements, guidelines and best practices:

- a. Companies Act 2016;
- b. Malaysian Code on Corporate Governance 2021 (MCCG 2021);
- c. *Garis panduan Ahli Lembaga Pengarah Lantikan Menteri Kewangan (Diperbadankan)*; and
- d. Corporate Governance Guide 4th Edition (CG Guide) published by Bursa Malaysia Berhad.

Although SIRIM is not a listed company and therefore not bound by the requirements of MCCG2021, we recognise that strong governance practices are fundamental to building trust, safeguarding stakeholders' interests and driving sustainable performance.

Accordingly, we have chosen to adopt and apply, as far as practicable, the following three key principles of the MCCG 2021 that are set out in this Corporate Governance Overview Statement during the financial year ended 31 December 2024:

- a. Board Leadership and Effectiveness;
- b. Effective Audit and Risk Management; and
- c. Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

Once a company is under the category of Large Companies, it will remain as one for the entire financial year regardless of the change in its status during the financial year.

These companies should continue applying the practices even if they fall out of the FTSE Bursa Malaysia Top 100 Index or their market capitalisation decreases below the prescribed threshold. Other listed companies may consider adopting the practices identified for Large Companies if they aspire to achieve greater excellence in corporate governance.

While the MCCG is targeted at listed companies, non-listed entities, including state-owned enterprises, public companies, small and medium enterprises (SMEs) and capital market intermediaries, are encouraged to embrace this code on corporate governance. Non-listed entities should consider applying the practices in the MCCG to enhance their accountability, transparency and sustainability.

Our Governance Structure

As a company driven by its responsibility to shareholders and a broader group of stakeholders, the pursuit of good governance for SIRIM is imperative, to ensure sustained long-term performance, while fostering the unceasing creation of economic value and growth for the Group. The Board embraces transparency and accountability in the boardroom and promotes these critical components of governance throughout the Group. Good governance practices are integrated across the Group. SIRIM's governance structure and practices create value for its stakeholders by:

- a. accentuating greater transparency, accountability and responsibility;
- b. building cogency through principled leadership;
- c. promoting the Group's future through sound sustainable practices.

The Board is resolute in ensuring that the governance system in place is effective in supporting and facilitating the successful execution of its strategy, being fully cognisant that the delegated authority framework enhances accountability and responsibility in decision-making. The Board retains ultimate accountability and responsibility for the performance and affairs of the Company and ensures that the Group adheres to high standards of ethical behaviour.

The Group's governance structure has been established on a foundation of trust, integrity and accountability. It is designed to

define primarily the right balance of authority, empowerment and accountability between the Board and Management. The structure supports the Board's aim of achieving sustainable value, and at the same time, imbuing a culture that values ethical behaviour, integrity and accountability.

The governance structure and processes are built upon the Terms of Reference of the Board Committees which are complemented by Limits of Authority and supported by the various Management committees, policies and procedures.

The structure ensures role clarity by clearly demarcating roles and areas of accountability and recognises the independent roles and duties to effectively govern the Company, with

specific powers of the Board delegated to the relevant Board Committees and the President and Group Chief Executive Officer of SIRIM (PGCEO). When the responsibilities between the Board and Management are clearly defined and functioning well, the organisation is better positioned to meet stakeholder expectations, deliver quality initiatives and comply with laws and regulations.

The diagram below describes SIRIM's governance structure, an overview of the powers delegated to the Board Committees, PGCEO and the Management:



This Corporate Governance Overview Statement provides an overview of the Group's application of the following three key principles of corporate governance as set out in the MCCG 2021:

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

(a) Board Leadership

The Board provides effective stewardship and is responsible for the Group's strategic direction and control of the Company. The Board has primary responsibility for the governance and management of the Company and fiduciary responsibility for the financial and organisational health of the Company.

The Board employs rigorous and effective controls to assess and manage risks and opportunities, ensuring long-term sustainable development and growth.

A pivotal responsibility of the Board is to ensure that it balances the interests of the Group, the shareholders and a wide range of stakeholders, such as government agencies, regulatory authorities, the community at large and employees.

Sound and effective corporate governance practices are fundamental to the smooth and transparent operation of the Group and its ability to reap shareholder confidence, protect the rights of shareholders and unleash shareholder value.

The Board exercises diligent oversight, establishes a robust system of governance and imbues a culture of integrity at all levels of the organisation.

The Board commits itself and its Directors to ethical business practices and lawful conduct, including proper use of authority and appropriate decorum. The Directors exercise their powers for a proper purpose and in good faith in the best interest of the Company with reasonable care, skill and diligence.

The Board ensures that key transactions or critical decisions are thoroughly deliberated and decided in meetings, with rationale, including any dissenting views, properly minuted and documented.

(b) Principal Roles and Responsibilities of the Board

The Board is responsible for setting the Group's long-term direction and strategy, by focusing on creating value for shareholders, governance and compliance in all aspects of its operations.

In providing strategic leadership to the Group, the Board ensures that the Group operates within a framework of prudent and effective controls which enable emerging risks and opportunities to be appropriately identified, assessed and managed.

The Board is collectively responsible for the long-term success of the Group and delivery of sustainable value to the stakeholders. It plays a critical role in formulating and reviewing key policies and charting the Group's strategic direction.

The Directors recognise their collective and individual responsibilities to shareholders with regard to the management, control and operation of the Group.

The Board provides effective oversight of the Management's performance, risk assessment and controls over business operations and compliance with regulatory requirements. This includes the Board of Audit, Risk Management and Investment Committee.

Working seamlessly with Management, the Board initiates and leads the development of robust strategies, strengthened by unwavering governance and sound financial practices.

In providing strategic guidance and direction to the Group, the Board ensures alignment with long-term goals and objectives.

The Board's pursuit to cultivate and deliver long-term sustainable value is underpinned by its discerning leadership and oversight on Management as well as continuous monitoring of the Group's business performance.

The Board assumes responsibility for safeguarding stakeholder value-creation. The Board ensures the Group's strategic plan supports long-term value-creation and includes strategies on economic, environmental, social, and governance (ESG) considerations, thereby strengthening the integration of sustainability in the Group's operations.

The Board has delegated the day-to-day management of the Group to the PGCEO. The PGCEO manages the Group in accordance with the strategies and policies approved by the Board. The PGCEO is supported by the key Senior Management for the day-to-day management of the business and operations of the Group by ensuring that effective systems, controls and resources are in place to execute the business strategies and plans entrusted to them.

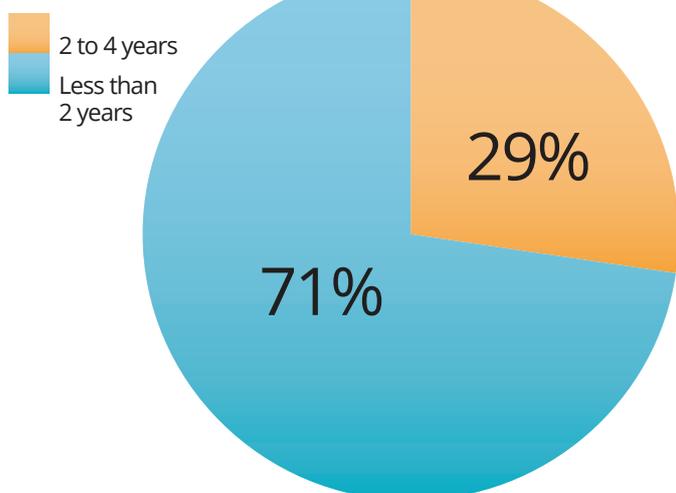
(c) Board Balance and Composition

For the financial year ended 31 December 2024, the Board comprised nine Non-Executive Directors as follows:

- i. One Non-Independent Non-Executive Director representing the Minister of Finance Incorporated (MOF Inc.), being the substantial shareholder of SIRIM with 99.99% shareholding;
- ii. One Non-Independent Non-Executive Director representing the Ministry of Investment, Trade and Industry (MITI); and
- iii. Seven Independent Non-Executive Directors.

None of the Directors had served for a cumulative term of more than nine years on the Board, in line with practice 5.3 of MCCG 2021.

Board Tenure



The Board regularly reviews its composition and that of the Board Committees to ensure an appropriate balance and the presence of the required skills, knowledge, expertise and experience at all times.

During the financial year under review, the Board appointed Mohammad Asri bin Hassan Sabri as an Independent Non-Executive Director effective 9 September 2024.

In discharging its responsibilities, the Board also ensures that the purpose, involvement, participation, harmony and sense of responsibility of the Directors are not jeopardised and that it achieves the correct balance to realise the Company's strategic objectives.

The Board's present composition is testament that a board make-up should support objective and independent deliberation, review and decision-making to allow for a more effective oversight of Management. It reflects a balanced blend of skills, experience and knowledge enabling the Board to provide strategic guidance and constructive challenge, review and deliberation on the Management's proposals.

The Board further believes that the current overall composition is adequate in terms of size, skills, experience, and diversity of age and gender to ensure inclusiveness of views and facilitate effective decision-making and constructive deliberations during meetings. The balance on the Board with the presence of Non-Executive Directors ensures that no individual or small group of Directors is able to dominate the decision-making process and that the interests of the shareholders are protected.

(d) Board Independence

The Board predominantly comprises Independent Non-Executive Directors.

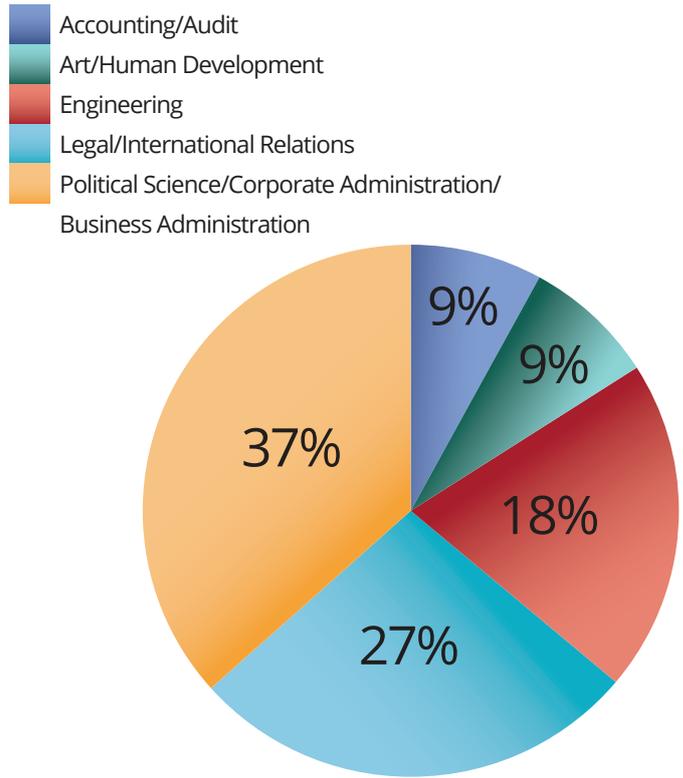
The Independent Non-Executive Directors are pivotal to the Board's deliberations and decision-making by bringing a fresh perspective and impartiality. Their views carry substantial weight in the Board's decision-making process. They also ensure that the interests of the shareholders and stakeholders are protected, thereby fulfilling their roles as guardians of good corporate governance. The Board takes the view that the Independent Non-Executive Directors have maintained their independence throughout their tenure and have not, in any circumstances, compromised their ability to exercise independent and unfettered judgement.

(e) Board Diversity

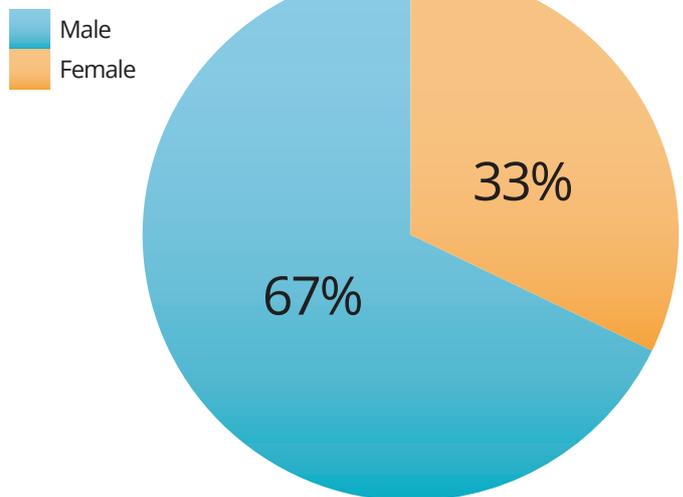
The Board recognises the importance of diversity and the value it brings to the Board. Diversity promotes the inclusion of different perspectives, raising the standards of good practice in Board leadership and enhancing valuable insights in business judgment. Diversity is also important to ensure that the Company remains relevant, resilient and sustainable in the rapidly transforming and evolving business environment.

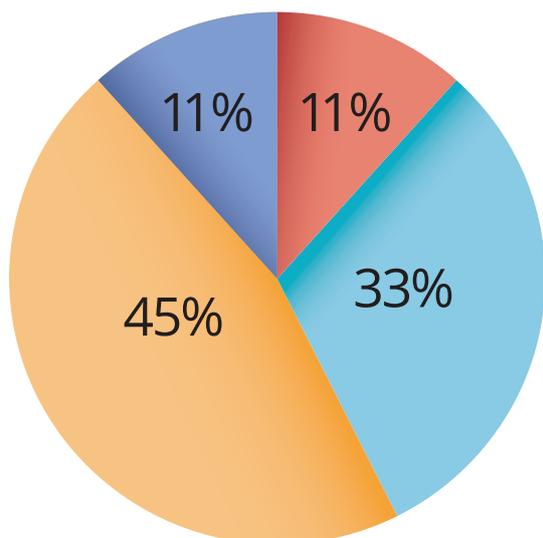
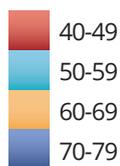
Additionally, the Board supports the government's aim of achieving 30% representation of women Directors. During the financial year under review, there were three women directors on the Board of SIRIM out of a total of nine Directors, representing 33.3% of the Board composition as of 31 December 2024. This aligns with Practice 5.9 of MCGG 2021, which recommends that boards include at least 30% women directors.

Educational Background



Gender



Age**(f) Separate roles of the Chairman and President and Group Chief Executive Officer**

An effective Board is crucial to the long-term prospects and strategic aims of the Company. This is achieved through strong and open working relationships between the Directors.

In addition, the Board practices a clear demarcation of duties and responsibilities between the Chairman and PGCEO, cultivating an optimal balance that results in heightened accountability and enriched decision-making efficacy. The hierarchical structure and division of responsibilities ensure a balanced distribution of authority, promote accountability and nurture independent decision-making, such that no one individual can influence the Board's discussions with unfettered powers of decision-making.

The Chairman is primarily responsible for the stewardship and smooth functioning of the Board, whilst the PGCEO is responsible for the overall operations of the business, organisational effectiveness and the implementation of the Group's strategies and policies in line with the Board's direction.

In upholding the principle of independence, the Chairman is not a member of any Committee of the Board. The separation in the role of the Chairman and PGCEO is imperative as both roles have different expectations and serve distinct primary audiences. As prescribed by the Minister of Finance Incorporated (MOF Inc.), the PGCEO is not a member of the Board.

(g) How the Board Functions

The Board meets at least quarterly with additional meetings convened as and when circumstances dictate. All Board and Board Committee meetings for each financial year are scheduled prior to the start of the financial year with additional meetings convened as special Board meetings, as and when necessary. The schedule for Board meetings is shared with the Directors before the beginning of the new financial year to ensure the Directors' time commitment.

During the financial year under review, the Board held a retreat to discuss on the Group's long-term strategic direction. The session with the Management focused on key priorities and measures to enhance market competitiveness. Simultaneously, The Board remains committed to delivering sustainable value to stakeholders.

The Directors' full commitment towards their duties and responsibilities was evidenced by their attendance at Board meetings held during the financial year. For the financial year under review, the Board met 12 times, 5 of which were scheduled meetings and 7 were special meetings. All Directors recorded an attendance of at least 75%, with the majority of the Directors having full attendance. The calculation of the percentage of attendance is based on each Director's date of appointment. A Director who is unable to attend any Board meeting will notify the Chairman and/or the Company Secretary prior to the meeting date.

The Board is pleased with the dedication demonstrated by all Directors in fulfilling their roles and responsibilities at SIRIM.

Matters deliberated by the Board are primarily focused on strategic matters, particularly on the Group's strategic initiatives and plans, current business challenges, potential growth opportunities, business plan and budget, performance on quarterly basis, digitalisation project, realignment of SIRIM's organisational structure and succession planning for the Board and Senior Management.

By invitation of the Board, the PGCEO and the Senior Management members attend meetings to present related matters. The Board encourages active and open discussions to ensure all Directors have the opportunity to contribute to decision-making. Robust deliberations foster constructive, effective, and healthy dialogue.

Deliberations and decisions at Board and Board Committee meetings are documented in the Minutes of Meeting (MoM). All proceedings of Board and Board Committee meetings are duly confirmed and signed. Minutes of each Meeting accurately reflect the deliberations and decisions of the Board and Board Committees, including dissenting views and if any Director had abstained from voting or deliberating on any particular matter Minutes of the Board and Board Committee meetings are properly kept by the Company Secretary. The Company Secretary will communicate the decisions of the Board and Board Committees to the relevant members of the Management for appropriate actions to be taken. The Company Secretary will also follow up with the Management on the status of actions taken and action items will stay as matters arising until they are resolved.

Key decisions are always made in a properly convened Board meeting, while Directors' Circular Resolutions (DCRs) are usually confined to non-contentious matters and will be accompanied by working papers in the same prescribed format. However, DCRs are not intended as substitutes for Board resolutions, which require extensive presentations by the Management or discussion amongst the Directors. All DCRs are tabled for notation at the subsequent Board meeting after their issuance.

The quality of information provided to the Board is critical as it enables sound decision-making. In the course of discharging its duties, the Board has full and unrestricted access to timely and accurate information with materials for Board meetings (Board pack) distributed to the Directors in advance of meetings, via a secured collaborative software. The Board pack includes minutes of the previous Board meeting(s), minutes of meetings of all Board Committees, minutes of meetings of SIRIM Management Committee. Comprehensive board packs, containing reports and working papers from Management, are circulated to all Directors prior to each meeting. These papers cover the full range of agenda items, including strategy, financial performance, risk management, investment proposals, information technology, operational updates, and human resource matters.

The Board has complete and unimpeded access to all Company information, Management, and external advisors, including the Group's auditors and consultants. Directors exercise this right with appropriate judgement to ensure it does not interfere with the operational efficiency of the business.

The PGCEO also keeps the Board informed, on a timely basis, of all material matters affecting the Group's performance and major developments within the Group.

The Directors may, whether collectively as a Board or in their individual capacity, seek external and independent professional advice from experts on any matter in furtherance of their duties as Directors as they may deem necessary and appropriate, at the Company's expense.

(h) Matters Reserved for Decision of the Board

A clear schedule of matters reserved for the Board is set out at each Board meeting. Below are matters reserved for the Board:

- i. Group strategy, plan and budgets.
- ii. Acquisition, disposal and transaction exceeding the authority limit of the PGCEO.
- iii. Changes to the Board and executive leadership of the Group.
- iv. Establishment of policies.

(i) The Board's 2024 key focus areas and priorities

The diagram illustrated below shows the key areas of focus for the Board which appeared as items on the Board's agenda at meetings held during the financial year under review:

SIRIM Group Business Plan and Budget

SIRIM Group Financial Performance

SIRIM Group Corporate Restructuring

Strategic Way Forward for SIRIM Industrial Research

SIRIM Group Business and Project Updates

Directors' attendance at the Board meetings held during the financial year under review is as follows:

Directors	Scheduled Board Meeting	Special Board Meeting	Total
Datuk Ir. (Dr) Khairol Anuar Mohamad Tawi	5/5	12/12	17/17
Dato' Ir. Lim Yew Soon	5/5	12/12	17/17
Norlin Abdul Samad	5/5	12/12	17/17
Datuk Omar Shariff Mydeen	4/5	12/12	16/17
Mohd Rashid Mohd Yusof	4/5	12/12	16/17
Datuk Bahria Mohd Tamil	5/5	12/12	17/17
Rema Devi A/P V.K.Padmanabhan	4/5	11/12	15/17
Mohd Nizam Mohd Khir	5/5	11/12	16/17
Mohammad Asri Hassan Sabri (Appointed w.e.f. 9 September 2024)	1/2	3/3	4/5

(j) Corporate Integrity, Core Values and Code of Business Ethics

The Board acknowledges its role in establishing a healthy corporate culture that embeds ethical conduct within the Group. The Board is committed to promoting ethical business conduct, maintaining a robust corporate culture that propagates integrity, accountability and transparency as well as being responsible for setting the tone and standards of the Group through the various policies that have been established and are in place.

The Group's core values, Customer Focus, Integrity, and Teamwork, form the foundation of its ethical culture and guide the behaviour of employees across all levels of the organisation. These values are further reinforced through the active practice of the Group's Cultural Beliefs, encapsulated in the acronym ALEAD: Achieve Sustainability, Lead Innovation, Engage Teamwork, Act Fast and Deliver Excellence. These guiding principles are embedded into the Group's daily operations, promoting a unified, values-driven culture that supports ethical decision-making and

organisational excellence. To formalise these expectations, the Group Code of Business Ethics (the Code) sets out the standards of professional conduct and principles of ethical behaviour that all employees are expected to uphold. It serves as a key governance document in fostering integrity and accountability. All employees are required to comply with the provisions of the Code and must disclose any actual or potential conflict of interest, thereby supporting transparency and reinforcing trust in the Group's operations.

We are committed to upholding the highest standards of integrity, ethical conduct, governance and professionalism in all aspects of our business. We ensure that all our business activities and business strategies, decisions, and policies formulated align with best practices in governance, compliance and ethical principles.

As we strive for sustainable growth, we recognise that integrity, ethics and accountability are not just values, but cornerstones of our success. Our corporate culture emphasises doing the right thing, and we actively foster an environment where ethical behaviour is valued and expected.

Compliance with laws, zero tolerance for corruption, fraud and unethical practices form the foundation of our operations. The key policies and procedures in upholding SIRIM's integrity and ethics, inter alia, encompass the following:

(i) Anti-Bribery Management System (ABMS)

In safeguarding the Board and the Management against Section 7A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018) or better known as the Corporate Liability provision, the Group has established, documented, implemented, maintained, continually reviewed and where necessary, improved the Anti-Bribery Management System based on the requirements of the MS ISO 37001 standard. Compliance with the requirements of this standard provides evidence that the Group has put in place adequate procedures based on the T.R.U.S.T principles to prevent, detect and respond to the occurrence of corrupt practices in relation to its business activities. The T.R.U.S.T principles are as follows:

- Principle 1: Top level commitment.
- Principle 2: Risk assessment.
- Principle 3: Undertake control measures.
- Principle 4: Systematic review, monitoring and enforcement.
- Principle 5: Training and communication.

Numerous programmes, activities and initiatives have been undertaken by the Group through Group Integrity and Group People and Culture to enhance the culture of integrity and the practice of high standards of corporate governance at all times and at all levels of operations.

(ii) Organisational Anti-Corruption Plan (OACP)

The Group continues to progress steadily in delivering the initiatives outlined in the SIRIM OACP 2022-2026. By the end of the third year of implementation, all 12 short-term initiatives and 16 medium-term initiatives have been completed. In respect of the long-term initiatives, 29 out of 62 initiatives or 45% have been completed with the remaining 33 or 55% scheduled for completion by the end of 2026. Overall, 57 out of 90 initiatives, or 63% have been completed. This steady progress underscores the commitment of the Board, the Management, and all employees to uphold the highest ethical standards and integrity across the Group.

(iii) Bribery Risk Assessment

Bribery risk assessments are performed by all strategic business units (SBUs), subsidiaries and corporate divisions in line with the requirements set out in the ISO 37001 ABMS and SIRIM OACP Plan 2022 - 2026. The risk profiles are reviewed and reported to the Group Risk Management Committee and Board Risk Management Committee on a quarterly basis to ensure any governance and corruption risks are identified at the earliest stage and appropriate controls are put in place to mitigate the risks.

(iv) Levels of Authority Manual

The Group Levels of Authority (LOA) Manual has been established to facilitate timely and effective business decision-making in the Company through a clear delineation of authority and accountability at different levels. Appropriate approval processes and authority limits are in place on procurement transactions covering both capital and revenue expenditure items, acquisition and disposal of assets and other major business transactions. Specific measures were taken to ensure a proper balance between the need for timely, and effective business decision-making and appropriate management control. The LOA, as an authority framework, requires proper execution of instruments of delegation and provision of guidelines and procedures for executing decisions throughout the Group.

(v) Health, Safety and Environment Policy (HSEP)

The HSEP sets out the Group's commitment to the protection of employees, stakeholders and environment in all activities that the Group undertakes. The Group shall minimise all risks of injuries, health hazards and damage to its properties, comply with the relevant health, safety and environmental laws and regulations, adhere to applicable standards and procedures through best practices and ensure continual improvement of health, safety and environmental performance and management systems.

It also provides commitment of the Group to taking proactive measures towards conservation of energy and natural resources, prevention of environmental pollution and protection of the environment.

(vi) Anti-Bribery Policy (ABP)

The Board and the Management are committed to implementing and enforcing effective policies and procedures throughout SIRIM for the prevention, monitoring and elimination of any form of bribery and corrupt practice amongst all employees and within its activities, which include relationships with stakeholders, towards the delivery of efficient services with integrity, in line with SIRIM's Vision and Mission, and national aspirations. The ABP sets out the parameters to prevent the occurrence of bribery and corrupt practices in relation to the businesses of the Group.

(vii) Whistleblowing Policy (WP)

SIRIM is committed to developing a culture of openness and honesty where a person who is aware of any potential malpractice or misconduct is encouraged to report such matters, in good faith, without fear of retaliation. The WP provides a framework for responsible and secure reporting of concerns about irregularities within the Group's operations. Whistleblowing can act as an early warning system to avert possible risks of loss or reputational damage to the Group.

(viii) Gift Policy (GP)

The Group is committed to conducting its business to the highest standard of integrity and governance. The GP is established to ensure that the Board, the Management, and the employees (SIRIM Citizens) stringently comply with the Group Code of Business Ethics in giving, receiving or accepting gifts both within and outside of the work premises. The GP requires SIRIM Citizens to demonstrate the highest standard of ethics and conduct in all matters when dealing with third parties, to maintain ethical work and business relationships and to avoid conflicts of interest or the appearance of a conflict of interest.

