MFCB

MEGA FIRST CORPORATION BERHAD

Reg. No. 196601000210 (6682-V)

ANNUAL REPORT 2023

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Reg. No. 196601000210 (6682-V)

ANNUAL REPORT 2023

TABLE OF CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

EXECUTIVE CHAIRMAN

Goh Nan Kioh

NON-INDEPENDENT NON-EXECUTIVE DEPUTY CHAIRMAN

Tay Kheng Chiong

EXECUTIVE DIRECTORS

Goh Nan Yang
(also alternate to Goh Nan Kioh)

Khoo Teng Keat

Goh Mei Sze

NON-INDEPENDENT DIRECTOR

Yeow See Yuen

SENIOR INDEPENDENT DIRECTOR

Jesper Bjorn Madsen

INDEPENDENT DIRECTORS

Datuk Hj. Pengiran Saifuddin
bin Pengiran Tahir, JP

Datin Jeyanthini a/p M. Kannaperan

Dato' Setia Prof Dr Tan Hui Meng

Au Siew Loon

Lui Soek Kuen

AUDIT COMMITTEE

Au Siew Loon (Chairman)

Jesper Bjorn Madsen

Lui Soek Kuen

REMUNERATION COMMITTEE

Jesper Bjorn Madsen (Chairman)

Datin Jeyanthini a/p M. Kannaperan

Tay Kheng Chiong

NOMINATING COMMITTEE

Datin Jeyanthini a/p M. Kannaperan (Chairman)

Yeow See Yuen

Lui Soek Kuen

EMPLOYEES' SHARE OPTION COMMITTEE

Yeow See Yuen (Chairman)

Au Siew Loon

Datuk Hj. Pengiran Saifuddin bin Pengiran Tahir, JP

COMPANY SECRETARY

Foo Wen Yunn
SSM PC No. 20238000796
(MAICSA 7057965)

REGISTERED OFFICE

A-12-01, Level 12
Block A, PJ8
23 Jalan Barat
Seksyen 8
46050 Petaling Jaya

Tel: +603-7960 8818
Fax: +603-7960 7818
E-mail: **mfcb@mega-first.com**

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

Boardroom Share Registrars Sdn Bhd
199601006647 (378993-D)

11th. Floor, Menara Symphony,
No. 5 Jalan Prof. Khoo Kay Kim, Seksyen 13
46200 Petaling Jaya, Selangor Darul Ehsan

Helpdesk: +603-7890 4700
Fax: +603-7890 4670
E-mail: **BSR.Helpdesk@boardroomlimited.com**

AUDITORS

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018

STOCK EXCHANGE LISTING

Main Market, Bursa Malaysia Securities Berhad
Stock Code: 3069
Stock Name: MFCB
Sector: Utilities

WEBSITE ADDRESS

http://www.mega-first.com

PROFILE OF DIRECTORS

GOH NAN KIOH | Executive Chairman

Aged 71

Board Committees Membership(s): Nil

Board Meeting Attendance in 2023: 5/5

Mr Goh Nan Kioh joined the Board on 1 February 2003 as a Non-Independent Non-Executive Director. He was appointed as Chairman of the Board on 29 July 2003 and as Executive Chairman on 1 July 2011. Mr Goh holds a Bachelor of Economics (Honours) degree from the University of Malaya. He has wide and varied business investments in many countries.

Mr Goh is the brother of Mr Goh Nan Yang, father of Ms Goh Mei Sze and Mr Goh Chin San, and the uncle of Mr Chu Beng Han.

TAY KHENG CHIONG | Non-Independent Non-Executive Deputy Chairman

Aged 60

Board Committees Membership(s): Remuneration Committee

Board Meeting Attendance in 2023: 5/5

Mr Tay Kheng Chiong joined the Board as a Non-Independent Non-Executive Director on 1 June 2006. Mr Tay was redesignated as Non-Independent Non-Executive Deputy Chairman on 26 February 2021. He holds a Bachelor of Engineering (Honours) degree majoring in Electrical and Electronics from the University of Sunderland, England. He also holds a Master of Business Administration degree from the University of Stratchclyde, Scotland and is a Chartered Engineer with The Institution of Engineering and Technology, United Kingdom. In April 2023, he was awarded a Doctorate in Engineering from European International University, Paris. Mr Tay has more than 33 years' experience in the semiconductor industry. He joined a multinational semiconductor company upon graduation in 1989 as Development Engineer and was promoted to Director of Manufacturing in 1999. During 2001 to 2005, he was the Managing Director of Dominant Opto Technologies Sdn Bhd.

Mr Tay is presently the Group Managing Director of D&O Green Technologies Berhad ("D&O") which is listed on Bursa Malaysia. He is deemed to be interested in certain transactions between Mega First Corporation Berhad ("MFCB") Group and D&O Group by virtue of his common directorships.

GOH NAN YANG | Executive Director and Alternate Director to Mr Goh Nan Kioh

Aged 61

Board Committees Membership(s): Nil

Board Meeting Attendance in 2023: 5/5

Mr Goh Nan Yang joined the Board on 13 March 2003 as the alternate director to Mr Goh Nan Kioh, who is his brother. He was appointed as Executive Director on 26 November 2004. Mr Goh graduated from the University of Toledo with a Bachelor of Science honours degree in Engineering. He joined a public listed company after graduation, during which period he was involved in several major infrastructure and housing projects. In the mid-1990s, he left employment and started his own business in property development and manufacturing activities in Melbourne, Australia.

Mr Goh Nan Yang is the uncle of Mr Chu Beng Han, Ms Goh Mei Sze and Mr Goh Chin San.

GOH MEI SZE | Executive Director

Aged 36

Board Committees Membership(s): Nil

Board Meeting Attendance in 2023: 5/5

Ms Goh Mei Sze joined the Board on 16 November 2020 as Executive Director. She holds a Bachelor of Commerce degree from University of Melbourne, Australia. Ms Goh Mei Sze started her career in Ernst & Young from 2010 to 2012 in Audit and Assurance. She joined MFCB in 2013 as the Personal Assistant to the Executive Chairman.

She is a daughter of Mr Goh Nan Kioh, a niece of Mr Goh Nan Yang and a sister of Mr Goh Chin San.

KHOO TENG KEAT | Executive Director

Aged 54

Board Committees Membership(s): Nil

Board Meeting Attendance in 2023: 5/5

Mr Khoo Teng Keat joined the Board on 6 September 2011 as Executive Director. He holds a Bachelor of Commerce (Actuarial Science) honours degree from University of Melbourne, Australia. Prior to joining the Company, Mr Khoo has more than 14 years experience as an equity analyst and has held senior positions with several reputable international investment banks.

YEOW SEE YUEN | Non-Independent and Non-Executive Director

Aged 57

Board Committees Membership(s): Nominating Committee and the Employees' Share Option Committee (Chairman)

Board Meeting Attendance in 2023: 5/5

Mr Yeow See Yuen joined the Board as an Independent Director on 10 May 2006. Mr Yeow was redesignated as Non-Independent Non-Executive Director on 24 May 2023. He holds a first class honours degree in Accountancy from the National University of Singapore. Mr Yeow started his career in 1991 with Coopers & Lybrand, Singapore Office in the audit division. He left the firm in 1994 to join Deutsche Securities Asia Limited ("Deutsche Securities") where he spent 9 years working in the Equity Research Department. During that period, he progressed through a series of positions including Deputy Head of Indonesia Research, Head of Malaysian Research and Head of Consumer Research Asia. Since leaving Deutsche Securities in 2003, he has been actively involved in investment banking related work, including investor relations corporate advisory and research consultancy.

Mr Yeow is also a Director of D&O. He is deemed to be interested in certain transactions between MFCB Group and D&O Group by virtue of his common directorships.

JESPER BJORN MADSEN | Senior Independent Director

Aged 70

Board Committees Membership(s): Remuneration Committee (Chairman) and Audit Committee

Board Meeting Attendance in 2023: 5/5

Mr Jesper Bjorn Madsen joined the Board as an Independent Director on 30 November 2016 and appointed as Senior Independent Director on 5 February 2024. He holds a Master degree in Law from Copenhagen University, Denmark and later studied Scottish/English Law at the University of Edinburgh, Scotland. Mr Madsen has worked in the legal field for 4 years before joining Carlsberg A/S Group in 1984 and retired in 2009. During his 25 years working for Carlsberg A/S Group, he has held positions as Vice-President responsible for overseas investments and markets, General Manager and Managing Director of Carlsberg Brewery Hong Kong Ltd, Chief Operating Officer of Carlsberg Asia Pte Ltd, Senior Vice-President of Carlsberg Breweries A/S with responsibility for Asia, among other markets. He was also a non-executive Chairman or Vice-Chairman in a number of Carlsberg's subsidiaries in Asia.

Mr Madsen is also a Director of D&O. Mr Madsen is deemed to be interested in certain transactions between MFCB Group and D&O Group by virtue of his common directorships.

DATUK HJ. PENGIRAN SAIFUDDIN BIN PENGIRAN TAHIR, JP | Independent Director

Aged 67

Board Committees Membership(s): Employees' Share Option Committee

Board Meeting Attendance in 2023: 5/5

Datuk Hj. Pengiran Saifuddin bin Pengiran Tahir joined the Board on 15 August 2014 as Independent Director. He holds a Law Degree from University of London, England and a Master Degree in Business Administration from Universiti Malaysia Sabah.

Datuk Hj. Pengiran Saifuddin was admitted to the High Court of Borneo in 1988 and his career in the legal field included the appointment as a Senior Legal Officer in the Sabah State Attorney General Department from 1994 until 1996. Embarking into the corporate management field, he joined a fleet management services company, Angkatan Hebat Sdn Bhd as its Deputy Chief Executive Officer in 1996. A year later, he took up a similar position in K.K.I.P., the developer of Sabah's premier integrated industrial estate, and served in that capacity for over 13 years.

Datuk Hj. Pengiran Saifuddin was appointed as Managing Director of Sabah Urban Development Corporation Sdn Bhd in 2010 before moving on to Sabah Economic Development Corporation to take up his position as Group General Manager in December 2013 until his retirement in December 2021.

DATO' SETIA PROF DR TAN HUI MENG | Independent Director

Aged 69

Board Committees Membership(s): Nil

Board Meeting Attendance in 2023: 4/5

Dato' Setia Prof Dr Tan Hui Meng joined the Board on 20 March 2017. Dato' Setia Prof Dr Tan is a Consultant Urologist at a leading private medical center in Malaysia. Additionally, he holds the position of Adjunct Professor at both the University of Malaya and the University of Pennsylvania. His expertise spans urological cancers, stone diseases, endourology, men's health and aging issues.

In his prolific career, Dato' Setia Prof Dr Tan has published 242 articles and abstracts in international peer-reviewed medical journals. Moreover, he has authored 16 books on men's health and sexual medicine. He proudly serves as the Founding President of several International Men's Health and Aging societies, including APSSAM and JASMH. Dato' Setia Prof Dr Tan's influence extends globally as he is a Board Member of the International Society for Men's and a consultant panelist for WHO-sponsored Consultation in Sexual Medicine and Urological Disease (ICUD). His active memberships include the American Urological Association, European Association of Urology, Asian Urological Association, and the Asia Pacific Society for Men's Health and Aging. Recognizing his exceptional contributions, Dato' Setia Prof Dr Tan has received the Extraordinary Urologist Award from the AUA-affiliated WCUA. He has also been honored with the Outstanding Award in the field of Men's Health by the Singapore Society for Men's Health.

DATIN JEYANTHINI A/P M. KANNAPERAN | Independent Director

Aged 63

Board Committees Membership(s): Nominating Committee (Chairman) and Remuneration Committee

Board Meeting Attendance in 2023: 3/5

Datin Jeyanthini a/p M. Kannaperan joined the Board on 4 August 2020. Datin Jeyanthini who holds an LLB degree from the University of London was called to the Bar of England and Wales before returning home to Malaysia and pupillage in Shearn Delamore. Datin Jeyanthini practiced for 38 years with Shearn Delamore & Co, having been a partner since 1997 and headed the Litigation Practice in the firm for many years. She has retired from the firm with effect from 1 January 2024 and is now a consultant with Messrs Rajasekaran, a boutique law firm here in Kuala Lumpur.

She has had a busy litigation practice and appeared regularly at hearings, trial and appeals at the High Court and the Appellate Courts. Datin Jeyanthini's principal areas of practice are in banking and finance, restructuring and insolvency, regulatory and compliance, land, commercial and corporate, landlord and tenancy disputes. She had acted in a number of important cases that have been reported in the law journals often as lead counsel in the many court appearances at the High Court and Appellate Courts.

Her years in practice are testament to her rich experience in the area of banking (including Islamic or Syariah banking and finance) trade finance and insolvency; enforcement of loan, security instruments and instruments of payments; receiverships; foreclosures; as well as liquidation, restructuring, rescue mechanisms and schemes of arrangement and in the area of commercial and corporate disputes.

AU SIEW LOON | Independent Director

Aged 63

Board Committees Membership(s): Audit Committee (Chairman) and Employees' Share Option Committee

Board Meeting Attendance in 2023: 5/5

Mr Au Siew Loon joined the Board on 1 January 2023. Mr Au commenced his articleship with Ernst and Young, Malaysia in 1981 and qualified as a Chartered Accountant in 1985. He is a member of The Malaysian Institute of Certified Public Accountants and a member of The Malaysian Institute of Accountants. He was seconded to Ernst and Young, London in 1986 for a period of 18 months. He left the profession in 1989. He was the Chief Financial Officer of Hap Seng Consolidated Berhad ("HSCB") since 3 September 2012 before his retirement from the position on 31 May 2022.

Prior to him joining the HSCB group of companies, he had held various senior management positions in companies involved in the financial services, insurance and food and beverage industries. He spent more than two decades in QSR Brands Sdn Bhd, a large fast food operator and food processor/manufacturer, and had held various senior positions in the areas of internal audit, finance, upstream and downstream operations of the group.

Mr Au is also a Director of D&O. He is deemed to be interested in certain transactions between MFCB Group and D&O Group by virtue of his common directorships.

LUI SOEK KUEN | Independent Director

Aged 52

Board Committees Membership(s): Audit Committee and Nominating Committee

Board Meeting Attendance in 2023: 2/2

Ms Lui Soek Kuen joined the Board on 1 September 2023. Ms Lui holds a Bachelor (Hon) Accounting & Finance from the London School of Economics. She is a member of Malaysian Institute of Accountants and Institute of Chartered Accountants in England and Wales.

Ms Lui commenced her articleship with Simmons Gainford (London) in 1995 before joining PricewaterhouseCoopers in 1999. She was the Financial Controller/Chief Financial Officer of Cambrew Limited, the first and one of the largest brewers in the Kingdom of Cambodia, from 2002 till 2018. Prior to joining Cambrew Limited, she was attached to Astro Malaysia Holdings as Internal Auditor and Colgate Palmolive Malaysia as Brand Analyst.

Ms Lui is also a Director of D&O. She is deemed to be interested in certain transactions between MFCB Group and D&O Group by virtue of her common directorships.

Note: Save as disclosed above, the Directors have no family relationship with any Director and/or major shareholder of the Company, have no conflict of interest or potential conflict of interest, including any interest in any competing business with the Company or its subsidiaries and have not been convicted for any offence within the past 5 years.

PROFILE OF KEY SENIOR MANAGEMENT

CHU BENG HAN | Head, Resources Division

Aged 59

Mr Chu Beng Han is the Head of the Resources Division. He joined Rock Chemical Industries (Malaysia) Berhad on 1 July 2004 as Group Operations Manager and later promoted as Executive Director on 26 November 2004. He was re-designated as Head of the Resources Division in March 2012.

Mr Chu Beng Han obtained a Bachelor of Engineering (Civil) degree from National University of Singapore. Prior to joining the Group, he has over 8 years of working experience in an international building and structural forensic consultancy firm and another 7 years in a senior management position in a public listed company involved in cement and ready-mixed concrete business.

He is the nephew of Mr Goh Nan Kioh and Mr Goh Nan Yang.

IR. YEONG CHEE MENG | Head, Don Sahong Hydropower Project

Aged 71

Mr Yeong Chee Meng is the Head of the Don Sahong Hydropower Project. He joined the Company in April 2008 as Project Director for the Don Sahong Hydropower Project in Lao PDR. He is responsible for managing the development of the Don Sahong Hydropower Project, organizing all investigative works, formulating all works contracts, supervising consultants and contractors, and control and manage project schedule and cost to ensure all project milestones and targets such as land acquisition, environmental approval, construction schedule and cost, testing and commissioning, and commercial operation, are met.

Mr Yeong Chee Meng obtained a Bachelor of Engineering (Civil) honours degree from University of Malaya. He also holds a Master of Applied Science degree in Project Management from University of South Australia. Upon graduation in 1978, he spent 16 years with the Public Works Department of Malaysia ("PWD"). During that period, he progressed through a series of positions including District Engineer – Sabak Bernam, Selangor, Assistant Director (Roads) – Penang State, Deputy Director – Negeri Sembilan State and Head of Computer/IT Centre – Kuala Lumpur Headquarters. Over the next 14 years, his career progressed to several senior management positions such as General Manager (Construction) with KL International Airport Berhad, Managing Director of Sarawak Hidro Sdn Bhd, Project Director for Alfaisal University in Saudi Arabia and Senior General Manager (Non-Revenue Water Division) with SYABAS.

SIM SEE SHENG | Chief Resident Engineer, Don Sahong Power Company Ltd

Aged 66

Mr Sim See Sheng joined Don Sahong Power Company Ltd in 2015 as the Chief Resident Engineer for the Don Sahong Hydropower Project in Lao PDR. He is responsible for the timely completion of the Don Sahong Hydropower Project.

Mr Sim holds a Bachelor of Science (Honours) Degree from University of Birmingham, England (1982). He has more than 37 years of experience in construction supervision and engineering management as owner's engineer, consultant engineer and contractor's project in mega and small hydropower projects, dam construction, general civil and building works. He is specialised in project implementation and supervision management of mega hydropower projects which includes feasibility studies, due diligence of hydro plants, project feasibility design and construction supervision of concrete buttress dam, earth blanket, clay core and concrete face rockfill dams, RCC dam, tunnels, power intake structures, low level outlets, canal headworks, spillway, storage ponds, surge tank, low & high pressure pipe line conduit, power house, foundation engineering, plinth grouting, dam instrumentation and reservoir impoundment procedures.

He started his career in Sarawak Electricity Supply Corporation as the Senior Civil Engineer. Thereafter, he held several senior engineering positions in various companies in Asia, Eurasia and Europe, before joined Don Sahong Power Company Ltd.

YEO SEE HUEY | Managing Director, Hexachase Group

Aged 57

Mr Yeo See Huey joined Hexachase Group on 1996 as Managing Director. He is in charge the overall management, operations and future development plans of the Hexachase Group. He has more than 30 years experiences and technology knowledge in packaging, flexo and gravure printing. He successfully diversified and expanded the Hexachase Group's business into three packaging divisions. He established labels & sticker division (Hexachase Labels Sdn Bhd) in 1996; paper bag division (Hexachase Packaging Sdn Bhd) in 2002 and flexible packaging (Hexachase Flexipack Sdn Bhd) in 2014.

He started his career as Marketing Manager at Teck Wah Paper Sdn Bhd, a company listed in the Singapore Stock Exchange.

Mr Yeo holds a Diploma in Business Administration from Malaysian Institute of Management.

DATO' WONG KOK HWA | Managing Director, Stenta Films (Malaysia) Sdn Bhd

Aged 62

Dato' Wong Kok Hwa is a Fellow Member of The Chartered Institute of Management Accountants, UK (FCMA), a Chartered Global Management Accountant (CGMA) and a Chartered Accountant of The Malaysian Institute of Accountants, CA(M).

Dato' Wong started his career as an auditor with an international accounting firm and subsequently as a Finance and Administration Manager in a major subsidiary of a public limited company listed on Bursa Malaysia before joining Stenta Group in 1992 as an Accountant. Throughout his tenure in Stenta Group, he assumed responsibilities in the areas of management, finance, supply chain, commercial and corporate services. He assumed his current position as Managing Director since 2015.

NEO HONG CHEE | Financial Controller, Mega First Corporation Berhad

Aged 51

Mr Neo Hong Chee is the Financial Controller of the Company. He joined the Company in October 2007 and is responsible for the finance and treasury function within the Group.

Mr Neo began his career in Horwath Mok & Poon in the audit and assurance department, before moving on to a multinational corporation, where he held various roles including finance manager and international business development manager. He also has experience in cross-border joint venture, project management and HR processes. He has obtained a pass in the Certificate Stage examinations of the Association of Chartered Certified Accountants.

GOH CHIN SAN | Business Development Manager, Mega First Corporation Berhad

Aged 31

Mr Goh Chin San holds a Bachelor of Arts degree in Mathematics and Economics from University of Pennysylvania. Mr Goh started his career with Pricewaterhouse Coopers Singapore specialising in Mergers and Acquisitions Strategy from year 2016 to 2018. He then left and joined Mega First Corporation Berhad in February 2019. He is currently a Business Development Manager with Mega First Corporation Berhad. He is also a Non-Independent and Non-Executive Director of D&O Green Technologies Berhad ("D&O") which is listed on Bursa Malaysia.

He is the son of Mr Goh Nan Kioh, nephew of Mr Goh Nan Yang and brother of Ms Goh Mei Sze.

Note: Save as disclosed above, the key senior management staff have no family relationship with any Director and/or major shareholder of the Company, have no directorship in public companies and listed issuers, have no conflict of interest or potential conflict of interest, including any interest in any competing business with the Company or its subsidiaries and have not been convicted for any offence within the past 5 years.

