



**MUDA Holdings Berhad**

Registration No. 197101000036 (10427-A)



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# *Our Vision, Mission, Core Values and Commitment*

Mission

Core Values

Commitment

Vision

## Our Vision

To strengthen the Group's market leader position as one of the largest integrated paper manufacturer in terms of paper production volume in Malaysia.

## Our Core Values

We believe in going the extra mile to deliver paper packaging solutions that meets all our clients' expectations while ensuring speedy and timely delivery. All our Group's business and operational practices are also geared towards preserving our environment for future generations.

## Our Mission

To commit to a relentless pursuit of excellence in producing high quality industrial grade paper, machine glazed paper, paper boards and paper packaging products through technological innovations to increase client satisfaction as well as enhance shareholders' value while safeguarding the sustainability of our environment.

## Our Commitment

Business Ethics and Compliance

Putting Customers First

Empowering People

Environmental Protection

Maximising Shareholders' Value



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# *The Corporation*

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## Board of Directors

**Tan Sri Lim Guan Teik,**  
PSM, JMN, DMPN, DJN  
Non-Independent Non-Executive Chairman

**Wong Choong Yee**  
Senior Independent Non-Executive Director

**Dato' Tan Tian Meng,**  
DBNS, ANS  
Independent Non-Executive Director

**Dato' Azaman Bin Abu Bakar,**  
DIMP  
Executive Deputy Chairman

**Lim Siew Ling**  
Non-Independent Non-Executive Director

**Dato' Hazli Bin Ibrahim,**  
DIMP, FCCA, MBA  
Independent Non-Executive Director

**Datuk Wira Lim Chiun Cheong,**  
DPSM, DCSM  
Managing Director

**Lim Yen Wee**  
Non-Independent Non-Executive Director

**Datuk Nik Ibrahim Bin Nik Abdullah,**  
PJN, JSM, AMN  
Non-Independent Non-Executive Director  
(Retired on 27 June 2024)

## Audit Committee

**Dato' Hazli Bin Ibrahim,**  
DIMP, FCCA, MBA  
(Chairman)

**Wong Choong Yee**  
**Tan Sri Lim Guan Teik,**  
PSM, JMN, DMPN, DJN

**Dato' Tan Tian Meng,**  
DBNS, ANS

**Datuk Nik Ibrahim Bin Nik Abdullah,** PJN, JSM, AMN  
(Ceased as member on 27 June 2024)

## Nomination Committee

**Wong Choong Yee**  
(Chairman)

**Tan Sri Lim Guan Teik,**  
PSM, JMN, DMPN, DJN

**Dato' Tan Tian Meng,**  
DBNS, ANS

**Dato' Hazli Bin Ibrahim,**  
DIMP, FCCA, MBA

**Datuk Nik Ibrahim Bin Nik Abdullah,** PJN, JSM, AMN  
(Ceased as member on 27 June 2024)

## Remuneration Committee

**Dato' Tan Tian Meng,**  
DBNS, ANS  
(Chairman)

**Dato' Hazli Bin Ibrahim,**  
DIMP, FCCA, MBA

**Wong Choong Yee**  
**Tan Sri Lim Guan Teik,**  
PSM, JMN, DMPN, DJN

**Datuk Nik Ibrahim Bin Nik Abdullah,** PJN, JSM, AMN  
(Ceased as member on 27 June 2024)

## Executive Committee

**Dato' Azaman Bin Abu Bakar,**  
DIMP  
(Chairman)

**Datuk Wira Lim Chiun Cheong,**  
DPSM, DCSM

**Datuk Nik Ibrahim Bin Nik Abdullah,** PJN, JSM, AMN  
(Ceased as member on 27 June 2024)

## Sustainability Committee

**Lim Yen Wee**  
(Chairman)  
(Appointed on 26 February 2025)

**Dato' Azaman Bin Abu Bakar,**  
DIMP

**Datuk Wira Lim Chiun Cheong,**  
DPSM, DCSM

**Datuk Nik Ibrahim Bin Nik Abdullah,** PJN, JSM, AMN  
(Ceased as member on 27 June 2024)

## Secretary

**Goh Ching Yee**  
(MAICSA 0760803/  
SSM PC NO. 202008002492)

## Auditors

**Grant Thornton Malaysia PLT**  
(Member of Grant Thornton International Ltd)  
Chartered Accountants

Level 11, Sheraton Imperial Court  
Jalan Sultan Ismail  
50250 Kuala Lumpur

Tel : 03-2692 4022  
Fax : 03-2732 5119

## Registered Office and Corporate Office

Lot 7, Jalan 51A/241  
46100 Petaling Jaya  
Selangor Darul Ehsan  
Tel : 03-7875 9549  
Fax : 03-7873 8435

## Share Registrar

**Muda Management Services Sdn. Bhd.**

Lot 7, Jalan 51A/241  
46100 Petaling Jaya  
Selangor Darul Ehsan  
Tel : 03-7875 9549  
Fax : 03-7875 1519

## Principal Bankers

Malayan Banking Berhad  
RHB Bank Berhad  
OCBC Bank (Malaysia) Bhd

## Stock Exchange Listing

Bursa Malaysia Securities Bhd  
Main Market  
Stock Name : MUDA  
Stock No. : 3883

## Website

www.muda.com.my





# Message from Our Chairman

## YEAR IN REVIEW

FY24 has been a year of challenges for MHB, shaped by a volatile global environment. Rising inflation, supply chain disruptions and fluctuating commodity prices created uncertainty across industries. Geopolitical tensions and economic slowdowns in key markets further added to the complexity.

Through disciplined execution and strategic realignment, MHB's financial position is still favourable despite the challenges. Certain projects implemented by the Group required longer gestation period thus affecting the financial position of the Group. Notwithstanding that, MHB has enhanced its operational efficiencies and reinforced its governance frameworks, while maintaining its commitment to responsible business practices.

## NAVIGATING THE RISING COMPETITION

The emergence of the China players in the domestic market had intensified competition in the industrial grade paper segment. With that, MHB has strategised to reposition its export market. However, escalating geopolitical tensions in the Middle East disrupted critical maritime routes, forcing vessel re-routing and increasing tonne-mile demand, rising insurance premiums and higher operational costs led to an overall surge in shipping expenses which further complicated the supply chain logistics.

Adding to the complexity, a slower growth in the China economy has hampered the re-routing of such products manufactured by the China players back to China, thus affecting the local market.

**Dear Valued Stakeholders,**

On behalf of the Board of Directors ("Board") of Muda Holdings Berhad ("MHB" or the "Group"), I present you with the Annual Report for the financial year ended 31 December 2024 ("FY24")

## CHAIRMAN STATEMENT

### CONT'D

#### NAVIGATING THE RISING COMPETITION (CONT'D)

MHB has maintained a balanced portfolio between its industrial grade paper and corrugator carton/board thus mitigating such risks.

#### DELIVERING CHANGE

FY24 was a period of transformation, as the Group took decisive steps to refine operations, increase accountability, and build an agile and resilient organisation. The challenges faced over the past year showcased the need for greater efficiency, process optimisation, and strategic realignment.

As part of our transformation efforts, we also initiated proactive measures to optimise our business portfolio and cost, restructure our organisation, improve our processes, and practise prudent cash management. With these improvements in place, we expect that a better position will be achieved and fostering a sustainable long-term growth. However, MHB do recognise that true resilience is built over time, and therefore this transformation is not a one-off effort, but a continuous journey that evolves with emerging challenges, industry shifts and the changing needs of our customers and stakeholders.

#### PERFORMANCE REVIEW

In FY24, the Group registered a marginal lower revenue of RM1.45 billion as compared to FY23 of RM1.51 billion mainly due to lower average selling price namely in the industrial grade paper segment. The Group's loss before tax was higher at RM65.00 million as compared to FY23 mainly due to a one off write down of inventories to its net realisable value which amounted to RM6.88 million and a higher exchange loss from foreign exchange as a result of the significant fluctuation of MYR against USD in the third quarter of 2024.

Albeit the loss incurred, the financial position and cash flows of the Group remained healthy which was attributed to the rigorous cost management and the financial discipline demonstrated by our management team. With this, the Board is proposing a lower dividend at 2.0 sen per share to be paid for FY24 after accounting all its liabilities and assessment on its solvency.

#### SUSTAINABILITY STATEMENT

MHB pledges an unwavering commitment to sustainability, which is a continuous journey of innovation and responsibility. The Group's consistent dedication towards integrating sustainable business practices is imperative for our long-term success and resilience in a rapidly evolving world.

The Group's adoption of new green technology and automation to promote efficiency, will help the Group to achieve its goals to reduce its emissions by 2030 and carbon neutrality by year 2050. For the Group's waste management, it will be boosted with the commissioning of the outthrow facility which is scheduled for end of the first half of 2025. This facility will further recycle the existing waste from our paper mills thus minimising environmental impact and benefiting the surrounding communities.

For further details of MHB's approach to sustainability, you may refer to the Sustainability Statement in this Annual Report.

#### LOOKING AHEAD

The Group anticipates a competitive operating environment in year 2025. While the overall general market will expand, increased competition from both established players and new entrants will weigh on MHB's performance. There will be greater emphasis on re-tooling the portfolio mix to focus on preferred and profitable segments. However, the market is still uncertain on the impact from the implementation of the reciprocal tariff by the United States of America.

Innovation remains a foremost priority for the Group, particularly in support of the Group's customers and intermediaries. This will ensure that the Group optimises our existing value chain.

Meanwhile, the Group's commitment to sustainability will remain paramount and proactive steps have been taken to integrate Environmental, Social and Governance considerations into overall operational strategies and investment decisions. Together, we will continue to build a sustainable future for our company and the communities we serve.

#### APPRECIATION

On behalf of the Board, I would like to give my heart felt appreciation to our management and staff at MHB for their hard work, adaptability and dedication. I would like to take this opportunity to express my gratitude to Datuk Nik Ibrahim Bin Nik Abdullah who retired on 27 June 2024 for his invaluable contributions.

Lastly, to our valued shareholders, customers, suppliers and other stakeholders, we at MHB would like to record our gratitude for your unwavering support. It is with your trust that we find purpose in making a difference and you truly inspire us as we continue on our journey.



# *Management Discussion and Analysis*

## **OUR STORY**

**Founded in 1972, our five decades of journey have been marked by innovation, resilience, and a steadfast commitment to responsible business practices. We have grown into the leading integrated paper manufacturer in the country. Our core values drive us to pursue excellence in quality, customer satisfaction and preservation of environment for the future generation.**

## **OUR EXPERTISE**

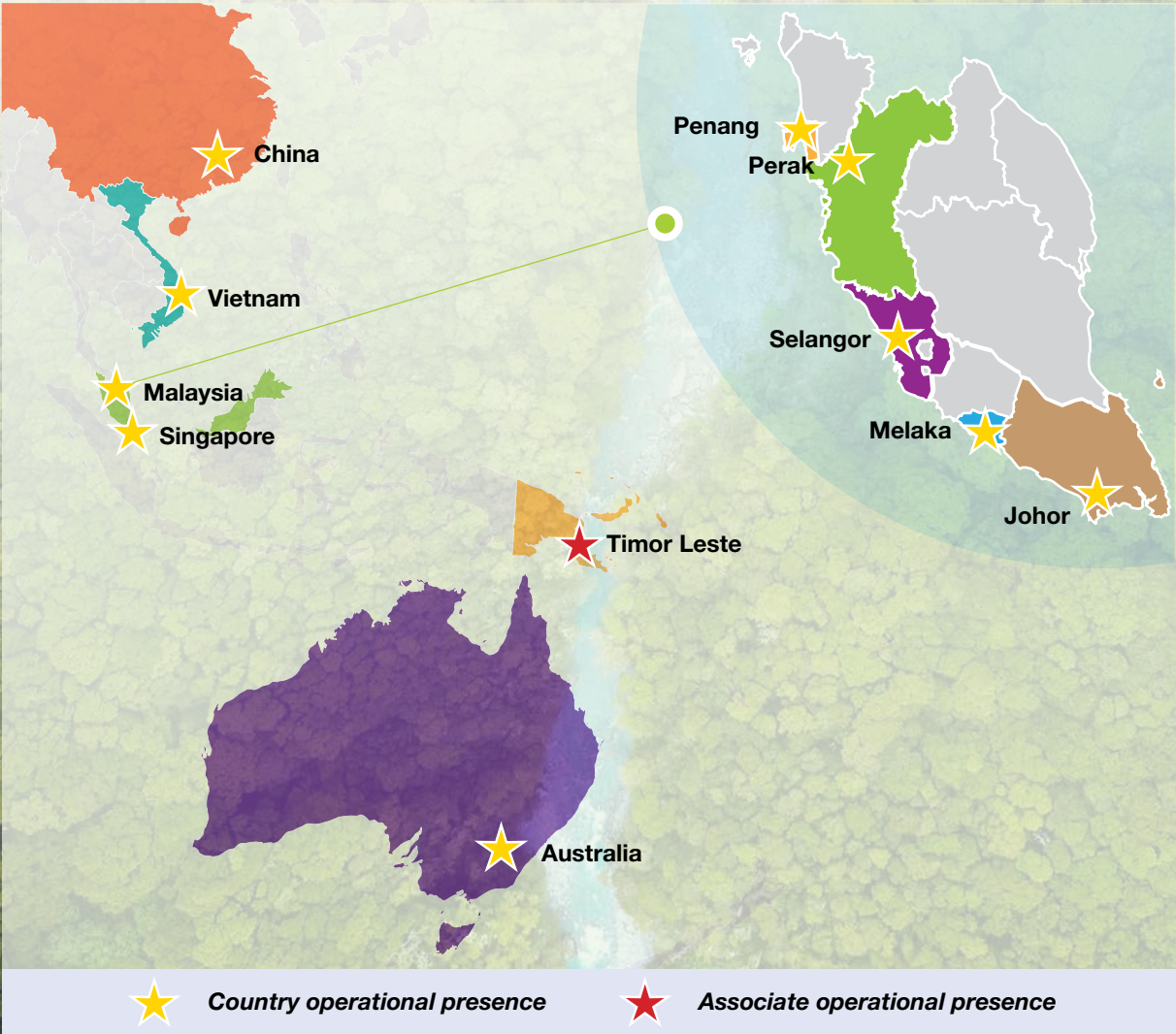
1. Collector of waste paper in multiple location across Peninsular Malaysia;
2. Manufacture of industrial grade paper such as corrugated medium, test liner, grey board, core board, machine glazed paper etc;
3. Manufacture of corrugated carton boxes and boards;
4. Manufacture for food packaging paper such as hawker paper, deli wrapping paper, paper bags etc; and
5. other paper related business that includes trading of stationeries.





OUR FOOTPRINT

No.	Type	No of location/ factories	Location
1	Recycling centre	4	Malaysia
2	Paper mills	2	Malaysia
3	Corrugating plant	8	Malaysia and The People's Republic of China
4	Converting plant	3	Malaysia and Singapore
5	Trading business	4	Malaysia, Singapore, Vietnam and Australia



# MANAGEMENT DISCUSSION AND ANALYSIS

CONT'D

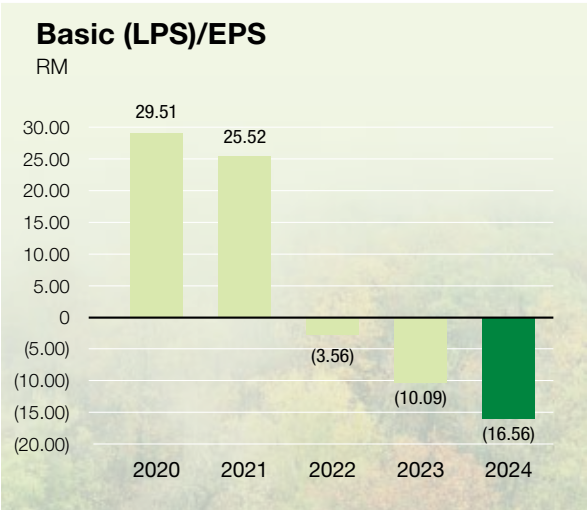
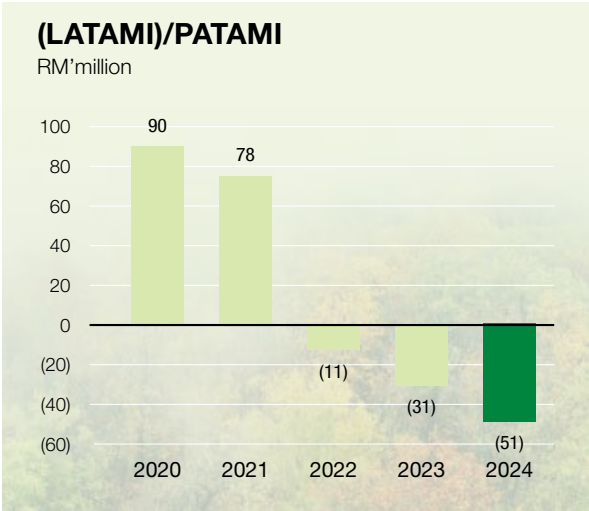
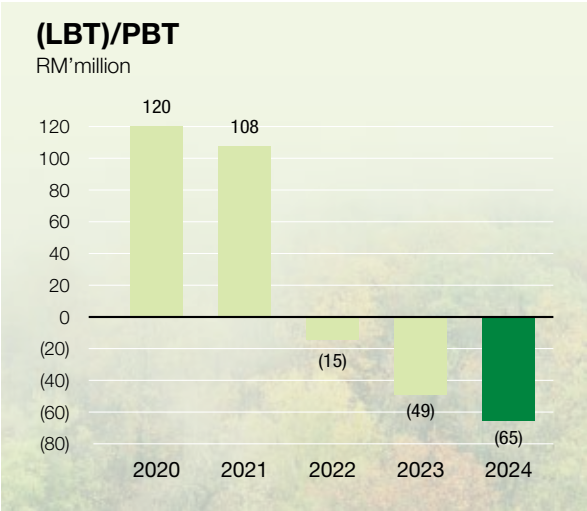
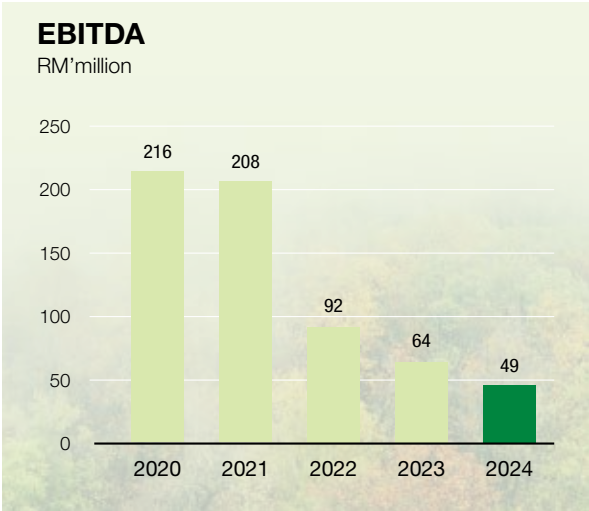
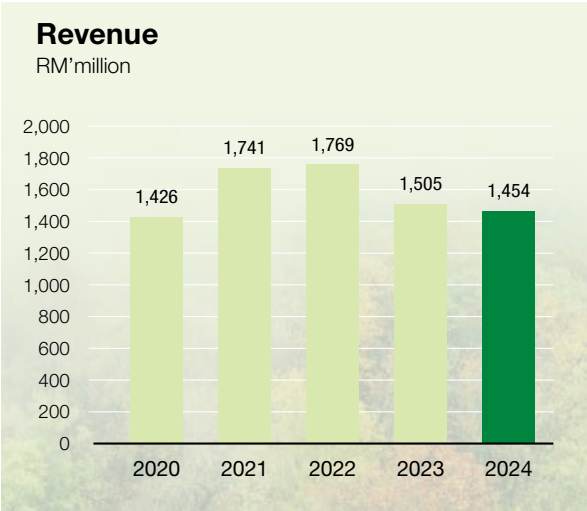
For the Financial Year Ended 31 December	2024 RM'000	2023 RM'000	2022 RM'000	2021 RM'000	2020 RM'000
<b>Financial Performance</b>					
Revenue	1,453,784	1,505,427	1,769,494	1,740,745	1,425,797
Gross Profit	168,065	165,476	223,365	315,017	296,774
Earnings before Interest, Tax, Depreciation and Amortisation ("EBITDA")	49,418	64,270	91,910	207,692	216,014
(Loss)/Earnings before Interest and Tax ("LBIT)/EBIT")	(33,596)	(18,857)	8,991	127,480	139,508
Share of Results of Associates	(846)	176	26	5,040	2,515
(Loss)/Profit before Tax ("LBT)/PBT")	(65,002)	(49,270)	(15,106)	108,134	120,027
Net (Loss)/Profit after Minority Interest ("LATAMI)/PATAMI")	(50,523)	(30,776)	(10,866)	77,838	90,020
<b>Financial Position</b>					
Shareholders' Equity	1,225,146	1,300,157	1,337,037	1,355,211	1,166,459
Total Assets	2,307,494	2,356,186	2,411,485	2,386,548	1,940,761
Total Liabilities	1,082,348	1,056,029	1,074,448	1,031,337	774,302
Net Current (Liabilities)/Assets	(37,274)	57,795	92,787	162,303	180,166
Total Borrowings	746,566	712,335	717,366	641,537	458,327
Cash and Cash Equivalents	128,000	169,569	132,749	144,500	126,699
<b>Financial Analysis</b>					
Gross Margin (%)	11.56%	10.99%	12.62%	18.10%	20.81%
EBITDA Margin (%)	3.40%	4.27%	5.19%	11.88%	15.07%
(LBIT)/EBIT Margin (%)	(2.31%)	(1.25%)	0.51%	7.27%	9.71%
(LBT)/PBT Margin (%)	(4.47%)	(3.27%)	(0.85%)	6.21%	8.42%
(LATAMI)/PATAMI Margin (%)	(3.48%)	(2.04%)	(0.61%)	4.47%	6.31%
Gearing (Net of cash)(times)	0.50	0.42	0.44	0.37	0.28
Interest Coverage (times)	1.51	2.04	3.72	10.69	11.03
Return on Average Shareholders' Equity (%)	(4.15%)	(2.41%)	(0.83%)	6.34%	8.20%
Return on Average Total Assets (%)	(2.17%)	(1.29%)	(0.45%)	3.60%	4.65%
Basic (Loss)/Earnings per Share ("LPS)/ EPS") (sen)	(16.56)	(10.09)	(3.56)	25.52	29.51
Net Tangible Assets per share (RM)	3.96	4.21	4.33	4.39	3.79



MANAGEMENT DISCUSSION AND ANALYSIS

CONT'D

FINANCIAL HIGHLIGHTS





## FINANCIAL REVIEW

The Group recorded a revenue of RM1.45 billion for the financial year ended 31 December 2024 ("FY24"), a slightly lower revenue as compared with the previous financial year of RM1.51 billion. The decrease in revenue was due to the lower average selling price ("ASP") on the Group's manufactured products especially on corrugated carton/board. The following table shows the sales tonnage in metric tonnes for the Group's manufactured products (including intersegment revenue) for the FY24.

Products	2024 (mt)	2023 (mt)
Corrugated carton/board	210,158	200,155
Industrial grade paper	399,279	407,956
<b>Total manufactured products</b>	<b>609,437</b>	<b>608,111</b>

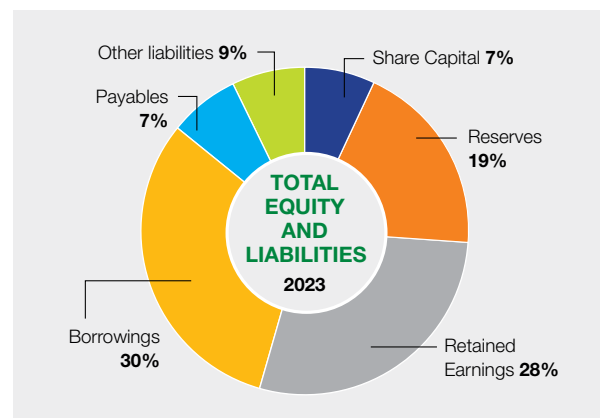
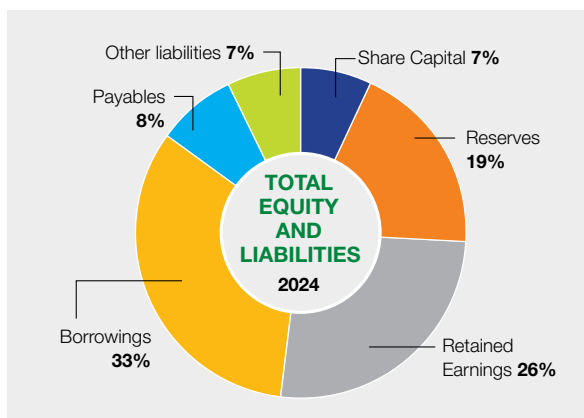
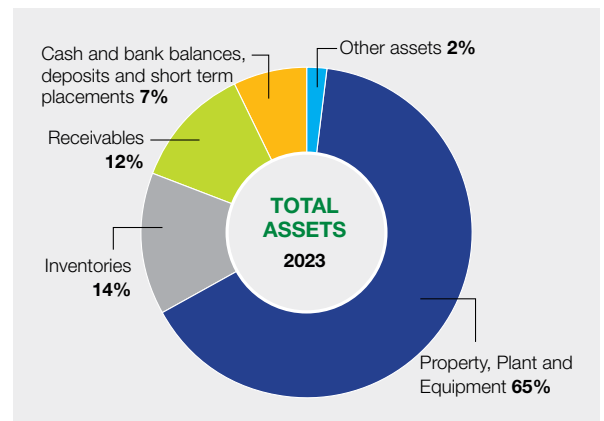
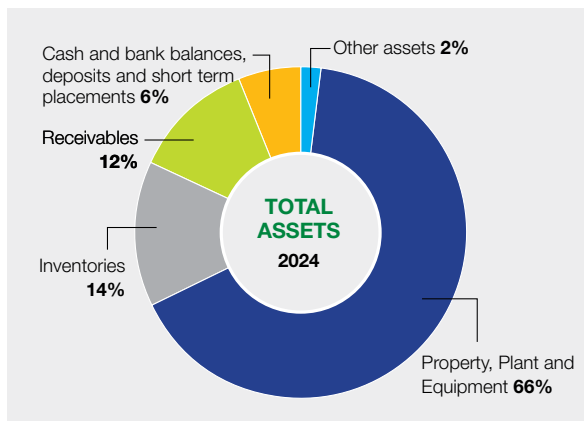
The Group's gross profit recorded an increase of RM2.59 million from RM165.48 million in FY23 to RM168.07 million despite lower revenue recorded by the Group.

The better gross profit margin recorded was due to the Group's effort to refine and reorganise operations despite the lower ASP during the FY24. With this, the gross profit margin increased from 10.99% to 11.56%.

As the ASP of the Group's products decreased, the Group have to write down its inventories to its net realisable value. The impairment losses cost the Group RM6.88 million, thus lower the Group's EBITDA to RM49.42 million in FY24 from RM64.27 million in the previous financial year. In addition to this, the absence of a one-off gain from the disposal of financial assets through other comprehensive income amounted to RM3.20 million also contributed to the lower EBITDA. Lastly, the fluctuation of foreign currency during the financial year also impacted the Group's financials.

All of the abovementioned had contributed to the lower EBITDA and subsequently a LATAMI of RM50.52 million.

## FINANCIAL POSITION



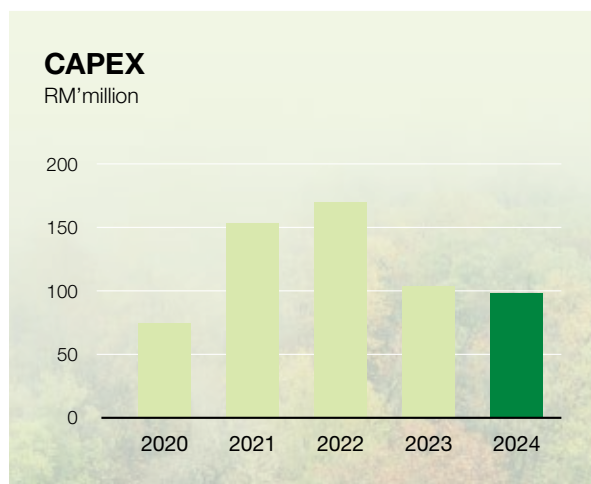
The Group net tangible assets stand at RM3.96 per share.

## MANAGEMENT DISCUSSION AND ANALYSIS

CONT'D

### CAPITAL EXPENDITURE ("CAPEX")

The Group adheres to a policy of prudent CAPEX to support its business growth plans and upgrade existing machinery. The CAPEX for the past 5 years are as summarised below.



In FY24, we invested RM88.52 million, adding to the RM491.33 million spent from FY20 to FY23. The significant investment was mainly due to the upgrading of paper and corrugator machine, erection of steam biomass boiler and acquisition of strategic land for our business growth.

In the current FY, the CAPEX was mainly for the biomass plant, a warehouse and the outthrow facility.

The capital expenditure undertaken by the Group is not only essential but also fully aligned with our long-term strategic goals. The investment in the steam biomass plant and outthrow facility will significantly reduce the cost of production. Both the projects are aligned with the sustainable goals we have adopted. With this, it will further enhance our market position, ensuring the Group's competitiveness and positioning us for long-term success.

### LIQUIDITY AND GEARING

The Group's cash and cash equivalents stood at RM89.05 million which was lower than the previous year by RM61.71 million. The lower cash and cash equivalents were mainly due to higher repayment of borrowings during the financial year which amounted to RM51.26 million against RM17.69 million and the absence of proceeds from disposal of financial assets through other comprehensive income of RM22.78 million. The Group's debt-to-equity (net of cash) remained healthy although it has slightly increased from 0.42 times to 0.50 times. The Group's total shareholders' funds stood at RM1.23 billion as at 31 December 2024.

### GREEN PROJECT

As reported in Annual Report 2023, the construction of a second steam biomass boiler that leverage on fibre from oil palm plantation at our other paper mill is on schedule and is expected to be completed in the second half of 2026. On top of this, we are expecting the completion of the outthrow facility plant in one of our mills by end of first half of year 2025. This will catapult us to achieving our goals of carbon neutrality much earlier than the prescribed goals.

### CHALLENGES AND RISKS

#### Shortage of Raw Material

Potential shortage of raw material to the Group in the form of recovered paper from the local market is an inherent risk as most of our products are made from recovered paper. With the emergence of new mills in recent years, recovered paper had become scarce. To address such potential shortfall, the Group has resorted to working closely with the existing recovered paper agents to ensure their business continuity and also to build rapport. The Group is also continuing its effort to expand its network of agents for recovered paper collection. The Group will resort to import from overseas whenever there is potential shortfall.

#### Human Capital

The Group recognises that our employees are the most valuable resource and believes that the Group's continued success depends significantly on the talent, hard work, and value created by our management and technical personnel.

As the risk of losing our key management and technical staff and the need for a succession planning and staff retention strategies, MHB will continue to invest in employees' professional development, review the effectiveness of our recruitment process, review employee remuneration and benefit packages, uphold human and labour rights and provide a good and safe working environment for employees in order to attract, develop and retain our talent pool.

#### Foreign Currency Risk

MHB is exposed to foreign currency exchange fluctuation risks arising from any movement in foreign currencies namely USD as certain of the Group's sales and import of the Group's raw material are in foreign currencies. To mitigate the risk of foreign currency exchange fluctuations, the Group carries out foreign currency strategies such as buy forward and swap. However, to a certain extent we benefit from the natural hedge as some of our raw material purchase and sales are denominated in foreign currencies. We also take active steps to minimise foreign currency exchange exposure in our procurement and purchasing arrangements with both local and foreign suppliers.

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MUDA  
HOLDINGS  
BERHAD

ANNUAL  
REPORT  
2024

# *Board of Directors*



Sitting from Left to right

**Dato' Azaman Bin Abu Bakar**

**Tan Sri Lim Guan Teik**

**Datuk Wira Lim Chiun Cheong**

Standing from Left to right

**Dato' Hazli Bin Ibrahim**

**Lim Siew Ling**

**Dato' Tan Tian Meng**

**Lim Yen Wee**

**Wong Choong Yee**



# Profile of Directors

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MUDA  
HOLDINGS  
BERHAD

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REPORT  
2024

## Tan Sri Lim Guan Teik

PSM, JMN, DMPN, DJN

Chairman

Male | Malaysian | 90

Date of Appointment  
**30 November 1983**

**Tan Sri Lim Guan Teik**, PSM, JMN, DMPN, DJN, 90, a Malaysian, Male, was appointed to the Board of Muda Holdings Berhad on 1 November 1983 and spearheaded the listing of the Company on the Stock Exchange on 2 November 1984.

Throughout the period from November 1983 to current date, Tan Sri Lim Guan Teik has held the following positions in the Company: -

- Managing Director from 30 November 1983 to 20 May 1988
- Chairman cum Managing Director from 20 May 1988 to 23 April 2004
- Executive Chairman from 23 April 2004 to 18 February 2007
- Non-Executive Chairman from 18 February 2007 to current.

Tan Sri Lim Guan Teik is a member of the Audit Committee, Nomination Committee and Remuneration Committee and sits on the board of several local and overseas subsidiaries in the Group.

Tan Sri Lim Guan Teik graduated from the Nanyang University of Singapore with a Bachelor of Commerce Degree in 1960. Tan Sri Lim Guan Teik was one of the early players in the country's paper industry and has been instrumental in the growth of the industry since 1964.

He was President of the Malaysian Pulp & Paper Manufacturers Association from 1980 to 1992 and is currently one of its the advisers. Tan Sri Lim Guan Teik was also a past President of the Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM) and the Chinese Chamber of Commerce and Industry of Kuala Lumpur and Selangor (KLSCCCI) from 1998 to 2003. He is currently the Honorary Life President of ACCCIM, KLSCCCI and the Malaysia-China Chamber of Commerce.

Tan Sri Lim Guan Teik is the father of Datuk Wira Lim Chiun Cheong, the Managing Director of the Company. He is also the uncle of Ms Lim Siew Ling and Ms Lim Yen Wee, the Non-Independent Non-Executive Directors of the Company. Tan Sri Lim Guan Teik is also a major shareholder of the Company. He is deemed to have an interest in certain related party transactions in the Group as disclosed in this Annual Report.

Tan Sri Lim Guan Teik attended all five (5) Board Meetings held in 2024.



**Dato' Azaman Bin Abu Bakar**

DIMP

Executive Deputy Chairman

Male | Malaysian | 78

Date of Appointment

**19 March 1985**

**Dato' Azaman Bin Abu Bakar** DIMP, 78, a Malaysian, Male was appointed to the Board of Muda Holdings Berhad as Executive Director on 19 March 1985 until his re-designation to Deputy Chairman on 22 October 1992. He assumed the post of Managing Director on 23 April 2004 until his corporate title was changed to his current position as Executive Deputy Chairman on 28 May 2018.

He is the Chairman of the Executive Committee and a member of the Sustainability Committee. Dato' Azaman also sits on the board of several local and foreign subsidiaries in the Group. At present, he is the President of the Malaysian Pulp & Paper Manufacturers Association.

He graduated from University of Malaya with a Bachelor of Arts Degree in 1969 and later obtained a Master in Management Degree from Asian Institute of Management, Manila in 1978. Dato' Azaman began his career as a marketing executive in Harper Gilfillan before joining the Urban Development Authority (UDA) in 1974. His last position in UDA was that of Director in charge of property management and marketing. He was awarded the Triple A AIM Alumni Achievement Award in February 2023 which is the highest recognition given by the Asian Institute of Management to its outstanding alumni.

Dato' Azaman is a major shareholder of Muda Holdings Berhad.

Dato' Azaman attended all five (5) Board Meetings held in 2024.

**Datuk Wira Lim Chiun Cheong**

DCSM, DPSM

Managing Director

Male | Malaysian | 61

Date of Appointment

**23 April 2004**

**Datuk Wira Lim Chiun Cheong**, DCSM, DPSM, 61, a Malaysian, Male was appointed to the Board of Muda Holdings Berhad on 23 April 2004. Prior to assuming his present portfolio on 28 May 2018, he was the Executive Director in September 2005 until his re-designation to Deputy Managing Director in July 2006. He is a member of the Executive Committee and Sustainability Committee and sits on the board of several local and foreign subsidiaries in the Group. Currently, Datuk Wira Lim Chiun Cheong is responsible for the management of the Manufacturing and Trading Divisions of the Group.

Datuk Wira Lim Chiun Cheong graduated with a Bachelor of Science Degree from Arizona State University, USA and a Bachelor of Law Degree from the University of Birmingham, United Kingdom in 1986 and 1989 respectively. He was called to the English and Malaysian Bar in 1990 and 1991 respectively. He joined the Group as Legal Assistant in October 1991 before serving in various senior management positions in the Group from 1992 to 2005.

Datuk Wira Lim Chiun Cheong is a National Council Member of the Associated Chinese Chamber of Commerce and Industry of Malaysia, Vice President of the Chinese Chamber of Commerce and Industry of Kuala Lumpur and Selangor and a Committee Member of the Malaysian Pulp & Paper Manufacturers Association.

He is the son of Tan Sri Lim Guan Teik, the Non-Executive Chairman of the Company. Datuk Wira Lim Chiun Cheong is also the cousin of Ms Lim Siew Ling and Ms Lim Yen Wee, the Non-Independent Non-Executive Directors of the Company. Datuk Wira Lim Chiun Cheong is a major shareholder of the Company. He is deemed to have an interest in certain related party transactions in the Group as disclosed in this Annual Report.

Datuk Wira Lim Chiun Cheong attended all five (5) Board Meetings held in 2024

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### Wong Choong Yee

Senior Independent Non-Executive Director

Male | Malaysian | 64

Date of Appointment  
**21 August 2018**

**Mr Wong Choong Yee**, 64, a Malaysian, Male, was appointed to the Board of Muda Holdings Berhad on 21 August 2018 as an Independent Non-Executive Director and is a member of the Audit Committee. Mr Wong Choong Yee has been a member of the Nomination Committee and Remuneration Committee since 28 November 2019. He was appointed Chairman of the Nomination Committee on 28 February 2023 and as the Senior Independent Non-Executive Director on 31 May 2023.

Mr Wong Choong Yee holds a Diploma in Commerce (Cost & Management Accounting) from Tunku Abdul Rahman College and is a member of the Chartered Institute of Management Accountants and the Malaysian Institute of Accountants. He began his career in the accounting field in 1984 until 1988. From 1988 to 1994, he held several accounting positions in several public listed companies.

In 1995 he joined Unico Holdings Berhad where he held several senior management positions until he left in 2001 to join Unico-Desa Plantations Berhad as General Manager – Finance Cum Company Secretary.

His last position in Unico-Desa Plantations Berhad was that of General Manager – Risk Management when he left in 2007. He is currently the General Manager – Accounting Cum Company Secretary of Unico Holdings Berhad. He also sits on the board of several private limited companies.

Mr Wong Choong Yee does not hold any shares in the Company and its subsidiaries.

Mr Wong Choong Yee attended all five (5) Board Meetings held in 2024.

### Lim Siew Ling

Non-Independent Non-Executive Director

Female | Malaysian | 54

Date of Appointment  
**1 January 2020**

**Ms Lim Siew Ling**, 54, a Malaysian, Female, was appointed to the Board of Muda Holdings Berhad as a Non-Independent Non-Executive Director on 1 January 2020.

Ms Lim Siew Ling holds a Bachelor of Business Administration from the University of Texas at San Antonio, Texas, United States of America and a Master of Business Administration from Oklahoma City University, Oklahoma, United States of America.

Ms Lim Siew Ling joined the Muda Group in January 2006 as Deputy General Manager in Intrapac Trading (M) Sdn Bhd and was the General Manager of Intra-Muda Holdings Sdn Bhd from July 2016 to December 2019. She is currently the Senior General Manager of Intra-Muda Holdings Sdn Bhd.

Prior to joining the Muda Group, Ms Lim Siew Ling was with Expeditors International of Washington Inc. as Regional Account Manager based in Singapore from April 2003 to December 2005. From 1999 to 2001 she was with Expeditors (M) Sdn Bhd as Territory Sales Manager and Route Development Manager.

Ms Lim Siew Ling also sits on the board of several local and overseas subsidiaries in the Group.

Ms Lim Siew Ling is the niece of Tan Sri Lim Guan Teik, the Non-Executive Chairman of the Company and the cousin of Datuk Wira Lim Chiun Cheong, the Managing Director of the Company and Ms Lim Yen Wee, a Non-Independent Non-Executive Director of the Company. Ms Lim Siew Ling is deemed a major shareholder of the Company.

Ms Lim Siew Ling attended all five (5) Board Meetings held in 2024.



**Lim Yen Wee**

Non-Independent Non-Executive Director

Female | Malaysian | 42

Date of Appointment

**1 January 2020**

**Ms Lim Yen Wee**, 42, a Malaysian, Female was appointed a Non-Independent Non-Executive Director of Muda Holdings Berhad on 1 January 2020. She was appointed Chairman of Sustainability Committee on 26 February 2025.

She joined Muda Paper Mills Sdn Bhd, Tasek, Penang as an Intern in 2013 and served as Deputy General Manager from January 2014 to December 2019. She was the Senior General Manager of Muda Paper Converting Sdn Bhd from January 2020 to June 2024. She is currently the Senior General Manager of Muda Paper Mills Sdn Bhd – Tasek.

Prior to joining Muda Paper Mills Sdn Bhd, she was the Practical Demonstrator of Undergraduate Students and Researcher in Department of Chemistry at the University of Melbourne, Australia from 2005 to 2012.

Ms Lim Yen Wee holds a Bachelor of Biomedical Science Degree and Bachelor of Science (Honors) Degree from the University of Melbourne which she obtained in 2004 and 2005 respectively. In August 2021, she completed a six weeks on-line course on Circular Economy and Sustainability Strategies organized by The University of Cambridge, United Kingdom.

She also sits on the board of several local and overseas subsidiaries in the Group.

Ms Lim Yen Wee is the niece of Tan Sri Lim Guan Teik, the Non-Executive Chairman of the Company and cousin of Datuk Wira Lim Chiun Cheong, the Managing Director of the Company and Ms Lim Siew Ling, a Non-Independent Non-Executive Director of the Company. Ms Lim Yen Wee is deemed a major shareholder of the Company.

Ms Lim Yen Wee attended all five (5) Board Meetings held in 2024.

**Dato' Tan Tian Meng**

DBNS, ANS

Independent Non-Executive Director

Male | Malaysian | 61

Date of Appointment

**3 January 2023**

**Dato' Tan Tian Meng** DBNS, ANS, 61, a Malaysian, Male, was appointed to the Board of Muda Holdings Berhad on 3 January 2023 as an Independent Non-Executive Director and has been a member of the Audit Committee, and Nomination Committee and Remuneration Committee since 28 February 2023; apart from being the Chairman of the Remuneration Committee since 31 May 2023.

Dato' Tan graduated with a Bachelor of Civil Engineering Degree (Honours) from the University of Malaya in 1988 and is a member of Institute of Engineers Malaysia and Malaysian Energy Profession Association.

Dato' Tan has honed his insights in the construction and property development industries for over 30 years. Dato' Tan began his career at Kumpulan Bistari Sdn Bhd in 1988 and was a Project Manager until 1993. Subsequently he joined Sunnisa Sdn Bhd as a Project Director in 1993, a position he held until to-date. He was the Chief Executive Officer in Citic Sunsuria Sdn Bhd from 1 January 2018 until 30 June 2022. Dato' Tan was appointed an Independent Non-Executive Director of Bank of China (Malaysia) Berhad on 7 June 2024. He is currently an Independent Director of the Malaysian Industry-Government Group for High Technology (MIGHT) and sits on the board of several private limited companies.

Dato' Tan is also actively involved in and hold various positions in the Chinese Chambers of Commerce such as Executive Committee member and General Council member of the National Chamber of Commerce and Industry of Malaysia (NCCIM), Secretary General of the Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM) and Vice President of the Chinese Chamber of Commerce and Industry of Kuala Lumpur and Selangor (KLSCCCI).

He does not hold any shares in the Company and its subsidiaries.

Dato' Tan Tian Meng attended all five (5) Board Meetings held in 2024.

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### Dato' Hazli Bin Ibrahim

DIMP, FCCA, MBA

Independent Non-Executive Director

Male | Malaysian | 61

Date of Appointment

**6 April 2023**

**Dato' Hazli Bin Ibrahim**, DIMP, FCCA, MBA, 61, a Malaysian, Male, joined the Board of Muda Holdings Berhad on 6 April 2023 as an Independent Non-Executive Director. He was appointed Chairman of the Audit Committee and a member of the Nomination and Remuneration Committee on 31 May 2023.

He graduated with a Bachelor of Finance and Accounting Degree from the University of East London in 1986 and is a Fellow of the Association of Chartered Certified Accountants. He also holds an MBA (Finance) from Bayes Business School, City, University of London, United Kingdom which he obtained in 1994.

He started his career in London as an Audit Senior with several chartered accountant firms. Upon his return to Malaysia in August 1994, he joined Aseambankers Malaysia Berhad, the investment arm of Malayan Banking Berhad as Manager in the Corporate Finance Division.

Subsequently in November 1996, he moved to Amanah Merchant Bank Berhad as Assistant General Manager and left in September 1998 to join Pengurusan Danaharta Nasional Berhad ("Danaharta"), a national asset management company of Malaysia, as Head of Corporate Planning and Corporate Services Division. He left Danaharta in October 2022 to set up Haz-iq Capital Sdn Bhd, a consultancy firm specializing in corporate finance where he is currently the Managing Director. He is also an Independent Non-Executive Director of DutaLand Berhad and Lebtech Bhd.

He does not hold any shares in the Company and its subsidiaries.

Dato' Hazli Bin Ibrahim attended all five (5) Board Meetings held in 2024.

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**Save as disclosed above, none of the Directors has:**

- (i) Any family relationship with any Director and/or major shareholder of the Company; and
- (ii) Any conflict of interest in any business arrangement involving the Company.

The above Directors have not been convicted of any offences within the past five (5) years other than traffic offences, if any, and have not been imposed with any public sanctions or penalty by the relevant regulatory bodies during the financial year 2024.

# Profile of Key Management

## Teoh Hai Thow

Male | Malaysian | 51

**Hai Thow** joined the Group as an Executive Director and as a minority shareholder of Intrapac (Singapore) Pte Ltd in January 1998. He oversees the Intrapac (Singapore) Pte Ltd Group of businesses which include marketing of paper products, stationery distribution and school bookshop business. He also sits on the board of several foreign subsidiaries in the Group.

Prior to joining the Group, Hai Thow worked in United Paper Industries Pte Ltd, a subsidiary of United Pulp & Paper Co. Ltd as an Accounts Clerk-cum-Assistant Finance & Administration Manager from April 1991 to April 1997.

Hai Thow holds a Diploma in Accounting.

## Loo Ee Fah

Male | Malaysian | 53

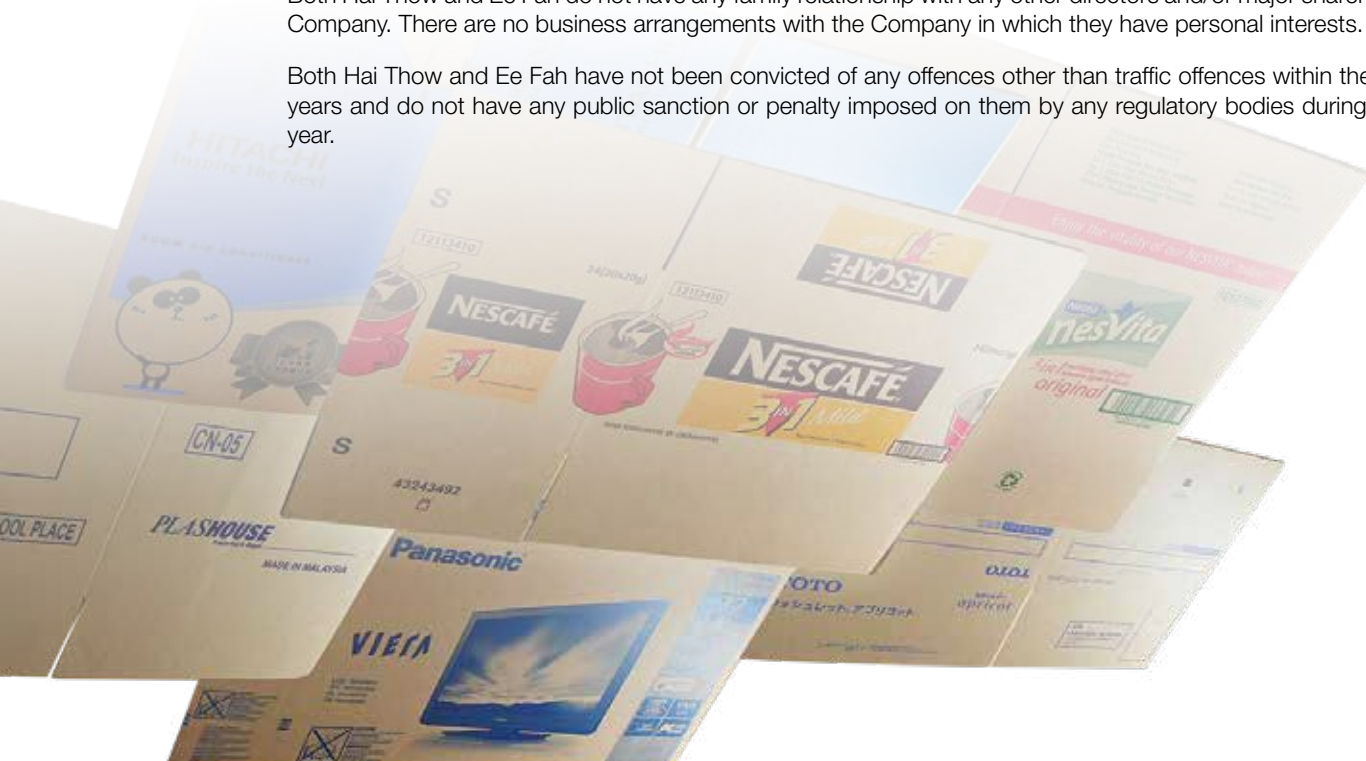
**Ee Fah** was one of the senior management staff of Pacific Bookstores Pte Ltd when Intrapac (Singapore) Pte Ltd acquired an interest in Pacific Bookstores Pte Ltd in 2011. He has been the Executive Director of Pacific Bookstores Pte Ltd since February 2013 and also sits on the board of several foreign subsidiaries in the Group.

Prior to joining the Group, Ee Fah was the Operations Manager of United Paper Industries Pte Ltd from 1996 to 2005 prior to his departure to join United Aviation Pte Ltd as one of the senior staff to set up the business of aircraft hardware distribution to airlines in Southeast Asia until October 2010.

Ee Fah holds an Advance Diploma in Supply Chain Management.

Both Hai Thow and Ee Fah do not have any family relationship with any other directors and/or major shareholders of the Company. There are no business arrangements with the Company in which they have personal interests.

Both Hai Thow and Ee Fah have not been convicted of any offences other than traffic offences within the past five (5) years and do not have any public sanction or penalty imposed on them by any regulatory bodies during the financial year.





# Corporate Governance Overview Statement

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The Board presents this Corporate Governance Overview Statement ("the Statement") to provide shareholders and investors with an overview of the corporate governance practices of the Group under the leadership of the Board of Directors ("the Board") for the financial year ended 31 December 2024 ("FY24"). The overview takes guidance from the principles set out in the Malaysian Code of Corporate Governance issued by the Securities Commission on 28 April 2021 ("the Code").

This Statement is prepared in compliance with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and shall be read in tandem with the Corporate Governance Report ("the CG Report") of the Company, which provides the details of how the Company has applied each practice as set out in the Code. The CG Report is available on the Company's website at [www.muda.com.my](http://www.muda.com.my).

## PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

### 1.1. Board Responsibilities

The Board assumes responsibility for effective stewardships and control of the Company and provide strategic guidance for the Company and effective oversight of Management. The Board also oversees the overall strategy and business direction of the Group which includes reviewing and approving strategic plans and key business initiatives, corporate governance, internal control frameworks and promote a sound corporate culture which reinforces ethical, prudent and professional behavior. While the Board sets the strategic planning and policies, the Executive Directors are responsible for implementing the operational and corporate decisions with the Independent Directors ensuring corporate accountability by providing unbiased and independent view and judgement and challenged Management's assumption and projections in safeguarding the interests of the stakeholders.

The principal functions and responsibilities of the Board include but are not limited to the following:

- i. Review and approve the Group's overall strategy, vision, mission, objectives, core values and governance framework of the Group;
- ii. Evaluate, approve, and monitor new investments, divestments, major capital expenditure and operating expenditure, capital management and major funding activities including the issue of securities;
- iii. Evaluate performance delivery against expected performance by constantly reviewing operating procedures to ensure the financial well-being of the Company is in an optimum state;
- iv. Reviewing and approving the Company's annual budget, financial statements, system of risk management and internal control, code of conduct and legal compliance;
- v. Set the Company's enterprise risk management framework, review major risk exposure and ensure that appropriate risk mitigation plan is in place and consider risk factors for major project;
- vi. To promote sustainability through appropriate environmental, social and governance considerations in the Group's business strategies and ensure that the strategic plan of the Group supports long-term value creation and includes strategies on economic, environmental and social consideration underpinning sustainability;
- vii. Delegating appropriate powers to the executive directors and senior management to ensure that the effective day-to-day management of the business and monitoring the exercise of these powers;
- viii. Ensuring that employees at every level of the Company act legally, ethically and responsibly on all matters; and
- ix. Ensuring the prevalence of corporate accountability that benefit shareholders through the adoption of effective shareholder communication strategy and by encouraging effective participation at general meetings.

**PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****1.1. Board Responsibilities (Cont'd)**

In discharging its fiduciary responsibilities, the Directors deliberate and review the financial performance, execution of strategic plans/investments/projects, the principal risks faced and the effectiveness of management mitigation plans and integrity of management information and systems of internal control of the Group.

During FY24, the Directors monitored the performance of the operating units and measured achievements against budgets, reviewed and adopted the Group's financial results on quarterly and annual basis, have considered and approved investments/projects, reviewed and adopted the Group's financial budgets, monitored the Group's gearing and debt service cover ratios, and ensured that operations of the Group were sound.

**1.2 Demarcation of Responsibilities between Board, Board Committees and Management**

To ensure the effective discharge of its functions and responsibilities, the Board delegates the implementation and monitoring of business and operational initiatives, risk management and internal controls system to the Management and the Board is constantly updated on significant operational and regulatory challenges faced.

In furtherance of the Board's governance role and for the effective discharge of the Board's functions and responsibilities, Board Committees namely, the Audit Committee ("AC"), Nomination Committee ("NC"), Remuneration Committee ("RC") and Sustainability Committee ("SC") have been established. These Board Committees operate under their clearly defined terms of reference. The Chairman of the respective Committees reports to the Board on the outcome of deliberations of the Committee meetings.

**1.3 Board Charter**

The Board Charter sets out how the role, powers and responsibilities of the Board, Board Committees and individual directors are to be exercised, having regard to the principles of good governance, best practices and applicable laws.

The Board Charter upholds high standard of governance and clarifies, amongst others, the roles and responsibilities of the Board and serves as a general statement of intent and expectation in discharging its duties and responsibilities. The Board Charter also outlines the procedures and practices for an effective Board.

The Board Charter is available on the Company's website at [www.muda.com.my](http://www.muda.com.my).

**1.4 Chairman of the Board**

The Chairman oversees and instills good corporate governance practices and leadership while ensuring the Board's effectiveness in fulfilling its role and duty. Presiding over Board meetings, he promotes a culture of openness by encouraging active and effective engagement among all directors while facilitating the expression of constructive views that can be beneficial to the Company and the Group. Beyond that, he acts as a liaison between the Board and Management as well as to foster an effective communication channel with shareholders on Group performance matters. As the Chairman holds a non-executive portfolio, he is not involved in the day-to-day management of the Group.

**1.5 Position of Chairman and Managing Director**

The position of the Chairman and Managing Director are separately held to ensure balance of power and accountability and division of roles and responsibilities of the Board and the management of the Group's business and operations.