(ix) Procurement Policies and Procedures

Procurement policies and procedures are established to control and manage procurement activities within the Group. The authority to approve any requisition against budget or unbudgeted expenditures shall be in accordance with the LOA. The key controls in procurement have been integrated into the MyeP system through the digitalisation of the procurement process.

(x) Group Human Resource Policies and Procedures

Human Resource policies and procedures are in place to provide clarity in all aspects of human capital management within the Group which include talent recruitment and development, performance and consequence management, termination of service, resignation and retirement. Disciplinary procedures are also established to ensure all disciplinary cases are handled in a structured manner to comply with the prevailing labour laws and employment regulations.

During the financial year under review, the Group introduced the Consequence Management Guidelines (CMG), a structured disciplinary framework that defines categories of misconduct, ranging from minor to serious offences. The CMG specifies the appropriate disciplinary actions for first-time and repeat violations, fostering a culture of accountability and reinforcing the Group's commitment to integrity and ethical conduct.

(xi) Statement on Integrity

It is the Group's policy to conduct all of its businesses in an honest and ethical manner and to avoid acts that might reflect adversely upon the integrity and reputation of the Group.

Accordingly, the Chairman of a meeting of the Board or Board Committee is required to read the Statement on Integrity at the start of the meeting, to convey to the members thereof that the meeting is conducted in the spirit of good governance and integrity. Each Director/Board Committee member shall, following the Statement of Integrity read by the Chairman of the meeting, make a declaration in relation to any transaction, arrangement or contract that the Company or any company in the Group proposes to enter into or has entered, to which he/she, directly or indirectly, is interested and declare the nature of his/her interest including making a declaration that no interest exists if that is the case. The Director/Board Committee member must recuse himself/herself from participating in the deliberations and voting on the matter to allow for unbiased and free discussion and decision-making.

(k) Company Secretary

Each Director has full access to the services of the Company Secretary, who plays an advisory role to the Board by providing guidance on corporate governance, ethical business practices, compliance to the Company's Constitution, policies and procedures and the relevant regulatory requirements, guidelines and legislation.

The Company Secretary of SIRIM is qualified to act as a secretary pursuant to Section 235(2) of the Companies Act 2016 and holds a Company Secretary Licence and Practising Certificate issued by the Companies Commission of Malaysia. The Company Secretary acts as an important link between the Board and the Management. Through effective communication, the Company Secretary provides the Management with the understanding on the expectations of, and value brought by the Board.

The Board is also updated from time to time by the Company Secretary on the requirements and updates issued by MOF Inc. affecting the Group. The Company Secretary constantly keeps herself abreast of the evolving regulatory changes and developments in corporate governance through continuous training.

(l) Appointment of Directors

The selection, nomination and appointment of suitable candidates to the Board are considered and evaluated by the Board Nomination and Remuneration Committee (BNRC) in a formal and transparent process.

The BNRC, in making its recommendation, will consider the following criteria in the selection of candidates:

- i. Probity, integrity and reputation.
- ii. The candidate's skills, knowledge, competencies, experience and expertise that will complement and strengthen the current Board composition, taking into account the current and anticipated business needs of the Company and the Group.
- iii. Relevant experience at a senior level in related business, academic, government or a profession, or a strong track record as a Chief Executive Officer, Managing Director, Chief Operating Officer, Chief Financial Officer, Partner and/or Chair of a large company, organisation or professional practice.
- iv. Ability of the candidate to devote the necessary time and commitment to the role.
- v. Diversity and inclusivity of Board composition such as age, gender, ethnicity and cultural background.
- vi. Any actual or potential conflict of interest between the Board candidate and the Company.

The process flow for the appointment of new Directors is as follows:



(m) Re-election of Directors

In accordance with Article 116 of the Constitution of the Company, one-third (1/3) of the Directors or if their number is not a multiple of three, the number nearest to but not exceeding one-third (1/3), shall retire by rotation at an annual general meeting of the Company (AGM) and be eligible for re-election by the shareholders at the AGM. A retiring Director shall remain in office until the close of the AGM at which he/she retires.

Article 111 of the Constitution provides that Directors who are appointed by the Board during the financial period before an AGM are subject to retirement and shall be eligible for re-election by the shareholders at the AGM to be held following the new Directors' appointment.

At the 28th AGM of the Company held on 25 June 2024, the following Directors of the Company who retired pursuant to the Constitution of the Company, were duly re-elected:

Article 111	Mohd Nizam Mohd Khir
Article 116	Dato' Ir. Lim Yew Soon Norlin Abdul Samad

(n) Board Effectiveness Evaluation

Board Effectiveness Evaluation (comprising Collective Board Assessment and Director Peer Evaluation and collectively, the BEE) is carried out annually, with the assistance of the Company Secretary, by way of questionnaires sent out to every Director of the Company. The Company Secretary compiles the responses received from the Directors and submits the results of the BEE to the Chairman of the Board and Chairman of the BNRC. MOF Inc. also requires the BEE results to be submitted to them, which will be taken into consideration when evaluating proposals for the extension of the Directors' tenure on the Board.

(o) Board Remuneration

The monthly fee and meeting attendance allowance for the Board are payable only to the Non-Executive Directors of the Company (i.e. Directors who are non-employees of the Group).

The monthly fee and meeting attendance allowance rates are based on the range (minimum and maximum range) as

prescribed by MOF Inc. in their letter dated 13 June 2019, the approval of the Board on 18 June 2019 and the approval of the Shareholders at the 2019 AGM of SIRIM held on 26 June 2019. The monthly fee and meeting attendance allowance rates which took effect on 1 July 2019 are as follows:

Monthly Fixed Allowance/Fee

Chairman of the Board	RM8,000
Other Members of the Board	RM2,400

Meeting Attendance Allowance

Board	
Chairman of the Board	RM2,400
Other Members of the Board	RM1,600
Board Committee	
Chairman of the Board Committee	RM1,040
Other Members of the Board Committee	RM800

(Payment of the meeting attendance allowance is limited to one meeting per month for each Board / Board Committee Meeting, notwithstanding that more than one meeting of the Board / Board Committee was held in the particular month)

(p) Our Commitment to Sustainability

Sustainability strategy at SIRIM is guided by the Sustainable Development Goals (SDGs) and ESG initiatives based on the Strategic Thrust 4 (ST4) Driving ESG of SIRIM's 10-year Strategic Plan. ST4 aims to assist SIRIM in achieving its overall target of a 20% carbon intensity reduction by 2027 from the 2023 level and contribute to a more sustainable Malaysia.

During the financial year under review, SIRIM revised its Sustainability Framework encompassing the following strategic pillars to help SIRIM deliver its sustainability agenda:

- i. Protect and Conserve Our Environment (Environment);
- ii. Safeguard Stakeholders' Interest (Society); and
- iii. Uphold Good Governance (Governance).

Sustainability is the guiding principle in all our business decisions and commitment towards environmental stewardship, social responsibility and economic prosperity.

Our journey towards sustainability is an ongoing commitment with continuous dedication, collaboration, and collective actions.

We focus on innovation and efficiency as well as responsible consumption. We create a value system that supports growth and prosperity of our stakeholders, as well as compliance with relevant acts and regulations. We execute activities in accordance with ethical business practices and adhere to the code of governance as stipulated in the relevant management systems. We support the government's policies and initiatives in ensuring that our industry is on the right track to sustainability and providing various ESG-related services to our clients.

q) Training and Continuing Professional Development

The Directors acknowledge the importance of continuous training programmes at the Board level in order to keep themselves abreast with the development and changes in the industry in which the Group operates, as well as to update themselves on new statutory and regulatory requirements to ensure that the Directors are able to effectively discharge their duties on the Board and Board Committees. The list of training programmes, conferences and seminars attended by the Directors during the financial year under review is as follows:

Director	Particulars of Conference, Seminar, Training Programme etc.	Event Date (2024)	Organiser
Datuk Ir. (Dr) Khairol Anuar Mohamad Tawi	1. Roundtable Session with Liew Chin Tong Deputy Minister of Investment, Trade and Industry (MITI)	17 July	SIRIM Berhad (SIRIM)
	2. Non-Executive Directors' Duties in Corporate Governance Compliance and Conflict of Interest	7 August	SIRIM Academy Sdn. Bhd. (SIRIM Academy)
	3. International Conference on Quality and Innovation (ICQI), 2024 Opening Ceremony	6 November	SIRIM Academy
Mohd Nizam Mohd Khir	1. RSOG PETRONAS Customised Programme – Cultural Diplomacy	12 January	PETRONAS
	2. PROKHAS Knowledge Sharing Session	18 January	PROKHAS
	3. <i>Bengkel – BNS Strategic BOD Retreat 2024</i>	21-23 January	BNS
	4. <i>Workshop Perancangan Strategik dan Semakan Dasar Penetapan KPI Syarikat MKD</i>	15 – 16 January	Ministry of Finance (MOF)
	5. <i>Kursus Kompetensi Lembaga Pengarah MKD dan Badan Berkanun</i>	7 March	MOF
	6. <i>AI untuk Rakyat</i>	28 May	MOF
	7. Roundtable Session with Liew Chin Tong, Deputy Minister of MITI	17 July	SIRIM
	8. Leading for Impact	17 July	MOF
	9. Government Risk Integrity and Control (GRIC) Conference 2024	10 September	MOF
	10. Conflict on Interest and Governance	12 September	MOF
Dato' Ir. Lim Yew Soon	1. Roundtable Session with Liew Chin Tong, Deputy Minister of MITI	17 July	SIRIM
	2. Mandatory Accreditation Programme Part 2 – Leading for Impact (MAP2)	22-23 July	Institute of Corporate Directors Malaysia (ICDM) / Bursa
	3. Non-Executive Directors' Duties in Corporate Governance Compliance and Conflict of Interest	7 August	SIRIM Academy
	4. Audit Oversight Board - Sustainability and Climate Change	19 November	Security Commission / PWC

Director	Particulars of Conference, Seminar, Training Programme etc.	Event Date (2024)	Organiser
Norlin Abdul Samad	1. Roundtable Session with Liew Chin Tong, Deputy Minister of MITI	17 July	SIRIM
	2. Non-Executive Directors' Duties in Corporate Governance Compliance and Conflict of Interest	7 August	SIRIM Academy
	3. International Conference on Quality and Innovation (ICQI), 2024 Opening Ceremony	6 November	SIRIM Academy
Datuk Omar Shariff Mydeen	1. Roundtable Session with Liew Chin Tong, Deputy Minister of MITI	17 July	SIRIM
	2. Non-Executive Directors' Duties in Corporate Governance Compliance and Conflict of Interest	7 August	SIRIM Academy
	3. International Conference on Quality and Innovation (ICQI), 2024 Opening Ceremony	6 November	SIRIM Academy
Mohd Rashid Mohd Yusof	1. Islamic Financial Markets Forum	6 March	Standard Chartered Saadiq
	2. Introduction to the Cloud	13 May	Standard Chartered
	3. Malaysian Institute of Accountants Conference 2024	11 - 12 June	Malaysian Institute of Accountants
	4. PNB Forum (Navigating Economic Relatedness)	4 July	Permodalan Nasional Berhad (PNB)
	5. Roundtable Session with Liew Chin Tong, Deputy Minister of MITI	17 July	SIRIM
	6. Non-Executive Directors Duties in Corporate Governance Compliance and Conflict of Interest	7 August	SIRIM Academy
	7. Bursa Malaysia Mandatory Accreditation Programme 2	22 - 23 July	ICDM
Datuk Bahria Mohd Tamil	1. MITI Dialogue	29 January	MITI
	2. MITI PIT-STOP: Brown Bag Session on Malaysia ASEAN Chairmanship: Sharing of Experiences	16 February	MITI
	3. 21st AANZFTA FJC and Related Meeting (New Zealand)	27 - 31 May	MITI
	4. Be Less Stressed : Socialise Better	5 July	MITI
	5. Roundtable Session with Liew Chin Tong, Deputy Minister of MITI	17 July	SIRIM
	6. PNB Knowledge Forum 2024 - Closed Door Dialogue	3 July	PNB
	7. PNB Knowledge Forum 2024 - Closed Door Dialogue	5 August	MITI
	8. Roundtable Session with Liew Chin Tong, Deputy Minister of MITI	7 August	SIRIM Academy
	9. Invitation to the Johor-Singapore Special Economic Zone (JS-SEZ) Working Group Negotiation Workshop with The Singapore Government	28 - 30 August	MITI
	10. Administrative and Technical Circular for Virtual	4 - 5 September	MITI
	11. Power Talk: AI Revolution – Beyond the Hype and Fears	20 November	LeadWomen

Director	Particulars of Conference, Seminar, Training Programme etc.	Event Date (2024)	Organiser
Rema Devi a/p V.K. Padmanabhan	1. Power Talk: Corporate Innovation Through Venture Building: A Capital Efficient and Risk Mitigated Approach	23 February	ICDM
	2. Power Talk: Being Sued as an INED – A Personal Journey	10 May	ICDM
	3. Non- Executive Directors Duties in Corporate Governance Compliance and Conflict of Interest	7 August	SIRIM Academy
	4. Advancing Malaysia's Innovation Landscape: Report on Pivotal Role of Venture Capital	15 November	BCG X and Capital Markets Malaysia (CCM, Securities Commission Malaysia)
	5. Power Talk: AI Revolution – Beyond the Hype and Fears	20 November	LeadWomen

(r) Board Committees

The Board is supported by the following five Board Committees with delegated responsibilities to oversee the Group's affairs and are authorised to act on behalf of the Board in accordance with their respective Terms of Reference:

- i. Board Nomination and Remuneration Committee;
- ii. Board Audit Committee;
- iii. Board Risk Management Committee;
- iv. Board Investment Committee and
- v. Board Tender Committee.

The Chairman of the Board is not Chairman nor a member of any Board Committee.

All Committees are composed solely of Non-Executive Directors.

The Board is informed of the deliberations and outcome of each Board Committee meeting through updates by the Chairman of the respective Board Committees during Board meetings as well as through the minutes of the Board Committee meetings.

The Board maintains collective oversight and remains fully responsible for the Company's effective control. Each Board Committee is supported by the Company Secretary and has access to independent advice as needed to fulfil its duties.

(s) Board Nomination and Remuneration Committee Report

The primary objectives of the Board Nomination and Remuneration Committee (BNRC) are as follows:

(i) Nomination Function

- Nominate new candidates for the Board, Board Committees and Key Senior Management.
- Appraise each of the Directors based on their individual experience, knowledge, credibility and credentials. Evaluate their effectiveness and contributions in fulfilling their roles and responsibilities, and recommend suitable candidate(s) for appointment to the Board and Board Committees.
- Evaluate the effectiveness, optimal size and composition of the Board and Board Committees.
- Address succession planning sufficiently and prioritise human capital development strategically.
- Identify relevant training opportunities for SIRIM Board.

(ii) Remuneration Function

- Review and recommend to the Board the Group's terms of employment, salary and reward structures, staff benefits, and annual salary increments.
- Review the remuneration package of Key Senior Management.

Composition

As at the end of the financial year under review, the BNRC comprised four Non-Executive Directors, three of whom are Independent Non-Executive Directors. The composition is in compliance with:

- Practice 1.4 MCCG 2021 which prescribes that the Chairman of the Board should not serve as a member of the BNRC.
- Practice 5.8 of the MCCG 2021 which requires that the BNRC is chaired by an independent director.

The BNRC met eight times during the financial year under review with details of the meetings' attendance of each BNRC member as follows:

Members	Designation / Directorship	Attendance
Datuk Omar Shariff Mydeen	Chairman/Independent Non-Executive Director	8/8
Norlin Abdul Samad	Member/Independent Non-Executive Director	8/8
Rema Devi A/P V.K.Padmanabhan	Member/Independent Non-Executive Director	7/8
Mohd Nizam Mohd Khir	Member/Non-Independent Non-Executive Director	6/8

The key activities deliberated by the BNRC during the financial year under review included the following:

Nomination Function

- Key Performance Indicators of PGCEO.
- Performance Evaluation of PGCEO.
- Extension of Tenure of Directors of SIRIM and its Subsidiaries.
- Nomination of New Directors of SIRIM and its Subsidiaries.
- Succession Planning Framework.
- Group People and Culture Strategic HR Initiative.
- Renewal of PGCEO's employment contract.
- Appointment of C-Suites and other Senior Management Executives of SIRIM.

Remuneration Function

- Staff Annual Salary Increment for the year 2024.
- Performance-Based Bonus for the Financial Year Ended 31 December 2023.
- Proposed Enhancement of Inpatient Medical Benefits (Group Hospitalisation and Surgical) for Staff under SIRIM Berhad Remuneration Option 1 Scheme.
- Proposed Payment of Covering Allowance for PGCEO for Assuming the Role of Senior Vice President of SIRIM Industrial Research.

(t) Board Audit Committee Report

The primary objective of the Board Audit Committee (BAC) is to provide oversight over the Group's internal control and to assist the Board in fulfilling its fiduciary responsibility in relation to the corporate accounting, financial reporting process and compliance with laws and regulations.

Composition

The BAC is chaired by Mohd Rashid bin Mohd Yusof, a member of the Chartered Association of Certified Accountants (UK) and the Malaysian Institute of Accountants. As at 31 December 2024, the BAC comprised five members, all of whom are Non-Executive Directors, with three being Independent Non-Executive Directors.

All members of the BAC are financially literate and able to analyse and interpret financial statements in order to effectively discharge their duties and responsibilities as members of the BAC.

The BAC held six meetings during the financial year under review, with details of the attendance of each BAC member as follows:

Members	Designation / Directorship	Attendance
Mohd Rashid Mohd Yusof	Chairman/Independent Non-Executive Director	6/6
Norlin Abdul Samad	Member/Independent Non-Executive Director	6/6
Datuk Omar Shariff Mydeen	Member/Independent Non-Executive Director	5/6
Mohd Nizam Mohd Khir	Member/Non-Independent Non-Executive Director	6/6
Datuk Bahria Mohd Tamil	Member/Non-Independent Non-Executive Director	6/6

The key activities deliberated by the BAC during the financial year under review included the following:

Financial Reporting

- Reviewed the quarterly and year-end financial performance reports of the Company and the Group prior to the approval by the Board. The review and discussions were undertaken in consultation with the PGCEO and Group Chief Financial Officer of SIRIM.
- Reviewed the quarterly and year-end financial performance reports of the Company and the Group prior to the approval by the Board. The review and discussions were undertaken in consultation with the PGCEO and Group Chief Financial Officer of SIRIM.
- Reviewed and deliberated key matters affecting the Group's financial performance and endorsed recommendations made by the Management.

Internal Audit

- Reviewed the Audit Plan 2024 proposed by the Head of Group Internal Audit to ensure, among others, the adequacy of the scope.
- Reviewed and assessed Internal Audit's findings and Management's responses thereto to ensure any lapses / deficiencies identified are being dealt with adequately and promptly.

External Audit

- Reviewed and approved the External Auditors' audit plan for the Group, outlining their scope of work.
- Reviewed the proposed fees for the statutory audit services. The BAC endorsed the proposed audit fees, which were subsequently approved by the Board.
- Reviewed and deliberated the External Auditors' reports and the recommendations relating to opportunities for improvement based on the observations made by the External Auditors in the course of interim and final audits.

Internal Control

- Reviewed and discussed all internal audit reports issued by the Group Internal Audit which highlighted key internal control issues/weaknesses and the corresponding management responses and actions thereof.
- Reviewed and assessed the adequacy and effectiveness of the Group's system of internal controls and compliance control within the Group.

Integrity, governance and anti-corruption

- Reviewed Group Bribery Risk report of the Group.
- Reviewed the Whistleblowing incidents/cases of the Group.
- Reviewed the Statement on Risk Management and Internal Control and made recommendations for the Board's approval.
- Reviewed the Implementation Status of SIRIM Organisational Anti-Corruption Plan (OACP) 2022-2026.
- Reviewed Integrity Section Activity Report.

(u) Board Risk Management Committee Report

The Board Risk Management Committee (BRMC) continued to assist the Board in fulfilling its responsibilities by overseeing the robustness and effective implementation of the Group's risk management framework, policy, strategy and initiatives to achieve business objectives.

Composition

At the end of the financial year under review, the BRMC comprised five members, three of whom are Independent Non-Executive Directors. The composition is in conformance with Practice 10.3 of MCCG 2021, which stipulates that the BRMC should comprise a majority of independent directors. The BRMC convened five times during the financial year under review, with full attendance at all BRMC meetings as follows:

Members	Designation / Directorship	Attendance
Dato' Ir. Lim Yew Soon	Chairman/Independent Non-Executive Director	5/5
Mohd Rashid Mohd Yusof	Member/Independent Non-Executive Director	5/5
Datuk Bahria Mohd Tamil	Member/Non-Independent Non-Executive Director	5/5
Mohd Nizam Mohd Khir	Member/Non-Independent Non-Executive Director	5/5
Rema Devi A/P V.K.Padmanabhan	Member/Independent Non-Executive Director	5/5

BRMC continued to play a key role in assisting the Board to fulfil its oversight responsibilities during the financial year under review including the following:

- Reviewed and deliberated SIRIM Group Consolidated Risk Profile;
- Reviewed and recommended for approval the Statement on Risk Management and Internal Control for SIRIM Group; and
- Evaluated emerging risks arising from internal and external environments that may significantly impact the achievement of the Group's strategic and business objectives.
- Reviewed and recommended for approval SIRIM Policies on Quality, Occupational Safety and Health, Energy, Business Continuity and Environment, Social and Governance.

(v) Board Investment Committee Report

The Board Investment Committee (BIC) continued to play a key role to review, monitor and recommend to the Board matters related to existing and potential investments of the Group in companies, land and properties, commercialisation of technology, joint ventures, as well as mergers and acquisitions of companies, in accordance with the LOA and Investment Policy.

Composition

At the end of the financial year under review, the BIC comprised five Non-Executive Directors, three of whom are Independent Non-Executive Directors. The BIC convened four times during the financial year under review with full attendance at all BIC meetings, as follows:

Members	Designation / Directorship	Attendance
Rema Devi A/P V.K.Padmanabhan	Chairman/Independent Non-Executive Director	4/4
Dato' Ir. Lim Yew Soon	Member/Independent Non-Executive Director	4/4
Mohd Rashid Mohd Yusof	Member/Independent Non-Executive Director	4/4
Datuk Bahria Mohd Tamil	Member/Independent Non-Executive Director	4/4
Mohd Nizam Mohd Khir	Member/Independent Non-Executive Director	4/4

The key activities undertaken/matters deliberated by the BIC during the financial year under review included the following:

- Review of the performance of SIRIM Group's investments.
- Progress updates on SIRIM's lands and buildings.
- Proposed development of SIRIM Keratong Land.
- Proposed SIRIM land monetisation strategy.
- Proposed SIRIM Group's fund investment strategy.

(w) Board Tender Committee Report

The Board Tender Committee (TB) continued to review and approve procurement proposals in accordance with the LOA and the delegation of powers by the Board. In discharging its responsibilities, the TB ensured that all decisions were made in the best interests of the Company and the Group, with due regard to transparency, fairness and the preservation of shareholder value.

Composition

As at the end of the financial year under review, the TB comprised five members, namely four Non-Executive Directors of SIRIM and the PGCEO. The TB convened nine meetings during the financial year under review, with details of the attendance of each TB member as follows:

Members	Designation / Directorship	Attendance
Norlin Abdul Samad	Chairman/Independent Non-Executive Director	9/9
Dato' Ir. Lim Yew Soon	Member/Independent Non-Executive Director	9/9
Mohd Nizam Mohd Khir	Member/Non-Independent Non-Executive Director	6/9
Dato' Indera Dr. Ahmad Sabirin Arshad	Member/PGCEO	8/9
Datuk Omar Shariff Mydeen	Member/Independent Non-Executive Director	8/9

The key activities undertaken/matters deliberated by the TB during the financial year under review included the following:

- Oversee tender process and ensure adherence to the LOA.
- Reinforce corporate governance, integrity and transparency in the procurement process and contract management.
- Review of the status of procurements approved by the TB.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

(a) Financial Reporting

The Board is committed to provide a fair and objective assessment of the financial position and prospects of the Group in the annual financial statements and all other reports or statements to shareholders and relevant regulatory authorities.

All financial results and financial statements are reviewed by the BAC prior to being recommended to the Board for approval.

The Statement of Responsibility by Directors in respect of the preparation of the annual audited financial statements is set out on page 99 of this Annual Report.

(b) Risk Management and Internal Control

The Board acknowledges its responsibilities in maintaining a good system of risk management and internal controls which includes determining the Group's levels of risk tolerance, establishing an appropriate internal control environment and framework, and reviewing the effectiveness and adequacy of these systems to safeguard shareholders' investment and the Group's assets.

The Board defines and endorses the Group ERM Policy which includes commitment to comply with applicable legal requirements, policies and procedures in ensuring the achievement of the Group's business objectives. The system of risk management and internal control covers not only financial control but also operational and compliance control. As part of its review, the Board will continue taking necessary measures to strengthen its risk management and internal control system to address any weaknesses identified.

The BAC and BRMC are primarily responsible for risk management and internal control oversight of the Group. Both the Board Committees are entrusted with their respective functions which are aimed at supporting the Board's oversight roles of proper implementation of corporate governance practices, audit, risk management and internal control systems.

(c) Internal Audit Function

The Group has an in-house internal audit function carried out by the Group Internal Audit (GIA) which provides independent and objective assurance on the adequacy of risk management, internal control and governance system to add value and improve the Group's operations. It helps the Group accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and internal control processes.

The internal audit function is independent of the activities or operations of other operating units in the Group. The Chief Internal Auditor reports functionally to the BAC, and administratively to the PGCEO to maintain the independence and impartiality of the internal audit function from the operations of the Group.

GIA activities are governed by the Internal Audit Charter, which clearly defines its purpose, authority and responsibilities. The Internal Audit Charter is approved by BAC and is reviewed periodically to ensure its continued relevance. GIA adopts a risk-based approach to determine the priorities of the internal audit activities, consistent with the strategies of the Group as defined in its Strategic Plan. The annual audit plan is approved by the BAC and is developed based on risk profiles of the respective business units and subsidiaries, and feedback from the Management and the Board. Audit engagements are guided by the Committee of Sponsoring Organisations of the Treadway Commission (COSO) principles and in conformance with the International Standards for the Professional Practice of Internal Auditing Standards (Standard).

On a quarterly basis, GIA presents to the BAC the updates on its activities comprising key highlights of areas reviewed, status of outstanding issues, progress of the 2024 Annual Audit Plan and any other ad hoc assignments.