GROUP STRUCTURE

MFCB

Renewable Energy Division

- 100% Mega First Investments (L) Limited
- 100% Don Sahong Holdings Limited
- 75% Mega Ventures Limited
- 95% Don Sahong Power Company Ltd
- 100% Mega First Power Industries Sdn Bhd
- 100% Mega First C&I Solar Sdn Bhd
- 55% MFP Solar Sdn Bhd
- Other Subsidiaries

Packaging Division

- 75% Stenta Films (Malaysia) Sendirian Berhad
- 75% Stenta Multifilms Sdn Bhd
- 52.4% Hexachase Corporation Sdn Bhd
- 61.8% Hexachase Flexipack Sdn Bhd
- 65.7% Hexachase Labels Sdn Bhd
- 55.7% Hexachase Packaging Sdn Bhd
- Other Subsidiary

Resources Division

- 100% Rock Chemical Industries (Malaysia) Sdn Berhad
- 100% RCI Lime Sdn Bhd
- 100% Mega First Resources Sdn Bhd
- 100% Anting Sendirian Berhad
- 99.6% Cheng Sun Industries Sdn Bhd
- 99.6% Syarikat Cheng Sun Quarry Sdn Bhd
- Other Subsidiaries

Investment Holding & Others

PROPERTY

- 100% Mega First Housing Development Sdn Bhd
- 100% Gombak Land Sdn Bhd
- 75% Idaman Harmoni Sdn Bhd
- 60% Paya Emas Sdn Bhd
- 100% Greentown Parking Sdn Bhd
- Other Subsidiaries

FOOD SECURITY

- 100% Mega First Plantation (Cambodia) Limited
- Other Subsidiaries

OTHER BUSINESSES

- 100% Authentic Excellence Sdn Bhd
- 100% Bloxwich International Sdn Bhd
- 100% Bloxwich (Malaysia) Sdn Bhd
- 100% Geo-Mobile Asia Sdn Bhd
- Other Subsidiaries

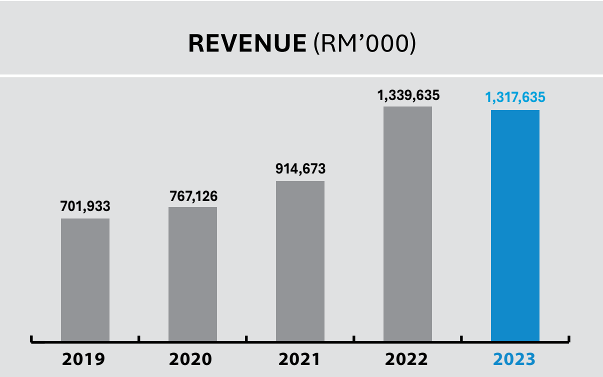
JOINT VENTURES

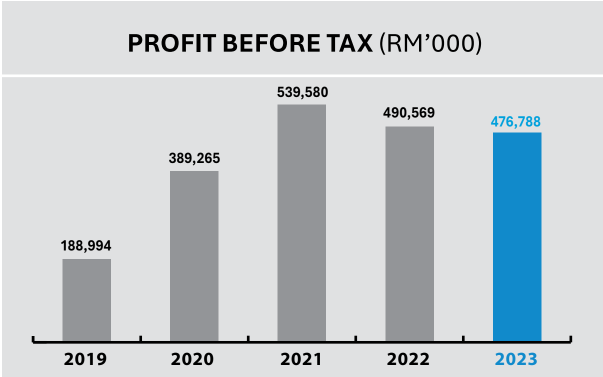
- 50% Edenor Technology Sdn Bhd
- Other Joint Venture

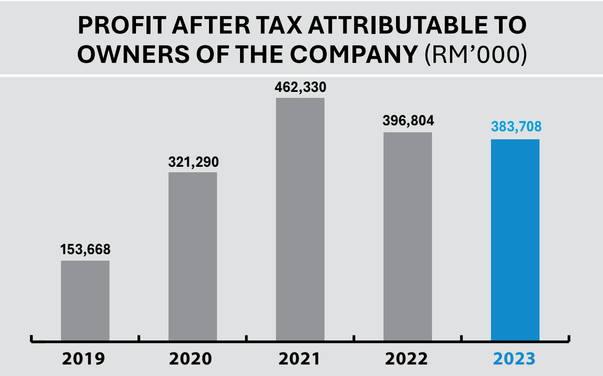
ASSOCIATES

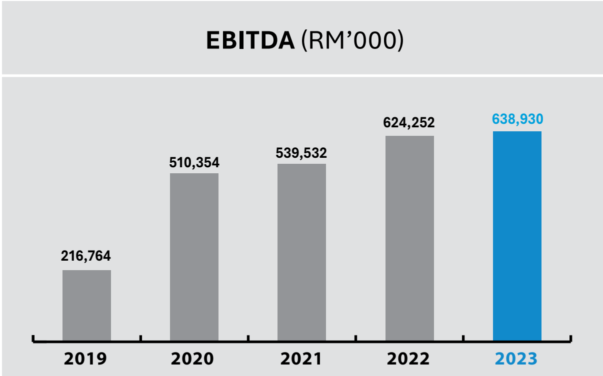
- 28.8% Integrated Smart Technologies Sdn Bhd
- Other Associates

FINANCIAL HIGHLIGHTS



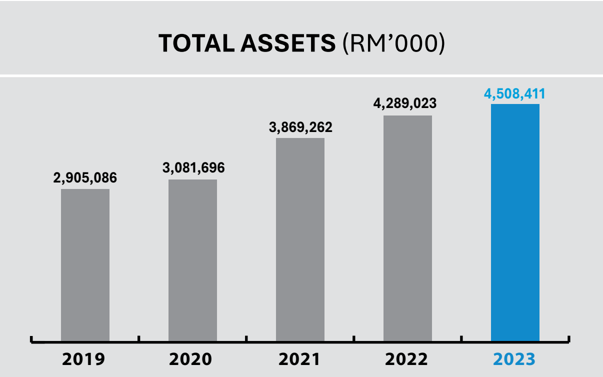


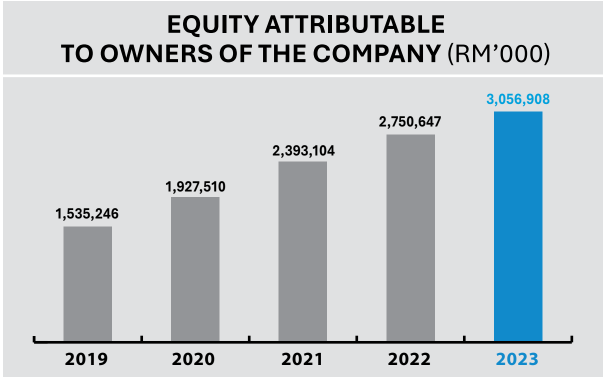


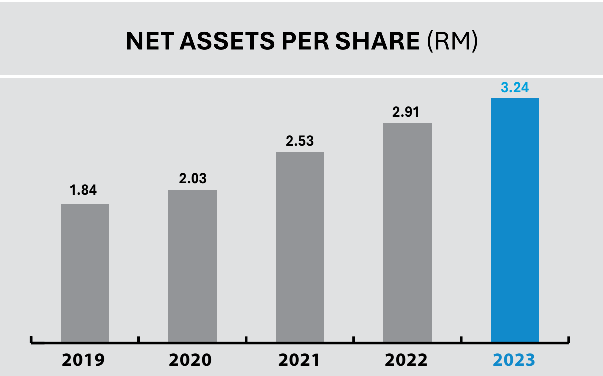


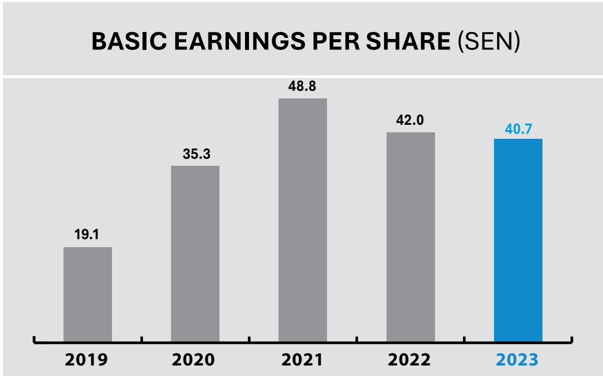
Financial Year Ended 31 December	**2019** RM'000	**2020** RM'000	**2021** RM'000	**2022** RM'000	**2023** RM'000
Consolidated Statements of Profit or Loss and Other Comprehensive Income					
Revenue	701,933	767,126	914,673	1,339,635	1,317,635
Earnings before interest, taxes, depreciation and amortisation* ("EBITDA")	216,764	510,354	539,532	624,252	638,930
Profit before tax	188,994	389,265	539,580	490,569	476,788
Profit after tax	175,109	378,180	530,665	475,727	451,640
Profit after tax attributable to owners of the Company	153,668	321,290	462,330	396,804	383,708
Additional Information					
Finance costs	8,433	22,331	20,866	29,589	40,079
Depreciation and amortisation	21,093	102,947	110,589	127,403	132,056
Interest income	1,756	4,200	9,539	6,169	23,593
Share of profit/(loss) in equity accounted investments	-	(11)	121,964	17,140	(13,600)

** - EBITDA excludes share of profit/(loss) in equity accounted investments.*





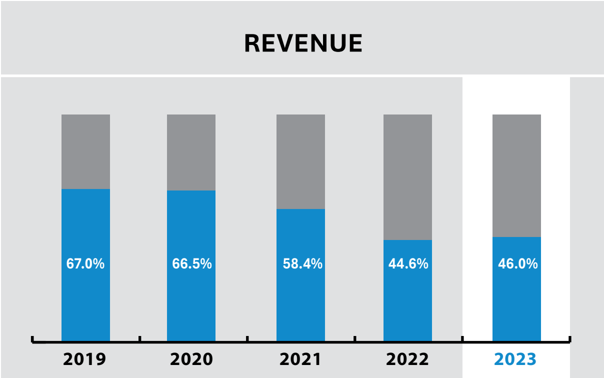




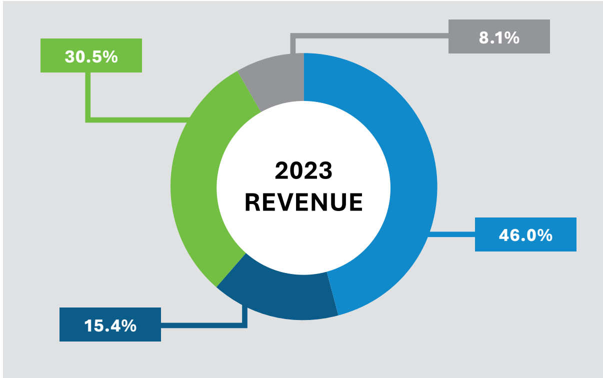
Financial Year Ended 31 December	**2019** RM'000	**2020** RM'000	**2021** RM'000	**2022** RM'000	**2023** RM'000
Consolidated Statements of Financial Position					
Total assets	2,905,086	3,081,696	3,869,262	4,289,023	4,508,411
Total borrowings	746,140	657,875	777,881	712,953	901,331
Total equity	1,711,888	2,165,612	2,739,576	3,191,026	3,224,018
Equity attributable to owners of the Company	1,535,246	1,927,510	2,393,104	2,750,647	3,056,908
Bank balances and deposits	91,031	93,607	257,649	492,254	508,587
Financial Indicators					
Return on equity attributable to owners of the Company (%)	10.0%	16.7%	19.3%	14.4%	12.6%
Return on total assets (%)	6.0%	12.3%	13.7%	11.1%	10.0%
Net gearing ratio (%)	38.3%	26.1%	19.0%	6.9%	12.2%
Net assets per share (RM)	1.84*	2.03*	2.53	2.91	3.24
Dividend per share (sen)	3.00*	6.25*	6.75	7.45	8.25
Gross dividend yield (%)	1.2%	1.8%	1.9%	2.2%	2.2%
Interest cover (times)	23.4	18.4	26.9	17.6	12.9
Basic earnings per share (sen)	19.1*	35.3*	48.8	42.0	40.7
Price earning ratio (times)	13.4	9.8	7.2	7.9	9.1
Share price as at the financial year end (RM)	2.56*	3.45*	3.50	3.32	3.69

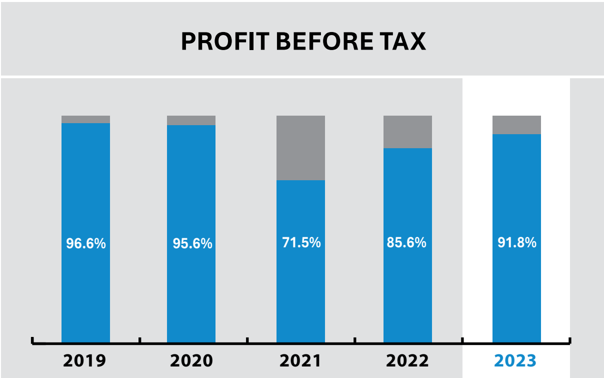
** - after effect of Shares Split on 14 June 2021.*

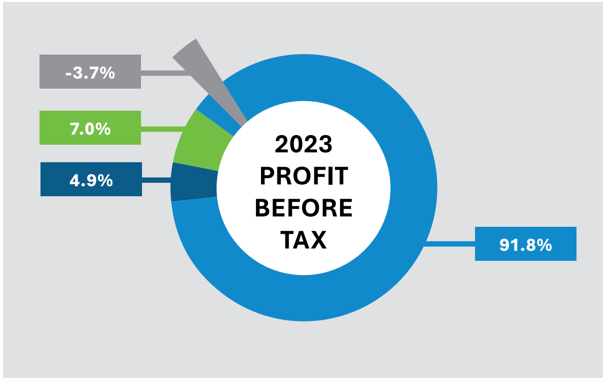
Renewable energy   Other divisions/segments



Renewable energy   Resources   Packaging   Investment holding and others







Financial Year Ended 31 December	**2019** RM'000	**2020** RM'000	**2021** RM'000	**2022** RM'000	**2023** RM'000
Revenue					
Renewable Energy	470,375	510,214	533,864	596,925	606,163
Packaging	68,427	97,775	208,217	398,964	402,341
Resources	143,624	142,819	154,880	206,324	202,893
Subtotal	682,426	750,808	896,961	1,202,213	1,211,397
Investment Holding and Others	19,507	16,318	17,712	137,422	106,238
Total	**701,933**	**767,126**	**914,673**	**1,339,635**	**1,317,635**
Profit Before Tax					
Renewable Energy	182,482	372,086	385,585	419,698	437,557
Packaging	(501)	9,461	22,219	33,546	33,600
Resources	16,460	18,766	16,725	17,385	23,297
Subtotal	198,441	400,313	424,529	470,629	494,454
Investment Holding and Others	(9,447)	(11,048)	115,051	19,940	(17,666)
Total	**188,994**	**389,265**	**539,580**	**490,569**	**476,788**

CHAIRMAN'S STATEMENT

DEAR VALUED STAKEHOLDERS,

On behalf of the Board of Directors, I am pleased to present Mega First Corporation Berhad's Annual Report for the financial year ended 31 December 2023 ("FY2023").

2023 was a challenging year marked by heightened geopolitical conflicts and a post-pandemic sluggish global economic landscape, fueled by persistent inflationary pressures, supply chain disruptions, expansionary monetary policies and wavering consumer confidence across the globe.

In the face of these unfavorable operating conditions, I am immensely proud to share that we have still managed to deliver yet another strong financial performance in FY2023.

DELIVERING RESULTS AND GROWING SUSTAINABLY

In FY2023, the Group recorded a recurrent revenue (excluding Serudong Power Sdn Bhd) of RM1.25 billion (FY2022: RM1.23 billion). The Group's three core divisions reported a 5.1% increase in profit before tax ("PBT") to RM494.5 million (FY2022: RM470.6 million) and achieved an after-tax positive cash flow of RM585.1 million from operating activities. Despite expansionary capital expenditure and investments of RM687.1 million, the Group has managed to maintain a healthy net debt-to-equity (including hire purchase liabilities) of 12.5%.

For FY2023, I am also delighted to share that the Board has approved and declared an improved dividend payout of 8.25 sen (FY2022: 7.45 sen) per ordinary share. This dividend payout represents our commitment to delivering value to our shareholders and recognition of dividends as a means of providing a return to shareholders. As always, we will strive to maintain a healthy balance between distributing profits and reinvesting for better opportunities and growth prospects.

RENEWABLE ENERGY ("RE") DIVISION

Our RE Division delivered yet another year of strong earnings. It continued to be the largest contributor to the Group's overall income, contributing 91.8% (FY2022: 85.6%) to the Group's total PBT.

Some highlights of the RE Division's achievements in FY2023 and prospects for FY2024 include:

i. Don Sahong Hydropower Plant ("DSHP")

DSHP posted a record high PBT of RM434.4 million in FY2023 (+3.7% year-on-year) despite a 3.2 percentage-point decline in the average Energy Availability Factor ("EAF") to 91.4%. This was largely due to currency gains, a 1% energy tariff adjustment and a lower net interest expense.

Moving forward, PBT is anticipated to continue to grow in FY2024. Our optimism is premised on:

1) An additional 65 MW of generation capacity from the expected commercialisation of DSHP's 5th turbine in July 2024, increasing DSHP's generation capacity to 325 MW from 260 MW; and

2) A 1% energy tariff adjustment.

To note, net profit attributable to shareholders will get a further lift in FY2024 from the increase in the Company's effective equity interest in Don Sahong Power Company Limited ("DSPC") from 80% to 95% from 1 January 2024 onwards.

ii. Commercial & Industrial Solar Photovoltaic ("C&I Solar PV") Investment

Our solar energy sales revenue grew by 36.1% to RM8.7 million in FY2023, with 9.1 MWp added during the year to reach a cumulative energised capacity of 27.0 MWp. Earnings are also expected to increase in FY2024, in line with the progressive installation of the Division's pipeline of projects.

The additional 65.5 MWp solar projects that have been secured in FY2023 are as below:

1) 7.6 MWp C&I solar projects, which are expected to be progressively commissioned and energised in FY2024;

2) 11.4 MWp solar farm project with Fenaka Corporation Limited, a state utility company in the Republic of Maldives. This project is expected to be completed in FY2024; and

3) 46.5 MWp solar farm project in Malaysia under the Corporate Green Power Programme ("CGPP") by the Energy Commission. This project is expected to be commercially operational in FY2025.

Upon the successful completion of the above projects, the Group's total solar portfolio will increase significantly to 92.5 MWp from 27.0 MWp as at 31 December 2023.

Going forward, we will continue to build on our expertise and experience in RE within the APAC region, by exploring and reinvesting our strong cash flows into other RE projects. Having said that, we will only invest in RE projects that pass our stringent risk assessments and which can generate healthy and sustainable returns to shareholders without harming the environment.

PACKAGING DIVISION

Our Packaging Division posted an incremental revenue and PBT of RM402.3 million (+0.8%) and RM33.6 million (+0.2%) respectively in FY2023. This achievement is noteworthy, considering the heightened competition and weak consumer demand faced throughout the year.

Looking ahead, the operating environment is expected to remain challenging in FY2024, mirroring the conditions and pressures faced in FY2023. However, we are optimistic that we will be able to sustain our earnings growth, as we continue to pursue our ongoing initiatives to broaden our customer base and further enhance our market penetration strategies.

To note, the construction of the Division's two new factory buildings in Melaka and Bangi for Hexachase and Stenta respectively is on track for completion in 2Q2024. While the business landscape is expected to remain challenging for some time, we are confident that our commitment to these factory expansions and industry advancements will position us strongly for sustained long-term profitability.

RESOURCES DIVISION

Our Resources Division recorded an all-time high PBT of RM23.3 million in FY2023, representing a 34.0% year-on-year growth. This was recorded in spite of a 1.7% decrease in revenue to RM202.9 million thanks to our team's consistent efforts to improve our profit margins.

In light of the sluggish global economy, mining activity across the region and industrial demand for our products are expected to remain subdued in 2024. Nevertheless, we are optimistic that our total sales volume will register growth and the Division will deliver improved earnings in FY2024, as we continue to diligently monitor our costs and pricing and actively widen our customer base.

Please refer to the Management's Discussion and Analysis on pages 18-22 of this Annual Report for further details on the Group's and each Division's financial performance.

FOOD SECURITY DIVISION

As of the end of FY2023, the cumulative planted area of our plantation in Cambodia totalled an estimated 2,560 hectares, comprising 1,830 hectares of coconuts and 730 hectares of macadamias. The coconut trees will progressively reach commercial scale maturity starting from 2024, while the macadamia trees are expected take another 1-2 years to reach the same.

After careful consideration, we have opted to concentrate on harvesting flower sap of the coconut trees, and refining it into coconut sugar products, including syrup and granulated sugar. This strategic choice is motivated by the scarcity of pure, unadulterated coconut sugar products in both industrial and retail markets, alongside a steady and expanding global demand (forecasted CAGR: 4.8% from 2018-2030). This market potential is underpinned by the superior health benefits of coconut sugar compared to refined white sugar.

We are confident that leveraging the capacity of our plantation presents a significant opportunity to meet the burgeoning global demand for coconut sugar products. Upon reaching maximum harvest capacity, we anticipate establishing ourselves as the largest and foremost fully integrated company dedicated to coconut sugar products worldwide.

Looking ahead, our commitment remains steadfast in nurturing and expanding the Food Security Division to make a substantial contribution to the Group's long-term earnings, whether through expansion, diversification or strategic acquisitions.

SUSTAINABILITY FOR A BETTER WORLD

I am pleased to announce that we were rated AA in the MSCI ESG Ratings last year, marking an improvement from our previous rating of A. This marks a milestone in our journey towards becoming a leading Malaysian company that is committed to embracing sustainable practices in our everyday operations, and recognising the profound impact our businesses can have on the environment and society.

We are currently on track to reach our ESG-related targets, namely to achieve net zero emissions by 2050, enhance the livelihoods of 3,000 people in nearby communities by 2030 and to have 100% of our Tier 1 suppliers in compliance with our Responsible Sourcing Policy by 2030.

For a more in-depth analysis and detailed understanding on our ESG efforts, kindly refer to pages 23-76 of our Sustainability Report.

AWARDS AND RECOGNITION

I am humbled to report that we were named Company of the Year at The Edge Billion Ringgit Club ("BRC") Awards for 2023. This is the 10th time we have been awarded by The Edge BRC and the 6th consecutive year that we have been recognised by them.

ACKNOWLEDGEMENT AND APPRECIATION

I would like to extend my gratitude and thanks to all our stakeholders for their contributions and unwavering support over the past year.

To our shareholders, thank you for your continued trust and confidence in our vision and leadership. Your investment in our Company fuels our growth and drives us to achieve excellence in everything we do.

To our customers, suppliers and partners, thank you for your trust, dedication and partnership that have allowed us to deliver value and positioned us for sustainable growth.

To our employees, thank you for your resilience, loyalty, hard work and commitment, especially during these challenging times. We would not be where we are without each and every one of you.

Finally, I would like to express my appreciation to our Board of Directors and management teams for their strategic guidance, leadership, and relentless pursuit of excellence. Together, we have navigated through uncertainties and capitalised on opportunities, positioning the Company for greater successes.

As we look ahead, I am confident that with the continued support of our stakeholders, including our shareholders, bankers, employees, management teams, and Board of Directors, we will achieve even greater heights together in the future.