The day-to-day management of the Group's business and operations is led by the Managing Director together with the Executive Deputy Chairman and Senior Management.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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## PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### 1.6 Chairman of the Board and Board Committee

The Code provides that Chairman of the Board should not be a member of the AC, NC or RC. Currently, the Chairman of the Board is a member of the AC, NC and RC.

The NC was of the view that even though the Chairman of the Board is also a member of the AC, NC and RC, he has not dominated or exerted any undue influence in the proceedings of any of the committee meetings of which he is a member. The Chairman of the Board also abstained from discussion and decision making in any of matters raised of which he feels that he may be in a position of conflict.

In addition, the Chairman of the AC, NC and RC have always displayed strong leadership in these committees, allowed dissenting views to be freely expressed and has led the committees to perform their responsibilities effectively without interference from the Chairman of the Board. Other members of these committees have also played an active role in deliberation and decision making at these committee meetings and were not cowed by the Chairman of the Board.

### 1.7 Suitably Qualified and Competent Company Secretary

During the FY24, the Board is supported by a qualified Company Secretary who is a member of a professional body. The Company Secretary attends all the Board and Board Committee meetings to advise and to ensure compliance with relevant legislation and regulations on matters related to corporate governance and the Directors' responsibilities. This includes ensuring good information flow within the Board and its committees, between Management and the Non-Executive Directors, facilitating the communication of key decisions and policies between the Board, Board Committees and Management.

### 1.8 Meetings & Meeting Materials

Both the Board and Board Committee met on a regular basis with meetings being scheduled in advance in consultation with the Directors to ensure optimal attendance. Ad hoc meetings were held as and when urgent issues and important decisions were required in between the scheduled meetings.

Notice of meetings were sent at least fourteen (14) calendar days ahead of a board and committee meeting. To facilitate discussion flow and to enable them to make informed decision, all Directors were provided with management reports, financial performance updates and proposal papers at least five (5) business days before of the date of a board and committee meeting to provide ample time for the Directors to review issues that are to be deliberated at these meetings.

Senior Management and external auditors were invited to attend board and board committee meetings to render their professional opinions on issues under their respective purview.

Board meetings were conducted based on a formal agenda with adequate time allocated for deliberation and proper record of minutes kept by the Company Secretary. Decisions reached, policies approved and follow up actions arising from board meetings will be communicated to Management for follow up action after the board meetings.



**PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****1.8 Meetings & Meeting Materials (Cont'd)**

For FY24, five (5) board meetings were held and details of attendance of Directors at the Board Meetings were as follows:

<b>Name of Directors</b>	<b>No. of Meetings Attended</b>
Tan Sri Lim Guan Teik	5/5 (100%)
Dato' Azaman Bin Abu Bakar	5/5 (100%)
Datuk Wira Lim Chiun Cheong	5/5 (100%)
Mr Wong Choong Yee	5/5 (100%)
Ms Lim Siew Ling	5/5 (100%)
Ms Lim Yen Wee	5/5 (100%)
Dato' Tan Tian Meng	5/5 (100%)
Dato' Hazli Bin Ibrahim	5/5 (100%)
Datuk Nik Ibrahim Bin Nik Abdullah (Retired on 27 June 2024)	3/3 (100%)

All Directors have more than adequately complied with the minimum requirements on attendance at Board meetings stipulated under the MMLR of Bursa Malaysia of a minimum of 50% attendance.

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company. This is demonstrated by amongst others, the attendance and time spent at the Board and Board Committee meetings by Directors during the FY24.

**2. Good Business Conduct and Corporate Culture****2.1 Code of Business Conduct and Ethics**

The Code of Business Conduct and Ethics sets out Directors' oversight responsibility in the best interest of the Company within the scope of their authority and fiduciary duties. Directors must avoid their personal or business interest – whether directly or indirect – to conflict with the interests of the Company. If a conflict arises, Directors must promptly disclose such interest by submitting a written notice that details such interest or nature of conflict, thus recusing himself/herself from participating in any discussion and/or decision where the conflict of interest arises. Additionally, the Group has another set of Code of Conduct which sets out the business practices, standards and ethical conduct expected of all officers and employees in the course of their employment.

At the beginning of each calendar year, all Directors made written disclosure of their interest and position in corporations and firms pursuant to Section 221(4) of the Companies Act, 2016 which were duly read and noted at the first board meeting of a calendar year.

The Code of Business Conduct and Ethics and the Directors' Code of Conduct are available on the Company's website at [www.muda.com.my](http://www.muda.com.my).

**2.2 Directors' Fit and Proper Policy**

The Company has a Directors' Fit and Proper Policy to ensure that individual who possesses the right qualification, expertise, competence and integrity is appointed as director of the Group. All candidates to be appointed and seeking for re-election as directors of the Group, shall undergo a review of fit and properness by the Board in accordance with the Directors' Fit and Proper Policy.

All Directors of the Group who sought for re-election in FY24, have completed the Declaration Form for A Director Muda and Its Subsidiaries which were reviewed by the NC. The Board accepted the conclusion of the NC that the directors seeking re-election were fit and appropriate to be re-elected as directors of the Company and/or its subsidiary companies.

The Directors' Fit and Proper Policy is available on the Company's website at [www.muda.com.my](http://www.muda.com.my).

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## PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### 2. Good Business Conduct and Corporate Culture (Cont'd)

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

To observe high standards of business integrity, professionalism and ethical conduct, the Board has set up an Anti-Bribery and Anti-Corruption Policy in compliance with Section 17A of the Malaysian Anti-Corruption Commission Act, 2009. Under this Section 17A, a commercial organization (including listed issuer) may be found liable for acts of corruption committed by any persons associated with the organization, such as its directors and employees.

In line with the said anti-graft policy, both Directors and employees must refrain from authorizing, offering, giving or receiving any gifts or form of benefits (in kind, cash, advantages and/or favor, etc) from individuals or entities that have business dealings with the Company. The Anti-Bribery and Anti-Corruption Policy is available on the Company's website at [www.muda.com.my](http://www.muda.com.my).

#### 2.4 Whistleblowing

The Group has adopted a Whistleblowing Policy with well-defined procedures to enable stakeholders to voice their concerns on serious misconduct, breach or suspected breach of law or regulation without fear of punishment or unfair treatment or reprisals. The Whistleblowing Policy & Procedures is embedded in the Group's Employment Manual. There were no reports of malpractices and misconduct during the year. The Whistleblowing Policy is available on the Company's website at [www.muda.com.my](http://www.muda.com.my).

### 3. Board Composition

#### 3.1 Composition of the Board

In 2024 the composition of the Board was changed with the retirement of Datuk Nik Ibrahim Bin Nik Abdullah on 27 June 2024. The Board now has eight (8) Directors comprising two (2) executive members and six (6) non-executive members, three (3) of whom are independent. The Independent Non-Executive Directors accounted for 37.5% of the Board members which is in line with Paragraph 15.02 of MMLR of Bursa Malaysia.

Cognizant of the recommendation by the MCGG for the Board to comprise at least half of independent directors, the NC constantly assessed the composition and size of the Board to ensure it meets the needs of the Company. In the latest annual evaluation, the Board and the NC expressed satisfaction that the current size of the Board is adequate to ensure effective board governance and decision-making and that the current Board members have the required range of talents, experience and knowledge to accomplish its roles and a diversity of background and distinguished records of leadership to make substantial contributions to the effective functioning of the Board. A majority of the board members have at least one (1) committee assignment.

#### 3.2 Directors' Training

The Board recognises that Directors' training is an ongoing process to ensure that Directors keep themselves abreast of the latest developments in areas to their duties and to ensure that they are equipped with the necessary skills and knowledge to meet the challenges faced by the Board. All Directors are provided with ongoing professional development and training opportunities to enable them to develop and maintain their skills and knowledge. Directors are also encouraged to personally undertake appropriate training to maintain the skills required to discharge their obligations to the Group.

**PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****3. Board Composition (Cont'd)****3.2 Directors' Training (Cont'd)**

The particulars of the training attended by the Directors during FY24 are as follows:

Director	Training Attended
Tan Sri Lim Guan Teik	E Invoicing by Moore Advent
Dato' Azaman Bin Abu Bakar	E Invoicing by Moore Advent
Datuk Wira Lim Chiun Cheong	Mandatory Accreditation Programme Part II – Leading for Impact conducted by ICDM
Mr Wong Choong Yee	E Invoicing by Moore Advent Mandatory Accreditation Programme Part II – Leading for Impact conducted by ICDM
Ms Lim Siew Ling	E Invoicing by Moore Advent Mandatory Accreditation Programme Part II – Leading for Impact conducted by ICDM
Ms Lim Yen Wee	E Invoicing by Moore Advent Mandatory Accreditation Programme Part II – Leading for Impact conducted by ICDM
Dato' Tan Tian Meng	E Invoicing by Moore Advent Mandatory Accreditation Programme Part II – Leading for Impact conducted by ICDM
Dato' Hazli Bin Ibrahim	E Invoicing by Moore Advent Mandatory Accreditation Programme Part II – Leading for Impact conducted by ICDM Audit Committee Conference 2024 – Embracing Strategic Oversight: The Future of Audit Committees

**3.3 Tenure of Independent Directors**

The Board has through its Board Charter set the tenure of an Independent Non-Executive Director to not exceeding a cumulative term of nine (9) years. If the Board intends to retain an Independent Director beyond nine (9) years, it should provide justification for the retention and seek annual shareholders' approval via two-tier voting. Upon completion of nine (9) years, an Independent Director may continue to serve on the Board subject to being re-designated as a Non-Independent Director.

Independent Directors are subject to an independent assessment by the NC and the Board during annual assessment. All the Independent Directors have provided annual declaration of the Director's independence to the Board. The NC and the Board have assessed and were satisfied that none of the Independent Directors had any relationship that could materially interfere with, or be perceived to materially interfere with their unfettered and independent judgement and ability to act in the best interest of the Company and concluded that the Independent Directors of the Company had continued to remain independent.

**3.4 Appointment and Re-election of Board Members**

The NC placed emphasis on the candidate's qualification, character, skills, expertise, experience, professionalism, integrity, competence and time availability. Additionally, the candidate is also evaluated on his/her knowledge of the Company's business/industry, compatibility with other Board members and willingness to devote time and effort to the Board and considering an appropriate mix of core competencies for the Board to fulfill its roles and responsibilities. The criteria for selection and recruitment of new Director are set out in the Directors' Fit and Proper Policy.



**PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****3. Board Composition (Cont'd)****3.4 Appointment and Re-election of Board Members (Cont'd)**

The Company's Constitution provides that at every Annual General Meeting ("AGM") of the Company, one-third of the Directors for the time being or if their number is not three or a multiple of three, then the number nearest one-third shall retire from office and shall be eligible for re-election. New Directors are subject to re-election at an AGM in the year following their appointment.

Datuk Wira Lim Chiun Cheong and Mr Wong Choong Yee will be seeking re-election in accordance with Article 81 of the Company's Constitution at the forthcoming AGM of the Company.

The profiles of the Directors who are standing for re-election at the forthcoming AGM are set out in the Board of Directors' Profile in this Annual Report. Their shareholdings in the Company are set out in the section entitled "Analysis of Shareholdings" in this Annual Report. No individual other than the retiring Directors are seeking election as a director at the forthcoming AGM.

**3.5 New Candidates for Board Appointment**

Regarding identifying potential candidates for appointment of directors, the Board had in the past relied on recommendations from its existing Board Members and Management as these internal sources can provide more reliable recommendations especially pertaining to the suitability of the candidate in terms of understanding and knowledge of the Group's industry and business. Nevertheless, the Board will not rule out the use of independent sources to identify suitably qualified candidates.

**3.6 Gender Diversity**

The Board adopted a policy that the Board shall have at least one (1) Women Director in its Board composition. The Board has two (2) female Non-Independent Non-Executive Directors. The Board is supportive of gender diversity in the Board composition and at senior management level with participation of women in senior management positions. It recognises how a diverse Board in the Company could offer greater depth and breadth of perspectives, leading to better collective decisions. Beyond gender, the Board strives to achieve and maintain a culture of diversity – not only on gender per se – but also skill sets, experience, ethnicity, age, background and other personal attributes.

**3.7 Nomination Committee**

The NC is responsible for regularly reviewing the structure, size and composition of the Board including the skills, knowledge, experience and diversity of the directors. It is also responsible for identifying and nominating potential candidates to be appointed as Directors, as the need may arise.

The NC is tasked to assist the Board by ensuring the availability of a right mix of skills, knowledge, experience, qualities, gender, age and other attributes that are relevant and can contribute to the effective functioning of the Board and the NC has its own set of Terms of Reference which deals with its authority and duties. The Terms of Reference of the NC is available on the Company's website at [www.muda.com.my](http://www.muda.com.my).

The NC is made up of four (4) members, three (3) of whom are Independent Non-Executive Directors and one (1) who is a Non-Independent Non-Executive Directors. All the members attended the two (2) NC Meetings held in 2024. The NC reviewed the attendance of all Board and Committee members, the composition of Independent Directors, Board composition and size and talent, knowledge and the age, qualification, skill sets and experience of the directors, conducted Board/Committees and members' evaluation and assessed Directors' training needs. The NC adopted a new set of evaluation forms for Board and Board Committee Evaluation, Directors' Self and Peer Evaluation, Audit Committee Evaluation and Audit Committee Members Self/Peer Evaluation in 2024.

During the year, the NC considered and assessed the qualification, competence, character and suitability of directors seeking re-election in accordance with the Company's Directors' Fit & Proper Policy and recommended to the Board that the directors seeking re-election were fit and appropriate to be re-elected as directors of the Company and/or its subsidiary companies.

**PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****4. Overall Board Effectiveness****4.1 Annual Evaluation**

For FY24, the Board through the NC and with the assistance of the Company Secretary undertook a formal review of the Board's performance and that of its Board Committees. Board members evaluated and completed a comprehensive set of questionnaires with the aim to assess the effectiveness of the Board, both as a collective unitary Board, and at individual board members level to enable the NC and the Board to determine the best course of actions to be adopted to take the Board to the next level of effectiveness. The performance of each of the Board Committees were also assessed.

To ensure unbiased assessment, the evaluation process was managed by the Company Secretary, who distributed the questionnaire to each Director as well as collected the duly completed forms from each Director prior to submitting them to the Chairman of NC. With the assistance of the Company Secretary, the Chairman of the NC prepared a report on the outcome of the performance evaluation with feedback provided to the Board for further discussion and necessary action. The results of the annual assessment of performance of the Board and Board Committees as well as individual Director's self/peer assessment were reported and noted by the Board on 26 February 2025.

Since the members of the NC are also members of the AC, the evaluation of the performance of the AC and each of its members was undertaken by the Board. The review of the terms of office and performance of the AC and its members in 2024 which was in accordance with Paragraph 15.20 of the MMLR of Bursa Malaysia revealed that the AC and its members have carried out their duties in accordance with the Terms of Reference of the AC.

**5. Remuneration****5.1 Remuneration Policy**

The RC reviewed the remuneration of the Directors and Senior Management annually and submitted its recommendations to the Board on specific adjustments and/or reward payments that reflected their respective contributions throughout the year, and were also competitive and in tandem with the Group's objectives to ensure that the level of remuneration of Senior Management commensurate with the skills and responsibilities expected. The RC and the Board ensured that the remuneration package for the Directors remained competitive to attract and retain Directors of high caliber who possess the necessary skills and experience.

A key element of the remuneration policy is to structure the component of remuneration for Executive Directors by linking rewards to financial performance and long-term objectives of the Group aside from individual performance. As such, the remuneration package for Executive Directors takes the form of basic salary, fees, allowances, bonuses and other benefits-in-kind payments. On the other hand, the remuneration of Non-Executive Directors is linked to their level and quality of contribution and their respective responsibilities, including attendance and time spent at Board meetings and Board Committee meetings. Their remuneration package comprises fees, attendance allowances and benefits-in-kind that commensurate with their roles, duties and responsibilities. Fees and benefits payable to Non-Executive Directors by the Company and its subsidiaries are subject to yearly approval of shareholders during the Company's AGM. The details of the Directors' and Key Management's remuneration for FY24 are disclosed in the CG Report which is available on the Company's website at [www.muda.com.my](http://www.muda.com.my).

**5.2 Remuneration Committee**

The RC is primarily responsible for determining and recommending to the Board the remuneration package of the Executive Directors of the Company. The RC consists entirely of Non-Executive Directors, the majority of whom are independent. All the members attended the one (1) RC Meeting held in FY24 to review and deliberate the recommendations on bonuses and salary increment of Senior Management and the remuneration package of the Executive Directors and made its recommendations to the Board for approval. The roles and responsibilities of the RC are governed by the Terms of Reference and is available on the Company's website at [www.muda.com.my](http://www.muda.com.my).

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### PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### 6. Sustainability Committee

There has been increased interest and awareness for stakeholders and regulators on matters relating to sustainability and environment, social and governance (ESG). The Board is responsible to ensure that the Company has in place sustainability strategies which are aligned with the Company's strategic direction to support the Group's long-term objectives.

The Board is supported by the SC who is responsible to assist the Board in administering and overseeing the development and implementation of the Group's sustainability strategies.

During the FY24, the SC had two (2) meetings which was attended by all the members of the SC.

Further information on the Company's approach to sustainability are disclosed in the Sustainability Statement in this Annual Report.

### PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT

#### 7.1 Effective and Independent Audit Committee

The AC has a key role in the oversight of the effectiveness of the risk management and internal control systems within the Group. Its key function is to assist the Board to assess the risks and control environment, oversee the financial reporting process, evaluate the internal and external audit process, and review any conflict-of-interest situation and related party transactions. The Chairman of the AC reports to the Board on any significant audit findings deliberated by the AC which would require Board's attention and approval for implementation. The AC also monitor compliance with established policies and procedures and assess the suitability, objectivity and independence of both external and internal auditors.

#### 7.2 Members, Chairman and Terms of Reference of AC

The AC of the Company is chaired by an Independent Non-Executive Director, who is not the Chairman of the Board. Having the position of AC Chairman and Board Chairman assumed by different individuals allows the Board to review the AC's findings and recommendations objectively.

The AC comprises of four (4) Non-Executive Directors, three (3) of whom are Independent Directors. The role and responsibilities of the AC are governed by its Terms of Reference. The term of office and performance of AC and each of its members are reviewed annually by the Board to ensure AC and its members have carried out their duties in accordance with the Terms of Reference of the AC. The details on AC membership, AC meetings and how the AC carried out its roles and responsibilities during FY24 are set out in AC Report of this Annual Report.

#### 7.3 Assessment of External Auditors

The Board maintains a transparent relationship with external auditors, with AC responsible for recommending the appointment or removal of external auditors and the terms of their engagement to the Board.

Prior to the commencement of the annual audit, the AC shall seek confirmation from the external auditors as to their independence. This independence confirmation would be re-affirmed by the external auditors to the AC upon their completion of the annual audit. This confirmation was made pursuant to the independence guidelines of the Malaysian Institute of Accountants.

During FY24, the external auditors had private sessions with the AC without the presence of Management to exchange views and opinions in relation to the Group's audit and financial reporting. The AC also undertook an annual assessment of the suitability and independence of the external auditors as well as the performance of the external auditors, including the review of caliber of the audit firm, quality of process, audit team, independence and objectivity, audit scope and planning, audit fees and audit communications. The annual assessment also ensures that provision of other non-audit services by the external auditors is not conflict with their audit function. The review showed that the non-audit fees did not impair or threatened the audit independence of external auditors as the amount was not significant as compared to the total audit fees paid to external auditors.



**PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)****7.3 Assessment of External Auditors (Cont'd)**

The AC has also sought assurance from the external auditors, confirming that they are, and have been, independent throughout the conduct of the audit engagement with the Company in accordance with the independence criteria set out in the By-Laws (On Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants.

Based on the AC's assessment of the external auditors, the Board is satisfied with the quality of service and adequacy of resources provided by the external auditors in carrying out the annual audit for FY24. In view thereof, the Board has recommended the re-appointment of the external auditors for the approval of the shareholders at the forthcoming AGM.

**7.4 Risk Management and Internal Control Framework**

The Group maintains and operates a sound system of risk management and internal control to ensure that the probability of misstatement or loss is at minimum level. Such system is designed to manage rather than eliminate the risks of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has established a continuous process for identifying, evaluating and managing the significant risks the Group faces and also regularly review the effectiveness of the Group's risk management and internal control system in areas of financial, operational, strategic and compliance risks and reviewing the half yearly risk management reports from the Management to consider whether significant risks are identified, evaluated, managed and controlled and whether any significant weaknesses are promptly addressed and remedied and indicate a need for more extensive monitoring.

The AC assists the Board in discharging its review responsibilities. A formal risk identification and assessment exercise has been carried out resulting in risks register summarizing the key risks, potential impact and the mitigating factors or control in place. In this respect, the Internal Audit Department assists the Group in evaluating the effectiveness of the Group's risk management and internal control processes.

The Statement on Risk Management and Internal Control set out in this Annual Report provides an overview of the Group's approach to ensure the effectiveness of risk management and internal control processes within the Group.

**PRINCIPLE C - INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS****8. Continuous Communication Between the Company and Stakeholders**

The Board recognizes the importance of being transparent and accountable to its shareholders and has used various channels of communications to enable the Board and Management to continuously communicate, disclose and disseminate comprehensive and timely information to investors, shareholders, financial community and the public.

The Company's website at [www.muda.com.my](http://www.muda.com.my) under the "Investor Relations" section provides all relevant information to stakeholders and the investing community which includes all the announcements released to Bursa Malaysia, the Company's Annual Report, quarterly results, Board Charter, Terms of Reference of Board Committees and relevant policies of the Group and other corporate information.

The Company also conducts briefings with analysts and financial institutions with the aim to develop and maintain positive relations with all stakeholders through enabling active two-way communication, as well as promoting and demonstrating a high standard of integrity and transparency through timely, accurate and full disclosure. These activities also served to enhance stakeholders' understanding of the Group, thereby enabling them to make informed decisions when valuing the Company's shares. Meetings with analysts on Group's financial results were usually held to coincide with the announcement of the Company's quarterly financial performance.

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### PRINCIPLE C - INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

#### 8. Continuous Communication Between the Company and Stakeholders (Cont'd)

The Board believes that Annual General Meeting ("AGM") is the principal forum for shareholders to raise questions or to seek clarification on the operations and financial performance of the Group in the presence of Board members, the Management team and the external auditors. Additionally, the Board has also made available other channels of communication whereby shareholders and members of the public can email their queries to the Company at [invest-info@muda.com.my](mailto:invest-info@muda.com.my) or via mail to Lot 7, Jalan 51A/241, 46100 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

#### 9. Shareholders Participation at General Meeting

The AGM of the Company serves as the principal forum which provides the opportunity for shareholders to raise concerns or questions. The Company conducted its 53<sup>rd</sup> AGM held on 27 June 2024 on a fully virtual basis through live streaming and online remote voting via Remote Participation and Voting Facilities by leveraging on technology in accordance the Company's Constitution and Securities Commission Malaysia Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers. Shareholders were advised to take advantage of the Remote Participation and Voting ("RPV") facilities hosted at <https://muda-agm.digerati.com.my> without the need to be physically present at the 53<sup>rd</sup> AGM.

Notice of and Administrative Guide for the 53<sup>rd</sup> AGM, the Form of Proxy and the Annual Report were issued and/or uploaded onto the Company's website more than 28 days before the 53<sup>rd</sup> AGM. This allowed shareholders sufficient time to review the Company's financial and operational performance and to make the necessary arrangement to participate in the virtual 53<sup>rd</sup> AGM either in person or by proxies. The Company's Constitution allows shareholders the right to appoint not more than (2) two proxies to attend and vote on their behalf in shareholders' meetings.

Shareholders were provided with clear and easy-to-follow instructions on how to register and participate in the virtual AGM. They were also invited to send questions before the meeting in relation to the agenda items for the 53<sup>rd</sup> AGM, or via the real time submission of typed texts through the text box before the start or during the live streaming of the AGM.

Shareholders, corporate representatives and proxies participated in the virtual 53<sup>rd</sup> AGM through live streaming and online remote voting via the RPV facilities in the 53<sup>rd</sup> AGM.

To ensure effective participation of and engagement with shareholders at the virtual 53<sup>rd</sup> AGM of the Company, all members of the Board, Senior Management and the external auditors participated in the meeting remotely via a designated virtual meeting platform to respond to questions raised by shareholder and proxies prior to and during the 53<sup>rd</sup> AGM. Despite the absence of face-to-face engagement, the Board believes that the RPV facilities have provided an accessible platform for the Board to engage with the shareholders/proxies as close to a physical meeting as possible, by ensuring that shareholders were able to exercise their rights to participate, speak (in the form of real time submission of typed texts) and vote at the fully virtual 53<sup>rd</sup> AGM.

The Company adopted electronic poll voting at its 53<sup>rd</sup> AGM for efficiency in the voting process and an independent scrutineer was appointed to validate all the votes. The Chairman announced the voting results of all the resolutions tabled before the closure of the AGM and the outcome of the meeting were released to Bursa Malaysia on the same day of the AGM. Minutes of the AGM is available on the Company's website at [www.muda.com.my](http://www.muda.com.my).

This Corporate Governance Overview Statement is made in accordance with a resolution of the Board of Directors dated 7 April 2025.

# Audit Committee Report

## INTRODUCTION

The Audit Committee ("AC") of Muda Holding Berhad is committed in its role to ensure high corporate governance practices by providing oversight on the Group's financial reporting, risk management and internal control systems.

The AC's duties and responsibilities are set out in the Terms of Reference, which is available at [www.muda.com.my](http://www.muda.com.my). Through active engagement, the AC is able to assist the Board in the discharge of its oversight function effectively.

## COMPOSITION AND MEETINGS

The details of the AC membership and meetings held for the financial year 2024 ("FY24") are as follows:-

Members	Number of meetings attended
Dato' Hazli Bin Ibrahim (Chairman)	6/6
Tan Sri Lim Guan Teik (Member)	6/6
Wong Choong Yee (Member)	6/6
Dato' Tan Tian Meng (Member)	6/6
Datuk Nik Ibrahim Bin Nik Abdullah (Member) (Ceased to be a member on 27 June 2024)	3/3

The Deputy Executive Chairman, Managing Director, Chief Financial Officer and Senior Finance Manager were invited to all AC meetings to facilitate direct communication and to provide clarification on financial and audit issues as well as updates on business or operations. The Head of the Internal Audit attended all the AC meetings to table and brief the committee members on the internal audit reports.

## SUMMARY OF AC ACTIVITIES

The works of the AC during the financial year ended 31 December 2024 are summarised below:

### A. Financial Reporting

- (a) Reviewed the quarterly unaudited financial results and related announcements to Bursa Malaysia Securities Berhad by focusing on significant matters highlighted by the Management and ensured disclosures were made in compliance with applicable accounting standards and regulatory requirements.

### B. External Audit

- (a) Reviewed the external auditors' planning memorandum, focusing on the scope of work for the year which included new areas or new scope of audit emphasis such as changes to the law and regulations multi-location audit scope, systems, audit timeline and statutory audit fees.
- (b) Reviewed the independence of the external auditors and have received assurance from external auditors confirming that they were, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements as well as the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("MIA").
- (c) Held two (2) separate independent meetings with the external auditors in the absence of the executive board members during which the external auditors informed that they had received full co-operation from the Management as well as unrestricted access to all information required for purpose of their audit and there were no special audit concerns to be highlighted.
- (d) Reviewed the suitability of the external auditors and was satisfied with the suitability of the external auditors, Grant Thornton Malaysia PLT in terms of the quality of audit, performance, competency and sufficiency of resources and recommended to the Board for the reappointment of Grant Thornton Malaysia PLT as the external auditors of the Company for the next financial year.



## AUDIT COMMITTEE REPORT

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### SUMMARY OF AC ACTIVITIES (CONT'D)

#### B. External Audit (Cont'd)

- (e) Discussed the annual audited financial statements of the Group with the external auditors and noted the salient features and key findings from the external auditors as well as to ensure that the audited financial statements was drawn up in accordance with the provisions of the Companies Act 2016 and the applicable accounting standards approved by the Malaysian Accounting Standards Board.
- (f) Reviewed the annual audited financial statements for recommendation to the Board for approval.

#### C. Internal Audit

- (a) Approved the Annual Audit Plan and reviewed the scope, functions, budget, competency and resources of Internal Audit Department, and that it had the necessary independence and authority to carry out its work professionally and with impartiality and expediency.
- (b) Received and reviewed a total of eight (8) Internal Audit Reports and six (6) Limited Audit Review which were tabled during the quarterly AC Meetings covering the processes of the Group's business units.
- (c) Reviewed and discussed the implementation status taken by the Management in response to the audit recommendations on the audit findings raised in the audit reports and ensure that appropriate and prompt remedial actions being taken by the Management to rectify the weaknesses and all the key findings as highlighted, and control lapses identified by Internal Audit Department have been addressed effectively and efficiently.
- (d) Ensured all recommended actions were implemented by Management in accordance with the date committed through five (5) Post Audit Assessments carried out by Internal Audit Department during the financial year.
- (e) Reviewed all the results of audit assessments annually with assigned audit ratings, audit findings remediation status, and evaluation of company's compliance with controls stated in the Internal Control Self-Assessment Questionnaires from reports prepared by Internal Audit Department.

#### D. Related & Recurrent Related Party Transactions

- (a) Reviewed the recurrent related party transactions of a revenue or trading nature entered into by the Company and its subsidiaries and associated companies, and considered any related party transactions and conflict of interest situation that may or have arisen within the Company and the Group including any transactions, procedure or course of conduct that raises questions on management integrity.
- (b) Ensured that the related or recurrent related party transactions were in the best interest of the Group, were fair and reasonable, were on the Group's normal commercial terms and not detrimental to the interest of the minority shareholders, for recommendation to the Board for approval.
- (c) Reviewed and updated the processes and procedures on related or recurrent related party transactions to be in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Companies Act, 2016.

#### E. Risk Management

- (a) Reviewed and discussed the high and key risks that have been identified and reported in the Group's business units' Risk Management Reports as well as new and emerging risks and control mechanism.

The details are set out in the Statement on Risk Management and Internal Control in this Annual Report.

## **SUMMARY OF AC ACTIVITIES (CONT'D)**

### **F. Other Activities**

- (a) Reviewed the AC Report and Statement on Risk Management and Internal Control prior to recommending the same to the Board for approval and inclusion in this Annual Report.

## **SUMMARY OF WORKS OF THE INTERNAL AUDIT FUNCTION**

Summary of the works of the internal audit function for the financial year ended 31 December 2024 is set out in the Statement on Risk Management and Internal Control in this Annual Report.

# Statement on Risk Management and Internal Control

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This statement is prepared pursuant to the requirements set out within Paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") issued by Bursa Malaysia Securities Berhad ("Bursa Malaysia"), with guidance from Bursa Malaysia's Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("SORMIC Guidelines").

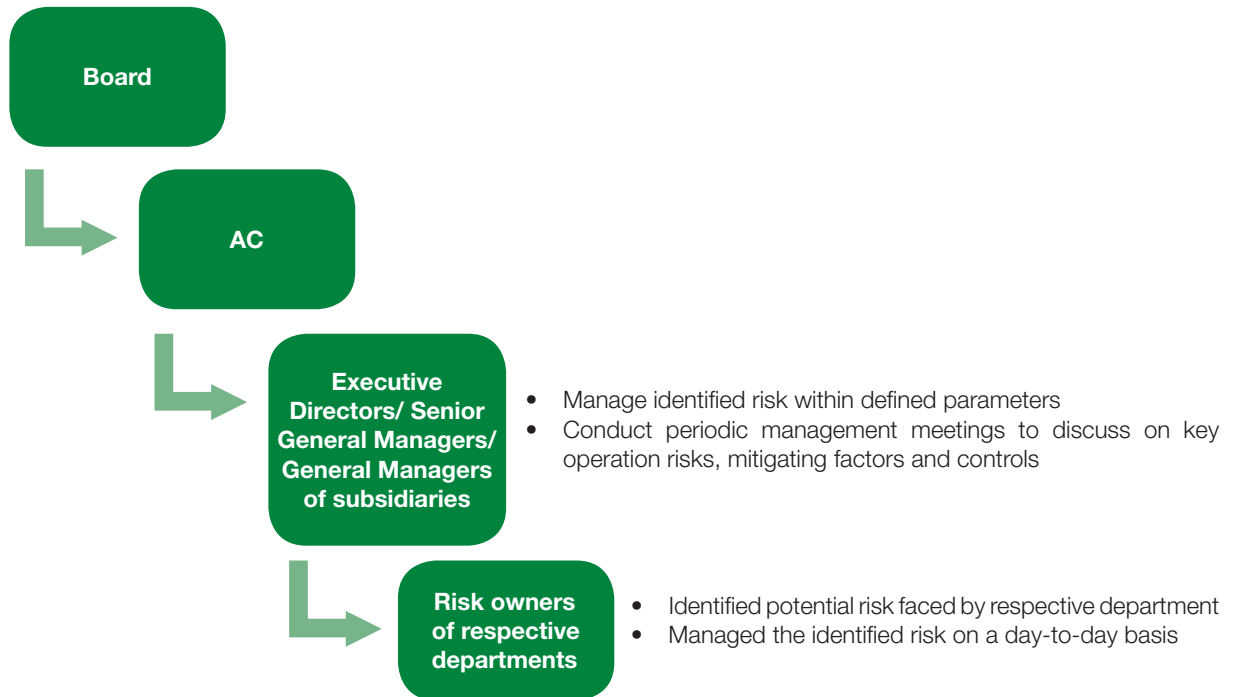
The Board recognises the importance of managing uncertainties that may affect the achievement of the Group's objectives and is committed to manage the Group's risk pragmatically by embedding risk management into its system of internal control, management system and decision-making process.

## RESPONSIBILITY AND ACCOUNTABILITY

At Board Level	At Management Level	At Operation Level
<u>Board of Directors (the "Board"):</u> <ul style="list-style-type: none"><li>Affirms its overall responsibility to drive a "risk-aware" culture throughout the Group and to establish and oversee sound risk management practices, as well as to ensure the adequacy and effectiveness of its Risk Management Framework and system of internal control.</li><li>Reviews the Risk Management Framework on a regular basis and recognises that the risk management system is designed not to eliminate the risks but to manage the risks.</li></ul> <u>Audit Committee ("AC"):</u> <ul style="list-style-type: none"><li>Assists the Board in the oversight of an adequate, efficient and effective risk management and internal control function for the Group.</li></ul>	<u>The Management team, led by the Executive Directors:</u> <ul style="list-style-type: none"><li>Oversees the implementation of the approved framework, policy and all procedures pertaining to risk management and internal control, to ensure that business strategies and risk management are aligned.</li><li>Manages the risks faced by the Group through the implementation of effective controls and mitigation measures.</li></ul>	<u>All employees:</u> <ul style="list-style-type: none"><li>Assess risks that could surface from their actions or decisions.</li><li>Ensure reasonable care is taken to prevent loss, maximise opportunity, and safeguard the Group's reputation and assets through appropriate controls to prevent or manage uncertainties.</li></ul> <u>Internal Audit Department ("IAD"):</u> <ul style="list-style-type: none"><li>Reports directly to the AC, as an independent function of the Group.</li><li>Provides objective assurance to the Board on the adequacy of the Group's internal control systems, governance and risk management processes.</li></ul>

## Risk Management Framework

The Group has adopted and implemented an Enterprise Risk Management ("ERM") framework which serves as a methodical approach for the timely identification, reporting and management of principal risks as well as ensuring the implementation, monitoring and review of the effectiveness of mitigation actions for the risks identified. It sets out the risk management governance and processes in association with the Group's business and operational requirements in order to maintain a sound control environment. The key elements of the ERM framework are outlined below.

**Risk Management Framework (Cont'd)****Risk Management Governance Structure****Risk Management Process**



# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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## Internal Control

The Board places emphasis on a sound system of internal control to facilitate the effective and efficient operation of the Group's businesses by enabling the Board and the Management to respond appropriately to any significant business, operational, compliance and other risks in achieving the Group's objectives.

Nevertheless, the Board also recognises that the system of internal control can only reduce, but cannot eliminate, the possibility of poor judgement in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances. As such, the Board reiterates that the system of internal control, by its nature, can only provide reasonable but not absolute assurance against material loss or against the Group failing to achieve its objectives.

The key elements of the Group's internal control system are described below:

- 1) Clearly defined delegation of responsibilities to the Board Committees and to operating units, including authorisation levels for all aspects of the business.
- 2) Documented internal procedures and/or processes of individual business units, whenever applicable, which include processes to generate timely, relevant and reliable information and proper record keeping as well as compliances with applicable laws and regulations and internal policies for the conduct of business.
- 3) Regular internal audit visits in accordance with the approved internal audit plan by AC which monitors compliance with procedures and assess the integrity of financial information.
- 4) Regular and comprehensive information provided by Management, covering financial performance and key business indicators.
- 5) A detailed budgeting process where operating units prepare budgets for the coming year to be approved by the Board.
- 6) A monthly monitoring of results against budget, with major variances being followed up and management action taken, where necessary.

## Key Risks

The Group had broadly identified key risk into Strategic, Operational, Financial and Compliance Risk with the outcome of the process documented into a half yearly risk management report to be presented to the Board. The table below shows the key risk and its mitigating measures.

Key Risks	Description	Mitigating Actions
Strategic	The Group's envisaged to strengthen the market position as one of the Malaysia's largest integrated paper manufacturers.	The Management continually keeps abreast of strategic risk and are mindful on the global trends, geo-political issues, business resilience, industry disruption and would respond to them appropriately.
Operational	The Group's policy is to assume operational risks that are manageable within its core business competencies. The operational risks management range from shortage of raw material, fluctuation of raw material price, fire and flood, machine breakdown, etc.	Day-to-day operational risks are mainly decentralised at the respective subsidiaries level and guided by the Standard Operating Procedures.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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### Key Risks (Cont'd)

Key Risks	Description	Mitigating Actions
Financial	The Group is exposed to various financial risks relating to interest rate, foreign currency risks, credit risks and liquidity risks.	The Group's risk management objectives and policies coupled with the required quantitative and qualitative disclosures relating to its financial risks are set out in the financial statements.
Compliance	The Group operates in diverse geographical locations and as such, is governed by relevant local and international laws, regulations, standards, certifications and accreditations.	The Management continues to keep abreast on any new regulations being gazetted or enacted. In addition, the Group will be notified if there are any changes to the industry or compliance requirement as the Group is a member to certain association or federation.

### Internal Audit function

The Group has an in-house and independent IAD which undertakes internal audit functions based on the risk-based audit plans that were reviewed and approved by the AC.

The purpose, authority and responsibility of the IAD as well as the nature of the assurance and consultancy activities provided by the function are articulated in the Internal Audit Charter. The IAD reports directly to the AC who reviews and approves the IAD's annual audit plan, financial budget and human resource requirements to ensure that the function is adequately resourced with competent and proficient internal auditors and activities were carried out closely in line with the International Professional Practices Framework ("IPPF").

The IAD is headed by Mr. Koh Thuan Hin who was appointed to this position in March 2017. He has been with the IAD for 15 years, having joined in July 2009. Mr. Koh's 27 years of experience in the profession spanned across various commercial sectors including professional audit and accountancy firm, manufacturing, property, trading, agriculture, poultry and service sectors. Mr. Koh is a holder of Advanced Diploma in Accounting and Business from the Association of Chartered Certified Accountant.

During the year, the IAD conducted various internal audit engagements in accordance with the risk-based audit plan which covered the review of the followings:-

- a) Executed eight (8) audit assignments, five (5) follow-up audit and six (6) limited audit reviews based on approved 2024 Internal Audit Plan which were formulated after considering key business processes and risks of the Group;
- b) Audit reviews were performed on business units to ensure compliance with internal policies, Standard Operating Procedures ("SOPs"), accounting standards, and relevant rules and regulations:
  - Security control procedures;
  - Credit control procedures;
  - Review of carton plant production and planning controls;
  - Human resource management activities;
  - Review of control systems of property, plant and equipment;
  - Post capital expenditure evaluation; and
  - Review of related and recurrent related party transactions.
- c) Follow-up on the implementation of Management Action Plans to ensure that necessary actions have been taken to remedy any significant gaps identified through audit assignments;

The total costs incurred for maintaining the Group's Internal Audit and Risk Management function for year 2024 were approximately RM480,000.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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### ASSURANCE

The Board has received assurance from the Executive Deputy Chairman and the Chief Financial Officer that the risk management and internal control system of the Group is operating adequately and effectively. Thus, the Board is of the view that the risk management and internal control system in place for the year under review is sound and sufficient to safeguard shareholders' investments, stakeholders' interests and the Group's assets.

### CONCLUSION

Based on the foregoing as well as the inquiries and information provided, the Board is assured that the risk management process and system of internal control put in place through its Board Committees were operating adequately and effectively in all material aspects to meet the Group's objectives for the year under review.

This Statement on Risk Management and Internal Control does not cover associated companies where the internal control systems of these companies are managed by the respective management teams. This Statement has been reviewed and approved by the Board of Directors on 7 April 2025.

### REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in this Annual Report issued by the Malaysian Institute of Accountants for inclusion in this Annual Report of the Group for the year ended 31 December 2024, and reported to the Board that nothing has come to their attention that cause them to believe that the Statement intended to be included in this Annual Report of the Group, in all material respects: has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the SRMIG or is factually inaccurate. The external auditors' report was made solely for, and directed solely to the Board in connection with their compliance with the MMLR of Bursa Malaysia and for no other purpose or parties.

As stated in their report, the external auditors do not assume responsibility to any person other than the Board in respect of any aspect of this report. AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board and Management thereon. The external auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in this Annual Report will, in fact, remedy the problems.

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# Sustainability Statement

## ABOUT THIS STATEMENT

In today's business landscape, sustainability is the foundation upon which resilience, responsibility, and long-term success are built. At Muda Holdings Berhad ("MHB" or "the Group"), we recognise that every decision we make leaves a lasting imprint, shaping the environmental and social fabric of tomorrow.







The Sustainability Statement ("SS24" or "the Statement") for the financial year ended 31 December 2024 ("FY24") serves as a comprehensive account of our approach to sustainability, covering our Economic, Environmental, Social, and Governance ("EESG") performance. It highlights how we identify and manage material sustainability risks and opportunities, reinforcing our commitment to balancing business growth with responsible corporate practices.

This Statement is developed in line with evolving industry standards, regulatory expectations, and global best practices, ensuring that our sustainability strategies remain relevant, effective, and forward-looking. All information provided has been sourced internally and verified by the relevant business units or data owners. Furthermore, we have conducted an internal assurance process to uphold accuracy, consistency, and reliability in our reporting.

By embracing transparency, accountability, and continuous improvement, we not only safeguard long-term value creation but also strengthen stakeholder trust, positioning MHB as a responsible leader in sustainable business practices.

## Basis, Guideline and Reference

This Statement was prepared based on all available internal information in accordance with Paragraph 29, Part A of Appendix 9C and Practice Note 9 of Bursa Malaysia Securities Berhad's ("Bursa Securities") Main Market Listing Requirements ("MMLR") relating to sustainability statement and its Sustainability Reporting Guide 3rd Edition, and other international sustainability frameworks or standards as follows:-

 <b>Bursa Malaysia Sustainability Reporting Guide (3<sup>rd</sup> Edition)</b>	 <b>Global Reporting Initiative ("GRI") 2021 (Core Option)</b>	 <b>FTSE4Good Bursa Malaysia ("F4GBM") Index</b>
IN ACCORDANCE	WITH REFERENCE	WITH REFERENCE
 <b>Task Force on Climate- Related Financial Disclosures ("TCFD")</b>	 <b>Sustainability Accounting Standards Board ("SASB") Sector-Specific Disclosures</b>	 <b>United Nations Sustainable Development Goals ("UNSDGs")</b>
IN ACCORDANCE	WITH REFERENCE	WITH REFERENCE



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## ABOUT THIS STATEMENT (CONT'D)

### Reporting Scope and Boundary

This Sustainability Statement outlines the Group's sustainability strategies, practices, and performance for the period 1 January 2024 to 31 December 2024, unless stated otherwise.

As a publicly listed company on Bursa Malaysia's Main Market, MHB is headquartered in Selangor, Malaysia. The scope of this report includes MHB and its locally active subsidiaries, as reflected in its consolidated financial statements under financial control:

- Muda Paper Mills Sdn Bhd
- Federal Packages Sdn Bhd
- Muda Packaging Industries Sdn Bhd
- Kotak Malaysia (KOM) Sdn Bhd
- K F Paper Products (Melaka) Sdn Bhd
- Muda Pasifik Sdn Bhd
- Muda Paper Converting Sdn Bhd
- Quantum Total Packages Sdn Bhd
- Sea Paper Industries Sdn Bhd
- Central Malaya Paper Sdn Bhd
- Intrapac Trading (M) Sdn Bhd
- MC Pack (Malaysia) Sdn Bhd

Historical statistical data is included, where applicable, to illustrate key trends and offer context for comparing past and current performance. The plans, targets, and forward-looking statements in this report are formulated based on reasonable assumptions and the current business landscape. However, actual results may be influenced by changes in operating conditions.

### Membership in Associations

MHB is a member of the following associations/professional bodies:

- Malaysian Employers Federation
- Malaysia Pulp and Paper Manufacturers Associations
- Malaysian Corrugated Carton Manufacturers' Association

### Exclusions, Limitations, Disclaimers

MHB acknowledges the challenges in data collection for certain indicators and is committed to enhancing its systems for more accurate reporting. While this Statement includes forward-looking targets, plans, and performance projections, these are based on current trends and reasonable assumptions. However, due to inherent business risks and uncertainties, actual outcomes may vary.

### Data Quality and Assurance

The content and quality of this Statement are shaped by GRI principles and the evolving dynamics of MHB's operating environment. Performance data in SS2024 has been gathered, verified, and validated internally by the relevant business divisions and data owners. Where applicable, disclosures follow a rolling three-year format to track performance patterns. Moving forward, the Group remains focused on refining data collection and analysis to enhance accuracy, reliability, and transparency in reporting.

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## Report Availability and Feedback

The Sustainability Statement 2024 is available for download on Muda Holdings Berhad's corporate website at <https://muda.com.my/> as part of the Group's Annual Report 2024. A digital version, along with previous statements, can also be accessed on the Bursa Malaysia Securities Berhad website.

For clarifications or further information regarding SS24 or MHB's business operations, stakeholders are encouraged to reach out via [invest-info@muda.com.my](mailto:invest-info@muda.com.my).

## SUSTAINABILITY GOVERNANCE

MHB recognises the importance of a robust sustainability governance framework in ensuring a strategic approach to risk and opportunity management. Rooted in sustainable principles and aligned with industry best practices, this multi-level structure fosters accountability and collaboration across the organisation, providing effective oversight and guidance. Through this, MHB advances its sustainability objectives while continuously creating value for stakeholders.

Governance Body	Roles & Responsibilities
<b>Board of Directors ("the Board")</b>	<ul style="list-style-type: none"> <li>Holds utmost responsibility for driving and overseeing sustainability efforts.</li> <li>Sets the strategic direction for MHB's sustainability initiatives.</li> <li>Maintains oversight on climate-related and sustainability-related issues.</li> <li>Leverages collective expertise to guide decision-making.</li> <li>Ensures sustainability principles align with industry best practices.</li> </ul>
<b>Sustainability Committee ("SC")</b>	<ul style="list-style-type: none"> <li>Chaired by Non-Independent Non-Executive director and led together with the Executive Deputy Chairman and Managing Director.</li> <li>Supports the Board in driving sustainability efforts within MHB.</li> <li>Provides oversight and guidance to ensure sustainability is embedded in business strategies.</li> </ul>
<b>Sustainability Reporting Working Group ("SRW")</b>	<ul style="list-style-type: none"> <li>Comprises of Heads of Business Unit, Senior General Managers/ General Managers.</li> <li>Monitors and guides sustainability performance across MHB's business portfolio.</li> <li>Works closely with the SC to translate sustainability goals into concrete actions.</li> <li>Comprises experts and key stakeholders to ensure robust execution of sustainability initiatives.</li> </ul>



*Dear Stakeholders,*

*At Muda Holdings Berhad, we believe sustainability is not an isolated pursuit, but a foundation for long-term business resilience and industry leadership. As a pioneer in Malaysia's paper milling and paper packaging industry, Muda Holdings Berhad understands that responsible business practices are a critical necessity. Aligning with industry standards and best practices, we are steadfast in our commitment to minimising environmental impact, fostering social progress, and upholding strong governance across our operations.*

FY24 was a pivotal year in our sustainability journey, where we reinforced our strategies and strengthened our commitment to transparency. We reached significant milestones including a rigorous climate risk assessment aligned with the TCFD and IFRS S2 frameworks. Our advancements in climate resilience and operational efficiency reflect our determination to remain at the forefront of sustainability excellence.

A clear and measurable approach is paramount. To this end, we have enhanced our reporting mechanisms and data collection processes, ensuring that performance is tracked with precision and accountability. These efforts enable us to integrate sustainability seamlessly into our business strategy, translating ambition into measurable progress. We take pride in the milestones achieved, including 91.30% of sales for industrial-grade paper carried FSC certification, 86.84% of procurement spending directed to local suppliers, 39.81% women representation in management roles, zero confirmed incidents of corruption, and zero work-related fatalities across 6,888,808 man-hours worked in the past year, which stand as testaments to our unwavering commitment.









However, meaningful change is not driven in isolation. Collaboration is the catalyst for industry-wide transformation. By engaging with stakeholders across our network, we amplify our impact and drive a collective shift towards more sustainable and responsible practices. Together, we are not just adapting to change, we are shaping the future of our industry.

*Sincerely,*

**Lim Yen Wee**

Chairman of Sustainability Committee

## OUR SUSTAINABILITY HIGHLIGHTS FY24

 <p><b>91.30%</b> of sales for industrial-grade paper carried FSC certification</p>	 <p><b>86.84%</b> of the total procurement budget spent on <b>local suppliers</b></p>	 <p><b>73.60%</b> of average <b>customer satisfaction scores</b></p>	 <p><b>88.23%</b> of <b>local suppliers</b></p>
<p><b>7.35 %</b> reduction in total emissions (Scope 1 + 2 + 3)</p>	<p><b>64.74 %</b> of energy consumption (Scope 1 + 2) comes from <b>renewable energy</b> sources</p>	<p><b>7.23 %</b> reduction in emissions intensity</p>	<p><b>ZERO</b> incidents of non-compliance with environmental regulations</p>
 <p><b>84,415 hours</b> of training provided to <b>2,273 employees</b></p>	 <p><b>ZERO</b> confirmed incidents of <b>human rights violations</b></p>	 <p><b>39.81%</b> of <b>women representation</b> in <b>Management</b> role</p>	 <p><b>ZERO</b> work-related fatalities for <b>6,888,808 manhours</b> worked</p>
<p><b>100.00%</b> of Board of Directors received <b>anti-corruption training</b></p>	<p><b>ZERO</b> confirmed <b>incidents of corruption</b></p>	<p><b>ZERO</b> confirmed <b>incidents of whistleblowing</b> cases</p>	<p><b>ZERO</b> <b>substantiated complaints concerning breaches of customer privacy</b> and losses of customer data</p>



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## STAKEHOLDER ENGAGEMENT

MHB defines its stakeholders as individuals and organisations that hold significance to the Group's business operations and strategies. The engagement methods used with these stakeholders are regularly evaluated to better understand their concerns and expectations, making certain business decisions and policies are shaped with their perspectives in mind.

The table below summarises MHB's approach to stakeholders' engagement:

Key Stakeholders	Focus Area	Engagement Method	Engagement Frequency
Customers	<ul style="list-style-type: none"> <li>Product quality</li> <li>Reliable delivery</li> <li>Competitive prices</li> <li>Customer service</li> </ul>	<ul style="list-style-type: none"> <li>Customer feedback</li> <li>Factory visit</li> <li>Monthly meeting</li> </ul>	<ul style="list-style-type: none"> <li>Routine meeting</li> <li>Annually</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Remunerations and benefits</li> <li>Safe and conducive working environment</li> <li>Career growth and opportunities</li> <li>Equal opportunity</li> </ul>	<ul style="list-style-type: none"> <li>Monthly management meetings</li> <li>Employee engagement events</li> <li>Performance appraisal</li> <li>Training</li> </ul>	<ul style="list-style-type: none"> <li>Routine meeting</li> <li>Bi-Weekly</li> <li>Monthly</li> </ul>
Shareholders/ Investors	<ul style="list-style-type: none"> <li>Business profitability</li> <li>Business management</li> <li>Corporate governance</li> <li>Investment risk and return</li> <li>Share price performance</li> </ul>	<ul style="list-style-type: none"> <li>Annual General Meeting</li> <li>Annual report</li> <li>Bursa announcements</li> <li>Quarterly financial results</li> <li>Company website</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly</li> <li>Annually</li> <li>As needed</li> </ul>
Regulators	<ul style="list-style-type: none"> <li>Compliance with relevant rules and regulations</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with mandatory requirements such as Income tax returns, Sales tax returns, Securities Commission Declarations, Annual Returns, Licence renewals, and Declaration to the Department of Environment ("DOE") and the Department of Occupational Safety and Health ("DOSH")</li> <li>Consultation with local authorities and BOMBA</li> </ul>	<ul style="list-style-type: none"> <li>Monthly</li> <li>Annually</li> <li>As needed</li> </ul>
Bankers	<ul style="list-style-type: none"> <li>Financial health, solvency</li> <li>Covenants compliance</li> </ul>	<ul style="list-style-type: none"> <li>Annual review of financial performance and financial position</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly</li> <li>Annually</li> </ul>
Competitors	<ul style="list-style-type: none"> <li>Anti-competitive practices</li> <li>Business strategy and plan</li> <li>Market penetration</li> </ul>	<ul style="list-style-type: none"> <li>Update on market conditions</li> </ul>	<ul style="list-style-type: none"> <li>Monthly</li> </ul>

## STAKEHOLDER ENGAGEMENT (CONT'D)

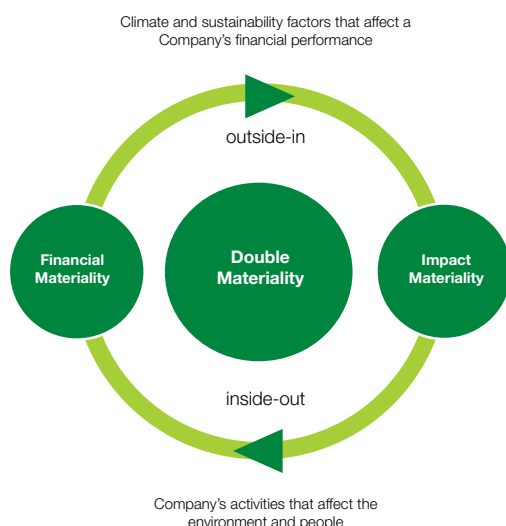
The table below summarises MHB's approach to stakeholders' engagement (Cont'd):

Key Stakeholders	Focus Area	Engagement Method	Engagement Frequency
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Pricing</li> <li>Product Quality</li> <li>Reliability of supply</li> <li>Order fulfilment matters</li> <li>Prompt payments</li> </ul>	<ul style="list-style-type: none"> <li>Supplier meetings</li> <li>Informal discussion</li> <li>Suppliers visit and audit</li> </ul>	<ul style="list-style-type: none"> <li>Routine meeting</li> <li>Annually</li> </ul>
<b>Community</b>	<ul style="list-style-type: none"> <li>Social and environmental issues</li> <li>Community development</li> </ul>	<ul style="list-style-type: none"> <li>Provide job opportunities</li> <li>Corporate social responsibility programmes and activities related to education, society and associations</li> </ul>	<ul style="list-style-type: none"> <li>Monthly</li> <li>Annually</li> </ul>

## MATERIALITY ASSESSMENT

## Materiality Assessment Process

Materiality plays a vital role in identifying key issues that could significantly influence MHB's business, incorporating emerging risks and opportunities. This involves assessing both financial materiality—how Environmental, Social, and Governance ("ESG") factors affect financial performance—and impact materiality, which considers broader societal and environmental implications.