(d) Risk Management Function

Group Sustainability oversees the risk management activities at the Group level, guided by the Risk Management Framework approved by the Board. Group Sustainability continuously reviews and enhances the Group's risk management processes to ensure alignment with industry practices and evolving standards.

During the financial year under review, Group Sustainability carried out the following activities:

- Quarterly risk verification sessions with selected divisions, SBUs and subsidiaries.
- Quarterly Group Risk Management Committee meetings.
- Quarterly Board Risk Management Committee meetings.
- Memorandum of Agreement/Memorandum of Understanding/Joint Venture/Partnership risk advisory and independent review on Consolidated Risk Profiles.
- Targeted Training Programmes and Workshops with divisions, strategic business units and subsidiaries.

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

(a) Communication with Stakeholders

The Board believes that stakeholder engagement is crucial and that effective communication and proactive engagement with stakeholders are important in fostering mutually beneficial relationships and securing long-term success. The Group maintains regular communication and holds various engagements with its stakeholders such as SIRIM-Industry Engagement programmes and the Board is kept continually apprised of the insights and feedback received from the stakeholders. The Annual Report of SIRIM also serves as a key channel of communication with the shareholders and various stakeholders. Information on the Group is also accessible via the Company's website at www.sirim.my.

Matters related to ESG have gained notable traction amongst industry players and the wider corporate sector. Accordingly, the Board is able to provide the appropriate guidance and oversight to the Senior Management team as they work towards developing a more robust sustainability agenda for the Group. The Group Sustainability Statement is made available in this Annual Report at pages 71 to 94.

(b) Conduct of Annual General Meetings

The annual general meeting of the Company is held once in every calendar year and is an important event for transparency, management accountability and shareholder engagement.

Compliance Statement

This Corporate Governance Overview Statement has been approved by the Board on 26 August 2025.



DATUK Ir. (Dr) KHAIROL ANUAR MOHAMAD TAWI Chairman

Experience

Datuk Ir. (Dr.) Khairol Anuar Mohamad Tawi is the Chairman of Investment Panel of Lembaga Tabung Angkatan Tentera (LTAT) and a Member of the Board of Trustees of Digital Perak Corporation Berhad. He is also the founder and current Executive Chairman of KAT Group, Malaysia's largest prepaid distributor. KAT Group was established in 1999 as a modest distribution company with just three employees and an annual revenue of RM600,000. Today, KAT operates in 13 offices across Malaysia's major cities, employing over 250 staff nationwide. In the year 2015, KAT recorded its highest annual revenue of RM850 million. The following year saw KAT evolve into an international solutions provider, deploying its advanced end-to-end digital distribution platform in countries like Nepal.

Under Datuk Khairol's visionary leadership, the company has won numerous prestigious awards both locally and internationally, cementing its reputation as Malaysia's leading digital distribution specialist in retail and supply chain.

Qualifications

- Honorary Doctorate and Fellowship, University of Swansea, Wales UK
- Senior Management Development Programme, Harvard Business School, USA
- Executive Masters in Business Administration, Cranfield Institute of Management, UK
- B.Sc Hons Electrical & Electronics Engineering, University of Swansea, Wales UK

MOHD NIZAM MOHD KHIR
Director



Experience

Mohd Nizam Mohd Khir is currently the Head of Transport and Logistics Section, Government Investment Companies Division of the Ministry of Finance. He also has an extensive experience working at the Ministry of Agriculture and Agro-based Industry and Ministry of International Trade and Industry.

Qualifications

- Master of Intellectual Property (MIP), Faculty of Law, National University of Malaysia (UKM)
- Bachelor of Human Sciences in Political Science (Hons), International Islamic University Malaysia (IIUM)
- Diploma in Public Administration, National Institute of Public Administration (INTAN)

DATUK BAHRIA MOHD TAMIL
Director



Experience

Datuk Bahria Mohd Tamil is MITI's Deputy Secretary General (Investment). Before her present post on 3 February 2020, she was MITI's Deputy Secretary General (Trade). Since 1996, Datuk Bahria has worked in international trade and industrial development for the same ministry. MITI's Entrepreneurship Development Division and PEMUDAH Secretariat Office were under her. She served as MITI Tokyo's Economic Affairs Minister from December 2006 to December 2009.

Qualifications

- 2006: M.A. in International Relations, Waseda University, Japan
- 1993: L.L.B. in Business Law (Hons), Coventry University, United Kingdom

DATO' Ir. LIM YEW SOON
Director



Experience

Dato' Ir. Lim Yew Soon worked at Tenaga Nasional Berhad for more than 38 years, where he was the Chief Engineer and General Manager of Penang state and the Federal Territory of Kuala Lumpur.

He is a Professional (Malaysia), Chartered (UK), Competent (Suruhanjaya Tenaga) and Services (Suruhanjaya Tenaga) Engineer.

Qualifications

- Masters in Electrical Engineering (MEE), University of Technology Malaysia
- B.Sc (Hons) Electrical & Electronic Engineering, Strathclyde University, Glasgow, Scotland, UK

MOHD RASHID MOHD YUSOF
Director



Experience

Mohd Rashid Mohd Yusof commenced his career with PETRONAS in 1980. Mohd Rashid has held various financial positions in PETRONAS as Head of Group Accounting, Head of Group Treasury and Head of Group Internal Audit as well as Financial Director of Engen Limited, before assuming general management positions as CEO of MITCO and later on MD/CEO of Engen Limited in South Africa. Whilst he was MD/CEO of Engen Limited in South Africa, he also served a term as the Chairman of the South African Petroleum Industry Association (SAPIA). His last appointment in PETRONAS before retiring in July 2016 was Vice President of Supply Chain & Risk Management. During the course of his career he has also served as a Director of several companies in the Petronas group, including Putrajaya Holdings, KLCC Holdings, Energas Insurance (Labuan) Limited and Chairman of Petronas ICT.

Mohd Rashid currently sits as an Independent Director on the Boards of Standard Chartered Bank Berhad, Velesto Energy Berhad and Worldwide Holdings Berhad. He also serves on the Audit and Risk Committee of Mavcom (Malaysian Aviation Commission). At Velesto Energy, he serves as Chairman of the Board. At Standard Chartered, he serves as Chairman of the Audit Committee, Chairman of the Nomination and Remuneration Committee and is a member of the Board Risk Committee. At Worldwide Holdings he serves as Chairman of the Board Governance and Risk Committee. Previous listed company directorships are Scicom (MSC) Berhad and Media Prima Berhad.

Qualifications

- Member of the Chartered Association of Certified Accountants (UK)
- Member of the Malaysian Institute of Accountants
- Advanced Management Program at Wharton Business School, Pennsylvania

DATUK OMAR SHARIFF MYDEEN

Director



Experience

Datuk Omar Shariff Mydeen is a businessman and an entrepreneur with a wide spectrum of businesses and experience in Education, Technical & Vocational Training (TVET), ICT, Property Development, Corporate Strategic Planning and Risk Management.

Presently, he is the Executive Director for My-Partners Group of Companies and has over 27 years of working experience in the ICT and education industry, playing a major role in developing new management platforms and business development strategies in providing premium deliverables. He has executed, developed and delivered numerous training programmes for governmental and private organisations in Business Process Re-Engineering, Project Management and Strategic Planning. He is also an accomplished strategist who played a pivotal role in the inception of Skills Johor, an international vocational skills training hub which transforms and trains skilled and knowledgeable employees to propel the industry in Malaysia. He developed Bandar Akademi in Kota Tinggi, Johor and other state technical initiatives to improve the quality of life and economic development in Johor.

A significant "feather in the cap" is the initiation of the MyCareerMyFuture project, a graduate development programme in collaboration with the Ministry of Higher Education to enhance employability through training. This programme enhanced 6,000 graduates' skills and shape them as effective contributors to national education initiatives in reputable companies.

Qualifications

- Executive Master's in Business Administration "First Class", Universiti Teknologi MARA, Shah Alam
- Bachelor of Corporate Administration with Honours (Company Secretary) "First Class", Universiti Teknologi MARA, Shah Alam
- Diploma in Public Administration (Best Student UiTM 1994), Universiti Teknologi MARA, Melaka

NORLIN ABDUL SAMAD

Director



Experience

Norlin Abdul Samad has 38 years of experience in corporate law in the Plantation, Property Development, Manufacturing and Investment sectors as Head of Legal at Kompleks Kewangan Malaysia Berhad (now known as Amanah Capital Berhad), Golden Hope Plantations Berhad (Golden Hope) and Permodalan Nasional Berhad (PNB). She was Company Secretary for both KKMB and Golden Hope, and an Associate Partner at Messrs Zaid Ibrahim & Co (Zaid Ibrahim). She held directorships whilst in service with Golden Hope and PNB. She has extensive experience in M&A exercises, cross-border investments, joint venture transactions, contract negotiations and corporate governance. She is currently the Senior Partner & Advisor at Hann Partnership Advocate and Solicitor.

Qualifications

- LLB (Hon) University of London
- Barrister-at-Law Honourable Society of Lincoln's Inn
- Advanced Management Program (AMP) INSEAD, Fontainebleau, France
- Certificate in Translation from the Malaysian Institute of Translation & Books (ITBM)

REMA DEVI A/P V.K. PADMANABHAN

Director



Experience

Rema Devi A/P V.K. Padmanabhan has a career spanning over 30 years in corporate and regulatory affairs, with significant regional and global market entry experience in the ASEAN and South Asia regions. Following her C-suite role of Head Group Regulatory Affairs at Axiata Group Berhad, she retired as Advisor to the CEO of edotco Group (Axiata's infrastructure subsidiary) in March 2021, where she also served as a non-independent Director on subsidiary Boards of Malaysia, Myanmar, Bangladesh and Sri Lanka. A seasoned communications executive, she was appointed to the MyDIGITAL Legal and Regulatory Framework Committee (2021) in support of Malaysia's Digital Economy Blueprint. Rema started her career in corporate planning and strategy at Telekom Malaysia Berhad in 1990, where her involvement in business and product planning, as well as major corporate transformation exercises locally and abroad, helped hone lifelong analytical, problem-solving and execution skills.

In 1998, Rema joined the newly established Malaysian communications regulatory authority and the world's premier convergence regulator (MCMC). She established the regulatory management function at TM International/Axiata Group, leading a 30-strong international team to drive the Group's strategic business agenda with regional and international regulatory stakeholders. She also served four terms between 2008-2012 as a Member of the Chief Regulatory Officers Group (CROG) of the GSM Association (GSMA), representing hundreds of companies of the mobile ecosystem worldwide. Rema is a Certified Master Performance Coach, a Director Member of Leadwomen and a Member of the Institute of Corporate Directors Malaysia (ICDM).

Qualifications

- Master of Philosophy (MPhil) in Human Development, Institute of Advanced Studies, University Malaya, Kuala Lumpur, Malaysia
- Bachelor of Arts (Hons), Institute of Advanced Studies, University Malaya, Kuala Lumpur, Malaysia
- Certified Master Performance Coach

MOHAMMAD ASRI HASSAN SABRI

Director



Experience

Mohammad Asri Hassan Sabri has over 35 years of experience in the technology and telecommunications industries, with activities across most of Asean and South Asia countries. Recognised for his strategic expertise and commitment to innovation, his career includes leadership roles at global companies such as Digital Equipment Corporation, Nokia, and Motorola, where he served as Country President for Malaysia. Mohammad Asri spent a significant part of his career with Axiata Group Berhad, one of Asia's leading telecommunications companies. He held several key positions, including Chief Executive Officer of Axiata Enterprise and Group Chief Corporate Officer of Axiata Group Berhad. His contributions extended to Axiata's mobile subsidiary in Nepal as a board member and to Edotco Group, a regional telecommunications infrastructure provider. He also chaired the Axiata Digital Investment Fund and served as a trustee of Yayasan Axiata, the Group's charitable foundation.

Alongside his corporate roles, he has also been an entrepreneur, establishing his own telecoms services company and partnering with a regional private equity firm. He has provided advisory services to one of Indonesia's largest telecommunications infrastructure companies, leveraging his industry insights to facilitate growth and expansion. His advisory scope encompasses diverse aspects of telecommunications infrastructure and digital services, with activities spanning across many Asean countries. Mohammad Asri has also contributed to the telecoms industry advocacy, having chaired the GSMA Asia Pacific Policy Group for two terms, representing the global telecommunications sector. He previously served as an independent non-executive director of Damansara Realty Berhad.

Qualifications

- Bachelor of Commerce, Newcastle University, Australia
- Executive programs at Harvard Business School, INSEAD, and IMD.

3.0

SUSTAINABILITY

ABOUT THE REPORT

This report outlines the strategy and initiatives implemented by SIRIM as 'Best Partner for Innovation' in enhancing the Malaysian industry's competitiveness and contributing to positive economic growth. SIRIM is committed to delivering technology and quality services by providing comprehensive ESG-related services along the whole business value chain, likewise ensuring our business operations are ESG-compliant.

Reporting Period

This report encompasses SIRIM's ESG performance for the 2024 financial year, commencing from 1 January to 31 December 2024.

Scope of Report

The scope of this report covers SIRIM's business operations in Malaysia and the joint venture company of our subsidiary in Huasheng, China, which comprises activities of industrial research, quality assurance services, testing and inspection, measurement and calibration, quality and technology training, and packaging and security design.

Reporting Framework

This report is prepared in reference to Global Reporting Initiative (GRI) Standards, United Nations Sustainability Development Goals (UN SDGs) and Bursa Malaysia Sustainability Reporting Guide (3rd Edition).

Feedback

We welcome your feedback to improve our reporting and sustainability practices. Kindly direct them to SIRIM at esg@sirim.my

The incorporation of SIRIM in 1996 marked the beginning of our sustainability journey, which is a continuous pursuit of embedding responsible, sustainable practices into our operations, culture, and strategy. Today, this journey is defined by an integrated ecosystem where data, relevant persons, and smart processes collaborate efficiently and seamlessly. Sustainability remains the core motivation and driving force behind everything SIRIM does: building a resilient, future-ready organisation, protecting the environment, and empowering communities.

All of our business operations are guided by these corporate strategies while fulfilling the Government's mandate. In 2024, our sustainability pillars are:

- Uphold Good Governance – Our approach extends beyond legal compliance to encompass broader ethical responsibilities, transparency, and accountability for the long-term value of our stakeholders.
- Protect and Conserve Environment – Our commitment to taking proactive measures in minimising environmental harm from our business activities, whilst steering our customers in meeting their environmental compliance and good practices.
- Safeguard Stakeholder Interests – Our pledge to prioritise the needs, rights, and well-being of stakeholders impacted by our decisions and actions.

The process of assessment and planning, execution, monitoring, and continuous improvement has been embedded in our business processes for decades, where corporate strategies are cascaded to operational strategies and key performance indicators (KPI). In each operation level and risk identification, assessment and mitigation are thoroughly managed, as well as overall risk management at the corporate level. This discipline equips SIRIM to navigate challenges resiliently in a rapidly evolving landscape.

REFLECTING OUR SUSTAINABILITY JOURNEY

ESG Services

Our business is dedicated to providing a comprehensive suite of services aimed at supporting organisations in their Environmental, Social, and Governance (ESG) initiatives. We provide solutions in the entire ESG ecosystem, ensuring a seamless and robust approach from baseline assessments to long-term sustainability.

Our approach ensures that organisations are equipped to navigate the evolving ESG landscape with a clear strategy, compliance with regulations, and transparent reporting. Through our comprehensive support, we empower organisations to create long-term value while contributing positively to society and the environment.

The SIRIM ESG Ecosystem is depicted below:



Driving Sustainable Impact: The SIRIM Way

For the year 2024, SIRIM has made tremendous strides in its sustainability journey, moving from early-stage actions to a comprehensive and forward-looking strategy for sustainable growth. SIRIM took a major step forward by reviewing its Sustainability Framework and charting the Sustainability Roadmap 2024-2027, which serves as the cornerstone of its ESG goals. This framework is structured around three key pillars:

Uphold Good Governance

We are committed to ensuring our business operations are run ethically, transparently, responsibly and with a high sense of accountability. We are always striving for continual improvement in our systems and process efficiency and effectiveness, as well as focusing on risk management and resilience, while considering the broader social, environmental, and economic impacts of all our actions. Our approach extends beyond legal compliance to encompass broader ethical responsibilities, transparency, and accountability for the long-term value of our stakeholders.

Protect and Conserve Environment

While delivering our mandates, SIRIM takes proactive measures in minimising environmental harm from our business activities, whilst steering our customers in meeting their environmental compliances and good practices. We adopt sustainable practices in energy conservation, resource consumption, waste management and sustainable sourcing in order to reduce the climate impacts. Environmental compliance and adherence are our utmost concerns, and we actively promote continuous awareness and knowledge sharing among all employees to foster the adoption of sustainable practices across all business units.

Safeguard Stakeholders Interests

SIRIM is responsible for protecting and prioritising the needs, rights, and well-being of those impacted by our decisions and actions. Our important stakeholders are shareholders, employees, customers, suppliers and communities. This includes building a sustainable, responsible approach that meets current needs without compromising future capabilities. Health and safety, adherence to rules and regulations, responsive mechanisms, and adaptability to stakeholders' needs are among SIRIM's priorities.

The company's sustainability framework is intricately aligned with its corporate strategy, creating a holistic approach to business operations. This alignment ensures that sustainability is not seen as a separate initiative but as an integral part of SIRIM's overall business model.



SIRIM Sustainability Framework

Vision	Best Partner for Innovation		
Overall Target	20% reduction of carbon intensity by 2027 from 2023 level		
Strategic Pillar	Protect and Conserve Environment	Safeguard Stakeholders' Interest	Uphold Good Governance
Strategic Objectives	a. Energy conservation b. Efficient waste management	a. Caring for our employees b. Elevating service excellence for our customers	a. Instilling ethical practices b. Inculcating culture of integrity and transparency
Material Topics	<ul style="list-style-type: none"> • Energy • Emissions • Waste 	<ul style="list-style-type: none"> • Occupational safety & health • Training & education • Employment • Customer relations • Community 	<ul style="list-style-type: none"> • Business ethics • Risk management • Data governance • Responsible procurement
Aligned to SIRIM 10Year Strategic Thrust (ST)	ST4	ST1, ST2, ST3, ST4, ST6	ST5, ST7
UN SDG	   	  	  

Sustainability governance

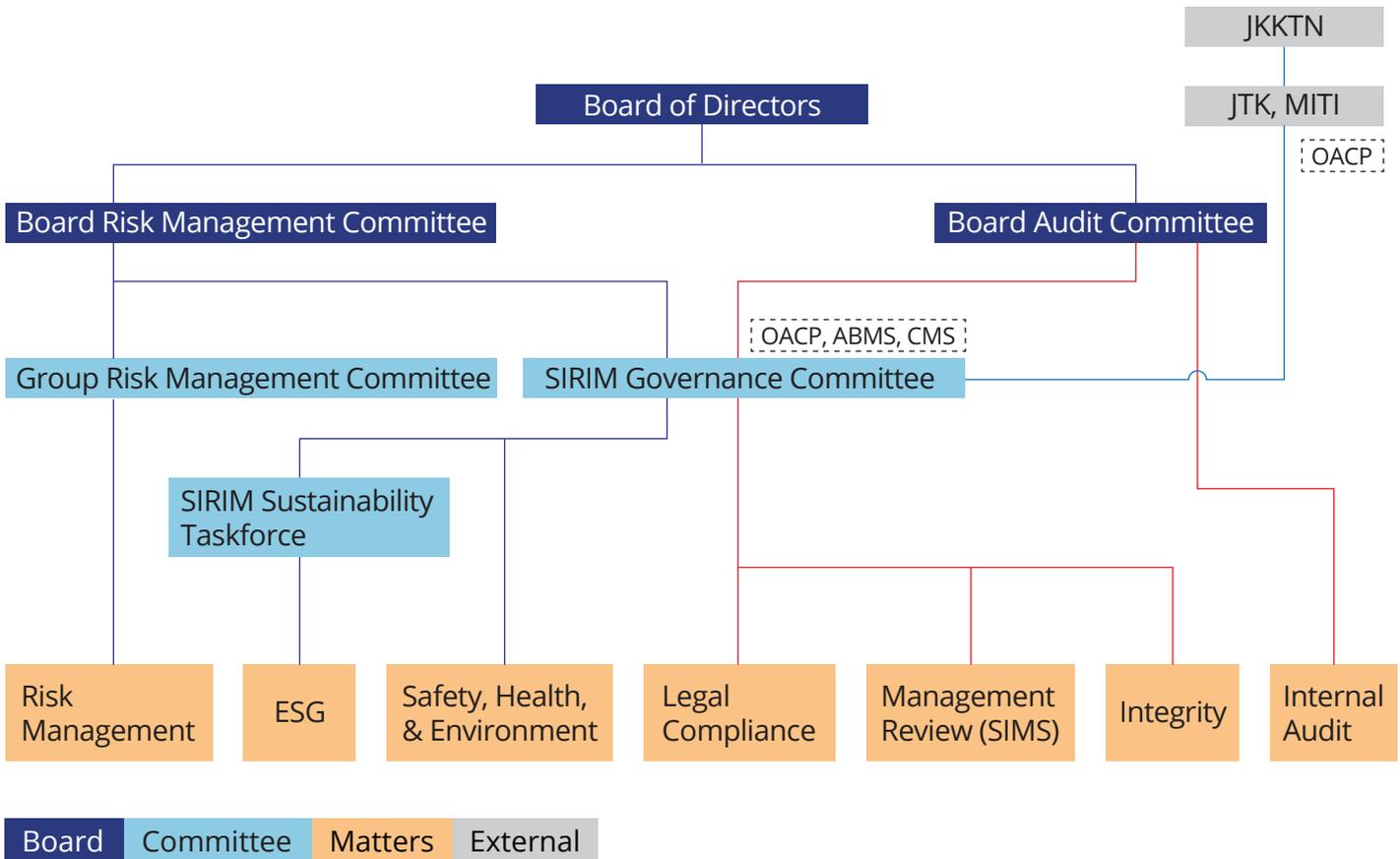
At SIRIM, sustainability governance is a key focus, ensuring that sustainability efforts are effectively managed, integrated, and aligned with the company's broader strategic objectives. The day-to-day implementation and management of sustainability efforts are handled by the Group Sustainability. This dedicated team ensures that sustainability goals are pursued and progress is tracked across all levels of the organisation.

In March 2024, the company took an important step by establishing the SIRIM Sustainability Taskforce, comprising representatives from subsidiaries and various business units. This Taskforce serves as a collaborative body to discuss and deliberate on sustainability challenges, opportunities, and best

practices. By fostering cross-functional engagement, the Taskforce helps ensure that sustainability priorities are well integrated across all parts of the business.

The SIRIM Governance Committee, which is chaired by the President and Group Chief Operating Officer, acts as a key committee for approving and guiding the company's sustainability strategy and initiatives.

This structured approach to sustainability governance ensures that sustainability issues are systematically addressed, with a clear flow of information from operational levels to top leadership, enabling informed decision-making and long-term sustainable growth for the company.



JKKTN: JK Khas Kabinet Tatakelola Nasional
 JTK: Jawatankuasa Tatakelola
 MITI: Ministry of Investment, Trade and Industry
 OACP: Organisational Anti-Corruption Plan

ABMS: Anti-Bribery Management System
 CMS: Compliance Management System
 SIMS: SIRIM Integrated Management System
 ESG: Environmental, Social and Governance



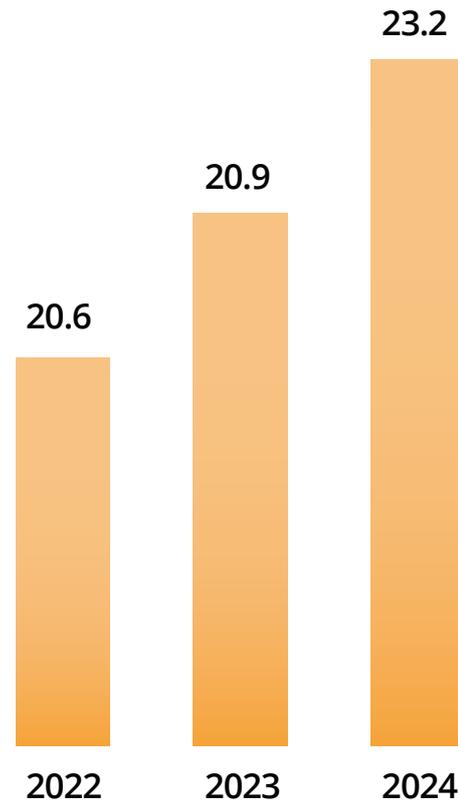
PROTECTING AND CONSERVING ENVIRONMENT

Optimising Energy Conservation

Energy conservation extends beyond cost savings — it is a key enabler of sustainability, operational excellence, and corporate accountability. In 2024, we intensified our commitment to energy efficiency by initiating comprehensive energy audits across all facilities to establish a baseline and uncover opportunities for improvement. Given the wide network of buildings under our management across Malaysia, these audits are expected to be completed by the third quarter of 2025, paving the way for targeted energy optimisation initiatives.

In the year 2024, we also relook at our target for the renewable energy source. We will increase the installed capacity from 167 kWp to 1867 kWp by 2027 using solar photovoltaics. This year, we focus on the procurement process for sites at SIRIM Headquarters and SIRIM Salak Tinggi with an approximate capacity of 1000 kWp.

We continue to monitor our electricity consumption through the dashboard of SIRIM Building Performance. The monthly report is submitted to the top management, and the yearly report is submitted to the Energy Commission for compliance with the Efficient Management of Electrical Energy Regulations 2008 (EMEER 2008).