MANAGEMENT'S DISCUSSION & ANALYSIS

FINANCIAL RESULTS

The following table sets forth a summary of the results of the Group for the financial years ended 31 December 2023 and 2022:

Financial Year Ended 31 December	**2023**	**2022**	**Changes**	
	RM'000	RM'000	RM'000	%
Revenue	1,317,635	1,339,635	(22,000)	-1.6
Other income, net of other expenses and impairment losses on financial assets	23,224	3,523	19,701	559.2
Earnings before interest, taxes, depreciation and amortisation ("EBITDA")	638,930	624,252	14,678	2.4
Operating profit	530,467	503,018	27,449	5.5
Profit before tax	476,788	490,569	(13,781)	-2.8
Profit after tax	451,640	475,727	(24,087)	-5.1
Profit after tax attributable to owners of the Company	383,708	396,804	(13,096)	-3.3
Revenue				
Renewable Energy	606,163	596,925	9,238	1.5
Packaging	402,341	398,964	3,377	0.8
Resources	202,893	206,324	(3,431)	-1.7
Sub-total	1,211,397	1,202,213	9,184	0.8
Investment Holding and Others	106,238	137,422	(31,184)	-22.7
Total revenue	**1,317,635**	**1,339,635**	**(22,000)**	**-1.6**
Profit Before Tax				
Renewable Energy	437,557	419,698	17,859	4.3
Packaging	33,600	33,546	54	0.2
Resources	23,297	17,385	5,912	34.0
Sub-total	494,454	470,629	23,825	5.1
Investment Holding and Others	(17,666)	19,940	(37,606)	-188.6
Total profit before tax	**476,788**	**490,569**	**(13,781)**	**-2.8**
Included in PBT of Investment Holding and Other Divisions consist of:				
Share of results in equity accounted investments	(13,600)	17,140	(30,740)	N.M.
Write-offs of property, plant and equipment and inventories due to fire incident, net of RM2.062 million insurance income	(26,936)	-	(26,936)	na
Inventories write-offs or write-down	(6,606)	-	(6,606)	na
Fair value gain on put option liability	13,943	4,955	8,988	181.4
Gain on foreign exchange	32,048	11,305	20,743	183.5
Income tax penalty	(5,697)	-	(5,697)	na
Fair value gain on investment properties	3,543	-	3,543	na
Plant and equipment written off arising from others	(388)	(4,500)	4,112	91.4

Excluding sales contribution of disposed Serudong Power Sdn Bhd from both years, Group revenue increased 1.5% from RM1.23 billion in 2022 to RM1.25 billion. Renewable Energy Division expanded 1.5% to RM606.2 million and Packaging Division improved marginally by 0.8% to RM402.3 million. The Resources Division posted a 1.7% decrease in revenue to RM202.9 million.

Pre-tax profit of the Group's three core divisions collectively grew 5.1% from RM470.6 million in 2022 to RM494.5 million. Renewable Energy Division rose 4.3% to RM437.6 million. Resources Division expanded 34.0% to RM23.3 million, while Packaging Division came in marginally better at RM33.6 million.

Group's pre-tax profit on the whole however declined 2.8% to RM476.8 million (2022: RM490.6 million), negatively impacted by share of losses in joint venture/associates, one-off charges from fire-related assets write-offs (in Packaging Division) and income tax penalty, and higher inventory write-down/write-off, partially offset by higher forex gain and fair value gains on both put option liability and investment properties.

Our Joint Venture, Edenor Technology Sdn Bhd and its subsidiaries ("Edenor") recorded a share of loss of RM13.1 million in the current year, compared to a share of profit of RM15.7 million in 2022. During the year, Edenor suffered significant capacity loss from plant repair, maintenance and upgrading works and experienced intense price competition in a weak consumer market.

RENEWABLE ENERGY DIVISION

Revenue in 2023 came in 1.5% higher at RM606.2 million (2022: RM596.9 million). Hydro energy sales registered a 1.2% increase to RM597.5 million, while solar energy sales grew 36.1% to RM8.7 million.

Don Sahong Hydropower Plant ("DSHP") recorded an average Energy Availability Factor ("EAF") of 91.4% in 2023, higher than the long term simulated average of 89.0%, but 3.2 percentage-point lower than 2022. The EAF in 2022 was abnormally high due to the absence of turbine maintenance and an unusually high water level during the dry season in that year. Despite a 3.4% year-on-year decline in hydro energy sales volume, revenue was bolstered by a 3.6% currency gain and a 1% tariff adjustment.

A total of 9.1 MWp generation capacity were added to the Group's solar portfolio in the current year, bringing the cumulative installed capacity to 27.0 MWp at the end of 2023 (31 December 2022: 17.9 MWp).

The Division posted a 4.3% year-on-year improvement in pre-tax profit to RM437.6 million (2022: RM419.7 million) on higher revenue and lower net interest expense.

RESOURCES DIVISION

Annual turnover came in slightly lower by 1.7% to RM202.9 million (2022: RM206.3 million) due mainly to lower sales volume of lime products. Demand for lime products during the year generally weakened because of slower mining activities and softer industrial demand. Revenue contribution from non-lime products increased 5.0% to RM18.7 million (2022: RM17.8 million).

Pre-tax profit however rose 34.0% to RM23.3 million in the current year (2022: RM17.4 million) because of export currency gain, higher production efficiency and a favourable change in the sales mix.

PACKAGING DIVISION

Despite the challenging operating environment and the fire incident, revenue rose marginally by 0.8% to RM402.3 million (2022: RM399.0 million). Pre-tax profit (excluding assets write-offs due to fire incident) improved slightly by 0.2% to RM33.6 million (2022: RM33.5 million) on stable revenue and close monitoring of operating and production costs.

FINANCIAL POSITION

ASSETS AND LIABILITIES

Changes in key assets and liabilities during the financial year ended 2023 are explained below:

ASSET/LIABILITY ITEMS	AS AT 31.12.2023 RM'000	AS AT 31.12.2022 RM'000	CHANGES RM'000	EXPLANATION
Service concession asset	1,940,046	1,940,823	(777)	The marginal decrease was due to RM88.6 million amortisation charge, largely offset by translation gain of RM87.8 million.
Property, plant and equipment ("PPE")	531,945	481,679	50,266	The increase was due to RM115.2 million CAPEX comprised mainly the following: (a) RM61.4 million by Packaging Division for plant expansion; (b) RM28.5 million for plantation development; and (c) RM18.8 million for solar development. Partially offset by RM38.3 million depreciation charge and RM29.0 million write-offs due mainly from the fire incident occurred within the Packaging Division.
Investment properties	168,746	165,203	3,543	The increase was due to gain on change in fair value of investment properties.
Right-of-use ("ROU") assets	116,312	119,021	(2,709)	The decrease was largely due to RM4.6 million depreciation charge for the year, partly offset by RM1.8 million new acquisition.
Development expenditures	203,048	74,574	128,474	The increase was attributable to progressive development of DSHP's 5th turbine expansion project.
Joint ventures and associates	166,674	174,561	(7,887)	The decrease was due to RM13.6 million share of loss for the year, offset by RM5.7 million new investment.
Investment in quoted shares	133,278	152,305	(19,027)	The decrease was due to fair value loss of quoted securities.
Inventories (non-current)	40,166	43,443	(3,277)	The decrease was due to write-off of non-qualifying expenses previously capitalised.
Inventories (current)	131,737	147,882	(16,145)	The decrease was mainly due to lower stock level recorded in Packaging Division.
Receivables and prepayments	488,684	437,252	51,432	The increase was mainly due to advanced payments for new capital projects and investments, and a 7% increase in USD receivable from Électricité du Laos ("EDL"), partly offset by deconsolidation effect of SPSB.
Deferred tax liabilities	126,954	124,320	2,634	The increase was mainly due to translation loss.
Payables and accruals (current)	168,823	155,726	13,097	The increase was mainly due to amount owing to EPCC contractor for DSHP's 5th turbine expansion project, partially offset by deconsolidation effect of SPSB.

GROUP BORROWINGS AND DEBT SECURITIES

The table below sets out the salient information on the Group's borrowings:

	Long-term		Short-term		Total	
	USD ('000)	RM ('000)	USD ('000)	RM ('000)	USD ('000)	RM ('000)
As at 31 December 2023						
Secured						
Trade financing and loans	-	-	-	38,710	-	38,710
Term loans	-	114,228	-	26,724	-	140,952
Term loans^	36,667	168,300	18,333	84,150	55,000	252,450
Revolving credit	-	-	-	97,019	-	97,019
	36,667	282,528	18,333	246,603	55,000	529,131
Unsecured Loan						
Term loan^	40,000	183,600	40,000	183,600	80,000	367,200
Revolving credit	-	-	-	5,000	-	5,000
	40,000	183,600	40,000	188,600	80,000	372,200
Total Borrowings	76,667	466,128	58,333	435,203	135,000	901,331

The table below sets out the salient information on the Group's borrowings (Cont'd):

	Long-term		Short-term		Total	
	USD ('000)	**RM** ('000)	**USD** ('000)	**RM** ('000)	**USD** ('000)	**RM** ('000)
As at 31 December 2022						
Secured						
Trade financing and loans	-	-	-	53,287	-	53,287
Term loans	-	89,449	-	28,754	-	118,203
Revolving credit	-	-	-	93,073	-	93,073
	-	89,449	-	175,114	-	264,563
Unsecured Loan						
Term loan*	70,000	307,300	31,000	136,090	101,000	443,390
Revolving credit	-	-	-	5,000	-	5,000
	70,000	307,300	31,000	141,090	101,000	448,390
Total Borrowings	70,000	396,749	31,000	316,204	101,000	712,953

^ - *translated at exchange rate of 4.59 as at 31 December 2023*

* - *translated at exchange rate of 4.39 as at 31 December 2022*

At 31 December 2023, total borrowings (excluding hire purchase liabilities) amounted to RM901.3 million, an increase of RM188.3 million from RM713.0 million at the end of 2022. The increase was mainly due to RM252.4 million new loan raised to fund the acquisition of additional equity interest in DSPC and a RM19.6 million translation loss on USD-denominated loan, partially offset by net repayment of other loans.

Interest rates on the Group's borrowings are floating in nature. The Group has no debt securities as at 31 December 2023.

CASH FLOW ANALYSIS

In 2023, the Group generated RM585.1 million after-tax cash from its operating activities and RM25.1 million income from its investments. Together with RM43.3 million equity proceeds raised from minority shareholders, the total funds made available to the Group during the year amounted to RM653.5 million, which was deployed in the following manner:

(a) RM434.7 million for investing activities, comprising:

- i. RM124.9 million for development of DSHP's 5th turbine;
- ii. RM113.5 million for net Capex (in PPE and ROU assets);
- iii. RM176.1 million (net of RM252.4 million debt) for acquisition of additional 20% equity interest in DSPC; and
- iv. RM20.2 million for strategic investments.

(b) RM221.1 million for distribution to stakeholders, comprising:

- i. RM81.7 million dividends paid to shareholders of the Company and non-controlling interest of a subsidiary;
- ii. RM40.1 million finance cost paid to lenders;
- iii. RM91.0 million net loan repayment to lenders; and
- iv. RM8.3 million share-buyback of the Company's shares.

After factoring translation effects, the Group's bank balances and deposits rose RM16.3 million from RM492.3 million at the beginning of the year to RM508.6 million at 31 December 2023. Net debt-to-equity (including hire purchase liabilities) of the Group rose from 7.4% to 12.5%.

FOREIGN CURRENCY EXPOSURE

1. Translation of the Group's foreign operations in various functional currencies into the Company's reporting currency. Notably, the 3.6% appreciation of the US Dollar against Malaysia Ringgit in 2023 contributed positively to the improvement in revenue and PBT of the Renewable Energy Division during the year.

2. Foreign currency risks in transactions and balances of non-foreign operations that are denominated in currencies other than Ringgit Malaysia. Notably,

   a) the Resources Division and the Packaging Division derived RM349.1 million or 56.1% of their combined revenue from foreign currencies in 2023. In the same year, the two divisions spent RM139.1 million on purchases in foreign currencies.

   b) As at 31 December 2023, the non-foreign operations have a net exposure in financial assets (after setting off financial liabilities) of RM122.2 million denominated in various foreign currencies. Further details are provided in Note 40.1(a)(i) of the Financial Statements 2023.

DIVIDEND POLICY

The Company declared a total dividend of 8.25 sen per ordinary share for the financial year ended 31 December 2023. This represents more than 10% increase from 7.45 sen in 2022. Subject to the future cash flow and future plans of the Group, the Company intends to continue to gradually step-up dividend distribution by circa. 10% per annum until the pay-out ratio reaches at least 30%.

FORWARD-LOOKING STATEMENT

The Group's prospects and future plans can be found in the Chairman's Statement.

MEGA FIRST CORPORATION BERHAD
Reg. No. 196601000210 (6682-V)

SUSTAINABILITY REPORT 2023

ABOUT THIS REPORT

Mega First Corporation Berhad ("MFCB" or "the Group") is pleased to present our 2023 Sustainability Report. In this report, we cover the strategic progress against our environmental, social and governance ("ESG") goals to keep our stakeholders informed of where we stand on this sustainable value creation journey. To provide an overview of how we create value for long-term sustainability, this Report should be read together with our Annual Report 2023.

REPORTING FRAMEWORKS

We are guided by the following national and international standards, frameworks and guidance to ensure that our report is reliable and comprehensive:

- Global Reporting Initiative ("GRI") Universal Standards (2021)
- Bursa Malaysia Main Market Listing Requirements on Sustainability Reporting
- FTSE4Good Bursa Malaysia Index
- United Nations Sustainable Development Goals ("UNSDGs")
- CDP (formerly Carbon Disclosure Project) for Climate Change Disclosure

REPORTING SCOPE AND BOUNDARIES

This report encompasses the operations of MFCB and three largest divisions – Renewable Energy, Resources and Packaging for the reporting period of 1 January 2023 to 31 December 2023 (unless otherwise stated). All data and information in the report pertains to our operations in Malaysia and Lao People's Democratic Republic ("Lao PDR"), unless specified otherwise. These divisions comprise 92% of the Group's revenue and where applicable, comparative data from the preceding year(s) have been included. In the future we will look to provide a report covering all our divisions.

ASSURANCE

We acknowledge that independent assurance will ensure the accuracy and transparency of data in this Report. We are working on enhancing our internal reporting processes and will consider obtaining independent assurance in the future.

INSIDE THIS REPORT

FEEDBACK

We are always seeking ways to improve our reporting and therefore, we welcome all suggestions and inquiries from our stakeholders and readers. Please contact Atiqah Zakaria, Group Sustainability at sustainability@mega-first.com.

MESSAGE FROM THE EXECUTIVE CHAIRMAN

Dear Valued Stakeholders,

I am pleased to present to you Mega First Corporation Berhad's sustainability report for the year ended 31 December 2023.

SUSTAINABLE DEVELOPMENT AND LONG TERM VALUE CREATION

At MFCB, we believe that sustainable development is essential for the long term growth, prosperity, and wellbeing of both present and future generations. By putting sustainable development practices at the forefront, decision making across the Group's operations involves not only the consideration of economic factors but also consideration of environmental and social factors pertinent to each business. This ensures that resources are used efficiently, waste is minimized, ecosystems are preserved and that our actions contribute positively to society. Integrating responsible and ethical practices into our business operations also leads to improved efficiencies, product and process innovations, cost savings, increased customer loyalty and trust, access to new markets and a happier workforce. We believe that developing sustainably will create long term value, not just from an economic viewpoint but also contributes to the overall wellbeing of the communities we interact with and preserves resources for the future.

SUSTAINABILITY STRATEGY PROGRESS

In the previous year's report, I had outlined MFCB's sustainability strategy and targets across the Environmental, Social and Governance pillars of sustainability. This year, I shall reflect on the progress we have made through the implementation of various initiatives and efforts throughout the Group.

At the Group level, a dedicated Group Sustainability Executive was appointed to manage the Group's daily sustainability operations in collaboration with designated sustainability leads at each division, ensuring that progress is made to achieve our sustainability targets. We also kicked off Group wide introductory sustainability training to ensure that our employees are aligned with our vision, mission and sustainability strategy. We believe that an informed workforce can contribute to achieving our sustainability goals faster.

For the environmental sustainability pillar, our main goal is to achieve net zero emissions by 2050. Net zero emissions is an essential target to address the pressing issue of climate change and to this end, we are focusing on various GHG emission reduction initiatives including transitioning to renewable energy where feasible, implementing energy efficiency initiatives in production processes and reducing waste across all our operations. This is an ongoing process and we expect to see gradual improvements as we progress on our GHG reduction journey.

During the year, we also further enhanced our support for biodiversity conservation at our Don Sahong Hydropower project site in Laos by implementing a long term biodiversity strategy that centres around conservation and rehabilitation, awareness and capacity building and scientific research. We have always conducted biodiversity conservation initiatives, but this year, we have formalised these efforts with a goal of having a net positive impact on biodiversity and to maintain, enhance or restore the integrity of the ecosystem within and around our project area for the benefit of biodiversity and local communities by 2050.

For the social pillar of sustainability, we continue to invest in initiatives to enhance the livelihoods of people in the communities surrounding our operations. We formalised the investment in these types of initiatives during the year by developing a Group Community Investment Guideline. The main themes of our community investment are education, infrastructure support and livelihood support. We believe that these social initiatives will have a positive impact to enhance livelihoods and empower communities to become self reliant in the longer term.

On the governance pillar, our main goal is to practice fair, transparent, ethical and sustainable procurement throughout the Group. We developed a Responsible Sourcing Policy in 2022 and during the year, we conducted a Tier 1 supplier training to ensure that our suppliers understand and comply with our procurement policy. This year, we intend to continually engage our suppliers and expand the training content to ensure that they are not only aligned with our sustainability goals but that we can also grow together, creating a sustainable future for all.

MOVING TOWARDS A SUSTAINABLE FUTURE

On behalf of MFCB, I would like to thank you for your unwavering support on our sustainability efforts. We are committed to sustainable development and will continue to make great strides towards our sustainability goals without compromising on stakeholder value creation. I believe that together, we can create a sustainable future for all.

WHO WE ARE AND WHAT WE DO

Mega First Corporation Berhad ("MFCB") is a diversified group of companies with three key divisions – Renewable Energy, Resources and Packaging. Established in 1966 and headquartered in Petaling Jaya, Selangor, Malaysia, MFCB has operations in Malaysia, Lao PDR and Cambodia.

Other divisions under the Group include Property, Food Security, Oleochemical and Automotive Components. As at 31 December 2023, MFCB has 1,268 employees across all its operations.

OVERVIEW OF KEY BUSINESS DIVISIONS

RENEWABLE ENERGY DIVISION

HYDROPOWER

MFCB is the owner of the Don Sahong Power Company Ltd ("DSPC"), the developer of the Don Sahong Hydropower Project ("DSHP") on the Mekong River, in southern Lao PDR. In December 2023, MFCB acquired an additional 20% of DSPC from EDL-Generation Public Company, providing MFCB with 95% effective equity interest of the project.

The DSHP comprises a 260MW run-of-river hydropower plant, embankments, a switchyard as well as transmission lines. The hydropower plant consists of four 65MW turbines in a powerhouse and was constructed from 2016 to 2019 on Sahong Channel, one of seven Mekong River anabranch channels which cross Khone Falls. The project utilises a natural fall of about 20 metres over the 5 km reach of Sahong Channel to generate about 2,000 GWh per year of renewable energy, which is mainly exported to Cambodia.

During the year, construction of DSHP's fifth turbine continued to progress and is on track for completion in the third quarter of 2024. The expansion design does not involve any in-river excavation and is strategically constructed adjacent to the current operating powerhouse ensuring there is no disruption to the flow of any Mekong River channels. The total installed capacity of DSHP after the completion of this expansion will be 325MW, with an expected generation of 2,200 GWh per annum.

Ongoing construction activities for the fifth turbine at DSPC, Lao PDR.

SOLAR POWER

MFCB's involvement in the solar photovoltaic ("PV") investments is mainly by MFP Solar Sdn. Bhd. ("MFP Solar"), a 55% subsidiary of MFCB and its strategic partner, Pekat Group Berhad (45%).

This subsidiary actively develops Commercial and Industrial ("C&I") solar projects in Malaysia to offer a CAPEX-free solution to customers. Recognised as a Registered Solar PV Investor ("RSPVI") by the Sustainable Energy Development Authority ("SEDA") since January 2020, MFP Solar continues to build its portfolio in 2023 with additional installed capacity of 9.1MW for its C&I customers.

In August 2023, the Group secured a 46.5MW project quota under the Corporate Green Power Programme ("CGPP") by the Energy Commission of Malaysia. This project is expected to contribute to our overall solar portfolio in 2025, being the Group's first large-scale solar development implementing the New Enhanced Dispatch Arrangement ("NEDA") framework.

OUR SOLAR PROJECTS

Secured · Operational · Solar farm (secured) · Under construction

MALDIVES

Cluster Project – Addu City, Eydhafushi, Fuvahmulah City, Hinnavaru, Thinadhoo, Kulhudhuffushi City	
Fenaka	11.39MW ground-mounted solar system

CAMBODIA

Phnom Penh	
Oji Packaging	1.02MW rooftop solar system

MALAYSIA

Perak	
Proton (Tanjung Malim)	12.06MW rooftop and ground-mounted solar system
CGPP (Tronoh)	46.50MW solar farm
Selangor	
The Alice Smith Schools (Seri Kembangan)	0.33MW rooftop solar system
Edenor Oleochemicals (Kuala Langat)	1.72MW rooftop solar system
Penang	
VAT Manufacturing (Batu Kawan)	4.96MW rooftop solar system
Smith & Nephew Operations (Batu Kawan)	1.47MW rooftop solar system
Flextronics Technology (Prai)	3.46MW rooftop solar system
VAT Manufacturing Phase 2 (Batu Kawan)	1.29MW rooftop solar system

Johor	
Kee Fatt Industries (Kulai)	0.92MW rooftop solar system
Flextronics International Management (Senai)	1.29MW rooftop solar system
Pondersa Golf & Country Resort (Johor Bahru)	0.44MW rooftop solar system
Cluster Project – Kuala Lumpur, Selangor, Putrajaya, Negeri Sembilan, Penang	
Indah Water Konsortium	6.31MW rooftop and ground-mounted

RESOURCES DIVISION

MFCB's Resources Division is undertaken by three subsidiary groups – Rock Chemical Industries (Malaysia) Sdn. Berhad ("RCI"), Cheng Sun Industries Sdn. Bhd. ("Cheng Sun") and Anting Sendirian Berhad ("Anting"). With operations across the state of Perak, Malaysia, the division's principal activities include the extraction, processing, manufacturing and distribution of high purity quicklime and limestone-based products.

The Resource Division's activities are carried out by RCI. RCI supplies lime products to many reputable clients across the Asia Pacific region, making it a leading lime manufacturer in Asia. RCI owns multiple limestone reserves across various locations and operates multiple advanced lime kilns ensuring consistent and sustainable supply to customers.

Cheng Sun is involved in the quarrying of limestone for processing into fine calcium carbonate powder. Cheng Sun's plant and factory are in Keramat Pulai, near Ipoh. This product is used as a filler in the paint, shoe, plastic and rubber glove industries.

Processing Equipment at RCI, Perak, Malaysia.

PACKAGING DIVISION

MFCB's Packaging Division activities are mainly undertaken by two subsidiary groups – Hexachase Corporation Sdn. Bhd. ("Hexachase Group") and Stenta Films (Malaysia) Sendirian Berhad ("Stenta").