In line with Bursa Malaysia's updated disclosure requirements, MHB conducted a comprehensive Materiality Assessment Exercise ("MAE") in FY23 to identify, evaluate, and prioritise the sustainability matters most relevant to both the Group and its stakeholders. This process involved gathering insights from internal and external stakeholders through a materiality survey, ensuring that identified topics align with MHB's business model and the four pillars of Sustainability: Economic, Environmental, Social, and Governance ("EESG").

The findings from this assessment guide the Board and Senior Management in shaping MHB's strategic direction and resource allocation, enabling the effective management of sustainability-related risks.

## MATERIALITY ASSESSMENT (CONT'D)

## Materiality Assessment Process (Cont'd)

**STEP 1  
DETERMINING SCOPE OF ASSESSMENT**

A comprehensive gap analysis with peer comparison was conducted to determine the reporting gaps of MHB, taking into consideration as well the emerging risks and trends of the operating landscape to determine the scope of the assessment.

**STEP 2  
IDENTIFYING AND CATEGORISING TOPICS**

A list of 19 sustainability topics for assessment were derived from MHB's identified material topics and other areas of focus identified from the reporting frameworks referenced and the gap analysis conducted.

**STEP 3  
MATERIALITY ASSESSMENT SURVEY**

The materiality assessment survey was held across September - October 2023, where opinions from the Board of Directors, Management team members, employees of MHB, and external stakeholders were gathered to rank and rate the identified topics' impacts to its business and importance to stakeholders. A total of 185 responses were collected.

**STEP 4  
MATERIALITY ANALYSIS AND PRIORITISATION**

The feedback gathered from the survey were tabulated. Using weightage system based on prioritisation for varying stakeholder groups for stronger relevance of the results and best practices in statistical analysis, the topics are plotted on a materiality matrix to determine their priority to the sustainability of MHB.

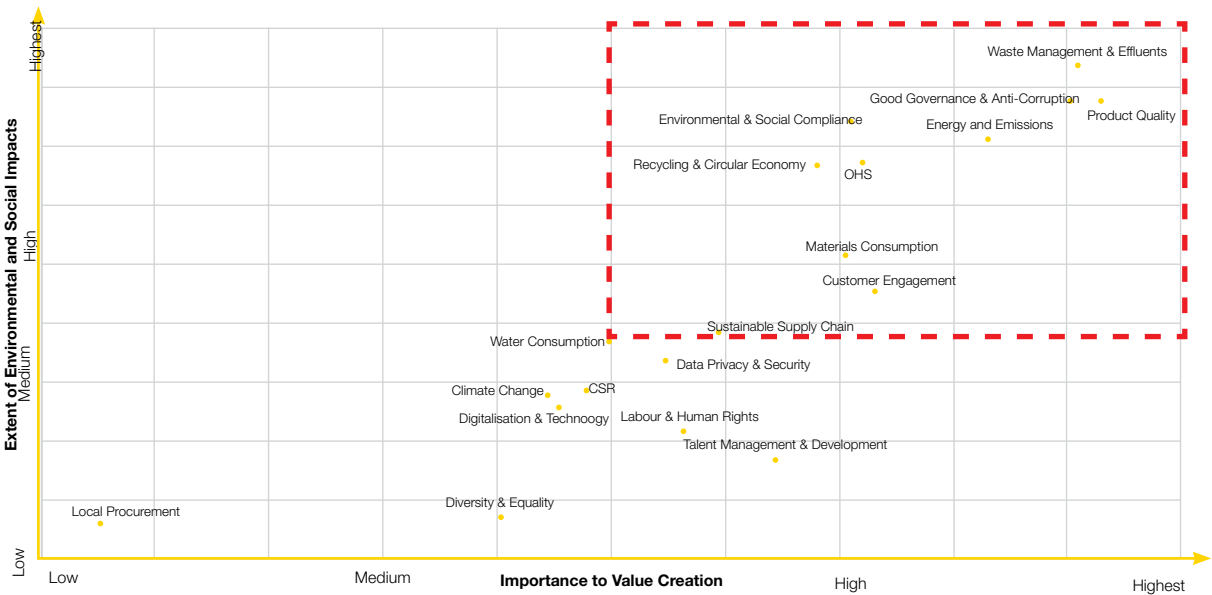
**STEP 5  
VALIDATION AND ENDORSEMENT OF MATERIALITY MATRIX**

The materiality matrix and additional findings from the materiality assessment survey were presented to the Board for validation and has been approved and endorsed by the Board on 4 April 2024.

MATERIALITY ASSESSMENT (CONT'D)

Materiality Matrix

The Materiality Matrix visually represents the relative importance of each identified matter. This matrix serves as a strategic tool to assess the significance of sustainability issues.



ECONOMIC	ENVIRONMENT	SOCIAL	GOVERNANCE
<ul style="list-style-type: none"><li>Digitalisation &amp; Technology</li><li>Local Procurement</li><li>Customer Engagement</li><li>Product Quality</li></ul>	<ul style="list-style-type: none"><li>Climate Change</li><li>Energy Consumption &amp; Emissions</li><li>Waste Management &amp; Effluents</li><li>Materials Consumption</li><li>Water Consumption</li><li>Recycling &amp; Circular Economy</li></ul>	<ul style="list-style-type: none"><li>Occupational Health &amp; Safety</li><li>Labour &amp; Human Rights</li><li>Talent Management &amp; Development</li><li>Equal Opportunity, Diversity &amp; Equality</li><li>Corporate Social Responsibility</li></ul>	<ul style="list-style-type: none"><li>Good Governance &amp; Anti-Corruption</li><li>Environmental &amp; Social Compliance</li><li>Sustainable Supply Chain</li><li>Data Privacy &amp; Security</li></ul>



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## UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The United Nations (“UN”) introduced the Sustainable Development Goals (“SDGs”) as a global framework consisting of 17 objectives designed to drive sustainability and equality worldwide.

In line with this vision, we have mapped the SDGs most relevant to our core sustainability priorities and strategic initiatives. MHB remains dedicated to advancing and incorporating these goals, particularly those that align closely with our business operations.

Pillar	Material Topics	UN SDGs goal	Approaches
Economic	Product quality	 	<ul style="list-style-type: none"> <li>Consistently provide high-quality products and service</li> <li>Meet customers’ requirements and expectations through tailored solutions</li> </ul>
	Customer Engagement		
Environment	Waste Management & Effluents	   	<ul style="list-style-type: none"> <li>Installation of renewable energy technologies for sustainable operations</li> <li>Ensure full compliance with local regulatory requirements and standards</li> </ul>
	Energy Consumption & Emissions		
	Recycling & Circular Economy		
	Materials Consumption		
Social	Occupational Health & Safety		<ul style="list-style-type: none"> <li>Compliance with DOSH regulations for workplace safety</li> </ul>
Governance	Good Governance & Anti-Corruption	  	<ul style="list-style-type: none"> <li>Uphold the high standard of corporate governance and ethics</li> <li>Achieve full compliance with regulatory requirements, with zero reported violations</li> </ul>
	Environmental & Social Compliance		
	Sustainable Supply Chain		

## ESG KPIS AND TARGETS

Building on the foundation laid in November 2023, when MHB conducted its first-ever workshop on setting Key Performance Indicators ("KPIs") and targets for EESG areas, we have since taken significant strides in refining and achieving these targets throughout FY24. The workshop, which saw active involvement from the Board and Senior Management, marked a pivotal step in formalising ESG benchmarks for the Group.

Following this initiative, MHB has progressively enhanced its targets, embedding them into our strategic framework and making measurable progress towards our sustainability commitments. These KPIs continue to serve as vital tools for tracking performance, facilitating data-driven decision-making, and ensuring accountability at every level of the organisation.

Pillar	Material Topic	KPI	Target	Performance FY2024
ECONOMIC	Digitalisation and Technology	Digitalisation of process	Implement e-procurement by FY2026	● In progress
	Product Quality	Customer complaint resolution rate	>80.00% customer complaint resolution rate annually	● 100.00% resolution rate
		Product recalls/rejects	<1.00% of product recalls/rejects/disputes annually	● Zero product recalls/rejects/disputes
	Customer Engagement	Number of engagement sessions	At least 12 engagement sessions with customers ranking within the Top 20.00% by revenue	● 12 engagement sessions
	Local Procurement	Proportion of spending on local procurement	>80.00% of local procurement spending per annum (subject to business viability)	● 86.84% of local procurement spending
ENVIRONMENTAL	Energy Management	Utilisation of renewable energy (solar energy for electricity and biomass for steam generation)	40.00% of renewable energy sources in the overall energy mix by FY2030	● 64.74% of renewable energy sources in FY2024
	Climate Change	Reduction in Scope 1 emission	Reduce Scope 1 emission by 5% by FY2030 using the baseline data of FY2023	● In progress
		Carbon neutrality	Achieve net carbon neutrality by FY2050	● In progress
SOCIAL	Occupational Health and Safety	Number of work-related fatalities	Zero work-related fatalities per annum	● Zero fatalities recorded
		Injury rate	Zero work-related injury rate per annum	● Injury rate at 1.16 recorded
		Percentage of employees trained on OSH	>50.00% of employees to be trained on OSH annually	● 1,788 employees (62.23% of total workforce) trained on OSH

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## ESG KPIS AND TARGETS (CONT'D)

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Pillar	Material Topic	KPI	Target	Performance FY2024
SOCIAL	Equal Opportunity, Diversity and Equality	Gender ratio in management and executive roles	At least 25.00% of women in management and executive roles annually	● 39.81% and 56.13% of women representation in management and executive roles, respectively
	Labour and Human Rights	Number of substantiated complaints concerning human rights violations via any grievance channels	Zero substantiated complaints concerning human rights violations via any grievance channels per annum	● Zero complaints/ violations recorded
		Number of substantiated incidents or violations of non-compliance	Zero substantiated incidents or violations of non-compliance	● Zero incidents or violations of non-compliance recorded
	Local Communities	Number of Corporate Social Responsibility ("CSR") activities	Minimum 4 Corporate Social Responsibility ("CSR") activities per annum	● >4 CSR activities conducted
GOVERNANCE	Good Governance and Anti-Corruption	Number of confirmed incidents of corruption	Zero confirmed incidents of corruption per annum	● Zero confirmed incidents of corruption recorded
		Awareness level of Anti-Corruption and Bribery	Implement mandatory training in Anti-Corruption and Bribery for new hires	● 186 (75.92%) new hires underwent anti-corruption training
	Data Privacy and Security	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Zero substantiated complaints concerning breaches of customer privacy and losses of customer data per annum	● Zero complaints recorded

## ECONOMIC TOPICS

### Economic Impacts

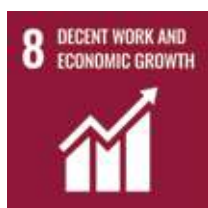
At MHB, economic sustainability is about integrating efficiency, governance, and innovation to create lasting value. The Group's commitment extends beyond profitability, ensuring that operations contribute meaningfully to local and regional economies.

By adopting eco-friendly materials, improving recycling systems, and investing in energy-efficient operations, MHB is reducing environmental impact while enhancing cost efficiency and customer satisfaction. Green investments, such as solar energy and recyclable products, not only lower operational costs but also reinforce long-term financial sustainability.

Effective governance plays a critical role in driving economic growth. The alignment to ISO 14001, Forest Stewardship Council ("FSC"), and Responsible Business Alliance ("RBA") standards has enabled MHB to reduce pollution, minimise waste, and optimise resource consumption. These measures not only improve operational efficiency but also strengthen profitability, demonstrating commitment to responsible business practices that support sustainable development and job creation.

To ensure continuous progress, MHB will focus on energy cost reductions and operational improvements which will allow the Group to maintain financial stability while enhancing overall economic sustainability. Additionally, quality control initiatives help to identify cost-saving opportunities and improve performance. The implementation and maintenance of ISO systems further enhance operational effectiveness, ensuring sustained profitability and resilience.

By leveraging customer sales analysis, revenue forecasting, and cost management, MHB positions itself for long-term success while keeping customer satisfaction a priority. By continuously adapting to market trends and advancing sustainability efforts, we are shaping a more responsible and sustainable future for the industry.



### Indirect Economic Impacts

Beyond direct financial contributions, we actively engage with communities and stakeholders to drive socio-economic development. By forming strategic partnerships and aligning our initiatives with broader economic and social goals, we generate lasting benefits that extend beyond our immediate operations.

Our influence extends through our supply chain, partnerships, and value chain activities, contributing to job creation and market stability. Through ongoing stakeholder engagement and socioeconomic assessments, we work to amplify positive outcomes while proactively addressing potential risks. This ensures that our economic contributions remain both impactful and sustainable.

At MHB, we remain steadfast in our mission to balance financial success with long-term sustainability, ensuring that our economic strategies create shared value for all stakeholders.

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## ECONOMIC TOPICS (CONT'D)

### Product Quality and Customer Satisfaction

At MHB, product quality and customer satisfaction are integral to our business sustainability and competitiveness. By adopting a customer-first approach, we ensure that customer needs are well understood and effectively translated into product requirements. Through regular engagements, including meetings and performance reviews, we align our products and services with evolving customer expectations.

Maintaining high product quality and customer satisfaction strengthens customer loyalty, driving repeat business, revenue growth, and stability. Achieving this requires continuous investment in personnel, technology, and quality control systems to ensure consistency. Stringent quality control also supports sustainable practices by reducing waste, improving energy efficiency, and promoting responsible sourcing. These efforts help minimise MHB's environmental footprint while maintaining high operational standards. Beyond business performance, quality assurance builds consumer trust and ensures safety. By upholding rigorous quality standards, MHB safeguards its reputation and strengthens its position as a trusted industry leader committed to excellence.

MHB's dedication to product quality and service quality is evidenced by various awards, certifications, and compliances, including:-

- Forest Stewardship Council ("FSC") certification
- ISO 9001: Quality Management System
- ISO 14001: Environment Management System
- ISO 22000: Food Safety Management System
- ISO 45001: 2018: Occupational Health and Safety Management Systems
- Hazard Analysis Critical Control Point ("HACCP") certification
- Chain of Custody (Forest product) certification ("CoC")
- RoHS Directive 2011/65/EU and (EU)2015/863 (amendment in Annex II) certification
- Good Manufacturing Practice ("GMP") certification
- Ethical Supply Chain ("Sedex") certification
- SDS: Safety Data Sheet

Our industrial-grade paper is produced to FSC requirements, with certification provided for select products according to customer requirements in FY24, 91.30% of sales of industrial-grade paper carried this certification.

MHB has upheld an exemplary compliance record, with zero incidents of non-compliance or product recalls. This is particularly critical in sectors such as medical applications and food and beverage packaging, where quality assurance is paramount. To further strengthen our quality framework, we conduct annual customer satisfaction surveys and rejection analyses as part of our compliance with ISO 9001 and ISO 14001, identifying areas for continuous improvement.

### Quality Assurance

To support our responsibility to quality, MHB implements robust Quality Control ("QC") and Quality Assurance ("QA") measures. These include:

- Rigorous monitoring and testing of production processes to ensure consistency and defect-free products.
- Prompt corrective actions to address quality concerns and prevent recurrence.
- Collaboration with regulatory bodies to maintain compliance with industry standards.
- Ongoing customer feedback analysis to refine products and services.

The QA and Sales departments play a crucial role in managing customer complaints and quality-related matters. While the Sales team ensures seamless customer service, the QA team upholds stringent quality standards. Both departments collaborate closely to integrate customer feedback into our continuous improvement processes.

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ECONOMIC TOPICS (CONT'D)

Product Quality and Customer Satisfaction (Cont'd)

Quality Assurance (Cont'd)

MHB remains committed to upholding the highest standards of governance, compliance, and product safety across all 12 subsidiaries. In 2024, there were no recorded complaints from regulatory bodies across the Group, with the exception of two Opportunities for Improvement (“OFIs”) raised by an external certification body during the Food Safety Management System Audit at our mills. These OFIs have been addressed in line with our continuous improvement approach.

Ensuring the health and safety of our products and services is a key priority. During the reporting period, 100% of significant product and service categories at three (3) subsidiaries in northern region were assessed for health and safety improvements under the Food Safety Management System. The remaining subsidiaries continue to adhere to stringent quality and safety protocols, with ongoing monitoring to enhance compliance and risk mitigation.

MHB is proud to report zero incidents of non-compliance with regulations or voluntary codes related to the health and safety impacts of products and services across all subsidiaries. No product recalls were issued in 2024, aligning with our ongoing objective to maintain annual product recalls, rejects, or disputes at below 1.00%, demonstrating our strong commitment to quality assurance, regulatory compliance, and consumer safety.

Through robust governance frameworks, continuous monitoring, and strict adherence to industry best practices, MHB reinforces its dedication to transparency, accountability, and operational excellence in safeguarding product integrity and customer well-being.

Customer Satisfaction

We prioritise customer satisfaction by providing efficient support services to address inquiries and concerns promptly. Our annual customer satisfaction surveys help us assess performance and identify areas for enhancement. Our customer complaint resolution rate in FY24 reached 100.00%, surpassing our annual target of resolving over 80.00% of customer complaints. Additionally, we set a goal of conducting at least 12 engagement sessions with customers in the top 20% by revenue. In line with this objective, 12 engagement sessions were successfully held.



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## ECONOMIC TOPICS (CONT'D)

### Product Quality and Customer Satisfaction (Cont'd)

#### Customer Satisfaction (Cont'd)

	2022	2023	2024
<b>Customer Complaints Received</b>	3,078	3,970	1,463
<b>Customer Complaints Resolved</b>	3,001	3,854	1,463

The General Manager ("GM") is responsible for maintaining quality and customer satisfaction by overseeing departmental KPIs and targets through monthly performance reviews. MHB is dedicated to high-quality, sustainable products by maintaining and aligning with ISO certifications and requirement, investing in continuous employee training, monitoring customer satisfaction, and refining quality control processes, ensuring sustained customer trust and satisfaction.

#### Supporting Local Procurement

MHB defines local procurement as sourcing goods and services from suppliers based in Malaysia. This approach aligns with the company's procurement framework and financial coding system, ensuring that local suppliers are prioritised wherever feasible. It is guided by internationally recognised standards, including ISO 14001 and ISO 9001:2015.

Beyond compliance, MHB's local procurement strategy strengthens supply chain resilience and supports economic growth with procurement decisions being based on a balanced assessment of cost, quality, material recyclability, and waste reduction. While there is no formal policy mandating local procurement, MHB adheres to best practices outlined in its Sustainable Procurement procedures, ISO standards (ISO 9001, ISO 14001, and ISO 22000), and the company's Procurement Code of Conduct. In FY2024, 86.84% of our procurement spending was allocated to local suppliers, reinforcing our ongoing commitment to surpassing 80% of local procurement annually, subject to business viability.

	2022	2023	2024
<b>Total Procurement Spending (RM'000)</b>	2,090,025	1,498,763	1,691,077
<b>Total Local Procurement Spending (RM'000)</b>	1,745,996	1,247,059	1,468,489
<b>Total Foreign Procurement Spending (RM'000)</b>	344,029	251,704	222,588
<b>Percentage of Local Procurement Spending (%)</b>	83.54%	83.21%	86.84%
<b>Percentage of Foreign Procurement Spending (%)</b>	16.46%	16.79%	13.16%

To ensure an effective and transparent procurement process, MHB follows standardised ISO procedures, including supplier qualification, performance evaluation, and continuous monitoring. The Purchasing Department oversees all procurement activities, ensuring compliance while driving efficiency. In certain subsidiaries, an E-Procurement system has been introduced to enhance supplier sourcing and evaluation, with implementation progressing towards an 80.00% local procurement target. Supplier performance is assessed through audits, quality reviews, and compliance monitoring. By prioritising local procurement, MHB enhances supply chain efficiency, reducing delivery times, improving inventory management, and lowering costs through bulk purchasing and strategic negotiations. This approach also reinforces sustainability efforts by increasing the use of recycled materials and minimising environmental impact. While challenges such as limited supplier availability for specialised materials, potential quality variations, and technological constraints exist, ongoing adaptation and collaboration ensure procurement resilience.

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MUDA  
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ANNUAL  
REPORT  
2024

## ECONOMIC TOPICS (CONT'D)

## Supporting Local Procurement (Cont'd)

	2022	2023	2024
<b>Total Number of Suppliers</b>	3,660	3,669	3,323
<b>Total Number of Local Suppliers</b>	3,249	3,251	2,932
<b>Total Number of Foreign Suppliers</b>	411	418	391
<b>Percentage of Local Suppliers (%)</b>	88.77%	88.61%	88.23%

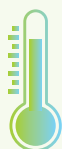
Over the past three fiscal years, MHB has consistently maintained its commitment to local procurement, with procurement levels consistently hovering around the 88% mark (FY2022: 88.77%, FY2023: 88.61%, FY2024: 88.23%). This steadfast approach underscores MHB's dedication to strengthening the local economy while enhancing supply chain efficiency.

Looking ahead, MHB anticipates a strategic pivot towards foreign procurement due to increasing competition within Malaysia, which has led to a decline in the availability of wastepaper—an essential resource for operations. To maintain efficiency and ensure a stable supply, the Group expects a greater reliance on imported wastepaper from international suppliers.

## ENVIRONMENTAL TOPICS

Operating in the industrial grade paper manufacturing industry, we use substantial amounts of water and energy, leading to greenhouse gas emissions. Muda Holdings Berhad understands the need to balance our operations with environmental stewardship. We actively work to reduce energy use and emissions, transition to sustainable energy sources, and improve our resource efficiency, recognising that these efforts are both environmentally sound and beneficial to the business through increased cost efficiency and productivity. Consequently, the Group continually strives to improve its operations by focusing on key environmental issues.

## Environmental Risks Considered

**Climate Change**

Business activities may be impacted negatively due to:

- Physical risks such as floods, droughts and other extreme weather events
- Transition risks in moving towards a low-carbon economy such as regulatory changes, carbon pricing, and shifting away from fossil fuels

**Deforestation**

Risks include supply chain disruption from timber shortages, reputational risk from unsustainable sourcing, and increased costs for complying with regulations and consumer demands for eco-friendly products.

**Energy Use**

High or inefficient use of power from non-renewable energy sources, resulting in high GHG emissions.

**Waste and Pollution**

Waste from products (fly ash, sawdust, sludge) can contaminate air, water and soil if not properly disposed of, potentially leading to fines.

**Carbon Footprint**

Contributions to greenhouse gas emissions are mainly from deforestation, transportation, and manufacturing energy consumption.

ENVIRONMENTAL TOPICS (CONT'D)



Emissions Management

At Muda Holdings Berhad, we believe that reducing greenhouse gas (“GHG”) emissions from our daily activities is crucial to combat global warming and its impact on the climate and all life. Effective emissions management, while potentially requiring operational adjustments and investment, is essential for reducing our carbon footprint, improving energy efficiency, and ensuring regulatory compliance — all contributing to our sustainability goals. Our approach involves managing emissions throughout production, minimising waste, and pursuing more sustainable operations. While recognising the environmental benefits of these efforts, including climate change mitigation and improved air quality, we also acknowledge the potential socio-economic impacts and strive to balance environmental responsibility with the well-being of our stakeholders. Compliance with current and future legislation is a core component of our emissions management plan.

The Group’s environmental policies centre on waste minimisation and the prevention of harmful products through a “reduce, reuse, recycle” strategy. This prioritises employee education on minimising environmental impact. Our top management has formalised a commitment to compliance through an Environmental Policy, which also addresses emissions management. Furthermore, we conduct climate change risk assessments to understand potential impacts of climate-related risks and opportunities on our operations. However, the Group recognises that the effectiveness of these policies is influenced by external factors such as political will, economic conditions, and public support.

We invest in emissions control through several key resource allocations:

Human	Financial	Technological	Testing & Compliance
Competent personnel are appointed, trained, and dedicated to environmental monitoring and progress.	Budgets are allocated for both capital expenditures (“CAPEX”) and ongoing operational costs related to emissions reduction initiatives, including investment in energy-efficient technologies.	The company adopts advanced equipment and processes to reduce emissions and improve energy efficiency.	Annual chimney emissions testing is conducted to ensure compliance with the EQA.





Our practices for emissions management centre around compliance with Malaysian Department of Environment (“DOE”) regulations, such as the Clean Air Regulations 2014 and the Environmental Quality Act (“EQA”) 1974. The implementation of the Continuous Emission Monitoring System (“CEMS”) ensures diligent monitoring and precise recording of our chimney emissions.

## ENVIRONMENTAL TOPICS (CONT'D)

## Emissions Management (Cont'd)

<b>Key Operational Targets</b>	<ul style="list-style-type: none"> <li>Chimney emissions must not exceed 150 mg/m<sup>3</sup>.</li> </ul>
	<ul style="list-style-type: none"> <li>Annual emission assessments are conducted.</li> </ul>
	<ul style="list-style-type: none"> <li>Quarterly stack emissions must remain below the legal limit.</li> </ul>
	<ul style="list-style-type: none"> <li>Zero failures are allowed regarding compliance with the Clean Air Regulation 2014, Regulation 13.</li> </ul>
	<ul style="list-style-type: none"> <li>A mid-term goal to fully replace coal with biomass.</li> </ul>

Muda Holdings Berhad is undertaking several initiatives to adapt to and mitigate climate change:

 <p><b>Transportation:</b> A planned transition from diesel/petrol vehicles to electric forklifts to lower our carbon footprint.</p>	 <p><b>Renewable Energy:</b> On-site solar panels generate electricity from renewable source.</p>
 <p><b>Fuel Switching:</b> A new biomass boiler has been installed to reduce coal usage.</p>	 <p><b>Monitoring &amp; Assessment:</b> Gas emissions are monitored on equipment like boilers and cyclone dust collectors, and regular climate risk assessments are conducted to identify potential impacts on operations and supply chains.</p>

The Group allocates a budget for annual air emission testing to ensure regulatory compliance and monitor air quality. However, no significant financial investments have been made into Research and Development ("R&D") for climate change, as no major direct impacts have been identified. We continue to monitor climate risks and may consider future R&D investments as climate challenges evolve.

MHB tracks climate-related metrics encompassing risks and opportunities related to GHG emissions, energy and water usage, and waste generation and management. Full disclosure of Scope 1, 2, and 3 emissions is exercised for FY24. Reduction efforts prioritise increasing energy efficiency, utilising renewable energy sources, reducing waste, and collaborating with suppliers to enhance their sustainability practices.

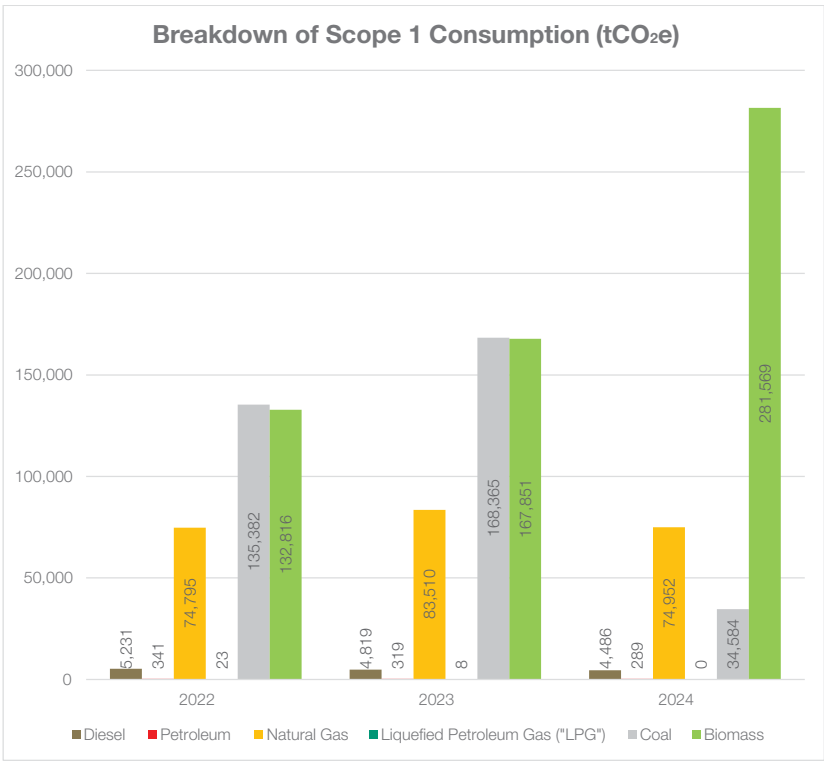
Scope 1 and 2 emissions are calculated according to the GHG Protocol Corporate Accounting and Reporting Standard ("GHG Protocol"), where the emission factors and Global Warming Potential ("GWP") values are retrieved from the Intergovernmental Panel on Climate Change ("IPCC") Sixth Assessment Report ("AR6") database, using a 100-year timeframe. The methodologies aligned with the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, the US EPA Climate Leaders program, and guidance from the Malaysian Green Technology and Climate Change Corporation ("MGTC"). Scope 1 emissions, resulting from fuel combustion in machinery, equipment, and vehicles, include CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O. Scope 2 emissions are associated with purchased grid electricity. All greenhouse gas emissions are converted to CO<sub>2</sub> equivalents (CO<sub>2</sub>e) using relevant GWP factors from the IPCC AR6.

In our business activities, Scope 1 emissions originate from logistics-related company car use, powering essential equipment and the energy expended in our operations. Scope 2 emissions are related to purchased energy, which for Muda Holdings Berhad, pertains exclusively to electricity and steam. Lastly, our Scope 3 emissions consist of employee commute calculated via distance-based method.



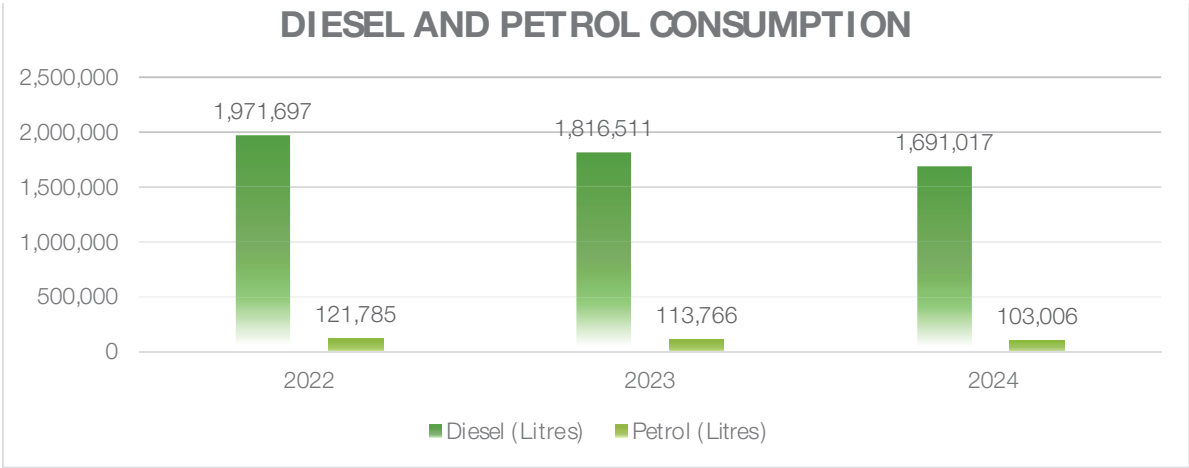
ENVIRONMENTAL TOPICS (CONT'D)

Emissions Management (Cont'd)



Note: MHB's biomass emissions include PKS, EFB, and woodchip. PKS and EFB emissions currently utilise the EPA's agricultural byproduct emission factor as a conservative upper boundary estimate, pending the availability of specific factors in established databases for more accurate reporting.

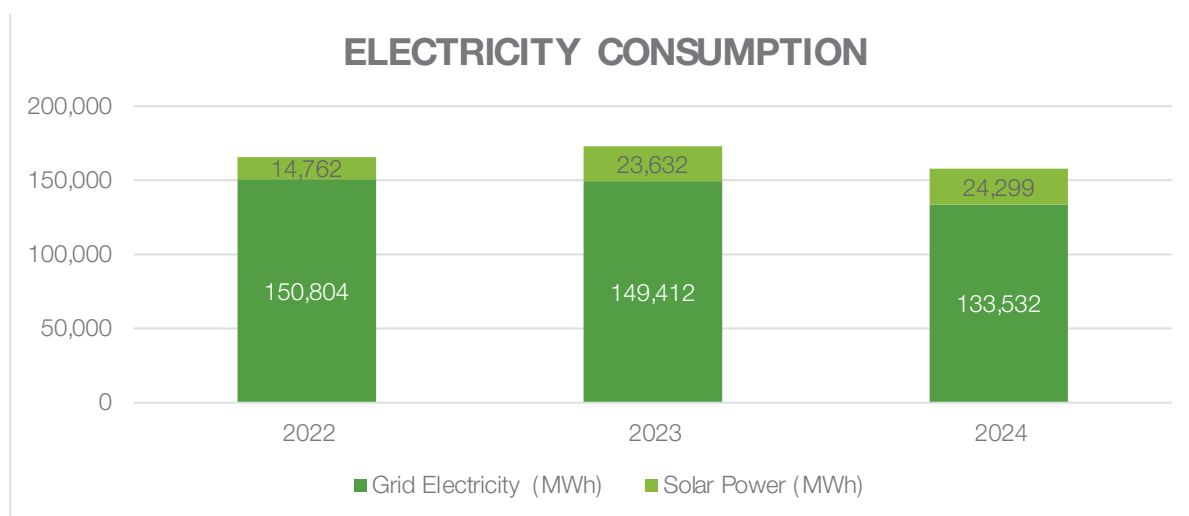
Boilers are essential to MHB's paper milling and corrugating processes, generating the steam needed for paper drying and making up a significant portion of our Scope 1 emissions. Our boilers utilise a variety of fuels, including natural gas, wood chips, coal, and biomass, including palm kernel shells ("PKS"), and empty fruit bunch fibre ("EFB") – part of our diversified approach to energy consumption. In FY24, significant strides were made in reducing our Scope 1 emissions from our boilers – particularly our increased usage of biomass has reduced our coal usage to 34,584 tonnes from 168,365 tonnes in FY23, a 79.46% decrease equivalent to 133,781 tCO<sub>2</sub>e. Our total Scope 1 emissions for FY24 came to 395,880 tCO<sub>2</sub>e, a significant drop of 6.82% from FY23.



## ENVIRONMENTAL TOPICS (CONT'D)

## Emissions Management (Cont'd)

We use diesel and petrol to power equipment like forklifts and generators, also recognising that this fossil fuel consumption contributes significantly to climate change through carbon emissions while depleting these finite resources. In FY24, the Group continued to optimise delivery routes and travel plans to reduce our overall diesel and petrol consumption by 7.06% (136,254 Litres).



Note: The emission factor used in Scope 2 emission calculations is based on the UNFCCC Harmonised Grid Factors 2021.

	2022	2023	2024
<b>Total Grid Consumption (MWh)</b>	*150,804	*149,412	133,532
<b>Total Solar Consumption (MWh)</b>	*14,762	*23,632	24,299
<b>Total Scope 2 Emissions (tCO<sub>2</sub>e)</b>	*82,943	*82,177	73,443

	2022	2023	2024
<b>Total Scope 1 Emissions (tCO<sub>2</sub>e)</b>	*348,588	*424,872	395,880
<b>Total Scope 2 Emissions (tCO<sub>2</sub>e)</b>	*82,943	*82,177	73,443
<b>Total Operational Emissions (tCO<sub>2</sub>e)</b>	*431,531	*507,049	469,323
<b>Emission Intensity (tCO<sub>2</sub>e / RM million)</b>	<b>*200</b>	<b>*279</b>	<b>259</b>

\*Note: Emissions data for FY22 and FY23 has been recalculated and restated where our data collection processes have been improved. MHB is committed to expanding our emissions scope as our disclosures increase in transparency and robustness.

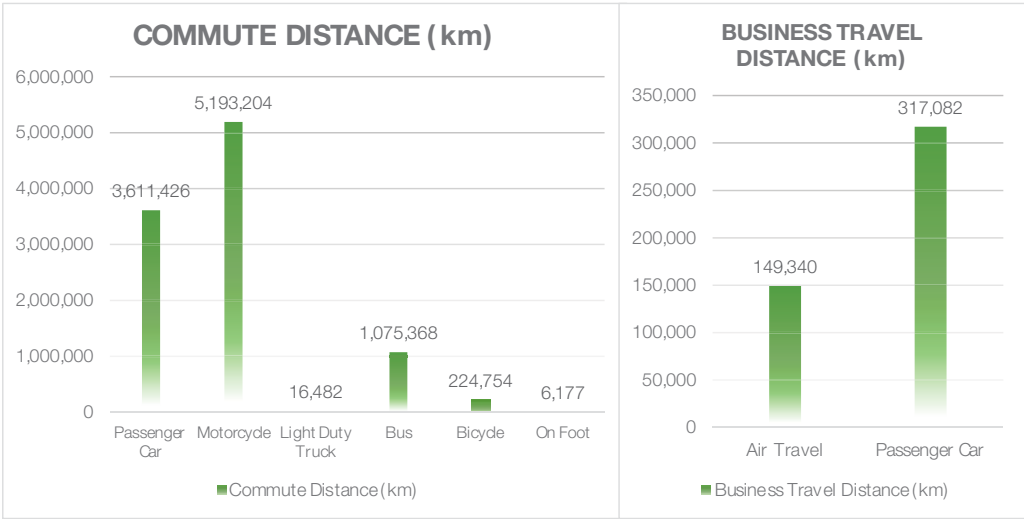
The Group's emissions intensity, which measures the relationship between revenue and operational emissions, was 259 tCO<sub>2</sub>e/RM million in FY24.

SUSTAINABILITY STATEMENT

CONT'D

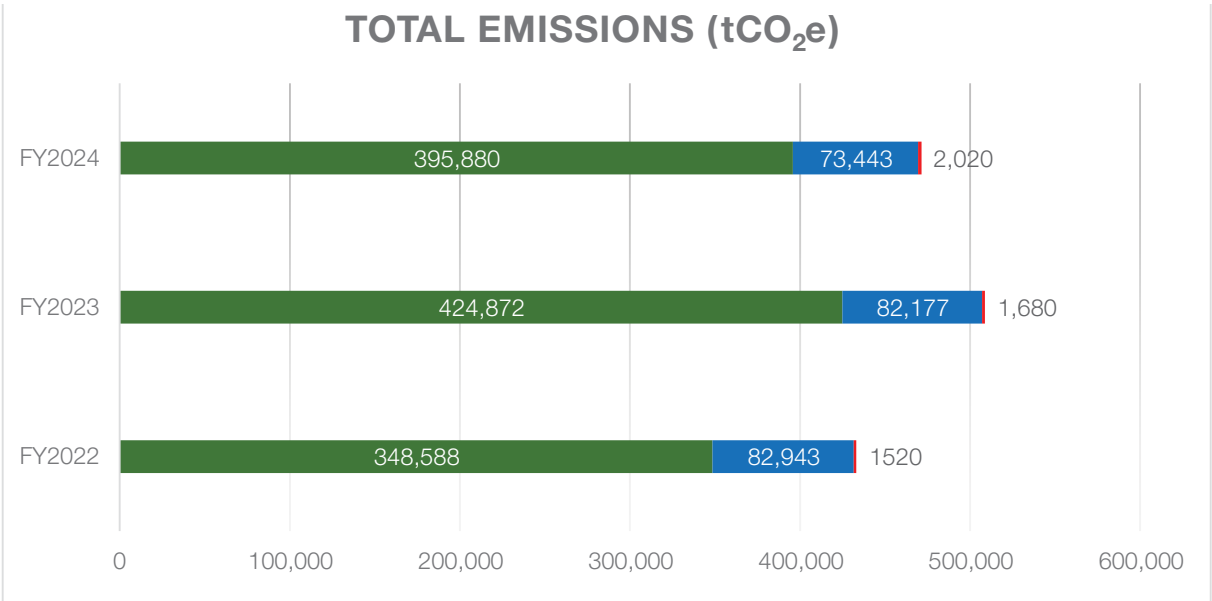
ENVIRONMENTAL TOPICS (CONT'D)

Emissions Management (Cont'd)



Scope 3 Emissions (tCO <sub>2</sub> e)	2022	2023	2024
Employee Commuting	1,520	1,680	1,949
Business Travel	–	–	71
Total Scope 3 Emissions (tCO <sub>2</sub> e)	1,520	1,680	2,020

FY24 marks our first disclosure of business travel emissions, which originate from any transportation of employees for business-related activities. Simultaneously, we have continued efforts to improve the data collection processes for employee commute (emissions from transportation of employees to and from work) as we continue to expand our coverage of Scope 3 data.



\*Note: Emissions data for FY22 and FY23 has been recalculated and restated where our data collection processes have been improved. MHB is committed to expanding our emissions scope as our disclosures increase in transparency and robustness.

## ENVIRONMENTAL TOPICS (CONT'D)

## Emissions Management (Cont'd)

Addressing climate change involves both costs and potential savings. Higher costs are anticipated due to regulatory compliance, while savings are expected from energy efficiency, renewable energy use, and waste reduction. Investments are being made in sustainable product development, such as the transition to electric forklifts and eco-friendly packaging. The Group's strategy is designed to be resilient through diversified risk management and flexible financial planning. A focus on sustainability is integrated into the business model and operations, aiming to maintain competitiveness in the global market.

MHB regularly assesses climate-related risks, integrating the results into our company strategy. These assessments, based on likelihood and potential impact, inform specific mitigation strategies for each identified risk. We also conduct scenario analysis to understand how climate change — including extreme weather, resource scarcity, and evolving regulations — could impact our supply chain. This analysis reveals potential disruptions, such as increased regulatory costs and weather-related damage, as well as opportunities like the growth of sustainable products and technologies. With this, we continue incorporating climate change considerations as a core part of our overall Risk Management Framework, with cross-departmental collaboration (operations, finance, legal, etc.) ensuring comprehensive identification, assessment, and management of these risks across the Group.

For more information on MHB's climate-related disclosures, kindly refer to 'TCFD Statement' section of this Sustainability Statement.

## Energy Management

Given the significant contributions of the paper milling and packaging industry on climate change, Muda Holdings Berhad is committed to taking a leadership role in reducing energy use and addressing the pressing issue of climate change. The Group understands the impact that our operations have on energy consumption and is dedicated to reducing our carbon footprint through implementation of energy efficiency measures, utilising a diverse range of energy sources, and promoting sustainable practices. This commitment is seen as beneficial not only for the environment but also for the business and its stakeholders.

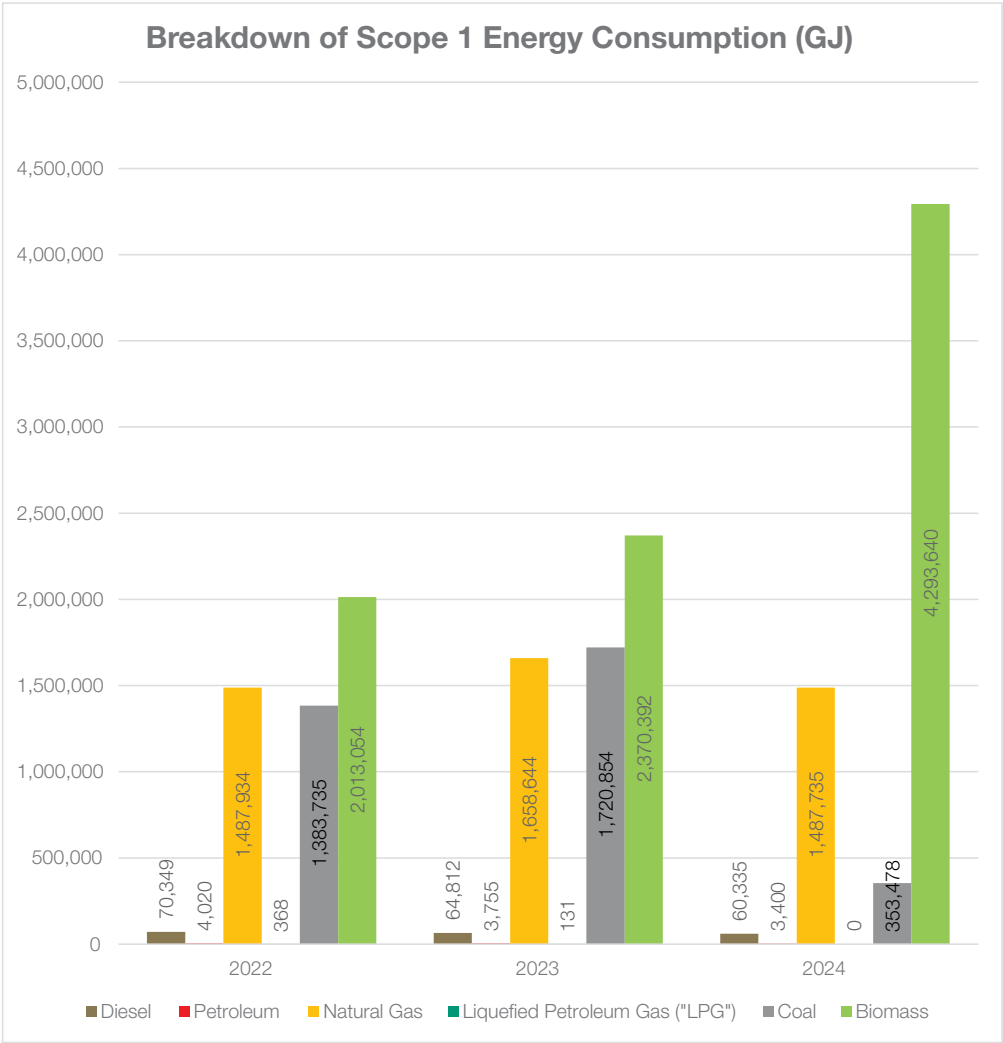
Initiatives implemented	Planned Action
Energy efficiency programs across operations, featuring energy-efficient machinery, optimised production processes, and regular energy audits.	Installing biomass boilers for steam generation in the milling process.
Increased use and generation of solar energy.	Expanding solar power generation to supply electricity to remaining sites.
Reduced fuel consumption (diesel and petrol) through optimised delivery routes and trip planning.	Continuing implementation of energy-saving equipment, such as inverters for machinery.
Equipment replacement (pumps, lighting, screens) with higher-efficiency units.	Phasing out old lighting with energy-efficient lights in both office and plant locations.
Review and optimisation of control systems and strategies, including replacing control valves with inverters.	Continuing replacement of equipment with more efficient alternatives (two-stage compressor systems, vacuum turbo blowers, etc.)
Reinforcement of energy-saving habits by encouraging employees to switch off unused equipment.	

ENVIRONMENTAL TOPICS (CONT'D)

Energy Management (Cont'd)

MHB tracks KPIs for electricity, diesel, and waste wood utilisation. Our commitment to sustainability includes increasing solar energy generation and reducing fuel consumption (diesel and petrol) through optimised delivery routes and trip planning. These initiatives aim to minimise our environmental impact and boost energy efficiency. We leverage Continuous Improvement Project Teams, dedicated budgets (financial and human resources), and access to energy technologies to support these efforts.

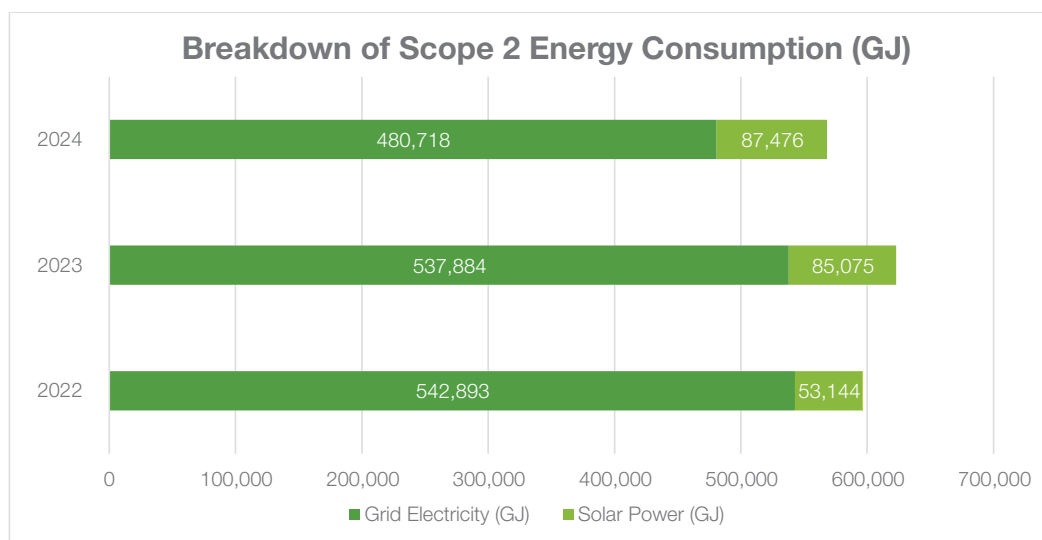
Muda Holdings Berhad utilises a diverse energy portfolio to power its operations, combining grid electricity with on-site generation of steam from boilers, combined heat and power (“CHP”) plants, and solar panels. This multifaceted approach provides us with both operational flexibility and energy independence while demonstrating our commitment to both environmental stewardship and efficiency.





## ENVIRONMENTAL TOPICS (CONT'D)

## Energy Management (Cont'd)



	2022	2023	2024
% of Renewable Energy (Scope 1)	40.59	40.74	69.27
% of Renewable Energy (Scope 2)	8.92	13.66	15.40
% of Renewable Energy (Scope 1 + 2)	37.19	38.12	64.74

*Note: Corrections have been made to previously reported data for FY22 and FY23 due to data clarifications. The corrected data is now reflected in the updated table.*

As our energy demands increase alongside our production capacity, we recognise the importance of continuing our growth of renewable energy consumption under the Group's Scope 2 portfolio. FY24 showed a significant transition to renewable energy in our energy portfolio, with a 78.42% increase in MHB's renewable energy consumption. Continuous expansion of our biomass usage and solar generation capabilities showcases our recognition of renewable energy system infrastructure as invaluable assets and key components of our energy strategy. There is also a discernible trend of decreasing energy reliance from Scope 2 sources as we continue to increase our usage of biomass boilers for energy production.

## Waste Management

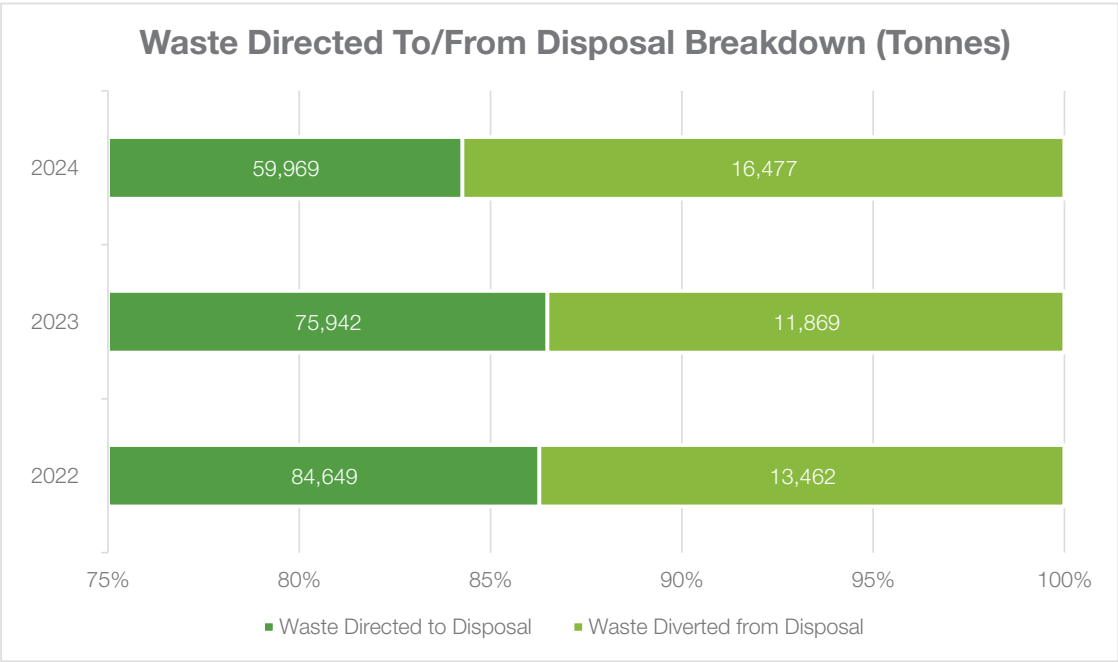
Effective waste management offers a multitude of benefits. Aligning with our environmental stewardship efforts, it minimises air, water, and soil pollution, reducing the demand for raw materials, and preventing contamination, also leading to cost savings through lower disposal expenses. Moreover, it facilitates resource recovery and recycling, promoting resource efficiency and stimulating economic growth.

The Group's waste generation is largely attributed to our corrugating and milling plants. The corrugating plant's waste stream consists mainly of excess paper from the trimming process, along with water-based inks and glues. The milling plant, conversely, handles the disposal of various chemicals and generates sludge as a byproduct of its fibre processing activities.

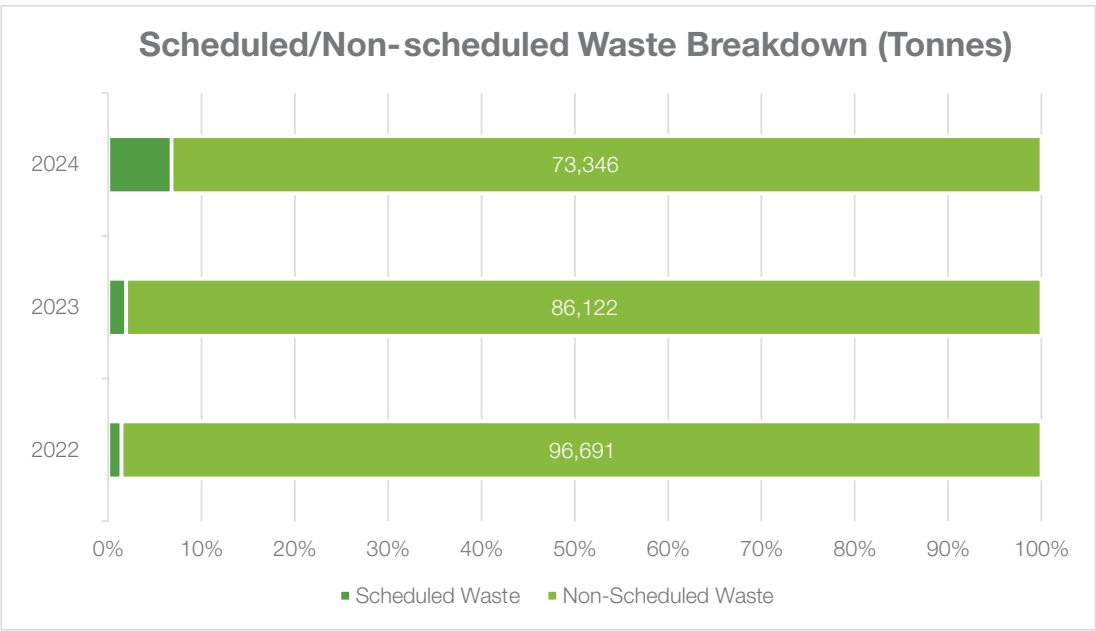
Waste Data (Tonnes)	2022	2023	2024
Total Waste Generated	98,111	87,811	76,446

ENVIRONMENTAL TOPICS (CONT'D)

Waste Management (Cont'd)



Of the 16,477 tonnes of waste diverted from disposal in FY24, 16,461 tonnes was recycled and the remaining 16 tonnes reused; Of the 59,969 tonnes disposed, 57,658 tonnes was directed to a landfill while the remaining 2,311 tonnes underwent either special waste treatment, physical chemical treatment, or a third-party vendor for specialised recycling.



## ENVIRONMENTAL TOPICS (CONT'D)

## Waste Management (Cont'd)

Scheduled Waste (Hazardous)	Non-Hazardous Waste
<ul style="list-style-type: none"> <li>SW 303: Jerricans</li> <li>SW 305: Steel bung hole drums</li> <li>SW 409: Jumbo bags (used for contaminated containers)</li> <li>SW 410: Boxes (used for contaminated rags and plastic)</li> <li>SW 416: Small boxes (used for dry sludge)</li> <li>SW 417: IBC Tanks</li> <li>SW 306: Spent hydraulic oil</li> </ul>	<ul style="list-style-type: none"> <li>General Solid Waste: Includes administrative waste, packaging materials, and other non-recyclable / non-hazardous waste from daily operations. Disposal is via landfill or incineration.</li> <li>Recyclable Materials: This includes paper, plastics, containers, metals, and other recyclable materials. Paper waste is collected, bundled, weighed, and sent to recycling companies.</li> </ul>

**Waste Paper Recycling**

Waste paper is shredded, bundled, and sent to recycling plants.