Electricity consumption (MWh)

Energy Efficiency

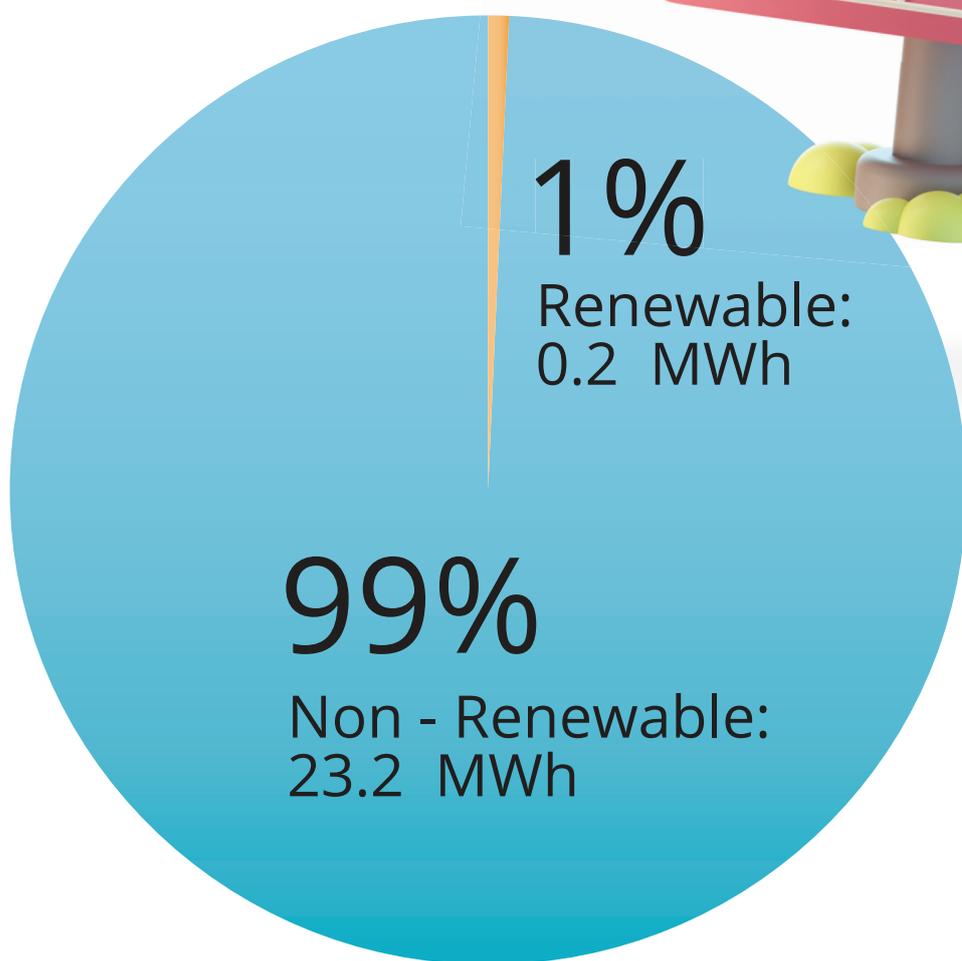
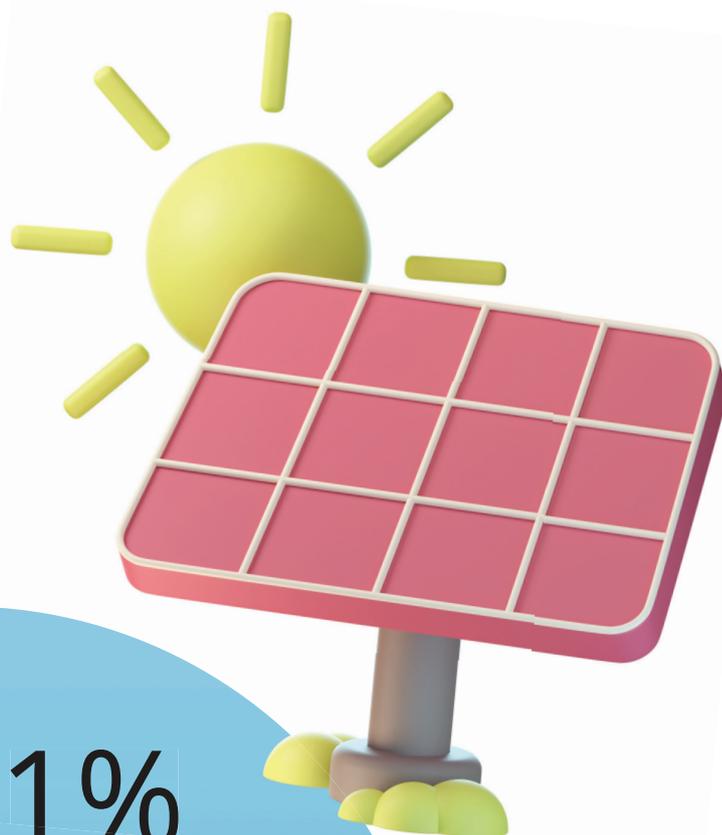
We continue to implement energy efficiency measures.

Among the energy-saving measures implemented are

- Replacement of IE1 to IE3 motor for Condensate Water Pump.
- Change the lighting into LED light.
- Delamping to reduce illuminance.
- Replacement of the old glass tinted with highly efficiency tinted.
- Provide awareness on potential energy-saving measures for cost saving.

Renewable Energy

In mid-2022, we started to embark on the solar photovoltaic system for the energy substitution using renewable energy. The installed system at our facilities is located at Jalan Pahat and Jalan Lada Sulah, Shah Alam. The total installed capacity is 167 kWp. The solar energy generated in 2024 is 199,081 kWh or 716,691,600 kJ. In the year 2025, we target to increase the installed capacity to more than 1,000 kWp.



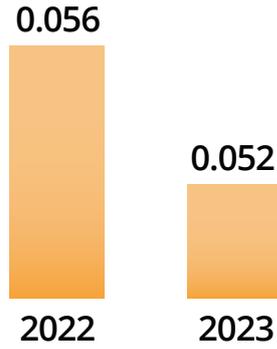
Energy Mix for year 2024

Site	% of RE substitution	Cost Saving %
SIRIM Jalan Lada Sulah	20	5
SIRIM Jalan Pahat	60	24

Monitoring and Reducing Greenhouse Gas (GHG) Emissions

Our commitment to addressing climate change is central to our sustainability efforts, and we are working to reduce our Greenhouse Gas (GHG) emissions across our operations. In the year 2023, we started to measure GHG emissions for the SIRIM Group, which accounted for 22,541 tCO₂e. Taking the year 2023 as the baseline, we set the long-term target to achieve a 20% reduction in carbon intensity by 2027.

In the year 2024, the total GHG emission is 23,213 tCO₂e. Although the emission increased, the carbon intensity is reduced by 7% due to the increasing of income value.



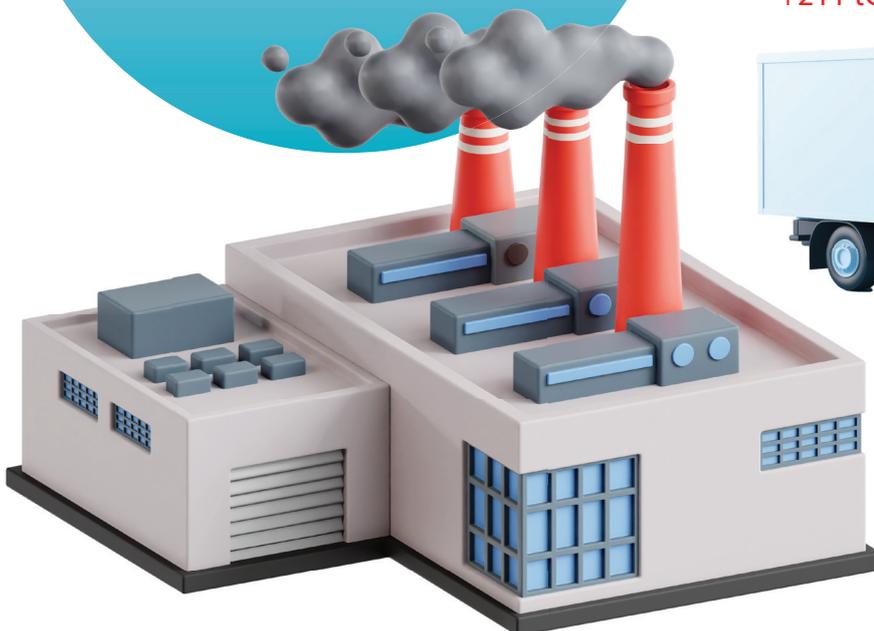
Yearly carbon intensity (kgCO₂e/RM)

Our GHG emissions are mainly contributed by the purchase of electricity (Scope 2) whereas Scope 1 and Scope 3 exhibit almost similar values. Taken from this, our focus initiatives are on energy efficiency and increasing the source of renewable energy to offset the emission.

The exercise was performed with reference to ISO 14064-1 standards, the Greenhouse Gas (GHG) Protocol and IPCC Guidelines, which cover Scope 1, Scope 2 and Scope 3 (business travel and employee commuting). For the year 2024, we started to fully digitalise the travelling claim system, which increased the data accuracy for the GHG accounting.

Scope 1: DIRECT EMISSION

8%



Company vehicle
+211 tCO₂e



Stationary combustion
and fugitive



Business travel

+2093 tCO₂e



Scope 3: INDIRECT EMISSION

16%

Employee commuting

+1605 tCO₂e

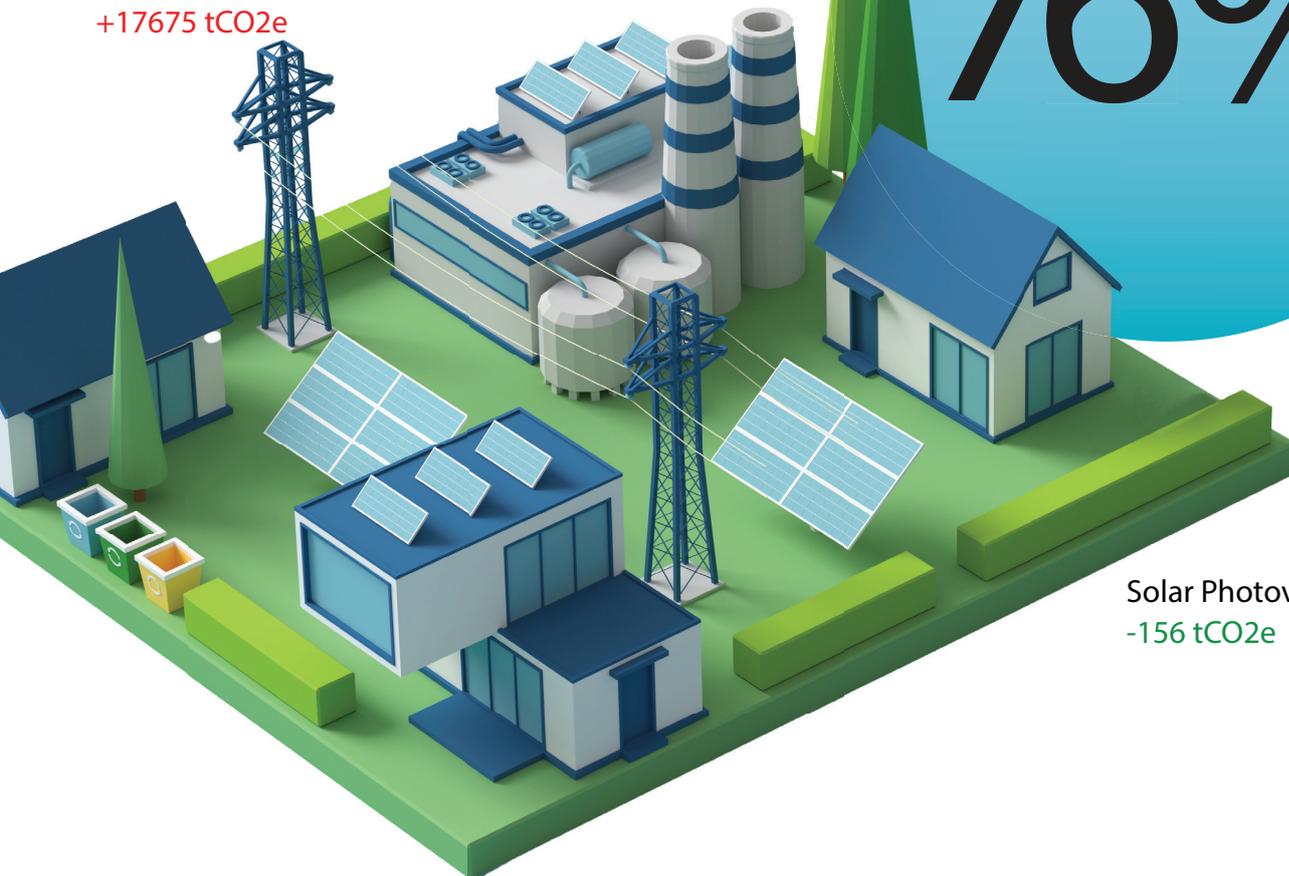


Scope 2: INDIRECT EMISSION

76%

Purchased electricity

+17675 tCO₂e



Solar Photovoltaic

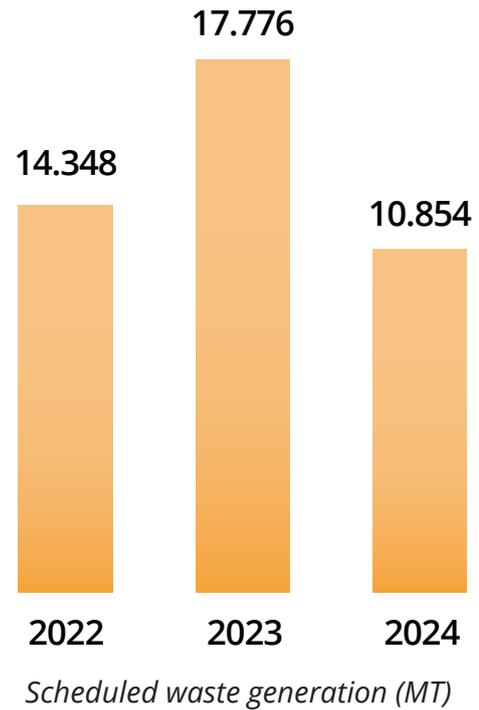
-156 tCO₂e

Enhancing Waste Management

Scheduled wastes (SWs) are an inevitable by-product of our business processes. The wastes are mainly contributed from the activities of research and development, and testing and calibration services.

These wastes, as outlined in the Environmental Quality (Scheduled Wastes) Regulations 2005, are systematically managed, monitored, and reported in the Electronic Scheduled Waste Information System (eSWIS) according to specific sites. In 2024, a total of 10 metric tonnes of scheduled waste (SW) were managed through disposal and treatment at prescribed premises. The SWs can be largely categorised as:

- SW1: Metal and metal-bearing waste.
- SW2: Waste containing principally inorganic constituents which may contain metal and organic material.
- SW3: Waste containing principally organic constituents which may contain metal and inorganic material.
- SW4: Waste which may contain either inorganic or organic constituents.
- SW5: Other waste



Waste diverted from disposal

The recycling processes vary for different category SW Codes. Briefly, the process and end material/product of these process lines are outlined as follows:

- Disposed fluorescent lamp or bulb: Mercury is removed, then materials undergo centrifugation and separation. The end product is used in the production of reflective signboard paint.
- Spent lubricating oil and organic solvents undergo filtration, separation, and mixing. The refined material is reused as raw material for the petrochemical industry and remanufactured.
- Waste which may contain either inorganic or organic constituents is cleaned, decontaminated, dried, and then reused, sold, or remanufactured. Pigments and sludge are recycled; waste mixtures are filtered and separated for reuse and remanufacturing.

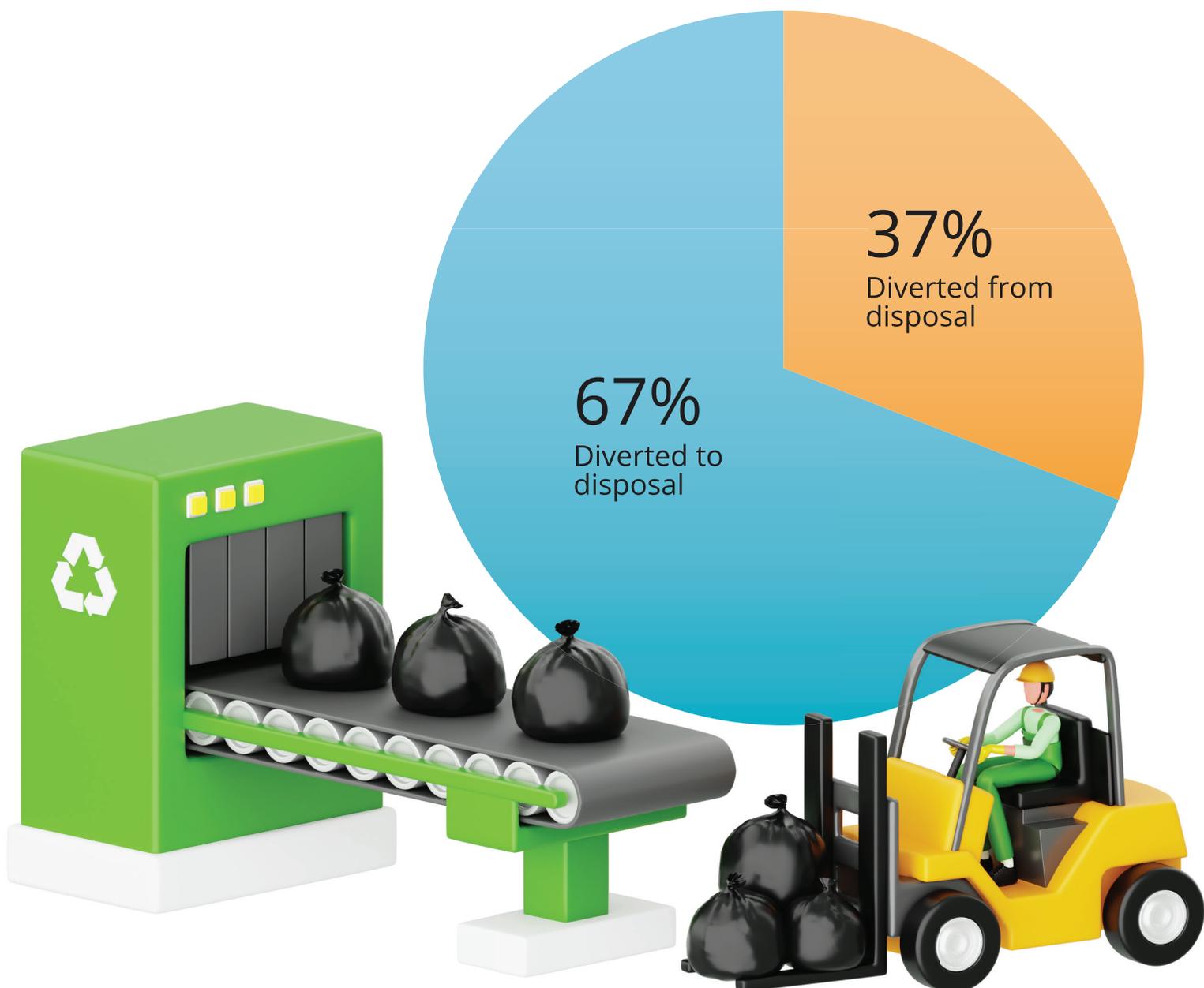
These processes extend the materials' life cycles and divert waste from disposal.



Waste directed to disposal

The recycling processes vary for different category SW Codes. Briefly, the process & end material/product of these process lines are outlined as follows:

- Biological waste is managed and treated at prescribed facilities using various methods such as burial, landfilling, combustion, alkaline hydrolysis, or incineration.
- Chemical wastes were disposed of and treated at prescribed premises using either landfilling, combustion, or incineration methods (according to the procedure of chemical waste disposal practised by SIRIM Berhad).





Conserving Water Resources

SIRIM remains committed to responsible water management, evident through a range of initiatives aimed at conserving water resources. The Asset Management Department (AMD) monitors water consumption for both domestic and production purposes, providing monthly reports to top management for informed decision-making.

In 2024, SIRIM's total water consumption across its operations amounted to a substantial 204,743 cubic metres. Recognising the critical importance of responsible water management, SIRIM implemented various strategies to conserve this valuable resource.

Water Conservation

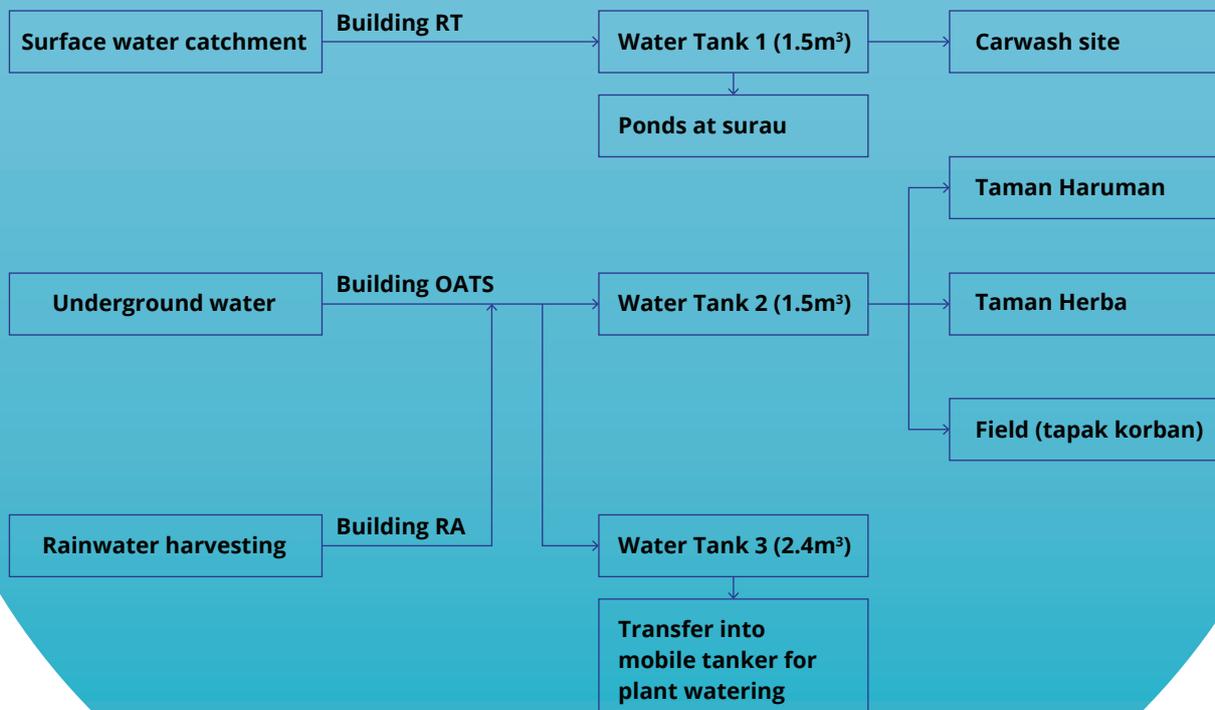
Alongside its reliance on the municipal water supply, SIRIM prioritised water conservation through the adoption of sustainable practices such as rainwater harvesting and harnessing the continuous flow of spring discharges.

One of the testing labs is located underground, which is exposed to the risk of water flooding. The discharged spring water is redirected and stored in dedicated storage tanks. By doing so, SIRIM not only prevented potential flooding in the surrounding areas but also effectively repurposed this water for various beneficial activities. This repurposed water was utilised for tasks such as water ponding, irrigation for gardening purposes, and even for washing official vehicles.

The water conservation initiatives implemented by SIRIM yielded tangible results, contributing to a remarkable 1.3% reduction in the total water consumption at the headquarters facility.

This achievement underscores SIRIM's successful efforts to minimise its reliance on municipal water supplies while reaffirming its commitment to environmental stewardship and resource efficiency.

WATER CONSERVATION FLOW DIAGRAM

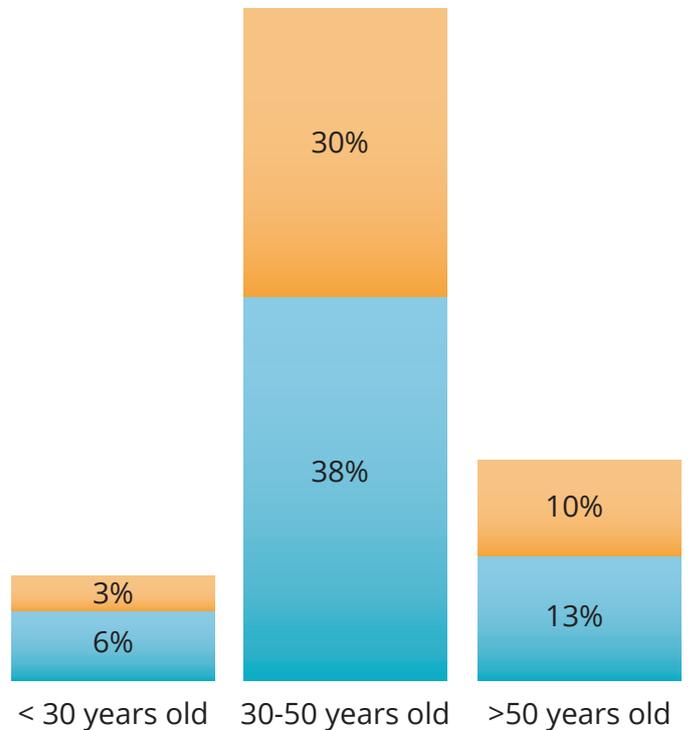
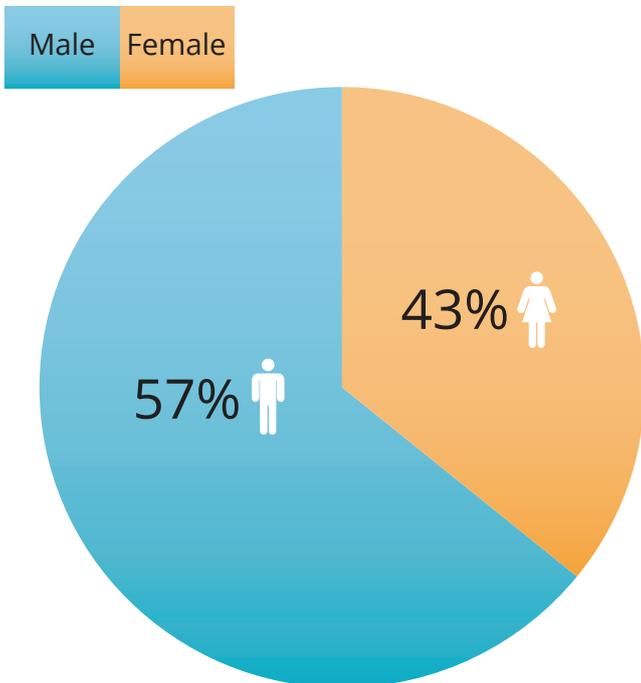


SAFEGUARDING STAKEHOLDERS' INTEREST

SIRIM firmly believes that employees are the greatest asset and the true treasure of the organisation. We recognise that our success is not only driven by innovation but also by the diverse talents, experiences, and perspectives that each individual brings to the table. Our workforce comprises professionals with diverse expertise, including engineers, trainers, auditors, professional technologists, chemists, accountants, and certified technology valuers, among others.

