

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors ("Board"), I am pleased to present the Annual Report and Audited Financial Statements of Lion Posim Berhad ("the Group" or "the Company") for the financial year ended 31 December 2024.

FINANCIAL PERFORMANCE

In 2024, our business operations persevered through economic and trade challenges both globally and locally. The operating environment remained challenging, impacted by prolonged geopolitical conflicts that disrupted global trade flows, sustained inflationary pressures that drove up costs, and volatility in global commodity prices; adding complexities to the operating environment.

Despite these headwinds, the Building Materials Division and the Lubricants Division, the main contributors to the Group, maintained their positive performance. Although revenue saw a marginal decline, the Group recorded a profit from operations of RM16.2 million. This was partly attributable to the RM3.2 million (2023: RM1.4 million) insurance claim received by the Lubricants Division, and driven by the Group's ongoing efforts to improve operational efficiency.

Associated companies contributed a profit of RM0.9 million, largely due to a one-off gain arising from a business acquisition by an associated company. Consequently, the Group's profit before tax for the year under review amounted to RM14.5 million.

PROSPECTS

The Group acknowledges the challenges posed by both global and local economic conditions which may affect the operating environment of its businesses. However, the Group believes that through continuous efforts to control operating costs, enhanced operational efficiencies, and remaining vigilant and responsive to market changes, it will be able to navigate these challenges.

BOARD OF DIRECTORS

On behalf of the Board, I would like to extend a warm welcome to Mr Liew Jee Min @ Chong Jee Min who joined the Board as an independent non-executive Director of the Company on 28 May 2024. The Board believes that the Group will benefit from his extensive experience and expertise.

APPRECIATION

On behalf of the Board of Directors, I wish to express my appreciation to our customers, business partners and associates, financiers, shareholders, and the Government authorities for their continuing support and cooperation.

I would like to convey my appreciation and gratitude to my fellow Directors for their invaluable guidance, support and contribution.

Last but not least, my sincere thanks go to the management and staff for their continuing hard work and dedication in coping with the challenges faced throughout these demanding times.

TAN SRI CHENG HENG JEM
Chairman