**Wastewater Treatment and Reuse**

Waste ink water is treated and reused in the glue-making process.

**Scheduled Waste Management**

Scheduled waste is segregated, collected, stored, and disposed of by licensed collectors, in compliance with regulations.

**Waste Minimisation**

Paper planning is used to minimise waste during production, with a target of 100% waste paper recycling

**Resource Reuse**

Fibre from the wastewater treatment plant is reused in production.

**Streamlined Processes**

Production processes are streamlined to minimise waste, and machine wastage is monitored monthly.

**Employee Training**

Employees receive training on waste reduction and responsible disposal practices.

MHB's waste management policies are built on a foundation of key principles and practices. These include adherence to established Quality/Environment Control and Safety Policies, as well as the establishment, implementation, and monitoring of objectives, targets, an Environmental Management Program, and RoHS Requirements. At the core of our efforts is an Environmental Policy focused on waste minimisation, sustainable practices, and reducing environmental impact. Complementing this is a Safety and Health Policy that prioritises employee safety and health during waste disposal and handling, minimising exposure to hazardous materials, and fostering a safe work environment.

Furthermore, we maintain our compliance with the local authority regulations. Hazardous waste is treated by facilities licensed by the DOE, with effluent treatment occurring before discharge into rivers. We are also working to maximise our fibre recovery through the development of our outthrow plant which is expected to be commissioned in year 2025. These practices are all guided by our established Waste Management Procedures and a comprehensive Environmental Policy.

## ENVIRONMENTAL TOPICS (CONT'D)

## Waste Management (Cont'd)

<b>Waste Management Operational KPIs and Targets</b>	<ul style="list-style-type: none"> <li>100% of waste paper is disposed of to recycling plants.</li> </ul>
	<ul style="list-style-type: none"> <li>Wastewater reuse for glue making.</li> </ul>
	<ul style="list-style-type: none"> <li>Scheduled waste disposal by licensed collectors, in compliance with the EQA 1974 Schedule Waste Regulations.</li> </ul>
	<ul style="list-style-type: none"> <li>Environmental Management: Objectives, targets, an Environmental Management Program, and RoHS Requirements are established, implemented, and monitored.</li> </ul>
	<ul style="list-style-type: none"> <li>Zero complaints and zero compounds from authorities.</li> </ul>
	<ul style="list-style-type: none"> <li>Monthly KPI performance monitoring of machine wastage</li> </ul>

At MHB, we support our waste management efforts through key resources, including monthly monitoring and reporting of waste reduction activities, which encompasses recycling of paper scraps, damaged products, and other recyclable materials. A dedicated budget is also allocated for both capital and operational expenditures associated with waste management.

To prevent unnecessary waste generation, MHB employs several key strategies. Waste generation and disposal data is meticulously tracked and reported, collected daily and monthly, recorded, presented in meetings, and submitted to local authorities as required. This data-driven approach helps us maintain waste generation within acceptable limits. Furthermore, we actively promote 3R (Reduce, Reuse, Recycle) activities and prioritise waste reduction through various recycling and reuse programs.

Regarding third-party waste management, the Group employs a robust system of oversight. Scheduled waste is tracked via the Electronic Scheduled Waste Information System ("ESWIS") system, and waste documentation is meticulously maintained, using council billing for non-scheduled waste and consignment notes for scheduled waste. Furthermore, we verify the validity of contracts, licenses, and procedures of our waste management partners, who are carefully selected based on evaluations of their compliance with environmental regulations and their commitment to sustainable practices.

We use several methods to collect and monitor waste-related data:

<b>Waste Paper</b> <ul style="list-style-type: none"> <li>The quantity and weight of waste paper bundles are recorded. Waste paper generated from production is collected, bundled, and sent for recycling. Corrugated waste paper is sold back to our mills. The admin records monthly bundle disposal and waste from trimming. Finance calculates monthly wastage as a percentage of production.</li> </ul>
<b>Waste Ink Water</b> <ul style="list-style-type: none"> <li>The quantity of waste ink water produced and the amount used for glue making are recorded.</li> </ul>
<b>Scheduled Waste</b> <ul style="list-style-type: none"> <li>Scheduled waste disposal is monitored through the ESWIS system or online data inventory. Data is also collected via weighing tickets, both online and offline, and compiled.</li> </ul>
<b>Overall Waste Tracking</b> <ul style="list-style-type: none"> <li>Regular waste audits are conducted, tracking waste generation, segregation, and disposal methods. This data is systematically recorded, often digitally, to monitor waste volumes and types and identify areas for improvement.</li> </ul>
<b>Machine Paper Wastage</b> <ul style="list-style-type: none"> <li>Monthly machine paper wastage performance is monitored, along with waste disposal data sheets and online data entry for scheduled waste.</li> </ul>

ENVIRONMENTAL TOPICS (CONT'D)

Waste Management (Cont'd)

MHB employs distinct disposal methods for different waste streams. Hazardous waste is disposed of by licensed collectors authorised by the DOE, while non-hazardous waste is sent to sanitary landfills, and recyclable materials are appropriately recycled. Hazardous waste transportation is handled by DOE-licensed contractors; For general waste, the company engages a licensed contractor to ensure compliance with all regulations concerning waste handling, disposal, and recycling.

Water Management

Water is essential to the Group’s manufacturing operations. In corrugating, it’s crucial for preparing the glue that bonds the corrugating medium to the liner board, as well as for steam generation. The milling plant also relies on water for paper production. Beyond these industrial applications, water supports essential employee amenities and critical infrastructure, including restrooms, pantries, handwashing stations, and fire protection systems. MHB takes a particularly thoughtful approach to water management in its milling operations. The mills utilise water from a nearby river, employing advanced wastewater treatment technology to ensure its sustainable use. This involves extracting and treating river water to meet operational standards. After use, the water undergoes a rigorous purification process to comply with DOE environmental safety standards before being responsibly returned to the ecosystem. The other entities source its water from local municipal.

Our efficient water management has generated several positive impacts. Water conservation saves energy and money, reducing water and wastewater treatment costs, as well as the energy required for treating, pumping, and heating water. Good water management also optimises water use in our processes, ensuring sustainable operations and driving efficiency improvements. Considering our substantial production water usage, we take a comprehensive approach to water management, recognising its importance as a shared community resource and considering local water contexts. This philosophy is applied across all our subsidiaries, each implementing tailored strategies and practices to meet their specific operational needs while respecting local water sources.

Our ongoing water management practices, pivoted on minimising water wastage and maximising water treatment output, include:-

Water Index Target	{	Achieving set water index targets at the relevant facilities.
Employee Education	{	Educating all employees and related personnel on improving areas with significant environmental impacts.
Environmental Policy	{	Adhering to a policy focused on decreasing water wastage through efficient usage and increasing water treatment output by investing in advanced recycling and reuse technologies.

At MHB, we actively manage our water usage, demonstrating our commitment to responsible water stewardship as we work towards setting formal water management policies. Our monitoring of monthly water consumption is tracked in our Continuous Improvement Report (“CIP”).



ENVIRONMENTAL TOPICS (CONT'D)

Water Management (Cont'd)

The Group has implemented several water management practices:



Wastewater Reuse

Wastewater from the printing department is treated and reused in the corrugator department for glue processing and machine cleaning



Water Consumption Reduction

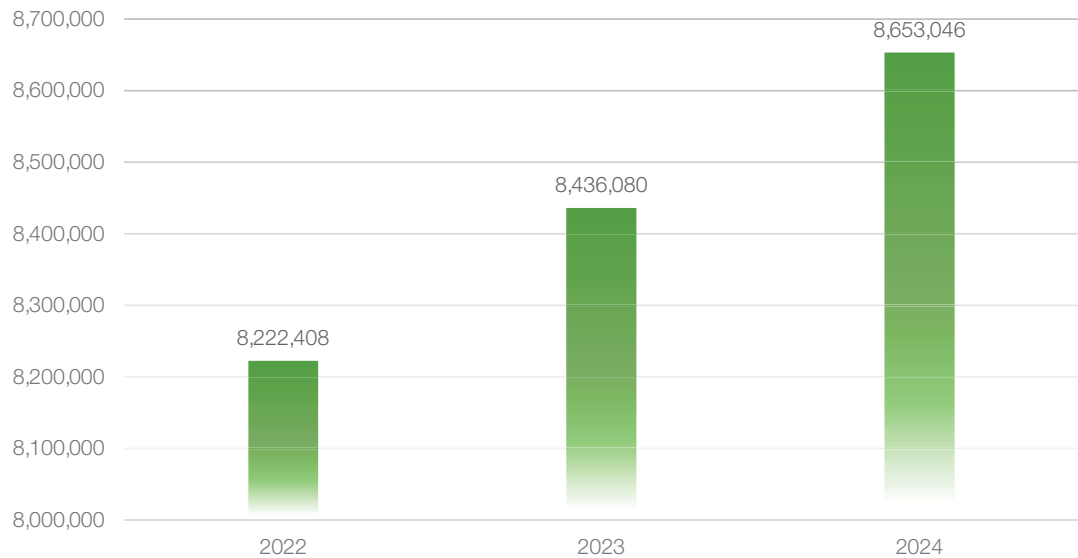
Daily water consumption and wastewater discharge have been minimised, promoting resource efficiency



Steam Usage Improvement

Steam usage for corrugated board production has been reduced

MUNICIPAL WATER SUPPLY (m<sup>3</sup>)



	2022	2023	2024
Total Water Consumption (m³)	8,222,408	8,436,080	8,653,046
Water Intensity (m3 / RM '000)	3.81	4.65	4.78

## ENVIRONMENTAL TOPICS (CONT'D)

## Water Management (Cont'd)

The Group risks related to water supply disruptions and quality issues, stemming from potential municipal supply issues, general water shortages (especially during droughts), water contamination from upstream activities, climate change impacts like low precipitation and over-consumption during production processes. Our mitigation strategies include purchasing water from multiple suppliers, supplementing with city water during contamination events, exploring alternative water sources, and regularly monitoring water usage. Future plans also include implementation of employee awareness programs and investment in efficient water management technologies to optimise our consumption and reduce environmental impact.

For effluent management, our strategies focus on regulatory compliance and treatment, with all wastewater discharge managed according to IETS standards. Wastewater from cleaning corrugator and printing machines is classified as scheduled waste, requiring handling according to the EQA 1974. The Group measures environmental performance through monthly reports, data tracking, compliance checks, and key metrics like water/energy consumption, waste reduction, and effluent quality, benchmarked against industry averages. Performance is also evaluated against management-set KPIs and guided by our Environmental Management Program. Monitoring and management involve daily and monthly data recording, designated personnel responsible for scheduled waste and wastewater treatment, monthly water record monitoring, and regular oversight and review by PICs, internal audits, KPI performance reviews, and management. Production personnel monitor daily water usage, operational personnel oversee monthly data recording, and the management committee is actively involved, all contributing to continuous improvement initiatives.

We are proud to share our maintenance of zero non-compliance incidents with water quality/quantity permits, standards and regulations in FY24, continuing our commitment to alignment with all pertinent regulations.

## Material Management

Driven by a commitment to addressing climate change and other environmental concerns, Muda Holdings has steadily increased its use of environmentally friendly materials and products. This strategic move aligns with our sustainability goals and enhances overall business efficiency. Through effective material management, we are able to streamline production, boost productivity and cost-effectiveness by reducing expenses associated with inventory, stockouts, and waste, ultimately contributing to a more competitive economy. Optimising resource use and reducing waste also improves our operational efficiency while positively impacting the environment. Efficient material planning, including the sourcing of recycled materials, further enhances our overall positive environmental impact.

As we work towards development of formal material management policies, our material management practices focus on:

**Resource Optimisation:**

Careful assessment and forecasting of material needs, efficient procurement, and advanced inventory management systems.

**Efficient Resource Usage:**

Planning for efficient resource use to maximise output while mitigating waste.

**Cost Optimisation:**

Producing finished goods in an optimal and cost-efficient manner.

**Inventory Management:**

Performing materials purchase planning and stock control.

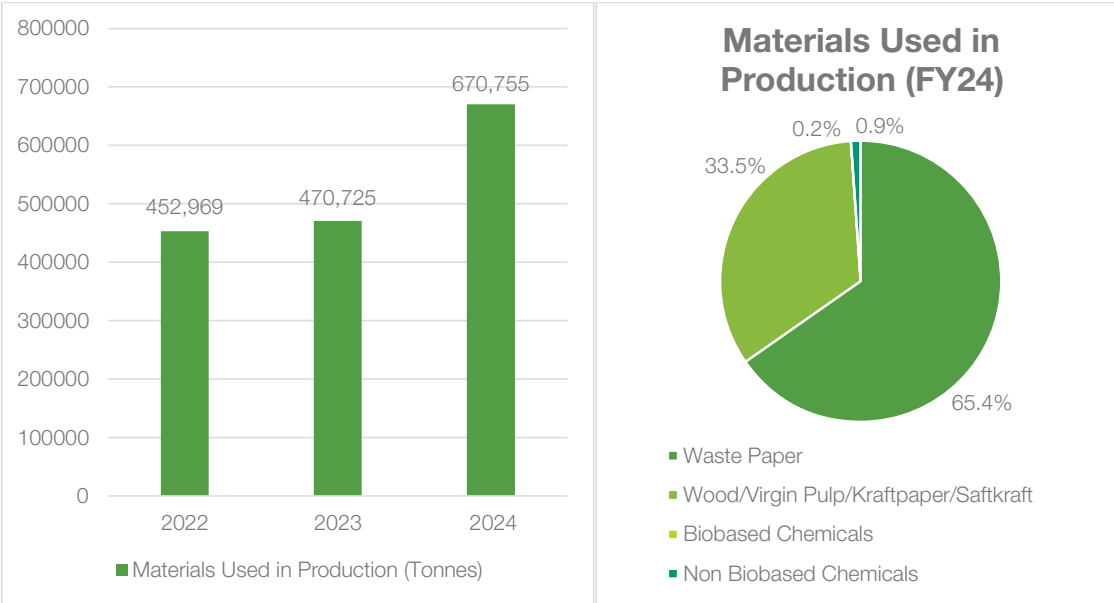
SUSTAINABILITY STATEMENT

CONT'D

ENVIRONMENTAL TOPICS (CONT'D)

Material Management (Cont'd)

Muda Holdings Berhad employs several resource use strategies, including our partnership with the FSC Council and maintaining our FSC certification. We have also implemented new production processes to optimise resource utilisation and prioritise sourcing materials locally to better manage usage, actively incorporating recycled materials as well.



The Group uses raw materials and chemicals as above for input materials, of which over 98% comprises of renewable materials. For FY2024, we have expanded our data collection and analysis to include other materials and other processes involved in our operations, comprising of both renewable and non-renewable materials. Both our widening reporting scope and increased production are reflected in our total material data quantities.

Materials Used for Production Process	2022	2023	2024
Total Renewable Materials Used (tonnes)	452,969	470,725	665,054
Total Non-Renewable Materials Used (tonnes)	–	–	5,701

Irresponsible resource consumption can lead to resource scarcity, which can hinder sustainable growth and increase inequality. While the paper industry is generally considered environmentally friendly and helpful in addressing climate change and pollution, using recycled materials can sometimes lead to material shortages and increased costs.

The Group reclaims products and packaging materials through several avenues. Rejected cartons, wood, plastic pallets, and recycled core returned by customers are collected for reuse. Beyond material collection, we aim to reduce overall packaging by transitioning to palletised packaging, which decreases stretch film and carton usage. These efforts are complemented by minimising waste through the efficient use of the aforementioned reclaimed materials and optimised production processes. All reclaimed materials and packaging are properly collected and recycled, ensuring they re-enter the supply chain.

## ENVIRONMENTAL TOPICS (CONT'D)

## Environmental Compliance

Environmental compliance offers significant advantages, including protecting the Group from penalties and lawsuits while enhancing brand reputation and building consumer trust. By reducing pollution, conserving resources, and promoting sustainability, it contributes to a healthier environment and can even spur green innovation and economic growth. Proper disposal practices further minimise environmental contamination. Our strong environmental performance is essential for maintaining a positive corporate image, as communities increasingly consider environmental impact alongside financial and social results. While achieving and maintaining compliance may require initial investments and ongoing operational costs, these are outweighed by the long-term benefits, including potential cost savings from reduced resource use and waste. Balancing these factors is crucial for ensuring long-term business sustainability and success.

MHB's environmental compliance KPIs prioritise several key areas. These include overall regulatory compliance, specifically adhering to thresholds established by the Occupational Safety and Health Act ("OSHA") and the EQA. A strong emphasis is placed on DOE compliance and adherence to the EQA 1974, as well as the company's own Environmental Policy, which stresses both legal requirements and sustainable practices. Ultimately, the overarching goal is to maintain zero environmental non-compliance incidents or notices issued by the DOE.

We have taken various actions within our operations to address environmental concerns:

**Noise Control**

- Installation of noise barriers, provision of Personal Protective Equipment ("PPE"), noise usage minimisation and control, third-party noise risk assessments ("NRAs"), annual audiometric tests and medical examinations, and related training.

**Air Quality Monitoring**

- Annual air emission testing, bag filter system in cyclone for emission reduction, and monitoring of air emission results for compliance with Environmental Quality (Clean Air) Regulation.
- Stack emission monitoring for chimney testing.

**Waste Management**

- Categorisation of production waste as scheduled waste, collection by licensed contractors, wastewater treatment, and wastepaper recycling.

**Environmental Monitoring Systems**

- Established systems for regular monitoring and measurement of environmental pollution, including border noise tests, stack monitoring, and IETS.
- Adherence to the ISO14001 Environmental Management Standard.

**Environmental Management Program**

- Implementation of a comprehensive Environmental Management Program.

**Occupational Safety and Health (OSH) Compliance**

- Compliance with the Occupational Safety and Health Act 1994, including related regulations and OSHA (Noise Exposure) Regulation 2019.

SUSTAINABILITY STATEMENT

CONT'D

ENVIRONMENTAL TOPICS (CONT'D)

Environmental Compliance (Cont'd)

<b>Environmental Quality Compliance</b>  Compliance with the EQA including related acts like the Malaysian Clean Air Regulations 2014.	<b>Emissions Monitoring</b>  Stack emission monitoring for chimney testing.	<b>Dust Monitoring</b>  Cyclone dust collector monitoring tests.
<b>Employee Health Monitoring</b>  Audiometric tests for workers.	<b>Hazard Identification</b>  Noise hazard identification tests and chemical health risk assessments.	<b>Solar Monitoring</b>  Solar power monitoring system.

MHB’s environmental pollution monitoring has consistently remained within established thresholds. Management conducts annual boundary noise monitoring, worker audiometric tests, chemical health risk assessments, and gas emission monitoring, ensuring compliance with the Malaysian Clean Air Regulations 2014. These activities are managed through our Environmental Management Program and reviewed during Management Review Meetings, with controls in place to meet the requirements of the OSHA (Noise Exposure) Regulation 2019 and the Environmental Quality (Clean Air) Regulation, 2014. We are pleased to report zero incidents of non-compliance in FY24 with the previously mentioned regulations based on the assessments and monitoring conducted.

Biodiversity

Biodiversity is crucial for healthy ecosystems, providing essential services like water purification, climate regulation, and soil formation, which are vital for agriculture, infrastructure, and human health, contributing to economic stability. Protecting biodiversity through conservation efforts, while important, can require significant financial investment. A healthy biodiversity supports food security, genetic diversity, and sustained livelihoods. Reducing pollution in water, air, and soil, and mitigating climate change, leads to lower maintenance and monitoring costs. Ultimately, biodiversity ensures human needs are met, including access to clean water, food, nutrition, energy, and medicines, protecting human health.

At Muda Holdings Berhad, we acknowledge that our industry can negatively impact the environment and ecosystem if left unchecked. The Group’s top management will assess organisational impact and subsequently communicate findings to both internal and external stakeholders. Committed to environmental stewardship, we adhere to international and local standards, including EQA 1974, to minimise our environmental impact and protect biodiversity. This commitment is further demonstrated by the Group’s strong affiliation with the FSC.



## SOCIAL TOPICS

At Muda Holdings Berhad, we recognise that our workforce is a fundamental catalyst for business growth and success. The Group remains steadfast in its commitment to upholding sound labour practices, fostering mutual respect, creating a safe working environment, and cultivating a diverse and inclusive workplace.

MHB strategically leverages its financial, technical, and human resources to attract and retain top-tier talent. This commitment is exemplified through our ongoing efforts to provide a safe and healthy working environment while offering abundant opportunities for career growth, training, and upskilling. Our holistic approach underscores the Group's dedication to advancing a workplace culture that prioritises employee well-being, embraces diversity, and nurtures continuous professional development.



### Diversity, Equality and Inclusion

Diversity, equality and inclusion form the cornerstone of MHB's workplace culture. The Group embraces diversity in all its dimensions, spanning race, ethnicity, religion, nationality, culture, union membership, gender, age, disability, and sexual orientation, ensuring that every individual, regardless of background, has an equitable opportunity to thrive and contribute meaningfully to the Group's success.

Our Code of Business Conduct and Ethics, articulated in the Employment Handbook under Clause 5: Our Commitment to Diversity and Inclusion, reinforces these principles. The policy emphasises mutual respect, fair treatment, and the importance of harnessing diverse perspectives to drive innovation and sustainable growth. Specifically, the Group:

- Values and encourages the broad range of perspectives and capabilities that diversity brings;
- Promotes mutual respect and understanding between individuals from different personal situations or backgrounds; and
- Embeds its core values of *People*, *Knowledge*, and *Innovation*, reflecting a belief that everyone deserves fair opportunities for meaningful employment and career advancement.

MHB is particularly committed to supporting individuals with disabilities, recognising the unique strengths and perspectives they bring to our organisation. The representation of challenged employees has remained consistent over the years, with three employees (0.10% of the total workforce) in FY22, FY23, and FY24. The Group remains determined to expand these efforts by enhancing accessibility and providing an inclusive environment that enables all employees to reach their full potential.

Disability Status	2022	2023	2024
Number of Employees	3 (0.10%)	3 (0.10%)	3 (0.10%)

MHB also continues to uphold the highest standards of fairness and non-discrimination across all its operations. In FY24, the Group recorded zero incidents of discrimination. The achievement over the consecutive years reflects the effectiveness of our policies' continuous commitment to a fair and inclusive workplace. In the event of any discrimination incident, MHB is obliged by an internal policy to conduct a thorough investigation and take appropriate corrective action to ensure employee welfare.

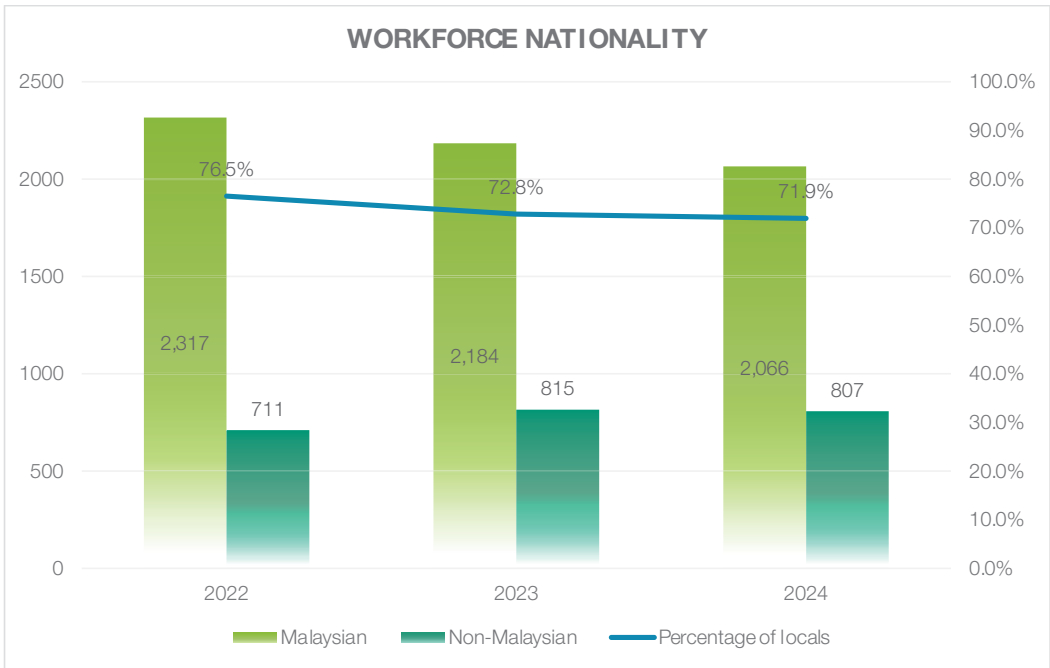
SOCIAL TOPICS (CONT'D)

Diversity, Equality and Inclusion (Cont'd)

	2022	2023	2024
Incidents of discrimination	0	0	0

Workforce Composition

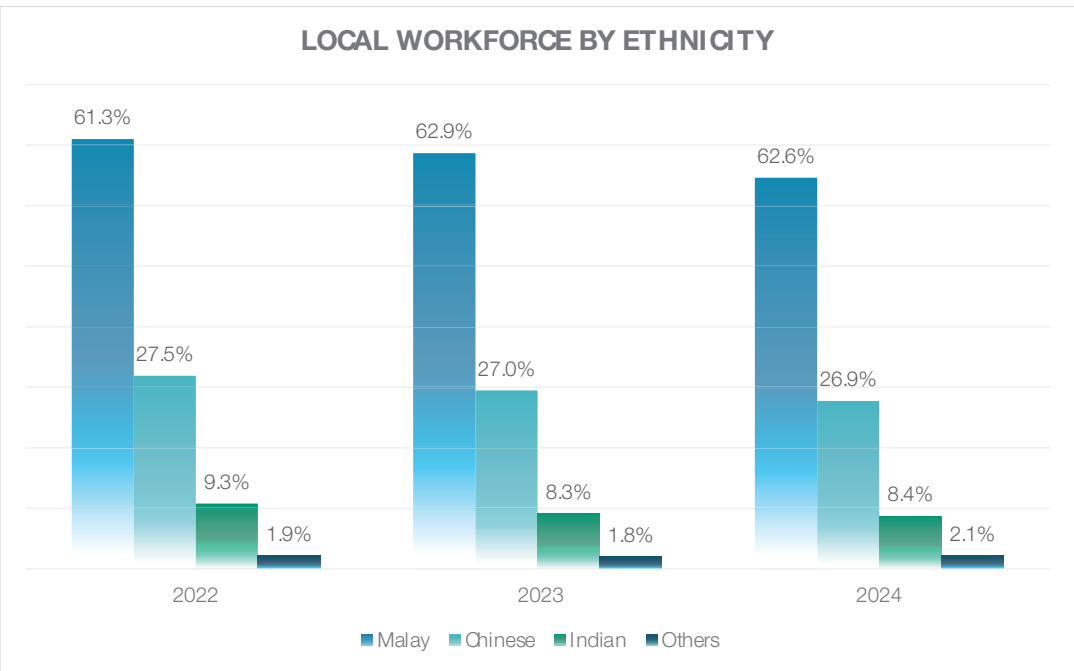
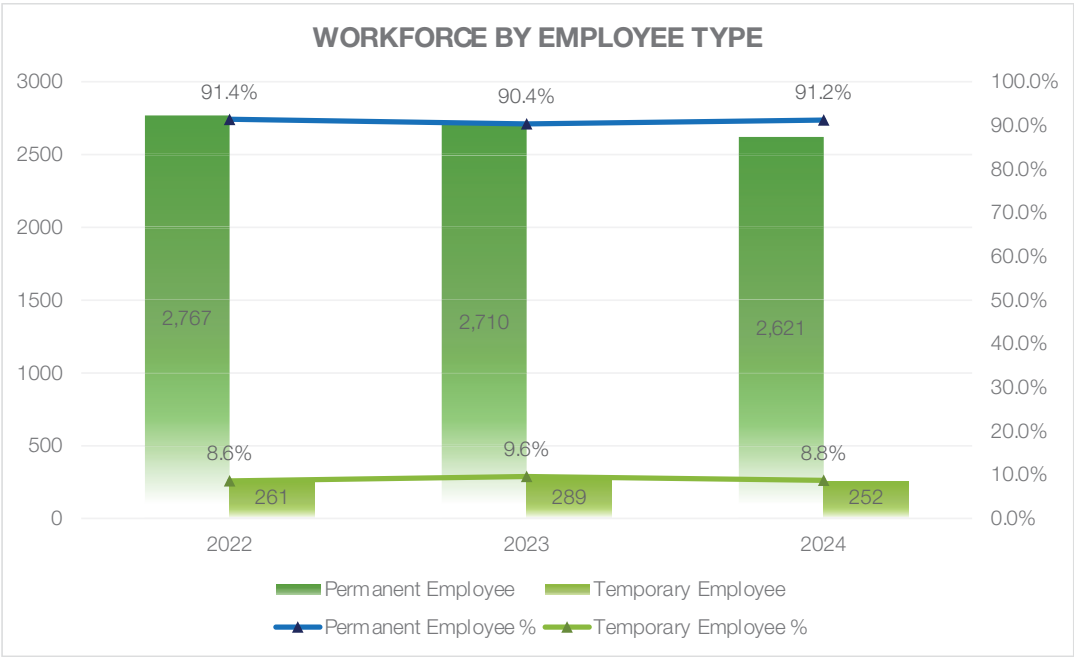
In FY24, the Group employed 2,873 individuals, with 71.91% of the workforce comprising Malaysian employees. This strong local representation aligns with our commitment to prioritising local employment and contributing to regional economic growth. Many employees began their careers at the Junior Executive or Executive level and progressed to Senior Management level. While our workforce predominantly comprises permanent employees at 91.23%, reflecting the Group’s long-term approach to talent retention and professional development, the Group also offers internship opportunities to nurture future talent and build a pipeline of skilled professionals.



SOCIAL TOPICS (CONT'D)

Diversity, Equality and Inclusion (Cont'd)

Workforce Composition (Cont'd)



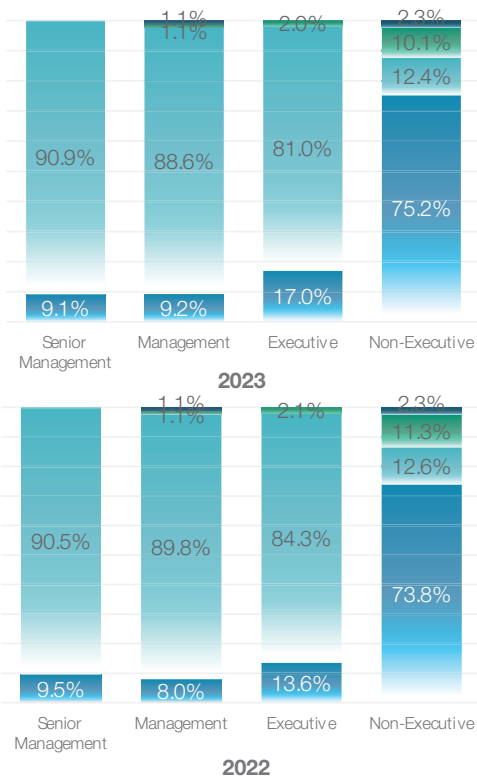
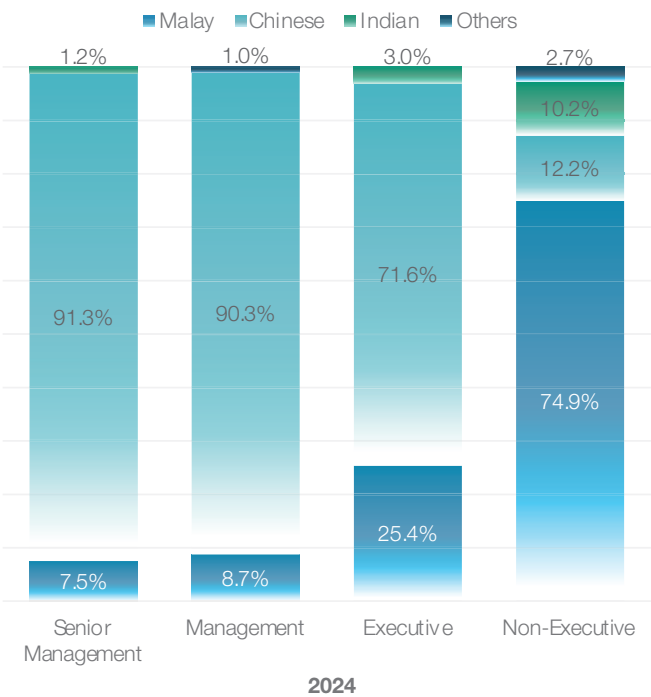
*Note: In this graph, the term 'local' refers to Malaysian citizens. The ethnicities represented are those of the main Malaysian ethnic groups.*

SOCIAL TOPICS (CONT'D)

Diversity, Equality and Inclusion (Cont'd)

Workforce Composition (Cont'd)

ETHNICITY BREAKDOWN BY CATEGORY



The Group's focus on gender diversity is equally strong. In FY24, 19.21% of our employees were female, while 80.79% were male. MHB remains committed to promoting gender balance at all levels, ensuring fair opportunities for career advancement and leadership roles. Notably, in FY24, female representation among executive and management roles stood at 56.13% and 39.81%, respectively, in the attainment of the established target of 25.00% female representation.

In line with our commitment to equality, fairness, and transparency, MHB ensures equal opportunities for career progression. We go beyond compliance with employment laws by setting higher standards for fairness and inclusivity across our global operations. Our policies are designed to provide a clear and equitable pathway for promotion, allowing employees to realise their full potential within the Group.

Target

Gender ratio in executive and management roles

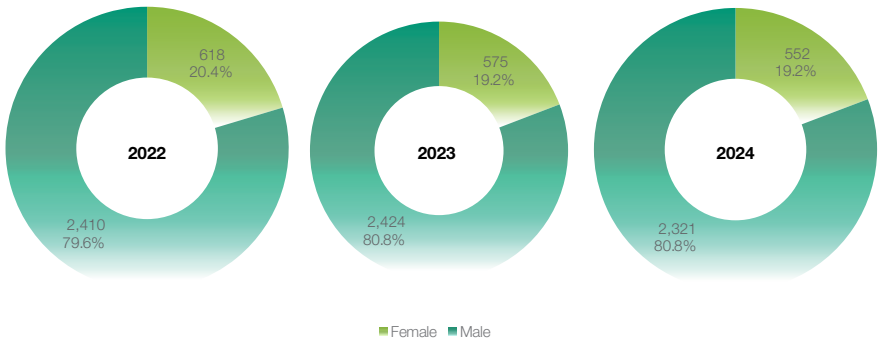
25% female representation

SOCIAL TOPICS (CONT'D)

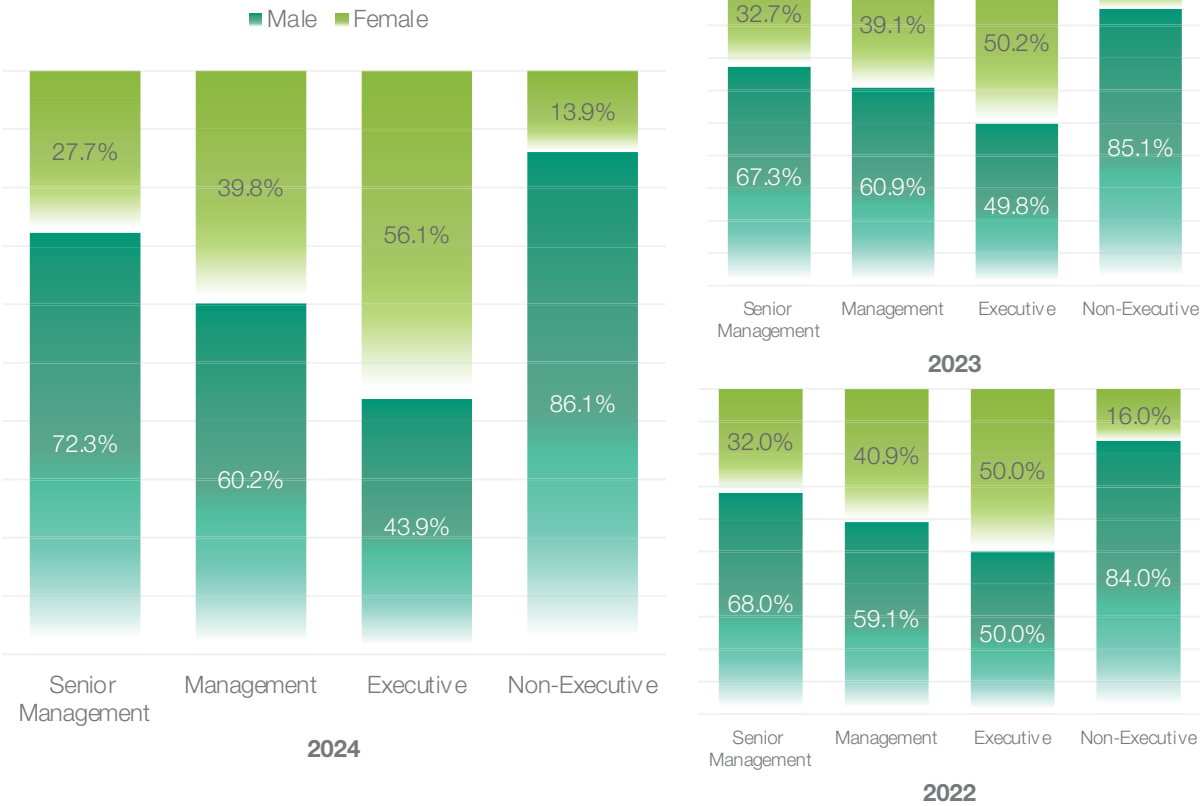
Diversity, Equality and Inclusion (Cont'd)

Workforce Composition (Cont'd)

WORKFORCE BY GENDER



GENDER BREAKDOWN BY CATEGORY

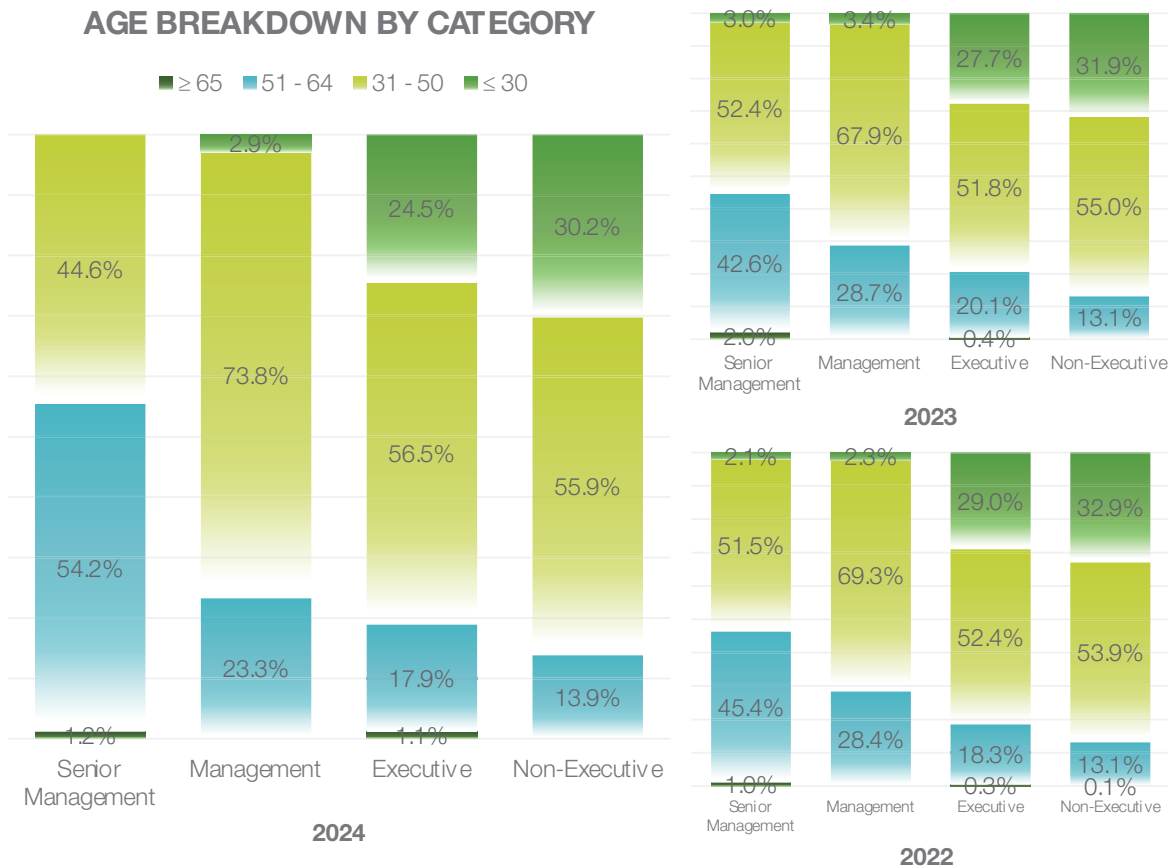


SOCIAL TOPICS (CONT'D)

Diversity, Equality and Inclusion (Cont'd)

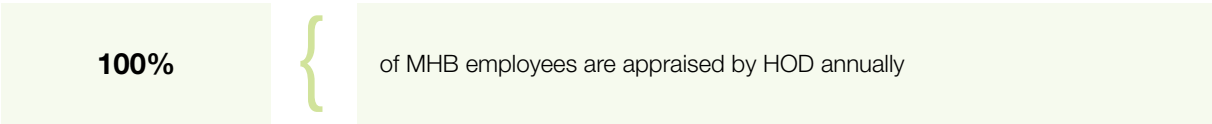
Workforce Composition (Cont'd)

AGE BREAKDOWN BY CATEGORY



Talent Management and Development

At MHB, we believe that effective talent management and development are pivotal to sustaining our business success. The Group's unwavering commitment to fair remuneration and employee recognition ensures that each individual's journey within the Group is both enriching and rewarding. 100.00% of employees undergo comprehensive annual performance appraisals, which are instrumental in recognising achievements, fostering growth, and identifying opportunities for continuous improvement.



Equally important is our commitment to fostering a workplace anchored in respect, dignity, and inclusiveness. To this end, MHB has instituted a robust grievance mechanism that empowers employees to report incidents of bullying and harassment through confidential channels. Union employees may refer to Grievance Procedures, while all employees are encouraged to escalate concerns directly to their Head of Department ("HOD") or the Human Resources Department ("HR"). Managers receive specialised training in managing misconduct and handling employment-related claims at the Labour and Industrial Court, reinforcing our pledge to employee welfare and organisational integrity.



SOCIAL TOPICS (CONT'D)

Talent Management and Development (Cont'd)

Hiring, Onboarding, and Attrition

Talent acquisition is meticulously governed by an internal framework designed to attract top talent and ensure a seamless onboarding experience. Each new hire participates in a tailored induction programme, equipping them with the Group's culture, vision, and mission, as well as operational policies and in-house regulations, all of which are anchored in the Group Code of Conduct. For onsite employees, the onboarding process is further enriched with training in Safety, Health, and Environment ("SHE") standards, highlighting the commitment to prioritising safety from the very outset.

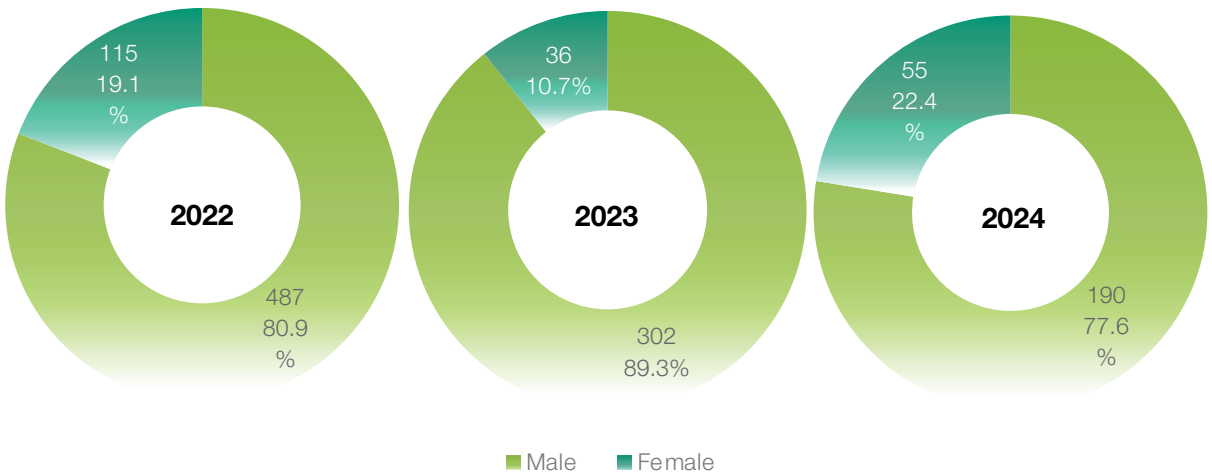
To ensure operational continuity and preserve institutional knowledge, MHB has established a robust Employee Resignation Procedure. This structured process ensures that departing employees receive formal acknowledgment through an acceptance letter and complete a detailed Handover Job Checklist, facilitating a seamless transition of responsibilities. Notice periods are clearly delineated within the Procedure, ensuring compliance and minimising disruption to business operations:-

MHB also takes pride in fostering a culture of internal mobility and career progression, with a strong emphasis on promoting from within. This approach, complemented by monthly productivity incentives, has been instrumental in cultivating a high-retention culture that values and rewards commitment, expertise, and long-term contributions. By prioritising the growth and development of our existing workforce, we aim to strengthen organisational resilience and enhance employee satisfaction.

In FY24, MHB welcomed 245 new hires across its operations, representing a 27.51% decrease as we shifted our focus towards optimising workforce efficiency and maximising the potential of our existing talent pool. While the reduction in new hires aligns with our focus on internal mobility and workforce optimisation, we remain conscientious about attracting top talent when opportunities arise, ensuring a balance between fresh perspectives and institutional knowledge.

Executive level and above	Non-executives
2 months	1 month
Interns/Employees in probation	
2 weeks	

NEW HIRES BY GENDER



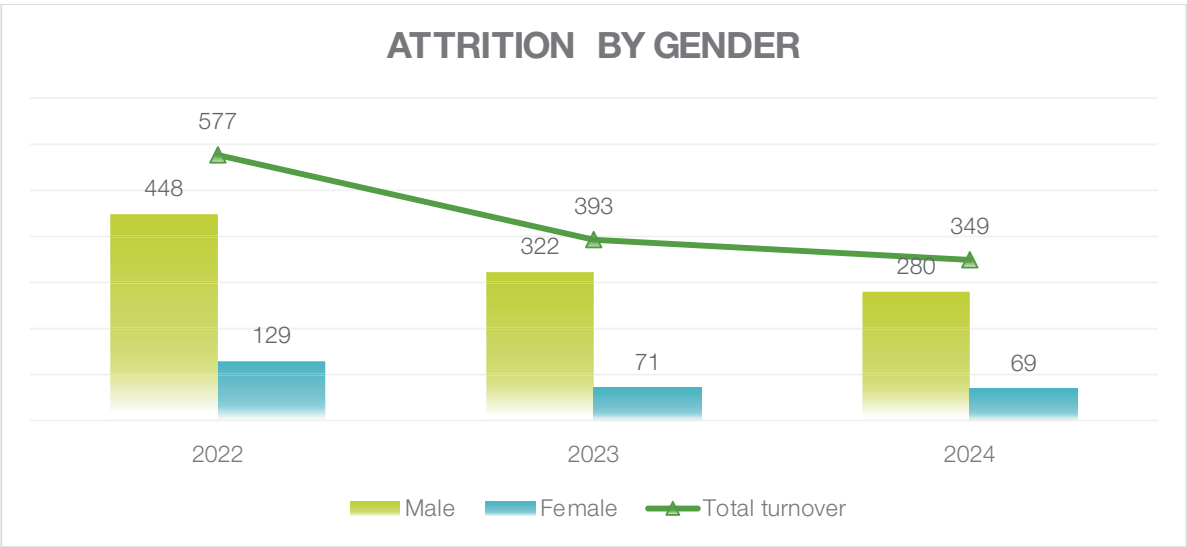
SOCIAL TOPICS (CONT'D)

Talent Management and Development (Cont'd)

Hiring, Onboarding, and Attrition (Cont'd)



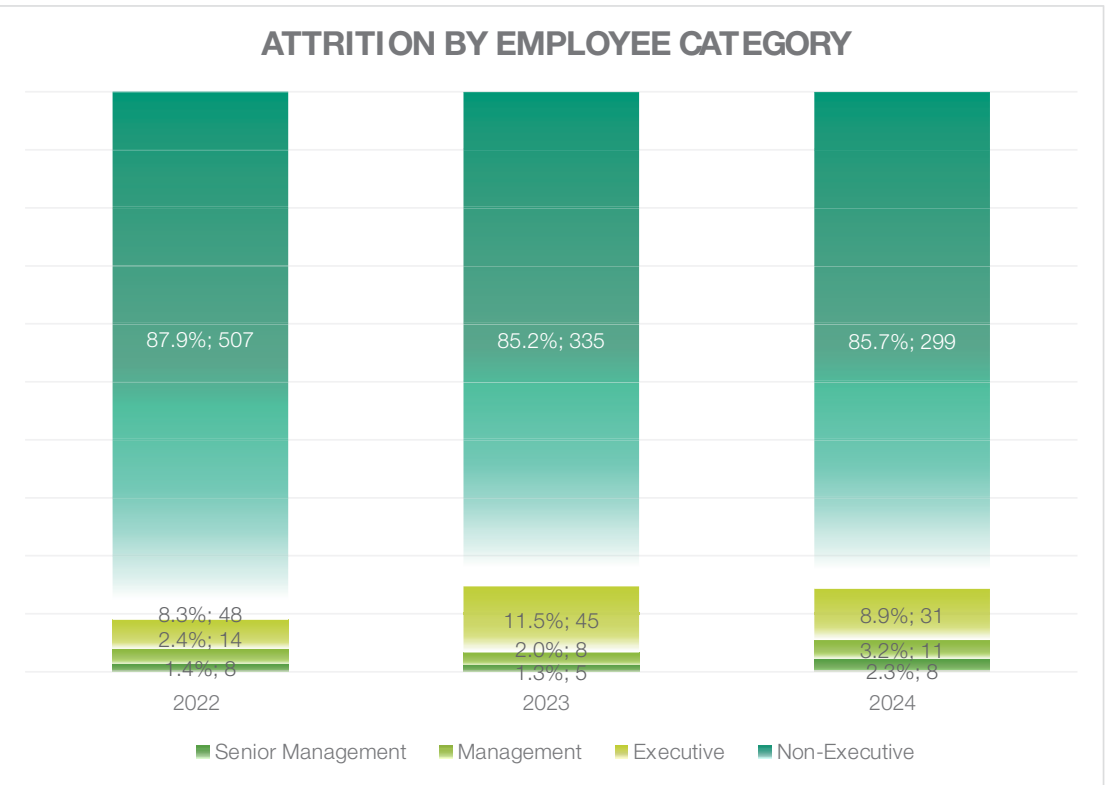
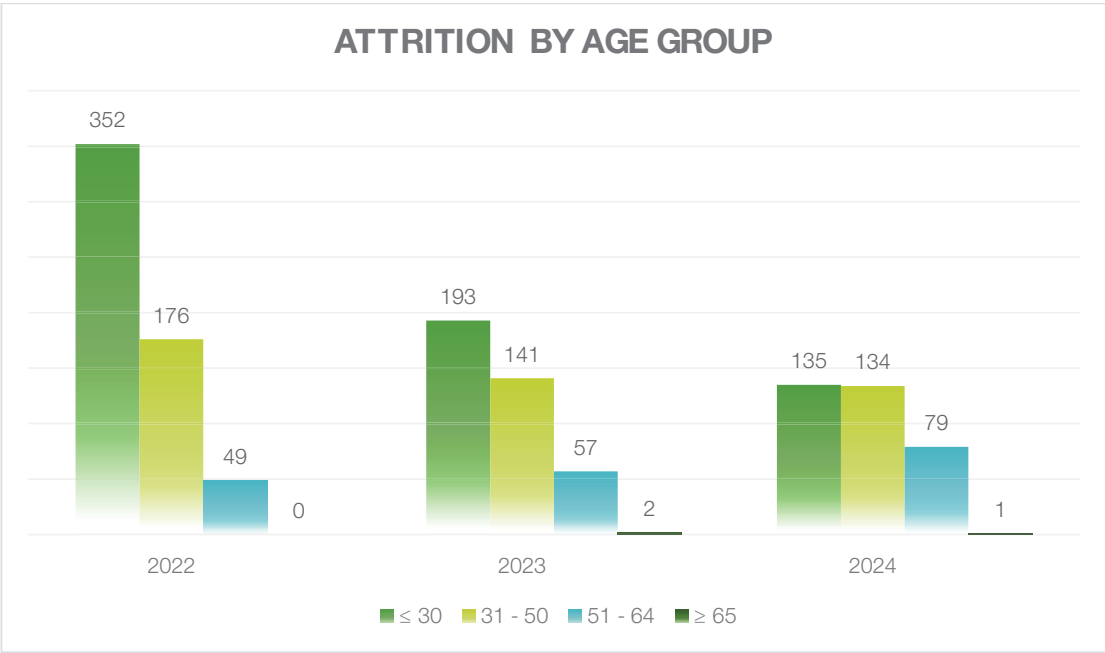
Concurrently, the number of full-time employees exiting the organisation decreased to 349, with an 11.60% of full-time voluntary turnover rate. The decline in turnover positively denotes that the Group's employee engagement initiatives, retention strategies, and commitment to creating a supportive workplace environment remain efficacious. This dual trend of reduced new hires and lower turnover is attributed to the reorganisation of workforce arrangement and internal efforts to enhance employee retention, fostering a more stable and engaged workforce.



SOCIAL TOPICS (CONT'D)

Talent Management and Development (Cont'd)

Hiring, Onboarding, and Attrition (Cont'd)



SUSTAINABILITY STATEMENT

CONT'D

SOCIAL TOPICS (CONT'D)

Talent Management and Development (Cont'd)

Employee Benefits and Wellbeing

At the heart of MHB's people-first philosophy lies a comprehensive benefits programme that reflects our deep commitment to employee well-being. This includes medical and hospitalisation coverage, accident insurance, club subscriptions, car allowances, and retirement benefits, ensuring that our employees are well-supported in all facets of life. MHB's benefits framework is continually benchmarked against industry best practices to ensure a fair and competitive remuneration package for its employees.

	2022	2023	2024
Total payments made to employees in terms of salaries, bonuses and benefits (RM '000) *	164,080	166,838	162,781
Total statutory payments made for employees' retirement benefits (RM '000) *	13,093	12,669	11,935
Total payments in medical insurance for employees (RM '000) *	1,763	1,956	1,772

\*The figures presented represent the amalgamated figures of the group of companies included in this report.

The Group supports the right to minimum wage and provides as well as exceeds the minimum wage standards where applicable. The Group's dedication to offering a remuneration package that not only meets but consistently exceeds the minimum wage standards, reinforces our belief that fair compensation is fundamental to motivating high performance and fostering organisational pride.

Beyond monetary metrics, MHB is invested in creating an environment where every individual feels valued, empowered, and recognised for their unique contributions. In recognition of long-standing dedication, employees with 10, 20, and 30 years of service and beyond are honoured with long-service awards, celebrating their loyalty and contributions. Our employee engagement initiatives are designed to foster a culture of growth, fulfilment, and sustained success.

Employee Satisfaction

9.8/10

RM 106,667 spent on employee engagement activities

MHB's parental leave policies, in alignment with the Malaysian Employment Act 1955, promote work-life balance and gender equality, allowing employees to fulfil their caregiving responsibilities without compromising career progression. Encouraging both men and women to take parental leave reduces gender disparities, enhances talent retention, and boosts employee morale and productivity. By normalising

paternity leave, MHB fosters a more inclusive and supportive workplace culture, ensuring that caregiving responsibilities are equitably shared.