The average headcount of employees is 2,153, comprising 43% female and the remaining male. For top management, 50% of the positions are filled up by women. The methodology and assumption used

for calculating the total number of employees are based on the average across the reporting period method.



Demographic of employee by gender and category of age

Job Position	Male (%)	Female (%)
C-Suite	0.1	0.2
Top Management	0.1	0.1
Middle Management	3.0	2.5
Executive	29.3	25.4
Non Executive	24.2	15.1

Demographic of employee by category

The overall new hiring rate for the year 2024 is 5%, which is similar to the attrition rate, indicating a relatively stable retention of employees. This balance reflects our commitment to attracting new talent while maintaining a supportive and engaging work environment for our current staff.

Recruitment



Attrition



Recruitment/Attrition by gender

Developing and Nurturing Talent

We believe that our people and their growth are crucial for both organisational success and long-term sustainability. We recognise the importance of a skilled workforce to navigate the challenges and opportunities of a rapidly changing world. In 2024, 45 hours of annual training are conducted with 51% dedicated to functional training, enhancing job-specific skills. The remaining hours focus on developmental training, enhancing future-ready performance. These trainings are to foster both personal and professional growth.

- The In-house Development Training covers 45 topics, including quality-driven business acumen. 63 in-house development training sessions are executed for 12,058 total man-days.
- The SIRIM Progression & Employee Development Programme (SPEeD) is a career ladder programme for diploma-holder non-executives and executives, which achieved 16 programme graduates.
- The SIRIM Scholastic Retreat is a platform for direct interaction between top management and staff pursuing academic studies. Currently, 41 employees are pursuing postgraduate degrees.
- The Pre-Retirement Workshop assists in career ending management from retirement with 12 employees participated in 2024.
- The Leadership Mentoring Programme (LMP) is a 10-month initiative of empowering aspiring 10 leaders at SIRIM by engaging in personalised mentorship, group sessions, and discussions. Participants also network with Women Leadership Foundation (WLF) communities across industries and gain insights into global leadership trends.



SIRIM Scholastic Retreat 2024



Leadership Mentoring Programme (LMP) 2024

Fostering Culture and Engagement Culture Transformation Programme (CTP)

In anticipation of future challenges, SIRIM is committed to strengthening its cultural values through a comprehensive programme focused on ALEAD (Achieve Sustainability, Lead Innovation, Engage Teamwork, Act Fast, Deliver Excellence) and the guiding principles of DUIT (Doa, Usaha, Ikhtiar, Tawakal). This holistic initiative aims to cultivate integrity, customer focus, and teamwork. In 2024, several initiatives were launched, including the development of training modules, the creation of in-house trainers and facilitators, and the integration of ALEAD projects and DUIT principles. 28 ALEAD projects focused on process efficiency, health & wellness, and leveraging technology to drive business improvement.



SIRIM Progression & Employee Development Programme (SPEeD)



ALEAD Convention, 9th Dec 2024

Strengthening Labour-Management Relations

SIRIM practises positive employee relationship management to create high team productivity, and encourage the freedom of association and the right to collective bargaining. In 2024, 44% of the non-executive employees (excluding HR and Finance) are members of *Kesatuan Pekerja-Pekerja SIRIM Berhad (KEPS)*. Simultaneously, *Majlis Bersama Jabatan (MBJ)* annual meetings are being held. Representatives include *KEPS*, *Koperasi Anggota SIRIM Berhad (KASB)*, *Persatuan Kakitangan SIRIM Berhad (PEKASA)*, *Persatuan Kakitangan Islam SIRIM (PERKIS)* and *Persatuan Alumni SIRIM*.



The collective agreements (CA) are under negotiation for renewal with SIRIM. For employees not covered by the CA, working conditions and terms of employment are governed by the Employee Handbook (Terma and Syarat Perkhidmatan SIRIM Berhad) and/or by the Letter of Offer for the respective employee.

The other associations and their activities are:



Persatuan Kakitangan SIRIM Berhad (PEKASA)

Membership: approx. 1,300

Activities include excursions to Taman Negara, Pahang and Jogjakarta, Indonesia; hiking at the Kota Damansara Community Forest; as well as sports activities. These include the Sukan Tertutup PEKASA, featuring events such as badminton, takraw, and volleyball.



Persatuan Kakitangan Islam SIRIM (PERKIS)

Membership: approx. 1,100

Activities include religious lectures & trainings, Quranic recitation classes, Ramadhan celebrations such as Iftar & Solat Tarawih, World Quran Hour and Eid Adha celebration.



Koperasi Anggota SIRIM Berhad (KASB)

Membership: approx. 300

Benefits enjoyed by members are personal financing, renewal of vehicle insurance and road tax, catering services, minimart (CoopMart) and cafeteria site leasing for external vendors.



Persatuan Alumni SIRIM.

Membership: approx. 200

Newly established on 2nd February 2024 to provide opportunities for fellowship and the benefits of networking. The association plays a key role in mentoring staff by leveraging the extensive experience of its members. It also supports the goals of SIRIM while fostering stronger connections between alumni, the community, and SIRIM.

Enhancing Employee Facilities and Services

SIRIM is committed to fostering a supportive and sustainable work environment by providing various facilities that support employee work-life balance, such as sports, entertainment, and childcare facilities. SIRIM also offers an alumni house, a rest house, multipurpose hall, cafeteria and prayer hall (musalla). To ensure inclusivity, we provide accessible toilets and parking facilities for persons with disabilities.



Taska Permata SIRIM Daycare - Kindergartens, and transition services for children from aged 3 months to 6 years old.



Cafeteria - The cafeteria offers nutritious meals, providing employees with a comfortable space for relaxation and socialising.



Musalla / Prayer Space - For prayers and religious classes, and talks.



Multipurpose Hall - For events including games, weddings, workshops, etc.



Guest house - Provides overnight accommodation for off-campus staff on business trips to SIRIM Headquarters.



Sports facilities - Football field, tennis and badminton courts, and indoor game rooms.



Mart - CoopMart offers employees quick access to essential items for convenient grab-and-go shopping.

Reinforcing Occupational Safety & Health

SIRIM is committed to fostering a safe and healthy working environment by using the ISO 45001: Occupational Safety and Health (OSH) management system that identifies hazards, assesses risks, and implements control measures to prevent accidents and injuries. The system outlines clear roles and responsibilities for all staff and stakeholders.

The SIRIM Governance Committee oversees compliance with applicable legal requirements and more. A total of 23 OSH Committees at the departmental/SBU/subsidiary level ensure safety and health compliance at their respective workplaces. Additionally, the Electronic Permit to Work (e-PTW) and Workplace Inspection System (WISE) automate employee applications. Employees, consulted with Safety, Health and Environment (SHE) representatives, are entitled to cease work immediately, without fear of reprisal, if any health, safety, or environmental risks.

Building Local Community through Innovation

Water Filtration System for Clean Water Generation

SIRIM is committed to fostering innovation in improving the daily lives of communities with a recognition of the importance of water and electricity as foundational resources. SIRIM developed the water filtration systems for the usage of the local community using the water filtration technology, ultraviolet treatment, and solar photovoltaics for the system's electricity supply. The developed water filtration systems can be used to filter underground, river, flood and seawater.



clean water capacity

Clean water supply for the Local Community at Gurun and Baling, Kedah

The SIRIM research team enhanced the tube well water filtration system for use in remote areas, including Maahad Tahfiz Al Quran Darul Bahrin in Gurun and Sekolah Kebangsaan Lanai in Baling, Kedah. The existing systems faced issues with precipitation and high mineral content that exceeded the allowable limits for drinking water. These issues were addressed by upgrading the system with aeration filtration technology. The filtered water has been tested and is now deemed safe for drinking and cleaning purposes.



Project handover to the representative of the village

Clean water supply for Local Community at Kampung Brantian, Kalabakan, Sabah

In collaboration with the Ministry of Science, Technology and Innovation (MOSTI), SIRIM has worked to address the challenges faced by impoverished communities in Kg. Brantian, Sabah, where access to clean water is a significant issue. Residents often endure long journeys, such as travelling 15 kilometres to Merotai town, just to secure a reliable water supply. The system generates 25m³ of clean water for drinking and daily use, benefiting over 100 people. Additionally, the water is utilised for car cleaning services, which generates income. This revenue is reinvested into maintaining and servicing the system, ensuring its continued operation.

Innovative Reefs for Enhanced Marine Food Sources

In collaboration with the Lembaga Kemajuan Ikan Negeri Melaka and local fishermen, 20 units of innovative reefs, i.e., the Interlocking System Fish Aggregating Device (ISFAD), have been placed in the waters of Perairan Telok Mas, Melaka. These reefs are constructed using locally sourced clay. The unique properties of clay allow it to form micro-porous structures, enabling ceramic materials to be designed or modified to mimic the intricate structure of natural coral reefs.

This, in turn, fosters the growth of algae and larvae, which serve as essential food sources for fish. The reefs are strategically placed in areas with high potential to enhance fish populations and attract valuable demersal fish species. Positioned approximately one km from the shoreline, the location minimises travel time, benefiting over 100 coastal fishermen. This project is funded by Yayasan Inovasi Malaysia (YIM).



Reef installation at Perairan Telok Mas

IoT Solutions for Enhanced Agricultural Productivity

With the grant from YIM, the chilli fertigation system utilising IoT technology was developed for Pertubuhan Peladang Kawasan (PPK) Kubur Panjang, Kedah. This system enables a more organised crop monitoring process while providing precise, real-time data on plant and environmental parameters. Additionally, the system automatically regulates irrigation and fertilisation to ensure the correct nutrient mixture, ultimately enhancing the quality and grade of the crop yield. A total of 100-120 cooperative members, who are from the B40 community, benefit from the adoption and exposure to IoT technology in conventional farming and receive dividends from the collective profits generated through the sale of crops.

Creating Impact Through Corporate Social Responsibility Clean Water Supply for Flood Evacuation Centre

Portable SIRIM water filters clean floodwater and river water for use. In Kota Tinggi, Johor, Jabatan Pertahanan Awam Malaysia received three SIRIM portable water filtering devices for flood victims. Over 1500 people receive 60m³ of clean water daily from the system.

Building Micro-Entrepreneurial Opportunities

SIRIM supported asnaf food and beverage businesses with Majlis Agama Islam Johor (MAIJ) and Majlis Ugama Islam Pahang (MUIP). The programme boosts earnings by improving product presentation, teaching internet marketing basics, branding, and packaging design. Businesses will receive Food Act 1983-compliant logos, labels, and packaging after completion.

The Packaging & Security Design Centre helped 20 enterprises in 2024. Their progress was assessed six months following programme completion and was positive.

- 60% of the recipients reported increased production.
- 60% successfully entered new markets, and
- 70% observed growth in sales.

Moreover, SIRIM and Yayasan Petronas supported 43 women-led entrepreneurs in the northern region in a similar program with positive results.

- 42% of the recipients hired new staff.
- 49% observed growth in sales.



“Kongsi Kebahagiaan” Programme

SIRIM QAS International Sdn Bhd and Jabatan Politeknik Malaysia provided food vouchers to low-income students from high-cost areas.

In 2024, 800 students from Politeknik Shah Alam, Politeknik Ibrahim Sultan in Johor, Politeknik Metro in Kuala Lumpur, and Politeknik Seberang Perai received this aid.

Youth in Engineering Talent Programmes

The Youth in Engineering Talent programme sponsors low-income engineering diploma and degree students who receive Dermasiswa grants from its programme. In 2024, SIRIM sponsored a total of 32 students. SIRIM helps these students achieve their academic and career goals and grows Malaysia's engineering workforce by investing in them.

“ADA SIRIM BARU BELI!”

Consumer Awareness Campaign

SIRIM QAS International Sdn. Bhd gave away 600 motorcycle helmets in 2024. On 28 August 2024, Politeknik Shah Alam and Politeknik Kuala Lumpur students received 400 helmets. The public received 100 units at Program Keselamatan Jalan Raya Ops Selamat 22/2024 Sempena Aidilfitri bersama Polis Kotinjen Kelantan on 8 April 2024. At the 1 October 2024 MITI Open Day, 100 more units were distributed.

UPHOLDING GOOD GOVERNANCE

Advancing Anti-Bribery Practices

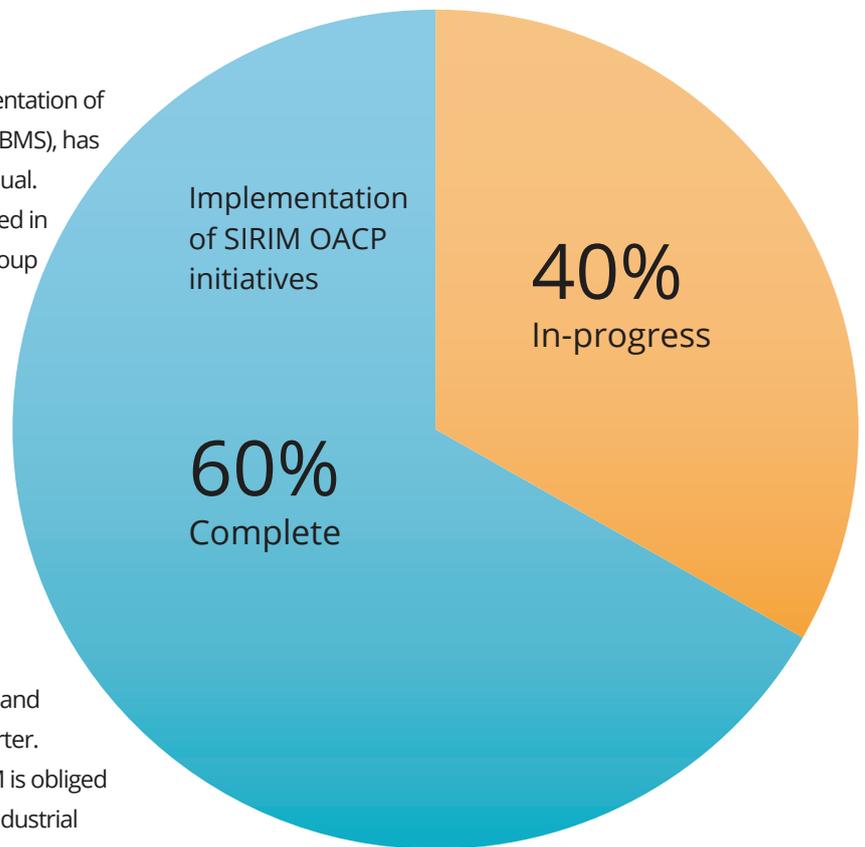
SIRIM upholds the highest standards of corporate governance, ethics, and integrity in all our operations and activities. We maintain a zero-tolerance approach to bribery and corruption, guided by the Anti-Bribery Management System and the Organisational Anti-Corruption Plan (OACP). The SIRIM Anti-Bribery Policy and the Whistleblowing Policy serve as the overarching policies and are supported by relevant policies and procedures such as the Gift Policy, the Procurement guidelines, and the Code of Business Conduct and Ethics.

The Group Sustainability, which oversees the implementation of ISO 37001:2016 Anti-Bribery Management Systems (ABMS), has developed the Anti-Bribery Management System Manual. In 2024, a Bribery Risk Assessment (BRA) was conducted in all subsidiaries and business units within the SIRIM Group to mitigate the identified corruption risks. The bribery risks were quarterly reviewed and reported to the Group Risk Management Committee and the Board Risk Management Committee.

The Integrity Section coordinates all initiatives in preventing, detecting, and responding to bribery and corruption in the Group. On the other hand, the anti-bribery cases and the performance of the SIRIM Anti-Corruption Action Plan (SOACP) 2022–2026 are deliberated at the SIRIM Governance Committee (JTK) and reported to the Board Audit Committee for every quarter. As SIRIM has a role in the government mandate, SIRIM is obliged to report the SOACP performance to the Ministry of Industrial Trade and Investment (MITI) and hence to the Jawatankuasa Kebangsaan Tatakelola Negara (JKTTN).

SIRIM Anti-Corruption Action Plan (SOACP) 2022–2026

The SIRIM Anti-Corruption Action Plan (SOACP) 2022–2026 is a foundational anti-corruption framework that reflects the SIRIM Group's commitment to combat corruption in all business operations. This strategic anti-corruption management action plan is developed in line with the National Anti-Corruption Plan (NACP) to address governance, integrity, and anti-corruption issues and weaknesses. There are six main areas underpinning this framework namely Conformity Assessment, Research and Development, Training, Consulting and Advisory Services, Governance, Procurement and Finance, and Management and Administration.



As of 2024, SIRIM has implemented its short- and medium-term plans and is currently working on its long-term plan. Overall, 60% of over 90 initiatives were completed and reported to the National Anti-Corruption Plan (NACP) committee.

Communication and Training

As part of our broader sustainability initiatives, we recognise that combating bribery and corruption is essential, not only for regulatory compliance but also for fostering a culture of transparency and accountability. This is why we have implemented various training and awareness programmes, ensuring that all employees, partners, and third-party associates understand their role in upholding the highest ethical standards. In the year 2024, there are 25 programmes with 104 total training hours conducted, as compared to 31 programmes with a 128-hour duration conducted in 2023.

In general, 25 awareness programmes were organised for employees and vendors in the year 2024. Among the highlights of the awareness programmes are:

Integrity talk for employees

- *Hari Integriti dan Majlis Menandatangani Ikrar Bebas Rasuah (IBR) 2024*, 17 December 2024.
- Briefing on Integrity Policies and Procedures for SIRIM Sabah, 24 October 2024.
- *Program Pengukuhan Integriti SIRIM UTARA (AMREC KULIM)*, 14 August 2024.
- *Program Integriti Jabatan Kewangan SIRIM Berhad*, 22 October 2024.

Integrity talk for SIRIM's vendors

- Vendor Engagement Programmes in SIRIM Kedah, 25 July 2024.
- *Program Bersama Vendor di SIRIM HQ*, 26 September 2024.

Incidents of corruption and actions taken

In the year 2024, there were 13 complaints received and investigated relating to the code of conduct and corruption. There is one incident of corruption reported to Suruhanjaya Pencegahan Rasuah Malaysia (SPRM) and alleged under the MACC Act 2009.

Integrating Management Systems for Excellence

The SIRIM Integrated Management Systems (SIMS) provides a unified approach to managing organisational Standard Operating Procedures (SOPs). By integrating multiple management systems into one framework, SIMS increases traceability, boosts efficiency, and promotes continuous improvement.

SIMS integrates eight management systems, which include:

ISO 9001:2015

Quality Management System

ISO 37001:2016

Anti-Bribery Management System

ISO 45001:2018

Occupational Safety & Health Management System

ISO 14001:2015

Environmental Management System

ISO 37301:2021

Compliance Management System

ISO 50001:2018

Energy Management System

ISO 22301:2019

Business Continuity Management System

SIRIM 55:2023

Environmental, Social and Governance (ESG) Management System

As of 2024, the SIMS framework includes the integration of the manuals, syndication of common SOPs, establishment of sharing platforms, and training for the internal auditors. The internal audit for the departments will be rolled out in Q1 2025.

GRI Content Index

STATEMENT OF USE	SIRIM Berhad has reported with reference to the GRI Standards for the period between 1 January to 31 December 2024
GRI 1 USED	GRI 1: Foundation 2021
APPLICABLE GRI SECTOR STANDARD(S)	Not applicable

DISCLOSURE	DESCRIPTION	PAGE
GRI 2: GENERAL DISCLOSURES 2021		
2-1	Organisational details	3 to 14
2-2	Entities included in the organisation's sustainability reporting	71
2-3	Reporting period, frequency, and contact point	71
2-4	Restatements of information	Not applicable
2-5	External assurance	Not applicable
2-6	Activities, value chain and other business relationships	19-38, 72
2-7	Employees	85-86
2-8	Workers who are not employees	Not applicable
2-9	Governance structure and composition	46, 48-49, 75
2-10	Nomination and selection of the highest governance body	55
2-11	Chair of the highest governance body	65
2-12	Role of the highest governance body in overseeing the management of impacts	47, 51
2-13	Delegation of responsibility for managing impacts	47, 51
2-14	Role of the highest governance body	47
2-15	Conflicts of interest	55
2-16	Communication of critical concerns	64
2-17	Collective knowledge of the highest governance body	56
2-18	Evaluation of the performance of the highest governance body	56
2-19	Remuneration policies	56, 59
2-20	Process to determine remuneration	56, 59
2-21	Annual total compensation ratio	Not applicable
2-22	Statement on sustainable development strategy	56, 57
2-23	Policy commitments	54
2-24	Embedding policy commitments	54
2-25	Processes to remediate negative impacts	Not applicable
2-26	Mechanisms for seeking advice and raising concerns	54
2-27	Compliance with laws and regulations	53
2-28	Membership associations	Not applicable
2-29	Approach to stakeholder engagement	47, 64, 74, 85
2-30	Collective bargaining agreements	88
GRI 3: MATERIAL TOPICS 2021		
3-1	Process to determine material topics	Not applicable
3-2	List of material topics	74
3-3	Management of material topics	77-94
TOPIC STANDARD		
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	Not applicable
201-2	Financial implications and other risks and opportunities due to climate change	Not applicable
201-3	Defined benefit plan obligations and other retirement plans	Not applicable
201-4	Financial assistance received from government	Not applicable

DISCLOSURE	DESCRIPTION	PAGE
GRI 202: Market Presence 2016		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Not applicable
202-2	Proportion of senior management hired from the local community	Not applicable
GRI 203: Indirect Economic Impacts 2016		
203-1	Infrastructure investments and services supported	Not applicable
203-2	Significant indirect economic impacts	Not applicable
GRI 204: Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	Not applicable
GRI 205: Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	93
205-2	Communication and training about anti-corruption policies and procedures	94
205-3	Confirmed incidents of corruption and actions taken	Not applicable
GRI 206: Anti-competitive Behaviour 2016		
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Not applicable
GRI 207: Tax 2019		
207-1	Approach to tax	Not applicable
207-2	Tax governance, control, and risk management	Not applicable
207-3	Stakeholder engagement and management of concerns related to tax	Not applicable
207-4	Country-by-country reporting	Not applicable
GRI 301: Materials 2016		
301-1	Materials used by weight or volume	Not applicable
301-2	Recycled input materials used	Not applicable
301-3	Reclaimed products and their packaging materials	Not applicable
GRI 302: Energy 2016		
302-1	Energy consumption within the organisation	77-78
302-2	Energy consumption outside of the organisation	Not applicable
302-3	Energy intensity	Not applicable
302-4	Reduction of energy consumption	79
302-5	Reductions in energy requirements of products and services	Not applicable
GRI 303: Water and Effluents 2018		
303-1	Interactions with water as a shared resource	83-84
303-2	Management of water discharge-related impacts	Not applicable
303-3	Water withdrawal	Not applicable
303-4	Water discharge	Not applicable
303-5	Water consumption	83
GRI 304: Biodiversity 2016		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not applicable
304-2	Significant impacts of activities, products and services on biodiversity	Not applicable
304-3	Habitats protected or restored	Not applicable
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not applicable
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	79-80
305-2	Energy indirect (Scope 2) GHG emissions	79-80
305-3	Other indirect (Scope 3) GHG emissions	79-80

DISCLOSURE	DESCRIPTION	PAGE
305-4	GHG emissions intensity	79
305-5	Reduction of GHG emissions	79
305-6	Emissions of ozone-depleting substances (ODS)	Not applicable
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Not applicable
GRI 306: Waste 2020		
306-1	Waste generation and significant waste-related impacts	81-82
306-2	Management of significant waste-related impacts	Not applicable
306-3	Waste generated	81-82
306-4	Waste diverted from disposal	81
306-5	Waste directed to disposal	82
GRI 308: Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	Not applicable
308-2	Negative environmental impacts in the supply chain and actions taken	Not applicable
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	86
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	87-89
401-3	Parental leave	Not applicable
GRI 402: Labor/Management Relations 2016		
402-1	Minimum notice periods regarding operational changes	Not applicable
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	90
403-2	Hazard identification, risk assessment, and incident investigation	90
403-3	Occupational health services	Not applicable
403-4	Worker participation, consultation, and communication on occupational health and safety	90
403-5	Worker training on occupational health and safety	Not applicable
403-6	Promotion of worker health	Not applicable
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Not applicable
403-8	Workers covered by an occupational health and safety management system	Not applicable
403-9	Work-related injuries	Not applicable
403-10	Work-related ill health	Not applicable
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	Not applicable
404-2	Programs for upgrading employee skills and transition assistance programs	Not applicable
404-3	Percentage of employees receiving regular performance and career development reviews	Not applicable
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	49, 86
405-2	Ratio of basic salary and remuneration of women to men	Not applicable
GRI 406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	Not applicable
GRI 407: Freedom of Association and Collective Bargaining 2016		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Not applicable
GRI 408: Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labour	Not applicable

DISCLOSURE	DESCRIPTION	PAGE
GRI 409: Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Not applicable
GRI 410: Security Practices 2016		
410-1	Security personnel trained in human rights policies or procedures	Not applicable
GRI 411: Rights of Indigenous Peoples 2016		
411-1	Incidents of violations involving rights of indigenous peoples	Not applicable
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	90-92
413-2	Operations with significant actual and potential negative impacts on local communities	Not applicable
GRI 414: Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	Not applicable
414-2	Negative social impacts in the supply chain and actions taken	Not applicable
GRI 415: Public Policy 2016		
415-1	Political contributions	Not applicable
GRI 416: Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	Not applicable
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Not applicable
GRI 417: Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	Not applicable
417-2	Incidents of non-compliance concerning product and service information and labeling	Not applicable
417-3	Incidents of non-compliance concerning marketing communications	Not applicable
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Not applicable

4.0

FINANCIAL STATEMENTS

DIRECTORS' RESPONSIBILITY STATEMENT

The directors of the Company are responsible for preparing the financial statements of the Group and the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and 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 and the Company or to cease operations, or have no realistic alternative but to do so.

DIRECTORS' REPORT

The directors of SIRIM Berhad hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

Principal Activities

The principal activities of the Company are the provision of strategic and industrial research services, technical and consultancy services. The principal activities of the subsidiaries and associates are set out in Notes 9 and 10 to the financial statements, respectively.

Financial Results

	Group RM'000	Company RM'000
Profit for the year:	4,364	1,092
Profit attributable to:		
Owner of the company	5,193	1,092
Non-controlling interests	(829)	-
Total	4,364	1,092

Dividends

No dividends have been paid or declared by the Company since the end of the previous financial year. The directors also do not recommend any dividend payment in respect of the current financial year.

Reserves and Provisions

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

Share Capital

There were no changes in the share capital of the Company during the financial year.