The Hexachase Group comprises three key subsidiaries – Hexachase Labels Sdn. Bhd. ("Hexachase Labels"), Hexachase Packaging Sdn. Bhd. ("Hexachase Packaging") and Hexachase Flexipack Sdn. Bhd. ("Hexachase Flexipack"). The group produces an extensive product line from high-quality printed labels and stickers to paper bag products and laminated flexible packaging. These products are used in reputable industries like food and beverages, FMCG, electronics and retail in over 20 countries globally. Hexachase Group is located in Malacca, Malaysia.

In November 2023, Hexachase Packaging completed the construction of its new double-storey factory warehouse that adds 31,754 sq. ft. of space to the existing warehouse, cementing its reputation as one of the largest paper bag manufacturers and exporters in ASEAN. This expansion has the capacity to cater for up to 1,200 pellets of finished goods and with three newly installed high-speed SOS bag machines, total production capacity has increased to 510 tonnes (from 270 tonnes previously).

Hexachase Flexipack is also currently expanding its operations. On track for completion in the first half of 2024, the new double-storey warehouse and production site will contribute an additional 305,644 sq. ft. to the current existing space of 106,969 sq. ft. This new facility will integrate cutting-edge machinery, featuring four units of double header, high-speed production lines. The expansion is expected to boost capacity from 10,000 tonnes to 30,000 tonnes per annum.

Located in Bandar Baru Bangi, Selangor, Malaysia, Stenta is one of the leading flexible packaging film manufacturers of Biaxially Oriented Polypropylene Film ("BOPP") and Linear Low Density Polyethylene films ("LLDPE") in Malaysia. Stenta's films are used in various industries and in many consumer good items such as food, general overwrap, labels, adhesive tapes and others. Currently, Stenta exports its products throughout Asia, the Middle East, Africa, South America and Europe.

During the reporting year, Stenta began Phase 1 of its expansion plan. A new building, scheduled to start production in May 2024 is being constructed within Stenta's current premises and is expected to comprise an additional of eight machines for the production of LLDPE films and two machines for Cast Polypropylene ("CPP") films. Stenta has also added a new slitter machine for its BOPP manufacturing that will provide additional slitting capacity of 1,500 tonnes annually.

Our operations at Stenta and Hexachase Flexipack.

FOOD SECURITY DIVISION

MFCB, through its subsidiary Mega First Plantation (Cambodia) Ltd ("MFPC"), has developed a coconut and macadamia plantation spanning 6,420 hectares in Mondulkiri, Cambodia. The land concession commenced in April 2013 and the company spent an initial few years trialling the best crop to grow given the environmental conditions of Mondulkiri while also considering its economic returns. In 2017, the planting of coconuts and macadamia nuts began in earnest and by the close of 2023, the cumulative planted area had reached around 2,560 hectares. Although the area cleared did not expand in terms of hectarage this year, the number of trees planted increased due to an insertion program to maximise cleared land potential.

2,560 HECTARES
PLANTED WITH COCONUTS AND MACADAMIA NUTS

We have spent the last few years assessing various downstream products (for coconuts in particular) and intend to produce products sourced from the coconut flower's sap such as nectar, syrup and sugar after careful consideration of market demands and the economic returns.

It is anticipated that the Division will start contributing positively to earnings in 2025, slightly earlier than previously expected.

PROPERTY DIVISION

Under the Property Division, MFCB owns multiple assets across Malaysia that generate rental income for the Group. These assets include office buildings, shop-lots and carparks. The Property Division focuses primarily on property investment and is not involved in the construction and development of any new properties.

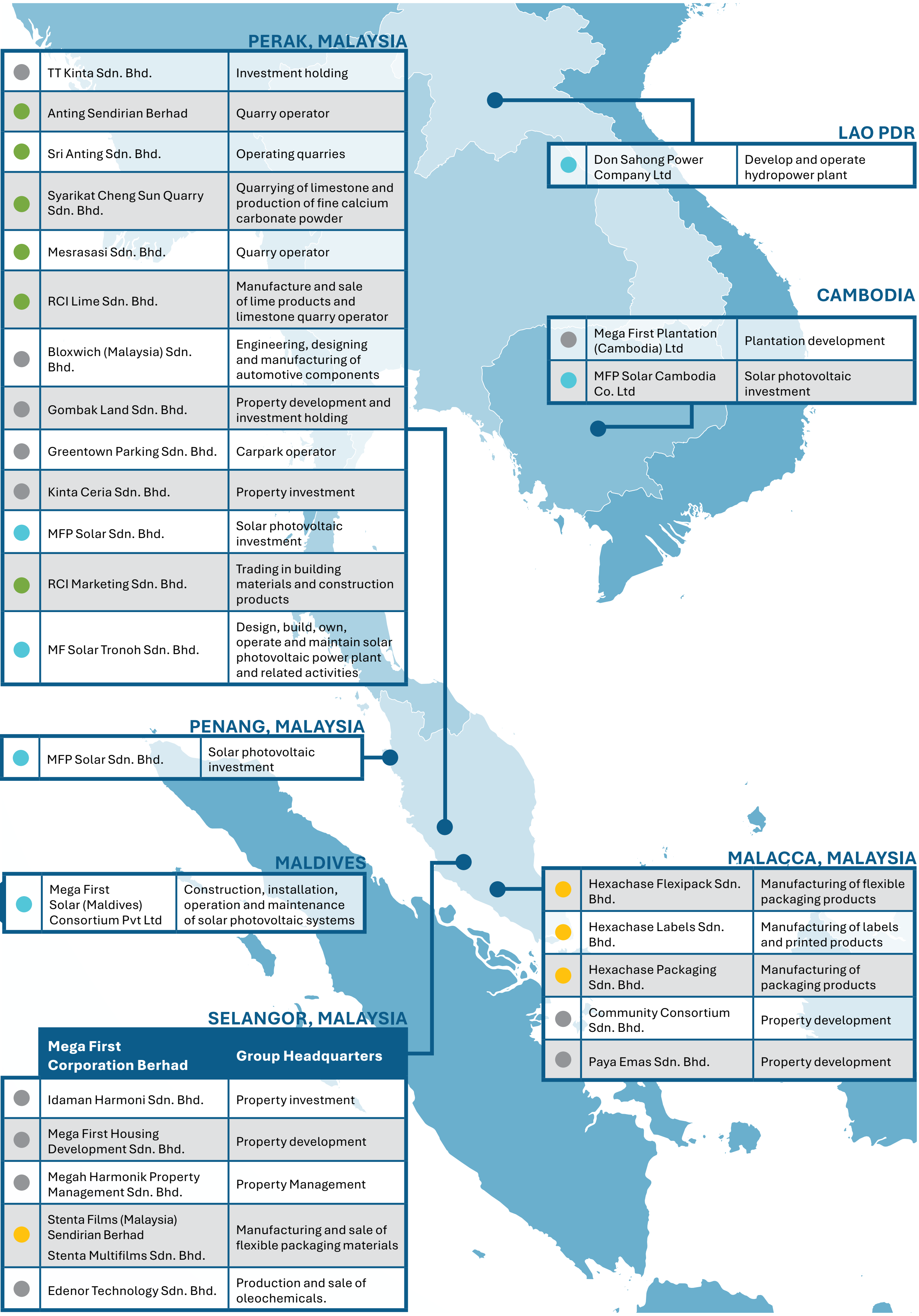
AUTOMOTIVE COMPONENTS DIVISION

Established in 1997, our Automotive Components division is operated by Bloxwich (Malaysia) Sdn. Bhd. ("Bloxwich") and is located in Bota, Perak, Malaysia. Bloxwich manufactures metal and assembly components for the automotive sector with customers ranging from local and international brands. With more than 20 years of experience, Bloxwich produces high quality precision metal products with an outstanding lot acceptance rate which is proven by the IATF 16949:2016 certification.

Bloxwich plant, located in Bota, Perak, Malaysia.

WHERE WE OPERATE

Packaging · Renewable energy · Resources · Others



PERAK, MALAYSIA

Others	TT Kinta Sdn. Bhd.	Investment holding
Resources	Anting Sendirian Berhad	Quarry operator
Resources	Sri Anting Sdn. Bhd.	Operating quarries
Resources	Syarikat Cheng Sun Quarry Sdn. Bhd.	Quarrying of limestone and production of fine calcium carbonate powder
Resources	Mesrasasi Sdn. Bhd.	Quarry operator
Resources	RCI Lime Sdn. Bhd.	Manufacture and sale of lime products and limestone quarry operator
Others	Bloxwich (Malaysia) Sdn. Bhd.	Engineering, designing and manufacturing of automotive components
Others	Gombak Land Sdn. Bhd.	Property development and investment holding
Others	Greentown Parking Sdn. Bhd.	Carpark operator
Others	Kinta Ceria Sdn. Bhd.	Property investment
Renewable energy	MFP Solar Sdn. Bhd.	Solar photovoltaic investment
Resources	RCI Marketing Sdn. Bhd.	Trading in building materials and construction products
Renewable energy	MF Solar Tronoh Sdn. Bhd.	Design, build, own, operate and maintain solar photovoltaic power plant and related activities

LAO PDR

Renewable energy	Don Sahong Power Company Ltd	Develop and operate hydropower plant

CAMBODIA

Others	Mega First Plantation (Cambodia) Ltd	Plantation development
Renewable energy	MFP Solar Cambodia Co. Ltd	Solar photovoltaic investment

PENANG, MALAYSIA

Renewable energy	MFP Solar Sdn. Bhd.	Solar photovoltaic investment

MALDIVES

Renewable energy	Mega First Solar (Maldives) Consortium Pvt Ltd	Construction, installation, operation and maintenance of solar photovoltaic systems

MALACCA, MALAYSIA

Packaging	Hexachase Flexipack Sdn. Bhd.	Manufacturing of flexible packaging products
Packaging	Hexachase Labels Sdn. Bhd.	Manufacturing of labels and printed products
Packaging	Hexachase Packaging Sdn. Bhd.	Manufacturing of packaging products
Others	Community Consortium Sdn. Bhd.	Property development
Others	Paya Emas Sdn. Bhd.	Property development

SELANGOR, MALAYSIA

	Mega First Corporation Berhad	**Group Headquarters**
Others	Idaman Harmoni Sdn. Bhd.	Property investment
Others	Mega First Housing Development Sdn. Bhd.	Property development
Others	Megah Harmonik Property Management Sdn. Bhd.	Property Management
Packaging	Stenta Films (Malaysia) Sendirian Berhad Stenta Multifilms Sdn. Bhd.	Manufacturing and sale of flexible packaging materials
Others	Edenor Technology Sdn. Bhd.	Production and sale of oleochemicals.

AWARDS AND RECOGNITION

In May 2023, MFCB received an 'AA' rating from MSCI that measures company's management of financially relevant Environmental, Social, and Governance ("ESG") risks and opportunities. The AA rating demonstrates MFCB's commitment in becoming a leading company in utilities sector for managing the most significant ESG risks and opportunities.

In December 2023, we successfully received an ESG rating of 2.9 from FTSE Russell (2.7 in 2022), which is the minimum score for listing on the FTSE4Good Bursa Malaysia Index. Unfortunately, even though we met the sustainability requirements to be listed, we are not listed on the index as we did not meet FTSE's liquidity requirements.

Our Executive Chairman accepting the Company of the Year award at The Edge Billion Ringgit Club 2023.

This year, MFCB was named Company of the Year at the 14th edition of The Edge Billion Ringgit Club awards in October. This is the first year that MFCB won in this category, having previously won the Highest Returns to Shareholders over three years as well as Highest Growth in Profit after Tax over three years in the Utilities sector. The recognition highlights our efforts to consistently create long term sustainable value for our stakeholders.

During the year, MFP Solar's investment in Proton's Tanjung Malim plant's solar PV system won the Best National On-Grid Renewable Energy solution at the National Energy Awards by the Ministry of Natural Resources, Environment and Climate Change ("NRECC") and Malaysian Green Technology and Climate Change Corporation ("MGTC"). The project is a combination of a carport mounting system and rooftop solar system.

SUSTAINABILITY AT MFCB

With the vision of becoming a leading Malaysian company that has a strong commitment to sustainable development in all our businesses, sustainability has become a central pillar of our mission and operations. At MFCB, we place a strong emphasis on three sustainability themes: Environment, Social and Governance. We believe in promoting environmental sustainability through promotion of resource efficiency, enhancing the livelihood of our people and building a sustainable and ethical business.

SUSTAINABILITY THEMES	SUSTAINABILITY TARGETS	SUB-TARGETS
Promoting environmental sustainability To promote resource efficiency and biodiversity conservation to minimise environmental impacts.	**Net zero emissions by 2050** MFCB to achieve net zero emissions through pursuing operational GHG reduction and working with stakeholders on their carbon neutrality commitments.	• Conduct group-wide GHG inventory by 2025 *(this sub-target has been revised from 2023 to 2025)*. • Reduce waste to landfill by 50% by 2030. • By 2035, achieve carbon neutrality and commence transition towards net zero. • Reduce GHG emissions in the supply chain by 50% by 2035.
Enhancing livelihoods and inspiring our people To safeguard, inspire and invest in the development of our people and communities and create real change.	**Enhancing livelihoods of 300,000 people in nearby communities by 2030** To be the voice in empowering and uplifting communities through corporate social responsibility and advocacy.	• Establish a community investment fund to create positive societal impact by 2023. • Set up a Scholarship and Management Trainee Programme by 2024. • Conduct social impact assessments for 100% of community initiatives by 2025.
Building a sustainable and ethical business To enhance the sustainability of our business and uphold high ethical and governance standards.	**100% of Tier 1 suppliers to comply with our Responsible Sourcing Policy by 2030** To practice fair, transparent, ethical and sustainable procurement throughout the organisation.	• Develop a Responsible Sourcing Policy by 2022. • Implement mandatory supplier ESG training by 2023. • Conduct internal audits of all higher-risk suppliers by 2025.

In 2023, we worked on establishing a strong foundation for our sustainability efforts and appointed a Group Sustainability Executive ("GSE"). The GSE works closely with our Executive Directors to implement MFCB's sustainability roadmap and ensuring the Group meets its sustainability goals. With close engagement with all our divisions, we are certain that we will make steady progress towards achieving our goals.

MFCB's sustainability vision and mission engagement session at RCI in June 2023.

In an effort to enhance awareness and knowledge about sustainability among our employees, we conducted a group-wide Sustainability 101 Training to provide an overview on sustainability and its importance to us as a business. We also took the opportunity to communicate our sustainability vision and mission as well as our sustainability strategy. In this first-batch of training, a total of 40 management-level employees participated and we aim to roll this out to more employees in 2024. This effort is to ensure that all our employees are well engaged on the topic and are able to contribute in creating long-term value for the environment and for our stakeholders.

SUSTAINABILITY GOVERNANCE

Our sustainability performance is overseen by the Board of Directors, who have overall responsibility of our performance. The Board also has oversight over a range of sustainability topics including overall sustainability risks and the material topics identified through our materiality assessment. The Board is formally updated on the Group's sustainability matters and performance on a quarterly basis. Day-to-day responsibilities for managing sustainability-related issues and concerns are delegated to the GSE and respective representatives in each division. Our Sustainability Committee meets quarterly to encourage constant dialogue and interaction with our divisions to discuss priorities, expectations and needs in terms of sustainability. The meetings also allow the divisions to share sustainability performance and actions to help achieve the Group's overall ESG goals.

During the year, we updated a number of Group policies including the Group Sustainability Policy to strengthen our sustainability commitments and communicate the same to all our stakeholders. These policies will not only guide us to operate responsibly but also create strong corporate governance across our operations. Amongst the policies we have updated are the Diversity and Inclusion Policy, Human Rights Policy, Responsible Sourcing Policy and Water Management Policy.

GOVERNANCE LEVEL	HOW OFTEN THEY MEET	ROLES AND RESPONSIBILITIES	
Highest governance body	Quarterly	**MFCB Board** Oversight and decision making responsibility.	
Management Oversight	Quarterly or as required	**Sustainability Executive Committee** Led by Executive Directors to provide overall direction to Group and report to Board.	
Coordinators	Quarterly	**Group Sustainability Committee** Representatives from Group- and Division-levels to discuss and drive performance.	**Group Functions** (HR, Finance, etc.)
Division teams	Monthly	**Division Sustainability Teams** Implementation of sustainability-related strategies, policies and goals.	

MATERIAL ISSUES

Through the discussion we had in 2022 with MFCB's Group Senior Management and Division Heads to refresh our material issues, we remain well-informed and continue to deepen our understanding in these issues.

ENVIRONMENTAL

MATERIAL ISSUES	RELEVANT UN SDGs
Biodiversity	14 Life Below Water; 15 Life on Land
Energy Consumption	7 Affordable and Clean Energy; 13 Climate Action
GHG Emissions and Climate Change	13 Climate Action
Waste Management	12 Responsible Consumption and Production
Water and Wastewater	6 Clean Water and Sanitation

We have also BENCHMARKED our material issues against the relevant UN SDGS to stay up to date with industry trends and stakeholders' priorities.

SOCIAL

MATERIAL ISSUES	RELEVANT UN SDGs
Diversity and Equal Opportunity	5 Gender Equality; 8 Decent Work and Economic Growth; 10 Reduced Inequalities
Employee Training and Development	8 Decent Work and Economic Growth
Employee Wellness and Engagement	8 Decent Work and Economic Growth
Local Communities	1 No Poverty; 2 Zero Hunger; 3 Good Health and Well-Being; 4 Quality Education; 7 Affordable and Clean Energy; 10 Reduced Inequalities; 11 Sustainable Cities and Communities; 17 Partnerships for the Goals
Occupational Health and Safety	3 Good Health and Well-Being

GOVERNANCE

MATERIAL ISSUES	RELEVANT UN SDGs
Customer Satisfaction	8 Decent Work and Economic Growth
Ethics and Compliance	16 Peace, Justice and Strong Institutions
Fair Labour Practices and Human Rights	8 Decent Work and Economic Growth; 10 Reduced Inequalities
Innovation and Product Responsibility	9 Industry, Innovation and Infrastructure; 12 Responsible Consumption and Production
Risk and Crisis Management	16 Peace, Justice and Strong Institutions
Sustainable Supply Chain	12 Responsible Consumption and Production

STAKEHOLDER ENGAGEMENT

At MFCB, we recognise that regular engagement with our stakeholders is a key enabler in creating long-term positive impacts. By seeking the views and perspectives of a diverse set of stakeholders, we obtain valuable insights into the material topics that may have impact on our business. In 2023, we continue to maintain this engagement with our key stakeholders and provide a summary of the key outcomes.

ENGAGEMENT METHODS	FREQUENCY	AREAS OF STAKEHOLDER CONCERN	OUTCOME OF ENGAGEMENTS
CUSTOMER			
• Emails and phone calls • Meetings and site visits • Website	• Annually • Ongoing	• Competitive pricing • Product quality • On-time deliveries • Ability to fulfil contracts • Innovation • Licensing and certifications • Sustainability of products and services • Ethical business practices	Proactive and progressive engagement with customers allows for both the businesses and customers to pre-empt and review contracts in order to minimise the impact of cost increases brought on by the sudden sharp increases in production costs as well as anticipate industry trends and address market demands. MFCB continues to pursue best practice standards to build trust among new and existing customers. For example, in the Packaging Division, Stenta, Hexachase Flexipack and Hexachase Labels are regularly audited by its customers based on Suppliers Ethical Data Exchange ("SEDEX") principles and Sedex Members Ethical Trade Audit ("SMETA") methodology. We are also engaging with our customers through annual customer satisfaction surveys to get feedback on our performance and product quality. This is to ensure that our products are meeting customers' needs and to maintain customer engagement. Please refer to page 62 for our customer satisfaction efforts and accomplishments during the year.
EMPLOYEES			
• Annual performance appraisal • Interview • Briefings • Trainings	• Annually • Ongoing	• Group financial performance • Business strategy and direction • Remuneration and benefits • Training and career development • Work life balance • Workplace health and safety • Ethical business practices	Employees may participate in the Group's quarterly performance virtual briefings to help better understand the Group's financial performance as well as business strategy and performance. Employees have regular engagement opportunities to communicate directly with management and various human resource personnel to ensure that welfare concerns and expectations are understood and addressed. On top of that, professional development trainings are provided regularly to ensure employees are on par with current industry expectations of their jobs and are able to learn new skills. At MFCB, employees are encouraged to attend trainings in order to maintain their personal and professional developments. In 2023, 100% of employees underwent the annual performance appraisal.

ENGAGEMENT METHODS	FREQUENCY	AREAS OF STAKEHOLDER CONCERN	OUTCOME OF ENGAGEMENTS
GOVERNMENT AND REGULATORY BODIES			
• Compliance reports • Dialogue sessions • Direct contacts • Industry events and seminars • Official meetings and briefings • Site visits	• Annually • Quarterly • Monthly • Ongoing	• Legal and regulatory compliance • Community investment and development • Environmental management • Labour practices • Occupational health and safety record • Opportunities for local and foreign business investment in order to create employment opportunities and bring revenue to the state and country • Ethical business practices	Report submissions to government and regulatory bodies ensures that we are up to date with all necessary reporting and any issues can be flagged and addressed immediately. Regular engagement with various government bodies better enables businesses to work together with the government to bring investment to the state and country.
LOCAL COMMUNITY			
• Outreach programmes	• Annually • Monthly • Ongoing	• Community investment and development • Job creation • Charitable contributions • Environmental management and protection • Ethical business practices	Engagement with the local community via outreach programmes enables us to better understand the needs of the community and how we can work together to meet them. Please refer to page 56 for further details of our community outreach efforts. This year we contributed a total of RM1,802,638 to the communities.
SUPPLIERS & BUSINESS PARTNERS			
• Meetings and site visits • Dialogue sessions • Emails and phone calls	• Annually • Quarterly • Ongoing	• Capability development and knowledge sharing • Ability to fulfil contracts • Innovation • Licensing and certifications • Sustainability of products and services • Ethical business practices	Conducted regular engagement with suppliers to pre-empt and review contracts in order to minimise the impact of cost increases brought on by the sudden sharp increases in production costs, discuss industry trends and address market demands. Collaboration with suppliers has helped our businesses to develop new products to keep up with changing consumer trends and improve processes/ source new equipment to enhance operational efficiency and cost effectiveness. This year, we conducted a mandatory Tier 1 supplier ESG training. A total of 59 suppliers were engaged across the Group. Please refer to page 59 for further details of our supplier engagement efforts and achievements.
SHAREHOLDERS & INVESTORS			
• Analyst and investors briefings • Announcements on Bursa Malaysia website • Corporate website - Group and subsidiaries • Shareholders Annual General Meeting • Dialogue sessions • Emails and phone calls	• Annually • Quarterly • Ongoing	• Group financial performance • Business strategy and direction • Transparency of information • Organisational growth • Sustainability efforts • Ethical business practices	MFCB continues to conduct quarterly results briefings to the general public during the year which includes an open Q&A session. The details shared in these briefings are then made publicly available on the company website. This initiative was taken to improve the transparency and corporate governance for all shareholders and investors. In 2023, we participated in a number of engagements with financiers and fund management institutions to communicate our sustainability strategy as well as our performance in this area.