## SOCIAL TOPICS (CONT'D)

## Talent Management and Development (Cont'd)

## Employee Benefits and Wellbeing (Cont'd)

		2022	2023	2024
<b>Employees Entitled to Maternity and Paternity Leave</b>		2,440 (80.58%)	2,337 (77.93%)	2,090 (72.75%)
<b>Employees Who Took Paternity Leave</b>		71	46	50
<b>Employees Who Took Maternity Leave</b>		17	21	28
<b>Return to Work Rate*</b>	Male	88.90%	100.00%	94.00%
	Female	97.10%	100.00%	92.86%
<b>Retention Rate**</b>	Male	82.70%	100.00%	94.00%
	Female	94.30%	95.20%	82.14%

\*Return-to-work rate: Percentage of employees returning to work after parental leave out of the total employees scheduled to return after parental leave.

\*\*Retention rate: Percentage of employees retained 12 months after returning to work post-parental leave out of the total employees returning from parental leave in the previous reporting period.

## Training and Education

At MHB, we are steadfast in our commitment to nurturing a culture of continuous learning and professional development. Our training and education initiatives are thoughtfully designed to empower employees with the competencies and knowledge required to meet evolving business demands and achieve organisational excellence.

The Human Resources and Administration Department, in collaboration with the General Manager and respective HODs, plays a pivotal role in identifying training needs through the Competent/Training Needs Analysis process. This ensures that all programmes are strategically aligned with the Group's priorities, enhancing employee performance, operational efficiency, and long-term growth. Key training areas include technical proficiency, leadership development, and safety standards, all tailored to meet specific departmental requirements. The process is further reinforced by annual training needs assessments to address skill gaps and yearly employee appraisals to determine areas for targeted development.

In FY24, MHB conducted a series of impactful training programmes, reaching 2,273 employees, and docking a total of 84,415 training hours across the Group. Key programmes included:

- Safety, Health and Environment ("SHE") Training
- Scheduled Waste Management
- Course For Certified Environmental Professional in the Operation of Industrial Effluent Treatment Systems (Physical Chemical Processes) ("CePIETSO (PCP)")
- FSC CoC Management Awareness Training
- ISO 14001: 2015 Environmental Aspects and Associated Impact Assessment Training

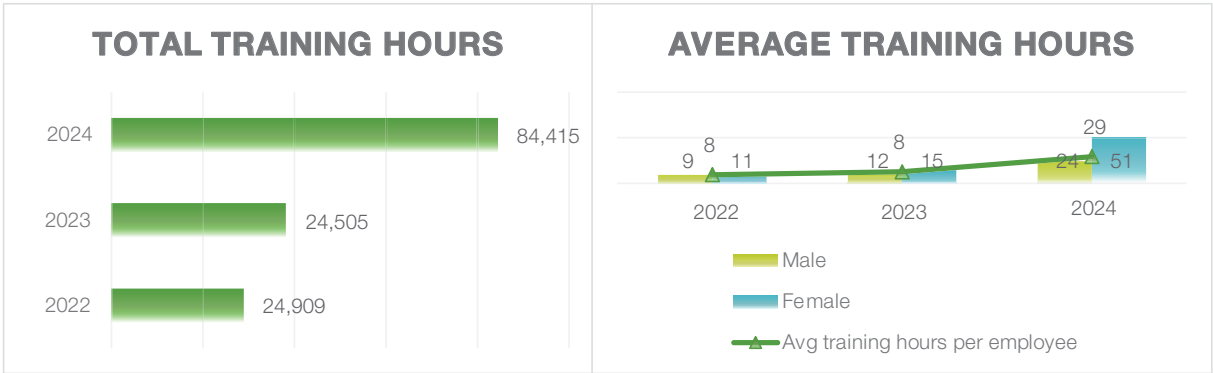
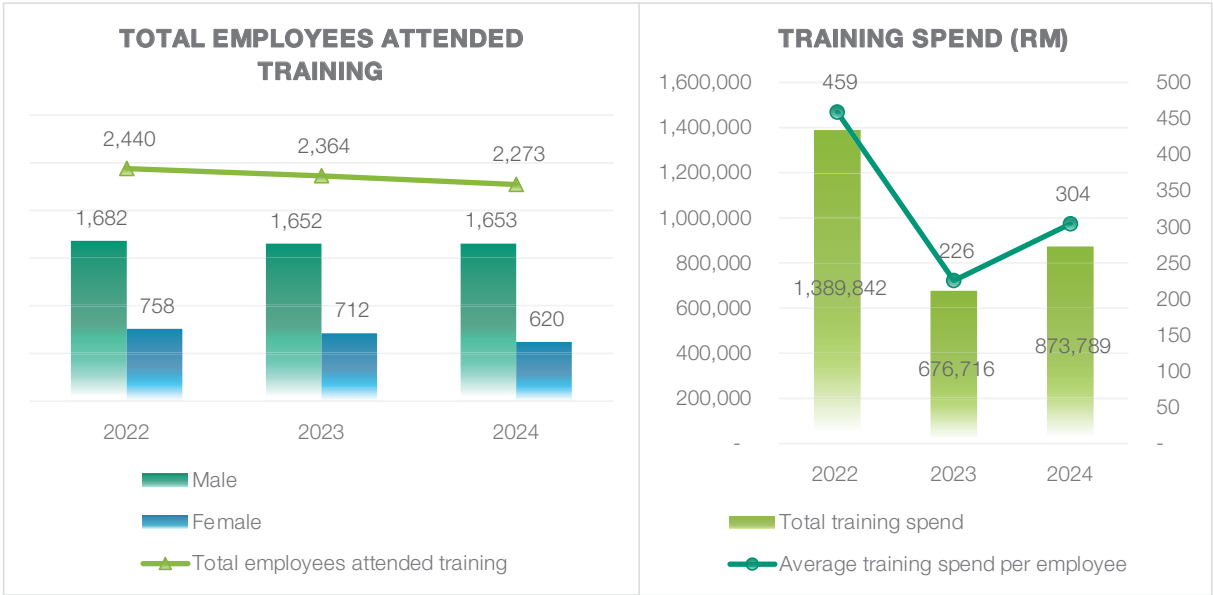
Looking ahead, MHB is poised to expand its training portfolio, advancing department-specific professional and technical training, motivation/time-management programmes, and cloud-based learning solutions. Managerial staff will also benefit from curated workshops and opportunities to attend industry conferences, enhancing their leadership capabilities.

SOCIAL TOPICS (CONT'D)

Training and Education (Cont'd)

To maintain the highest standards of effectiveness, the Group employs a robust evaluation mechanism through the Training Effectiveness Feedback Form ("TEFF"). This tool provides valuable insights from departmental leaders to assess the impact of training initiatives and guide improvements. Plans are underway to extend this evaluation framework across all subsidiaries, ensuring consistency and fostering a culture of continuous improvement Group-wide.

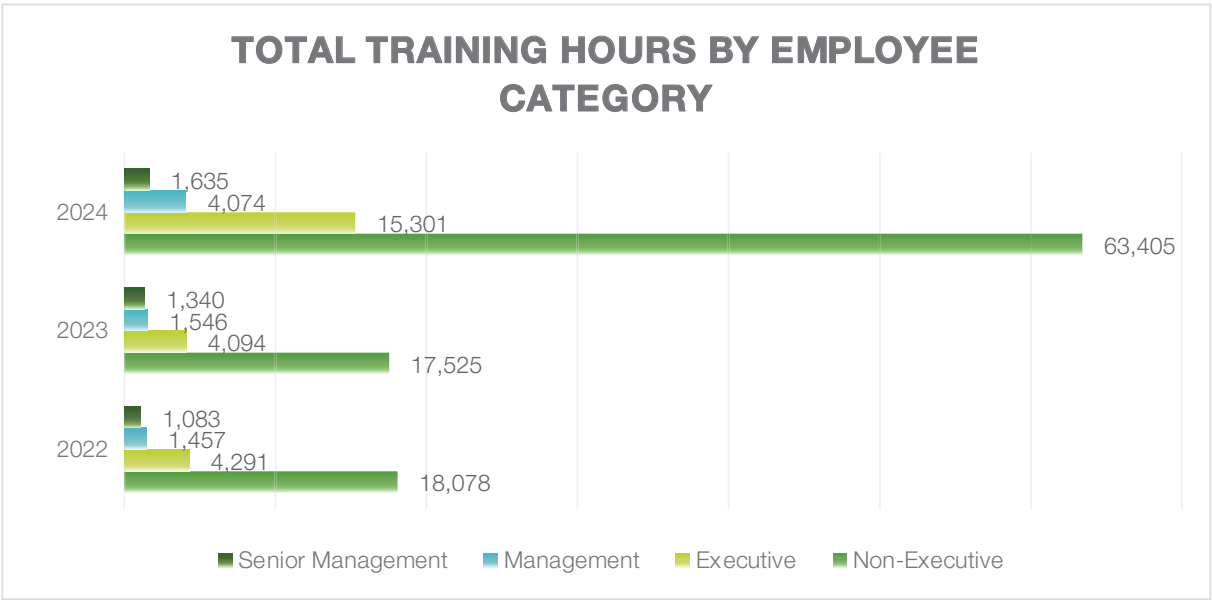
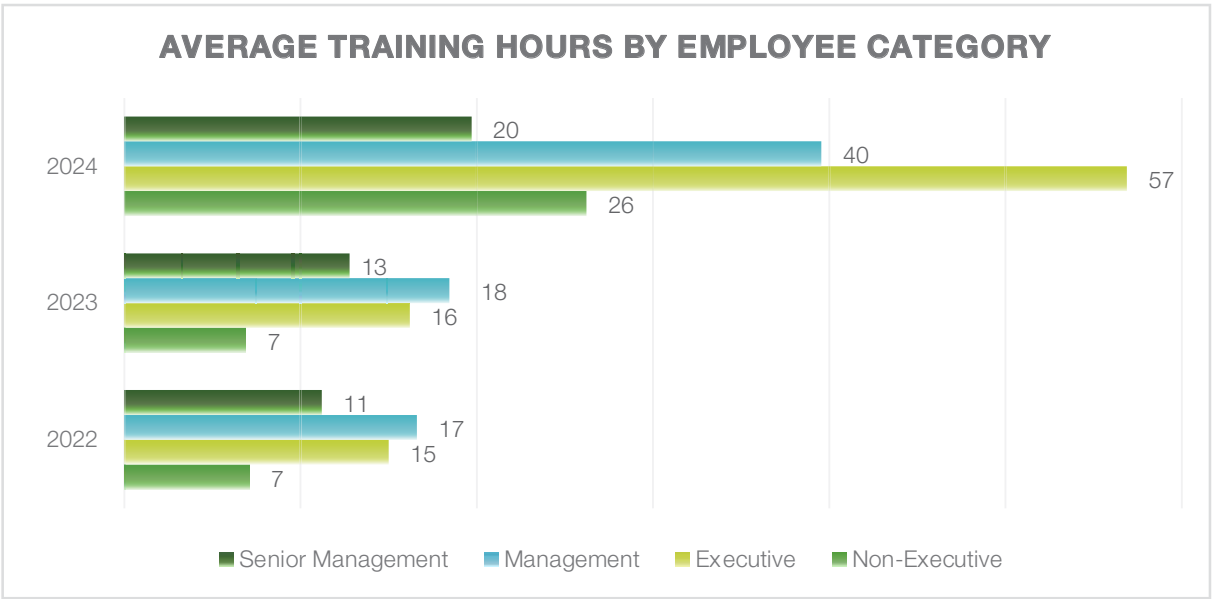
MHB also encourages self-initiated development as part of our commitment to employee growth. Executive-level employees who achieve Group-recognised qualifications are eligible for cash rewards, while those who are members of accredited professional bodies may claim reimbursement for annual membership fees, subject to management approval. These initiatives reinforce our dedication to fostering a well-rounded, high-performing workforce capable of driving the Group's long-term success.





SOCIAL TOPICS (CONT'D)

Training and Education (Cont'd)



*Note:*  
Past year data for the indicator “Total Training Hours” and “Average Training Hours per Employee” have been restated in SS24 due to strengthened data collection process for enhanced accuracy.

# SUSTAINABILITY STATEMENT

CONT'D

## SOCIAL TOPICS (CONT'D)

### Labour and Human Rights

MHB remains unwavering in its commitment to upholding labour and human rights, ensuring full compliance with the Malaysian Employment Act 1955 and aligning with international standards. Our policies and practices are rooted in fairness, equality, and respect, fostering a workplace that is ethical, inclusive, and free from any form of exploitation.

The Group strictly prohibits all forms of forced, bonded, and child labour within its operations and facilities. In adherence to the Children and Young Persons (Employment) Act 1966, MHB ensures that the minimum age for full-time employment is 18 years, safeguarding the welfare of young individuals while maintaining a safe and ethical working environment.

The Group also recognises the right to collective bargaining and freedom of association. Employees are free to form, join, and organise trade unions of their choice, which can collectively bargain on their behalf. This right is formalised and clearly outlined in our Labour Procedure, available in both Malay and English, ensuring transparency and fairness in labour relations. Notably, Collective Agreement bargaining between management and union representatives is conducted every three years, fostering a collaborative approach to addressing employee concerns and improving working conditions.

With 28.09% of our workforce comprising foreign labour in FY24, MHB remains committed to responsible and sustainable recruitment practices. Our recruitment procedures comply with Malaysian laws and regulations, as well as those of the countries of origin, ensuring the fair and ethical treatment of foreign employees. Key measures include:

- Prohibition of recruitment fees charged by recruitment agencies to foreign labour.
- Providing employment contracts in native languages to prevent exploitation and ensure clarity.
- Ensuring accommodation complies with housing regulations, safeguarding the wellbeing of foreign workers.

Maintaining a workplace free from human rights violations is a key priority for MHB. From FY22 to FY24, there were zero substantiated complaints related to human rights violations, reflecting the strength of our policies and proactive approach in addressing employee concerns. During the same period, no domestic inquiry cases were initiated. This reflects our firm adherence to the principles of natural justice, including the right to be heard, the right to be informed of allegations, and the right to a fair and impartial hearing, which echoes with our ongoing commitment to upholding ethical and responsible labour practices.

Target	2022		
	2023		
Number of substantiated complaints concerning human rights violations	2024		
	2022		
Number of incidents or violations of non-compliance	2023		
	2024		
	0	0	0
	0	0	0

SOCIAL TOPICS (CONT'D)

Occupational Health and Safety

Ensuring a healthy and safe working environment across our operations remains MHB's top priority. The potential consequences of safety incidents—ranging from operational disruptions and productivity losses to severe outcomes such as loss of life, reputational damage, and legal liabilities—underscore the critical importance of our commitment. Our efforts are directed towards cultivating a workplace that not only prioritises safety but also nurtures the well-being of our employees, with the ultimate goal of achieving and maintaining zero fatalities and minimising workplace incidents. Our approach integrates various resources to create a comprehensive safety framework:

<b>Financial Resources</b>
<ul style="list-style-type: none"><li>Budget allocations for safety initiatives, such as safety equipment, training programs, audits, and hazard controls.</li></ul>
<b>Human Resources</b>
<ul style="list-style-type: none"><li>Dedicated safety personnel, including Safety and Health Officers ("SHO"), Authorised Gas Testers ("AGT"), and trained workers.</li></ul>
<b>Technological Resources</b>
<ul style="list-style-type: none"><li>Investments in safety-enhancing technologies, such as safety sensors, alarms, mobile boom lifts, and interlocked barriers.</li></ul>
<b>Infrastructure Resources</b>
<ul style="list-style-type: none"><li>Physical improvements like enhanced lighting, ergonomic workstations, and safety barriers.</li></ul>

MHB's Occupational Safety and Health ("OSH") Policy, endorsed by the Executive Director, forms the foundation of our safety initiatives. The policy applies to all individuals associated with our facilities, including employees, suppliers, contractors, and visitors, ensuring a unified approach to safety. This policy is grounded in the Occupational Safety and Health Act 1994 and is reinforced by adherence to relevant OSH regulations and standards.

<b>Occupational Safety and Health Act 1994</b>	<b>Factories and Machinery Act 1967</b>	<b>Industry Code of Practice for Safe Working in Confined Space 2010</b>	<b>ISO 45001:2018 Occupational Health and Safety Management Systems</b>
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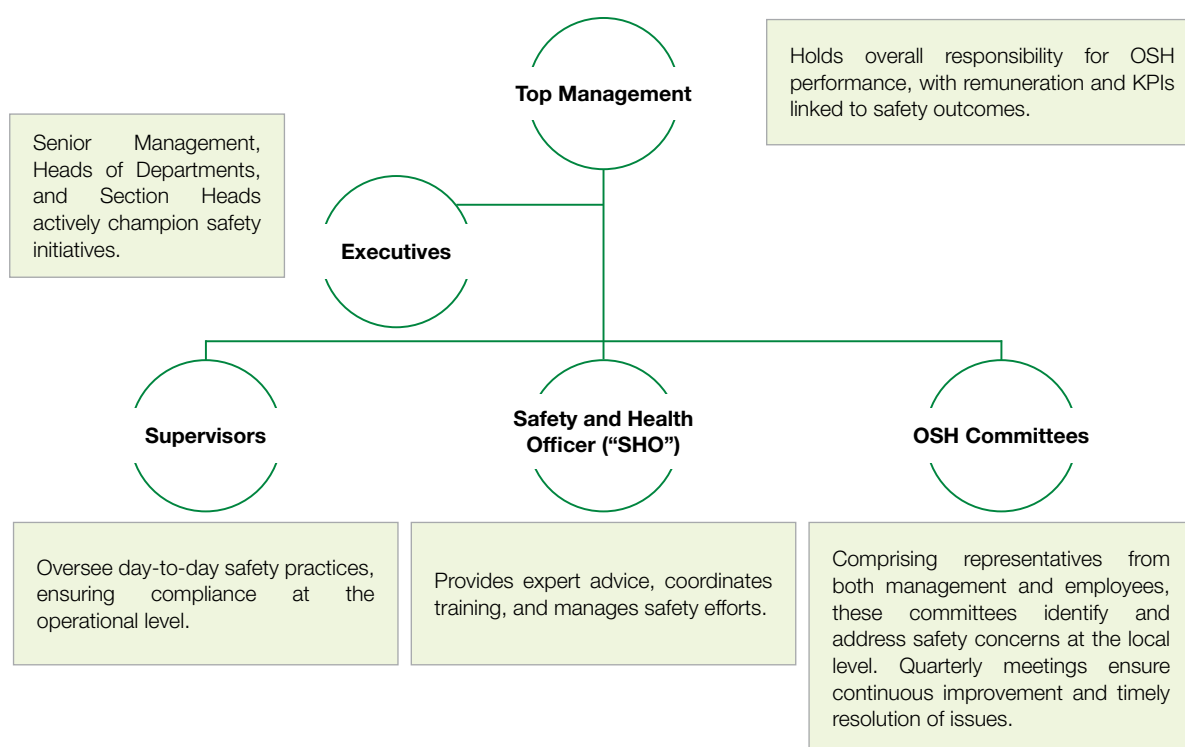
# SUSTAINABILITY STATEMENT

CONT'D

## SOCIAL TOPICS (CONT'D)

### Occupational Health and Safety (Cont'd)

Safety governance at MHB is a shared responsibility across all levels of the organisation.



Proactive safety programs are implemented to promote a culture of continuous improvement and vigilance. Key initiatives include:

- **Quarterly Safety Programs:** Regular initiatives to promote safety awareness and best practices.
- **Twice-Yearly Fire Evacuation Drills:** Ensuring preparedness for emergencies.
- **Firefighting Competitions:** Encouraging practical skills and teamwork.
- **Toolbox Briefings:** Conducted for contractors during service to highlight safety protocols.
- **Unsafe Practices Sharing:** Open discussions during safety meetings to address and mitigate risks.
- **Hazard Identification, Risk Assessment, and Risk Control ("HIRARC"):** A systematic approach to identifying and mitigating workplace hazards.

### OSH Training and Capacity Building

OSH training forms the backbone of MHB's safety culture. New employees undergo a comprehensive Safety Induction Programme to make themselves conversant with OSH standards and policies from day one. Training sessions are tailored to meet the needs of all organisational levels, from frontline workers to senior management. Various communication channels, such as strategically placed signage, display of safety policies, and accessible written guidelines, reinforce key safety messages across the Group.

In FY24, MHB continues to prioritise workplace safety by ensuring employees in high-risk roles receive essential OSH training. A total of 1,788 employees participated in these programmes targeted to enhance their understanding of potential hazards, improve risk management skills, and reinforce safe work practices.

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SOCIAL TOPICS (CONT'D)

Occupational Health and Safety (Cont'd)

OSH Training and Capacity Building (Cont'd)

	2022	2023	2024
Number of employees trained on health and safety standards	N/A	2,244	1,788

Emergency Preparedness and Incident Management

In the event of incidents, MHB remains vigilant in emergency preparedness through regular first-aid training, fire drills, and well-defined Emergency Response Procedures outlined in our Occupational Health and Safety Handbook. Reported incidents and accidents are managed through a structured process that ensures compliance with legal requirements. Our internal Accident Form captures detailed information on injuries, root causes, and preventive actions.

A dedicated Incident Investigation Team, led by the Safety and Health Officer, conducts thorough investigations involving witness interviews, scene inspections, and record reviews. Findings and corrective actions are presented to senior management and at quarterly safety meetings, ensuring transparency and accountability. All investigations align with ISO 45001 standards and Department of Occupational Safety and Health (“DOSH”) requirements. Immediate reporting and investigation of near misses or accidents further strengthen our safety measures.

OSH Monitoring and Performance

Monitoring OSH performance is an ongoing process at MHB, aimed at identifying, quantifying, and mitigating potential risks. Metrics such as incident rate, Lost Time Injury (“LTI”) frequency, and workers’ compensation claims support a proactive approach to risk management. Lessons from incidents inform updates to plans, policy documents, and risk assessments. Hazard Identification, Risk Assessment, and Risk Control (“HIRARC”) is applied across all facilities to assess and prioritise high-risk activities.

Our commitment is further strengthened through internal and external audits, including quarterly safety audits and annual audits by the Department of Environment (“DOE”) and DOSH. OSH data is compiled and submitted annually to DOSH to ensure compliance with the Guidelines on Safety and Health (Notification of Accident, Dangerous Occurrence, Occupational Poisoning, and Occupational Disease) Regulations 2004.

In FY24, MHB continues to maintain our commendable track record of zero work-related fatalities. However, we observed a slight increase in work-related injuries, with 40 incidents reported in FY24 compared to 32 incidents in FY23. This represents a 25.00% increase in the number of injuries, with the injury rate increasing marginally from 1.00 to 1.20 per 200,000 manhours. This trend highlights the need for continued vigilance and provides valuable insights into areas requiring targeted interventions to further reduce workplace incidents.

Target	<ul style="list-style-type: none"><li>Zero work-related fatalities</li><li>Zero work-related injury rate</li></ul>
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# SUSTAINABILITY STATEMENT

CONT'D

## SOCIAL TOPICS (CONT'D)

### Occupational Health and Safety (Cont'd)

#### OSH Monitoring and Performance (Cont'd)

Year	Total manhours worked	No. of work-related fatalities		No. of work-related injuries	Injury Rate*	Fatality Rate*	Lost Time Incident ("LTI") Rate*
		Employee	Contractor				
<b>FY2022</b>	6,425,709	0	0	41	1.28	0.00	41.96
<b>FY2023</b>	6,218,062	0	0	32	1.00	0.00	33.01
<b>FY2024</b>	6,888,808	0	0	40	1.16	0.00	23.84

\*Note: The injury rate, fatality rate, and lost time incident rate are calculated based on the number of work-related injuries, fatalities, and lost time incidents, respectively, per 200,000 hours worked by employees.



### Community Development

Driven by our unwavering commitment to community development, we actively contribute to societal betterment through targeted initiatives.

In FY24, the Group has allocated RM391,679 towards corporate donations and community investments, reinforcing our dedication to creating lasting, meaningful change. Our contributions focus on supporting registered non-profit organisations, ensuring that our efforts generate a tangible and positive impact on the communities we serve.



Our contributions are strategically directed towards 70 distinct beneficiaries, including educational institutions, cultural associations, welfare groups, sports organisations, religious bodies, and government-related initiatives. By supporting these diverse groups, we aim to foster positive social impact, promote inclusivity, and uplift the well-being of communities.

This broad engagement reflects our continued efforts to create meaningful and sustainable change for society at large.

**Total amount invested in the community**



**FY2024: RM 391,679**

FY2023: RM 57,280 FY2022: RM 13,488

**Number of beneficiaries**



**FY2024: 70 organisations**

FY2023: 23 org FY2022: 7 org

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GOVERNANCE TOPICS

Corporate Governance

At MHB, corporate governance underpins trust, accountability, and long-term sustainability. Our framework ensures ethical decision-making, transparency, and oversight, fostering investor confidence and responsible business growth. By refining governance structures, MHB balances economic, environmental, and social priorities to create lasting value. Governance is led by the Board of Directors and Executive Management, ensuring effective leadership and accountability. The Board sets strategic direction, while Executive Management implements policies and drives operational excellence. Remuneration is tied to key performance indicators (“KPIs”) and targets, reinforcing performance-driven leadership.

A dedicated Sustainability and ESG Committee oversees the integration of sustainability into our corporate strategy, providing oversight on material topics such as Environmental Impact, Sustainable Sourcing, Social Responsibility, Ethics and Governance, and Innovation. This ensures alignment with global sustainability standards and reinforces our commitment to responsible business practices. Governance performance is tracked through internal reviews and external benchmarks, ensuring continuous improvement. Transparency is key, with the Board and its committees meeting regularly throughout the year, maintaining full attendance and demonstrating commitment to governance excellence.

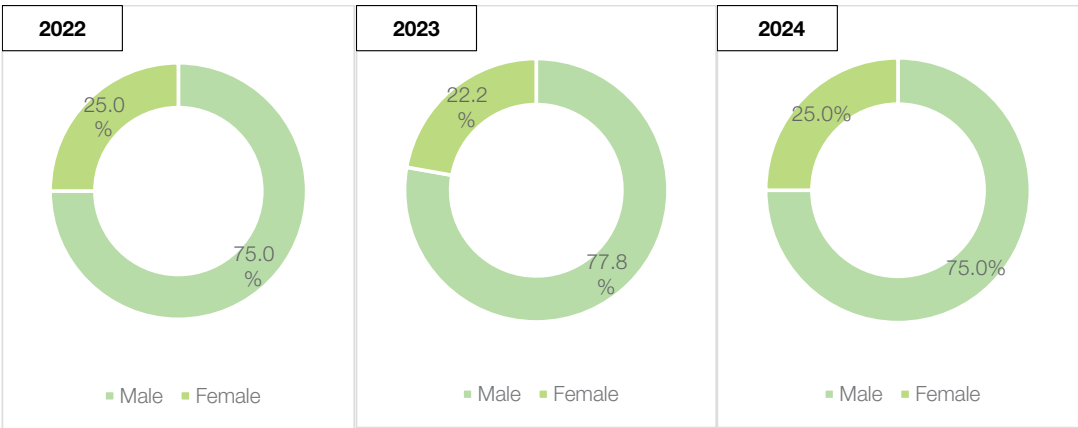


Our Board of Directors

In FY24, the Board comprises eight (8) Directors, including two (2) Executive and six (6) Non-Executive members, with three (3) serving as Independent Non-Executive Directors, aligning with the Main Market Listing Requirements and the Malaysian Code on Corporate Governance.

The Group is also dedicated to gender diversity, with two (2) female Non-Independent Non-Executive Directors, reflecting the broader commitment to equitable representation at the Board and senior management levels. Beyond gender, the Group’s focus on diverse skill sets, experience, and backgrounds cultivates an inclusive culture that strengthens decision-making and drives sustainable growth. By championing a governance structure that values diversity, MHB ensures leadership remains dynamic, forward-thinking, and reflective of the evolving business landscape. The Corporate Governance Overview Statement within this Annual Report provides further insights into our governance performance, underscoring our unwavering commitment to exemplary corporate governance.

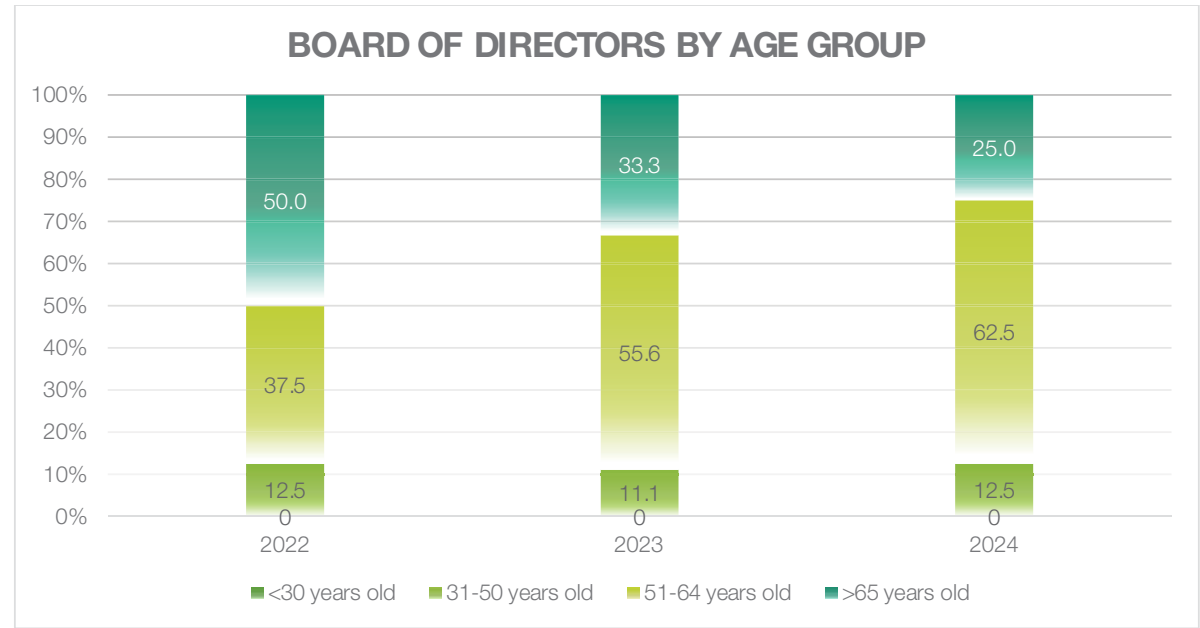
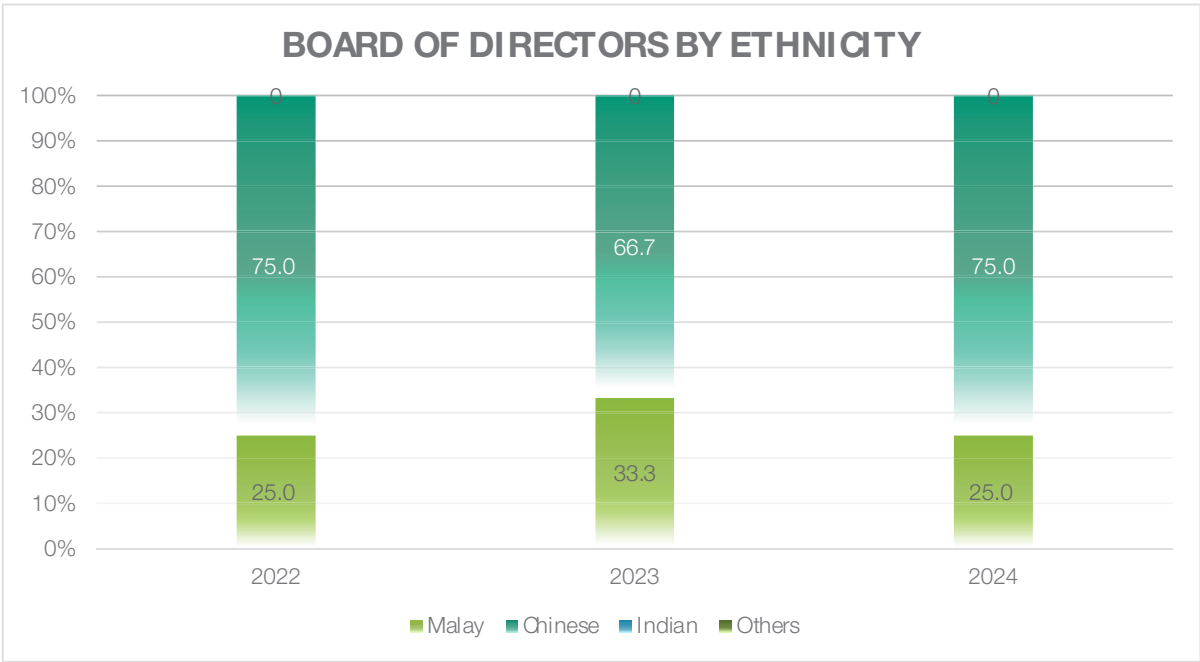
Board of Directors - Breakdown by Gender



GOVERNANCE TOPICS (CONT'D)

Corporate Governance (Cont'd)

Our Board of Directors (Cont'd)



**GOVERNANCE TOPICS (CONT'D)****Corporate Governance (Cont'd)****Board Responsibilities**

The Board is responsible for steering the Group towards long-term success and sustainable value creation for stakeholders. This includes providing strategic direction, overseeing performance, and ensuring transparent communication. By setting, reviewing, and monitoring the Group's objectives, the Board maintains its strategic position and commitment to governance excellence.

To support its oversight functions, the Board has established standing committees, including the Audit Committee ("AC"), Nomination Committee ("NC"), Remuneration Committee ("RC"), and Sustainability Committee ("SC"). Each committee operates under specific terms of reference outlining its roles, responsibilities, structure, and membership. These terms are regularly reviewed to ensure continued relevance and effectiveness.

Key committees such as the AC, NC, and RC consist of at least three Non-Executive Directors, the majority of whom are independent, ensuring objective and impartial decision-making. This structured framework reinforces the Board's commitment to strong governance and stakeholder interests.

**Risk Management Framework**

Risk management at MHB is viewed as a proactive and essential part of operations, ensuring the Group navigates uncertainties with resilience while safeguarding the interests of stakeholders. A comprehensive approach is taken by identifying risks across all facets of the business, from operational to financial, environmental to reputational. This cross-departmental collaboration ensures that risks are addressed from every angle, enabling informed decision-making that drives sustainable growth.

The Board oversees the entire risk management process, aligning it with the Group's strategic objectives. A "risk-aware" culture is cultivated throughout the organisation, with the Board reaffirming its responsibility to regularly review and refine the risk management framework. While risks cannot be entirely eradicated, MHB is committed to managing them effectively.

The Head of business unit/ Senior GM/GM reports directly to the Managing Director on risk assessments, ensuring leadership is kept informed of potential threats. Regular risk management reports and an annual self-assessment of internal controls ensure a continuous focus on risk mitigation and internal control improvements. The AC plays a critical role in assisting the Board with oversight, ensuring the adequacy and effectiveness of risk management and internal control functions. Additionally, non-compliance is closely monitored by senior management, who identify any deviations, investigate causes, and implement corrective actions as necessary.

MHB is committed to best practices in risk management and governance, adopting globally recognised standards, including those outlined by the Committee of Sponsoring Organisations of the Treadway Commission ("COSO"). This adherence ensures consistency, effectiveness, and accountability throughout operations. To uphold governance integrity, MHB is dedicated to the regular rotation of external audit partner, ensuring the independence and objectivity of the audit process, and bolstering the reliability of financial reporting and risk assessments.

Through this integrated approach, MHB remains well-equipped to navigate business challenges, mitigate risks, and safeguard long-term sustainability.

# SUSTAINABILITY STATEMENT

CONT'D

## GOVERNANCE TOPICS (CONT'D)

### Good Governance and Ethics

The Group is dedicated to maintaining strong governance practices that adhere to the latest regulatory standards and industry best practices. This commitment is reinforced through the implementation of key policies, including the Code of Conduct, Anti-Bribery and Anti-Corruption (ABAC) Policy, Data Protection and Privacy Policy, and Whistleblowing Policy. These policies are clearly communicated to all employees through the employee handbook, ensuring compliance and promoting ethical behaviour throughout the organisation.

These policies are essential to the Group, providing guidance to employees at all levels by fostering integrity, professionalism, and ethical conduct. Their implementation helps mitigate the risk of negative outcomes from non-compliance, such as financial losses, increased costs, reputational damage, environmental risks, and potential penalties or sanctions from authorities.

#### Code of Conduct

To uphold the highest standards of conduct, both the Board and employees adhere to the Group's Code of Conduct, with tailored guidelines for each. New recruits must formally acknowledge their acceptance and understanding of these standards upon joining. Rooted in integrity, respect, and responsibility, our Code of Conduct define our corporate culture, ensuring fairness, transparency, and compliance with environmental and social standards. By embedding these ethical principles across our operations, we foster a resilient and forward-looking governance framework.

*The Code can be read on the Group's website at [www.muda.com.my](http://www.muda.com.my)*

#### Anti-Bribery and Anti-Corruption

MHB is committed to maintaining the highest standards of integrity and business ethics. The Group's anti-corruption and anti-bribery measures are designed to foster a level playing field by promoting fair competition and mitigating the risks associated with bribery, fraud, and other unethical practices. These initiatives not only enhance investor confidence but also cultivate a culture of transparency and trust with all stakeholders, reinforcing the Group's reputation for ethical conduct.

However, the implementation of these policies comes with its own set of challenges. The significant investment required in compliance systems and employee training, along with the potential operational disruptions, are important considerations. Additionally, resistance from certain suppliers, particularly in regions where corruption is more ingrained, remains a concern.

To address these challenges, MHB has established a comprehensive whistleblower protection program. This system allows employees and stakeholders to report unethical behaviour safely and anonymously, ensuring that any concerns are addressed promptly and effectively. By fostering an environment of accountability, the Group reduces the likelihood of non-compliance and strengthens its operational integrity.

The Group acknowledges the higher risk of exposure to corruption in certain roles, such as those in procurement and marketing. To address this, MHB has implemented mandatory Anti-Corruption and Bribery training for all new hires. Anti-corruption policies and guidelines are communicated through the Employee Handbook, ensuring Group-wide awareness and compliance. This approach ensures that employees in key risk areas are well-equipped to uphold the Group's strict anti-corruption policies, mitigating ethical breaches and supporting long-term operational integrity.

In FY24, the Group assessed corruption risks to ensure effective mitigation measures are in place through appropriate systems and controls. Being an apolitical organisation, the Group remains committed to ethical business practices and did not make any political contributions during the year. No cases of bribery or corruption were reported in FY24.

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## GOVERNANCE TOPICS (CONT'D)

## Good Governance and Ethics (Cont'd)

Corruption Risk Assessment	2022	2023	2024
Percentage of operations assessed for corrupted-related risks	0%	0%	0%
Significant risks related to corruption identified through the risk assessment	N/A	N/A	N/A

Furthermore, the Group conducts thorough due diligence on new business partners to address potential corruption risks, ensuring that all parties involved adhere to ethical standards. Safeguards such as price comparisons, a robust due diligence process, and ongoing training and awareness initiatives are in place to curb corruption throughout the business. Additionally, the supply chain is fully integrated into the anti-corruption agenda by adopting MHB's Anti-Bribery and Anti-Corruption Policy, reinforcing a consistent commitment to ethical practices across all operations.

## Anti-Bribery and Anti-Corruption Policy

The Group is committed to upholding fair and responsible business practices, with the Board overseeing the ABAC Policy to ensure compliance with Section 17A of the Malaysian Anti-Corruption Commission Act, 2009. This policy reflects the Group's dedication to ethical conduct and professionalism and is reviewed periodically to incorporate any legislative changes or governance updates. A comprehensive review of the policy is conducted every three years, or sooner if regulatory changes occur. The policy, under the supervision of the Board and Executive Management, strictly prohibits corruption, bribery, extortion, embezzlement, and money laundering by Directors, employees, and associated third parties, including suppliers, contractors, agents, consultants, outsourced personnel, distributors, advisors, and government and public bodies. The Group has successfully integrated the ABAC Policy into its supply chain, ensuring alignment with anti-corruption standards across all operations.

*The full ABAC Policy can be read on the Group's website at [www.muda.com.my](http://www.muda.com.my)*

Effective communication and ongoing training are vital to cultivating a strong anti-corruption culture throughout the Group. The ABAC Policy is introduced to all new employees during their onboarding and is further reinforced through regular training sessions, meetings, and briefings by managers, especially during key times like festive seasons, to maintain awareness and vigilance against unethical practices.

Anti-Corruption Training and Communication	2022	2023	2024
Percentage of Board of Directors who have received training on anti-corruption	100%	100%	100%
Percentage of employees that have received training on anti-corruption policies and procedures			
• Senior Management	N/A	N/A	10%
• Management	N/A	N/A	5%
• Executive	N/A	N/A	10%
• Non-Executive	N/A	N/A	7%

*Note: The percentage of employees trained in anti-corruption for FY22 and FY23 has been restated. The previous data is marked as N/A due to different divisions following varying practices in carrying out the training. The FY24 data reflects only new hires who have undertaken the training.*

# SUSTAINABILITY STATEMENT

CONT'D

## GOVERNANCE TOPICS (CONT'D)

### Good Governance and Ethics (Cont'd)

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

All reported incidents are directed to the Whistleblower Committee of Muda Holdings Berhad, ensuring a transparent and accountable process. Regular assessments and incident investigations are promptly reported to the Board and Senior Management to maintain vigilance and facilitate swift actions. These measures, embedded into our operations, strengthen the Group's reputation as a leader committed to the highest standards of integrity, accountability, and transparency. In FY24, we achieved our target of zero confirmed cases of corruption per annum, reaffirming our zero-tolerance policy towards unethical practices.

	2022	2023	2024
<b>Total number of confirmed incidents of corruption</b>	0	0	0
<b>Total number of confirmed incidents in which employees were dismissed or disciplined for corruption</b>	0	0	0
<b>Total number of confirmed incidents when contracts with suppliers &amp; contractors were terminated or not renewed due to violations related to corruption</b>	0	0	0
<b>Public legal cases regarding corruption brought against the organisation or its employees during the reporting period and the outcomes of such cases</b>	0	0	0
<b>Cost of fines, penalties or settlements in relation to corruption (RM)</b>	0	0	0

#### Data Protection and Privacy

As information technology becomes increasingly integrated into the workplace, MHB recognises the need to manage the risks associated with cyberattacks. The Group is dedicated to protecting the personal and confidential information of its customers, suppliers, and employees.

The Group's cybersecurity practices ensure that data is handled with integrity, confidentiality, and compliance with the Personal Data Protection Act 2010. MHB has implemented an integrated data protection and information security strategy to safeguard information and ensure lawful data sharing.

Key internal controls include:

- Encrypting technology resources and assets, using firewalls, antivirus software, automated patching, and conducting regular security vulnerability assessments.
- Employing physical and organisational security measures to protect personal data.
- Offering training and awareness programmes to ensure proper data handling.
- Conducting annual disaster recovery simulations.

As a result of these controls, MHB achieved the target of zero reported data breaches or stakeholder complaints in FY24.

	2022	2023	2024
<b>Number of substantiated complaints concerning breaches of customer privacy and losses of customer data</b>	0	0	0

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## GOVERNANCE TOPICS (CONT'D)

## Good Governance and Ethics (Cont'd)

## Whistleblowing Policy

The Group has implemented a Whistleblowing Policy, which provides well-defined procedures for stakeholders to report any suspected misconduct, policy violations, or breaches of laws and regulations.

*The full Whistleblowing Policy can be read on the Group's website at [www.muda.com.my](http://www.muda.com.my)*

All reports of alleged misconduct, regardless of whether they involve directors or employees, are sent directly to the Whistleblowing Committee for investigation. The Committee is responsible for managing and investigating reported incidents, ensuring that all issues are addressed in a timely and transparent manner. While anti-corruption data is not verified by an independent third party, all incidents are reported to the Whistleblowing Committee for review and action. There were no reports of malpractices or misconduct during FY24, reinforcing the Group's commitment to maintaining high ethical standards and integrity in its operations.

## Regulatory Compliance

Our commitment to regulatory compliance fosters economic stability by building trust with investors and customers. It also supports environmental protection, worker safety, and community well-being by adhering to relevant regulations. We ensure full compliance with laws across all regions where we operate, including environmental protection, labour laws, product safety, and financial reporting. Key performance indicators and targets are set to maintain a 100% compliance rate for packaging products, meeting both national and international standards. Regular employee training ensures they stay informed on food safety, packaging, waste management, environmental standards, and labour laws.

MHB adheres strictly to statutory and regulatory requirements, aligning with international standards like ISO 14001 (Environmental Management) and ISO 9001 (Quality Management). We maintain our operational licenses, including the MIDA/MITI Manufacturing License and MBSP Premise License, through annual renewals. Our internal maintenance system ensures compliance by anticipating future regulatory changes, not just meeting current standards. This system includes regular checks, supported by a comprehensive internal monitoring policy, protocol, and dedicated personnel.

To monitor compliance internally, we use a checklist system for renewing permits and certifications, ensuring ongoing adherence to regulations. The Group also focuses on continuous training to keep employees updated on evolving requirements.

	2022	2023	2024
<b>No. of environmental non-compliance incidents in the company and/or subsidiaries that resulted in a fine or censure</b>	0	0	0
<b>No. of socioeconomic non-compliance incidents in the company and/or subsidiaries that resulted in a fine or censure</b>	0	0	0
<b>Total cost of fines for environmental non-compliance (RM)</b>	0	0	0
<b>Total cost of fines for socio-economic non-compliance (RM)</b>	0	0	0



# SUSTAINABILITY STATEMENT

CONT'D

## GOVERNANCE TOPICS (CONT'D)

### Sustainable Supply Chain

MHB's supply chain management is designed to enhance operational efficiency, reduce costs, and mitigate risks while ensuring regulatory compliance. By centralising supply chain operations, MHB maintains cost control, prevents supply shortages and strengthens long-term partnerships for sustainable sourcing. The Group prioritises eco-friendly production and waste reduction to optimise costs and minimise environmental impact.

MHB's supply chain policies emphasise ethical sourcing, sustainability, and regulatory compliance. The Group maintains a strong local supply chain while strategically leveraging global sourcing for operational resilience. Supplier policies align with ISO 14001, ISO 45001, and ISO 9001, safeguarding efficiency, sustainability, ethical business practices, and risk mitigation.

A comprehensive screening process evaluates new suppliers based on environmental criteria, to support sustainability commitments and regulatory standards. Supplier assessments are conducted based on recognised certifications such as ISO 14001, ISO 9001:2015, ISO 45001, FSSC 22000 (for bag and offset products), FSC, and RBA requirements, as well as compliance with RoHS and REACH regulations. For pulp supply, FSC Chain of Custody ("CoC") certification is specifically required.

The supplier selection process follows ISO 14001/9001:2015 procedures and includes supplier audits through standardised questionnaires and system review assessments. Evaluations assess adherence MHB's Supplier Code of Conduct and the public disclosure of environmental records. Additionally, Muda Holdings Berhad prioritises suppliers that demonstrate a commitment to sustainable practices, such as implementing a Green Environmental Policy, using environmentally friendly product packaging, and engaging in recycling, reuse, and waste reduction initiatives.

MHB also integrates environmental risk assessments into its supplier monitoring framework, conducting periodic audits, including random inspections for FSC and food safety-approved suppliers.

The Group actively minimises environmental impacts by using more than 95.00% waste paper, minimising the need for tree cutting and supporting a circular economy. Energy-saving measures include installing solar panels, inverter air conditioners, and LED lighting to reduce fossil fuel dependence and carbon emissions. MHB also utilises biomass fuels such as Empty Fruit Bunches fibre (EFB), Palm Kernel Shells (PKS), and wood chips in its boilers. Future sustainability initiatives include transitioning from diesel-powered to electric forklifts and improve water treatment systems to optimise water usage.

The Group also upholds sustainability through recognised certifications and frameworks. Muda Holdings Berhad holds FSC Certification for responsible sourcing, Product Carbon Footprint Certification for greenhouse gas accountability, and Food Safety Certification for sustainable production. Its Environmental Policy ensures compliance with regulations, while ongoing ISO training and awareness programmes keep employees informed about new sustainability standards. Through these initiatives and certifications, Muda Holdings Berhad remains committed to reducing its environmental footprint and strengthening sustainability within the supply chain.

MHB upholds labour rights, health and safety standards, and ethical business practices in supplier engagements. All suppliers must comply with Malaysian labour laws and international frameworks such as the Responsible Business Alliance ("RBA") and Sedex. The Group enforces supplier policies covering non-discrimination, fair wages, workplace safety, and freedom of association, with compliance monitored through supplier audits and ISO45001 procedures.

The supplier code of conduct is communicated globally, ensuring alignment with MHB's ESG commitments. Capacity-building initiatives support suppliers in adopting best practices through training and compliance programmes. Annual audits and performance evaluations ensure continuous improvement, with underperforming suppliers rated below 80% being reconsidered for future engagements.

MHB remains dedicated to expanding supplier screening and sustainability efforts across all subsidiaries, reinforcing its commitment to an ethical, environmentally responsible, and resilient supply chain.