Directors

Directors who served since the date of the last report

- Datuk Ir. (Dr) Khairol Anuar Mohamad Tawi
- Datuk Omar Shariff Mydeen
- Dato' Ir. Lim Yew Soon
- Norlin Abdul Samad
- Mohd Rashid Mohd Yusof
- Datuk Bahria Mohd Tamil
- Rema Devi a/p V. K. Padmanabhan
- Mohd Nizam Mohd Khir
- Mohammad Asri Hassan Sabri
(Appointed w.e.f. 9 September 2024)

Directors who held office in the subsidiaries of the Company since the date of the last report

- Datuk Syed Hisham Syed Wazir
- Datuk Omar Shariff Mydeen
- Dato' Indera Ir. Dr Ahmad Sabirin Arshad, FASc
- Dato' Ir. Lim Yew Soon
- Dato' Ts. V Valluvan a/l Veloo
- Abdul Ghani Abdul Rahman
- Muhammad Zulhilmi Ahmad
- Mohamed Amin Abdullah
- Mohd Rashid Mohd Yusof
- Norlin Abdul Samad
- Nur Fadhilah Muhammad
- Rema Devi a/p V. K. Padmanabhan

Directors' Interest

According to the register of directors' shareholdings, none of the directors in office at the end of the financial year held any shares in the Company and its related corporation during the financial year ended 31 December 2024.

Directors' Benefits

During and at the end of the financial year, no arrangement subsisted to which the Company or its subsidiary is a party, with the object or 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.

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefits (other than those shown below) by reason of a contract made by the Company or a related corporation with the director or with a firm which the director is a member of or with a Company in which the director has a substantial financial interest.

The directors' benefits paid to or receivable by directors in respect of the financial year ended 31 December 2024 are as follows:

	RM'000
Directors of the company:	
Fees	307
Allowances	383
	690
Directors of the subsidiaries:	
Fees	96
Allowances	27
	123
Total	813

Other Statutory Information

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

- To ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for bad and doubtful debts, and satisfied themselves that all known bad debts had been written off, and that adequate provision had been made for bad and doubtful debts.
- 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 to realise.

At the date of this report, the directors of the Group and of the Company are not aware of any circumstances which would render:

- The amount written off for bad debts, or the amount of the provision for bad and doubtful debts, in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- The value attributed to the current assets of the Group and of the Company misleading.

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

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

As at the date of this report, there does not exist:

- Any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liability of any other person; or
- 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:

- no contingent liability or other liability of the Group and of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which in the opinion of the directors will or may substantially affect the ability of the Group and of the Company to meet its obligations as and when they fall due; and
- no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

Holding Corporation

The holding corporation is the Minister of Finance (Incorporated), a body corporate, incorporated in Malaysia under the Minister of Finance (Incorporation) Act, 1957.

Indemnifying Directors and Officers

The Company maintains directors' and officers' liability insurance for purpose of Section 289 of the Companies Act 2016 throughout the year, which provides appropriate insurance cover of RM20,000,000 for directors of the Company. The amount of insurance premiums paid during the year amounted to RM23,230.

Auditors

The Auditors, Khairuddin Hasyudeen & Razi, retired and have expressed their willingness to accept re-appointment.

The auditors' remuneration of the Group and of the Company during the year is RM256,500 and RM90,000, respectively.

Signed on behalf of the Board in accordance with a resolution of the directors dated 22 May 2025.



DATUK Ir. (DR) KHAIRUL ANUAR MOHAMAD TAWI

Director



MOHD RASHID MOHD YUSOF

Director

Shah Alam

Dated: 22 MAY 2025

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, DATUK Ir. (DR) KHAIROL ANUAR MOHAMED TAWI and MOHD RASHID MOHD YUSOF, two of the directors of SIRIM Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia, so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and cash flows for the financial year the ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 22 May 2025.



DATUK Ir. (DR) KHAIROL ANUAR MOHAMAD TAWI

Director



MOHD RASHID MOHD YUSOF

Director

Shah Alam

Dated: 22 MAY 2025

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, DATO' INDERA Ir. Dr AHMAD SABIRIN ARSHAD, FASc, the officer primarily responsible for the financial management of SIRIM Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of Statutory Declarations Act 1960.

Subscribed and solemnly declared by,

DATO' INDERA Ir. Dr AHMAD SABIRIN ARSHAD, FASc

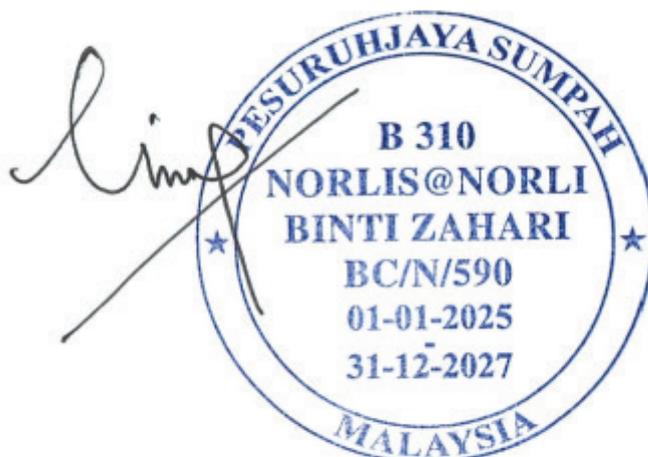
at Shah Alam in the state of Selangor Darul Ehsan

on 22 May 2025.



**DATO' INDERA Ir. Dr. AHMAD SABIRIN
BIN ARSHAD, FASc**

Before me,



Unit 12-33 & 33A, Tingkat 12, Plaza Azalea,
No. 6, Persiaran Bandaraya, Seksyen 14,
40000 Shah Alam, Selangor Darul Ehsan.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SIRIM BERHAD

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

Our responsibilities under those standards are described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

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

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 Directors' 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 Directors' Report, 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 Directors' Report and, in doing so, consider whether the Directors' Report 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but it 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.

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.

Other Matters

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



KHAIRUDDIN HASYUDEEN & RAZI

AF 1161

Chartered Accountants

Kuala Lumpur, Malaysia

22 May 2025



AHMAD SHAHRUL MOHAMED

02138/04/2027 J

Chartered Accountants

STATEMENTS OF FINANCIAL POSITION

As of 31 December 2024

	Note	Group			Company	
		2024 RM'000	2023 RM'000 (Restated)	1.1.2023 RM'000 (Restated)	2024 RM'000	2023 RM'000
ASSETS						
Non-current assets						
Property, plant and equipment	5	487,582	483,478	485,972	406,007	405,342
Prepaid lease payments	6	73,542	18,896	19,146	73,542	18,896
Right-of-use assets	7	2,300	1,964	941	808	836
Goodwill	8	4,518	4,518	4,518	-	-
Investment in subsidiaries	9	-	-	-	18,160	18,160
Investment in an associate	10	-	-	-	-	-
Other investments	11	20,037	24,764	102,216	20,037	24,764
Other receivables		-	-	5,073	-	-
Deferred tax assets	12	210	120	-	-	-
		588,189	533,740	617,866	518,554	467,998
Current assets						
Inventories	13	3,474	1,775	2,013	2,321	423
Trade and other receivables	14	34,428	35,336	30,909	75,934	67,734
Current tax asset		5,292	4,666	2,788	1,919	1,764
Cash and cash equivalents	15	292,203	240,104	162,565	131,904	99,796
		335,397	281,881	198,275	212,078	169,717
TOTAL ASSETS		923,586	815,621	816,141	730,632	637,715
EQUITY AND LIABILITIES						
Capital and reserves						
Share capital	16	70,000	70,000	70,000	70,000	70,000
Capital reserves	17	248,092	248,092	248,092	248,092	248,092
Translation reserves		48	(21)	-	-	-
Accumulated losses		(69,471)	(75,135)	(80,360)	(143,119)	(144,000)
Equity attributable to owners of the Company		248,669	242,936	237,732	174,973	174,092
Non-controlling interests		(1,037)	(208)	-	-	-
Total equity		247,632	242,728	237,732	174,973	174,092

STATEMENTS OF FINANCIAL POSITION

As of 31 December 2024

	Note	Group			Company	
		2024 RM'000	2023 RM'000 (Restated)	1.1.2023 RM'000 (Restated)	2024 RM'000	2023 RM'000
Non-current liabilities						
Deferred income	18	478,692	404,555	411,710	450,333	365,889
Deferred tax liabilities	12	7,065	6,313	6,606	-	-
Retirement benefits	19	5,199	3,212	2,728	5,199	3,212
Post-employment medical benefits	20	54,890	54,348	52,037	38,388	38,204
Lease liabilities	7	1,076	795	120	-	-
		546,922	469,223	473,201	493,920	407,305
Current liabilities						
Contract liabilities	21	2,447	4,712	126	2,447	4,712
Trade and other payables	22	122,276	96,396	102,774	55,994	49,473
Lease liabilities	7	1,360	1,246	650	849	874
Deferred income	18	2,449	1,259	1,643	2,449	1,259
Tax liabilities		500	57	15	-	-
		129,032	103,670	105,208	61,739	56,318
Total liabilities		675,954	572,893	578,409	555,659	463,623
TOTAL EQUITY AND LIABILITIES		923,586	815,621	816,141	730,632	637,715

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 31 December 2024.

	Note	Group		Company	
		2024 RM'000	2023 RM'000 (Restated)	2024 RM'000	2023 RM'000
Revenue	23	341,57	311,362	109,962	103,333
Cost of sales and services		(152,366)	(145,437)	(26,901)	(35,232)
Gross profit		189,211	165,925	83,061	68,101
Other operating income	24	8,049	7,635	28,066	29,501
Grant income		86,769	79,417	81,563	73,217
Net impairment (loss) / gain of financial assets		(2,600)	237	(5,093)	(1,060)
Administrative expenses		(185,471)	(167,348)	(110,044)	(100,336)
Other operating expenses		(79,380)	(73,796)	(80,616)	(72,361)
Profit / (loss) from operations		16,578	12,070	(3,063)	(2,938)
Finance costs		(135)	(89)	(59)	(49)
Interest income		9,273	7,557	4,198	3,347
Profit before taxation and zakat	25	25,716	19,538	1,076	360
Taxation	26	(19,441)	(15,283)	-	-
Zakat		(1,911)	(191)	16	3
Profit for the year		4,364	4,064	1,092	363
Other comprehensive income net of income tax: Items that will not be reclassified subsequently to profit or loss					
Foreign currency translation from foreign operations		69	(21)	-	-
Remeasurement of retirement benefits		(1,422)	-	(1,206)	-
Remeasurement of post-employment medical benefits		1,893	-	995	-
Total comprehensive income for the financial year		4,904	4,043	881	363
Profit for the financial year attributable to:					
Owner of the company		5,193	5,225	1,092	363
Non-controlling interests		(829)	(1,161)	-	-
		4,364	4,064	1,092	363
Total comprehensive income attributable to:					
Owner of the company		5,733	5,204	881	363
Non-controlling interests		(829)	(1,161)	-	-
		4,904	4,043	881	363

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

STATEMENTS OF CHANGES IN EQUITY

As of 31 December 2024

	Group						
	Attributable to Owners of the Company					Non-controlling interests	Total equity
	Non-distributable			Accumulated losses	Total		
	Share capital	Capital reserves	Translation reserves				
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Balance at 31 December 2022	70,000	248,092	-	(73,607)	244,485	-	244,485
As per previously stated	-	-	-	(6,452)	(6,452)	-	(6,452)
Prior year adjustment (Note 33)	-	-	-	(301)	(301)	-	(301)
As restated	-	-	-	(6,753)	(6,753)	-	(6,753)
Balance at 1 January 2023	70,000	248,092	-	(80,360)	237,732	-	237,732
Incorporation of a subsidiary	-	-	-	-	-	953	953
As per previously stated	-	-	(21)	5,283	5,262	(1,161)	4,101
Prior year adjustment (Note 33)	-	-	-	(58)	(58)	-	(58)
As restated	-	-	(21)	5,225	5,204	(1,161)	4,043
Balance at 31 December 2023	70,000	248,092	(21)	(75,135)	242,936	(208)	242,728
Total comprehensive income for the year	-	-	69	5,664	5,733	(829)	4,904
Balance at 31 December 2024	70,000	248,092	48	(69,471)	248,669	(1,037)	247,632

STATEMENTS OF CHANGES IN EQUITY

As of 31 December 2024

	Company			
	Non-distributable		Distributable	
	Share capital	Capital reserves	Accumulated losses	Total
	RM'000	RM'000	RM'000	RM'000
Balance at 1 January 2023	70,000	248,092	(144,363)	173,729
Total comprehensive income for the year	-	-	363	363
Balance at 31 December 2023	70,000	248,092	(144,000)	174,092
Total comprehensive income for the year	-	-	881	881
Balance at 31 December 2024	70,000	248,092	(143,119)	174,973

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

STATEMENTS OF CASH FLOWS

As of 31 December 2024

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation and zakat	25,716	19,538	1,076	360
Adjustments for:				
(Reversal) / Allowance for estimated credit loss:				
• Trade receivables	(1,079)	(237)	35	536
• Other receivables	3,679	(45)	3,679	72
• Amount due from subsidiaries	-	-	1,380	524
Depreciation of property, plant and equipment	41,624	41,619	27,301	27,363
Amortisation of prepaid lease payment	1,264	250	1,264	250
Depreciation of right-of-use assets	691	514	324	288
Dividend income from subsidiaries	-	-	(56,300)	(50,050)
Dividend income from other investments	(160)	(1,714)	(160)	(1,714)
Gain from other investments at fair value through profit or loss	(122)	(1,846)	(122)	(1,555)
Property, plant and equipment written off	424	9	108	-
Provision for retirement benefits	737	608	491	447
Provision for post-employment medical benefits	3,848	3,745	2,482	2,465
Interest income	(9,113)	(5,843)	(4,038)	(1,633)
Interest on lease liabilities	135	89	59	49
Reversal of slow-moving inventories	(52)	-	-	-
Operating grant, development and research grant	(86,769)	(79,417)	(81,563)	(73,217)
Operating loss before working capital changes	(19,177)	(22,730)	(103,984)	(95,815)
Changes in working capital:				
• Inventories	(1,647)	473	(1,897)	684
• Trade and other receivables	(1,629)	225	(33,471)	(14,169)
• Contract liabilities	2,265	4,585	(2,265)	4,585
• Trade and other payables	20,685	(3,914)	6,942	1,642
Cash generated from / (used in) operations	497	(21,361)	(134,675)	(103,073)
Tax paid	(18,311)	(18,215)	(155)	(309)
Tax refund	32	682	-	682
Zakat paid	(2,253)	(1,355)	(404)	(793)
Interest received	156	53	84	53
Retirement benefits:				
• Contributions made	(174)	(124)	(172)	(183)
• Contributions received from subsidiaries	-	-	462	221
Post-employment medical benefits paid	(1,413)	(1,434)	(1,303)	(1,245)
Net cash used in operating activities	(21,466)	(41,754)	(136,163)	(104,647)

STATEMENTS OF CASH FLOWS

As of 31 December 2024

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Addition of prepaid lease payments	(55,910)	-	(55,910)	-
Dividend received from subsidiaries	-	-	56,300	50,050
Purchase of property, plant and equipment	(45,897)	(39,134)	(28,074)	(21,297)
Proceeds from disposal of property, plant and equipment	138	-	-	-
Interest received	8,957	4,938	4,114	3,294
Withdrawal of investment	5,009	81,012	25,027	50,926
Net cash (used in) / generated from investing activities	(87,703)	46,816	1,457	82,973
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of lease liabilities	(828)	(355)	(383)	(322)
Government grants and foreign aids received	162,096	71,878	167,197	80,748
Net distributions to non-controlling interest	-	954	-	-
Net cash provided by financing activities	161,268	72,477	166,814	80,426
Net increase in cash and cash equivalents	52,099	77,539	32,108	58,752
Cash and cash equivalents brought forward	240,104	162,565	99,796	41,044
Cash and cash equivalents carried forward (Note 15)	292,203	240,104	131,904	99,796

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

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

1. Corporate Information

The principal activities of the Company are the provision of strategic and industrial research services, technical and consultancy services. The principal activities of the subsidiaries and associates are set out in Notes 9 and 10 to the financial statements, respectively. The registered office and principal place of business of the Company are both located at No. 1, Persiaran Dato' Menteri, Seksyen 2, 40700 Shah Alam, Selangor Darul Ehsan.

2. Basis of Preparation of the Financial Statements

(a) Statement of Compliance

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

The following accounting standards, amendments and interpretations of the MFRSs Framework that have been issued by the Malaysian Accounting Standards Board (MASB), which are not yet effective and have not been adopted by the Group and the Company in these financial statements:

	Effective for annual period beginning on or after
Amendment to MFRS 121, The Effect of Changes in Foreign Exchange Rates – Lack of Exchangeability.	1 January 2025
Amendments to MFRS 9, Financial Instruments and MFRS 7, Financial Instruments: Disclosure - Classification and Measurements of Financial Instruments and Contracts Referencing Nature-dependent Electricity.	1 January 2026
Annual Improvements to MFRS Accounting Standards – Volume 11 for: i. MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards. ii. MFRS 7, Financial Instruments: Disclosure. iii. MFRS 9, Financial Instruments. iv. MFRS 10, Consolidated Financial Statements. v. MFRS 107, Statement of Cash Flows.	1 January 2026
MFRS 18, Presentation and Disclosure in Financial Statements.	1 January 2027
MFRS 19, Subsidiaries without Public Accountability: Disclosures.	1 January 2027
Amendments to MFRS 10, Consolidated Financial Statement and MFRS 128, Investment in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.	To be confirmed

The directors believe that the adoption of the above amendments, improvements and MFRS will not have any significant effect on the financial performance and position of the Group and of the Company upon their initial application.

(b) Basis of Measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 4.

(c) Functional and Presentation Currency

The financial statements are presented in Ringgit Malaysia (RM), which is the Group and the Company's functional currency. All financial information presented in RM had been rounded to the nearest thousand (RM'000), unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

2. Basis of Preparation of the Financial Statements (CONTD.)

(d) Use of Estimates and Judgements

The preparation of the financial statements in conformity with MFRSs requires directors 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.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have a significant effect on the amounts recognised in the financial statements, except as discussed below:

(i) Provision for Retirement Benefits and Post- Employment Medical Benefit (Defined Benefit Plan)

The Group and the Company determine the appropriate discount rate every three years by considering the interest rate of high-quality corporate bonds denominated in the currency in which the benefit will be paid and that has a term to maturity approximating the terms of related defined plan obligation.

Key assumptions used in estimating the future obligations of the Group and the Company arising from the retirement benefits scheme and the post-employment medical benefit scheme are disclosed in Notes 19 and 20, respectively.

(ii) Impairment of Property, Plant and Equipment

The Group and the Company review the carrying amount of their property, plant and equipment to determine whether there is an indication that those assets have suffered an impairment loss. A significant estimate is required to determine the extent and amount (if any).

As a result of the impairment assessment, the Group and the Company had provided an impairment of RM24,746,000 (2023: RM25,001,000) and RM24,746,000 (2023: RM24,746,000), respectively, as of 31 December 2024, as disclosed in Note 5.

(iii) Investments in Subsidiaries and Associates

The Company tests investments in subsidiary and associate companies for impairment if there are any indicators.

The impairment assessment requires an estimation of the recoverable amount of the cash generating units ("CGU"). The recoverable amount was computed based on the higher of the fair value less cost to sell and value-in-use of the investment expected to be attributable to the equity holder.

As a result of the impairment assessment, the Company had provided for an impairment of RM3,595,000 (2023: RM3,595,000) in respect of investment in subsidiaries and RM685,000 (2023: RM685,000) in respect of investment in associates as of 31 December 2024, as disclosed in Notes 9 and 10.

(iv) Allowance for Impairment Loss

The Group and the Company recognise a loss allowance for expected credit losses on trade receivables and contract assets. The expected credit losses on these financial assets are estimated using a provisional matrix based on the Group's and the Company's historical credit loss experience.

The Group and the Company had provided for allowance of RM10,100,000 (2023: RM7,771,000) and RM17,167,000 (2023: RM19,409,000), respectively, in respect of allowance for expected credit losses on trade and other receivables as of 31 December 2024, as disclosed in Note 14.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

2. Basis of Preparation of the Financial Statements (CONTD.)

(d) Use of Estimates and Judgements (contd.)

(v) Impairment of Goodwill on Consolidation

The Group determines whether goodwill on consolidation is impaired at least on an annual basis. Estimating a value-in-use amount requires management to determine the expected future cash flows from the subsidiary and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

The carrying amount of goodwill as of 31 December 2024 was RM4,518,000 (2023: RM4,518,000). The key assumptions for the value-in-use calculation are set out in Note 8.

(vi) Extension Options and Incremental Borrowing Rate in Relation to Leases

The Group and the Company first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

During the year, the Group and the Company's incremental borrowing rates of the lease liabilities range from 6.00% to 6.8%.

3. Date of Authorisation of Issue

The financial statements were authorised for issue by the Board of Directors on 22 May 2025.

4. Material Accounting Policy Information

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, and have been applied consistently by the Group entities, unless otherwise stated.

(a) Consolidation

(i) Basis of Consolidation

The Group financial statements consolidate the audited financial statements of the Company and all of its subsidiaries, which have been prepared in accordance with the Group's accounting policies. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

The financial statements of the Company and its subsidiaries are all drawn up to the same reporting date.

Temporary differences arising from the elimination of profits and losses resulting from intragroup transactions will be treated in accordance with Note 12.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the parent.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

4. Material Accounting Policy Information (CONTD.)

(a) Consolidation (contd.)

(ii) Business Combinations and Goodwill

For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

(iii) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

(iv) Loss of Control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising from the loss of control is recognised in profit or loss.

(v) Non-controlling Interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company.

Non-controlling interests in the result of the Group are presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and the owners of the Company.

(vi) Associates and Joint Arrangements

Associates are entities in which the Group has significant influence, but no control, over their financial and operating policies.

A joint venture is a type of joint arrangement whereby the parties have joint control of the arrangement and have rights to the net assets of the joint venture.

Joint control is a contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

4. Material Accounting Policy Information (CONTD.)

(b) Property, Plant and Equipment

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Depreciation is recognised on the straight line method in order to write off the cost of each asset over its estimated useful life. Freehold land with an infinite life is not depreciated. Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Land improvements	2%
Buildings and structures	2%
Buildings and structures improvements	5%-20%
Furniture and fittings	10%-20%
Technical equipment	10%-20%
Books	20%
Patent documents	10%
Office equipment	10%
Plant and machinery	10%
Motor vehicles	20%
Computer and electronic equipment	20%-33 1/3%
Research equipment	20%-50%

(c) Leases

(i) Definition of a Lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right control over the use of an identified asset, the Group assesses whether:

- The contract involves the use of an identified asset.
- If the supplier has a substantive substitution right, then the asset is not identified.
- The customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use.
- The customer has the right to direct the use of the asset.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for the lease of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(ii) Recognition and initial measurement

(a) As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and estimate of costs to dismantle and remove the underlying asset or restore the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate. Generally, the Group entities use their incremental borrowing rate as the discount rate.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

4. Material Accounting Policy Information (CONTD.)

(c) Leases (contd.)

(ii) Recognition and initial measurement (contd.)

(a) As a lessee

Lease payments included in the measurement at the present value of the liability comprise the following:

- Fixed payments, including in-substance fixed payments less any incentives receivable;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee;
- The exercise price under a purchase option that the Group is reasonably certain to exercise; and
- Penalties for early termination of lease unless the Group is reasonably certain not to terminate early.

The Group excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group has elected not to recognise right-of-use assets and lease liabilities for the short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(b) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a financial lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, the Group applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

The Group recognises assets held under a finance lease in its statement of financial position and presents them as a receivable at an amount equal to the net investment in the lease. The Group uses the interest rate implicit in the lease to measure the net investment in the lease.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

(iii) Subsequent measurement

(a) As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

4. Material Accounting Policy Information (CONTD.)

(c) Leases

(iii) Subsequent measurement

(a) As a lessee

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(b) As a lessor

The Group recognises lease payments received under operation leases as income on a straight-line basis over the lease term as part of "revenue". The Group recognises finance income over the lease term, based on pattern reflecting a constant periodic rate return on the Group's net investment in the lease. The Group aims to allocate finance income over the lease term on a systematic and rational basis. The Group applies the lease payments relating to the period against the gross investment in the lease to reduce both the principal and the unearned finance income. The net investment in the lease is subject to impairment requirements MFRS 9 Financial Instruments.

(d) Prepaid lease payments

Leasehold land that has an indefinite economic life and title that is not expected to pass to the Group and the Company by the end of the lease period is classified as operating lease. The up-front payments for right to use the leasehold land over a predetermined period are accounted for as prepaid lease payments and are stated at cost less amount amortised. Leasehold land is amortised over the terms of the respective lease period which range from thirty (30) to ninety-nine (99) years.

(e) Investment in an associate

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with MFRS 5. Under the equity method, an investment in an associate is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the Company's share of the profit or loss and other comprehensive income of the associate. When the Company's share of losses of an associate exceeds the Company's interest in that associate (which includes any long-term interest that, in substance, form part of the Company's net investment in the associate), the Company discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Company's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is include within the carrying amount of the investment. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment is recognised immediately in profit or loss in the period in which the investment is acquired.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

4. Material Accounting Policy Information (CONTD.)

(e) Investment in an associate (contd.)

The entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with MFRS 136 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value-in-use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with MFRS 136 to the extent that the recoverable amount of the investment subsequently increases.

The Company discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale.

In the Company's share separate financial statements, investments in associates are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(f) Inventories

Inventories are stated at the lower of cost and net realisable value, cost of security labels includes materials cost and other overhead cost. Cost of materials includes the actual cost of purchase and incidentals in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

(g) Deferred Income

Renewal fees received are deferred and recognised as income over the relevant period.

Government grant received are deferred and recognised as income as follows:

(i) Through the useful life of the assets purchased and received from the grants;

or

(ii) As and when costs are incurred for expenditure not related to assets.

(h) Revenue recognition

(i) Rendering of Services

Testing Services

(a) Testing (General)

The revenue from testing (general) is recognised based on over time as the Company has an enforceable right to payment for performance completed to date and there is no asset created as a result of this service. Testing work is to be assessed as a single performance obligation ("PO") because all activities involved in the process of testing are interrelated to each other.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

4. Material Accounting Policy Information (CONTD.)

(h) Revenue Recognition (contd.)

(i) Rendering of Services (contd.)

Testing Services (contd.)