PROMOTING ENVIRONMENTAL SUSTAINABILITY

We prioritise environmental conservation across our operations and look to minimise our impacts where possible.

OUR APPROACH

Driven by our goals to achieve carbon neutrality in 2035 and net zero emissions by 2050, we began taking a more proactive role in 2023 to ensure that we operate sustainably and with great respect to the environment. This year, we took a step further by updating our Group Sustainability Policy to include our commitment to using our resources more efficiently and minimising all forms of pollution at our business operations.

Our key environmental efforts are segmented into the following:

Our Road to Net Zero	Water Management	Circular Economy	Biodiversity Conservation

01	02	03	04
Conduct a group-wide GHG Inventory by 2025.	Reduce waste to landfill by 50% by 2030.	By 2035, achieve carbon neutrality and commence transition towards Net Zero.	Reduce GHG emissions in the supply chain by 50% by 2035.

We have also made a deliberate decision to revise our environmental sub-target "Conduct a group-wide GHG inventory by 2023" to 2025. This decision is an acknowledgement of the challenges we face towards a more sustainable environment and further strengthens our commitment in achieving this goal. This year, we made our first 'Climate Change' disclosure to the Carbon Disclosure Project ("CDP") and received a "C", which is on par with industry peers. As this is the first year of our participation in CDP, we acknowledge that there are plenty of areas for continued improvement. We are dedicated in creating long term sustainable solutions and disclosing our information is a step forward in portraying our strong commitment.

ENVIRONMENTAL MANAGEMENT

In the Renewable Energy Division, environmental performance at DSPC is headed by the Deputy General Manager of Operation and Maintenance together with the Environmental and Social Program Manager. The team manages any potential environmental impacts with regular monitoring to ensure we are in compliance with laws and regulations.

In Malaysia, both the Resources and Packaging Divisions have an Environmental Regulatory Compliance Monitoring Committee ("ERCMC") and Environmental Performance Monitoring Committee ("EPMC") which are responsible for monitoring and managing environmental performance in their respective divisions.

DSPC Compliance List

- IFC Environmental, Health and Safety General Guidelines 2007
- Asian Development Bank ("ADB") Standards
- Environmental Law of the Lao PDR Ministry of Natural Resources and Environment ("MONRE")
- Other requirements as specified in the DSPC Concession Agreement

SUSTAINABILITY SESSIONS

RCI continued to show its commitment towards achieving environmental sustainability by introducing a regular sustainability session with its employees. Each session discusses sustainability topics such as global warming, water conservation and energy efficiency to reduce GHG emissions with the goal of creating awareness and educating employees.

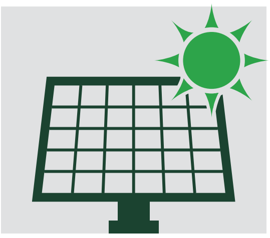
OUR ROAD TO NET ZERO

Our journey towards achieving net-zero emissions is a collective pursuit marked by unprecedented collaboration and innovation. Fuelled by a growing awareness of the environmental challenges we face, we started embracing sustainable practices like transitioning to renewable energy sources, sustainable resource consumption, water and waste management and biodiversity conservation. The commitment to reducing our carbon footprint underscores a shared responsibility to safeguard the planet for future generations. As we navigate this road to net zero, the integration of cutting-edge technologies and a global commitment to sustainability serve as guiding beacons, illuminating a path towards a more resilient and environmentally balanced future.

CLIMATE CHANGE AND EMISSIONS

The Group is dedicated to shifting towards a low-carbon economy and implementing strategies to reduce GHG emissions, while deliberately considering the economic impacts of these actions. Our primary focus for emissions reduction centres around our operations, with the accurate measurement of Scope 1 and 2 emissions enabling us to focus on areas for improvement. This year, we included Scope 2 and 3 emissions from our Headquarters in Petaling Jaya, Selangor, Malaysia. This is part of our efforts to account for the overall Group's GHG emissions. We intend to complete a group-wide inventory by 2025 in order to facilitate this Net Zero target.

We have implemented a number of initiatives aimed at reducing GHG emissions within our operations. The key projects contributing to this reduction include:



Transition to **renewable electricity** at our operations through the installation of **Solar PV** systems and hydropower

Implementation of various **energy efficiency initiatives** in production processes

Efforts in **reducing waste** across our operations

Wherever possible, we encourage and support the use of clean energy in all areas of our operations. A number of the Group's operations have installed solar PV systems and are utilising renewable energy. We continuously assess and study how to increase the proportion of the Group's energy usage to renewable energy.

Transmissions lines connected to our 260MW hydropower plant at DSPC, Lao PDR.

RENEWABLE ENERGY

Our Renewable Energy operations support the transition to a low-carbon world. In 2023, we produced 2,083 GWh of hydropower energy with 100% exported to Cambodia, where the use of this energy avoided a total of 1.2 $MtCO_2e$. In addition, more than two million Renewable Energy Certificates ("RECs") were generated during the year from our hydropower operation with 2% sold to corporate consumers. We are currently in the exploratory phase with RECs, and we expect demand will continue to grow in the region.

At DSHP, our accommodation facilities and other site buildings utilise 100% renewable electricity generated from the 260MW plant. Consuming about 0.34% of the total electricity generated by the DSHP, this helps avoid an estimated 4,049 tCO_2e/year. In 2024, construction of a 1.0MW ground-mounted solar installation will begin at DSHP to support growing internal consumption. The project is expected to be completed in the second quarter of the year and provide more than 20% of our internal energy demand.

During the year, our solar operations generated 29,096 MWh of solar energy. We have also introduced an Automated Meter Reading ("AMR") system for offsite monitoring of our solar performance to reduce the travelling requirement to sites. The system is equipped with live data and billing features to interact with our customers remotely, which helps to improve our operation's efficiency and reduce Scope 3 emissions from business travel.

In the Maldives, our solar project has been designed to be as environmentally friendly as possible. Taking into consideration the delicate environment, the project has developed green designs such as using as little concrete as possible, comprehensive waste management plans, and a commitment to replace any trees removed with two of the same variety in another part of the Maldives Island. All this ensures that, along with the green energy that we will be producing for the Maldives, we are also doing it in a responsible manner.

RESOURCES

At RCI, efforts have been taken to reduce energy consumption as well as further identify key areas for improvement. During the year, RCI established an Energy Optimisation Steering Committee ("EOSC") to look into energy optimisation efforts across processing equipment, auxiliary equipment and utilities. RCI is also in the preliminary assessment stage of developing solar energy for its operational usage.

UPGRADING TO PREMIUM EFFICIENCY MOTORS

Five of our equipment motors were upgraded to IE3 electric motors. A total of RM29,570 was invested for this initiative, with an estimated annual energy savings of 18,931 kWh and carbon savings of 14.8 tCO_2e. We are targeting to upgrade and replace all mid-range powered motors to IE3 or IE4 electric motors for higher efficiency and lower energy consumption in our processing facilities.

PACKAGING

In 2023, MFCB installed a 2.48MW solar PV system at our Packaging Division, with an annual generation of 2,564 MWh, helping to avoid 2,000 tCO_2e.

2.48MW
OF SOLAR PV INSTALLATION AT PACKAGING DIVISION

2,564 MWH
ANNUAL GENERATION

2,000 TONNES
OF CO_2 AVOIDANCE

At Hexachase Group, we have made a progressive transition to electric ("EV") forklifts and reach trucks to help with our product dispatch and loading activities. The group is currently operating five EVs across its subsidiaries for this purpose and is working towards identifying the emission reduction from this initiative.

Hexachase Packaging has during the year installed three new in-line printing stations which helps eliminate the roll-to-roll printing process, increase production output and reduce energy consumption. In 2024, Hexachase Packaging will continue the effort by installing new in-line SOS printing machines. Hexachase Group is currently working on tracking its energy savings performance from all the environmental initiatives implemented. It expects to have a clearer outlook on this topic in the coming years.

This year, Stenta engaged with its customers to explore and trial downgauged film thickness, replacing it with a higher performance, thinner gauge film. The effort is expected to reduce the number of containers shipped to customers. While this effort is still in its exploratory phase, if accepted by customers, we foresee that this will help to reduce our Scope 3 emissions from downstream transportation and distribution (Category 9). We hope that these efforts will come into fruition towards the end of 2024.

0.65 MW Solar Installation at Hexachase Flexipack, Malacca.

AIR QUALITY

In the Resources Division, we assess and monitor our operations' emissions as well as the surrounding air quality to ensure we comply with local law and regulations. On top of our ongoing procedures such as monitoring our isokinetic stack emissions and replacement of bag filters for our kilns, we implemented a few new initiatives to further improve our efforts in this area.

1. **Implementation of Continuous Emission Monitoring Systems ("CEMS")**

   In October 2023, we successfully implemented CEMS for all the kilns in our operations. These systems are designed to measure and track Total Particulate Matter ("TPM") levels in milligrams per cubic meter (mg/m^3) in the kilns. This provides real-time data of our emissions and early detection for any breach in emission parameters.

2. **Ambient Air Monitoring**

   During the year, we added parameters PM10, NO_2, SO_2 and PM2.5 into the Quarterly Ambient Air Monitoring with reference to the New Malaysian Ambient Air Quality Standards 2020. The incorporation of these new parameters allows us to obtain a more in-depth air quality dataset surrounding our operation. We have also integrated an additional data point at Sekolah Kebangsaan Gunung Panjang to assess the potential impact of our operations to the local communities. The ambient air quality was found to be in compliance with all the parameters.

3. **Wash bay**

   An additional wash-through (wash bay) was constructed in our high-traffic area within the operation to mitigate road dust and serves as a measure for fugitive dust suppression during the dry season.

The Packaging Division conducts yearly Stack Emission Monitoring for chimneys in their manufacturing buildings. The report is submitted to the Department of Environment ("DOE") to prove that measured parameters align with the limits specified in the Malaysian Clean Air Regulations 2014- Second Schedule (1.2). During the year, zero incidents of non-compliance were reported from the Division for air quality.

NOISE EXPOSURE

Noise pollution is a significant concern in quarry operations, stemming from the extensive machinery and equipment employed in extraction and processing activities. The continuous operation of heavy machinery, drills and crushers generates elevated noise levels, impacting both the immediate quarrying site and surrounding areas.

In this respect, our Resources Division have implemented noise mitigation measures such as using advanced noise reduction technologies. These measures help to minimise the environmental impact and protect the health of both workers and the broader community. We are currently in the trial phase of installing ceramic wear lining at our machinery parts to protect abrasion wear and reduce noise as well as vibration during application. This trial phase is expected to be completed in the first quarter of 2024. If the measure is deemed successful, we are poised to implement this measure throughout our entire operation.

Additionally, we perform quarterly boundary noise level monitoring to adhere to the compliance regulations established by the DOE. In 2023, there were no instances of non-compliance with boundary noise level standards.

WATER MANAGEMENT

Effective water management is crucial for sustainable development and environmental stewardship. At MFCB, we recognise the importance of efficient water use and conservation. As we navigate challenges like population growth and climate change, innovative water management approaches become essential for ensuring a resilient and water-secure future. In September 2023, we updated our Water Management Policy to strengthen our commitment in reducing water consumption by seeking ways to improve efficiency and contribute to water security.

In 2023, all of our operations are located in zero water-stressed areas and have consistent supply of municipal water.

RENEWABLE ENERGY

Responsible water management is a cornerstone of operations at our hydropower plant. At DSHP, we monitor river water levels daily at seven locations upstream and downstream of the hydropower plant, with discharge (flow) then estimated at those locations. This monitoring effort is to ensure maintenance of sufficient water flow through fish passage channels and to adjust operation of our hydropower plant. We also receive daily water level/discharge reports from the Pakse gauging station (about 150 km upstream), for planning of our daily operations.

Water quality is also monitored weekly at four locations to ensure compliance with the Lao PDR standards and to document any impacts caused by the project. The major sources of water for quality monitoring are:

1. **Surface water** – Focusing on Mekong River water that flows through the head pond. There are four locations in total. The first location is located 400 m upstream of the head pond; the second location is in the middle of the head pond; the third location is located downstream near the powerhouse and the fourth is located next to the Lao PDR-Cambodia border, about 200 m from Veunkham Village.

2. **Potable water** – Random monitoring of water at our treatment plant and on the tap of drinking water source for employees.

3. **Waste water** – Monitoring of discharged water from the treatment plant to the surroundings.

The ongoing construction of the fifth turbine has not impacted the water quality of the river, as the construction is isolated from the river system. In 2023, all water quality parameters at DSHP met the National Environment Standard for Lao PDR and there was no significant impact of the project on water quality.

RESOURCES

Our Resources Division is in the process of developing a Water Management Plan which is expected to commence in 2024. This plan will help us set long and short-term water conservation goals. We also conduct quarterly water quality monitoring effort to ensure all our discharged water fulfils the National Water Quality Standards for Malaysia.

PACKAGING

Our Packaging Division is currently embarking on a rainwater harvesting initiative for internal usage like gardening, landscape maintenance and cleaning activities. We are working towards having a proper record of the rainwater collected and consumed in 2024 to track and monitor our progress.

CIRCULAR ECONOMY

A circular economy represents a transformative approach to resource management, aiming to minimise waste and maximise the lifespan of products and materials. Across our operations, we have begun embracing practices like reusing, refurbishing and recycling to reduce environmental impact and promote sustainability. **Our divisions have implemented at least 6Rs of the 9Rs waste management framework – rethink, reduce, reuse, remanufacture, repurpose and recycle.**

6,384
TONNES
WASTE DIVERTED FROM LANDFILL

SMARTER PRODUCT USE AND MANUFACTURE

R0: REFUSE

Make product redundant by abandoning its function or by offering the same function with a radically different product.

R1: RETHINK

Make product use more intensive (e.g. by sharing product).

R2: REDUCE

Increase efficiency in product manufacture or use by consuming fewer natural resources and materials.

EXTEND LIFESPAN OF PRODUCT AND ITS PARTS

R3: REUSE

Reuse by another consumer of discarded product which is still in good condition and fulfils its original function.

R4: REPAIR

Repair and maintenance of defective product which is still in good condition and fulfils its original function.

R5: REFURBISH

Restore an old product and bring it up to date.

R6: REMANUFACTURE

Use parts of discarded product or its parts in a new product with a different function.

R7: REPURPOSE

Use discarded product or its parts in a new product with a different function.

USEFUL APPLICATION OF MATERIALS

R8: RECYCLE

Process materials to obtain the same (high grade) or lower (low grade) quality.

R9: RECOVER

Incineration of material with energy recovery.

An aerial shot of our solar site in Hinnavaru, Maldives.

RENEWABLE ENERGY

The construction of our 11.4MW solar project in Maldives has been designed to be a low-carbon and low-impact project. We have developed a comprehensive output and waste management plan. The plan details the major outputs associated with the project and its method of disposal to ensure minimal project impact to the environment. For example, waste generated during the construction phase will be collected, sorted and transferred to dedicated waste management centres to avoid all waste being sent to landfills.

Repurpose initiative at RCI using premix waste.

RESOURCES

This year, RCI's 3R Program collected a total of 2,585 kg of recyclable materials where 92% of these were categorised as e-waste. The significant contribution was mainly due to the expansion of our scheduled waste storage infrastructure specially for e-waste (SW110) that completed its construction in May 2023. Amongst the items recycled were electrical and electronic components such as printers, cooling appliances and computer parts.

We have also commenced a repurpose initiative from premix waste which are made up of used asphalts and aggregates to resurface access roads at our operation. The initiative has helped us with managing road dust and in 2023, we have used a total of 600 tonnes of premix waste for this initiative.

PACKAGING

At Hexachase Group, a number of initiatives have been implemented in 2023 to reduce waste and improve recycling. At Hexachase Packaging, we engage a licensed wastepaper collector to collect paper waste for recycling and in 2023, 717 tonnes of Originated Carton ("OCC") was collected. We also installed new high-speed flat and satchel machines that includes a servomechanism to allow tighter registration in the printing operation, higher automation and faster response to error correction. This reduces machine downtime, improves quality and is expected to reduce waste by 2%. In addition, we are continuing to install three additional in-line printing machines for SOS bag production. The machines help cut down the roll-to-roll production process and concurrently reduce paper wastage. At Hexachase Flexipack, we have started to convert non-sustainable multilayer materials to sustainable materials with comparable performance quality. One example includes producing multilayer high barrier films without the use of non-recyclable aluminium foils as the barrier layer.

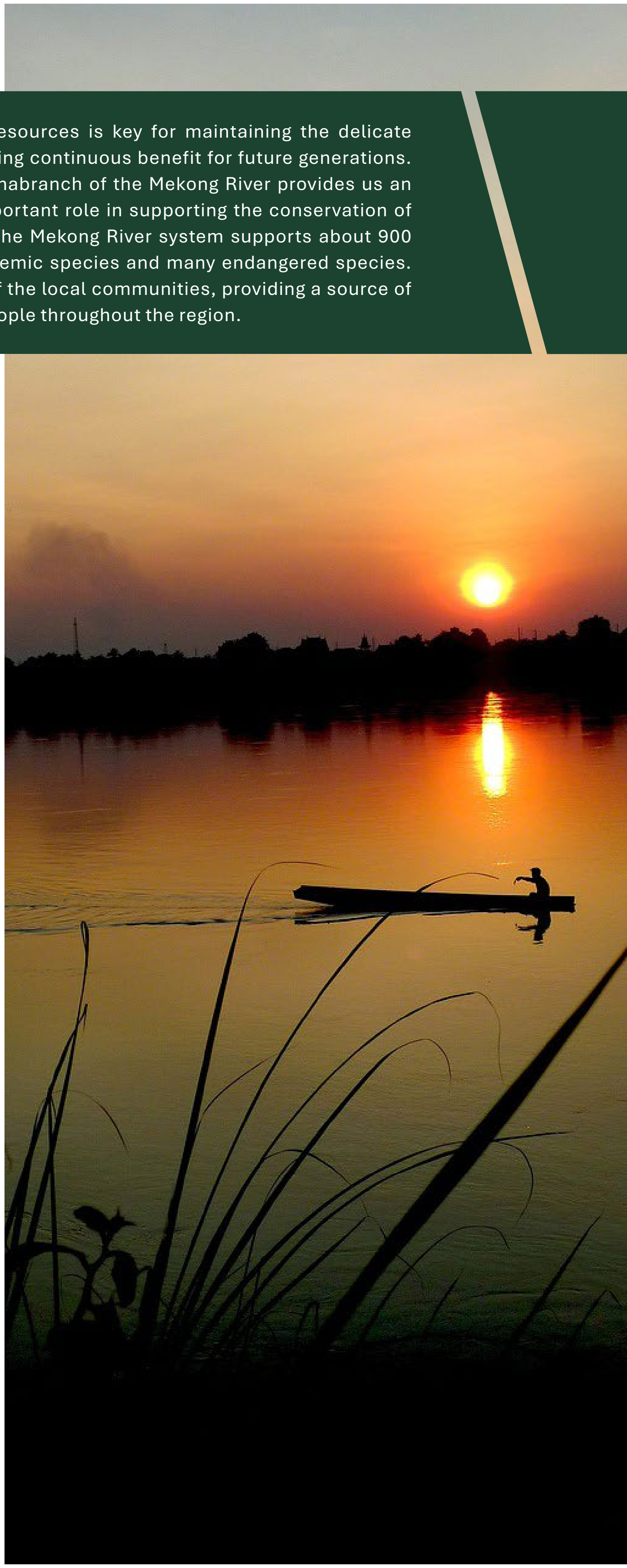
Stenta continues to find innovative ways to support a circular economy by using Post Industrial Resin ("PIR") and Post Consumer Recycled ("PCR") resins in its packaging films production. Both PIR and PCR are a blend of plastic waste from recycled plastics with PIR being from scraps that do not make it into the final products for consumers and PCR are plastics from beverage bottles and plastic films sold to consumers. A total of 2,314 tonnes of these resins were used in 2023. Additionally, Stenta has during the year explored the transition to paper pallets which are predominantly made of recycled material and are 100% recyclable. Paper pallets are also easier and cheaper to recycle, helping us reduce our waste to landfill. Stenta is estimating a total of 16,000 wooden pallets to be replaced annually. It has also set a three percent (3%) waste reduction target for the year 2024 from its 2023's performance.

In 2023, our entire Packaging Division purchases and produces paper products that are Forest Stewardship Council ("FSC") certified. Hexachase Packaging also went the extra mile by procuring paper materials certified by the Programme for the Endorsement of Forest Certification ("PEFC").

BIODIVERSITY CONSERVATION

RENEWABLE ENERGY

Preserving our planet's natural resources is key for maintaining the delicate balance of ecosystems and ensuring continuous benefit for future generations. The location of the DSHP on an anabranch of the Mekong River provides us an unique opportunity to play an important role in supporting the conservation of this biologically diverse habitat. The Mekong River system supports about 900 species of fish, including 220 endemic species and many endangered species. The river system is the lifeblood of the local communities, providing a source of income and food for millions of people throughout the region.



In recognition of the growing importance of global biodiversity conservation and the unique ecosystem that the Mekong River sustains, we are committed to further support the conservation of its biodiversity through a long-term biodiversity conservation strategy. Our strategy includes goals to 2030 and 2050 and is aligned with the Kunming-Montreal Global Biodiversity Framework ("GBF") and Lao PDR's National Biodiversity Strategy and Action Plan 2016 - 2025. Out of the 23 targets set in the GBF, we envision that we can make a meaningful contribution to targets 2, 3, 4 and 10.

Our biodiversity conservation strategy will centre around three themes – conservation and rehabilitation, awareness and capacity building and scientific research. We have already been conducting initiatives in each of these areas since the development of the hydropower project began back in 2015. We are one of only a handful of companies in the region that have committed to clear goals and targets for biodiversity conservation. We recognise that meeting these targets will not be easy, and as with anything nature-related, many other activities will affect the outcomes. In an ecosystem as complex and dynamic as the Mekong River basin and taking into account the sheer number of externalities that can impact our objectives, we envision a challenging path ahead. However, we are focused on what we can do, and we will continue to collaborate with the Mekong River Commission and other stakeholders to help achieve our common goals in this area.

MFCB'S BIODIVERSITY CONSERVATION STRATEGY

GOAL TO 2050:

To have a net positive impact on biodiversity and maintain, enhance or restore the integrity of the ecosystem within and around our project area for the benefit of biodiversity and local communities.

THEMES		
Conservation and Rehabilitation	**Awareness and Capacity Building**	**Scientific Research**
We will implement conservation measures to conserve existing populations of endangered species and rehabilitate important habitats.	We will engage with local communities and relevant stakeholders to enhance awareness on the importance of biodiversity.	We will support the scientific community in understanding the unique ecosystems in which we operate.
GOALS BY 2030		
We will implement two major conservation projects with measured outcomes.	We will significantly increased the awareness among communities about the importance of biodiversity.	We will publish at least two scientific studies in the area we operate.