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GOVERNANCE TOPICS (CONT'D)

Sustainable Supply Chain (Cont'd)

	2022	2023	2024
Percentage of New Suppliers Screened Using Environmental Criteria (%)	10.40	11.10	7.70
Percentage of New Suppliers Screened Using Social Criteria (%)	3.90	4.70	8.30
Number of Suppliers Assessed for Environmental Impacts	85	85	54
Number of Suppliers Assessed for Social Impacts	12	92	87
Number of Suppliers Endorsed Anti-Bribery/Anti-Corruption Policies (third party declaration)	103	268	120

APPENDIX

TCFD Statement

Governance	
Describe the board's oversight of climate-related risks and opportunities.	<p>Muda Holdings Berhad ("MHB") recognises that a robust sustainability governance framework is essential for effectively managing sustainability risks and opportunities, including those relating to climate change. The Group's multi-tier governance structure fosters accountability and collaboration, ensuring a strategic and integrated approach to sustainability and risk management.</p> <p>At MHB, the Board of Directors ("Board") holds ultimate responsibility for overseeing sustainability risks, including those associated with climate change. The Sustainability Committee ("SC"), chaired by the Non-Independent Non-Executive Director and led alongside the Executive Deputy Chairman and Managing Director, plays a pivotal role in supporting the Board's oversight functions. The SC's diverse composition ensures a balanced perspective, integrating business, financial, and stakeholder considerations. The profiles of the Board and SC members, including their qualifications and expertise, can be found on Profile of Directors in this Annual Report.</p> <p>To maintain effective oversight, both the Board and SC receive yearly updates on sustainability and climate-related developments as these insights are integrated into Board discussions and decision-making processes. Climate-related considerations are embedded in the Board's strategic planning process, influencing key decisions on corporate strategy, annual budgets, and business plans. The Board establishes specific sustainability performance objectives, which are tracked through regular performance reviews and KPI assessments, ensuring alignment with the Group's broader sustainability agenda.</p> <p>Information on the roles and responsibilities of the Board and the SC can be viewed at Sustainability Governance in this Sustainability Report.</p> <p>By adopting a top-down approach, the Board plays a substantial role in shaping MHB's climate strategy and driving the Group's long-term ambition of achieving carbon neutrality by 2050. As sustainability and climate risks and opportunities evolve, the Board's oversight adapts to address these emerging issues.</p>

## APPENDIX (CONT'D)

## TCFD Statement (Cont'd)

Governance					
Describe management's role in assessing and managing climate-related risks and opportunities.	<p>MHB has assigned climate-related responsibilities to the Sustainability Reporting Working Group ("SRW"), comprising Heads of Business Units, Senior General Managers, and General Managers, alongside dedicated sustainability personnel and cross-functional teams.</p> <p>The Managing Director's active participation in the SC reinforces the integration of sustainability into core business functions. The SRW is responsible for assessing and managing climate-related risks and opportunities in alignment with MHB's strategic direction. These responsibilities include identifying and evaluating climate risks and opportunities within business operations and the supply chain, translating the Board's climate-related directives into actionable strategies, tracking performance against climate-related targets and KPIs, and ensuring compliance with evolving regulatory requirements and industry standards.</p> <p>The SRW receives regular updates from internal monitoring systems, external market developments, and regulatory changes. Key channels for climate-related insights include yearly reports, internal risk assessments to evaluate vulnerabilities and emerging trends, and stakeholder engagement with regulators, industry peers, and sustainability experts. To ensure effective monitoring, the SRW conducts regular performance reviews and KPI tracking to assess progress against climate targets, integrates climate considerations into risk management frameworks, conducts scenario analysis and stress testing to evaluate business resilience, and ensures transparency through annual sustainability reporting.</p>				
Strategy					
Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	<p>The Group recognises climate change as a relevant risk and opportunity to our business. We have identified relevant climate change risks, categorised into physical and transition risks by short, medium, and long-term time horizons, considering the useful life of our assets and infrastructure, as well as the manifestation periods of climate-related issues.</p> <p>The identified climate-related risks could potentially affect various aspects of business operations including existing operations, physical assets, access to financing and markets as well as the availability and costs of necessary inputs for the business model.</p> <table border="1"> <thead> <tr> <th colspan="2">Risks</th></tr> </thead> <tbody> <tr> <td> <b>Extreme Rainfall Pattern</b>  <div>S M L</div> <p>Intensifying rainfall and flash floods present challenges such as site shutdowns, damage to inventory and equipment, and supply chain disruptions. Such events lead to delays in delivery and adversely affect the quality of stocks, resulting in customer dissatisfaction and financial losses.</p> </td><td> <b>Environmental and Energy Policy Shifts</b>  <div>S M</div> <p>Escalated demands for the use of green-certified materials or green-certified suppliers may result in higher procurement costs, with potential disruptions in existing supply chain relations – driving up production costs. Policy shifts, such as carbon taxes and increased energy tariffs entail operational complexities and increase expenditures.</p> </td></tr> </tbody> </table>	Risks		<b>Extreme Rainfall Pattern</b> <div>S M L</div> <p>Intensifying rainfall and flash floods present challenges such as site shutdowns, damage to inventory and equipment, and supply chain disruptions. Such events lead to delays in delivery and adversely affect the quality of stocks, resulting in customer dissatisfaction and financial losses.</p>	<b>Environmental and Energy Policy Shifts</b> <div>S M</div> <p>Escalated demands for the use of green-certified materials or green-certified suppliers may result in higher procurement costs, with potential disruptions in existing supply chain relations – driving up production costs. Policy shifts, such as carbon taxes and increased energy tariffs entail operational complexities and increase expenditures.</p>
Risks					
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APPENDIX (CONT'D)

TCFD Statement (Cont'd)

Strategy	
	<div><div>Risks</div><div><div><div>Rising Temperature</div><div>SML</div><p>Higher temperatures affect worker health and productivity while increasing the risk of fire hazards and spontaneous combustion, necessitating greater cooling requirements and higher monitoring costs.</p></div></div><div><div>Compliance and Legal Risks</div><div>M</div><p>The increasing regulatory focus on Scope 3 decarbonisation may require companies to actively reduce emissions across their value chains. While MHB maintains FSC certification, evolving compliance expectations could necessitate greater investments in technological innovations to align with stricter sustainability standards and regulatory requirements.</p></div></div>
	<div><div><div>Droughts/Water Scarcity</div><div>SML</div><p>Given the operational reliance on water consumption, extended periods of water supply cuts may disrupt production timelines, in turn leading to operational delays and increased costs.</p></div><div><div>Market and Reputation</div><div>S</div><p>The financial sector's increasing emphasis on ESG performance, alongside heightened scrutiny from international clients regarding material sourcing, directly impacts capital accessibility and financing strategies. Failure to meet evolving sustainability expectations may result in reduced investor confidence, limited funding opportunities, and reputational risks that could affect market positioning and business growth.</p></div></div>
	<div><div><div></div><div></div></div><div><div>Transition to Low-Carbon</div><div>S</div><p>Investments in decarbonisation initiatives could limit the Group's capacity to pursue other strategic priorities, such as expanding production capabilities, driving innovation, or pursuing acquisitions. This trade-off necessitates a careful evaluation of long-term environmental gains against immediate financial returns.</p></div></div>

## APPENDIX (CONT'D)

## TCFD Statement (Cont'd)

Strategy	
	<div><div>Opportunities</div><div><div><div>Renewable Energy Adoption</div><div><div>S</div><div>M</div><div>L</div></div><p>Long-term investments in renewable energy infrastructure provide significant cost savings, reduce the Group's carbon footprint, and strengthen market positioning. While the upfront capital and operational expenditures for solar panels and biomass boilers may be substantial, sustained usage over time is expected to yield positive returns on investment ("ROI") through lower energy costs. To support these initiatives, MHB is actively exploring internal and external financing options to drive further renewable energy adoption.</p></div></div><div><div>Diversification of Business Activities/ Access to New Markets</div><div><div>M</div></div><p>Expanding into environmentally friendly sectors presents new revenue opportunities while strengthening MHB's brand as a forerunner in green manufacturing. This includes the development of value-added paper products, such as specialty papers and sustainable packaging solutions, which cater to growing market demand and align with stricter environmental regulations. Diversification into renewable energy sources, such as biomass-based power generation, could further establish a sustainable revenue stream and reinforce MHB's position as a leader in the green industry. Additionally, exploring alternative packaging solutions, including sustainable paper-based materials and recycled content, enables the Group to adapt to shifting consumer preferences and regulatory landscapes, reducing reliance on traditional paper products while capturing emerging market opportunities.</p></div></div> <div><div>Carbon Credits Purchase</div><div><div>L</div></div><p>The adoption of low-carbon technologies, such as solar panels and energy efficient equipment, positions MHB to benefit from lower carbon tax liabilities once such regulations come into effect. Recognising the strategic value of carbon credits in addressing residual emissions, the Group acknowledges that while purchasing carbon credits may lead to higher upfront costs and increased short-term compliance expenses, these could be partially offset by tax benefits and environmental incentives. In the long term, leveraging carbon credits would help mitigate financial risks associated with future carbon taxation policies, stabilise production costs, and maintain competitive pricing in an increasingly low-carbon economy.</p></div> <div><div>Legend:</div><div><div>S</div> refers to short-term (0-2 years).</div><div><div>M</div> refers to medium-term (2-10 years).</div><div><div>L</div> refers to long-term (&gt;10 years).</div></div>

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## APPENDIX (CONT'D)

### TCFD Statement (Cont'd)

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Strategy					
<i>Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning</i>	<p>Through the Climate Risk Assessment ("CRA") workshop, we have identified the potential impacts of physical and transition risks on our operations. These identified risks have been taken into consideration in our climate risk assessment planning and in the planning of mitigation measures. Operating within the paper and packaging industry, we face significant impact from climate-related risks and opportunities. These collectively influence our business operations, strategic planning, and financial stability.</p> <p>Climate change brings increased volatility in weather patterns, leading to potential disruptions in production processes. For example, increased flooding in locations with our production facilities could cause supply chain interruptions (product logistics, employee commute, etc.). Furthermore, rising energy costs, influenced by the global shift towards more sustainable energy sources, places upward pressure on production expenses.</p> <p>Strategically, MHB must adapt to these evolving climate conditions. This involves implementing sustainable practices to mitigate environmental risks. Our investments in alternative energy sources that reduce our greenhouse gas emissions are becoming essential. Furthermore, recognising the opportunities that are present with a "green" economy is also very important. There is growing necessity (especially overseas) for sustainable products that are FSC certified, enabling us to align with these changing consumer preferences.</p> <p>Financially, these climate-related factors necessitate a shift in planning. MHB must factor in the costs associated with implementing sustainability measures, such as upgrading equipment and adopting cleaner energy sources. The CRA integrated climate-related scenarios to anticipate potential financial losses from supply chain disruptions or regulatory changes. Integrating climate-related fiscal impacts will become increasingly more important for the Group's success.</p>				
<i>Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</i>	<p>Two major climate scenarios were used in the adaptation of the assessment, which are the Network for Greening the Financial System ("NGFS") Net Zero 2050 and Shared Socioeconomic Pathways ("SSP") 2-4.5 which served as the basis for long-term climate risk planning.</p> <table><tr><th>NGFS Net Zero 2050</th><th>SSP2-4.5</th></tr><tr><td>This scenario seeks to restrict global temperature rise to 1.5°C by reaching net-zero CO2 emissions by approximately 2050, facilitated by stringent climate regulations and technological innovations. This scenario assumes high transition risks.</td><td>This projection anticipates that moderate but ongoing greenhouse gas emissions will contribute to gradual warming, leading to progressively severe climate effects expected by the years 2035 and 2050. This scenario assumes significant physical risks.</td></tr></table> <p>The use of these scenarios provides a concrete reference of anticipated future events, allowing MHB to pre-emptively evaluate the climate related risks and opportunities for strategic adjustments and their potential impacts on our operations.</p>	NGFS Net Zero 2050	SSP2-4.5	This scenario seeks to restrict global temperature rise to 1.5°C by reaching net-zero CO2 emissions by approximately 2050, facilitated by stringent climate regulations and technological innovations. This scenario assumes high transition risks.	This projection anticipates that moderate but ongoing greenhouse gas emissions will contribute to gradual warming, leading to progressively severe climate effects expected by the years 2035 and 2050. This scenario assumes significant physical risks.
NGFS Net Zero 2050	SSP2-4.5				
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## APPENDIX (CONT'D)

## TCFD Statement (Cont'd)

Risk Management	
<i>Describe the organisation's processes for identifying and assessing climate-related risks.</i>	<p>To comprehensively assess climate-related risks and opportunities, we conducted a CRA workshop in November 2024. This workshop, involving 16 personnel from our various departments and subsidiaries and supported by external consultants, facilitated the integration of internal experience with external climate expertise.</p> <p>Through the collective input of this workshop, we assessed the potential impacts of various physical and transitional risks, also mapping the impact timeframes of these risks on our business, enabling us to formulate appropriate mitigation measures. Similarly, opportunities arising from climate change were identified and evaluated. This dual approach of risk mitigation and opportunity capture ensured a balanced and proactive response to climate change.</p> <p>Based on climate scenarios such as the NGFS Net Zero and RCP 4.5, which aim to limit global warming to 1.5°C and 2.4°C above pre-industrial levels, respectively, we have developed adaptation and mitigation plans. These plans are specifically designed to address the various potential business and operational challenges that may arise from these scenarios. By considering these different climate pathways, we are better prepared to navigate the evolving climate landscape and ensure the long-term sustainability of MHB.</p>
<i>Describe the organisation's processes for managing climate-related risks.</i>	<p>To effectively address climate-related risks and opportunities, MHB employs a forward-looking strategy that includes operational adjustments, infrastructure fortification, and supply chain optimisation. Our climate risk identification is grounded in a rigorous evaluation of severity, probability, historical data, and alignment with strategic business goals.</p> <p>We prioritise identified risks through stakeholder engagement and materiality analyses, enabling the development of tailored climate change management strategies. A multi-criteria decision-making matrix allows us to combine risk severity and likelihood, resulting in a standardised and objective assessment of climate risk impacts on our operations.</p>
<i>Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.</i>	<p>The consolidated CRA report, derived from workshop outcomes and technical analysis, serves as the foundation for our climate risk management strategy. General sustainability risks are then integrated into the Group's broader risk management framework.</p> <p>ESG risks such as non-compliance with Bursa Securities' disclosure requirements on the 11 common sustainability matters and TCFD-aligned climate risk disclosure, as well as risks associated with poor ESG ratings, have been incorporated into the Risk Register.</p>

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## APPENDIX (CONT'D)

### TCFD Statement (Cont'd)

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Metrics and Targets	
<i>Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.</i>	<p>In FY24, MHB meticulously measured our GHG emissions, focusing on direct (Scope 1) and indirect (Scope 2 and 3) sources arising from our business operations. Scope 1 emissions were quantified based on fuel consumption, while Scope 2 emissions were calculated from electricity usage. Scope 3 involved tracking and reporting emissions from business travel and employee commuting, considering the various modes of transportation utilised. To gauge our overall environmental impact, we then compared the total emissions against the Group's revenue, determining the emission intensity of our operations.</p> <p>For a more in-depth understanding of our energy and emissions management practices, please refer to the Emissions Management and Energy Management sections in this Sustainability Report.</p>
<i>Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.</i>	<p>MHB calculates our emissions in line with the GHG Protocol Corporate Accounting and Reporting Standard ("GHG Protocol"), using the emission factors from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories and US Environmental Protection Agency Climate Leaders. The global warming potential ("GWP") factors for all greenhouse gases are consistent with the Intergovernmental Panel on Climate Change ("IPCC") Sixth Assessment Report, 2023 based on a 100-year timeframe.</p> <p>In FY24, our CO<sub>2</sub>e emissions across Scope 1, 2 and 3 are as below:</p> <ul style="list-style-type: none"><li>• Scope 1 = 395,880 tCO<sub>2</sub>e</li><li>• Scope 2 = 73,443 tCO<sub>2</sub>e</li><li>• Scope 3 = 2,020 tCO<sub>2</sub>e</li><li>• Total Emissions = 471,343 tCO<sub>2</sub>e</li></ul> <p>More information is provided in Emissions Management section in this Sustainability Report.</p>
<i>Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.</i>	<p>MHB has set clear targets to manage climate-related risks and opportunities, including:</p> <ul style="list-style-type: none"><li>• Energy Management<ul style="list-style-type: none"><li>o Having 40% of renewable energy sources in our overall energy mix by FY2030</li></ul></li><li>• Climate Change<ul style="list-style-type: none"><li>o Reducing Scope 1 emissions by 5% by FY2030 using baseline data of FY2023</li><li>o Achieving net carbon neutrality by FY2050</li></ul></li></ul> <p>Other relevant targets can be found in ESG KPIs and Targets sections in this Sustainability Report, with detailed progress available in the respective sections.</p>

## APPENDIX (CONT'D)

## SASB Disclosure Index

## Pulp &amp; Paper Products

Topic	Code	Metric	Disclosure / Page Reference
Greenhouse Gas Emissions	RR-PP-110a.1	Gross global Scope 1 emissions	395,880 tCO <sub>2</sub> e
	RR-PP-110a.2	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Pages 56 to 61
Air Quality	RR-PP-120a.1	Air emissions of the following pollutants: (1) NO <sub>x</sub> (excluding N <sub>2</sub> O), (2) SO <sub>2</sub> , (3) volatile organic compounds (VOCs), (4) particulate matter (PM), and (5) hazardous air pollutants (HAPs)	N/A
Energy Management	RR-PP-130a.1	Total energy consumed	6,766,782 GJ
		Percentage grid electricity	7.10%
		Percentage from biomass	63.45%
		Percentage from other renewable energy	1.29%
		Total self-generated energy	87,476 GJ
Water Management	RR-PP-140a.1	Total water withdrawn	8,653,046 m <sup>3</sup>
		Total water consumed	8,653,046 m <sup>3</sup>
		Percentage of each in regions with High or Extremely High Baseline Water Stress	0%
	RR-PP-140a.2	Description of water management risks and discussion of strategies and practices to mitigate those risks	Pages 67 to 69
Supply Chain Management	RR-PP-430a.1	Percentage of wood fibre sourced from (1) third-party certified forestlands and percentage to each standard and (2) meeting other fibre sourcing standards and percentage to each standard	N/A
	RR-PP-430a.2	Amount of recycled and recovered fibre procured	N/A
Activity Metrics	RR-PP-000.A	Pulp production	N/A
	RR-PP-000.B	Paper production	N/A
	RR-PP-000.C	Total wood fibre sourced	N/A

# SUSTAINABILITY STATEMENT

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## APPENDIX (CONT'D)

### Assurance Statement

MHB has undertaken an internal assurance process of SS24 in line with its commitment to ensuring the reliability of data and disclosures presented in the Statement.

The internal review has been conducted by MHB's Finance Team with advisory support from external consultants in accordance with Scenario 3 of the Bursa Sustainability Reporting Guide 3 as follows:

Subject Matter	Scope
<ul style="list-style-type: none"><li>All aspects/parts of SS24 have been subjected to an internal review by MHB's Finance Team.</li></ul>	<ul style="list-style-type: none"><li>The boundary of the internal review is identical to the boundary set for SS24; that is the holding company of Muda Holdings Berhad ("MHB") and all active participating subsidiaries in Malaysia under its financial control.</li></ul>

Indicators that have been assured are based on the reporting frameworks referenced or adhered to in the 'About This Report' section in this Sustainability Report. For conciseness of information and the avoidance of duplication and redundancies, the opinion of the assurer is provided within the content index table section in this Sustainability Report.

The following legend is used: -

<b>Green</b>	Based on the procedures performed and evidence obtained, nothing has come to our attention that the subject matter has not been prepared to a high level of compliance and has met the threshold for accuracy and verifiability.
<b>Yellow</b>	Data/disclosures are verifiable and suitable for publication based on procedures performed. However, measures to strengthen data collection, enhance data owner verification, and improve related processes may be implemented to reinforce documentation practices and ensure greater traceability moving forward.
<b>Red</b>	No assurance is provided due to the inability to verify data, data sources or data owners' confidence in the accuracy and veracity of disclosures.

### Methodology

The assurance process undertaken centred on the following aspects:

- Verification of data collection processes on its reasonableness in comparison with previous year data.
- Ascertaining ownership of data and disclosures within the Group.
- Confidence of data owner on the veracity of data and disclosures presented in SS24.

### Specific Activities Undertaken

- Virtual interviews with relevant data owners on verifying existence of data collection and overall confidence levels of data collected.
- Querying data owners and management where further information/clarification was required.
- Provision of exclusions, qualifiers if any, where required.

While the MHB Finance Team has undertaken its internal review with the aim of establishing a reasonable expectation of detecting the accuracy of the data collected, internal assurance procedures alone do not prevent the possibility of poor judgement in decision making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

## APPENDIX (CONT'D)

### Assurance Statement (Cont'd)

#### Conclusions and Recommendations

To the best of knowledge of the MHB Finance Team, data collection processes are robust and that SS24 has been presented fairly with most data and claims made verified for correctness. No areas of material non-compliance were identified.

The MHB Finance Team shall continue to compare and analyse data collected and undertake improvements to further streamline the data collected. Specifically, these are:

- Working in advance of reporting for financial year ending 31 December 2025 to strengthen data collection processes, ensuring dedicated data owners and establishing clear reporting mechanisms and teams, notably for all Bursa SRG3, GRI, SASB, FTSE, TCFD, IFRS topics and indicators.
- Establishing periodic internal testing or systems that would mandate regular and accurate data collection. These include reporting to the Board and the Sustainability Committee or any other governance body within the organisation.
- Providing regular briefing and training session for staff on ensuring robust record keeping and working with external consultants to review and refine processes as well as train internal staff.
- Transitioning to a digital based system, developed to facilitate more systematic and seamless data collection.
- Other internal organisational controls and checks as deemed fit by the organisation.

**STATEMENT OF USE:**

Muda Holdings Berhad has reported the information cited in this GRI content index for the period 1 January 2024 31 December 2024 with reference to the GRI Standards.

**GRI 1 USED:**

GRI 1: Foundation 2021

CODE	GRI DISCLOSURE	BURSA SRG3 ALIGNMENT	F4GBM ALIGNMENT	SASB ALIGNMENT	UNSDG ALIGNMENT	UNGC ALIGNMENT	PAGE REFERENCE AND REASONS FOR OMISSIONS, IF APPLICABLE	OPINION
2-1	Organizational details	-	-	-	-	-	About This Report (page 39)	-
2-2	Entities included in the organization's sustainability reporting	Scope and Basis of Scope						
2-3	Reporting period, frequency and contact point							
2-4	Restatements of information						Emissions Management (page 56); Energy Management (page 61); Anti-Bribery and Anti-Corruption (page 94)	
2-5	External assurance	Assurance					Assurance Statement (page 108)	
2-6	Activities, value chain and other business relationships	-					Stakeholder Engagement (page 44)	
2-7	Employees	Labour Practices & Standards C6(b)	Labour Standards	-	SDG5, 8	Principle 6	Diversity, Equality, and Inclusion (page 73)	
2-8	Workers who are not employees							
2-9	Governance structure and composition	Sustainability Governance	Corporate Governance	-	SDG16, 17	Principle 10	Sustainability Governance (page 41)	
2-10	Nomination and selection of the highest governance body							
2-11	Chair of the highest governance body							

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2-12	Role of the highest governance body in overseeing the management of impacts							
2-13	Delegation of responsibility for managing impacts							
2-14	Role of the highest governance body in sustainability reporting							
2-15	Conflicts of interest							
2-16	Communication of critical concerns							
2-17	Collective knowledge of the highest governance body							
2-18	Evaluation of the performance of the highest governance body							
2-19	Remuneration policies							
2-20	Process to determine remuneration							
2-22	Statement on sustainable development strategy							
2-23	Policy commitments	Risk Management;  Human Rights & Community				UNSDGs (page 48); Message from Leadership (page 42)		
2-24	Embedding policy commitments							
2-25	Processes to remediate negative impacts							
2-26	Mechanisms for seeking advice and raising concerns							
2-27	Compliance with laws and regulations							
2-28	Membership associations							
2-29	Approach to stakeholder engagement							



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2-30	Collective bargaining agreements		Labour Standards				Labour and Human Rights (page 86)	
3-1	Process to determine material topics	Materiality Assessment	-	-	-	-	Materiality Assessment (page 45); Materiality Matrix (page 47)	
3-2	List of material topics							
3-3	Management of material topics	Management Approach						
201-1	Direct economic value generated and distributed	-	-	-	SDG1, 8, 10, 13	-	N/A	
201-2	Financial implications and other risks and opportunities due to climate change	TCFD Aligned Disclosure					TCFD Statement (page 100)	
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	-	Human Rights & Community	-	SDG5, 8, 10	Principle 6	N/A	-
202-2	Proportion of senior management hired from the local community						Profile of Directors (page 14)	
203-1	Infrastructure investments and services supported	-	Human Rights & Community	-	SDG9, 11	-	N/A	
203-2	Significant indirect economic impacts						Economic Impacts (page 51)	
204-1	Proportion of spending on local suppliers	Supply Chain Management C7(a)	Human Rights & Community	-	SDG8 SDG17	-	Supporting Local Procurement (page 54)	
205-1	Operations assessed for risks related to corruption	Anti-Corruption C1(a) C1(b) C1(c)	Anti-Corruption	-	SDG4 SDG16	Principle 10	Anti-Bribery and Anti Corruption (page 94)	
205-2	Communication and training about anti-corruption policies and procedures							
205-3	Confirmed incidents of corruption and actions taken							
206-1	Legal actions for anti competitive behavior, antitrust, and monopoly practices	-	-	-	SDG8, 10, 16	Principle 10	N/A	-
207-1	Approach to tax	-				-	N/A	

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CODE	GRI DISCLOSURE	BURSA SRG3 ALIGNMENT	F4GBM ALIGNMENT	SASB ALIGNMENT	UNSDG ALIGNMENT	UNGC ALIGNMENT	PAGE REFERENCE AND REASONS FOR OMISSIONS, IF APPLICABLE	OPINION
207-2	Tax governance, control, and risk management		Tax Transparency	-	SDG10, 16, 17			
207-3	Stakeholder engagement and management of concerns related to tax							
207-4	Country-by-country reporting							
301-1	Materials used byweight or volume	Materials S5(a)	Pollution & Resources	-	SDG12	Principle 7, 8, 9	Material Management (page 69)	
301-2	Recycled input materials used			RR-PP-430a.1				
301-3	Reclaimed products and their packaging materials			RR-PP-430a.2				
302-1	Energy consumption within the organization	Energy Management C4(a)	Climate Change	-	SDG7, 12, 13	Principle 7, 8, 9	Energy Management (page 61)	
302-2	Energy consumption outside of the organization							
302-3	Energy intensity							
302-4	Reduction of energy consumption							
302-5	Reductions in energy requirements of products and services							
303-1	Interactions with water as a shared resource	Water C9(a)  Effluents S8(a)	Water Use  Pollution & Resources	-	SDG6, 12	Principle 7, 8, 9	Water Management (page 67)	
303-2	Management of water discharge related impacts			RR-PP-140a.2				
303-3	Water withdrawal			RR-PP-140a.1				
303-4	Water discharge						N/A	-
303-5	Water consumption						Water Management (page 67)	
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity S1(a) S1(b) S1(c)	Biodiversity		SDG14, 15	Principle 7, 8, 9	Biodiversity (page 72)	-

CODE	GRI DISCLOSURE	BURSA SRG3 ALIGNMENT	F4GBM ALIGNMENT	SASB ALIGNMENT	UNSDG ALIGNMENT	UNGC ALIGNMENT	PAGE REFERENCE AND REASONS FOR OMISSIONS, IF APPLICABLE	OPINION
304-2	Significant impacts of activities, products and services on biodiversity			-			N/A	
304-3	Habitats protected or restored							
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations							
305-1	Direct (Scope 1) GHG emissions	Emissions Management C11(a) C11(b) C11(c)	Climate Change	RR-PP-110a.1  RR-PP-110a.2	SDG7, 12, 13	Principle 7, 8, 9	Emission Management (page 56)	
305-2	Energy indirect (Scope 2) GHG emissions			-				
305-3	Other indirect (Scope 3) GHG emissions							
305-4	GHG emissions intensity							
305-5	Reduction of GHG emissions							
305-6	Emissions of ozone-depleting substances (ODS)	Emissions - Air Quality/ Pollution S4(a)	Pollution & Resources	RR-PP-120a.1			Environmental Compliance (page 71)	-
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions							
306-1	Waste generation and significant waste-related impacts	Waste Management C10(a) C10(a)(i) C10(a)(ii)	Pollution & Resources	-	SDG6, 12	Principle 7, 8, 9	Waste Management (page 63)	
306-2	Management of significant waste-related impacts							
306-3	Waste generated							
306-4	Waste diverted from disposal							
306-5	Waste directed to disposal							
308-1	New suppliers that were screened using environmental criteria	Supply Chain (Env) S6(a) S6(b)	Supply Chain (Environment)	-	SDG8, 11, 12, 16	Principle 7, 8	Sustainable Supply Chain (page 98)	
308-2	Negative environmental impacts in the supply chain and actions taken							

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CODE	GRI DISCLOSURE	BURSA SRG3 ALIGNMENT	F4GBM ALIGNMENT	SASB ALIGNMENT	UNSDG ALIGNMENT	UNGC ALIGNMENT	PAGE REFERENCE AND REASONS FOR OMISSIONS, IF APPLICABLE	OPINION
401-1	New employee hires and employee turnover	Labour Practices and Standards C6(c)	Labour Standards		SDG5, 8	Principle 6	Hiring, Onboarding, and Attrition (page 79)	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees						Employee Benefits and Wellbeing (page 82)	-
401-3	Parental leave							
402-1	Minimum notice periods regarding operational changes	-	-	-	SDG8	-	Hiring, Onboarding, and Attrition (page 79)	-
403-1	Occupational health and safety management system	Health and Safety C5(a) C5(b) C5(c)	Health & Safety	-	SDG3, 4, 8	-	Occupational Health and Safety (page 87)	-
403-2	Hazard identification, risk assessment, and incident investigation							
403-3	Occupational health services							
403-4	Worker participation, consultation, and communication on occupational health and safety							
403-5	Worker training on occupational health and safety							
403-6	Promotion of worker health							
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships							
403-8	Workers covered by an occupational health and safety management system							
403-9	Work-related injuries							
403-10	Work-related ill health							
404-1	Average hours of training per year per employee	Labour Practices and Standards C6(a)	Labour Standards	-	SDG4, 5, 8	-	Training and Education (page 83)	
404-2	Programs for upgrading employee skills and transition assistance programs							-

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CODE	GRI DISCLOSURE	BURSA SRG3 ALIGNMENT	F4GBM ALIGNMENT	SASB ALIGNMENT	UNSDG ALIGNMENT	UNGC ALIGNMENT	PAGE REFERENCE AND REASONS FOR OMISSIONS, IF APPLICABLE	OPINION
404-3	Percentage of employees receiving regular performance and career development reviews						Talent Management and Development (page 78)	
405-1	Diversity of governance bodies and employees	Diversity C3(a) C3(b)	Labour Standards	-	SDG5, 8, 10	Principle 6	Corporate Governance (page 91)	
405-2	Ratio of basic salary and remuneration of women to men						N/A	-
406-1	Incidents of discrimination and corrective actions taken	-	Labour Standards	-	SDG5, 8, 10, 16	Principle 6	Diversity, Equality and Inclusion (page 73)	
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	-	Labour Standards	-	SDG8, 10, 16	Principle 1, 2, 3	Labour and Human Rights (page 86)	
408-1	Operations and suppliers at significant risk for incidents of child labor	-	Labour Standards	-	SDG8, 10, 16	Principle 1, 2, 5		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	-	Labour Standards	-	SDG8, 10, 16	Principle 1, 2, 4		
410-1	Security personnel trained in human rights policies or procedures	-	-	-	SDG4, 16	Principle 1, 2	N/A	-
411-1	Incidents of violations involving rights of indigenous peoples	-	Human Rights & Community	-	SDG10, 16	Principle 1, 2	N/A	
413-1	Operations with local community engagement, impact assessments, and development programs	Community/ Society C2(a) C2(b)	Human Rights & Community	-	SDG11, 16, 17	-	Community Development (page 90)	
413-2	Operations with significant actual and potential negative impacts on local communities						N/A	
414-1	New suppliers that were screened using social criteria	Supply Chain (Social) S7(a) S7(b)	Supply Chain (Social)	-	SDG8, 10, 11, 16	Principle 1, 2	Sustainable Supply Chain (page 98)	
414-2	Negative social impacts in the supply chain and actions taken							
415-1	Political contributions	-	Anti-Corruption	-	SDG16	Principle 10	Anti-Bribery and Anti-Corruption (page 94)	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data Privacy and Security C8(a)	Human Rights & Community	-	SDG16	-	Data Protection and Privacy (page 96)	

## SUSTAINABILITY PERFORMANCE REPORT

Indicator	Measurement Unit	2022	2023	2024
<b>Bursa (Anti-corruption)</b>				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Management	Percentage	0.00 *	0.00 *	7.00
Executive	Percentage	0.00 *	0.00 *	10.00
Non-executive/Technical Staff	Percentage	0.00	0.00	7.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00	0.00	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
<b>Bursa (Community/Society)</b>				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	13,488.00	57,280.00	391,679.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	7	23	70
<b>Bursa (Diversity)</b>				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Management Under 30	Percentage	2.20	3.20	1.60
Management Between 30-50	Percentage	60.00	59.60	60.80
Management Above 50	Percentage	37.80	37.20	37.60
Executive Under 30	Percentage	29.00	27.70	24.50
Executive Between 30-50	Percentage	52.40	51.80	56.50
Executive Above 50	Percentage	18.60	20.50	19.00
Non-executive/Technical Staff Under 30	Percentage	32.90	31.90	30.20
Non-executive/Technical Staff Between 30-50	Percentage	53.90	55.00	55.90
Non-executive/Technical Staff Above 50	Percentage	13.20	13.10	13.90
Gender Group by Employee Category				
Management Male	Percentage	63.80	64.40	65.60
Management Female	Percentage	36.20	35.60	34.40
Executive Male	Percentage	50.00	49.80	43.90
Executive Female	Percentage	50.00	50.20	56.10
Non-executive/Technical Staff Male	Percentage	84.00	85.10	86.10
Non-executive/Technical Staff Female	Percentage	16.00	14.90	13.90
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	75.00	77.80	75.00
Female	Percentage	25.00	22.20	25.00
Under 30	Percentage	0.00	0.00	0.00
Between 30-50	Percentage	12.50	11.10	12.50
Above 50	Percentage	87.50	88.90	87.50
<b>Bursa (Energy management)</b>				
Bursa C4(a) Total energy consumption	Megawatt	5,555,497.00 *	6,441,547.00 *	6,766,782.00
<b>Bursa (Health and safety)</b>				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	41.96 *	33.01 *	23.84
Bursa C5(c) Number of employees trained on health and safety standards	Number	-	2,244	1,788
<b>Bursa (Labour practices and standards)</b>				

Internal assurance

External assurance

No assurance

(\*)Restated

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Indicator	Measurement Unit	2022	2023	2024
<b>Bursa C6(a) Total hours of training by employee category</b>				
Management	Hours	2,540 *	2,886	5,709
Executive	Hours	4,291	4,094	15,301
Non-executive/Technical Staff	Hours	18,078	17,525	63,405
<b>Bursa C6(b) Percentage of employees that are contractors or temporary staff</b>				
Bursa C6(c) Total number of employee turnover by employee category	Percentage	8.60	9.60	8.80
Management	Number	22	13	19
Executive	Number	48	45	31
Non-executive/Technical Staff	Number	507	335	299
<b>Bursa C6(d) Number of substantiated complaints concerning human rights violations</b>				
	Number	0	0	0
<b>Bursa (Supply chain management)</b>				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	83.50	83.20	86.84
<b>Bursa (Data privacy and security)</b>				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
<b>Bursa (Water)</b>				
Bursa C9(a) Total volume of water used	Megalitres	8,222,408.000000	8,436,080.000000	8,653,046.000000
<b>Bursa (Waste management)</b>				
Bursa C10(a) Total waste generated	Metric tonnes	98,111.00 *	87,811.00 *	76,446.00
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	13,462.00 *	11,869.00 *	16,477.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	84,649.00 *	75,942.00 *	59,969.00
<b>Bursa (Emissions management)</b>				
Bursa C11(a) Scope 1 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	348,588.00 *	424,872.00 *	395,880.00
Bursa C11(b) Scope 2 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	82,943.00 *	82,177.00 *	73,443.00
Bursa C11(c) Scope 3 emissions in tonnes of CO <sub>2</sub> e (at least for the categories of business travel and employee commuting)	Metric tonnes	1,520.00 *	1,680.00 *	2,020.00



# *Additional Compliance Information*

In compliance with the Bursa Malaysia Securities Berhad's Main Market Listing Requirements, the following additional information are provided:

## **AUDIT/NON-AUDIT FEE**

The amount of audit and non-audit fees incurred by the Group and Company for the financial year ended 31 December 2024 was as follows:-

<b>Detail of fee</b>	<b>Group RM</b>	<b>Company RM</b>
Statutory Audit fees	525,500	57,000
Non-audit fees *	212,600	62,600

\* The non-audit fees for services provided by auditors and affiliates of auditors were mainly in relation to review of Statement on Risk Management and Internal Control, facilitation of review from other auditors and tax compliance fee.

## **MATERIAL CONTRACTS**

To the best of the Board's knowledge, there were no material contracts entered into by the Company and/or its subsidiaries with any of the major Shareholders or Directors in office as at 31 December 2024 except as disclose in the notes to the financial statements.

# Statement of Directors' Responsibility in Relation to the Financial Statements

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This statement is prepared as required by the Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are required by the Companies Act 2016 ("the Act") to prepare financial statements for each financial year so as to give a true and fair view of the financial position of the Group and of the Company and the results and cash flows of the Group and of the Company as at end of the financial year.

During the preparation of the financial statements for the financial year ended 31 December 2024, the Directors have ensured that:

- the Group and the Company have adopted appropriate accounting policies and are consistently applied;
- judgements and estimates that are prudent and reasonable have been used;
- all applicable Malaysian Financial Reporting Standards and IFRS Accounting Standard have been complied with;
- the accounting and other records required by the Act are properly kept and disclosed with reasonable accuracy at any time, the financial position of the Group and of the Company which enable them to ensure the financial statements comply with the Act; and
- the financial statements have been prepared on the going concern basis.

The Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group, and to prevent and detect fraud and other irregularities and material misstatements, as described more fully in the corporate governance section of this report. Such system, by their nature, can only provide reasonable and not absolute assurance against material misstatement, loss and fraud.

# *Financial Statements*

## **THE FINANCIALS**

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## ***Directors' Report and Financial Statements***

# Directors' Report

The Directors 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 Company is principally engaged in investment holding and provision of management services to its subsidiaries. The principal activities of its subsidiaries are disclosed in Note 5 to the financial statements.

There were no significant changes in the nature of principal activities of the Company and its subsidiaries during the financial year.

## FINANCIAL RESULTS

	Group RM'000	Company RM'000
(Loss)/Profit for the financial year	(47,867)	16,710
Attributable to:-		
Owners of the Company	(50,523)	16,710
Non-controlling interests	2,656	–
	(47,867)	16,710

## DIVIDENDS

The amount of dividends declared and paid since the end of the previous financial year were as follows:-

	RM'000
In respect of financial year ended 31 December 2023 and paid on 24 July 2024:-	
First and final single tier dividend of 3.0 sen per share	9,152

A first and final single tier dividend of 2.0 sen per ordinary share, amounting to RM6,101,000 was recommended by the Directors in respect of the financial year ended 31 December 2024.

This dividend is not reflected in the financial statements for the current financial year and will be accounted for as an appropriation of retained earnings in the financial year ending 31 December 2025.

## RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are disclosed in the financial statements.

## SHARE CAPITAL AND DEBENTURES

There were no changes in the issued and paid-up capital of the Company during the financial year.

There were no issuance of debentures during the financial year.

## DIRECTORS OF THE COMPANY

The Directors who held office during the financial year and up to the date of this report are as follows:-

Tan Sri Lim Guan Teik, PSM, JMN, DMPN, DJN (Non-Independent Non-Executive Chairman)\*  
Dato' Azaman Bin Abu Bakar, DIMP (Executive Deputy Chairman)\*  
Datuk Wira Lim Chiun Cheong, DCSM, DPSM (Managing Director)\*  
Wong Choong Yee (Senior Independent Non-Executive Director)  
Lim Siew Ling (Non-Independent Non-Executive Director)\*  
Lim Yen Wee (Non-Independent Non-Executive Director)\*  
Dato' Tan Tian Meng, DBNS, ANS (Independent Non-Executive Director)  
Dato' Hazli Bin Ibrahim, DIMP, FCCA, MBA (Independent Non-Executive Director)  
Datuk Nik Ibrahim Bin Nik Abdullah, PJN, JSM, AMN (Non-Independent Non-Executive Director) (Retired on 27 June 2024)

\* Directors of the Company and subsidiaries

## LIST OF DIRECTORS OF SUBSIDIARIES

The Directors of subsidiaries who held office during the financial year and up to the date of this report are as follows:-

Chau Tien Dung  
Chew Phai Cheng  
Chua Hwee Hooi  
Goh Ching Yee  
Hayakawa Naohiko  
Jason Hee Kon Thian  
Kang Yiang Lip  
Kok Lye Kheong  
Lim Poh Beng  
Lee Joo Keat  
Loo Ee Fah  
Seow Tiong Hwa  
Tan Chaik Phoay  
Tan Kuo Keng  
Tan Tee Sea  
Teoh Ewe Seng  
Teoh Hai Thow  
Tiu Wing Keat  
Wu Zhi Jing  
Yamashita Masashi  
Yu Shan Nee  
Lim Wah Kong (Resigned on 30 June 2024)  
Wong Mun Chen (Resigned on 20 May 2024)

## DIRECTORS' REPORT

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### DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016 (the "Act"), the interests and deemed interests in the shares of the Company or its subsidiaries or related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including their spouses or children) are as follows:-

	At 1.1.2024	Number of ordinary shares		At 31.12.2024
		Bought	Sold	
<u>Interests in the Company</u>				
<u>Direct interest:</u>				
Tan Sri Lim Guan Teik	3,250,000	–	–	3,250,000
Dato’ Azaman Bin Abu Bakar	100,000	611,000	–	711,000
Datuk Wira Lim Chiun Cheong	715,500	–	–	715,500
Lim Yen Wee	170,000	–	–	170,000
Lim Siew Ling	–	30,000	–	30,000
<u>Deemed interest:</u>				
Tan Sri Lim Guan Teik	126,093,113	–	–	126,093,113
Dato’ Azaman Bin Abu Bakar	115,580,313	–	(611,000)	114,969,313
Datuk Wira Lim Chiun Cheong	128,627,613	–	–	128,627,613
Lim Siew Ling	118,437,013	50,000	–	118,487,013
Lim Yen Wee	119,284,813	38,100	(39,400)	119,283,513

By virtue of the direct and deemed interest of Tan Sri Lim Guan Teik, Dato' Azaman Bin Abu Bakar, Datuk Wira Lim Chiun Cheong, Lim Siew Ling and Lim Yen Wee in the Company, they are also deemed to have interest in shares of all the subsidiaries to the extent that the Company has an interest, under Section 8 of the Act.

Save for the above, none of the other Directors in office at the end of the financial year held any interest in shares of the Company or its related corporations during the financial year.

### DIRECTORS' REMUNERATION AND BENEFITS

During the financial year, the emoluments received and receivable by the Directors of the Company were as follows:-

	Incurred by the Company RM'000	Incurred by the subsidiaries RM'000	Total/ Group RM'000
Directors' fees	480	580	1,060
Salaries, bonus and other emoluments	4,847	1,475	6,322
Benefits-in-kind	164	27	191
	5,491	2,082	7,573

During and at the end of the financial year, no arrangement subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of 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 benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by the Directors as shown in the Notes 30 and 35 to the financial statements of the Group or of the Company and of its related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

### OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:-

- (a) to ascertain that action had been taken in relation to writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and adequate provision had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

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

- (a) which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

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

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

In the opinion of the Directors:-

- (a) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;
- (b) the results of operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (c) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the current financial year in which this report is made.

### INDEMNITY AND INSURANCE COST

The Directors and Officers of the Group and of the Company are covered by the Directors' and Officers' Liability Insurance for any liability incurred in the discharge of their duties, provided that they have not acted fraudulently or dishonestly or derived any personal profit or advantage. The insurance premium paid during the financial year amounted to RM59,410.

There was no indemnity given to, or insurance effected for the Auditors of the Company during the financial year.



## DIRECTORS' REPORT

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### AUDITORS

The Auditors' remuneration is disclosed in Note 28 to the financial statements.

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

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

.....  
**DATO' AZAMAN BIN ABU BAKAR**

Director

.....  
**DATUK WIRA LIM CHIUN CHEONG**

Director

7 April 2025

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# Statement By Directors

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

In the opinion of the Directors, the financial statements set out on pages 132 to 202 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of their financial performance and cash flows for the financial year then ended.

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

.....  
**DATO' AZAMAN BIN ABU BAKAR**

7 April 2025

.....  
**DATUK WIRA LIM CHIUN CHEONG**

# Statutory Declaration

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

I, Dato' Azaman Bin Abu Bakar, being the Director primarily responsible for the financial management of Muda Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 132 to 202, to the best of my knowledge and belief are correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by )  
the abovenamed at Kuala Lumpur in )  
the Federal Territory on )  
7 April 2025 )

.....  
DATO' AZAMAN BIN ABU BAKAR

Before me:

MOHD OMAR NATHAN BIN ABDULLAH (W924)  
Commissioner for Oaths

# Independent Auditors' Report

TO THE MEMBERS OF MUDA HOLDINGS BERHAD

(INCORPORATED IN MALAYSIA)

REGISTRATION NO: 197101000036 (10427-A)

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## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of Muda Holdings Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 132 to 202.

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

### Basis for Opinion

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

### Independence and Other Ethical Responsibilities

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year.

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

#### *Inventory valuation*

##### The risk

Referring to Note 10 to the financial statements, the Group holds inventories that amounted to RM334.91 million as at the reporting date which is subject to a risk that the inventories become slow moving or obsolete and rendering it not saleable or can only be sold at selling prices that are less than the carrying value. There is inherent subjectivity and estimation involved by the management in determining the accuracy of inventories obsolescence and in making an assessment of its adequacy due to risks of inventories not stated at the lower of cost and net realisable value.

##### Our response

We tested the methodology for calculating the provisions, challenged the appropriateness and consistency of judgements and assumptions, and considered the nature and suitability of historical data used in estimating the provisions. In doing so, we obtained an understanding on the ageing profile of inventories, the process for identifying specific problem inventories, historical loss rates and the latest selling price of inventories.

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF MUDA HOLDINGS BERHAD  
(INCORPORATED IN MALAYSIA)  
REGISTRATION NO: 197101000036 (10427-A)**

**CONT'D**

**Key Audit Matters (Cont'd)**

*Impairment on doubtful receivables*

**The risk**

Referring to Note 11 to the financial statements, the Group has significant trade receivables that amounted to RM227.91 million as at the reporting date and is subject to credit risk exposures. We focus on this area as deriving the expected credit losses of receivables involves management's judgement and estimates in determining the probability of default occurring by considering the ageing of receivables, historical loss experience and forward-looking information.

**Our response**

We have obtained an understanding of the Group's control over the trade receivables' collection process, how the Group identifies and assesses the loss allowance of trade receivables and how the Group makes the accounting estimates for loss allowance.

We have reviewed and challenged the management's assumptions in the application of the Group's policy for calculating the expected credit loss, considered the ageing of the trade receivables and testing the reliability thereon. In doing so, we have evaluated techniques and methodology applied for the expected credit loss approach and assessed the estimated future cash inflows by examining the historical collection records, historical loss rate of receivables, information regarding the current creditworthiness and any significant changes in credit quality of the debtors, evidence of subsequent settlements and other relevant information.

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

**Information Other than the Financial Statements and Auditors' Report Thereon**

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

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

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

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

**Responsibilities of Directors for the Financial Statements**

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

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

**INDEPENDENT AUDITORS' REPORT**  
**TO THE MEMBERS OF MUDA HOLDINGS BERHAD**  
**(INCORPORATED IN MALAYSIA)**  
**REGISTRATION NO: 197101000036 (10427-A)**

**CONT'D**

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

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF MUDA HOLDINGS BERHAD  
(INCORPORATED IN MALAYSIA)  
REGISTRATION NO: 197101000036 (10427-A)

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**Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 5 to the financial statements.

**Other Matter**

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

**GRANT THORNTON MALAYSIA PLT**  
(201906003682 & LLP0022494-LCA)  
CHARTERED ACCOUNTANTS (AF 0737)

Kuala Lumpur  
7 April 2025

**ALEX KINGSLEY CHUA**  
(NO: 03629/12/2025 J)  
CHARTERED ACCOUNTANT

# Statements Of Financial Position

AS AT 31 DECEMBER 2024

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	Note	Group 2024 RM'000	2023 RM'000	Company 2024 RM'000	2023 RM'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	3	1,516,500	1,530,599	21,333	21,380
Investment properties	4	7,140	8,980	–	–
Investment in subsidiaries	5	–	–	264,887	264,887
Investment in associates	6	722	1,622	*	*
Other investment	7	–	–	–	–
Intangible assets	8	16,238	16,637	–	–
Deferred tax assets	9	1,524	714	783	–
Amount due from subsidiaries	5.2	–	–	4,395	–
Total non-current assets		1,542,124	1,558,552	291,398	286,267
<b>Current assets</b>					
Inventories	10	334,913	336,930	–	–
Trade receivables	11	227,913	238,026	–	–
Other receivables	12	42,213	35,145	389	360
Amount due from subsidiaries	5.2	–	–	33,101	14,631
Amount due from associates	6.2	1,304	1,422	860	871
Short-term investment	13	5,926	5,495	5,926	5,495
Derivative financial instruments	25	243	4	–	–
Tax recoverable		12,152	11,043	574	589
Cash and bank balances, deposits and short-term placements	14	128,000	169,569	9,812	25,782
Assets classified as held for sale	15	752,664 12,706	797,634 –	50,662 –	47,728 –
Total current assets		765,370	797,634	50,662	47,728
<b>TOTAL ASSETS</b>		<b>2,307,494</b>	<b>2,356,186</b>	<b>342,060</b>	<b>333,995</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
<b>Equity attributable to owners of the Company</b>					
Share capital	16	159,471	159,471	159,471	159,471
Reserves	17	426,853	442,757	16,999	17,261
Retained earnings	18	595,765	652,798	151,313	144,271
Total equity attributable to owners of the Company		1,182,089	1,255,026	327,783	321,003
Non-controlling interests		43,057	45,131	–	–
Total equity		1,225,146	1,300,157	327,783	321,003

\* Less than RM1,000



STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2024

CONT'D

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
<b>EQUITY AND LIABILITIES (CONT'D)</b>					
<b>Non-current liabilities</b>					
Borrowings	19	97,726	115,532	–	–
Lease liabilities	20	22,783	26,597	656	570
Provision for retirement benefit	21	71,641	62,428	11,180	9,751
Government grants	22	14,324	16,229	–	–
Deferred tax liabilities	9	73,230	95,404	–	–
Total non-current liabilities		279,704	316,190	11,836	10,321
<b>Current liabilities</b>					
Trade payables	23	56,760	56,725	–	–
Other payables	24	116,591	109,444	2,040	2,253
Amount due to subsidiaries	5.2	–	–	19	66
Borrowings	19	612,737	557,111	–	–
Lease liabilities	20	13,320	13,095	382	352
Government grants	22	1,905	1,905	–	–
Tax payable		1,331	1,559	–	–
Total current liabilities		802,644	739,839	2,441	2,671
<b>TOTAL LIABILITIES</b>		<b>1,082,348</b>	<b>1,056,029</b>	<b>14,277</b>	<b>12,992</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,307,494</b>	<b>2,356,186</b>	<b>342,060</b>	<b>333,995</b>

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

# Statements Of Profit Or Loss And Other Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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	Note	Group 2024 RM'000	2023 RM'000	Company 2024 RM'000	2023 RM'000
Revenue	26	1,453,784	1,505,427	26,958	22,497
Cost of sales		(1,285,719)	(1,339,951)	–	–
Gross profit		168,065	165,476	26,958	22,497
Other income		9,484	17,331	650	308
Distribution expenses		(115,793)	(114,226)	–	–
Administration expenses		(82,967)	(83,896)	(11,621)	(11,028)
Net reversal/(provision) of impairment loss on financial assets		165	(546)	–	–
Other expenses		(11,704)	(3,172)	(8)	(15)
Finance income		1,311	1,021	300	–
Finance costs	27	(32,717)	(31,434)	(31)	(44)
Share of results of associates		(846)	176	–	–
(Loss)/Profit before tax	28	(65,002)	(49,270)	16,248	11,718
Tax income	31	17,135	23,836	462	143
(Loss)/Profit for the financial year		(47,867)	(25,434)	16,710	11,861
<b>Other comprehensive (loss)/income, net of tax</b>					
<b>Items that will not be reclassified subsequently to profit or loss</b>					
Remeasurement of defined benefit liability		(7,732)	–	(1,024)	–
Tax relating to item that will not be reclassified to profit or loss		1,678	–	246	–
Net change in fair value of equity investment designated at fair value through other comprehensive income		–	(2,349)	–	–
		(6,054)	(2,349)	(778)	–
<b>Item that may be reclassified subsequently to profit or loss</b>					
Foreign currency translation differences for foreign operations		(9,182)	8,018	–	–
		(9,182)	8,018	–	–
<b>Other comprehensive (loss)/income for the financial year, net of tax</b>		(15,236)	5,669	(778)	–
<b>Total comprehensive (loss)/income for the financial year</b>		(63,103)	(19,765)	15,932	11,861

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

CONT'D

	Note	Group 2024 RM'000	2023 RM'000	Company 2024 RM'000	2023 RM'000
<b>(Loss)/Profit attributable to:-</b>					
Owners of the Company		(50,523)	(30,776)	16,710	11,861
Non-controlling interests		2,656	5,342	–	–
		(47,867)	(25,434)	16,710	11,861
<b>Total comprehensive (loss)/ income attributable to:-</b>					
Owners of the Company		(63,785)	(26,531)	15,932	11,861
Non-controlling interests		682	6,766	–	–
<b>Total comprehensive (loss)/income for the financial year</b>		(63,103)	(19,765)	15,932	11,861
<b>Loss per share attributable to owners of the Company</b>					
Loss per share					
- basic (sen)	32	(16.56)	(10.09)		
- diluted (sen)	32	(16.56)	(10.09)		

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

# Statements Of Changes In Equity

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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Group	Note	Attributable to owners of the Company						Total equity RM'000
		Share capital RM'000	Exchange fluctuation reserve RM'000	Non-Distributable Fair value reserve RM'000	Revaluation reserve RM'000	Retained earnings RM'000	Non-controlling interests RM'000	
Balance at 1 January 2023		159,471	26,885	5,230	414,039	688,134	43,278	1,337,037
Realisation of revaluation reserve upon depreciation of revalued assets		-	-	-	(4,055)	4,055	-	-
(Loss)/Profit for the financial year		-	-	-	-	(30,776)	5,342	(25,434)
Other comprehensive income for the financial year		-	5,888	(5,230)	-	3,587	1,424	5,669
Total comprehensive (loss)/income for the financial year		-	5,888	(5,230)	-	(27,189)	6,766	(19,765)
<b>Transactions with owners:-</b>								
First and final single tier dividend of 4.0 sen per share	33	-	-	-	-	(12,202)	-	(12,202)
Dividend paid to non-controlling interests of subsidiaries		-	-	-	-	-	(4,913)	(4,913)
Total transactions with owners of the Company		-	-	-	-	(12,202)	(4,913)	(17,115)
Balance at 31 December 2023		159,471	32,773	-	409,984	652,798	45,131	1,300,157

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

CONT'D

	Note	Attributable to owners of the Company						
		Share capital	Exchange fluctuation reserve	Fair value reserve	Revaluation reserve	Retained earnings	Total	Total equity
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Group (Cont'd)</b>								
Balance at 1 January 2024		159,471	32,773	-	409,984	652,798	1,255,026	1,300,157
Realisation of revaluation reserve upon depreciation of revalued assets		-	-	-	(8,619)	8,619	-	-
(Loss)/Profit for the financial year		-	-	-	-	(50,523)	(50,523)	(47,867)
Other comprehensive loss for the financial year		-	(7,285)	-	-	(5,977)	(13,262)	(15,236)
Total comprehensive (loss)/income for the financial year		-	(7,285)	-	-	(56,500)	(63,785)	(63,103)
<b>Transactions with owners:-</b>								
First and final single tier dividend of 3.0 sen per share	33	-	-	-	-	(9,152)	(9,152)	(9,152)
Dividend paid to non-controlling interests of subsidiaries		-	-	-	-	-	-	(2,756)
Total transactions with owners of the Company		-	-	-	-	(9,152)	(9,152)	(11,908)
Balance at 31 December 2024		159,471	25,488	-	401,365	595,765	1,182,089	1,225,146

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

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		Attributable to owners of the Company			
		Non-distributable		Distributable	
	Note	Share capital RM'000	Revaluation reserve RM'000	Retained earnings RM'000	Total RM'000
Company					
Balance at 1 January 2023		159,471	17,523	144,350	321,344
Realisation of revaluation reserve upon depreciation of revalued assets		–	(262)	262	–
Profit/Total comprehensive income for the financial year		–	–	11,861	11,861
Transaction with owners:-					
First and final single tier dividend of 4.0 sen per share	33	–	–	(12,202)	(12,202)
Balance at 31 December 2023		159,471	17,261	144,271	321,003
Realisation of revaluation reserve upon depreciation of revalued assets		–	(262)	262	–
Profit for the financial year		–	–	16,710	16,710
Other comprehensive loss for the financial year		–	–	(778)	(778)
Total comprehensive income for the financial year		–	–	15,932	15,932
Transaction with owners:-					
First and final single tier dividend of 3.0 sen per share	33	–	–	(9,152)	(9,152)
Balance at 31 December 2024		159,471	16,999	151,313	327,783

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

# Statements Of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Note	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>OPERATING ACTIVITIES</b>				
(Loss)/Profit before tax	(65,002)	(49,270)	16,248	11,718
<b>Adjustments for:-</b>				
Bad debts written off	147	35	–	–
Depreciation of property, plant and equipment	74,458	74,243	557	521
Depreciation of right-of-use assets	10,461	10,267	392	426
Fair value gain on derivative financial instruments	(239)	(506)	–	–
Fair value gain on financial asset at fair value through profit or loss	(301)	(59)	(301)	(59)
Gain on disposal of financial asset at fair value through other comprehensive income	–	(3,203)	–	–
Impairment loss on doubtful trade receivables				
- current	1,126	1,600	–	–
- no longer required	(1,367)	(1,054)	–	–
Impairment loss on other receivables	76	–	–	–
Interest expenses	32,717	31,434	31	44
Inventories written off	187	1,512	–	–
Inventories written down	6,884	129	–	–
Property, plant and equipment written off	1,023	841	–	2
Provision for retirement benefit	6,520	6,397	405	581
Dividend income	(1,224)	(1,003)	(18,154)	(14,359)
Fair value adjustments on investment properties	320	400	–	–
Gain on disposal of property, plant and equipment	(1,577)	(400)	(96)	–
Gain on disposal of investment properties	(350)	(150)	–	–
Interest income	(1,311)	(1,021)	(300)	–
Amortisation of government grants	(1,905)	(1,383)	–	–
Reversal of inventories written down	(101)	(4,452)	–	–
Share of results of associates	846	(176)	–	–
Loss/(Gain) on early termination of lease contracts	44	(7)	–	–
Unrealised gain on foreign exchange	(429)	(1,026)	–	–
Operating profit/(loss) before working capital changes	61,003	63,148	(1,218)	(1,126)
<b>Changes in working capital:-</b>				
Inventories	(6,970)	65,667	–	–
Receivables	2,689	17,235	(29)	(1)
Payables	8,479	174	(213)	132
Trade financing facilities	55,638	(8,988)	–	–
Subsidiaries	–	–	(22,912)	2,093
Associates	–	–	11	(1)
Cash generated from/(used in) operations	120,839	137,236	(24,361)	1,097
Retirement benefit paid	(5,039)	(5,747)	–	–
Interest paid	(15,955)	(14,057)	–	–
Interest received	1,311	1,021	300	–
Net tax (paid)/refunded	(5,183)	(452)	(60)	47
Net cash from/(used in) operating activities	95,973	118,001	(24,121)	1,144



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

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	Note	Group 2024 RM'000	2023 RM'000	Company 2024 RM'000	2023 RM'000
<b>INVESTING ACTIVITIES</b>					
Proceeds from disposal of property, plant and equipment		2,449	942	162	–
Proceeds from disposal of investment properties		1,200	950	–	–
Purchase of property, plant and equipment	A	(75,028)	(70,617)	(422)	(11)
Proceeds from disposal of financial asset at fair value through other comprehensive income		–	22,775	–	–
Dividend received		1,094	882	18,024	14,241
Receipts of government grants		–	13,215	–	–
Net cash (used in)/from investing activities		(70,285)	(31,853)	17,764	14,230
<b>FINANCING ACTIVITIES</b>					
Dividend paid to owners of the Company		(9,152)	(12,202)	(9,152)	(12,202)
Dividends paid to non-controlling interests		(2,756)	(4,913)	–	–
Interest paid		(18,611)	(18,920)	(31)	(44)
Drawdown of borrowings		228,596	289,014	–	–
Repayments of borrowings		(265,100)	(295,245)	–	–
Repayment of lease liabilities (Placement)/Withdrawal of fixed deposit pledged		(1,591)	9,165	–	–
Net cash used in financing activities		(83,370)	(44,538)	(9,613)	(12,627)
<b>CASH AND CASH EQUIVALENTS</b>					
Net changes		(57,682)	41,610	(15,970)	2,747
Effect of exchange rate changes		(4,026)	3,292	–	–
Brought forward		150,757	105,855	25,782	23,035
Carried forward	C	89,049	150,757	9,812	25,782

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

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**NOTES TO THE STATEMENTS OF CASH FLOWS**

**A. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT**

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Total additions	88,523	92,481	968	11
Purchase through lease arrangements	(11,646)	(20,321)	(546)	–
Interest capitalised	(1,849)	(1,543)	–	–
Cash payment	75,028	70,617	422	11

**B. CASH OUTFLOWS FOR LEASES AS A LESSEE**

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Payment relating to short-term leases	6,085	6,185	216	216
Payment relating to leases of low-value assets	358	343	–	–
Interest paid in relation to lease liabilities	2,261	2,014	31	44
Payment of lease liabilities	14,756	11,437	430	381
Total cash outflows for leases	23,460	19,979	677	641

**C. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents included in the statements of cash flows comprise the following amounts:-

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash and bank balances	92,507	117,401	1,071	708
Fixed deposits with licensed banks	15,944	19,263	–	–
Short-term placements with financial institutions	19,549	32,905	8,741	25,074
Bank overdrafts	(35,882)	(17,334)	–	–
Less: Fixed deposits pledged	92,118 (3,069)	152,235 (1,478)	9,812 –	25,782 –
	89,049	150,757	9,812	25,782

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

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	Lease liabilities RM'000	Revolving credit RM'000	Term loans RM'000	Other borrowings RM'000
<b>Group</b>				
Balance at 1 January 2023	30,734	162,450	137,687	26,529
Additions	20,321	–	–	–
<u>Cash flows:-</u>				
Net (repayments)/drawdowns	(11,437)	1,348	(4,716)	(2,863)
<u>Non-cash changes</u>				
Early termination	(177)	–	–	–
Translation difference	251	–	147	–
Balance at 31 December 2023	39,692	163,798	133,118	23,666
Additions	11,646	–	–	–
<u>Cash flows:-</u>				
Net (repayments)/drawdowns	(14,756)	(24,200)	(17,696)	5,392
<u>Non-cash changes</u>				
Early termination	(100)	–	–	–
Translation difference	(379)	173	(35)	–
Balance at 31 December 2024	36,103	139,771	115,387	29,058
<b>Company</b>				
Balance at 1 January 2023	1,303	–	–	–
<u>Cash flows:-</u>				
Net repayments	(381)	–	–	–
Balance at 31 December 2023	922	–	–	–
Additions	546	–	–	–
<u>Cash flows:-</u>				
Net repayments	(430)	–	–	–
Balance at 31 December 2024	1,038	–	–	–

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

# Notes To The Financial Statements

31 DECEMBER 2024

## 1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. It is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office and principal place of business of the Company are located at Lot 7, Jalan 51A/241, 46100 Petaling Jaya, Selangor Darul Ehsan.