(b) Testing (Mass Rapid Transit)

Revenue recognition from this service is to be recognised over time (i.e. the customer receives and consume the benefits as service has been performed). As the customer can benefit from each testing work on its own and thus the services are independent from each other in the context of the contract, each of the testing work needs to be assessed as a separate PO entirely. Currently testing work for MRT projects are billed progressively based on milestone billing.

Certificate Services

(a) Certification (Product)

This revenue category is contributed by five main activities, namely, issuance of acceptance letter, issuance of audit report, issuance of licence (including publicity in the directory of certified product), surveillance audit and renewal of licence.

The revenue from the issuance of acceptance letter and audit report is to be recognised at a point in time, as the Group by practices did not claim or charge the client for performance to date, and it has no alternative use for the asset it created through the respective activities. Services for issuance of acceptance letter and audit report are to be combined and assessed as a single PO because the audit service is highly dependent upon the issuance of the acceptance letter.

Surveillance audit and renewal of licence are to be accounted for as a single PO. Since the activities are not highly dependent on each other, the Group determined that the point in time of revenue recognition is the best practice to reflect the business activity.

Inspection

(a) Inspection (General)

Revenue is recognised at a point in time when the customer has obtained control of the report. There is one PO for every inspection work undertaken for each sample object, as the customer can only benefit from the usage of each report for which successfully inspected, and each sample object inspected is not dependent on other sample objects.

Training / Seminar

Revenue is to be recognised over time as the benefit is consumed by the customer (i.e. control of the service is transferred as the Group performs), the recognition of revenue for such service is over time. Each training is to be assessed as a single PO because customers can benefit from each of them individually, and each training is not highly interdependent or highly interrelated.

Advisory / Consultancy

Revenue is to be recognised over time as the Group has an enforceable right to payment for performance completed to date (i.e. entitled to any outstanding amount due by customers), and there is no asset created as a result of this service. Each sub-service to be rendered under each consultancy contract is to be combined and assessed as a single PO because customers are not acquiring the individual sub-services, but they are acquiring the consultancy work that those individual sub-services create when they are combined.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

4. Material Accounting Policy Information (CONTD.)

(h) Revenue Recognition (contd.)

(i) Rendering of Services (contd.)

Validation and Verification

Since none of the criteria for over time recognition is met, revenue is recognised at a point in time when the customer has obtained control of the services. Validation service is a separate PO on its own, as customers can only benefit from it once all activities relevant to it have been completed, and each activity is interdependent in the context of the contract. As for verification services, the activities of site verification and verification of report are to be combined and assessed as a single PO because both activities are interdependent, and customers would only benefit from the verification services once both activities are completed.

Calibration

(i) Measurement and Calibration

Revenue is to be recognised at a point in time because the nature of such service does not meet any of the criteria under over time recognition of revenue. Although measurement and calibration services can benefit the customers on their own, both services are not distinct in the context of the contract, as calibration services are dependent on measurement services. Hence, both services are to be combined and assessed as a single PO.

(ii) Repair Works

This is an extension from measurement and calibration service. There is a separate quotation for repair works in addition to the quotation issued for measurement and calibration services. Revenue from repair services is to be recognised at a point in time because:

- The customer can only benefit from the repair service upon completion of work.
- The service does not create or enhance the equipment but rather returns it to its original condition.
- The Company will only be entitled to be paid for such service upon completion of work.

(iii) Proficiency Testing / Measurement Audit

The Group is engaged by the customers (i.e. participating labs) to evaluate their calibration technique or accuracy, as well as providing a set of guidance or protocol to them. A separate report will be issued upon completion of service for proficiency testing and measurement audit, respectively. Revenue is to be recognised at a point in time because:

- Benefits will only accrue to the customers upon successful completion of each module.
- The service does not create or enhance the items being calibrated.
- The National Metrology Institute of Malaysia will only be entitled to be paid for such service upon completion of work.

(iv) Pattern Approval

The nature of service is to test measuring instruments (e.g. gas meters, water meters, energy meters, etc.) to determine whether it meets a specific set of requirements for pattern approval. The activities involved include document checking and site inspection.

Test and Measurement Equipment Services

Revenue is to be recognised over time because it does not give rise to any form of asset for which the Group does not have an alternative use, and the Group is entitled to be paid for performance to date. This service covers calibration, repair, rental, labour supply and other administrative works.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

4. Material Accounting Policy Information (CONTD.)

(h) Revenue Recognition (contd.)

(i) Rendering of Services (contd.)

Commercialisation

(i) Preparation for Commercialisation

Revenue recognition is over time, as the Group is entitled to be paid for performance to date, and it is assumed that there is no alternative use for the asset created through each individual activity. All activities under the “preparation for commercialisation phase” are to be combined and assessed as a single PO because these activities are necessary for the customer to gain the knowledge and experience to produce and market the licenced product, and such skills and expertise can only be obtained by the customer when they undergo the entire preparation phase.

(ii) Award of Licence

Revenue from award of licence is to be recognised at a point in time because the Group is not obligated, nor is expected to perform any activity that would significantly change the form or functionality of the licence to which the licensee has rights. The licensing arrangement is a distinct PO because the licensee can benefit from the licence on its own (i.e. licence is granted upon successful completion of the “preparation for commercialisation phase”) and the licence is separable from other promises in the contract.

Packaging Design

As the Group is entitled to be paid for performance to date and it has no alternative use for the asset it created through the service, revenue is to be recognised over time. All activities necessary to be undertaken in order to produce the final prototype for commercialisation purposes are to be combined and assessed as a single PO because customers can only benefit from the usage of the final prototype, and each activity is highly interdependent or highly interrelated except for monitoring.

(ii) Dividend Income

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

(iii) Interest Income

Interest income is recognised as it accrues using the effective interest method.

(iv) Rental Income

Rental income is recognised on a straight line basis over the lease term of an ongoing lease.

(v) Management Fees

Revenue from management fees is recognised upon disbursement of funds through the acquisition of assets, human capital development and technical assistance / expert attachment programme.

(vi) Hibah Income

Hibah income consists of profit from short-term deposits and hibah from the current account recognised as it accrues.

(vii) Renewal Fee

Renewal fee represents certification fee income, which is recognised based on the certification period. The fees received for the period extending beyond the financial year end are recognised as deferred income (current liability).

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

4. Material Accounting Policy Information (CONTD.)

(h) Revenue Recognition (contd.)

(viii) Government Grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

(i) Financial Instruments

(i) Initial Recognition and Measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Financial Instrument Categories and Subsequent Measurement

The Group and the Company categorise financial instruments as follows:

Financial Assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

(i) Amortised Cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying the effective interest rate to the gross carrying amount, except for credit-impaired financial assets (see note 4(j)(i)), where the effective interest rate is applied to the amortised cost.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

4. Material Accounting Policy Information (CONTD.)

(i) Financial Instruments (contd.)

(ii) Financial Instrument Categories and Subsequent Measurement (contd.)

Financial Assets (contd.)

(ii) Fair Value Through Profit or Loss

All financial assets not measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument).

All financial assets, except for those measured at fair value through profit or loss and equity investments measured at fair value through other comprehensive income, are subject to impairment assessment (see note 4(j)(i)).

Financial Liabilities

The category of financial liabilities at initial recognition is as follows:

(i) Amortised Cost

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

(iii) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in the profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group or the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

(j) Impairment of Assets

(i) Financial Assets

Unless specifically disclosed, the Group and the Company generally applied the following accounting policies retrospectively. Nevertheless, as permitted by MFRS 9 Financial Instruments, the Group and the Company elected not to restate the comparatives.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

(ii) Other Assets

The carrying amounts of other assets (except for inventories, assets arising from construction contracts and deferred tax assets) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

4. Material Accounting Policy Information (CONTD.)

(k) Contract Asset and Contract Liability

Contract asset is the right to consideration for goods or services transferred to the customers. In the case of property development, contract asset is the excess cumulative revenue earned over the billings to date. Contract asset is stated at cost less accumulated impairment.

Contract liability is the obligation to transfer goods or services to the customer for which the Company received the consideration or has billed the customer. In the case of property development and construction contract, contract liability is the excess billing to date over the cumulative revenue earned. Contract liabilities include downpayment received from customers and other deferred income where the Company has billed or collected payment before the goods are delivered or services are provided to the customers.

(l) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets during the period of time that is necessary to complete and prepare the asset for its intended use or sale.

All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

(m) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, short-term demand deposits, bank overdraft, and highly liquid investments which are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value. For statements of cash flows, cash and cash equivalents are presented net of pledged deposits.

Bank overdrafts are shown in current liabilities in the statements of financial position.

(n) Dividends

Final dividends proposed are not reflected in shareholders' equity as an appropriation of unappropriated profits until they have been approved by the shareholders in a general meeting. Upon approval by the shareholders, final dividends are deducted from unappropriated profits.

Interim dividends are recognised as liabilities when they are declared.

(o) Provisions

Provisions are recognised when there is a present legal or constructive obligation that can be estimated reliably, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

(p) Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is not recognised in the statements of financial position and is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefit is remote.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

4. Material Accounting Policy Information (CONTD.)

(q) Income Tax

Income tax comprises current tax and deferred tax. Current tax and deferred tax are recognised in profit or loss, except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

(i) Current Tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax is recognised in the statement of financial position as a liability (or an asset) to the extent that it is unpaid (or refundable).

(ii) Deferred Tax

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

(r) Employee Benefits Expenses

(i) Short Term Employee Benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave and bonuses are recognised as an expense in the financial period when employees have rendered their services to the Company.

Short-term accumulating compensated absences, such as paid annual leave, are recognised as an expense when employees tender services that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences, such as sick leave, are recognised when the absences occur.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(ii) Defined Contribution Plan

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

(iii) Defined Benefits Plans

(a) Retirement Benefits

The Company contributes monthly to SIRIM Berhad's defined benefit plans for eligible employees based on the rates set out in their terms of employment, to finance the retirement benefits payable to the eligible employees in accordance with the group retirement benefit scheme. The benefits payable on retirement are based on length of service and last drawn salary.

Contributions to the scheme are charged to the profit or loss so as to spread the cost of the scheme over the employees' working lives in the Company. The contributions are determined by a qualified actuary using the projected unit credit method.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

4. Material Accounting Policy Information (CONTD.)

(r) Employee Benefits Expenses (contd.)

(iii) Defined Benefits Plans (contd.)

(b) Post Employment Medical Benefits

The Company operates a non-funded post-employment medical benefits plan. Under the plan, retired employees are entitled to reimbursement. The Company determines the present value of the defined benefit obligations with sufficient regularity such that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the end of the reporting period.

(s) Fair Value Measurement

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1

Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.

Level 2

Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Unobservable for the asset or liability, either directly or indirectly.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

5. Property, Plant and Equipment

Group	Cost				
	Balance as at 1.1.2024	Additions	Reclassification	Write off / Disposals	Balance as at 31.12.2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Freehold land	2,323	-	-	-	2,323
Land improvements	19,668	261	-	(80)	19,849
Buildings and structures	480,422	14	-	(135)	480,301
Buildings and structures improvements	62,366	1,176	834	(1,148)	63,228
Plant and machinery	121,503	943	349	(6,718)	116,077
Technical equipment	607,689	16,158	6,812	(6,208)	624,451
Office equipment	29,571	2,933	-	(499)	32,055
Motor vehicles	5,340	66	-	(297)	5,109
Furniture and fittings	25,780	714	-	(348)	26,146
Computer and electronic equipment	76,029	2,669	1,554	(1,476)	78,776
Books and patent documents	1,657	5	-	-	1,662
Research equipment	31,518	725	-	(3,148)	29,095
Work-in-progress	14,139	20,233	(9,549)	-	24,823
Total	1,478,005	45,897	-	(20,007)	1,503,895

Group	Accumulated Depreciation				
	Balance as at 1.1.2024	Additions	Reclassification	Write off / Disposals	Balance as at 31.12.2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Freehold land	-	-	-	-	-
Land improvements	7,225	398	-	(46)	7,577
Buildings and structures	198,533	9,800	-	(85)	208,248
Buildings and structures improvements	39,104	2,527	-	(878)	40,753
Plant and machinery	108,978	2,206	-	(6,715)	104,469
Technical equipment	469,491	20,140	-	(6,206)	483,425
Office equipment	20,606	1,244	-	(442)	21,408
Motor vehicles	4,578	227	-	(297)	4,508
Furniture and fittings	21,889	774	-	(341)	22,322
Computer and electronic equipment	67,046	3,827	-	(1,465)	69,408
Books and patent documents	1,647	3	-	-	1,650
Research equipment	30,429	478	-	(3,108)	27,799
Work-in-progress	-	-	-	-	-
Total	969,526	41,624	-	(19,583)	991,567

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

5. Property, Plant and Equipment (CONTD.)

Group	Impairment Losses				
	Balance as at 1.1.2024	Additions	Reclassification	Write off / Disposals	Balance as at 31.12.2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Buildings and structures improvements	255	-	-	(255)	-
Technical equipment	23,569	-	-	-	23,569
Office equipment	1,177	-	-	-	1,177
Total	25,001	-	-	(255)	24,746

Group	Carrying Value		Depreciation
	2024	2023	2023
	RM'000	RM'000	RM'000
Freehold land	2,323	2,323	-
Land improvements	12,272	12,443	394
Buildings and structures	272,053	281,889	9,798
Buildings and structures improvements	22,475	23,007	2,490
Plant and machinery	11,608	12,525	3,462
Technical equipment	117,457	114,629	19,646
Office equipment	9,470	7,788	999
Motor vehicles	601	762	189
Furniture and fittings	3,824	3,891	768
Computer and electronic equipment	9,368	8,983	3,639
Books and patent documents	12	10	3
Research equipment	1,296	1,089	231
Work-in-progress	24,823	14,139	-
Total	487,582	483,478	41,619

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

5. Property, Plant and Equipment

Company	Cost				
	Balance as at 1.1.2024	Additions	Reclassification	Write off / Disposals	Balance as at 31.12.2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Freehold land	2,323	-	-	-	2,323
Land improvements	19,668	261	-	(80)	19,849
Buildings and structures	479,303	-	-	(135)	479,168
Buildings and structures improvements	52,107	574	-	(852)	51,829
Plant and machinery	81,736	943	25	(2,344)	80,360
Technical equipment	491,666	8,351	6,812	(6,068)	500,761
Office equipment	26,345	2,698	-	(429)	28,614
Motor vehicles	4,133	66	-	(297)	3,902
Furniture and fittings	18,185	246	-	(308)	18,123
Computer and electronic equipment	51,695	1,181	350	(1,067)	52,159
Books and patent documents	1,553	-	-	-	1,553
Research equipment	30,198	-	-	(3,108)	27,090
Work-in-progress	10,093	13,754	(7,187)	-	16,660
Total	1,269,005	28,074	-	(14,688)	1,282,391

Company	Accumulated Depreciation				
	Balance as at 1.1.2024	Additions	Reclassification	Write off / Disposals	Balance as at 31.12.2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Freehold land	-	-	-	-	-
Land improvements	7,225	398	-	(46)	7,577
Buildings and structures	198,376	9,777	-	(85)	208,068
Buildings and structures improvements	33,925	2,032	-	(837)	35,120
Plant and machinery	74,957	1,103	-	(2,342)	73,718
Technical equipment	409,306	10,276	-	(6,067)	413,515
Office equipment	18,444	1,090	-	(425)	19,109
Motor vehicles	3,665	151	-	(297)	3,519
Furniture and fittings	16,264	396	-	(307)	16,353
Computer and electronic equipment	45,013	2,076	-	(1,066)	46,023
Books and patent documents	1,547	2	-	-	1,549
Research equipment	30,195	-	-	(3,108)	27,087
Work-in-progress	-	-	-	-	-
Total	838,917	27,301	-	(14,580)	851,638

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

5. Property, Plant and Equipment (CONTD.)

Company	Impairment Losses				
	Balance as at 1.1.2024	Additions	Reclassification	Write off / Disposals	Balance as at 31.12.2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Technical equipment	23,569	-	-	-	23,569
Office equipment	1,177	-	-	-	1,177
Total	24,746	-	-	-	24,746

Company	Carrying Value		Depreciation
	2024	2023	2023
	RM'000	RM'000	RM'000
Freehold land	2,323	2,323	-
Land improvements	12,272	12,443	394
Buildings and structures	271,100	280,927	9,774
Buildings and structures improvements	16,709	18,182	2,054
Plant and machinery	6,642	6,779	1,665
Technical equipment	63,677	58,791	10,329
Office equipment	8,328	6,724	858
Motor vehicles	383	468	134
Furniture and fittings	1,770	1,921	397
Computer and electronic equipment	6,136	6,682	1,756
Books and patent documents	4	6	2
Research equipment	3	3	-
Work-in-progress	16,660	10,093	-
Total	406,007	405,342	27,363

Included in property, plant and equipment of the Group and the Company are:

- Assets with carrying values of RM313,390,000 and RM308,780,000 (2023: RM309,698,380 and RM303,516,414), respectively, which were acquired using the grants received under the Malaysian Plan for the development of infrastructure and purchase of equipment.
- Fully depreciated property, plant and equipment, which are still in use with a total cost of RM643,818,000 and RM579,403,000 (2023: RM628,335,871 and RM579,514,955), respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

6. Prepaid Lease Payments

	Group and Company
	RM'000
Leasehold land	
Cost	
As of 1 January 2023 / 31 December 2023	24,166
Addition	55,910
As of 31 December 2024	80,076
Accumulated amortisation	
As of 1 January 2023	5,020
Amortisation for the year	250
As of 31 December 2023 / 1 January 2024	5,270
Amortisation for the year	1,264
As of 31 December 2024	6,534
Net carrying value	
As of 31 December 2023	18,896
As of 31 December 2024	73,542

7. Right-of-Use Assets and Lease Liabilities

	Group		
	Building	Office Equipment	Total
	RM'000	RM'000	RM'000
Cost			
At 1 January 2024	352	2,633	2,985
Addition	442	585	1,027
Remeasurement	-	-	-
Derecognition	-	(503)	(503)
At 31 December 2024	794	2,715	3,509
Accumulated depreciation			
At 1 January 2024	12	1,009	1,021
Addition	46	645	691
Derecognition	-	(503)	(503)
At 31 December 2024	58	1,151	1,209
Net carrying value			
As at 31 December 2023	340	1,624	1,964
As at 31 December 2024	736	1,564	2,300

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

7. Right-of-Use Assets and Lease Liabilities (CONTD.)

	Company	
	Office Equipment	
	RM'000	
Cost		
At 1 January 2024	1,357	
Addition	299	
Derecognition	(211)	
At 31 December 2024	1,445	
Accumulated depreciation		
At 1 January 2024	521	
Addition	324	
Derecognition	(208)	
At 31 December 2024	637	
Net carrying value		
As at 31 December 2023	836	
As at 31 December 2024	808	

The Group leases a building that runs between one and three years with an option to renew the lease after those dates.

Set out below are the carrying amounts of lease liabilities and the movements for the Group and the Company during the year:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
At 1 January	2,041	770	874	610
Addition	1,088	1,537	299	537
Accretion of interest	135	89	59	49
Less: Payments	(828)	(355)	(383)	(322)
At 31 December	2,436	2,041	849	874
Current	1,360	1,246	849	874
Non-current	1,076	795	-	-
Derecognition	2,436	2,041	849	874

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

8. Goodwill

	Group	
	2024	2023
	RM'000	RM'000
As of 1 January / 31 December	4,518	4,518

Goodwill relates to premium paid over the fair value of identifiable net assets at the acquisition date of a subsidiary due to the expected strong energy value in terms of high revenue growth of the said subsidiary company.

Key Assumptions Used in Value in Use Calculations

The recoverable amount of the CGUs is determined based on value in use calculation, which uses cash flow projections based on the financial budgets approved by management covering a five-year (2023: five-year) period. The key assumptions for the value in use calculation include the revenue growth. The discount rate applied to the cash flow projections is 10.0% (2023: 10.0%) per annum. No growth rate is assumed in extrapolating the cash flows beyond the five-year period.

The directors believe that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the CGUs.

9. Investment in Subsidiaries

	Group	
	2024	2023
	RM'000	RM'000
Unquoted shares, at cost	21,755	21,755
Less: Accumulated impairment losses	(3,595)	(3,595)
	18,160	18,160

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

9. Investment in Subsidiaries (CONTD.)

(a) The details of the subsidiaries, which are incorporated in Malaysia, are as follows:

Name of Company	Group's Effective Interest (%)		Principal Activities
	2024	2023	
Direct subsidiary companies			
SIRIM QAS International Sdn. Bhd.	100	100	Certification, inspection and testing services.
SIRIM Academy Sdn. Bhd.	100	100	Development of standards, consultancy and training services.
National Precision Tooling Sdn. Bhd.	100	100	Tools, die and mould industry development.
SIRIM Tech Venture Sdn. Bhd.	100	100	Commercialisation services, fabrication and testing services of composite cylinder and skills enhancement programme.
SIRIM Calibration Sdn. Bhd.	100	100	Calibration services.
Indirect subsidiary companies			
SIRIM Measurements Technology Sdn. Bhd.	100	100	The company ceased operation and is in process of liquidation.
Hunan SIRIM Huasheng Certification and Inspection Co. Ltd. #*	51	51	Certification activities in China.

#Audited by other firms of chartered accountants.

*The above company was incorporated in China.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

9. Investment in Subsidiaries (CONTD.)

(b) Subsidiary with material non-controlling interests

The summarised financial statements of Hunan SIRIM Huasheng Certification and Inspection Co. Ltd. ("Hunan SIRIM Huasheng"), which has non-controlling interests that are material to the Group is listed below:

Summarised statement of comprehensive income:

	Hunan SIRIM Huasheng	
	RM'000	
31 December 2024		
Revenue		9,455
Loss for the year		(1,692)
Loss attributable to:		
Owner of the Company		(863)
Non-controlling interests of the Group		(829)
31 December 2023		
Revenue		1,192
Loss for the year		(2,370)
Loss attributable to:		
Owner of the Company		(1,209)
Non-controlling interests of the Group		(1,161)

Summarised statement of financial position:

	Hunan SIRIM Huasheng	
	2024	2023
	RM'000	RM'000
31 December		
Non-current assets	971	488
Current assets	(1,419)	(854)
Non-current liabilities	(442)	(312)
Current liabilities	(3,956)	(1,414)
Equity attributable to the Group	(971)	(176)
Non-controlling interests of the Group	(1,037)	(208)

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

9. Investment in Subsidiaries (CONTD.)

(b) Subsidiary with material non-controlling interests (contd.)

Summarised statement of cash flows:

	Hunan SIRIM Huasheng
	RM'000
31 December 2024	
Cash flows from operating activities	574
Cash flows from investing activities	(15)
Net increase in cash and cash equivalents	559
31 December 2023	
Cash flows from operating activities	(907)
Cash flows from investing activities	54
Cash flows from financing activities	(18)
Net decrease in cash and cash equivalents	(871)

10. Investment in an Associate

	Group	
	2024	2023
	RM'000	RM'000
Unquoted shares, at cost	685	685
Less: Accumulated impairment losses	(685)	(685)
	-	-

The details of the associate, which is incorporated in Malaysia, are as follows:

Name of Company	Group's Effective Interest (%)		Principal Activities
	2024	2023	
GranuLab (M) Sdn. Bhd.	30	30	Manufacturing and selling of GranuMas, a granular synthetic bone graft.

The above has its financial year ending on 30 September (2023: 30 June) annually.

The Company's subsidiary, SIRIM Tech Venture Sdn. Bhd. is in the process of disposing of its shares in Granulab (M) Sdn. Bhd., and this investment in an associate has been fully impaired.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

11. Other Investments

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Fair value through profit or loss:				
Investment in unit trust	20,037	24,764	20,037	24,764

12. Deferred Tax Assets / (Liabilities)

Deferred tax assets / (liabilities) are attributable to the following:

	Group	
	2024 RM'000	2023 RM'000 (Restated)
As of 1 January	6,193	6,606
Credit to profit or loss (Note 26)		
Property, plant and equipment	570	(388)
Trade and other receivables	(182)	95
Tax losses	(99)	(120)
	653	(413)
Transfer to other comprehensive income		
Exchange differences	9	-
As of 31 December	6,855	6,193

Presented in the statement of financial position as follows:

	Group	
	2024 RM'000	2023 RM'000
Deferred tax assets	210	120
Deferred tax liabilities	(7,065)	(6,313)
	(6,855)	(6,193)

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

12. Deferred Tax Assets / (Liabilities) (CONTD.)

The deferred tax assets / (liabilities) provided in the financial statements are in respect of the tax effects of the following:

	Group					
	Assets		Liabilities		Net	
	2024 RM'000	2023 RM'000 (Restated)	2024 RM'000	2023 RM'000 (Restated)	2024 RM'000	2023 RM'000 (Restated)
Accelerated capital allowances	-	-	(8,402)	(7,832)	(8,402)	(7,832)
Provisions	1,337	1,519	-	-	1,337	1,519
Unutilised tax losses	210	120	-	-	210	120
At 31 December	1,547	1,639	(8,402)	(7,832)	(6,855)	(6,193)

13. Inventories

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
	At cost:			
Raw materials	2,321	423	2,321	423
At net realisable value:				
Security labels	1,153	1,352	-	-
	3,474	1,775	2,321	423

Allowance for inventories obsolescence recognised as expenses by the Group is:

	Group	
	2024 RM'000	2023 RM'000
	At beginning of the year	797
Reversal during the year	(52)	-
End of the year	745	797

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

14. Trade and Other Receivables

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Trade receivables	27,434	27,168	5,269	3,272
Less: Allowance for impairment loss	(6,105)	(7,455)	(698)	(698)
	21,329	19,713	4,571	2,574
Unbilled revenue	669	127	669	-
Other receivables	4,820	3,947	1,755	1,199
Interest receivables	407	350	407	350
Deposits	557	570	307	287
Contract assets	5,093	5,171	-	-
Prepayment	2,408	2,559	2,158	2,347
Less: Allowance for impairment loss	(855)	(244)	(800)	(189)
	13,099	12,480	4,496	3,994
Loan receivables	3,140	3,215	3,140	3,215
Less: Allowance for impairment loss	(3,140)	(72)	(3,140)	(72)
	-	3,143	-	3,143
Amount due from subsidiaries	-	-	79,396	71,572
Loan due from subsidiaries	-	-	-	4,901
Less: Allowance for impairment loss	-	-	(12,529)	(18,450)
	-	-	66,867	58,023
Grand total	34,428	35,336	75,934	67,734

Loan receivables are unsecured and subject to interest at 3.88% per annum.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

14. Trade and Other Receivables (CONTD.)

Ageing of trade receivables is categorised into non-impaired and impaired as follows:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Non-impaired:				
Not past due	12,181	9,698	3,127	1,523
31-60 days	5,393	5,709	1,093	521
61-90 days	2,635	2,586	248	275
91-120 days	1,113	1,534	103	255
121-210 days	7	161	-	-
211-270 days	-	-	-	-
271-365 days	-	25	-	-
More than 365 days	-	-	-	-
	21,329	19,713	4,571	2,574
Impaired:				
1-30 days	42	25	2	15
31-60 days	27	23	17	8
61-90 days	16	16	4	7
91-120 days	12	205	4	11
121-210 days	1,617	2,237	93	321
211-270 days	537	565	25	71
271-365 days	570	752	22	93
More than 365 days	3,284	3,632	531	172
	6,105	7,455	698	698

The allowance for impairment losses for trade receivables is measured based on the simplified approach within MFRS 9 using the lifetime expected credit losses "(ECL)". The Group and the Company have recognised a loss allowance of 100% on individually credit-impaired trade receivables over 120 days due with no realistic prospect of recovery, as historical experience has indicated that these receivables are generally not recoverable.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

14. Trade and Other Receivables (CONTD.)

The movement in allowance for impairment loss that has been recognised:

(a) Trade Receivables	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At beginning of the year	7,455	9,996	698	179
Amount recognised during the year	694	4,042	35	620
Reversal of allowance during the year	(1,773)	(4,279)	-	(84)
Written off during the year	(271)	(2,304)	(35)	(17)
At end of the year	6,105	7,455	698	698

(b) Other Receivables	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At beginning of the year	244	244	189	189
Amount recognised during the year	611	-	611	-
At end of the year	855	244	800	189

(c) Loan Receivables	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At beginning of the year	72	117	72	117
Amount recognised during the year	3,068	(45)	3,068	(45)
At end of the year	3,140	72	3,140	72

(d) Intercompany	Company	
	2024 RM'000	2023 RM'000
At beginning of the year	18,450	17,926
Amount recognised during the year	1,392	1,260
Reversal of allowance during the year	(12)	(736)
Written off during the year	(7,301)	-
At end of the year	12,529	18,450

Trade receivables are non-interest bearing. The trade credit terms granted by the Group and the Company are 30 days (2023: 30 days) from the date of invoice. The amount due from subsidiary companies includes non-trade balances, which are unsecured, interest-free and repayable on demand.