In the long term, we aspire to have a net positive impact on biodiversity and maintain, enhance or restore the integrity of the ecosystem within and around our project areas. For now, this will be focused on our operations in Lao PDR and in the coming years we intend to include our Food Security Division in Cambodia as this is a material topic as well.

CONSERVATION AND REHABILITATION

DSHP is located in a crucial fisheries zone, sustaining the livelihoods of local communities in the region. Since the inception of the project in 2008, DPSC has conducted extensive monitoring to document project impacts and has taken the necessary measures to mitigate and manage these impacts. The Khone Falls-Siphandone area, where the project is situated, is particularly abundant in fish species due to the optimal natural habitat, hydrology, and food supply, contributing significantly to aquatic productivity and biodiversity. This region harbours approximately 25% of all fish species in the Mekong River basin, including some locally endemic species like *Aaptosyax grypus* (pa sanak nyai), *Mekongina erythrospila* (pa sa-ee), *Labeo erythropterus* (pa va souang) and *Gyrinocheilus pennocki* (pa ko).

In 2023, we strengthened our commitment to minimising impacts on fish and fisheries by extending until 2030 the duration of our long-term adaptive management strategy, which is based on our approved Fisheries Monitoring and Action Plan ("FishMAP") and the Don Sahong Fisheries Management Plan ("DSFMP").

The main objective of the FishMAP is to mitigate negative impacts on fish and fisheries caused by the obstruction of Sahong Channel by the DSHP. This plan is implemented by DSPC, and primarily entails physical improvements of the natural channels at Khone Falls so that fish can easily migrate through them. The Plan also includes comprehensive monitoring to assess the effectiveness of the fish passages and the general status of fish and fisheries at Khone Falls.

The main objective of the DSFMP is also to mitigate negative fish passage impacts by removing any large illegal fishing gears which block channels and obstruct migration of fish. DSPC does not directly implement this plan, rather we support its implementation through the Don Sahong Fisheries Management Committee ("DSFMC"), which comprises representatives of Lao PDR government provincial and district agencies, villages, and fishers. The plan also includes other measures to improve sustainable fisheries management at Khone Falls.

Apart from these activities, DSFMC has also purchased, provided and planted a total of 4,650 seedlings of trees since the beginning of its operation in 2016, which supports our commitment to conserve and rehabilitate the ecosystem near our operation.

Activities of the DSFMC

ACTIVITIES	WORK CONDUCTED IN 2023	PLAN FOR 2024
Registration of fishers and fishery organisations	• In 2023, DSFMC registered two local fish traders at Hang Sadam village.	• DSFMC will begin registering fishers and fishery organisations.
Permitted activities for fishers and traders	• DSFMC disseminated an official table of permitted activities for two villages.	• DSFMC will disseminate tables of permitted activities to nine villages.
Rehabilitation of important habitats	• In 2023, DSFMC planted 800 indigenous plants on riverbanks near fish-passages and important habitats.	• DSFMC will produce, grow and distribute 3,000 indigenous plants on riverbanks near fish-passages and important habitats.
Rehabilitation of indigenous fish	• DSFMC released 30,000 indigenous fish to the head pond of the Don Sahong dam. • DSPC provided 10 million Kip for Ban Hat hatchery station for purchasing wild brood stock and feed.	• DSFMC will release a second batch of 30,000 indigenous fish in the same area. • DSPC will continue to support technical activities and support budget for breeding indigenous fish species at Ban Hat hatchery.
Enforcement	• DSFMC inspected 18 risky locations, made 54 trips and removed 81 rebuilt big gears. • DSFMC processed one offender for use of illegal gears, two offenders for use of electrofishers and two offenders for use of poisons. • DSFMC checked Veunkham and Nakasang fish markets monthly. They tracked traders who supported illegal fishers with electrofishers and "Lee" traps and confiscated some endangered species.	• DSFMC will continue to inspect and remove the rebuilt big gear at 21 risky locations. • DSFMC will continue to check Veunkham and Nakasang fish markets monthly. • DSFMC will continue to monitor destructive fishing activities and deal with offenders.

One of the key activities we undertake under the FishMAP is to monitor and manage fish passages in the area to ensure that fish are able to freely migrate upstream and downstream to pass the DSHP. During the dry season (November to May), we undertake fish passage inspections and conduct necessary work to maintain its function during the dry season. The DSFMC also removes any illegal gears in the channels, which ensures that fish are not obstructed in their passage through these channels.

Fish Passage Works in 2023

CHANNEL	LOCATION	WORK CONDUCTED
Xang Pheuak	Xang Pheuak West ("XPW")	DSPC deepened the upstream entrance of XPW and removed some brush which was blocking flows. This increased dry season inflows by about 3-4m^3/s which helped to maintain Hou Wai flows at > 10m^3/s during the dry season.
	Xang Pheuak Noi	DSPC installed rock-filled gabions to divert more water into this lateral sub-channel and maintained a minimum flow of 2m^3/s during the dry season.
Somphamit	Don Lai	DSPC removed some vegetation, cleared fish traps, blocked lateral overflows to impassable waterfalls which maintained a minimum flow of 1 m^3/s through the Don Lai fish pass during the dry season.


Large fish traps removal at Don Kok in Xang Pheuak channel, May 2023.

Fish Passage Works Planned for 2024

CHANNEL	LOCATION	WORK TO BE CONDUCTED
Liphi	Khone Koc	First works at this site. Remove fish traps, flatten barriers, deepen inlet to increase inflows.
Xang Pheuak	Don Lai West	First works at this site. Remove fish traps, flatten barriers, deepen inlet to increase inflows. Divert fish to migrate up Don Lai East Channel so they can access fish pass.
	Nyoi Koong	Flatten barriers, deepen inlet to increase inflows.
	Xang Pheuak Noi	Maintain the fish pass by removing traps and cleaning loose rocks.
Somphamit	Don Lai East	Maintain the fish pass by removing traps and cleaning loose rocks.

AWARENESS AND CAPACITY BUILDING

The team at DSPC works closely with local communities and local government departments to raise awareness and understanding on a number of topics related to the fisheries industry to help maintain a healthy fish population for all.

Key issues:

- Use of large illegal fishing gears that obstruct movement of fish through the river channels at Khone Falls. Catching large quantities of migratory fish preventing them from reaching spawning or feeding habitats;
- Use of illegal electrofishers, explosives and poisons for fishing, which kill many other species and are dangerous to the users and other people;
- Catching and selling endangered fish species, which is illegal; and
- Consumption of raw fish, which may lead to infection with parasites, particularly a species of liver fluke.

How we address this:

- **Awareness**
  We go to schools and villages to educate children and communities about these issues and provide solutions and alternatives.
- **Technical training and workshops**
  We organise training and workshops for patrol teams and relevant stakeholders including government departments to further understand how we can work together to address these issues.

Activities of the DSFMC

ACTIVITIES	WORK CONDUCTED IN 2023	PLAN FOR 2024
Awareness raising	• Conducted awareness-raising activities on impacts of eating raw fish at two schools and one village in the project area. • Conducted awareness-raising activities on impact of using destructive and big gears for fishing at two schools and two villages. • Conducted meetings on fish passage rules and regulations at six villages in the project area.	• Conduct awareness-raising activities on the impact of using destructive and big gears for fishing at two schools and two villages. • Conduct meetings on fish passage rules and regulations at six villages in the project area.
Technical training and workshops	Provincial Agriculture and Forestry Office ("PAFO") approved the Fish Passage Rules and Regulations. DSFMC implemented training and workshops on the Regulations for 6 patrol teams at the villages near the DSHP after obtaining approval from the PAFO.	Conduct workshops for training about Fish Passage Rules and Regulations for five more village patrol teams.

Scientific Research

DSPC continues to carry out standardised monitoring of fish abundance at Khone Falls, monitoring of the daily catches of 80 households and monitoring of fish traders under the FishMAP. These monitoring activities document the status and trends in fish and fisheries at Khone Falls, and allow us to assess the effectiveness of fish passage and fisheries management, as well as the impact of other factors, such as interannual hydrological variation. This is a large, high-quality and unique monitoring dataset for the Mekong region. In 2024, we will be finalising and analysing our monitoring databases covering the period from 2009 to 2023 which will add greatly to scientific knowledge of fish and fisheries. The findings will then allow communication to improve regionalconservation efforts.

The DSFMC has been working with relevant stakeholders and authorities to identify Fish Conservation Zones ("FCZs") in the Siphandone area as part of a wider conservation effort for fish populations. The produced map will highlight the protected areas within the Khong District area and specify regulations for each FCZ.

Activities of the DSFMC

ACTIVITIES	WORK CONDUCTED IN 2023	PLAN FOR 2024
Identification, mapping, demarcation of fish conservation zones, protected areas, spawning grounds and important habitats	DSFMC produced a map of Siphandone Fish Conservation Zones and Spawning Grounds and is now waiting for official approval from the Khong District Governor.	DSFMC will organise a meeting to integrate the official Siphandone Fish Conservation Zones and Spawning Grounds Map with the existing WWF map of FCZs.

ENHANCING LIVELIHOODS AND INSPIRING OUR PEOPLE

We safeguard, inspire and invest in the development of our people and communities and create real change.

OUR APPROACH

We strive to enhance and uplift the livelihoods of the communities within our operations by 2030. This is the commitment we are making for our employees, communities and stakeholders. At MFCB, we strongly believe in investing for the development of our people and communities to create meaningful change. Our corporate social responsibility endeavours provide an opportunity for us to contribute to the advancement of communities surrounding our operations. We will continue to look for engagement initiatives that nurture strong partnerships with our communities and foster a more sustainable growth.

OUR MILESTONES

Establish a Community Investment Guideline to create a positive societal impact by 2023.

02

Set up a Scholarship and Management Trainee Programme by 2024.

03

Conduct social impact assessments for 100% of community initiatives by 2025.

Our dedication and approach are grounded in our corporate people policies encompassing the Diversity and Inclusion Policy, Employee Code of Conduct and Discipline and Human Rights Policy. These policies, which are available on our corporate website, outline our expectations and commitments in human capital management. This year, we took the opportunity of re-communicating these policies to our internal and external stakeholders to convey our values as well as expectations. We also made important amendments to some of these policies this year, to reaffirm our commitments in respecting human rights and equal opportunity for all employees.

PRIORITISING OUR PEOPLE

DIVERSITY AND EQUAL OPPORTUNITY

Diversity and equal opportunity are fundamental values that shape our culture and drive our success. We recognise that a diverse workforce, encompassing a variety of backgrounds, experiences and perspectives, fosters innovation and resilience. Our commitment to equal opportunity extends across all aspects of employment, from recruitment, and professional development to promotions and leadership roles. We actively promote an inclusive environment where every individual is valued and respected for their unique contributions. Embracing diversity is not just a moral imperative but a strategic advantage, enriching our corporate landscape and empowering our teams to thrive collectively.

Through our Diversity and Inclusion Policy, we continually strive to ensure that everyone has an equal opportunity to excel and contribute to our shared success. We pride ourselves to be an Equal Opportunity Employer that does not discriminate against any employee or job applicant because of race, religion, nationality, gender, disability, sexual orientation or age. Within the Group, we practise fair hiring and provide equal pay for equal work across all levels of employment.

We aim to periodically review our business activities to ensure that we continue be a well-balanced, diverse and multicultural organisation where people are always treated with respect and valued for their contributions without bias.

1,268
TOTAL WORKFORCE

44%
WORKFORCE BELOW AGE 30

EMPLOYEE WELLNESS AND ENGAGEMENT

At MFCB, prioritising the well-being of our employees lies at the heart of our organisational culture. We believe in creating and promoting a positive work environment to foster employee wellness and productivity. We provide fair compensation and benefits to meet evolving employee expectations and keep our business relevant with the current corporate practices.

Leave	Annual leave, medical leave, time-off, parental leave, compassionate leave and examination/study leave to support employee development and growth.
Bonus	Annual bonus based on Group and individual performance.
Medical	Medical and Group Hospitalisation and Surgical Insurance benefits.
Insurance	Group Personal Accident Insurance to protect employees from unexpected events.
Professional-development	Support continuous employee professional development with relevant trainings and reimbursements of membership fees, subject to their job requirements.
Other benefits	Provide travel expense reimbursements, meal allowance and winter clothing allowance for those working overseas.

We also value work-life balance to ensure the overall well-being of our employees and professional effectiveness. Our commitment to work-life balance is rooted in the understanding that a well-rested and fulfilled workforce is more productive, creative and engaged. By fostering a culture that respects personal boundaries, we aim to create a workplace where employees can thrive both professionally and personally. During the year, we complied with all local regulations on working hours, overtime and practise voluntary overtime as agreed with our employees.

Keeping our employees engaged is paramount to us as an organisation as they are the greatest contributors to our success. By ensuring the needs of our employees are consistently heard and addressed, we provide our employees a sense of purpose and enthusiasm to bring to their roles. Each division undertakes its own employee engagement initiatives to ensure that all our employees are well informed and taken care of. The Management also practices an open-door policy, where employees can readily interact with company management through meetings and internal communication.

RENEWABLE ENERGY

The Operation and Maintenance ("O&M") team at DSHP maintains a yearly health check-up for all its operators, encouraging them to gain a better understanding of their health status. DSPC also provides daily nutritious meals for its employees to keep them motivated, efficient and productive. This also enhances team bonding while keeping employees healthy. Equipped with facilities like a gymnasium, badminton and basketball court at the hydropower plant, DSPC goes the extra mile to build a positive work environment for employees.

RESOURCES

This year, RCI introduced a 'Toolbox Briefing Programme', which is a comprehensive series of sessions conducted company-wide addressing a diverse range of topics such as safety, health, environment, sustainability, productivity, efficiency and company policies and objectives. This programme has been instrumental in communicating important updates, fostering connections and elevating awareness amongst the employees. A total of 127 toolbox briefing sessions were held in 2023 with 100% of RCI's employees engaged.

RCI also organises regular game nights to boost team morale and foster a positive work environment. The weekly events provide a platform for employees to unwind, bond and engage in friendly competition outside of the professional realm. Whether it was badminton, futsal or bowling, game nights at RCI always encourage teamwork, communication and a sense of camaraderie.

PACKAGING

During the year, Stenta honoured its employees by organising an 'Employee Long Service Award' ceremony that celebrates loyal employees which have served the company for five, 10, 15, 20, 25 and 30 years. The event was held together with the Hari Raya Open house and acknowledged 25 employees for their long service.

To promote health and wellness at the workplace, Stenta also conducted multiple events in 2023 where all employees can engage with experts on various topics and get free consultation services.

MFCB and Stenta Management Representatives with the long service award recipients.

EMPLOYEE WELLNESS INITIATIVE	NO. OF PARTICIPANTS
Health Screening	125
Stress Management at Workplace Talk by Ministry of Health Malaysia ("MoH")	45
Infectious Diseases Talk by MoH	36
Employee Benefits Talk by SOCSO	32
"Tempat Kerja Bebas Dadah" Talk by National Anti-Drugs Agency	17

FAIR LABOUR AND HUMAN RIGHTS

Our Human Rights Policy is aligned with the International Bill of Human Rights, including the Universal Declaration of Human Rights ("UDHR") and the International Labour Organisation's ("ILO") eight core conventions as set out in the Declaration on Fundamental Rights and Principles at Work. We are dedicated to upholding laws and regulations in areas which we operate, maintaining a zero-tolerance stance against unlawful and unethical human rights abuses and discrimination. This policy encompasses topics of children's rights, forced labour, freedom of movement, expression, association and equal employment opportunities.

FOREIGN WORKERS

The Group proactively assesses our human rights impacts as part of our commitment to ensuring compliance with relevant laws and regulations. To support this, we do not condone any recruitment fee practices for the hiring of foreign workers at any stage in the recruitment process across all our operations. This is to promote fairness and eliminates the risk of exploitation of foreign workers. We expect employees, business partners and suppliers to adhere to our policy, emphasising the importance of respecting boundaries related to security and human rights. In this regard, our policy has been made available on our website, enabling stakeholders to familiarise themselves with our expectations.

All new employees receive communication about this policy to ensure that they understand their rights and responsibilities within the Group. The policy also applies to the security guards that we have on-site, who help ensure the safety and security of our people and operations. We always work closely with them to ensure they are aware of the boundaries concerning security provision and human rights.

Stenta emphasises human rights values in its operation and to reflect this, Stenta has during the year implemented an Employee Pays Principle ("EPP") Policy to set out its processes to hire foreign workers. Hexachase Flexipack also has its own Foreign Worker Recruitment Guideline & Procedure to provide a framework and ensure that all foreign workers are treated fairly and with respect. All processes of hiring foreign workers during the year are in compliance with the Employment (Amendment) Act 2022 by Ministry of Human Resources Malaysia.

There were no complaints, reported incidents of human rights violations or non-compliance with human rights laws in 2023.

0 REPORTED INCIDENTS OF HUMAN RIGHTS VIOLATIONS

Provisions and commitments to workforce for foreign workers:

- Accommodation
- Insurance cover
- Social security
- Keep own possessions including passport
- Freedom of movement
- No discrimination
- Grievance mechanism

WORKING HOURS

Prioritising the well-being of our employees, we promote a balanced approach to work-life integration. We recognise that prolonged working hours can lead to burnout, negatively impacting both productivity and employee satisfaction. In this respect, we practice reasonable work shift schedules that encourage reasonable working hours, promote regular breaks and discourage overtime abuse across all the Divisions.

FAIR WAGE

We have consistently provided fair remuneration that is above the minimum wage for all employment levels across the Group. This is to ensure that all employees are able to earn a reasonable living wage at where we operate. At our Packaging and Resources Divisions, employees are free to join the existing workers union and elect representatives to participate in collective bargaining. In 2023, 19.9% (2022: 15.8%) of our employees were covered by collective agreements.

INDIGENOUS RIGHTS

Across the Divisions, we acknowledge and uphold the rights of indigenous communities. In this respect, we do not operate on any indigenous land. If there arise any situations of potential future undertakings on indigenous lands, we are dedicated to honouring indigenous rights, ensuring that we engage in consultation with traditional landowners to secure their prior and informed consent.

TRAINING AND DEVELOPMENT

Across the Group, we prioritise continuous development of our employees' skills and knowledge through a combination of internal and external training programs. We believe that a robust culture of training and development is integral to fostering steady growth and expertise in our workforce. In this regard, regular assessments are conducted to identify specific training needs by employees and ensure a targeted approach is rolled out to address skill gaps within the Group. At MFCB, we ensure that we comply with the mandatory trainings stipulated by local regulators, covering areas like firefighting, first aid and emergency response management.

In 2023, a total of 14,249 hours of training was received by employees across the Group. This is an increase of 68.8% from 2022 and highlights the Group's commitment in providing the opportunities and resources for employees' personal and professional growth.

Some of the key training programmes attended include:

INTERNAL	EXTERNAL
Introduction to ISO45001:2018 OHSMS Training	INCOTERMS 2023 Training
ISO14001 Environmental Management System	Manual Handling & Ergonomics at Workplace
BRC Global Standard for Packaging Quality training for Quality Engineer Process and Quality Control Lab Practical	Malaysia Supply Chains - Sharing Accountability for Human Rights
SEDEX Training: ETI Base Code	Effective Communication Training
ESG Data Owner Training	HR/IR Forum
FSSC 22000 Certification Training	Quarry Planning & Design 2023 Training

OCCUPATIONAL HEALTH AND SAFETY

Throughout our operations, we strive to uphold the best practices in health and safety for our employees and for external workers working in our workplace. Adhering to the Occupational Safety and Health Act, relevant International Occupational Health And Safety ("OHS") Standards, as well as the Group's OHS Policy, our objective is to create a workplace environment that prioritises health and safety, with zero work-related injuries and illnesses.

520 EMPLOYEES TRAINED ON HEALTH & SAFETY STANDARDS

0.98 RATE OF RECORDABLE WORK-RELATED INJURIES

0.98 LOST TIME INCIDENT RATE

Following last year's effort to obtain ISO 45001:2018 Occupational Health and Safety Management System certification by our Resources and Packaging Divisions, we are on track to complete the process in the first quarter of 2024.

UPDATES FOR ISO 45001:2018 OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

RESOURCES	PACKAGING
RCI completed its stage 1 audit by SIRIM QAS International in October 2023 and stage 2 audit in January 2024. Certification was awarded in February 2024.	In December 2023, Stenta has completed two stages of ISO 45001 certification audit by a third-party body. Zero non-compliance was found. Certification was issued in December 2023.

This certification is a testament to our commitment in implementing the best occupational health and safety practices across our operations.

Our divisions maintain individual OHS management systems, OHS Committees and Standard Operating Procedures ("SOPs") dedicated to handling and reporting work-related hazards. OHS Committees convene every two months, comprising both management and employees who are welcome to offer suggestions for improvement. New employees are also provided with OHS training and for those in production and quarrying areas, weekly OHS briefings are implemented to ensure consistent communication of safety procedures and highlight the risk exposures.

STANDARD OHS TRAINING

- Fire-fighting and prevention courses
- First-aid
- Emergency preparedness and response procedures
- Control of health status and disease procedures
- Personal hygiene
- Confined spaces
- Chemical handling
- Forklift driving
- Waste handling

OHS hazards are systematically identified across the divisions using the comprehensive Hazard Identification, Risk Assessment, and Risk Control ("HIRARC") process. We place a strong emphasis on ensuring that all relevant employees undergo training to proficiently conduct the HIRARC assessments. The outcomes of these assessments are reviewed during OHS Committee meetings where decisive actions are determined for any identified hazards. Our employees are also well-informed about their role in reporting any safety risks and hazards to their managers or to utilise the anonymous grievance mechanism. This process is implemented to foster an environment devoid of fear of reprisal, given that managers are aptly trained to manage such situations.

In the case of an unfortunate incident, a stringent reporting protocol is in place, requiring incidents to be reported within 24 hours to the respective managers or departments. Subsequently, an Incident Investigation Report must be submitted. For serious accidents resulting in lost-time, the Department of Occupational Safety and Health ("DOSH") is promptly notified online. All incidents will undergo thorough investigation within a defined timeframe to identify root causes, with corrective actions swiftly implemented. These corrective measures may take the form of additional training or physical improvements aimed at eliminating similar safety risks, ensuring the mitigation of potential future incidents. This comprehensive process is typically completed within a month of the incident occurring. Continuing our commitment to safety, we vigilantly monitor the outcomes of corrective actions to assess their effectiveness. Should a similar non-conformance re-occur, a subsequent investigation is conducted to further evaluate and implement necessary improvements.

In 2023, we recorded a work-related injury rate of 0.98 for every 200,000 man-hours worked with zero work-related fatalities across the Group. The incidents involved 12 recordable work-related injuries to hands and legs. In response, the respective Divisions have taken proactive steps to address and prevent future incidents, emphasizing the importance of continuous improvement in our safety protocols and practices.