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2024 comprise the Company and its subsidiaries (together referred to as the “Group” and individually referred to as “Group entities”) and the Group’s interests in associates. The financial statements of the Company as at and for the financial year ended 31 December 2024 do not include any other entities.

The Company is principally engaged in investment holding and provision of management services to its subsidiaries. The principal activities of its subsidiaries are disclosed in Note 5 to the financial statements. There were no significant changes in the nature of principal activities of the Company and its subsidiaries during the financial year.

The financial statements of the Group and of the Company for the financial year ended 31 December 2024 were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 7 April 2025.

## 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

### 2.1 Statement of compliance

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

### 2.2 Basis of measurement

The financial statements of the Group and of the Company have been prepared under historical cost convention, unless otherwise indicated. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and its measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Group and the Company.

The fair value of an asset or a liability is measured on the assumptions that market participants would act in their economic best interest when pricing the asset or liability. A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:-

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

## 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

### 2.2 Basis of measurement (Cont'd)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to their fair value measurement as a whole) at the end of each reporting period.

The management oversees all the significant fair value measurements and regularly reviews the significant unobservable inputs and valuation adjustments.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy as explained above.

As at 31 December 2024, the Group had net current liabilities of RM37,274,000. The Group incurred a loss of RM47,867,000 for the financial year ended 31 December 2024.

The Group also had positive shareholders' equity of RM1,225,146,000 as at 31 December 2024 and generated operating cash inflows of RM95,973,000 for the financial year ended 31 December 2024.

The Group believes that it will continue to enjoy the existing credit facilities granted by the banks as it has not defaulted on any repayment obligations for the financial year. Together with that, the Group was able to generate net operating cash inflows of RM95,973,000 for the financial year. In view thereof and barring any unforeseen circumstances, management believes that with the existing credit lines granted by the banks and the current outlook of its business environment, the Group will be continuing to generate sufficient cash flow to meet its obligations and working capital needs for the next financial year.

In view of the foregoing, the Directors consider that it is appropriate to prepare the financial statements of the Group on a going concern basis and accordingly the financial statements do not include any adjustments relating to the recoverability and classification of recorded assets amounts or to the amounts and classification of the liabilities that may be necessary should the Group be unable to continue as a going concern.

### 2.3 Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM") which is the Company's functional currency and all financial information is presented in RM and has been rounded to the nearest thousand unless otherwise stated. Financial statements of foreign subsidiaries with functional currencies other than RM are translated into RM when preparing the financial statements of the Group.

### 2.4 MFRSs

#### 2.4.1 Adoption of new or revised MFRSs

The Group and the Company have applied the following amendments to published standards approved by Malaysian Accounting Standards Board ("MASB") for the first time for the financial year beginning on 1 January 2024:

- MFRS 7 – *Financial Instruments: Disclosures*
- Amendments to MFRS 16 – *Leases*
- Amendments to MFRS 101 – *Presentation of Financial Statements*
- Amendments to MFRS 107 – *Statement of Cash Flows*

The adoption of the above amendments to published standards did not have any material impact on the current and prior year financial statements of the Group and of the Company.

## 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

### 2.4 MFRSs (Cont'd)

#### 2.4.2 Standards issued but not yet effective

The following are MFRSs and Amendments to MFRSs with effective dates on or after 1 January 2025 issued by MASB and they have not been early adopted by the Group and the Company. The Group and the Company intend to adopt these amendments to the published standards, if applicable, when they become effective.

**(a) Amendments effective for financial year beginning on or after 1 January 2025**

- Amendments to MFRS 121 – *The Effects of Changes in Foreign Exchange Rates*

**(b) MFRS and amendments effective for financial year beginning on or after 1 January 2026**

- Amendments to MFRS 7 – *Financial Instruments*
- Amendments to MFRS 9 – *Financial Instruments*
- Annual Improvements to MFRS Accounting Standards – Volume 11
  - Amendments to MFRS 1 – *First-time Adoption of Malaysia Financial Reporting Standards*
  - Amendments to MFRS 7 – *Financial Instruments*
  - Amendments to MFRS 9 – *Financial Instruments*
  - Amendments to MFRS 10 – *Consolidated Financial Statements*
  - Amendments to MFRS 107 – *Statement of Cash Flows*

**(c) MFRS effective for financial year beginning on or after 1 January 2027**

- MFRS 18 – *Presentation and Disclosure in Financial Statements*
- MFRS 19 – *Subsidiaries without Public Accountability*

**(d) Amendments effective for a date yet to be confirmed**

- Amendments to MFRS 10 – *Consolidated Financial Statements*
- Amendments to MFRS 128 – *Investments in Associates and Joint Ventures*

The initial application of the MFRSs and amendments to the published standards are not expected to have any material impact on the financial statements of the Group and of the Company.

### 2.5 Significant accounting estimates and judgements

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

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

**2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)****2.5 Significant accounting estimates and judgements (Cont'd)**

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements except for the following:-

**2.5.1 Depreciation of property, plant and equipment**

Property, plant and equipment are depreciated on a straight-line basis over their useful life. However, significant judgement is involved in estimating the useful life and residual value of property, plant and equipment which are subject to technological development and level of usage. Therefore, residual values of these assets and future depreciation charges may vary.

**2.5.2 Valuation of property, plant and equipment and investment properties**

The Group and the Company measure their land and buildings (under property, plant and equipment) and investment properties at revalued amount with changes in fair value being recognised in other comprehensive income and in profit or loss respectively. The Group and the Company engaged independent valuation specialists to determine fair values with sufficient regularity to ensure that the carrying amount or closing balance does not differ materially from the fair value of the land and buildings and investment properties at the reporting date.

The carrying amount or closing balance of the land and buildings and investment properties at the end of the reporting period, the relevant revaluation bases and information regarding the valuation techniques and inputs used in determining the fair value are disclosed in Notes 3, 4 and 37 to the financial statements.

**2.5.3 Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash-generating unit exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present values of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors. These estimates are most relevant to goodwill recognised by the Group.

Further details of the carrying values, key assumptions applied in the impairment assessment of goodwill are disclosed in Note 8 to the financial statements.

**2.5.4 Provision for expected credit losses ("ECLs") for trade receivables**

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for grouping of various customer segments that have similar loss patterns such as customer type and rating and other forms of credit insurance.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. On each quarterly reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may not be representative of customers' actual default rate in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 11 to the financial statements.



## 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

### 2.5 Significant accounting estimates and judgements (Cont'd)

#### 2.5.5 Fair value measurement of financial instruments

Significant judgement is involved in determining the appropriate valuation techniques and inputs for fair value measurements where active market quotes are not available.

In estimating the fair value of financial asset or financial liability, the Group and the Company use market-observable data to the extent it is available. The management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in measuring the financial assets and financial liabilities. Where Level 1 inputs are not available, the management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting date.

Information about the valuation techniques and inputs used in determining the fair value of various financial assets and financial liabilities are disclosed in the Note 37 to the financial statements.

#### 2.5.6 Income taxes

Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

#### 2.5.7 Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, unabsorbed business losses, unabsorbed capital allowances and unabsorbed reinvestment allowances to the extent that it is probable that taxable profit will be available against which they can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

#### 2.5.8 Inventories

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable values, the management considers the most reliable evidence available at the time the estimates are made. The realisation of these inventories may be affected by market-driven changes that may occur in the future.

#### 2.5.9 Defined benefit plan

The defined benefit liability is determined based on an actuarial valuation. An actuarial valuation involves making various assumptions regarding the discount rate, future salary growth and attrition rates. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit liability is highly sensitive to changes in these assumptions. Further details of the assumptions used are disclosed in Note 21 to the financial statements.

## 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

### 2.5 Significant accounting estimates and judgements (Cont'd)

#### 2.5.10 Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

#### 2.5.11 Determining the lease term of contracts with renewal options

The Group determines the lease term with any periods covered by an option to extend the lease if it is reasonably certain to be exercised. The Group has lease contracts that include extension options. The Group applies judgement in evaluating whether to exercise the option to renew the lease. It considers all relevant factors that create an economic incentive for it to exercise the renewal option. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew. The Group includes the renewal period as part of the lease term for such leases.

The Group typically exercises its option to renew for leases with renewal option.

#### 2.5.12 Climate-related matters

The potential impact of climate-related matters has been considered in the preparation of financial statements, including environmental legislation and commitments made by the Group and the Company which may affect the value of financial assets and financial liabilities.

The Directors estimate that there is no potential adverse impact of climate-related matters on the financial statements of the Group and the Company.

## 3. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Equipment, tools, plant and machinery RM'000	Motor vehicles RM'000	Furniture, fittings and others RM'000	Capital work-in-progress RM'000	Total RM'000
<b>Cost or valuation</b>								
At 1.1.2023								
- cost	81,126	14,444	78,960	1,307,421	53,368	50,222	100,302	1,685,843
- valuation	305,732	189,300	324,078	-	-	-	-	819,110
Additions	386,858	203,744	403,038	1,307,421	53,368	50,222	100,302	2,504,953
Reclassification	5,441	-	12,753	9,819	5,048	2,870	56,550	92,481
Disposals	854	-	10,340	43,977	-	2,460	(57,631)	-
Written off	-	-	-	(9,945)	(1,645)	(165)	-	(11,755)
Early termination and expiration of lease contracts	-	-	-	(7,492)	(637)	(3,511)	-	(11,640)
Translation difference	-	251	(5,869)	-	(1,365)	-	-	(7,234)
	-	-	1,502	733	87	647	-	3,220
At 31.12.2023	393,153	203,995	421,764	1,344,513	54,856	52,523	99,221	2,570,025

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

Group (Cont'd)	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Equipment, tools, plant and machinery RM'000	Motor vehicles RM'000	Furniture, fittings and others RM'000	Capital work-in-progress RM'000	Total RM'000
<b>Cost or valuation</b>								
At 1.1.2024								
- cost	87,421	14,695	97,686	1,344,513	54,856	52,523	99,221	1,750,915
- valuation	305,732	189,300	324,078	-	-	-	-	819,110
At 31.12.2023	393,153	203,995	421,764	1,344,513	54,856	52,523	99,221	2,570,025
Additions	34	-	1,808	7,346	5,058	2,724	71,553	88,523
Reclassification	-	-	11,950	56,393	86	101	(68,530)	-
Transfer to assets classified as held for sale	-	(8,690)	(4,590)	-	-	-	-	(13,280)
Disposals	-	-	-	(2,169)	(4,214)	(69)	-	(6,452)
Written off	-	-	(994)	(21,613)	(269)	(772)	-	(23,648)
Early termination and expiration of lease contracts	-	-	(696)	(57)	(1,514)	-	-	(2,267)
Translation difference	-	(603)	(3,080)	(895)	(122)	(661)	-	(5,361)
At 31.12.2024	393,187	194,702	426,162	1,383,518	53,881	53,846	102,244	2,607,540
<b>Representing</b>								
- cost	87,455	14,092	106,674	1,383,518	53,881	53,846	102,244	1,801,710
- valuation	305,732	180,610	319,488	-	-	-	-	805,830
At 31.12.2024	393,187	194,702	426,162	1,383,518	53,881	53,846	102,244	2,607,540

\* Less than RM1,000

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

Group (Cont'd)	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Equipment, tools, plant and machinery RM'000	Motor vehicles RM'000	Furniture, fittings and others RM'000	Capital work-in-progress RM'000	Total RM'000
<b>Accumulated depreciation</b>								
At 1.1.2023	-	5,168	15,741	869,113	39,339	37,219	-	966,580
Charge for the financial year	-	4,500	12,777	57,800	5,933	3,500	-	84,510
Disposals	-	-	-	(9,549)	(1,499)	(165)	-	(11,213)
Written off	-	-	*	(6,776)	(556)	(3,467)	-	(10,799)
Early termination and expiration of lease contracts	-	-	(5,830)	-	(1,234)	-	-	(7,064)
Translation difference	-	15	213	625	45	507	-	1,405
At 31.12.2023	-	9,683	22,901	911,213	42,028	37,594	-	1,023,419
Charge for the financial year	-	4,121	13,473	58,001	5,517	3,807	-	84,919
Transfer to assets classified as held for sale	-	(847)	(397)	-	-	-	-	(1,244)
Disposals	-	-	-	(1,807)	(3,714)	(59)	-	(5,580)
Written off	-	-	(77)	(21,557)	(239)	(752)	-	(22,626)
Early termination and expiration of lease contracts	-	-	(707)	(57)	(1,359)	-	-	(2,123)
Translation difference	-	(79)	(262)	(777)	(94)	(521)	-	(1,733)
At 31.12.2024	-	12,878	34,931	945,016	42,139	40,069	-	1,075,033
<b>Accumulated impairment loss</b>								
At 1.1.2023/31.12.2023/31.12.2024	-	-	-	404	-	-	15,603	16,007
<b>Net carrying amount</b>								
At 31.12.2023	393,153	194,312	398,863	432,896	12,828	14,929	83,618	1,530,599
At 31.12.2024	393,187	181,824	391,231	438,098	11,742	13,777	86,641	1,516,500

\* Less than RM1,000

# NOTES TO THE FINANCIAL STATEMENTS

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

Company	Leasehold land RM'000	Buildings RM'000	Equipment, tools, plant and machinery RM'000	Motor vehicles RM'000	Furniture, fittings and others RM'000	Total RM'000
<b>Cost or valuation</b>						
At 1.1.2023						
- cost	–	–	329	2,289	854	3,472
- valuation	17,720	3,370	–	–	–	21,090
	17,720	3,370	329	2,289	854	24,562
Additions	–	–	–	–	11	11
Written off	–	–	–	–	(57)	(57)
At 31.12.2023	17,720	3,370	329	2,289	808	24,516
<b>Cost or valuation</b>						
At 1.1.2024						
- cost	–	–	329	2,289	808	3,426
- valuation	17,720	3,370	–	–	–	21,090
	17,720	3,370	329	2,289	808	24,516
Additions	–	–	202	747	19	968
Disposal	–	–	–	(497)	–	(497)
At 31.12.2024	17,720	3,370	531	2,539	827	24,987
<b>Representing</b>						
- cost	–	–	531	2,539	827	3,897
- valuation	17,720	3,370	–	–	–	21,090
At 31.12.2024	17,720	3,370	531	2,539	827	24,987
<b>Accumulated depreciation</b>						
At 1.1.2023	434	105	292	843	570	2,244
Charge for the financial year	348	84	5	449	61	947
Written off	–	–	–	–	(55)	(55)
At 31.12.2023	782	189	297	1,292	576	3,136
Charge for the financial year	347	85	13	447	57	949
Disposal	–	–	–	(431)	–	(431)
At 31.12.2024	1,129	274	310	1,308	633	3,654
<b>Net carrying amount</b>						
At 31.12.2023	16,938	3,181	32	997	232	21,380
At 31.12.2024	16,591	3,096	221	1,231	194	21,333

**3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

The Group's and the Company's land and buildings are measured at revalued amounts, being fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value measurements of the Group's and of the Company's land and buildings were performed by independent professional valuers with appropriate recognised professional qualifications and recent experience in the location and category of property valued in the financial year 2021. The fair value of land was determined based on the comparison approach and fair value of buildings was determined using the depreciated replacement cost and comparison approach. There is no change to the valuation technique.

The Group's buildings with net carrying amount of RM17,188,000 (2023: RM19,582,000) have been pledged by a foreign subsidiary as security for banking facilities.

Included in the property, plant and equipment is interest capitalised amounted to RM1,849,000 (2023: RM1,543,000) with interest rate ranging from 5.04% to 5.70% (2023: 5.6%) per annum.

Included in the net carrying amount of property, plant and equipment is capital work-in-progress as follows:-

	Group	
	2024 RM'000	2023 RM'000
Land and buildings	16,063	2,776
Plant, machinery and others	70,578	80,842
	86,641	83,618

Included in the net carrying amount of property, plant and equipment are right-of-use assets as follows:-

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Leasehold land	–	26	–	–
Buildings	11,613	12,979	–	–
Equipment, tools, plant and machinery	31,200	27,654	–	–
Motor vehicles	8,788	9,095	1,073	941
Furniture, fittings and others	17	226	–	–
	51,618	49,980	1,073	941

Additions to the right-of-use assets of the Group and of the Company during the financial year amounted to RM13,676,000 (2023: RM19,504,000) and RM590,000 (2023: Nil) respectively.

Depreciation charge of right-of-use assets are as follows:-

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Leasehold land	–	27	–	–
Buildings	3,387	3,022	–	–
Equipment, tools, plant and machinery	3,084	3,363	–	–
Motor vehicles	3,782	3,647	392	426
Furniture, fittings and others	208	208	–	–
	10,461	10,267	392	426

**3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)****Material accounting policy information****(a) Recognition and measurement**Property, plant and equipment

All property, plant and equipment, except for land and buildings, are measured at cost less accumulated depreciation and less any impairment losses. 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 benefit associated with the item will flow to the Group or the Company and the cost of the item can be measured reliably.

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment loss recognised after the date of the revaluation. Valuations are performed with sufficient regularity (i.e., every 4 years and at shorter intervals), to ensure that the carrying amount does not differ materially from the fair value of the land and buildings at the end of the reporting period.

As at the date of revaluation, accumulated depreciation, if any, is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Any revaluation surplus arising upon appraisal is recognised in other comprehensive income and credited to the 'revaluation reserve' in equity. To the extent that any revaluation decreases or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income. Downward revaluations are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in the equity on disposal of the asset is transferred to other comprehensive income.

Right-of-use assets

The Group and the Company recognise right-of-use assets at the commencement date of the lease (i.e., the date the underlying assets is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

**(b) Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the Company.

**(c) Depreciation**

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated. Property, plant and equipment under construction or capital work-in-progress are not depreciated until the assets are ready for their intended use. Right-of-use assets are depreciated on a straight-line basis over the earlier of their estimated useful lives or the end of the lease term.

The estimated useful lives for the current and comparative periods are as follows:

Property, plant and equipment

Leasehold land	Over the term of lease ranging from 31 to 870 years
Buildings	24 to 58 years
Equipment, tools, plant and machinery	2 to 20 years
Motor vehicles	5 to 7 years
Furniture, fittings and others	5 to 10 years

Right-of-use assets

Leasehold land	3 years
Buildings	2 to 6 years
Equipment, tools, plant and machinery	3 to 13 years
Motor vehicles	3 to 7 years
Furniture, fittings and others	5 years



**4. INVESTMENT PROPERTIES**

	2024 RM'000	Group 2023 RM'000
<b>Fair value:-</b>		
At 1.1	8,980	10,180
Fair value adjustments	(320)	(400)
Disposal	(850)	(800)
Transfer to assets classified as held for sale	(670)	–
At 31.12	7,140	8,980

Investment properties comprise freehold commercial property, leasehold land and buildings leased to third parties.

The fair value of investment properties are determined by external independent professional valuers with recent experience in the location and category of property being valued. The fair value of the investment properties are determined once a year based on the comparison approach and depreciated replacement cost approach.

Fair value of investment properties consists of:-

	2024 RM'000	Group 2023 RM'000
Buildings	2,440	3,130
Land	4,700	5,850
	7,140	8,980

The following are recognised in profit or loss in respect of investment properties:-

	2024 RM'000	Group 2023 RM'000
Rental income from operating leases	491	615
Direct operating expenses		
- income generating investment properties	(147)	(103)
- non-income generating investment properties	(75)	(2)
Fair value adjustments recognised in other expenses	(320)	(400)

The investment properties are leased to tenants under operating leases with rentals receivable monthly.

Minimum lease payments receivable on leases of investment properties are as follows:-

	2024 RM'000	Group 2023 RM'000
Within 1 year	619	293
Between 1 to 5 years	2,112	100
Later than 5 years	352	–
	3,083	393

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## 4. INVESTMENT PROPERTIES (CONT'D)

### Material accounting policy information

Investment properties are measured subsequently at fair value with any changes therein recognised in profit or loss for the period in which they arise.

## 5. SUBSIDIARIES

Investment in subsidiaries:-

	Company	
	2024 RM'000	2023 RM'000
Unquoted shares		
- at cost	239,535	239,535
- at valuation	55,633	55,633
	295,168	295,168
Less: Allowance for impairment loss	(30,281)	(30,281)
	264,887	264,887

Details of subsidiaries are as follows:-

Name of subsidiaries	Principal activities	Principal place of business	Proportion of effective ownership interest and voting rights held by the Group	
			2024 %	2023 %
Central Malaya Paper Sdn. Bhd.	Trading of waste paper and investment holding	Malaysia	100	100
CMP Resources Sdn. Bhd.	Property holding	Malaysia	100	100
Federal Packages Sdn. Bhd.	Manufacture and sale of paper cartons and paper related products	Malaysia	100	100
Intra-Muda Holdings Sdn. Bhd.	Investment holding and commission agent	Malaysia	100	100
Intrapac Trading (M) Sdn. Bhd.	Trading of paper products and acting as commission agent	Malaysia	100	100
K F Paper Products (Melaka) Sdn. Bhd.	Manufacture and sale of board sheets and paper related products	Malaysia	100	100
Kajang Paper Mills Sdn. Bhd.	Investment holding	Malaysia	100	100

**5. SUBSIDIARIES (CONT'D)**

Details of subsidiaries are as follows (Cont'd):-

Name of subsidiaries	Principal activities	Principal place of business	Proportion of effective ownership interest and voting rights held by the Group	
			2024 %	2023 %
Kotak Malaysia Holdings Sdn. Bhd.	Dormant	Malaysia	100	100
Kotak Malaysia (KOM) Sdn. Bhd.	Manufacture and sale of corrugated cartons and boards and related packaging products	Malaysia	100	100
MC Pack (Malaysia) Sdn. Bhd.	Manufacture and sale of paper packaging products	Malaysia	65	65
Muda Global Engineering Sdn. Bhd.	Engineering and fabrication services	Malaysia	100	100
Muda Land Development Sdn. Bhd.	Property holding	Malaysia	100	100
Muda Management Services Sdn. Bhd.	Management consultancy and general insurance agency	Malaysia	100	100
Muda Packaging Industries Sdn. Bhd.	Manufacture and sale of corrugated cartons and boards and related packaging products	Malaysia	100	100
Muda Paper Converting Sdn. Bhd.	Converting and sale of paper stationery and paper-based food packaging products	Malaysia	100	100
Muda Paper Mills Sdn. Bhd.	Manufacture and sale of paper and paper related products	Malaysia	100	100
Muda Pasifik Sdn. Bhd.	Manufacture and sale of corrugated cartons and boards and related packaging products	Malaysia	100	100
Quantum Total Packages Sdn. Bhd.	Manufacture and trading of printing materials	Malaysia	60	60
RJ & R Holdings Sdn. Bhd.	Property holding	Malaysia	100	100
Sea Paper Industries Sdn. Bhd.	Manufacture and sale of corrugated paper cartons	Malaysia	100	100
Intrapac (Singapore) Pte. Ltd.*	Trading in paper products, commission agent and investment holding	Singapore	70	70
Ee Sin Paper Products Pte. Ltd.*	Trading in school books, uniforms and stationery	Singapore	67	67

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### 5. SUBSIDIARIES (CONT'D)

Details of subsidiaries are as follows (Cont'd):-

Name of subsidiaries	Principal activities	Principal place of business	Proportion of effective ownership interest and voting rights held by the Group	
			2024 %	2023 %
ESPP Sdn. Bhd.	Trading in school books, uniforms and stationery	Malaysia	67	67
Pacific Bookstores Pte. Ltd.*	Operator of schools and online bookstores	Singapore	67	67
Lonsing Packaging Industries Pte. Ltd.*	Manufacture of packaging materials for food industry	Singapore	60	60
Wenfang Private Limited*	Import and distribution of stationery	Singapore	70	70
ESPP Viet Nam Company Limited #	Trading of paper and stationery	Vietnam	47	47
Intrapac (Australia) Pty. Ltd.*	Trading of paper and paper related products	Australia	100	100
Intrapac Investment Ltd.*	Investment holding	Hong Kong	100	100
Muda Packaging Industries (Qingyuan) Ltd.*	Manufacture and sale of corrugated cartons and paper related products	The People's Republic of China	100	100

\* Subsidiaries not audited by Grant Thornton Malaysia PLT.

# Subsidiary audited by affiliate of Grant Thornton Malaysia PLT.

#### Material accounting policy information

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses.

#### 5.1 Details of non-wholly owned subsidiaries with material NCI

Non-wholly owned subsidiaries of the Group with material NCI are shown below:-

##### Intrapac (Singapore) Pte. Ltd. and its subsidiaries

	2024 RM'000	2023 RM'000
NCI percentage of ownership interest and voting interest	30%	30%
Profit allocated to NCI	1,530	3,892
Carrying amount of NCI	30,365	33,046

## 5. SUBSIDIARIES (CONT'D)

### 5.1 Details of non-wholly owned subsidiaries with material NCI (Cont'd)

Summarised financial information in respect of the above subsidiary with material NCI is set out below. The summarised financial information below is before intra-group eliminations.

	2024 RM'000	2023 RM'000
<u>Financial Position</u>		
Non-current assets	17,198	21,613
Current assets	110,956	121,390
<b>Total assets</b>	<b>128,154</b>	<b>143,003</b>
Non-current liabilities	(4,103)	(6,567)
Current liabilities	(30,386)	(34,501)
<b>Total liabilities</b>	<b>(34,489)</b>	<b>(41,068)</b>
<b>Total equity</b>	<b>93,665</b>	<b>101,935</b>
Equity attributable to owners of the Company	89,431	97,414
NCI	4,234	4,521
	93,665	101,935
<u>Profit or Loss/Total comprehensive income</u>		
Revenue	178,027	178,331
Profit for the financial year	4,396	11,596
Profit attributable to:		
Owners of the Company	4,094	11,006
NCI	302	590
	4,396	11,596
Total comprehensive income attributable to:		
Owners of the Company	4,084	8,657
NCI	302	591
	4,386	9,248
Dividends paid to NCI	(342)	(254)
<u>Cash flows</u>		
Net cash inflows from operating activities	13,850	7,896
Net cash inflows from investing activities	1,443	18,322
Net cash outflows from financing activities	(13,268)	(16,882)
Net increase in cash and cash equivalents	2,025	9,336

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## 5. SUBSIDIARIES (CONT'D)

### 5.1 Details of non-wholly owned subsidiaries with material NCI (Cont'd)

#### Material accounting policy information

##### Acquisition of subsidiary with non-controlling interests

The Group elects to measure the non-controlling interests in the acquiree at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

### 5.2 Amounts due from/(to) subsidiaries

Amounts due from subsidiaries are non-trade in nature, bear no interest, unsecured and repayable on demand except for advances of RM24,864,000 (2023: Nil) which are unsecured and bears interest at 4.0% (2023: Nil) per annum, of which RM18,000,000 (2023: Nil) is repayable on demand and RM6,864,000 (2023: Nil) is repayable by monthly installments.

Amounts due to subsidiaries are non-trade in nature, bear no interest, unsecured and repayable on demand.

## 6. ASSOCIATES

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Unquoted shares, at cost	718	718	88	88
Share of post-acquisition reserves	(101)	745	—	—
Translation difference	105	159	—	—
	722	1,622	88	88
Less: Allowance for impairment loss At 1.1/31.12	—	—	(88)	(88)
	722	1,622	*	*

\* Less than RM1,000

## 6. ASSOCIATES (CONT'D)

### 6.1 Details of associates

Details of associates at the end of the reporting period are as follows:-

Name of associates	Principal activities	Principal place of business	Proportion of effective ownership interest and voting rights held by the Group	
			2024 %	2023 %
Choice Impact Sdn. Bhd.	Property holding	Malaysia	49	49
Timly Enterprise Company LDA *	Trading in stationeries	Democratic Republic of Timor-Leste	27	27

\* Associates not audited by Grant Thornton Malaysia PLT.

The summarised financial information for the associates has not been presented as the associates are immaterial to the Group.

### Material accounting policy information

Investment in associates are measured in the Company's statement of financial position at cost less any impairment losses.

### 6.2 Amounts due from associates

Amounts due from associates of the Group and of the Company are non-trade in nature, unsecured, bear no interest and repayable on demand.

## 7. OTHER INVESTMENT

	Group	
	2024 RM'000	2023 RM'000
<b>At FVTOCI:-</b>		
At 1.1	—	21,154
Fair value adjustments	—	(2,349)
Disposal	—	(19,572)
Translation difference	—	767
At 31.12	—	—

The other investment represents unquoted shares in Singapore.

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## 7. OTHER INVESTMENT (CONT'D)

On 17 July 2023, Intrapac (Singapore) Pte. Ltd., a 70% owned subsidiary of the Company has disposed of the remaining 16.88% of the equity interest of KL Resources Pte Ltd for a cash consideration of SGD6,712,826 (equivalent to RM22,775,000). The disposal has been completed on 19 July 2023.

### Material accounting policy information

#### (a) Equity investment not held for trading

At initial recognition, the Group irrevocably elected to present subsequent changes in the fair value of the investments in other comprehensive income. This election was made on an investment-by-investment basis.

## 8. INTANGIBLE ASSETS

Group	Goodwill RM'000	Intangible assets with finite life RM'000	Total RM'000
<b>Cost</b>			
At 1.1.2023	16,209	752	16,961
Translation difference	428	47	475
At 31.12.2023	16,637	799	17,436
Translation difference	(399)	(44)	(443)
At 31.12.2024	16,238	755	16,993
<b>Accumulated amortisation</b>			
At 1.1.2023	–	752	752
Translation difference	–	47	47
At 31.12.2023	–	799	799
Translation difference	–	(44)	(44)
At 31.12.2024	–	(755)	(755)
<b>Net carrying amount</b>			
At 31.12.2023	16,637	–	16,637
At 31.12.2024	16,238	–	16,238



**8. INTANGIBLE ASSETS (CONT'D)**

The aggregate carrying amounts of goodwill allocated to each unit are as follows:-

	2024 RM'000	2023 RM'000
Manufacturing	11,841	11,954
Trading	4,397	4,683
	16,238	16,637

The recoverable amount of goodwill arising from acquisition of the subsidiaries are determined based on a value-in-use calculation using profit projections approved by management covering a five-year period, revenue was projected at anticipated annual revenue growth of approximately 1.50% to 8.00% (2023: 1.49% to 5.95%) per annum and applying before tax discount rates ranging from 5.70% to 12.10% (2023: 5.70% to 6.50%). The other key assumption on which management has based its profit projections to undertake impairment testing is that the subsidiaries will be able to maintain its gross margins recorded during the current year under review as it will be able to pass on cost increases in products.

**Material accounting policy information****(a) Recognition and measurement**

Intangible assets, other than goodwill, that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and any accumulated impairment losses.

**9. DEFERRED TAX ASSETS/(LIABILITIES)**

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting are shown on the statements of financial position.

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Deferred tax assets	1,524	714	783	–
Deferred tax liabilities	(73,230)	(95,404)	–	–
	(71,706)	(94,690)	783	–

## 9. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

The movement in the deferred tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the financial year is as follow:

Group	Property, plant and equipment RM'000	Investment properties RM'000	Provision for retirement benefit RM'000	Unabsorbed business losses RM'000	Unabsorbed allowances RM'000	Unabsorbed capital reinvestment allowances RM'000	Others RM'000	Total RM'000
At 1.1.2023 (Charged)/Credited to profit or loss (Note 31)	(169,606)	(800)	13,105	1,807	19,168	13,648	1,055	(121,623)
Translation difference	(4,334) (106)	320	919	8,217	16,640	3,439	1,826	27,027
							12	(94)
At 31.12.2023 (Charged)/Credited to profit or loss (Note 31)	(174,046)	(480)	14,024	10,024	35,808	17,087	2,893	(94,690)
Credited to other comprehensive income (Note 31)	2,050	(359)	1,377	9,055	5,919	2,334	752	21,128
Translation difference	-	-	1,678	-	-	-	-	1,678
	221	-	-	-	-	-	(43)	178
At 31.12.2024	(171,775)	(839)	17,079	19,079	41,727	19,421	3,602	(71,706)
<b>Company</b>								
At 1.1.2023 (Charged)/Credited to profit or loss (Note 31)	(4,081)	-	2,201	845	817	-	38	(180)
	100	-	139	102	(162)	-	1	180
At 31.12.2023 (Charged)/Credited to profit or loss (Note 31)	(3,981)	-	2,340	947	655	-	39	-
Credited to other comprehensive income (Note 31)	80	-	97	159	207	-	(6)	537
	-	-	246	-	-	-	-	246
At 31.12.2024	(3,901)	-	2,683	1,106	862	-	33	783

**9. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)****Unrecognised deferred tax assets**

Deferred tax assets have not been recognised in respect of the following items (stated at gross) for the Company and certain subsidiaries due to uncertainty of future taxable income of the subsidiaries. They are available for offset against future taxable profits of the Company and respective subsidiaries.

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Unabsorbed business losses	10,770	10,424	–	–
Unabsorbed capital allowances	1	691	–	691
Unabsorbed reinvestment allowances	34,017	32,822	–	–
	44,788	43,937	–	691

Details of the unabsorbed business losses for subsidiaries are as follows:-

	<b>RM'000</b>	<b>2024</b>	<b>Expiring year</b>	<b>RM'000</b>	<b>2023</b>	<b>Expiring year</b>
		<b>VND'000</b>			<b>VND'000</b>	
Vietnam	1,184	5,999,633	2025 to 2029	839	4,019,612	2024 to 2028
Malaysia	9,586	–	2024 to 2028	9,585	–	2024 to 2028

The unabsorbed reinvestment allowances will be expiring in financial year 2025 under Malaysian tax legislation.

The unabsorbed capital allowances do not expire under Malaysian tax legislation.

**Material accounting policy information**

Where investment properties are carried at their fair value, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying values at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the asset and liabilities, using tax rates enacted or substantively enacted at the reporting date.

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## 10. INVENTORIES

	2024 RM'000	Group 2023 RM'000
Raw materials	143,914	131,548
Consumables	42,391	42,596
Work-in-progress	7,168	5,612
Finished goods	138,893	155,039
Goods-in-transit	2,547	2,135
	334,913	336,930

During the financial year, the amount of inventories recognised as an expense in cost of sales of the Group was RM1,285,719,000 (2023: RM1,339,951,000).

### Material accounting policy information

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using the weighted average method.

## 11. TRADE RECEIVABLES

	2024 RM'000	Group 2023 RM'000
Trade receivables	231,355	241,921
Less: Allowances for impairment loss	(3,442)	(3,895)
	227,913	238,026

11.1 Normal trade credit terms granted to customers range from cash term to 120 days (2023: cash term to 120 days). Trade receivables are recognised at invoice amounts and they are non-interest bearing.

Included in trade receivables is an amount of RM288,000 (2023: RM364,000) due from subsidiaries of Asia File Corporation Bhd., a major shareholder of the Company. The said amount is unsecured, bear no interest and subject to normal trade term.

11.2 Currency exposure profile of trade receivables other than functional currencies are as follows:-

	2024 RM'000	Group 2023 RM'000
United States Dollar	31,857	31,776
Australia Dollar	2,497	3,447
Singapore Dollar	4,464	6,032

**11. TRADE RECEIVABLES (CONT'D)**

11.3 An impairment analysis performed at each reporting date using a provision of matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by product type, customer type and rating, and other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The letters of credit and other forms of credit insurance are considered integral part of trade receivables and considered in the calculation of impairment.

The following table provides information about the credit risk exposure on the Group's trade receivables using a provision matrix:-

		Days past due				Total RM'000
		Current RM'000	1 to 30 days RM'000	31 to 60 days RM'000	61 to 90 days RM'000	
<u>2024</u>						
Expected credit loss rate	0% - 1.7%	0% - 6.1%	0% - 7.0%	0% - 7.2%	0% - 100%	
Gross carrying amount	177,651	38,264	10,562	2,110	2,768	231,355
Expected credit loss	632	543	255	233	1,779	3,442
<u>2023</u>						
Expected credit loss rate	0% - 3.3%	0% - 6.7%	0.3% - 11.3%	0% - 11.9%	0% - 79.4%	
Gross carrying amount	177,118	45,067	10,484	3,275	5,977	241,921
Expected credit loss	942	400	502	59	1,992	3,895

11.4 The movements in the allowance for impairment in respect of trade receivables are as follows:-

	Group	
	2024 RM'000	2023 RM'000
At 1.1	3,895	3,561
Charge for the financial year	1,126	1,600
Reversal of impairment losses	(1,367)	(1,054)
Written off	(185)	(222)
Translation difference	(27)	10
At 31.12	3,442	3,895

11.5 Information on financial risk of trade receivables are disclosed in Note 36 to the financial statements.

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## 12. OTHER RECEIVABLES

	2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	2023 RM'000
Deposits	29,943	22,553	62	70
Less: Allowances for impairment loss	(137)	(61)	–	–
	29,806	22,492	62	70
Non-trade receivables	3,125	2,549	92	92
Prepayments	9,137	9,953	235	198
Goods and Services Tax recoverable	145	151	–	–
	42,213	35,145	389	360

### 12.1 Impairment

The movement in the allowance in respect for impairment of other receivables are as follows:-

	2024 RM'000	Group 2023 RM'000
At 1.1	61	61
Charge for the financial year	76	–
At 31.12	137	61

12.2 Currency exposure profile of other receivables other than functional currencies are as follows:-

	2024 RM'000	Group 2023 RM'000
United States Dollar	6,147	1,651
Singapore Dollar	23	24

## 13. SHORT TERM INVESTMENT

	Group and Company 2024 RM'000	2023 RM'000
<b>At FVTPL:-</b>		
Quoted investment in Malaysia	5,926	5,495

**14. CASH AND BANK BALANCES, DEPOSITS AND SHORT-TERM PLACEMENTS**

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash and bank balances	92,507	117,401	1,071	708
Fixed deposits with licensed banks	15,944	19,263	–	–
Short-term placements with financial institutions	19,549	32,905	8,741	25,074
	128,000	169,569	9,812	25,782

Fixed deposits with licensed banks amounting to RM3,069,000 (2023: RM1,478,000) of certain subsidiaries are pledged as security for banking facilities, and hence are not available for general use.

Fixed deposits with licensed banks earned interest ranging from 0.35% to 3.55% (2023: 1.85% to 2.0%) per annum.

Currency exposure profile of cash and bank balances, deposits and short-term placements other than functional currencies are as follows:-

	Group	
	2024 RM'000	2023 RM'000
United States Dollar	5,296	13,306
Australia Dollar	1,916	2,253
Singapore Dollar	1,933	1,530

**15. ASSETS CLASSIFIED AS HELD FOR SALE**

	Leasehold land RM'000	Leasehold buildings RM'000	Total RM'000
Group			
At 1.1.2023/31.12.2023	–	–	–
Transfer from property, plant and equipment	7,843	4,193	12,036
Transfer from investment properties	480	190	670
At 31.12.2024	8,323	4,383	12,706

Transfer from property, plant and equipment

On 3 September 2024, the Group entered into a sales and purchase agreement with a third party to dispose certain leasehold land and buildings with carrying amount of RM2,443,000 as at 31 December 2024 for a total consideration of RM3,000,000. This transaction has not been completed as at the date of the authorisation of the financial statements.

On 23 September 2024, the management of the Group has agreed to dispose two pieces of leasehold land and buildings with carrying amount of RM6,355,000 as at 31 December 2024. The Company entered into the Sales and Purchase Agreement on 8 October 2024 with a purchaser for a total consideration of RM11,000,000. The transaction has yet to be completed as at the date of the authorisation of the financial statements.

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### 15. ASSETS CLASSIFIED AS HELD FOR SALE (CONT'D)

#### Transfer from property, plant and equipment (Cont'd)

On 20 January 2025, the Group entered into a sales and purchase agreement with a third party to dispose certain leasehold land and buildings with carrying amount of RM3,238,000 as at 31 December 2024 for a total consideration of RM4,000,000. This transaction has not been completed as at the date of the authorisation of the financial statements.

#### Transfer from investment properties

On 5 November 2024, the Group entered into a sales and purchase agreement with a third party to dispose the leasehold land and buildings with carrying amount of RM670,000 as at 31 December 2024 for the total consideration of RM720,000. This transaction was completed on 16 January 2025.

### 16. SHARE CAPITAL

	2024	Group and Company		
	2023	2024	2023	
	Number of ordinary			
	shares ('000)	RM'000	RM'000	
Issued and fully paid-up with no par value	305,051	305,051	159,471	159,471

The holders of the ordinary shares are entitled to receive dividends as and when declared by the Company. An ordinary share carries one vote per share without restrictions and ranks equally with regard to the Company's residual assets.

### 17. RESERVES

- (a) Revaluation reserve consists of surplus from revaluation of properties.
- (b) Exchange fluctuation reserve represents exchange differences arising from translation of financial statements of foreign operations whose functional currencies differ from the Group's presentation currency.
- (c) Fair value reserve represents the cumulative fair value changes of financial assets designated at fair value through other comprehensive income until they are disposed or impaired.
- (d) Other reserve consists of retained earnings capitalised as bonus shares by a subsidiary.

The above reserves are not available for distribution as dividends.

### 18. RETAINED EARNINGS

The entire retained earnings of the Company is available for distribution as dividends to its shareholders under the single tier system.



**19. BORROWINGS**

	Group	
	2024 RM'000	2023 RM'000
<b>Current</b>		
Unsecured:-		
Trade financing facilities	390,365	334,727
Revolving credit	119,043	142,070
Term loans	38,389	39,314
Bank overdrafts	35,882	17,334
Other borrowings	29,058	23,666
	612,737	557,111
<b>Non-current</b>		
Unsecured:-		
Term loans	76,998	93,804
Revolving credit	20,728	21,728
	97,726	115,532
Total borrowings	710,463	672,643

Unsecured borrowings of subsidiaries in the Group were obtained by way of negative pledge over the assets of the respective subsidiaries and corporate guarantee from the Company.

Interest on borrowings is charged at rates ranging from 2.30% to 8.07% (2023: 3.20% to 8.45%) per annum.

Term loans are repayable on monthly and quarterly basis.

Currency exposure profile of borrowings other than functional currencies are as follows:-

	Group	
	2024 RM'000	2023 RM'000
United States Dollar	23,284	–

**20. LEASE LIABILITIES**

20.1 Lease liabilities are presented in the statements of financial position as follows:-

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Lease liabilities</b>				
Current	13,320	13,095	382	352
Non-current	22,783	26,597	656	570
	36,103	39,692	1,038	922

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## 20. LEASE LIABILITIES (CONT'D)

20.2 Future minimum lease payments at year end are as follows:-

Group	← Minimum lease payments due →			Total RM'000
	Within 1 year RM'000	1 to 5 years RM'000	More than 5 years RM'000	
<u>2024</u>				
Lease payments	15,002	24,293	–	39,295
Finance charges	(1,682)	(1,510)	–	(3,192)
	13,320	22,783	–	36,103
<u>2023</u>				
Lease payments	14,963	28,614	4	43,581
Finance charges	(1,868)	(2,021)	*	(3,889)
	13,095	26,593	4	39,692

\* Less than RM1,000

Company	← Minimum lease payments due →		Total RM'000
	Within 1 year RM'000	1 to 5 years RM'000	
<u>2024</u>			
Lease payments	416	698	1,114
Finance charges	(34)	(42)	(76)
	382	656	1,038
<u>2023</u>			
Lease payments	381	596	977
Finance charges	(29)	(26)	(55)
	352	570	922

20.3 Lease payments not recognised as a liability

The expenses relating to payments not included in the measurement of the lease liabilities are as follows:-

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Short-term leases				
- Cost of sales	5,680	5,800	–	–
- Administrative expenses	405	385	216	216
Leases of low value assets	358	343	–	–
	6,443	6,528	216	216

## 20. LEASE LIABILITIES (CONT'D)

### Material accounting policy information

#### (a) Lease and non-lease components

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

#### (b) Recognition exemption

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

## 21. PROVISION FOR RETIREMENT BENEFIT

The defined benefit plan, provided by the Group and the Company to all eligible Malaysian Directors and employees, pays a lump sum benefit which are defined by salary and period of service to qualified Directors and employees upon their retirement. The defined benefit plan is unfunded, benefits are paid directly by the Group and the Company and all the participants are active participants.

The plan exposes the Group and the Company to actuarial risks such as interest rate risk and inflation risk as explained below:-

### 21.1 Interest rate risk

The present value of the defined benefit liability is calculated using a discount rate determined by reference to market yields of high-quality corporate bonds. The estimated term of the bonds is consistent with the estimated term of the defined benefit liability. A decrease in market yield on high quality corporate bonds will increase the Group's and the Company's defined benefit liability.

### 21.2 Inflation risk

A significant proportion of the defined benefit liability is linked to inflation. An increase in the inflation rate will increase the Group's and the Company's liability.

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### 21. PROVISION FOR RETIREMENT BENEFIT (CONT'D)

The plan exposes the Group and the Company to actuarial risks such as interest rate risk and inflation risk as explained below (Cont'd):-

#### 21.3 Movement in defined benefit plan

The following is the reconciliation of the Group's and of the Company's defined benefit liability presented in the statements of financial position for each reporting period:-

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At 1.1	62,428	61,778	9,751	9,170
Current service costs	3,239	3,326	150	221
Past service cost	167	—	—	—
Net interests	3,114	3,071	255	360
Benefit paid	(5,039)	(5,747)	—	—
Remeasurement effects recognised in other comprehensive loss				
– Plan experience	590	—	552	—
– Demographic assumptions	22	—	(2)	—
– Financial assumptions	7,120	—	474	—
At 31.12	71,641	62,428	11,180	9,751

#### 21.4 Actuarial assumptions

Significant actuarial assumptions for the determination of the defined benefit liability are discount rate and future salary growth.

The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while all other assumptions remained constant.

Group	Core assumption %	Sensitivity analysis	Effect on defined benefit liability (decrease)/ increase RM'000	Effect on defined benefit liability (decrease)/ increase %
<u>2024</u>				
Discount rate	4.20%	1.0% increase	(5,637)	(8%)
		1.0% decrease	6,535	9%
Future salary growth	6.25%	1.0% increase	6,336	9%
		1.0% decrease	(5,586)	(8%)
<u>2023</u>				
Discount rate	5.50%	1.0% increase	(4,265)	(7%)
		1.0% decrease	4,901	8%
Future salary growth	6.30%	1.0% increase	5,767	9%
		1.0% decrease	(5,093)	(8%)

**21. PROVISION FOR RETIREMENT BENEFIT (CONT'D)**

The plan exposes the Group and the Company to actuarial risks such as interest rate risk and inflation risk as explained below (Cont'd):-

**21.4 Actuarial assumptions (Cont'd)**

Company	Core assumption %	Sensitivity analysis	Effect on defined benefit liability (decrease)/ increase RM'000	Effect on defined benefit liability (decrease)/ increase %
<u>2024</u>				
Discount rate	4.20%	1.0% increase	(373)	(3%)
		1.0% decrease	398	4%
Future salary growth	6.25%	1.0% increase	386	4%
		1.0% decrease	(370)	(3%)
<u>2023</u>				
Discount rate	5.50%	1.0% increase	(116)	(1%)
		1.0% decrease	127	1%
Future salary growth	6.30%	1.0% increase	242	3%
		1.0% decrease	(226)	(2%)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit liability because it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. In presenting the above sensitivity analysis, the present value of the defined benefit liability has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit liability recognised in the statements of financial position.

**21.5 Defined benefit plan expenses**

Amount recognised in profit or loss is as follows:-

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Included in profit or loss</b>				
Current service costs	3,239	3,326	150	221
Past service cost	167	—	—	—
Net interests	3,114	3,071	255	360
Total expenses recognised in profit or loss	6,520	6,397	405	581

**21.6 Other information on the defined benefit plan**

The weighted average duration of the defined benefit liability of the Group and of the Company is 9 years and 4 years (2023: 8.18 years and 2.65 years). The Group and the Company are expected to make benefit payment of RM3,923,000 and RM326,000 respectively in 2025 (2023: RM4,661,000 and RM354,000 respectively in 2024).

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### 22. GOVERNMENT GRANTS

	2024 RM'000	Group 2023 RM'000
At 1.1	18,134	6,302
Granted during the financial year	–	13,215
Amortised during the financial year	(1,905)	(1,383)
At 31.12	16,229	18,134
Analysed as:-		
Non-current	14,324	16,229
Later than one year but not later than two years	1,905	1,905
Later than two years but not later than five years	5,715	5,715
Later than five years	6,704	8,609
Current	1,905	1,905
At 31.12	16,229	18,134

Government grants have been received for the purchase of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants.

#### Material accounting policy information

Government grants are not recognised until there is reasonable assurance that the grants will be received and the Group will comply with all attached conditions.

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

### 23. TRADE PAYABLES

Currency exposure profile of trade payables other than functional currencies are as follows:-

	2024 RM'000	Group 2023 RM'000
United States Dollar	1,340	1,958
Singapore Dollar	–	58

Normal trade credit terms granted by suppliers range from cash term to 90 days (2023: cash term to 90 days).

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### 24. OTHER PAYABLES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-trade payables	57,048	45,959	–	–
Deposits received	1,202	221	69	69
Accruals	53,622	59,440	1,971	2,184
Goods and Services Tax payable	2,919	1,983	–	–
Sales Tax payable	1,800	1,841	–	–
	116,591	109,444	2,040	2,253

Currency exposure profile of other payables other than functional currencies are as follows:-

	Group	
	2024 RM'000	2023 RM'000
United States Dollar	6,951	2,000
Australia Dollar	33	–
Singapore Dollar	2,067	8

### 25. DERIVATIVE FINANCIAL INSTRUMENTS

Group	Contract/ Notional amount RM'000	Positive fair value RM'000	Negative fair value RM'000
<b>Current</b>			
Forward currency contracts			
2024	24,950	243	–
2023	1,163	4	–

The Group uses forward currency contracts to manage transaction exposure and they have maturity period of less than 12 months.

These contracts are not designated as cash flow hedge or fair value hedge as they are not qualified for hedge accounting. The contract period is consistent with the currency transaction exposure and fair value changes exposure.

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### 26. REVENUE

Revenue comprises the following:-

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue from contract with customers	1,452,808	1,504,424	–	–
Revenue from other sources				
- Dividend income from subsidiaries	–	–	17,178	13,356
- Dividend income from quoted investment in Malaysia	976	1,003	976	1,003
- Management fees from subsidiaries	–	–	8,804	8,138
	1,453,784	1,505,427	26,958	22,497

#### Disaggregation of revenue from contracts with customers

Revenue from contracts with customers is disaggregated by primary geographical market, major products and timing of revenue recognition in the following table:-

	Group	
	2024 RM'000	2023 RM'000
<b>Major products/service lines</b>		
Manufacturing and sale of industrial paper and paper related products	1,270,520	1,314,683
Trading of school books, uniforms and stationery	161,290	156,427
Trading of paper related products and agency commission earned	20,998	33,314
	1,452,808	1,504,424

#### Timing of revenue recognition

Products and services transferred at a point in time	1,452,808	1,504,424
--	-----------	-----------

- Revenue from manufacturing and sale of industrial paper and paper related products, trading of school books, uniforms and stationery, paper related products and agency commission earned are recognised at a point in time upon the acceptance of those products and services by the customers.
- The payment terms for billings arising from revenue are disclosed in Note 11 to the financial statements.
- The revenue of the Group contain no elements of variable consideration, obligations for returns or refund or warranties.



**27. FINANCE COSTS**

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Interest expenses on:-				
Bank overdrafts	1,757	1,341	*	*
Trade financing facilities	15,955	14,058	—	—
Lease liabilities	2,261	2,014	31	44
Revolving credit	7,354	7,793	—	—
Term loans	4,312	5,323	—	—
Other borrowings	1,078	905	—	—
Recognised in profit or loss	32,717	31,434	31	44
Capitalised on qualifying assets:-				
- Property, plant and equipment (Note 3)	1,849	1,543	—	—
	34,566	32,977	31	44

\* Less than RM1,000

**28. (LOSS)/PROFIT BEFORE TAX**

The following amounts have been included in arriving at (loss)/profit before tax:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<b>After charging:-</b>				
Auditors' remuneration related to:				
Statutory audits				
- Grant Thornton Malaysia PLT ("GT")	525	500	57	53
- Other member firm of GT	18	17	—	—
- Other auditors	349	356	—	—
Assurance-related services:				
- GT	14	14	14	14
Non-assurance-related services:				
- GT	6	—	—	—
Other services:				
- Tax compliance fee	152	145	8	8
- Facilitation of review by other auditors	41	40	41	40
Bad debts written off	147	35	—	—
Fair value adjustments on investment properties	320	400	—	—
Impairment loss on trade receivables	1,126	1,600	—	—
Inventories written down	6,884	129	—	—
Inventories written off	187	1,512	—	—
Loss on foreign exchange				
- realised	3,031	—	—	—
Property, plant and equipment written off	1,023	841	—	2
Impairment loss on other receivables	76	—	—	—
Loss on early termination of lease contracts	44	—	—	—

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### 28. (LOSS)/PROFIT BEFORE TAX (CONT'D)

The following amounts have been included in arriving at (loss)/profit before tax (Cont'd):-

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<b>After crediting:-</b>				
Amortisation of government grants	(1,905)	(1,383)	—	—
Bad debts recovered	(73)	(75)	—	—
Fair value gain on financial assets at fair value through profit or loss	(301)	(59)	(301)	(59)
Gain on disposal of investment properties	(350)	(150)	—	—
Gain on disposal of financial asset at fair value through other comprehensive income	—	(3,203)	—	—
Fair value gain on derivative financial instruments	(239)	(506)	—	—
Gain on disposal of property, plant and equipment	(1,577)	(400)	(96)	—
Gain on foreign exchange				
- realised	—	(357)	—	—
- unrealised	(429)	(1,026)	—	—
Interest income	(1,311)	(1,021)	(300)	—
Rental income				
- third parties	(1,708)	(1,333)	(252)	(235)
Reversal of inventories written down	(101)	(4,452)	—	—
Reversal of impairment loss on trade receivables	(1,367)	(1,054)	—	—
Gain on early termination of lease contracts	—	(7)	—	—
Dividend income				
- subsidiaries	—	—	(17,178)	(13,356)
- quoted investment in Malaysia	(1,224)	(1,003)	(976)	(1,003)

### 29. EMPLOYEE BENEFITS EXPENSES

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Salary, wages and other allowances	213,779	212,672	6,729	6,142
Defined contribution plan	17,004	16,901	409	365
Defined benefit plan	6,520	6,397	405	581
	237,303	235,970	7,543	7,088

The Group has elected to present government grants by reducing the employee benefits expenses. The Group had committed to spend the wages subsidy on employees' payroll expenses and does not reduce any employee headcount for a specified period of time. The Group does not have any unfulfilled obligations relating to the wage subsidy programmes.

Included in employee benefits expenses are the Directors' emoluments disclosed in Note 30 to the financial statements.