Loan due from subsidiary companies bears interest at 4.71% (2023: 4.71%) per annum and are unsecured.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

15. Cash and Cash Equivalents

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	49,840	33,707	27,317	4,343
Deposits	242,363	206,397	104,587	95,453
	292,203	240,104	131,904	99,796
Deposits are placed with:				
Licenced banks	203,264	158,946	65,489	48,002
Other financial institution	39,099	47,451	39,098	47,451
	242,363	206,397	104,587	95,453

Included in the cash and cash equivalents of the Group and of the Company are unutilised disbursement amounts for developmental projects amounting to RM69,900,000 and RM53,830,000 (2023: RM48,680,000 and RM18,000,000), respectively.

16. Share Capital

	Group and Company			
	Number of Shares		Share Capital	
	2024	2023	2024	2023
	Unit	Unit	RM'000	RM'000
Issued and paid up:				
Ordinary shared with no par value	70,000,002	70,000,002	70,000	70,000

17. Capital Reserves

Capital reserve represents the value of net assets transferred from SIRIM pursuant to its corporatisation exercise in 1996.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

18. Deferred Income

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current				
Operating grants	2,449	1,259	2,449	1,259
Renewal fees	-	-	-	-
	2,449	1,259	2,449	1,259
Non-current				
Development and research grants	478,692	404,555	450,333	365,889
	478,692	404,555	450,333	365,889
	481,141	405,814	452,782	367,148

Total grant income recognised in profit or loss:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Operating grants	47,755	47,169	47,755	47,114
Development and research grants	39,014	32,248	33,808	26,103
	86,769	79,417	81,563	73,217

(a) Operating Grants

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At beginning of the year	1,259	1,643	1,259	1,627
Received during the year	48,945	46,785	48,945	46,746
Recognised in profit or loss	(47,755)	(47,169)	(47,755)	(47,114)
At end of the year	2,449	1,259	2,449	1,259

(b) Renewal Fees

	Group	
	2024 RM'000	2023 RM'000
At beginning of the year	-	16
Renewal fees billed during the year	-	8,808
Income on renewal fee recognised for the financial year	-	(8,824)
At end of the year	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

18. Deferred Income (CONTD.)

(c) Development and Research Grants	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-current				
Development grants	401,814	409,162	363,149	355,442
Research grants	2,129	1,936	2,128	1,936
Aids from Japanese Government	577	577	577	577
Others	35	35	35	35
At beginning of the year	404,555	411,710	365,889	357,990
Development grants				
Received during the financial year	122,096	40,090	120,301	34,353
Previous grants realised	(7,376)	(15,325)	(480)	(678)
Research grants				
Received during the financial year	84	352	84	352
Previous grants realised	(1,653)	(24)	(1,653)	(25)
Net grant received	113,151	25,093	118,252	34,002
Recognised in profit or loss				
Development grants:				
Depreciation	(23,300)	(23,249)	(19,128)	(18,447)
Expenses	(15,479)	(8,864)	(14,445)	(7,521)
Research grants:				
Depreciation	-	(81)	-	(81)
Expenses	(235)	(54)	(235)	(54)
Net grant recognised	(39,014)	(32,248)	(33,808)	(26,103)
Development grants	477,755	401,814	449,397	363,149
Research grants	325	2,129	324	2,128
Aids from Japanese Government	577	577	577	577
Others	35	35	35	35
Net grant utilised	478,692	404,555	450,333	365,889

The development grants from the government received by the Group and the Company relate to development and research grants. Development grants received under the Malaysian Plans 11 and 12 are for the development of infrastructure and purchase of equipment. Research grant consists of funds received from the Science Fund programme under the Ministry of Science, Technology and Innovation and a grant from the United Nations Environment Programme.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

19. Retirement Benefits

The amount included in the statement of financial position arising from the Group's and the Company's obligations in respect of its defined benefit plans is as follows:

	Group and Company	
	2024	2023
	RM'000	RM'000
Present value of funded obligations	12,709	12,797
Fair value of plan assets	(7,510)	(9,585)
	5,199	3,212

The movement during the financial year in the amount recognised in the statement of financial position in respect of the retirement benefit plans is as follows:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
At beginning of the year	3,212	2,728	3,212	2,728
Recognised in profit or loss	737	608	491	447
Contributions to plan participants, net of recovery from subsidiary	(172)	(124)	(172)	(184)
Expenses charge back to subsidiaries	-	-	462	221
Remeasurement	1,422	-	1,206	-
At end of the year	5,199	3,212	5,199	3,212

The table summarises the maturity profile of the expected benefit payments:

	Group			
	Within one year	One-five years	Five+ years	Total
	RM'000	RM'000	RM'000	RM'000
2024				
Expected benefit payments	1,216	7,433	13,103	21,752
2023				
Expected benefit payments	663	5,547	19,788	25,998

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

19. Retirement Benefits (CONTD.)

Expenses recognised in the profit or loss:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Cost of sales	242	197	99	97
Administrative expenses	495	411	392	350
	737	608	491	447

The movements in the present value of defined benefit obligations in the current year are as follows:

	Group and Company	
	2024	2023
	RM'000	RM'000
Present value of funded obligations at beginning of the year	12,797	13,527
Current service cost	569	568
Interest cost	609	613
Benefits paid from plan	(1,089)	(1,911)
Remeasurement	(177)	-
Present value of funded obligations at end of the year	12,709	12,797

The movements in the fair value of plan assets in the current year are as follows:

	Group and Company	
	2024	2023
	RM'000	RM'000
Fair value of plan assets at beginning of the year	9,585	10,799
Expected return on plan assets	430	459
Employer contribution (including employer direct benefit payment)	172	200
Benefits paid from plan	(1,089)	(1,873)
Remeasurement	(1,588)	-
Fair value of plan assets at the end of year	7,510	9,585

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

19. Retirement Benefits (CONTD.)

Components of fair value of plan assets are as follows:

	Group and Company	
	2024	2023
	RM'000	RM'000
Cash and deposits	2,336	2,976
Malaysian Government Securities	5,062	5,105
Others	112	1,504
	7,510	9,585

Principal actuarial assumptions used based on the latest actuarial valuation report are as follows:

	2024	2023
	%	%
Discount rate	4.30	4.60
Salary increase	4.00	4.00

The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is as follows:

Change in assumption by 1% in respect of:	2024		2023	
	(Decrease) / Increase	Increase / (Decrease)	(Decrease) / Increase	Increase / (Decrease)
	RM'000	RM'000	RM'000	RM'000
Discount rate	(743)	817	(911)	1,011
Salary increases	875	(809)	1,359	(1,226)

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. The Group and the Company expect to make a contribution of RM168,351 (2023: RM172,489) and RM119,529 (2023: RM122,467), respectively to the end defined benefit plans during the next financial year.

The latest actuary report of the Scheme was prepared by Actuarial Partners Consulting Sdn. Bhd. dated 31 January 2025.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

20. Post-Employment Medical Benefits

The Group and the Company operate an unfunded post-employment medical benefit scheme for its eligible employees. The Scheme is now closed to new entrants from 1 July 2013.

The amount recognised:

(a) Statement of Financial Position	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Present value of unfunded defined benefit obligations	54,890	54,348	38,388	38,204

(b) Profit or Loss	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Current service cost	1,210	1,211	628	657
Interest cost	2,638	2,534	1,854	1,808
	3,848	3,745	2,482	2,465

(c) Net Liability	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
At beginning of the year	54,348	52,037	38,204	36,984
Addition during the year	3,848	3,745	2,482	2,465
Payment made	(1,413)	(1,434)	(1,303)	(1,245)
Remeasurement	(1,893)	-	(995)	-
	54,890	54,348	38,388	38,204

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

20. Post-Employment Medical Benefits (CONTD.)

(d) Principal Actuarial Assumptions	2024	2023
	%	%
Discount rate	4.50	4.90
Medical claims inflation	5.00	5.00

The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is as follows:

Change in assumption by 1% in respect of:	2024		2023	
	(Decrease) / Increase	Increase / (Decrease)	(Decrease) / Increase	Increase / (Decrease)
	RM'000	RM'000	RM'000	RM'000
Discount rate	(7,726)	9,666	(7,744)	9,900
Medical claims inflation	10,092	(7,885)	10,754	(8,506)

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant.

The latest actuary report of the Scheme was prepared by Actuarial Partners Consulting Sdn. Bhd. dated 22 January 2025.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

21. Contract Liabilities

	Group and Company	
	2024	2023
	RM'000	RM'000
Contract liabilities	2,447	4,712

Contract liabilities refer to the unfulfilled performance obligation at the end of the reporting period and are expected to be recognised in 2025.

	Group and Company	
	2024	2023
	RM'000	RM'000
At beginning of the year	4,712	126
Advances received	7,844	19,151
Less: Projects and seminars costs incurred to date	(10,109)	(14,565)
At end of the year	2,447	4,712

22. Trade and Other Payables

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Trade payables	27,678	24,598	21,444	20,935
Other payables and accruals	94,598	71,798	28,824	24,731
Amount due to subsidiaries	-	-	5,726	3,807
	122,276	96,396	55,994	49,473

Trade payables are non-interest bearing, and normal trade credit terms granted to the Group and the Company range from 30 days to 60 days (2023: 30 days to 60 days) from the date of invoice.

Included in other payables and accruals of the Group and of the Company is an amount of RM6,129,000 (2023: RM6,129,000), which represents the funds received for projects approved by MOSTI under the Techno Fund Scheme.

The amounts due to subsidiaries are non-trade related, which are unsecured, interest-free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

23. Revenue

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Revenue from contract with customers	341,577	311,362	53,662	53,283
Dividend:				
Unquoted subsidiary	-	-	56,300	50,050
	341,577	311,362	109,962	103,333

Disaggregation of revenue from contracts with customers:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Certification services	137,790	118,072	-	-
Testing services	95,263	89,569	8,695	8,222
Calibration	25,166	27,540	8,222	7,794
Sales of labels	29,060	22,634	-	-
Advisory / consultancy	12,149	13,361	15,188	12,816
Training / seminar	18,873	16,113	2,016	1,921
Inspection	12,717	12,519	-	-
Standard development	986	1,817	14	11
Packaging design	8,434	7,517	19,089	22,456
Commercialisation	39	328	-	-
Other services	1,100	1,892	438	63
	341,577	311,362	53,662	53,283
Timing of revenue recognition:				
At point of time	222,025	167,172	31,604	37,006
Over time	119,552	144,190	22,058	16,277
	341,577	311,362	53,662	53,283

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

24. Other Operating Income

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Rental income:				
• Premises	1,560	1,703	13,340	13,256
• Equipment	912	871	2,139	2,631
Others	52	47	88	47
Gain from other investments through profit or loss	122	1,846	122	1,555
Penalty income	722	205	722	205
Other income received from subsidiaries	-	-	10,021	9,997
Realised gain on foreign exchange	258	6	18	6
Others	4,423	2,957	1,566	1,804
	8,049	7,635	28,066	29,501

25. Profit Before Taxation and Zakat

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Allowance for impairment loss:				
• Trade receivables	-	-	35	536
• Other receivables	3,679	-	3,679	72
• Amount due from subsidiaries	-	-	1,380	524
Auditors' remuneration	257	257	90	90
Amortisation of prepaid lease payment	1,264	250	1,264	250
Depreciation of property, plant and equipment	41,624	41,619	27,301	27,363
Depreciation of right-of-use assets	691	514	324	288
Directors' remuneration:				
• Fees	403	366	307	292
• Other emoluments	410	387	383	352
Interest on lease liabilities	135	89	59	49
Property, plant and equipment written-off	424	9	108	-
Provision for retirement benefits	737	608	491	447
Provision for post-employment medical benefit	3,848	3,745	2,482	2,465
Rental expenses:				
• Premises	2	62	-	-
• Equipment	292	330	244	301
• Others	152	151	152	127

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

25. Profit Before Taxation and Zakat (CONTD.)

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
And crediting:				
Dividend income from subsidiaries	-	-	56,300	50,050
Operating grant, development and research grant	86,769	79,417	81,563	73,217
Gain from other investments at fair value through profit or loss	122	1,846	122	1,555
Reversal of allowance for impairment loss:				
• Trade receivables	1,079	237	-	-
• Other receivables	-	45	-	-
Interest income	9,113	5,843	4,038	1,633
Dividend income from other investments	160	1,714	160	1,714
Rental income:				
Premises	1,560	1,703	13,340	13,256
Equipment	912	871	2,139	2,631
Others	52	47	88	47
Reversal of slow-moving inventories	52	-	-	-

26. Taxation

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Current year provision	18,690	16,430	-	-
Under / (over) provision in prior years	98	(734)	-	-
Income tax	653	(413)	-	-
Deferred tax	751	(1,147)	-	-
	19,441	15,283	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

26. Taxation (CONTD.)

The reconciliation of income tax expenses applicable to profit before taxation and zakat at the statutory income tax rate to income tax expenses at the effective tax rate of the Group and of the Company is as follows:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Profit before taxation and zakat	25,716	19,538	1,076	360
Taxation at Malaysian statutory tax rate of 24%	6,172	4,689	258	86
Tax effects in respect of:				
Income not subject to tax	(948)	(3,056)	(14,050)	(13,223)
Expenses not deductible for tax purposes	8,832	8,503	3,380	3,576
Deferred tax assets not recognised	10,577	9,718	10,412	9,561
Deferred tax recognised during the year	(5,943)	(3,424)	-	-
Under / (Over) provision in prior years:				
• Current tax	98	(734)	-	-
• Deferred tax	653	(413)	-	-
	19,441	15,283	-	-

The Group and the Company have unabsorbed tax losses and unutilised capital allowances of approximately RM270,599,000 and RM255,301,000 (2023: RM240,192,000 and RM217,856,000), and RM356,520,000 and RM356,104,000 (2023: RM342,892,000 and RM342,263,000), respectively, which can be used to offset future taxable profits subject to agreement with the Inland Revenue Board.

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Cumulative timing differences				
Unabsorbed tax losses				
Expired by 31 December 2028	(117,649)	(125,282)	(111,723)	(111,723)
Expired by 31 December 2029	(12,575)	(12,941)	(10,326)	(10,326)
Expired by 31 December 2030	(13,344)	(16,842)	(12,256)	(12,256)
Expired by 31 December 2031	(13,469)	(13,019)	(12,834)	(12,384)
Expired by 31 December 2032	(33,840)	(33,840)	(33,371)	(33,371)
Expired by 31 December 2033	(32,605)	(38,268)	(32,257)	(37,796)
Expired by 31 December 2034	(47,117)	-	(42,534)	-
	(270,599)	(240,192)	(255,301)	(217,856)
Unutilised capital allowance	(356,520)	(342,892)	(356,104)	(342,263)
	(627,119)	(583,084)	(611,405)	(560,119)
Deferred tax benefits not reflected in the financial statements at 24%	(150,509)	(139,940)	(146,737)	(134,429)

NOTES TO THE FINANCIAL STATEMENTS

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27. Staff Costs

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Salaries and wages	135,065	142,994	64,829	63,617
Defined contribution plan	25,007	21,362	11,351	10,383
Defined benefit plan:				
• Retirement benefits	737	608	491	447
• Post-employment medical benefits	3,848	3,745	2,482	2,465
Other employee benefits	34,789	22,639	14,757	11,972
	199,446	191,348	93,910	88,884

The number of employees in the Group and the Company at the end of the financial year was 2,209 and 993 (2023: 2,204 and 988), respectively.

28. Significant Related Party Transactions

(a) Identification of related parties

The Group and the Company have related party relationships with its holding corporation, related companies, associates, joint ventures, directors, and key management personnel.

(b) Transactions with related parties

Related party transactions of the Group and the Company during the financial year are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Transactions with subsidiaries				
Income from printing services rendered	-	-	10,732	10,546
Income from training services rendered	-	-	191	237
Maintenance fees	-	-	7,140	7,179
Management fees	-	-	2,881	2,818
Mailing services	-	-	4	4
Product consultancy	-	-	238	263
Rental of equipment	-	-	1,240	1,776
Rental of premises	-	-	11,780	11,554
Other rental	-	-	86	37
Royalties	-	-	5,391	4,393

NOTES TO THE FINANCIAL STATEMENTS

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28. Significant Related Party Transactions (CONTD.)

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Transactions with subsidiaries (contd.)				
Income from engineering services rendered	-	-	361	39
Income from calibration services rendered	-	-	482	440
Income from audit services rendered	-	-	97	197
Income from testing services rendered	-	-	679	699
Other services	-	-	33	17
Profit from loan	-	-	125	293
Audit services	-	-	(13)	(5)
Calibration services	-	-	(116)	(85)
Engineering services	-	-	(22)	(1)
Intellectual property	-	-	(10)	(167)
Management fees	-	-	(13)	(2)
Product consultancy	-	-	(5,249)	(3,964)
Testing fees	-	-	(387)	(159)
Training fees	-	-	(492)	(115)
Purchase of standards	-	-	(8)	(5)
Rental of equipment	-	-	-	(17)
Other services	-	-	(41)	(65)
Reimbursement	-	-	(9)	(54)
Standard development	-	-	(102)	(36)
Key management personnel				
Directors' remuneration	813	753	690	644
Salaries and allowances	4,167	3,983	3,037	2,626
Short-term employment benefits	633	626	467	414

(c) Related Parties' Balances

The outstanding balances arising from related party transactions as at the reporting date are disclosed in Notes 14 and 22 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

29. Contingent Liabilities - Secured

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Bank guarantee issued to third party	1,732	1,762	1,732	1,762

30. Capital Commitments

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Purchase of property, plant and equipment:				
• Contracted but not provided for	14,461	3,392	6,309	813
• Approved but not contracted for	16,607	10,952	11,376	3,821
	31,068	14,344	17,685	4,634

31. Financial Instruments

The table below provides an analysis of financial instruments categorised as follows:

- Amortised cost ("AC")
- Fair value through profit or loss ("FVTPL")

	Group					
	Carrying Amount		AC		FVTPL	
	2024	2023	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Financial assets						
Other investments	20,037	24,764	-	-	20,037	24,764
Trade and other receivables (exclude prepayment)	32,020	32,777	32,020	32,777	-	-
Cash and cash equivalents	292,203	240,104	292,203	240,104	-	-
	344,260	297,645	324,223	272,881	20,037	24,764
Financial liability						
Trade and other payables	(122,276)	(96,396)	(122,276)	(96,396)	-	-

NOTES TO THE FINANCIAL STATEMENTS

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31. Financial Instruments (CONTD.)

	Company					
	Carrying Amount		AC		FVTPL	
	2024	2023	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Financial assets						
Other investments	20,037	24,764	-	-	20,037	24,764
Trade and other receivables (exclude prepayment)	73,776	65,387	73,776	65,387	-	-
Cash and cash equivalents	131,904	99,796	131,904	99,796	-	-
	225,717	189,947	205,680	165,183	20,037	24,764
Financial liability						
Trade and other payables	(55,994)	(49,473)	(55,994)	(49,473)	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

32. Financial Risk Management

The Group and the Company operate within clearly defined policies and procedures that are approved by the Board of Directors to ensure the effectiveness of the risk management process.

The Group and the Company have exposure to the following risks from its use of financial instruments:

(i) Credit Risk

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's and the Company's exposure to credit risk arises principally from its receivables from customers.

(a) Trade Receivables

Risk Management Objectives, Policies and Processes for Managing the Risk

The gross carrying amounts of credit-impaired trade receivables are written off (either partially or fully) when there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to the prior periods.

Exposure to Credit Risk, Credit Quality and Collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the statement of financial position.

Recognition and Measurement of Impairment Loss

In managing credit risk of trade receivables, the Group and the Company manage their debtors and take appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 90 days. The Group's and the Company's debt recovery process is as follows:

(i) Above 90 days past due after credit term, the Group and the Company will start to initiate a structured debt recovery process, which is monitored by the management.

(ii) If no repayment is received from the structured debt recovery process, the Group and the Company will commence a legal proceeding against the customer.

(b) Related parties

Exposure to Credit Risk, Credit Quality and Collateral

The maximum exposure to credit risk arising from balances due from related parties is represented by the carrying amounts in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

32. Financial Risk Management (CONTD.)

(i) Credit Risk (contd.)

(b) Related parties (contd.)

Recognition and Measurement of Impairment Loss

Generally, the Group and the Company consider balances due from related parties to have low credit risk.

The Group and the Company consider a balance due from a related party to be credit-impaired when:

The related party is unlikely to repay its balance to the Group and the Company in full.

The related party's balance is overdue for more than 365 days.

The related party is continuously loss-making and has a deficit shareholders' fund.

(c) Other Investments and Cash and Cash Equivalents

The other investments and cash and cash equivalents are held with banks and financial institutions. The maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position. These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

(ii) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting its financial obligations due to a shortage of funds.

The Group and the Company practise prudent liquidity risk management to minimise the mismatch of financial assets and liabilities.

Analysis of Financial Instruments by Remaining Contractual Maturities

The table summarises the maturity profile of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations:

	Group									
	Carrying amount		Contractual interest rate/ Discount rate		Contractual cash flows		Within one year		1-5 years	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	RM'000	RM'000			RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Financial liabilities:										
Trade and other payables	122,276	96,396	-	-	122,276	96,396	122,276	96,396	-	-
Lease liabilities	2,436	2,041	6.39%	6.39%	2,592	2,171	1,447	2,171	1,145	-
	124,712	98,437			124,868	98,567	123,723	98,567	1,145	-

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

32. Financial Risk Management (CONTD.)

(ii) Liquidity Risk (contd.)

Analysis of Financial Instruments by Remaining Contractual Maturities (contd.)

	Company									
	Carrying amount		Contractual interest rate/ Discount rate		Contractual cash flows		Within one year		1-5 years	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	RM'000	RM'000			RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Financial liabilities:										
Trade and other payables	55,994	49,473	-	-	55,994	49,473	55,994	49,4473	-	-
Lease liabilities	8449	874	6.39%	6.39%	903	930	903	930	-	-
	56,843	50,347			56,897	50,403	56,897	50,403	-	-

Cash flow risk management

The Group and the Company review its cash flow position regularly to manage its exposure to fluctuations in future cash flows associated with their monetary financial instruments

Fair value

The carrying amounts of financial assets and liabilities as reported in the statements of financial position approximate their fair values because of the short maturity period of these financial instruments.

The table below analyses financial instruments carried at fair value:

	Group and Company									
	Fair value of financial instruments carried at fair value									
	Level 1		Level 2		Level 3		Total Fair Value		Carrying Amount	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Financial asset:										
FVTPL - Other investments	-	-	20,037	24,764	-	-	20,037	24,764	20,037	24,764

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

32. Financial Risk Management (CONTD.)

(iii) Interest rate risk

Interest rate exposure arises from the Group's and the Company's deposits, which bear interest as disclosed in Note 15. As of 31 December 2024, the deposits are classified as short-term and therefore the exposure to the effects of future changes in prevailing level in interest rate is limited.

Risk management objectives, policies and processes for managing the risk

The Group adopts a policy of investing and borrowing mainly in fixed-rate instruments to avoid the risk of fluctuation in interest rates.

Exposure to interest rate risk

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Fixed rate instruments	242,363	206,397	104,587	95,453
Financial assets	(2,436)	(2,041)	(849)	(874)
Lease liabilities	239,927	204,356	103,738	94,579

Interest rate risk sensitivity analysis

The Group does not account for any fixed-rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

33. PRIOR YEAR ADJUSTMENT

Prior year adjustment is in respect of under recognition of deferred tax liabilities. As this transaction was made in a reporting period prior to the comparative period, the Statement of Financial Position was restated as follows:

	As previously reported	Effects of prior year adjustment	As restated
	RM'000	RM'000	RM'000
Statement of Financial Position			
As at 31 December 2023			
Accumulated losses	(74,776)	(359)	(75,135)
Deferred tax liabilities	5,954	359	6,313
As at 1 January 2023			
Accumulated losses	(80,059)	(301)	(80,360)
Deferred tax liabilities	6,305	301	6,606

SIRIM Berhad
1, Persiaran Dato' Menteri, P.O. Box 7035,
Section 2, 40700 Shah Alam, Selangor, Malaysia.

Tel: (603) 5544 6000
Email: web@sirim.my
Website: www.sirim.my