RENEWABLE ENERGY

In 2023, our Renewable Energy Division upheld its exceptional OHS practices and recorded zero work-related injuries and illnesses.

RESOURCES

Our Resources Division conducted a number of occupational health and safety compliance programs during the year to assess and resolve potential risks at its operations.

Key OSH programs at RCI include:

OCCUPATIONAL HEALTH & SAFETY HAZARDS	ASSESSMENT PROGRAM	INITIATIVES/ACTIVITIES IN 2023
Noise	Noise Risk Assessment ("NRA")	a) Installed ceramic wear lining at one of the production facilities. b) Conduct Annual Audiometric Testing. c) Conduct Annual Hearing Conservation Training. d) Install "Hearing Protection Zone" signage at work area exceeding Noise Exposure Limit ("NEL") of 85 dB(A). e) Maintain approved Personal Hearing Protection ("PHP") with Noise Reduction Rating ("NRR") of 25 dB or higher to workers.
Chemicals	Chemical Health Risk Assessment ("CHRA")	a) Inspection, examination and testing of Local Exhaust Ventilation ("LEV") by Hygiene Technician. b) Engage Hygiene Technician to conduct personal Chemical Exposure Monitoring ("CEM") for Crystalline Silica (quartz) annually (Permissible Exposure Limit ("PEL"): 0.1mg/m^3).
Plant & Machineries	Inspection on hoisting machinery and unfired pressure vessel	a) After inspection, a Certificate of Fitness with validity of 15 months was issued by DOSH.
Ergonomics	Ergonomics Risk Assessment	Renovation works were undertaken in the lab area to minimise distance in the workplace layout where employees are required to lift heavy material samples for weighing and segregation. The renovation also helped to create space for the usage of compound machine which alleviates postural strain for employees.

In the Resources Division, workplace noise and chemical exposure are considered potential occupational hazards. On top of the mandatory Audiometric Testing for all new employees within three months of joining RCI, we also provide annual testing for employees. During the year, 40 employees and four contractors working within RCI premises underwent the Audiometric Testing and reported zero hearing impairment cases.

RCI also conducted Chemical Exposure Monitoring ("CEM") for 30 sampling points in its plant to measure the levels of quartz and ensure it is below the permissible exposure limit of 0.1mg/m^3. All sections were reported below the PEL for quartz. We employ various measures based on the Hierarchy of Control to mitigate prolonged exposure to Crystalline Silica (quartz). This includes managing employee workflows to reduce their exposure to quartz and providing Personal Protective Equipment ("PPE") designed to safeguard against contaminant gases, vapours and particulates.

PACKAGING

Within our Packaging Division, we conduct annual NRA to pinpoint any work areas where noise levels might surpass the permissible NEL of 85 dB(A). We found no work areas where this permissible limit was passed. During the year, all of Stenta's manufacturing employees have undergone the annual Audiometric Testing to ensure their hearing remains unaffected and Hexachase Flexipack will commence the same practice from 2024 onwards.

In the fourth quarter this year, there was a fire incident at one of the Division's flexible plastic packaging factories. Due to our strong safety procedures, there were zero injuries or casualties. The factories have since strengthened its fire safety procedures including more regular fire training, enhanced chemical handling procedure and setting up a Fire Watcher team to regularly review the workflow in operation sites. Across the Divisions, we take stringent actions to ensure the safety of our employees, prioritising their well-being above all else.

EMPOWERING COMMUNITIES

At MFCB, our commitment extends beyond business success to actively empower the communities we serve. We recognise that true progress involves uplifting the collective well-being of those around us. In December 2023, we developed a Community Investment Guideline to provide details of the Group's community investment strategy. The guideline communicates our community investment strategy and provides our divisions guidance on best practices for strategic community investment. The three key themes of our community investment strategy are education, infrastructure support and livelihood support. With the guideline in place, we believe that our community initiatives will be more meaningful and provide overall advancement in the quality of life of the communities we serve.

8,742*
NUMBER OF BENEFICIARIES FROM COMMUNITY INVESTMENTS

** This is partially estimated based on the assumption that in Lao PDR, one household has three beneficiaries.*

As outlined in our Community Investment Guidelines, our community initiatives are focused on fostering sustainable development, ranging from supporting educational programs and healthcare access to promoting environmental conservation. By investing in the skills, resources and opportunities within these communities, we aim to create a positive ripple effect, enhancing livelihoods and fostering a sense of self-reliance to shape their own futures.

This year, all our sites implemented community development programs with a total investment of RM1,802,638 in our communities. We actively encourage employees to engage in volunteer work, participating in various community events to support our outreach initiatives.

OUR COMMUNITY INVESTMENT THEMES

EDUCATION:
RM168,161
Ensure all children have access to education to support continuous community development

INFRASTRUCTURE SUPPORT:
RM1,365,425
Improve the infrastructure of rural communities to boost connectivity and quality of life

LIVELIHOOD SUPPORT:
RM269,052
Provide financial or physical assistance for economic empowerment

RENEWABLE ENERGY

DSPC is highly engaged with the local communities surrounding the hydropower plant. We continue to invest in improving the livelihood of the wider community through various initiatives, many of which provide fundamental support to their daily lives.

EDUCATION

INITIATIVES	OBJECTIVES	OUTCOME
Provision of scholarships	To provide financial aid to students who completed school and obtained an average score of 40 points to continue higher/tertiary education.	In 2023, DSPC provided four full scholarships to four additional underprivileged children who graduated from high school to study in university. Now, there are a total of 10 scholarship students. DSPC supported these students and paid for their school fees and allowance.
Bus service for high school students	To encourage and assist students to continue high school in other villages (> 60 km away) as there are no high schools in the local vicinity.	DSPC provided a small bus to pick up 27 students to attend high school for 216 school days.
Boat service for Don Phapheng primary students	To enable 21 students from Don Phapheng to travel to a primary school in Thakho as their own school closed down in 2021.	DSPC supplied petrol for the boat for 216 school days for 20 students, which enabled them to attend school.

INFRASTRUCTURE

INITIATIVES	OBJECTIVES	OUTCOME
Widening of roads	Improved and widened 3 km of dirt roads in Hua Sadam, Hang Sadam and Don Sahong villages.	In 2023, DSPC improved and widened 200 m of dirt roads for Don Sahong village, which has an estimated population of 515 people.
Water supply system at Don Sahong, Hua Sadam and Hang Sadam villages*	To provide treated water supply to the villages including water intake structure, treatment plant & water supply pipelines to all households.	The water supply system designs and cost have been approved by DSPC and Community Development Fund ("CDF") committee. The bidding process will proceed in January 2024, to be followed by construction.
Construction of toilets	To construct 92 toilets for families who currently do not have access to one.	The toilet's project design and cost have been approved by DSPC and CDF committee. The bidding process will proceed in January 2024, to be followed by construction.

**Ongoing from 2021*

LIVELIHOOD SUPPORT

INITIATIVES	OBJECTIVES	OUTCOME
Revolving fund program	To create additional steady income for local villagers from 6 villages in the DSHP project area.	In 2023, DSPC distributed funds to 15 households at Hua Sadam village. We will be releasing new funds to 30 more families.
Technical and financial support for dry-season rice production *(Prior to the DSHP, all rice was grown in the wet season only)*	To educate and advise farmers on the technical aspects for dry-season rice production and subsidise 50% of the cost of electricity.	In 2023, 116 tonnes of rice were produced. This is more than the previous year because the area planted increased by 61.3% to 19.8 hectares.
Financial assistance for the community public health centre	To pay for the electricity bills so that funds can be better spent on healthcare.	DSPC paid all the electricity bills for 2023, freeing up funds for the health centre, which served 783 patients.
Technical advice and financial assistance for agricultural production	To help farmers who grow vegetables and livestock.	The number of livestock continued to increase, and farmers were able to sell their livestock at a profit. The estimated total value of livestock sold in 2023 was RM482,511 (LAK 2,172,000,000).

RESOURCES

This year, RCI organised its first community program in partnership with AIESEC Malaysia ("AIESEC") and Universiti Tunku Abdul Rahman (Kampar Campus) for the ECHO 1.0 Project. The ECHO 1.0 Project is a Malaysian youth volunteer project that aims to empower young people to take ownership of climate change impacts by volunteering in SDG-aligned projects. This project strives to reach the goal of SDG 13 – Climate Action, specifically target 13.3: Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaption, impact reduction and early warning.

RCI contributed to a mobilisation fee of RM4,000 for this project and participated in some of the programmes curated by AIESEC by sending volunteered employees.

PROGRAMMES CONDUCTED

PROGRAMME	DESCRIPTION	IMPACT
Local school workshops	Engagement with students of SMK ACS Kampar, Perak on two interactive workshops; Terrarium Workshop and Eco-brick & DIY Plastic Workshop.	34 students took part in both workshops, which promote upcycling of old materials into repurposed items.
Webinars	Webinars on topics like Climate Change and Solid Waste.	Create awareness in young people about climate change and influence them to take action to reduce the critical factors affecting the environment.
International Youth Engagement	An online engagement session with AIESEC Global from Malaysia, Japan and Sri Lanka to share different cultural understandings to the youth volunteers.	Provide exposure of different cultural background and foster collaboration amongst young people.
Cultural Night event	Engagement with youth volunteers to promote leadership skills and nurture friendships.	Eight youth volunteers and seven organising committee members were actively engaged to organise the event.

**AIESEC is a non-political, independent, not-for-profit international organisation run by youth and recent graduates of institutions of higher education. It is a global platform for young people to explore and develop their leadership potential.*

Additionally, RCI has made eight donations to schools around its operations totalling RM15,639. These donations were for improving school infrastructure and supporting school events and programs.


RCI team handing out donations to local schools in Perak, Malaysia.

PACKAGING

Stenta hosted an industrial visit for the students from Universiti Teknologi MARA ("UiTM") in December 2023. Attended by 17 students from the Chemical Engineering and Mechanical Engineering, the visit was strategically organised to bridge academic knowledge with industry insights. Three employees mentored on this visit to share operations details and immerse the students with real-world application of concepts learned in their classrooms. The visit not only provided a glimpse into the daily operations of a manufacturing plant but also sparked engaging discussions about industry trends and challenges. It was a mutually enriching experience, offering students a tangible connection to their academic studies, and for our employees, it was an opportunity to inspire and mentor the next generation of professionals.

During the year, Hexachase Flexipack reaffirmed its commitment to supporting local schools near its operation in Malacca. A total of RM47,000 was donated to Pay Fong Middle School and SJKC Malim for the schools' extracurricular activities and other internal programmes.

Industrial Visit from UiTM Students at Stenta, Selangor in December 2023.

BUILDING A SUSTAINABLE AND ETHICAL BUSINESS

We enhance the sustainability of our business and uphold high ethical and governance standards.

OUR APPROACH

We are committed to having 100% of our Tier 1 suppliers comply with our Responsible Sourcing Policy by 2030. This goal supports our efforts in building a sustainable business, a resilient supply chain as well as foster ethical business practices.

OUR MILESTONES

- ✓ Develop a Responsible Sourcing Policy by 2022.
- ✓ Implement mandatory supplier ESG training by 2023.
- 03 Conduct internal audits of all higher-risk suppliers by 2025.

Our Responsible Sourcing Policy highlights our commitment in waste and pollution reduction, resource consumption and protecting the local biodiversity where we and our suppliers operate in.

In September 2023, we updated the following Group policies to reflect our sustainability commitments and guide us to operate responsibly as well as establish strong corporate governance across our operations.

Updated Group Corporate Policies

- Group Sustainability Policy
- Diversity and Inclusion Policy
- Human Rights Policy
- Responsible Sourcing Policy
- Water Management Policy
- Conflict of Interest Policy

Overall Group Corporate Policies

- Anti-Bribery and Corruption Policy
- Anti-Money Laundering Policy
- Biodiversity Policy
- Board Composition Policy
- Directors Fit and Proper Policy
- Occupational Health and Safety Policy
- Policy on Nomination & Assessment Process of Board Members
- Remuneration Policy and Procedures for Directors and Senior Management
- Rights of Shareholders
- Waste Management Policy
- Whistle-Blowing Policy

All Group corporate policies are available on MFCB's corporate website at **http://www.mega-first.com/corporate-governance**

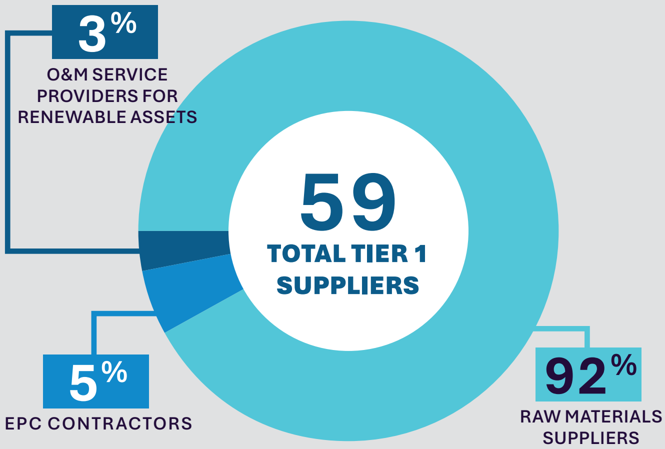
SUSTAINABLE PROCUREMENT

In our commitment to sustainability, our procurement practices play a pivotal role in shaping a responsible and conscientious business model. From selecting suppliers that lean towards sustainable practices to ensuring compliance in the supply chain, our approach extends beyond mere transactions to embrace a holistic vision.

We also took a step further this year by conducting a Tier 1 supplier training to ensure that our suppliers are aligned with our sustainability goals.

OVERVIEW OF MFCB'S TIER 1 SUPPLIERS

In October 2023, we conducted a mandatory Tier 1 supplier ESG training to initiate conversations with suppliers on sustainability topics and communicate our goals as well as expectations of our suppliers. With a total of 59 Tier 1 suppliers identified, we managed to engage with 51 suppliers. The training was complemented with an assessment to ensure that the content of the training was understood. Overall, 95% of the engaged suppliers passed the assessment. This initiative showcases our commitment in keeping our suppliers well-engaged on topics material to us. Below is the summary of our Tier 1 suppliers.



Preferred by Nature™

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FSC

Preferred by Nature OÜ hereby confirms that the Chain of Custody system of

Hexachase Packaging Sdn. Bhd.

Lot 4788 & 4789, Jalan TTC 29, Taman Teknologi Cheng, Melaka, 75260 Malaysia

has been assessed and certified as meeting the requirements of
FSC-STD-40-004 V3-1; FSC-STD-50-001 V2-1 EN

The certificate is valid from 11 September 2020 to 10 September 2025
Certificate version date: 22 January 2023

Scope of certificate
Certificate type: Single Chain of Custody

Certificate registration code
NC-COC-060762

FSC License Code
FSC-C157607

Justinas Janulaitis
Management board member
Filosoofi 31, Tartu
Estonia

Specific information regarding products and sites is listed in the appendix(es) of this certificate. The validity and exact scope covered by this certificate shall always be verified at www.info.fsc.org.

FSC™ accredited certification body (FSC™ A000535) | The mark of responsible forestry | www.ic.fsc.org

This certificate itself does not constitute evidence that particular product supplied by the certificate holder is FSC™ certified [or FSC Controlled Wood]. Products offered, shipped or sold by the certificate holder can only be considered covered by the scope of this certificate when the required FSC claim is clearly stated on invoices and shipping documents. The physical printed certificate remains the property of Preferred by Nature OÜ and shall be returned upon request.

Accreditation for products by Hexachase Packaging.

We have also embarked on a responsible sourcing effort for the raw materials we use in our Packaging Division. Our Packaging Division transitioned towards sourcing 100% of their paper needs from FSC-certified sources – this includes paper core for end-product shipment and paper as the raw material for paper bag production. This certification indicates that our products are from FSC-certified forests, recycled material and/or FSC-controlled wood. This practice has given us the confidence that our paper material is sourced from forests that are managed in a way that preserves biological diversity and benefits the lives of local people and workers. Hexachase Packaging also went the extra mile by ensuring its raw paper materials are certified by the Programme for the Endorsement of Forest Certification ("PEFC").

In line with this effort, Stenta, Hexachase Flexipack and Hexachase Labels are also audited annually by an independent third-party based on Suppliers Ethical Data Exchange ("SEDEX") principles and Sedex Members Ethical Trade Audit ("SMETA") methodology to meet its customer requirements. During the audit, social practices are assessed to ensure that the company meets the strict standards pertaining to labour, health and safety, environment and business integrity. This year, Stenta has resolved all issues highlighted during the audit and as a result of its good performance, the audit frequency has been reduced from annually to every two years.

In order to uplift the livelihoods of local communities as well as contribute towards sustainable procurement, we spent 49.8% on local procurement in 2023. This percentage was lower than the 56.9% recorded in 2022, primarily due to the fifth turbine expansion project, which sourced equipment and construction materials from international suppliers. Locally-sourced products and services contribute to both economic and environmental sustainability by stimulating the local economy and reduces the carbon footprint associated with transportation supporting an eco-friendly supply chain. We endeavour to source locally wherever possible.

INNOVATING FOR A MORE SUSTAINABLE FUTURE

Embracing cutting-edge technologies, eco-friendly practices and energy-efficient operations helps reduce our environmental impact and helps us thrive in a rapidly changing market. This pursuit of innovation is integral to shaping our business and ensuring that we are future ready.

PACKAGING

Our Packaging Division on the other hand are progressing its transition towards using recyclable and environmentally-friendly packaging materials. Stenta is actively working on developing packaging solutions that would make profound impacts to the environment by conserving valuable resources, reducing food waste and reducing waste to landfill. Among the solutions that have been developed include:

EKOLENE

Ekolene films are biodegradable under ASTM D5511 testing conditions, without the need for additional heat, light, or pressure to break down the film.

STARLENE

Innovative Biaxially-Oriented Polypropylene ("BOPP") film to address demands for a circular economy.

Smilene

Linear Low Density Polyethylene ("LLDPE") films that provide sealing against contaminants.

PROTECTA

A high barrier film that offers exceptional oxygen and water vapour barrier extending the shelf life of food therefore reducing food waste.

Arlene OPP Film

BOPP films with customisable functional performance.

At Hexachase Packaging, the ongoing effort to develop new sustainable products continues this year. We are actively collaborating with suppliers to identify polyfluoroalkyl substances ("PFAS") free paper alternatives, ensuring the same properties as conventional paper raw materials. This initiative is driven by our commitment to address health concerns associated with PFAS accumulation in the human body, reflecting our dedication to ongoing improvement and innovation. Aligned with this, we also successfully secured a sustainable finance facility during the year to support our continuous efforts in developing circular economy adapted products.

Hexachase Flexipack is a toluene and solvent free operation for its printing inks and lamination processes. This gives the highest food safety standards to our customers. Solvent-free plastic packaging also presents a more sustainable and environmentally friendly option compared to traditional plastic packaging, as it minimises the release of harmful chemicals into the environment during the production process. We also utilise mono-material films in our products that allow for easier recycling and combat the impact of excessive packaging waste at landfills. These sustainable products have helped attract sustainability focused customers worldwide for the company.

CUSTOMER SATISFACTION

At MFCB, we always strive to provide products of the utmost quality for our customers. Below is how we ensure that we meet our customers' satisfaction and adhere to the best industry practices.

Systems and Processes	Subsidiary	Functions performed	Metrics and Key Performance Indicators
ISO 9001:2015 – Quality Management Certification	• Hexachase Flexipack • Hexachase Labels • Stenta • RCI	• Sets out the basic principles for managing product quality.	67% of MFCB's key divisions are certified with ISO 9001.
ISO 22000:2005 - Food Safety Management Certification	• Hexachase Group • Stenta	• Facilitates safety and quality standards to fulfil food safety. • Ensures products meet consumer requirements.	100% of MFCB's Packaging Division are certified with ISO 22000.
FSC-STD-40-004 Chain of Custody Certification	• Hexachase Packaging • Stenta	• Ensures products from the forest are responsibly sourced.	100% of MFCB's raw paper material for Packaging Division are FSC-certified.
Programme for the Endorsement of Forest Certification ("PEFC")	• Hexachase Packaging	• Promotes ethical management of the world's forest.	25% of MFCB's raw paper material for Packaging division are PEFC-certified.

85.7%
CUSTOMER SATISFACTION SCORE

We conduct at least one customer satisfaction survey per year at relevant key divisions to obtain feedback on our performance and product quality. This is to guarantee that our products are meeting customers' needs with consistent quality and maintain proactive relationships with customers. During the year, our Packaging and Resources Divisions received an average score of 85.7% for customer satisfaction through our customer survey questionnaire.

Division	Mechanism	Customer Satisfaction Score
Resources		
RCI Lime	Surveyed twice annually with categories of Product, Delivery, Staff & Service and Other General Areas.	88% (2022: 87.4%)
Packaging		
Stenta	Conducted annually and customers can provide feedback on three categories - Quality, Service and Delivery.	89% (2022: 89.4%)
Hexachase	Conducted annually and customers can provide feedback on Pricing, Quality, Service and Delivery.	80.1%

AN ETHICALLY RESPONSIBLE BUSINESS

At MFCB, we are committed to conducting our business in a manner that prioritises integrity, fairness and transparency. All our employees abide by the ethical code that is outlined in our Employees' Code of Conduct and Discipline. This Code of Conduct and Discipline is reviewed periodically to ensure its effectiveness and relevancy to current issues and operational practices. We always strive to enhance a culture of integrity regardless of employment level and implement the best practices throughout our operations. This encompasses compliance standards, corporate governance and abiding by local and international laws and regulations.

ANTI-CORRUPTION AND BRIBERY

The Group maintains a steadfast commitment against corruption and bribery, implementing stringent measures to adhere to the requirements outlined in Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018. Our Anti-Bribery and Corruption ("ABC") Policy is crafted in accordance with the ISO 37001:2016 Anti-Bribery Management Systems ("ABMS") standard, encompassing all employees irrespective of their roles, third-party individuals and organisations which include customers and suppliers. This provides a clear direction to our stakeholders on our internal limits and processes. At present, RCI under our Resources Division is ISO 37001:2016 certified.

Under the Group's Risk Management Framework, we also assess corruption risk at our operations to ensure that all business conducts are implemented ethically and honestly. We have zero-tolerance for corruption and bribery activities and are committed to act with integrity in all our business activities. In 2023, we conducted a formal risk assessment for the majority of our operating units, which included an assessment of corruption risk. The assessment revealed that the overall corruption risk level was low, which underscores the effectiveness of our risk management protocols and the commitment of our team to upholding integrity and compliance standards throughout our operations.

We always strive to regularly engage our employees on this topic and this year, we conducted a group-wide hybrid training to provide employees with a refresher course on anti-corruption and bribery and highlight the key items in our Group policy. The training was attended by MFCB's head office staff, the divisional HR department and management representatives, which are responsible to communicate to their respective stakeholders. All head office staff were handed with a written commitment to declare that they have read, understood and will adhere to the Group's ABC Policy, and 100% of them responded to the written commitment. In 2024, we will continue with this exercise by sharing the written commitment to all our business divisions.