**30. DIRECTORS' REMUNERATION**

Remuneration of Directors are as follows:-

Group	Fees RM'000	Salary RM'000	Bonus RM'000	Other emoluments RM'000	Benefits- in-kind RM'000	Total RM'000
<u>2024</u>						
Executive Directors	458	3,264	560	449	134	4,865
Non-Executive Directors	602	971	115	963	57	2,708
	1,060	4,235	675	1,412	191	7,573
<u>2023</u>						
Executive Directors	804	3,096	600	448	105	5,053
Non-Executive Directors	736	947	84	1,056	52	2,875
	1,540	4,043	684	1,504	157	7,928
<b>Company</b>						
<u>2024</u>						
Executive Directors	120	3,264	560	326	134	4,404
Non-Executive Directors	360	–	–	697	30	1,087
	480	3,264	560	1,023	164	5,491
<u>2023</u>						
Executive Directors	120	3,096	600	318	105	4,239
Non-Executive Directors	405	–	–	832	30	1,267
	525	3,096	600	1,150	135	5,506

The estimated monetary value of benefits provided to Directors of the Group and of the Company during the financial year by way of usage of the Company's and subsidiaries' assets and other benefits amounted to RM191,000 (2023: RM157,000) and RM164,000 (2023: RM135,000) respectively.

**31. TAX INCOME****Tax recognised in profit or loss**

	2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	2023 RM'000
<b>Current tax expense</b>				
Current year	4,347	3,732	113	38
Real property gains tax	63	38	–	–
Over provision in prior years	(417)	(579)	(38)	(1)
Total current tax recognised in profit or loss	3,993	3,191	75	37

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## 31. TAX INCOME (CONT'D)

### Tax recognised in profit or loss (Cont'd)

	2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	2023 RM'000
<b>Deferred tax income</b>				
Origination and reversal of temporary differences	(17,832)	(17,340)	(331)	(123)
(Over)/Under provision in prior years	(1,394)	(8,397)	(123)	26
Realisation of deferred tax upon depreciation of revalued assets	(1,153)	(1,290)	(83)	(83)
Realisation of deferred tax upon disposal of revalued assets	(749)	–	–	–
Total deferred tax recognised in profit or loss	(21,128)	(27,027)	(537)	(180)
Total tax income	(17,135)	(23,836)	(462)	(143)

Reconciliation of tax income applicable to (loss)/profit before tax at statutory tax rate to tax income at the effective tax rate is as follows:-

	2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	2023 RM'000
(Loss)/Profit before tax	(65,002)	(49,270)	16,248	11,718
Tax at Malaysian statutory tax rate of 24%	(15,600)	(11,825)	3,900	2,812
Tax effects in respect of-				
Expenses not deductible for tax purposes	10,947	12,943	499	382
Income not subject to tax	(8,928)	(7,486)	(4,451)	(3,445)
Realisation of deferred tax upon depreciation of revalued assets	(1,153)	(1,290)	(83)	(83)
Movement on deferred tax assets not recognised	204	(3,313)	(166)	166
Utilisation of reinvestment allowances	–	(3,029)	–	–
Effect of different tax rate for fair value of investment properties	(502)	20	–	–
Different tax rates of foreign subsidiaries	(355)	(918)	–	–
(Over)/Under provision in prior years				
- Current tax	(417)	(579)	(38)	(1)
- Deferred tax	(1,394)	(8,397)	(123)	26
Real property gains tax	63	38	–	–
	(17,135)	(23,836)	(462)	(143)

**31. TAX INCOME (CONT'D)****Tax recognised in other comprehensive loss**

	2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	2023 RM'000
Remeasurement of defined benefit liability	1,678	–	246	–

**32. LOSS PER SHARE****Basic and diluted**

Loss per share is calculated based on the Group's loss for the financial year attributable to owners of the Company of RM50,523,000 (2023: RM30,776,000) and weighted average number of ordinary shares in issue during the financial year of 305,050,835 (2023: 305,050,835).

Diluted loss per share equals basic loss per share as there were no dilutive potential equity instruments in issue that gave diluted effect to the loss per share.

**33. DIVIDENDS**

	Group and Company RM'000
<b>Recognised during the financial year</b>	
<u>2024</u>	
First and final single tier dividend for financial year 2023:- 3.0 sen per share	9,152
<u>2023</u>	
First and final single tier dividend for financial year 2022:- 4.0 sen per share	12,202

A first and final single tier dividend of 2.0 sen per ordinary share, amounting to RM6,101,000 was recommended by the Directors in respect of the financial year ended 31 December 2024.

This dividend is not reflected in the financial statements for the current financial year and will be accounted for as an appropriation of retained earnings in the financial year ending 31 December 2025.

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### 34. CAPITAL COMMITMENTS

Capital expenditure not provided for in the financial statements is as follows:-

	Group	
	2024 RM'000	2023 RM'000
Contracted but not provided for:-		
Land and buildings	11,075	2,809
Plant and machinery	41,102	21,793
Computer system and others	347	220
	52,524	24,822

### 35. RELATED PARTIES

For the purpose of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities. Related parties also include key management personnel.

The Group has related party relationship with its substantial shareholders, subsidiaries and associates, Directors and key management personnel.

The outstanding balances arising from related party transactions as at the reporting date are disclosed in Notes 5, 6 and 11 to the financial statements.

Related party transactions have been entered into the normal course of business under normal trade terms. Related party transactions of the Group and of the Company are as follows:-

#### 35.1 Transactions with subsidiaries

	Company	
	2024 RM'000	2023 RM'000
Lease rental charged by	216	216
Secretarial and statutory records maintenance fee charged by	144	128
Office administration fee charged by	485	516
Share registration fee charged by	165	147
Dividend income	17,178	13,356
Management fee charged to	8,804	8,138
Interest income charged to	300	—
Purchase of property, plant and equipment from	162	—

#### 35.2 Transactions with associates

	Group	
	2024 RM'000	2023 RM'000
Sales of goods	258	574

**35. RELATED PARTIES (CONT'D)**

Related party transactions have been entered into the normal course of business under normal trade terms. Related party transactions of the Group and of the Company are as follows (Cont'd):-

**35.3 Related party transactions with a major shareholder, Asia File Corporation Bhd. and its subsidiaries**

	2024 RM'000	Group 2023 RM'000
Sale of goods	1,737	1,548

**35.4 Transaction with Tri-yen Enterprise Sdn. Bhd., a company in which Directors have interest**

	2024 RM'000	Group 2023 RM'000
Lease rental charged by	146	144

Tri-yen Enterprise Sdn. Bhd. is a company in which certain Directors namely, Tan Sri Lim Guan Teik and Datuk Wira Lim Chiun Cheong have or are deemed to have substantial interest.

**35.5 Compensation of key management personnel**

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel consist of Executive Directors of the Company and foreign subsidiaries.

The remunerations of key management personnel of the Group other than non-executive Directors are as follows:-

	2024 RM'000	Group 2023 RM'000
Fees, salaries, bonus and other emoluments	9,555	7,273
Benefit-in-kind	196	105
	9,751	7,378

**36. FINANCIAL INSTRUMENTS****36.1 Classification of financial instruments**

Financial assets and financial liabilities are measured either at fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVTOCI") or at amortised cost.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:-

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<b>Financial assets:-</b>				
<u>FVTPL</u>				
Short term investment	5,926	5,495	5,926	5,495
Derivative financial instruments	243	4	—	—
<u>Amortised cost</u>				
Trade receivables	227,913	238,026	—	—
Other receivables	32,931	25,041	154	162
Amount due from subsidiaries	—	—	37,496	14,631
Amount due from associates	1,304	1,422	860	871
Cash and bank balances, deposits and short-term placements	128,000	169,569	9,812	25,782
Total financial assets	396,317	439,557	54,248	46,941
<b>Financial liabilities:-</b>				
<u>Amortised cost</u>				
Borrowings	710,463	672,643	—	—
Lease liabilities	36,103	39,692	1,038	922
Trade payables	56,760	56,725	—	—
Other payables	111,872	105,620	2,040	2,253
Amount due to subsidiaries	—	—	19	66
Total financial liabilities	915,198	874,680	3,097	3,241

**36.2 Risk management objectives and policies**

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The Group and the Company have established policies and procedures to ensure effective management of credit risk, liquidity risk, interest rate risk, foreign currency risk and other price risk.



## 36. FINANCIAL INSTRUMENTS (CONT'D)

### 36.2 Risk management objectives and policies (Cont'd)

The following sections explain key risks faced by the Group and the Company.

#### 36.2.1 Credit risk

Credit risk refers to the risk that a counterparty will default in its contractual obligations resulting in financial loss to the Group and the Company. The Group and the Company adopt the policy of dealing with its customers of appropriate standing to mitigate credit risk and those customers who wish to trade on credit terms are subject to credit evaluation. Receivables are monitored on an ongoing basis to mitigate risk of bad debts.

For other financial assets, the Group and the Company adopt the policy of dealing with the reputable institutions. The Group's and the Company's exposure to credit risk arising from cash and cash equivalents, trade and other receivables and derivative financial instruments is limited because the counterparties are banks and financial institutions with high credit ratings and have no history of default.

In respect of trade and other receivables, the Group and the Company are not subject to any significant credit risk exposure to a single counterparty or a group of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various industries and geographical areas.

An impairment analysis is performed at each reporting date using a provision of matrix to measure expected credit losses ("ECLs"). The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance).

Information regarding the Group's exposure to credit risk and ECLs for trade receivables is disclosed in Note 11 to the financial statements.

##### 36.2.1.1 Exposure to credit risk

Maximum exposure of the Group and of the Company to credit risk is represented by the carrying amounts of financial assets recognised in the statements of financial position.

The Group and the Company continuously monitor credit standing of customers and other counterparties, identified either individually or by group, and incorporate this information into its credit risk control. External credit ratings and/or reports on customers and other counterparties may also be used for credit assessment purposes.

The Company provides secured financial guarantees to financial institutions in respect of credit facilities granted to certain subsidiaries. The maximum exposure to credit risk is as described in Note 36.2.2.1 as at the reporting date. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries. As at the end of the reporting period, there was no indication that the subsidiaries would default in payment.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

#### 36.2.2 Liquidity risk

Liquidity risk refers to the risk that the Group and the Company will encounter difficulty in meeting the obligations as and when they fall due. The Group and the Company are exposed to liquidity risk arising from payables, lease liabilities, borrowings and they maintain certain levels of cash and cash equivalents and bank credit facilities deemed adequate to ensure there is sufficient liquidity to meet the obligations as and when they fall due.

**36. FINANCIAL INSTRUMENTS (CONT'D)****36.2 Risk management objectives and policies (Cont'd)****36.2.2 Liquidity risk (Cont'd)****36.2.2.1 Analysis of financial liabilities by remaining contractual maturity period**

The following is a summary of the financial liabilities of the Group and of the Company according to maturity period:-

Group	Within 1 year RM'000	1 to 5 years RM'000	More than 5 years RM'000	Total RM'000
<u>2024</u>				
Borrowings	618,100	103,511	–	721,611
Lease liabilities	15,002	24,293	–	39,295
Trade payables	56,760	–	–	56,760
Other payables	111,872	–	–	111,872
Total undiscounted financial liabilities	801,734	127,804	–	929,538
<u>2023</u>				
Borrowings	561,416	116,253	5,942	683,611
Lease liabilities	14,963	28,614	4	43,581
Trade payables	56,725	–	–	56,725
Other payables	105,620	–	–	105,620
Total undiscounted financial liabilities	738,724	144,867	5,946	889,537
<b>Company</b>				
<u>2024</u>				
Lease liabilities	416	698	–	1,114
Other payables	2,040	–	–	2,040
Amount due to subsidiaries	19	–	–	19
Total undiscounted financial liabilities	2,475	698	–	3,173
Financial guarantees*	1,348,497	–	–	1,348,497
<u>2023</u>				
Lease liabilities	381	596	–	977
Other payables	2,253	–	–	2,253
Amount due to subsidiaries	66	–	–	66
Total undiscounted financial liabilities	2,700	596	–	3,296
Financial guarantees*	1,335,740	–	–	1,335,740

**36. FINANCIAL INSTRUMENTS (CONT'D)****36.2 Risk management objectives and policies (Cont'd)****36.2.2 Liquidity risk (Cont'd)****36.2.2.1 Analysis of financial liabilities by remaining contractual maturity period (Cont'd)**

\*This exposure is included in liquidity risk for illustration only. No financial guarantee was called upon by the holders as at the end of the reporting period.

The above amounts reflected the contractual undiscounted cash flows of the financial liabilities, which may differ from carrying values of the liabilities at the end of the financial year.

**36.2.3 Interest rate risk**

Interest rate risk is caused by changes in market interest rate resulting in fluctuation in fair value or future cash flows of financial instruments of the Group and of the Company. The Group's and the Company's interest rate management objective is to manage the interest expenses to be consistent with maintaining an acceptable level of exposure to interest rate fluctuation.

The Group's and the Company's borrowings at variable interest rates are exposed to the risk of change in cash flows due to changes in interest rate. Investment in equity securities, short-term receivables and payables are not significantly exposed to any interest rate risk.

**36.2.3.1 Interest rate sensitivity analysis**

The Group and the Company are exposed to changes in market interest rates through bank borrowings at variable interest rates. Other borrowings are at fixed interest rates. The following is interest rate profile of the significant interest-bearing financial instruments, based on carrying amounts as at the reporting date:-

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Fixed rate instruments</b>				
<u>Financial assets</u>				
Fixed deposits with licensed banks	15,944	19,263	–	–
Short-term placements with financial institutions	–	5,000	–	–
<u>Financial liability</u>				
Lease liabilities	(36,103)	(39,692)	(1,038)	(922)
Net financial liabilities	(20,159)	(15,429)	(1,038)	(922)

**36. FINANCIAL INSTRUMENTS (CONT'D)****36.2 Risk management objectives and policies (Cont'd)****36.2.3 Interest rate risk (Cont'd)****36.2.3.1 Interest rate sensitivity analysis (Cont'd)**

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<b>Floating rate instruments</b>				
<u>Financial asset</u>				
Amount due from subsidiaries	–	–	24,864	–
<u>Financial liabilities</u>				
Trade financing facilities	(390,365)	(334,727)	–	–
Revolving credit	(139,771)	(163,798)	–	–
Term loans	(115,387)	(133,118)	–	–
Other borrowings	(29,058)	(23,666)	–	–
Bank overdrafts	(35,882)	(17,334)	–	–
Net financial (liabilities)/asset	(710,463)	(672,643)	24,864	–

The following illustrates the sensitivity of profit or loss/equity to a reasonably possible change in interest rates of +/-25 (2023: +/-25) basis points ("bp"). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

	Group		Company	
	Effect on profit or loss/equity for the financial year		Effect on profit or loss/equity for the financial year	
	25bp increase	25bp decrease	25bp increase	25 bp decrease
	RM'000	RM'000	RM'000	RM'000
2024	(1,350)	1,350	47	(47)
2023	(1,278)	1,278	–	–

**36.2.4 Foreign currency risk**

The Group is exposed to foreign currency risk on sales and purchases transactions denominated in currency other than functional currencies of the Group's respective entities. The material currencies giving rise to this risk are primarily United States Dollar (USD), Australia Dollar (AUD) and Singapore Dollar (SGD).

The Group uses forward exchange contracts to hedge its foreign currency risk and the contract period is less than one year.

**36. FINANCIAL INSTRUMENTS (CONT'D)****36.2 Risk management objectives and policies (Cont'd)****36.2.4 Foreign currency risk (Cont'd)**

Carrying amounts of the exposure to foreign currency risk are as follows:-

Group	USD RM'000	AUD RM'000	SGD RM'000
<u>2024</u>			
Trade and other receivables	38,004	2,497	4,487
Cash and bank balances, deposits and short-term placements	5,296	1,916	1,933
Trade and other payables	(8,291)	(33)	(2,067)
Borrowings	(23,284)	—	—
Net exposure	11,725	4,380	4,353
<u>2023</u>			
Trade and other receivables	33,427	3,447	6,056
Cash and bank balances, deposits and short-term placements	13,306	2,253	1,530
Trade and other payables	(3,958)	—	(66)
Net exposure	42,775	5,700	7,520

**36.2.4.1 Foreign currency sensitivity analysis**

The following table illustrates the sensitivity of profit or loss/equity with regards to the Group's financial assets and financial liabilities and the RM/USD exchange rate, RM/AUD exchange rate and RM/SGD exchange rate assuming all other things being equal.

A +/-5% (2023: +/-5%) change in the RM/USD, RM/AUD and RM/SGD exchange rates at the reporting period is deemed possible. Both of these percentages have been determined based on average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Group's foreign currency financial instruments held at each reporting date and also takes into account forward exchange contracts that offset effects from changes in currency exchange rates.

If the RM had strengthened against the USD, AUD and SGD, then the impact would be as follows:-

Group	← Effect on profit or loss/equity → for the financial year		
	USD RM'000	AUD RM'000	SGD RM'000
2024	(445)	(166)	(165)
2023	(1,625)	(217)	(286)

**36. FINANCIAL INSTRUMENTS (CONT'D)****36.2 Risk management objectives and policies (Cont'd)****36.2.4 Foreign currency risk (Cont'd)****36.2.4.1 Foreign currency sensitivity analysis (Cont'd)**

If the RM had weakened against the USD, AUD and SGD, then the impact on profit/equity for the financial year would be strengthened.

Exposures to foreign exchange rates vary during the financial year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to currency risk.

**36.2.5 Other price risk sensitivity analysis**

The Group and the Company are exposed to equity price risk due to fluctuation in prices of quoted securities under financial assets at FVTPL (Note 13). The movements in quoted price of these securities are monitored continuously.

An increase or a decrease of 1% (2023: 1%) in the prices of the quoted securities would result in an increase or a decrease of RM45,000 (2023: RM42,000) to the profit or loss of the Group and of the Company.

**37. FAIR VALUE MEASUREMENT****37.1 Fair value measurement of financial instruments**

The carrying amounts of financial instruments of the Group and of the Company at reporting date approximate their fair values because they are floating rate instruments which are re-priced to market rates on or near reporting date or they have a short maturity period.

The following table summarises the methods used in determining the fair value of financial assets and financial liabilities on a recurring basis as follows:-

**Group**

Financial assets/ financial liabilities	Fair value as at 31 December		Fair value hierarchy	Valuation techniques and key inputs
	2024 RM'000	2023 RM'000		
1) Foreign currency forward contracts	Assets 243	Assets 4	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.
2) Financial assets at FVTPL	Assets 5,926	Assets 5,495	Level 1	Quoted bid prices in an active market.

**37. FAIR VALUE MEASUREMENT (CONT'D)****37.1 Fair value measurement of financial instruments** (Cont'd)

The following table summarises the methods used in determining the fair value of financial assets and financial liabilities on a recurring basis as follows (Cont'd):-

**Company**

Financial assets	Fair value as at 31 December		Fair value hierarchy	Valuation techniques and key inputs
	2024 RM'000	2023 RM'000		
Financial assets at FVTPL	5,926	5,495	Level 1	Quoted bid prices in an active market.

There was no transfer between the Levels in financial year 2024 and 2023.

### 37. FAIR VALUE MEASUREMENT (CONT'D)

#### 37.2 Fair value measurement of non-financial assets

The following table summarises the methods used in determining the fair value of non-financial assets on a recurring basis as follows:-

##### Group

Non-financial assets	Fair value as at 31 December		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	2024 RM'000	2023 RM'000				
1) Property, plant and equipment	Land 533,165 <u>Buildings</u> 342,165	Land 545,475 <u>Buildings</u> 357,284	Level 3	Comparison approach which reflects recent market transactions for similar properties.  Depreciated replacement cost and comparison approach reflecting the cost to a market participant to construct assets of comparable utility and age, adjusted for obsolescence.	Adjustment for factors such as plot size, location, encumbrances and current use.  Adjustment for factors such as physical deterioration, functional and economic obsolescence.	The extent and direction of this adjustment depends on the number and characteristics of the observable market transactions in similar properties that are used as starting point for valuation.  Depreciation is deducted to reflect the current condition of the buildings and structures.
2) Investment properties	Land 4,700 <u>Buildings</u> 2,440	Land 5,850 <u>Buildings</u> 3,130	Level 3	Comparison approach which reflects recent market transactions for similar properties.  Depreciated replacement cost and comparison approach reflecting the cost to a market participant to construct assets of comparable utility and age, adjusted for obsolescence.	Adjustment for factors such as plot size, location, encumbrances and current use.  Adjustment for factors such as physical deterioration, functional and economic obsolescence.	The extent and direction of this adjustment depends on the number and characteristics of the observable market transactions in similar properties that are used as starting point for valuation.  Depreciation is deducted to reflect the current condition of the buildings and structures.



**37. FAIR VALUE MEASUREMENT (CONT'D)****37.2 Fair value measurement of non-financial assets (Cont'd)**

The following table summarises the methods used in determining the fair value of non-financial assets on a recurring basis as follows (Cont'd):-

**Group (Cont'd)**

Non-financial assets	Fair value as at 31 December		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	2024 RM'000	2023 RM'000				
3) Assets classified as held for sale	<u>Land</u> 8,323	<u>Land</u> —	Level 3	Comparison approach which reflects recent market transactions for similar properties.	Adjustment for factors such as plot size, location, encumbrances and current use.	The extent and direction of this adjustment depends on the number and characteristics of the observable market transactions in similar properties that are used as starting point for valuation.
	<u>Buildings</u> 4,383	<u>Buildings</u> —		Depreciated replacement cost and comparison approach reflecting the cost to a market participant to construct assets of comparable utility and age, adjusted for obsolescence.	Adjustment for factors such as physical deterioration, functional and economic obsolescence.	Depreciation is deducted to reflect the current condition of the buildings and structures.

### 37. FAIR VALUE MEASUREMENT (CONT'D)

#### 37.2 Fair value measurement of non-financial assets (Cont'd)

##### Group (Cont'd)

The reconciliation of the carrying amounts of non-financial assets classified within Level 3 is as follows:-

	Property, plant and equipment			Investment properties		
	Land	Buildings	Land	Buildings	Land	Buildings
	2024	2023	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1.1	545,475	549,342	357,284	364,849	5,850	7,140
Disposal	-	-	-	-	(460)	(800)
Transfer to assets classified as held for sale	(7,843)	-	(4,193)	-	(480)	-
Expenses recognised in profit or loss:-						
- Increase/(Decrease) in fair value of land and building	-	-	-	-	(210)	(490)
- Depreciation	(3,944)	(4,102)	(8,464)	(8,613)	-	-
Translation difference	(523)	235	(2,462)	1,048	-	-
At 31.12	533,165	545,475	342,165	357,284	4,700	5,850
					2,440	3,130

	Assets classified as held for sale		
	Land	Buildings	
	2024	2023	2023
	RM'000	RM'000	RM'000
At 1.1	-	-	-
Transfer from property, plant and equipment	7,843	-	-
Transfer from investment properties	480	190	-
At 31.12	8,323	-	4,383

**37. FAIR VALUE MEASUREMENT (CONT'D)****37.2 Fair value measurement of non-financial assets (Cont'd)**

The following table summarises the methods used in determining the fair value of non-financial assets on a recurring basis as follows:-

**Company**

Non-financial assets	Fair value as at 31 December		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	2024 RM'000	2023 RM'000				
Property, plant and equipment	<u>Land</u> 16,591	<u>Land</u> 16,938	Level 3	Comparison approach which reflects recent market transactions for similar properties.  Depreciated replacement cost and comparison approach reflecting the cost to a market participant to construct assets of comparable utility and age, adjusted for obsolescence.	Adjustment for factors such as plot size, location, encumbrances and current use.  Adjustment for factors such as physical deterioration, functional and economic obsolescence.	The extent and direction of this adjustment depends on the number and characteristics of the observable market transactions in similar properties that are used as starting point for valuation.  Depreciation is deducted to reflect the current condition of the buildings and structures.
	<u>Buildings</u> 3,096	<u>Buildings</u> 3,181				

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### 37. FAIR VALUE MEASUREMENT (CONT'D)

#### 37.2 Fair value measurement of non-financial assets (Cont'd)

The reconciliation of the carrying amounts of non-financial assets classified within Level 3 is as follows:-

	Property, plant and equipment			
	Land		Buildings	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At 1.1	16,938	17,286	3,181	3,265
Expenses recognised in profit or loss:-				
- Depreciation	(347)	(348)	(85)	(84)
At 31.12	16,591	16,938	3,096	3,181

### 38. CAPITAL MANAGEMENT

The primary capital management objective of the Group and of the Company is to achieve sustainable growth and maximise return to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

No changes were made in the objectives, policies or processes for managing capital during the financial year 2024 and 2023.

The Group manages the mixture of equity and borrowings to ensure that gearing ratio of the Group does not exceed 1.5 and consolidated shareholders' equity is not less than RM400,000,000 to comply with the covenants of certain loan and credit facilities taken by certain subsidiaries. Shareholders' equity and gearing ratio at the end of financial year 2024 and 2023 are reported below:-

	2024 RM'000	Group 2023 RM'000
Borrowings (including lease liabilities and bank overdrafts)	746,566	712,335
Total equity	1,225,146	1,300,157
Debt-to-equity ratio	0.61	0.55

### 39. OPERATING SEGMENTS – GROUP

The management identifies the Group's manufacturing and trading operations as operating segments. These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results. The following summary describes the operations in each of the Group's reportable segments:-

Manufacturing segment : Manufacture of various types of industrial paper, corrugated cartons, paper bags, paper stationery and paper based food packaging products.

Trading segment : Trading in paper, recovered paper and stationery products.

Other non-reportable segments comprise of operations related to investment holding, property holding, management consultancy, general insurance agency services and engineering and fabrication services.

Transfer prices between operating segments are on negotiated basis.

Performance is measured based on segment (loss)/profit before tax, interest, depreciation and amortisation, as included in the internal management reports. Segment profit is used to measure performance as the management believes that such information is most relevant in evaluating the results of certain segments relative to other entities that operates within these industries.

**39. OPERATING SEGMENTS – GROUP (CONT'D)**

Analysis of the Group's revenue, results, assets, liabilities and other information by operating segment are shown below:-

	Manufacturing		Trading		Others		Eliminations		Note	Consolidated	
	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
<b>Revenue</b>											
External revenue	1,270,520	1,314,683	182,288	189,741	976	1,003	-	-		1,453,784	1,505,427
Intersegment revenue	11,603	14,482	245,871	212,803	11,482	10,341	(268,956)	(237,626)	A	-	-
Total revenue	1,282,123	1,329,165	428,159	402,544	12,458	11,344	(268,956)	(237,626)		1,453,784	1,505,427
<b>Results</b>											
Segment (loss)/profit	(36,894)	(27,073)	6,788	12,606	33,080	23,642	(35,724)	(28,208)	B	(32,750)	(19,033)
Interest income	403	319	908	651	331	109	(331)	(58)		1,311	1,021
Finance cost	(32,915)	(31,620)	(695)	(667)	(84)	(99)	977	952		(32,717)	(31,434)
Depreciation and amortisation	(79,320)	(78,947)	(4,240)	(4,081)	(1,359)	(1,482)	-	-		(84,919)	(84,510)
Share of results of associates	-	-	(846)	176	-	-	-	-		(846)	176
Other non-cash income/(expenses)	(2,468)	4,309	1,198	3,350	(2,224)	57	-	-	C	(3,494)	7,716
<b>Assets</b>											
Segment assets	2,053,085	2,061,798	166,686	184,241	57,087	80,131	-	-	D	2,276,858	2,326,170
Investment in associates	-	-	722	1,622	-	-	-	-		722	1,622
Additions to non-current assets other than financial instruments and deferred tax assets	86,349	83,552	948	8,918	1,226	11	-	-	E	88,523	92,481
Segment liabilities	206,495	189,117	40,201	44,762	14,525	12,852	-	-	F	261,221	246,731

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## 39. OPERATING SEGMENTS – GROUP (CONT'D)

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements.

- A. Intersegment revenue is eliminated on consolidation.
- B. The following items are added to/(deducted from) segment profit to arrive at "loss before tax" presented in the profit or loss:-

	2024 RM'000	2023 RM'000
Segment loss	(32,750)	(19,033)
Interest income	1,311	1,021
Finance costs	(32,717)	(31,434)
Share of results of associates	(846)	176
Loss before tax	(65,002)	(49,270)

- C. Other major non-cash (expenses)/income consist of the following items as presented in the respective notes to the financial statements:-

	2024 RM'000	2023 RM'000
Impairment loss on doubtful trade receivables	(1,126)	(1,600)
Impairment loss on other receivables	(76)	-
Bad debts written off	(147)	(35)
Fair value gain on derivative financial instruments	239	506
Fair value gain on financial assets at FVTPL	301	59
Property, plant and equipment written off	(1,023)	(841)
Inventories written down	(6,884)	(129)
Inventories written off	(187)	(1,512)
Fair value adjustments on investment properties	(320)	(400)
Amortisation of government grants	1,905	1,383
Impairment loss on doubtful trade receivables no longer required	1,367	1,054
Reversal of inventories written down	101	4,452
Gain on disposal of property, plant and equipment	1,577	400
Gain on disposal of investment properties	350	150
Gain on disposal of financial asset at FVTOCI	-	3,203
Unrealised gain on foreign exchange	429	1,026
	(3,494)	7,716

**39. OPERATING SEGMENTS – GROUP (CONT'D)**

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements (Cont'd).

- D. The following items are added to segment assets to arrive at total assets reported in the statements of financial position:-

	2024 RM'000	2023 RM'000
Segment assets	2,276,858	2,326,170
Intangible assets	16,238	16,637
Investment in associates	722	1,622
Deferred tax assets	1,524	714
Tax recoverable	12,152	11,043
Total assets	2,307,494	2,356,186

- E. Additions to non-current assets other than financial instruments and deferred tax assets consist of:-

	2024 RM'000	2023 RM'000
Property, plant and equipment	88,523	92,481

- F. The following items are added to segment liabilities to arrive at total liabilities reported in the statements of financial position:-

	2024 RM'000	2023 RM'000
Segment liabilities	261,221	246,731
Lease liabilities	36,103	39,692
Borrowings	710,463	672,643
Tax payable	1,331	1,559
Deferred tax liabilities	73,230	95,404
Total liabilities	1,082,348	1,056,029

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### 39. OPERATING SEGMENTS – GROUP (CONT'D)

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements (Cont'd).

#### Geographical information

The Group's revenue and non-current assets information based on geographical location are as follows:-

	Revenue		Non-current assets	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Malaysia*	1,258,919	1,308,894	1,491,209	1,499,681
Singapore	178,013	178,324	16,370	20,056
Australia	5,981	6,402	17,267	19,686
The People's Republic of China	10,871	11,807	15,032	16,793
	1,453,784	1,505,427	1,539,878	1,556,216

\* Company's home country

Non-current assets information presented above consist of the following items as presented in the statements of financial position:-

	2024 RM'000	2023 RM'000
Property, plant and equipment	1,516,500	1,530,599
Investment properties	7,140	8,980
Intangible assets	16,238	16,637
	1,539,878	1,556,216

#### Major customers

The Group does not have any revenue from a single external customer which represents 10% or more of the Group's revenue.



# Properties Owned By The Group

31 DECEMBER 2024

Location	Description of property	Land area (Sq metre)	Existing Use	Net carrying amount RM'000	Age of building (Approx. years)	Date of (A) acquisition / (B) revaluation / (C) fair value
Lot 11207, 1 1/2 Miles Off Jalan Sungai Chua 43000 Kajang, Selangor Darul Ehsan 99 Years Lease Expiring 2070	Industrial Building	87,499	Office, Factory & Warehouse	121,175	7 - 54	(B) 09-09-21
Lot 153, 156, 157, 160, 161, 162, 163 & 164 Jalan Tasek, 14120 Simpang Ampat Seberang Perai Selatan Penang Freehold	Industrial Building	113,147	Office, Factory, Warehouse & Water Treatment Plant	109,159	1 - 59	(B) 09-09-21
Lot 86818 1 1/2 Miles, Off Jalan Sungai Chua 43000 Kajang, Selangor Darul Ehsan Freehold	Industrial Building	48,363	Office & Factory	83,837	9 - 47	(B) 09-09-21
Lot 415, Jalan Tasek 14120 Simpang Ampat Daerah Seberang Perai Selatan Penang Freehold	Industrial Building	73,370	Office, Factory & Warehouse	52,071	2 - 31	(B) 09-09-21
Lot 5744, Taman Perindustrian Kidamai 43000 Kajang Selangor Darul Ehsan Freehold	Industrial Land	43,934	Open Storage Yard	40,200	–	(B) 09-09-21
No. 136, Jalan Usaha 4 Kawasan Perindustrian Air Keroh 75450 Melaka 99 Years Lease Expiring 2070	Industrial Building	21,600	Office, Factory & Warehouse	34,232	5	(B) 09-09-21
Lot 8869 & 8871, 1 1/2 Miles Off Jalan Sungai Chua 43000 Kajang, Selangor Darul Ehsan Freehold	Industrial Building	22,063	Warehouse	33,520	8 - 24	(B) 09-09-21

## PROPERTIES OWNED BY THE GROUP

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Location	Description of property	Land area (Sq metre)	Existing Use	Net carrying amount RM'000	Age of building (Approx. years)	Date of (A) acquisition / (B) revaluation / (C) fair value
No. 9, Jalan Persiaran Teknologi Taman Teknologi Johor 81400 Senai Johor Darul Takzim 60 Years Lease Expiring 2063	Industrial Building	38,360	Office & Factory	30,969	21	(B) 09-09-21
Lot 5235, Taman Perindustrian Kidamai 43000 Kajang Selangor Darul Ehsan Freehold	Industrial Building	21,271	Office, Factory & Open Storage Yard	30,556	7 - 13	(B) 09-09-21
Lot 775, 824, 10216, 10217, 10279, & 10286 Jalan Seberang Tasek 14120 Simpang Ampat Seberang Perai Selatan Penang Freehold	Industrial Building	47,904	Factory & Water Treatment Plant	27,611	5 - 9	(B) 09-09-21

# Analysis of Shareholdings

AS AT 24 MARCH 2025

<b>No. of Issued Shares</b>	305,050,835
<b>Class of Shares</b>	Ordinary Shares
<b>Voting Rights</b>	One vote per ordinary share

Range of Shareholdings	No. of Shareholders	No. of Issued Shares	% of Issued Shares
Less than 100	472	16,895	0.01
100 to 1,000	777	505,402	0.17
1,001 to 10,000	2,761	10,903,127	3.57
10,001 to 100,000	600	16,009,891	5.25
100,001 to less than 5% of issued shares	81	101,400,220	33.24
5% and above of issued shares	4	176,215,300	57.77
Total	4,695	305,050,835	100.00

## Directors' Direct and Deemed Interest in the Company and its Related Corporations

Other than as disclosed below, there are no other Directors of the Company who has an interest, direct or deemed, in shares of the Company and its related corporations.

Name	Direct Interest		Deemed Interest	
	No of Shares	%	No of Shares	%
Tan Sri Lim Guan Teik	3,250,000	1.07	126,093,113 *	41.34
Dato' Azaman Bin Abu Bakar	711,000	0.23	114,969,313 *	37.69
Datuk Wira Lim Chiun Cheong	715,500	0.23	128,627,613 *	42.17
Lim Siew Ling	30,000	0.01	118,487,013 *	38.84
Lim Yen Wee	170,000	0.06	119,395,413 *	39.14

By virtue of their interests in shares of Muda Holdings Berhad ("Muda"), Tan Sri Lim Guan Teik, Dato' Azaman Bin Abu Bakar, Datuk Wira Lim Chiun Cheong, Lim Siew Ling and Lim Yen Wee are also deemed interested in shares of all subsidiaries of Muda to the extent that Muda has an interest.

## Substantial Shareholders (as shown in the Register of Substantial Shareholders)

Name	Direct Interest		Deemed Interest	
	No of Shares	%	No of Shares	%
Tan Sri Lim Guan Teik	3,250,000	1.07	126,093,113 *	41.34
Dato' Azaman Bin Abu Bakar	711,000	0.23	114,969,313 *	37.69
Datuk Wira Lim Chiun Cheong	715,500	0.23	128,627,613 *	42.17
Lim Siew Ling	30,000	0.01	118,487,013 *	38.84
Lim Yen Wee	170,000	0.06	119,395,413 *	39.14
Hartaban Holdings Sdn Bhd	20,300,000	6.65	94,569,313 ^	31.00
Malaysia Nominees (Tempatan) Sendirian Berhad				
Pledged Securities Account For				
Hartaban Holdings Sdn Bhd	83,650,000	27.42	—	—
Sin Poay Sim	2,727,700	0.89	115,759,313 *	37.95
Datin Cheong Koon Hooi	4,150,000	1.36	114,869,313 *	37.66

# ANALYSIS OF SHAREHOLDINGS AS AT 24 MARCH 2025

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## Substantial Shareholders (as shown in the Register of Substantial Shareholders) (Cont'd)

Name	Direct Interest		Deemed Interest	
	No of Shares	%	No of Shares	%
Lim Chiun Shang	—	—	125,377,613 ^	41.10
Lim Chiun Khoon	—	—	125,377,613 ^	41.10
Asia File Corporation Bhd	17,439,200	5.72	54,826,100 ^	17.97
Lim & Khoo Sdn Bhd	54,826,100	17.97	—	—
Dato' Lim Soon Huat	9,666,900	3.17	72,265,300 ^	23.69
Prestige Elegance (M) Sdn Bhd	—	—	72,265,300 ^	23.69
Datin Khoo Saw Sim	—	—	72,265,300 ^	23.69

Notes:

\* Deemed to have interest in shares of Muda held by persons deemed to be connected with the Directors as defined under Section 197 of the Companies Act, 2016 and by other corporations by virtue of Section 8(4) of the Companies Act, 2016.

^ Deemed to have interest in shares of Muda held by other corporations by virtue of Section 8(4) of the Companies Act, 2016.

## 30 Largest Shareholders as per Record of Depositors as at 24 March 2025

No.	Name	No. of Shares	%
1	Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account For Hartaban Holdings Sdn. Bhd. (01-00794-000)	83,650,000	27.42
2	Lim & Khoo Sdn Bhd	54,826,100	17.97
3	Hartaban Holdings Sdn Bhd	20,300,000	6.65
4	Asia File Corporation Bhd	17,439,200	5.72
5	Styme Sdn Bhd	10,919,313	3.58
6	Beh Phaik Hooi	9,756,700	3.20
7	Dato' Lim Soon Huat	9,666,900	3.17
8	Lim Guan Teik Holdings Sdn Bhd	9,618,300	3.15
9	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB For Lim Siew Lee (PB)	9,150,000	3.00
10	Tan Hooi Hooi	6,287,200	2.06
11	Lim Siew Lee	5,161,400	1.69
12	Datin Cheong Koon Hooi	4,150,000	1.36
13	Lim Siew Lee	4,107,800	1.35
14	Tan Sri Lim Guan Teik	3,250,000	1.07
15	Teo Kwee Hock	2,874,900	0.94

ANALYSIS OF SHAREHOLDINGS  
AS AT 24 MARCH 2025

CONT'D

**30 Largest Shareholders as per Record of Depositors as at 24 March 2025 (Cont'd)**

No.	Name	No. of Shares	%
16	Sin Poay Sim	2,727,700	0.89
17	Wong Yoke Fong @ Wong Nyok Fing	2,061,700	0.68
18	Lim Soon Wah	1,125,700	0.37
19	Kenanga Nominees (Tempatan) Sdn Bhd Exempt An For Philip Securities Pte Ltd (Client Account)	1,047,200	0.34
20	MSM International Adjusters (Malaysia) Sdn Bhd	999,800	0.33
21	UOB Kay Hian Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teo Siew Lai	979,400	0.32
22	Au Yong Mun Yue	960,000	0.31
23	Lim Gin Chuan	900,000	0.30
24	Tri-Yen Enterprise Sdn Bhd	890,000	0.29
25	Datuk Wira Lim Chiun Cheong	715,500	0.23
26	Dato' Azaman Bin Abu Bakar	711,000	0.23
27	Wong Yoke Fong @ Wong Nyok Fing	703,100	0.23
28	Butterfish Sdn Bhd	680,000	0.22
29	Ooi Chin Hock	659,900	0.22
30	Wong Yoke Fong @ Wong Nyok Fing	626,100	0.21
<b>Total</b>		<b>266,944,913</b>	<b>87.50</b>

# Notice Of Annual General Meeting

**NOTICE IS HEREBY GIVEN THAT** the 54<sup>th</sup> Annual General Meeting ("54<sup>th</sup> AGM") of Muda Holdings Berhad ("the Company") will be held at Ballroom 1, Level 3D, Sheraton Petaling Jaya Hotel, Lorong Utara C, PJS 52, 46200 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 25 June 2025 at 10.00 a.m. for the purpose of considering and if thought fit, passing with or without modifications the resolutions as set out in this notice:

## AGENDA

### Ordinary Business

- |    |   |                              |
|----|---|------------------------------|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 December 2024 and the Reports of the Directors' and Auditors' thereon.  | (Note 2)                     |
| 2. | To approve the payment of a single tier final dividend of 2.0 sen per ordinary share in respect of the financial year ended 31 December 2024.   | <b>Ordinary Resolution 1</b> |
| 3. | To approve the payment of Directors' fees of RM480,000.00 to Directors of the Company in respect of the financial year ended 31 December 2024.  | <b>Ordinary Resolution 2</b> |
| 4. | To approve the payment of benefits to Non-Executive Directors of the Company for an amount of up to RM1,500,000.00 from this Annual General Meeting until the conclusion of next Annual General Meeting of the Company. | <b>Ordinary Resolution 3</b> |
| 5. | To re-elect Datuk Wira Lim Chiun Cheong who is retiring in accordance with Article 81 of the Constitution of the Company and being eligible, has offered himself for re-election.                                       | <b>Ordinary Resolution 4</b> |
| 6. | To re-elect Mr Wong Choong Yee who is retiring in accordance with Article 81 of the Constitution of the Company and being eligible, has offered himself for re-election.  | <b>Ordinary Resolution 5</b> |
| 7. | To re-appoint Grant Thornton Malaysia PLT as Auditors of the Company until the conclusion of next Annual General Meeting and to authorize the Directors to fix their remuneration.                                      | <b>Ordinary Resolution 6</b> |

### Special Business

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

- |    |  |                              |
|----|--|------------------------------|
| 8. | <b>Authority to Issue Shares Pursuant to Section 75 and 76 of the Companies Act, 2016</b>  | <b>Ordinary Resolution 7</b> |
|    | <p>"That subject always to the Act, the Constitution of the Company and approvals of the relevant governmental/regulatory authorities, if applicable, the Directors be and are hereby empowered, pursuant to the Act, to issue and allot shares in the Company from time to time, at such price and upon such terms and conditions and for such purposes and to such person(s) or company/companies as the Directors may, in their absolute discretion deem fit, PROVIDED that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company ("New Shares") for the time being without first offering the New Shares to existing shareholders of the Company and such authority under this resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company AND THAT the Directors be and are hereby also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued."</p> |                              |
| 9  | To consider any other business of which due notice has been given in accordance with the Companies Act, 2016 and the Company's Constitution.   |                              |

## NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

**NOTICE IS ALSO HEREBY GIVEN THAT** the single tier final dividend of 2.0 sen per ordinary share in respect of financial year ended 31 December 2024, if approved at the 54<sup>th</sup> AGM, will be paid on **Wednesday, 23 July 2025** to depositors and members listed in the Record of Depositors and Register of Members on 30 June 2025.

A Depositor shall qualify for entitlement to the dividend only in respect of: -

- a. shares transferred to depositor's securities account before 4.30 p.m. on 30 June 2025 in respect of ordinary transfers; and
- b. shares bought on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board  
Goh Ching Yee  
(MAICSA 0760803)  
(SSM PC No. 202008002492)  
Secretary

Petaling Jaya  
30 April 2025

## NOTES

### 1. Members Entitled to Attend the 54<sup>th</sup> AGM

- 1.1 For the purpose of determining a member who shall be entitled to attend the 54<sup>th</sup> AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at **19 June 2025** in accordance with the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991. Only a depositor whose name appears on the **Record of Depositors** as at **19 June 2025** shall be entitled to attend and vote at the 54<sup>th</sup> AGM or appoint proxies to attend and vote on his/her behalf in the 54<sup>th</sup> AGM.

### Appointment of Proxy

- 1.2 A member entitled to participate in the 54<sup>th</sup> AGM may appoint more than one (1) proxy (but not more than two (2)) to participate in his/her stead. Where a member appoints more than one (1) proxy, the member shall specify the proportion of the member's shareholding to be represented by each proxy.
- 1.3 Where a member of the Company is an Exempt Authorized Nominee as defined under the Securities Industry (Central Depository) Act, 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each Omnibus Account it holds. Where an exempt authorized nominee appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the Form of Proxy. An exempt authorized nominee with more than one (1) securities account must submit a separate Form of Proxy for each securities account.
- 1.4 The Form of Proxy can be submitted through either one of the following avenues no later than **Monday, 23 June 2025** at 10.00 a.m. or in the event of any adjournment, no later than 48 hours before the time appointed for the adjourned meeting:
  - Lodgment of Form of Proxy in hard copy  
To be deposited at the Registered Office at Lot 7, Jalan 51A/241, 46100 Petaling Jaya, Selangor Darul Ehsan; OR
  - Electronic lodgment of Form of Proxy  
The Form of Proxy can be lodged electronically via <https://muda-agm.digerati.com.my>. Kindly refer to the Administrative Details for the 54<sup>th</sup> AGM on the procedures for electronic lodgment of Form of Proxy via <https://muda-agm.digerati.com.my>. The Administrative Details can be viewed and downloaded from the Company's website at <https://muda.com.my/agm2025>.

# NOTICE OF ANNUAL GENERAL MEETING

CONT'D

## NOTES (Cont'd)

### 1. Members Entitled to Attend the 54<sup>th</sup> AGM (Cont'd)

- 1.5 Please ensure that ALL the particulars as required in the Form of Proxy are completed, signed and dated accordingly.
- 1.6 For a corporate member who has appointed a representative, please deposit the ORIGINAL/DULY CERTIFIED certificate of appointment at the Registered Office at Lot 7, Jalan 51A/241, 46100 Petaling Jaya, Selangor Darul Ehsan no later than 48 hours before the time appointed for holding the 54<sup>th</sup> AGM or adjourned general meeting. The certificate of appointment should be executed in the following manner:
- (a) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member;
  - (b) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
    - (i) At least two (2) authorized officers, of whom one shall be a director; or
    - (ii) Any director and/or authorized officers in accordance with the laws of the country under which the corporate member is incorporated.
- 1.7 Pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this notice will be put to vote by way of poll. A Poll Administrator and an Independent Scrutineer will be appointed to conduct the polling process and verify the results of the poll respectively.

## EXPLANATORY NOTES

### 2. Agenda 1

#### Audited Financial Statements for the Financial Year Ended 31 December 2024

The audited financial statements for the financial year ended 31 December 2024 are laid in accordance with Section 340(1)(a) of the Companies Act, 2016 for discussion only. They do not require shareholders' approval and hence will not be put forward for voting.

### 3. Ordinary Resolution 1

#### Single Tier Final Dividend

Pursuant to Section 131 of the Companies Act, 2016, a company may only make distribution to the shareholders out of profits of the company available if the company is solvent. The Board of Directors has on 26 February 2025 considered the amount of dividend and decided to recommend the same for shareholders' approval.

The Directors are satisfied that the Company will be solvent as it will be able to pay its debts as and when the debts become due within 12 months immediately after the distribution is made on 23 July 2025 in accordance with the requirements under Section 132(2) and (3) of the Companies Act, 2016.

### 4. Ordinary Resolution 2 and 3

#### Payment of Directors' Fees and Benefits to Non-Executive Directors

Section 230(1) of the Companies Act, 2016 provides, inter alia, that "the fees" of the directors and "any benefits" payable to directors of a listed company and its subsidiaries shall be approved at a general meeting. The Company is seeking shareholders' approval for:

- (a) Payment of Directors' fees of RM480,000.00 to Directors of the Company pursuant to Ordinary Resolution 2; and
- (b) Benefits payable to Non-Executive Directors of the Company of up to an amount of RM1,500,000.00 from this Annual General Meeting until the next Annual General Meeting of the Company pursuant to Ordinary Resolution 3.

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**EXPLANATORY NOTES (Cont'd)****5. Ordinary Resolution 4 & 5  
Re-election of Directors who retire under Article 81 of the Company's Constitution**

Article 81 of the Company's Constitution provides that at each Annual General Meeting, one-third of the Directors for the time being or if their number is not three or a multiple of three, then the number nearest one-third shall retire from office so that all Directors shall retire from office at least once in every 3 years but shall be eligible for re-election. Pursuant to this, Datuk Wira Lim Chiun Cheong and Mr Wong Choong Yee are due to retire by rotation. The profile of the Directors standing for re-election as per Ordinary Resolution 4 and 5 are set out in the Profile of Board of Directors section of this Annual Report.

The Nomination Committee has considered the performance and contribution of each of the retiring Directors seeking re-election and also conducted an assessment on the fitness and propriety of the retiring Directors, including review of their fit and proper declarations in accordance with the Directors' Fit & Proper Policy.

**6. Ordinary Resolution 6  
Re-appointment of Auditors**

The Audit Committee has undertaken an annual evaluation of the effectiveness of the external audit process and performance, suitability and independence of the external auditors, Grant Thornton Malaysia PLT.

The Audit Committee was satisfied with the suitability of Grant Thornton Malaysia PLT based on the quality of audit, performance, competency, and sufficiency of resources the external audit team provided to the Company and its subsidiaries ("the Group") and recommended to the Board for their reappointment. The Audit Committee was satisfied in its review of the provision of non-audit services by Grant Thornton Malaysia PLT to the Group for the financial year ended 31 December 2024 did not in any way impair their objectivity and independence as external auditors of the Company.

**7. Ordinary Resolution 7  
Proposed Authority to Issue Shares Pursuant to Section 75 and 76 of the Companies Act, 2016**

The proposed Ordinary Resolution 7 is for the purpose of renewing the general mandate for issuance of shares by the Company under Section 75 and Section 76 of the Companies Act 2016. The Ordinary Resolution 7, if passed, will give Directors of the Company authority to allot and issue shares at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed 10% of the total number of issued shares of the Company. As at the date of this notice, no shares had been allotted and issued since the general mandate granted to the Directors at the last AGM held on 27 June 2024 and this authority shall lapse at the conclusion of the 54<sup>th</sup> AGM of the Company.

**STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING**

The profiles of the Directors who are standing for re-election at the 54<sup>th</sup> AGM are set out in the Profile of Directors in this Annual Report. Their shareholdings in the Company are set out in the section entitled "Analysis of Shareholdings" in this Annual Report.

No individual other than the retiring Directors are seeking election as Directors at the 54<sup>th</sup> AGM.



## FORM OF PROXY

Muda Holdings Berhad

[Registration No. 197101000036 (10427-A)]

I/We .....

NRIC No./Registration No. .... CDS Account No. ....

of .....

being a member/members of **MUDA HOLDINGS BERHAD**, hereby appoint:-

Full Name (In Block)	NRIC No. /Passport No.	Proportion of Shareholding	
		No of Shares	%
Address			
Full Name (In Block)	NRIC No. /Passport No.	Proportion of Shareholding	
		No of Shares	%
Address			

or failing him/her, the **CHAIRMAN OF THE MEETING** as my/our proxy to participate and vote for me/us on my/our behalf at the 54<sup>th</sup> Annual General Meeting of the Company to be held at Ballroom 1, Level 3D, Sheraton Petaling Jaya Hotel, Lorong Utara C, PJS 52, 46200 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 25 June 2025 at 10.00 a.m. and at any adjournment thereof.

The proxy is to vote on the Resolutions set out in the Notice of Meeting as indicated with an "X" in the appropriate space below. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

Resolution No.	RESOLUTIONS	FOR	AGAINST
1	To approve the payment of a single tier final dividend of 2.0 sen per ordinary share in respect of the financial year ended 31 December 2024.		
2	To approve the payment of Directors' fees of RM480,000.00 to the Directors of the Company in respect of the financial year ended 31 December 2024.		
3	To approve the payment of benefits to Non-Executive Directors of the Company for an amount of up to RM1,500,000.00 from this Annual General Meeting until the conclusion of next Annual General Meeting of the Company.		
4	To re-elect Datuk Wira Lim Chiun Cheong as a Director in accordance with Article 81 of the Company's Constitution.		
5	To re-elect Mr Wong Choong Yee as a Director in accordance with Article 81 of the Company's Constitution.		
6	To re-appoint Grant Thornton Malaysia PLT as Auditors of the Company and to authorize the Directors to fix their remuneration.		
7	To authorize Directors to issue shares pursuant to Section 75 and 76 of the Companies Act, 2016.		

No. of Shares .....

Signature(s)/Common Seal of Shareholder

Mobile No .....

Dated this ..... day of ..... 2025

Shareholder's Email .....

### Notes:-

#### 1. Members Entitled to Attend the 54<sup>th</sup> AGM

- 1.1 For the purpose of determining a member who shall be entitled to attend the 54<sup>th</sup> AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a **General Meeting Record of Depositors** as at **19 June 2025** in accordance with the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991. Only a depositor whose name appears on the Record of Depositors as at **19 June 2025** shall be entitled to attend and vote at the 54<sup>th</sup> AGM or appoint proxies to attend and vote on his/her behalf in the 54<sup>th</sup> AGM.

#### Appointment of Proxy

- 1.2 A member entitled to participate in the 54<sup>th</sup> AGM may appoint more than one (1) proxy (but not more than two (2)) to participate in his/her stead. Where a member appoints more than one (1) proxy, the member shall specify the proportion of the member's shareholding to be represented by each proxy.
- 1.3 Where a member of the Company is an Exempt Authorized Nominee as defined under the Securities Industry (Central Depository) Act, 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each Omnibus Account it holds. Where an exempt authorized nominee appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the Form of Proxy. An exempt authorized nominee with more than one (1) securities account must submit a separate Form of Proxy for each securities account.



**Notes:- (Cont'd)**

**1. Members Entitled to Attend the 54<sup>th</sup> AGM (Cont'd)**

- 1.4 The Form of Proxy can be submitted through either one of the following avenues no later than Monday, 23 June 2025 at 10.00 a.m. or in the event of any adjournment, no later than 48 hours before the time appointed for the adjourned meeting:
- Lodgment of Form of Proxy in hard copy  
To be deposited at the Registered Office at Lot 7, Jalan 51A/241, 46100 Petaling Jaya, Selangor Darul Ehsan; OR
  - Electronic lodgment of Form of Proxy  
The Form of Proxy can be lodged electronically via <https://muda-agm.digerati.com.my>. Kindly refer to the Administrative Details for the 54<sup>th</sup> AGM on the procedures for electronic lodgment of Form of Proxy via <https://muda-agm.digerati.com.my>. The Administrative Details can be viewed and downloaded from the Company's website at <https://muda.com.my/agm2025>.
- 1.5 Please ensure that ALL the particulars as required in the Form of Proxy are completed, signed and dated accordingly.
- 1.6 For a corporate member who has appointed a representative, please deposit the ORIGINAL/DULY CERTIFIED certificate of appointment at the Registered Office at Lot 7, Jalan 51A/241, 46100 Petaling Jaya, Selangor Darul Ehsan no later than 48 hours before the time appointed for holding the 54<sup>th</sup> AGM or adjourned general meeting. The certificate of appointment should be executed in the following manner:
- (a) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member;
  - (b) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
    - (i) At least two (2) authorized officers, of whom one shall be a director; or
    - (ii) Any director and/or authorized officers in accordance with the laws of the country under which the corporate member is incorporated.

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AFFIX  
STAMP

THE COMPANY SECRETARY  
**MUDA HOLDINGS BERHAD**  
LOT 7, JALAN 51A/241  
46100 PETALING JAYA  
SELANGOR DARUL EHSAN

2nd Fold Here

Fold This Flap For Sealing

## **Muda Holdings Berhad**

Registration No. 197101000036 (10427-A)

Lot 7, Jalan 51A/241, 46100 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

**T:** +(603) 7875 9549 **F:** +(603) 7873 8435, 7875 1519

[www.muda.com.my](http://www.muda.com.my)