In 2023, no incidents of corruption were reported. There were also no significant non-compliance with laws and regulations (i.e. fines exceeding RM100,000 or restrictions imposed). We also did not make any political contributions in any of the countries we operate in, which is aligned with our Group policy to always remain apolitical.

Anti Bribery and Corruption Training conducted at MFCB's headquarter office in Selangor, Malaysia.

DIVISION HIGHLIGHT

In 2023, the Mineral and Geoscience Department in Perak employed the Sustainable Development Indicator Program to rigorously supervise and manage quarry operations in the region. This comprehensive program meticulously evaluates key dimensions, including environmental, safety, social, and operational aspects, by assigning judicious ratings on a scale of 1 to 5 stars. The assessment involved three quarries within the Resources Division, and the results were as follows:

a) RCI Lime Sdn. Bhd.: 4 Stars

b) Anting Sendirian Berhad: 4 Stars

c) Mesrasasi Sdn. Bhd.: 4 Stars

Some of the criteria evaluated:

- Regulatory compliances
- Best practices
- Green practices
- Socio-economic impact on the society
- Corporate and social responsibility
- Aesthetic values to improve public acceptance

Since its inception in 2021, this program has been pivotal in championing sustainable and responsible quarry practices. Receiving the 4-star sustainability rating from authorities indicates that all our quarries are making commendable progress toward accountability and sustainability in our quarry operations.

ANTI-DISCRIMINATION

Any form of discrimination or harassment is strictly prohibited in our workplace. We promote fair and respectful treatment for everyone, irrespective of background, gender, race, religion, age, sexual orientation, physical attributes, disabilities or nationality. At MFCB, we do not tolerate any direct or indirect discrimination, bullying or harassment and this extended to our business partners and suppliers as well. No incidents of discrimination were reported this year.

GRIEVANCE MECHANISMS AND REMEDIATION

We provide secure channels for our employees, those in our value chain and other interested parties to voice any non-compliance concerns, suspected violations of our Code of Conduct or any other corporate policies as well as any misconduct. This formal grievance mechanism is covered by our Whistleblowing Policy and managed by the Audit Committee ("AC") to ensure the anonymity of whistleblowers is protected. Such protection is accorded even if the investigation later reveals that the whistleblower is mistaken as to the facts and the rules and procedures involved. All reports are fairly investigated and appropriate corrective measures are taken upon investigation without fear of reprisal.

During the year, no incidents of non-compliance or violations were reported.

OTHER INFORMATION

INDUSTRY AND MEMBERSHIP ASSOCIATIONS

No.	Organisation
1	Bangi Industry Administrative Association
2	Federation of Malaysian Manufacturers
3	Malaysian Employers Federation
4	Malaysian International Chamber of Commerce & Industry
5	Malaysian Photovoltaic Industry Association ("MPIA")
6	Malaysian Plastics Manufacturers Association ("MPMA")
7	Perak Quarry Association
8	Sustainable Energy Development Authority ("SEDA")

GROUP PERFORMANCE DATA

ENVIRONMENTAL

		2021				2022				2023				
	Unit	PKG[1]	RCI[2]	REE	GROUP	PKG	RCI	REE	GROUP	PKG	Resources[4]	REE	HQ	GROUP
Energy														
Total energy consumption	GJ	234,910	127,241.38	-	362,151.38	189,534.73	141,962.49	-	331,497.22	200,750.03	1,734,710.91	28,914.35	96.98	1,964,472.28
Emissions[3]														
Scope 1	tCO_2e	1,376	432,245.54	-	433,621.54	2,828.54	485,850.25	-	488,678.79	2,899.02	483,247.65	216.26	-	486,362.93
Scope 2	tCO_2e	11,786.56	12,191.84	-	23,978.40	18,440.69	14,285.86	-	32,726.55	28,472.54	23,158.33	9.63	21.01	51,661.51
Scope 3	tCO_2e	4,170.85	17,360.99	-	21,531.84	6,536.86	20,450.22	-	26,987.08	6,290.82	19,030.72	-	-	25,321.54
Total emissions	tCO_2e	17,333.41	461,798.37	-	479,131.78	27,806.09	520,586.33	-	548,392.42	37,654.00	525,436.71	225.886	21.01	563,337.61
	Unit	PKG[1]	RCI[2]	REE	GROUP	PKG	RCI	REE	GROUP	PKG	RCI	REE	HQ	GROUP
Average Total Suspended Particles ("TSP")	mg/m³	-	-	-	-	-	28.25	-	28.25		28.7	-	-	28.7
Average NOx emissions per kiln	mg/m³	-	-	-	-	-	125.00	-	125.00	-	118.4	-	-	118.4
Average SOx emissions per kiln	mg/m³	-	-	-	-	-	34.57	-	34.57	-	4.4	-	-	4.4
Water and effluents[4]														
Surface water	megalitres	-	-	-	-	-	-	-	-	-	-	1.20	-	1.20
Third-party water	megalitres	35.92	90.10	6.58	132.60	66.78	111.61	5.72	184.11	78.01	97.76	0.73	0.68	177.18
Waste diverted from disposal														
Hazardous														
Preparation for reuse	tonnes					-	-	-	-	-	-	-	-	-
Recycling	tonnes					703	-	-	703	-	-	-	-	-
Others	tonnes					25.89	-	-	25.89	297.04	9.08	2.8	-	308.92
Non-hazardous														
Preparation for reuse	tonnes					9,215.05	-	-	9,215.05	4,244.67	-	-	-	4,244.67
Recycling	tonnes					1,707.14	0.12	-	1,707.26	2,133.01	0.22	-	0.32	2,133.55
Others	tonnes					-	-	-	-	-	-	5.42	-	5.42
Waste directed to disposal														
Hazardous														
Landfill	metric tons	127.58	6.64	-	134.22	157.86	-	-	157.86	0	0	0	0	0
Non-hazardous														
Landfill	metric tons	1,140.4	32.6	35	1,208	807.22	18.12	21.8	847.14	2,239.89	20.20	13.50	0.21	2,273.79

PKG: Packaging, RCI: Resources, REE: Renewable Energy, HQ: Headquarter Office

1. *Packaging Data for 2021 includes Stenta's data apportioned to 156 days from date of acquisition of 28 Jul 2021 to 31 Dec 2021.*
2. *Scope 1 and Scope 2 emissions data has been calculated for all three main divisions: Packaging, Resources and Renewable Energy.*
3. *Scope 3 emissions has only been calculated for the Packaging and Resources Divisions, which include upstream and downstream transportation and distribution, waste generation (excl. RCI), business travel and commuting.*
4. *Resources Division includes RCI Lime, Cheng Sun and Anting.*
5. *REE surface water consumption is estimated based on number of employees and type of activities.*

SOCIAL

Note: All Social data include six Divisions of MFCB Group except Work-Related Injuries, Work-Related Ill-Health and Community Investment which only cover the three main Divisions (Cheng Sun and Anting not included in Resources).

	2021		2022		2023	
WORKFORCE DATA	**No.**	**%**	**No.**	**%**	**No.**	**%**
Total workforce	**989**	**100.0**	**1108**	**100.0**	**1268**	**100.0**
Male	773	78.2	851	76.8	976	77.0
Female	216	21.8	257	23.2	292	23.0
Malaysia	925	93.5	1026	92.6	1172	92.4
Lao PDR	23	2.3	25	2.3	25	2.0
Cambodia	41	4.2	57	5.1	71	5.6
Permanent full-time	**983**	**99.4**	**1106**	**99.8**	**1268**	**100.0**
Male	770	77.9	850	76.7	976	77.0
Female	213	21.5	256	23.1	292	23.0
Malaysia	921	93.1	1024	92.4	1172	92.4
Lao PDR	23	2.3	25	2.3	25	2.0
Cambodia	39	4.0	57	5.1	71	5.6
Permanent part-time	**3**	**0.3**	**2**	**0.2**	**0**	**0.0**
Male	1	0.1	1	0.1	0	0.0
Female	2	0.2	1	0.1	0	0.0
Malaysia	3	0.3	2	0.2	0	0.0
Lao PDR	0	0.0	0	0.0	0	0.0
Cambodia	0	0.0	0	0.0	0	0.0
Temporary	**3**	**0.3**	**0**	**0.0**	**0**	**0.0**
Male	2	0.2	0	0.0	0	0.0
Female	1	0.1	0	0.0	0	0.0
Malaysia	1	0.1	0	0.0	0	0.0
Lao PDR	0	0.0	0	0.0	0	0.0
Cambodia	2	0.2	0	0.0	0	0.0

WORKERS WHO ARE NOT EMPLOYEES	**2021**	**2022**	**2023**
Direct engagement	34	71	110
Indirect engagement	202	126	687
Total	**236**	**197**	**797**

GOVERNANCE BODIES AND EMPLOYEE DIVERSITY DATA	2021		2022		2023	
	No.	%	No.	%	No.	%
Board members	**11**	**100.0**	**11**	**100.0**	**12**	**100.0**
Male	9	81.8	9	81.8	9	75.0
Female	2	18.2	2	18.2	3	25.0
Aged <30 years	0	0	0	0	0	0.0
Aged 30-50 years	1	9.1	1	9.1	1	8.3
Aged >50 years	10	91.9	10	90.9	11	91.7
Senior Management	**14**	**100.0**	**16**	**100.0**	**15**	**100.0**
Male	13	92.9	15	93.7	14	93.3
Female	1	7.1	1	6.3	1	6.7
Aged <30 years	1	7.2	2	12.5	0	0.0
Aged 30-50 years	3	21.4	3	18.8	3	20.0
Aged >50 years	10	71.4	11	68.7	12	80.0
Chinese	14	100.0	16	100.0	15	100
Malay	0	0	0	0	0	0
Indian	0	0	0	0	0	0
Others	0	0	0	0	0	0
Management	**100**	**100.0**	**104**	**100.0**	**115**	**100.0**
Male	66	66	68	65.4	74	64.3
Female	34	34	36	34.6	41	35.7
Aged <30 years	6	6	6	5.8	7	6.1
Aged 30-50 years	65	65	66	63.5	72	62.6
Aged >50 years	29	29	32	30.7	36	31.3
Chinese	73	73	73	70.2	76	66.1
Malay	15	15	17	16.3	24	20.9
Indian	6	6	8	7.7	8	7.0
Others	6	6	6	5.8	7	6.1
Executive	**185**	**100.0**	**197**	**100.0**	**207**	**100.0**
Male	114	61.6	119	60.4	118	57.0
Female	71	38.4	78	39.6	89	43.0
Aged <30 years	63	34.1	69	35.0	64	30.9
Aged 30-50 years	101	54.6	108	54.8	119	57.5
Aged >50 years	21	11.3	20	10.2	24	11.6
Chinese	70	37.9	83	42.1	85	41.1
Malay	87	47	90	45.7	99	47.8
Indian	10	5.4	11	5.6	11	5.3
Others	18	9.7	13	6.6	12	5.8
Non-Executive	**690**	**100.0**	**791**	**100.0**	**931**	**100.0**
Male	580	84.1	649	82.0	770	82.7
Female	110	15.9	142	18.0	161	17.3
Aged <30 years	373	54.1	421	53.2	484	52.0
Aged 30-50 years	278	40.3	328	41.5	402	43.2
Aged >50 years	39	5.6	42	5.3	45	4.8
Chinese	47	6.8	39	4.9	37	4.0
Malay	297	43	348	44.0	392	42.1
Indian	42	6.1	38	4.8	31	3.3
Others	304	44.1	366	46.3	471	50.6
GROUP TOTAL	**989**	**100.0**	**1108**	**100.0**	**1268**	**100.0**

RATIO OF AVERAGE TOTAL REMUNERATION OF MEN TO WOMEN	2021	2022	2023
	Ratio	Ratio	Ratio
Senior Management			
Malaysia	1.04:1	0.94:1	0.92:1
Lao PDR	N/A	N/A	N/A
Management			
Malaysia	1.15:1	1.16:1	1.39:1
Lao PDR	1.50:1	2.69:1	2.64:1
Executive			
Malaysia	1.28:1	1.43:1	1.33:1
Lao PDR	1.72:1	1.38:1	1.31:1
Non-Executive			
Malaysia	1.39:1	1.22:1	1.27:1
Lao PDR	1.87:1	1.83:1	2.43:1

	2021		2022		2023	
NEW EMPLOYEE HIRES	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)
Gender						
Male	93	12.5	210	27.2	256	30.1
Female	28	13.3	56	25.9	69	26.8
Age Group						
Aged <30 years	87	18.8	178	40.2	218	43.8
Aged 30-50 years	31	7.7	82	18.3	101	20.0
Aged >50 years	3	3.3	6	6.1	6	5.7
Region						
Malaysia	112	12.6	246	24.9	293	26.4
Lao PDR	4	13.8	2	0.2	1	0.1
Cambodia	5	12.2	18	1.8	31	2.8
TOTAL	**121**		**266**		**325**	

	2021		2022		2023	
EMPLOYEE TURNOVER	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)
Gender						
Male	82	11.0	122	15.8	111	13.0
Female	33	15.6	27	12.5	32	12.5
Age Group						
Aged <30 years	66	6.9	78	17.6	81	16.3
Aged 30-50 years	42	10.4	59	13.2	48	9.5
Aged >50 years	7	7.8	12	12.1	14	13.3
Region						
Malaysia	106	12.0	140	14.2	125	11.3
Lao PDR	3	10.3	0	0.0	1	0.1
Cambodia	6	14.6	9	0.9	17	1.5
TOTAL	**115**		**149**		**143**	

**Rate of turnover by category is calculated by dividing the turnover by the total number of employees at the beginning of the year.*

BENEFITS PROVIDED TO FULL-TIME EMPLOYEES THAT ARE NOT PROVIDED TO TEMPORARY OR PART-TIME EMPLOYEES	Full-time
Healthcare / Medical Benefit	✓
Group Personal Accident Insurance	✓
Hospitalisation and Surgical Insurance	✓
Parental Leave	✓

	Men		Women		Total	
PARENTAL LEAVE	No.	%	No.	%	No.	%
Number of employees entitled to parental leave	976	77.0	292	23.0	1268	100.0
Number of employees who took parental leave	1	0.1	9	3.1	10	0.8
Number of employees who returned to work after parental leave ended	1	100.0	7	77.8	8	80.0
Number of employees who returned to work after parental leave ended and were still employees 12 months after their return to work	1	100.0	0	0.0	1	12.5

PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS	2021	2022	2023
Gender			
Male	97%	100%	100%
Female	94%	100%	100%
Employment Category			
Senior management	100%	100%	100%
Management	100%	100%	100%
Executive	100%	100%	100%
Non-Executive	94%	100%	100%

Note: Figures in 2021 are not 100% because the performance reviews for the Food Security Division were only carried out in April 2022.

AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE BY GENDER AND EMPLOYMENT CATEGORY	2021	2022	2023
Gender			
Male	3.2	7.4	9.8
Female	5.2	8.3	15.9
Employment category			
Senior management	3.0	0.1	3.1
Management	7.0	15.1	21.4
Executive	7.2	13.7	24.6
Non-Executive	2.2	5.3	6.6

TOTAL HOURS OF TRAINING PER YEAR BY EMPLOYMENT CATEGORY	2021	2022	2023
Employment category			
Senior management	41.5	1.0	48.0
Management	696.2	1,567.2	3,010.5
Executive	1,338.3	2,693.3	5,074.6
Non-Executive	1,498.8	4,179.0	6,116.1
TOTAL	**3,574.8**	**8,440.5**	**14,249.2**

NUMBER OF EMPLOYEES TRAINED ON HEALTH AND SAFETY STANDARDS	2021	2022	2023
Number of employees trained on health and safety standards	272	488	520

WORK-RELATED INJURIES	2021	2022	2023
All Employees			
Fatalities as a result of work-related injury			
Number	0	0	0
Rate	0	0	0
High-consequence work-related injuries			
Number	0	0	0
Rate	0	0	0
Recordable work-related injuries			
Number	10	8	12
Rate	1.24	0.75	0.98
Lost Time Incident Rate	**1.27**	**1.33**	**0.98**
Number of hours worked	1,614,612	2,125,365	2,444,122
Workers who are not employees but whose work and /or workplace is controlled by the organisation			
Fatalities as a result of work-related injury			
Number	0	0	0
Rate	0	0	0
High-consequence work-related injuries			
Number	0	0	0
Rate	0	0	0
Recordable work-related injuries			
Number	0	0	0
Rate	0	0	0

**All injury rates calculated based on 200,000 hours worked*

WORK-RELATED ILL HEALTH	2021	2022	2023
All Employees			
Number of fatalities as a result of work-related ill health	0	0	0
Number of cases of recordable work-related ill health	8	3	4
Main types of work-related ill health	Hearing impairment	Hearing impairment	Hearing impairment
Workers who are not employees but whose work and /or workplace is controlled by the organisation			
Number of fatalities as a result of work-related ill health	0	0	0
Number of cases of recordable work-related ill health	0	0	0

COMMUNITY INVESTMENT	2021	2022	2023
Amount invested in community projects (RM)	2,232,000	1,266,000	1,802,638
Total number of beneficiaries of the investment in communities	12,029	17,383	8,742

**Amount invested in community projects in 2021 has been restated due to miscalculations*

SUPPLY CHAIN MANAGEMENT	2021	2022	2023
Proportion of spending on local suppliers (%)	65.7	56.9	49.8

GOVERNANCE

OPERATIONS ASSESSED FOR RISKS RELATED TO CORRUPTION	2021	2022	2023
Percentage of operations assessed for risks related to corruption (%)	40	40	60

COMMUNICATION ABOUT ANTI-CORRUPTION POLICIES AND PROCEDURES	2021		2022		2023	
	No.	%	No.	%	No.	%
Board Members	-	-	-	-	-	-
Senior management	1	16.7	1	14.3	1	14.3
Management	24	32.0	27	35.1	44	53.7
Executive	76	49.4	69	44.2	116	70.7
Non-Executive	163	30.1	165	30.2	353	49.7
Number of Employees communicated	**264**	**34.5**	**282**	**33.1**	**514**	**53.4**
Total Number of Employees	**777**	**100.0**	**852**	**100.0**	**963**	**100.0**
Business Partner	331	97.9	358	99.2	442	89.0

Note: Cheng Sun and Anting are not included in the Resources Division.

**Total number of employees only include for the three main Divisions (Cheng Sun and Anting are not included in the Resources Division)*
**Only Stenta and RCI communicated about anti-corruption policies and procedures to its business partner*

TRAINING ABOUT ANTI-CORRUPTION POLICIES AND PROCEDURES	2021		2022		2023	
	No.	%	No.	%	No.	%
Board Members	-	-	-	-	-	-
Senior management	0	0.0	0	0.0	1	14.3
Management	8	10.7	14	18.2	29	35.4
Executive	3	1.9	32	20.5	40	24.4
Non-Executive	0	0.0	112	18.3	127	17.9
Number of Employees	**11**	**1.4**	**158**	**18.5**	**197**	**20.5**
Total Number of Employees	**777**	**100.0**	**852**	**100.0**	**963**	**100.0**
Business Partner	-	-	-	-	-	-

**Total number of employees only include for the three main Divisions (Cheng Sun and Anting are not included in the Resources Division)*

INCIDENTS, COMPLAINTS AND NON-COMPLIANCE	2021	2022	2023
Confirmed incidents of corruption and action taken	0	0	0
Confirmed incidents of non-compliance with laws and regulations	0	1	0
Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	0	0	0
Total number of substantiated complaints received concerning breaches of customer privacy categorised by: • complaints received from outside parties and substantiated by the organisation; • complaints from regulatory bodies.	0	0	0
Total number of identified leaks, thefts, or losses of customer data	0	0	0
Total number of substantiated complaints concerning human rights violations	0	1	0

GRI INDEX

DISCLOSURE	DESCRIPTION	WHERE IT CAN BE FOUND	PAGE	OMISSIONS
GRI 2: GENERAL DISCLOSURES				
2-1	Organisational Details	Who we are and what we do	26	
2-2	Entities included in the organisation's sustainability reporting	About this report	24	
2-3	Reporting period, frequency and contact point	About this report	24	
2-5	External assurance	About this report	24	
2-6	Activities, value chain and other business relationships	Who we are and what we do	26	
2-7	Employees	Group Performance Data	66	
2-8	Workers who are not employees	Group Performance Data	66	
GOVERNANCE				
2-9	Governance structure and composition	Please refer to our 2023 Annual Report – Corporate Governance Overview Statement	77-79	
2-10	Nomination and selection of the highest governance body	Please refer to our Policy on Nomination and Assessment of Board Members (**http://www.mega-first.com/corporate-governance**)	-	
2-11	Chair of the highest governance body	Please refer to our 2023 Annual Report – Corporate Governance Overview Statement	77	
2-12	Role of the highest governance body in overseeing the management of impacts	Please refer to our 2023 Annual Report – Corporate Governance Overview Statement	77-78	
2-13	Delegation of responsibility for managing impacts	Sustainability at MFCB	33	
2-14	Role of the highest governance body in sustainability reporting	Sustainability at MFCB	33	
2-15	Conflicts of interest	Please refer to our 2023 Annual Report – Corporate Governance Overview Statement	77-78	
2-16	Communication of critical concerns	Sustainability at MFCB	33	b. report the total number and the nature of critical concerns that were communicated to the highest governance body during the reporting period.
2-17	Collective knowledge of the highest governance body	Please refer to our 2023 Annual Report – Corporate Governance Overview Statement	79-80	
2-18	Evaluation of the performance of the highest governance body	Please refer to our 2023 Annual Report – Corporate Governance Overview Statement	80-82	
2-19	Remuneration policies	Please refer to our Remuneration Policy and Procedures for Directors and Senior Management (**http://www.mega-first.com/corporate-governance**)	-	
2-20	Process to determine remuneration		-	
2-21	Annual total compensation ratio	Not reported	-	
STRATEGY, POLICIES AND PRACTICES				
2-22	Statement on sustainable development strategy	Message from the Chairman	25	
2-23	Policy commitments	Building a sustainable and ethical business	59	
2-24	Embedding policy commitments	Building a sustainable and ethical business	59	
2-25	Processes to remediate negative impacts	Enhancing livelihoods and inspiring our people; Building a sustainable and ethical business	52-53, 62-64	
2-26	Mechanisms for seeking advice and raising concerns	Enhancing livelihoods and inspiring our people; Building a sustainable and ethical business	52-54, 62-64	
2-27	Compliance with laws and regulations	Building a sustainable and ethical business	62-64, 73	
2-28	Membership associations	Who we are and what we do	65	
STAKEHOLDER ENGAGEMENT				
2-29	Approach to stakeholder engagement	Sustainability at MFCB	36	
2-30	Collective bargaining agreements	Enhancing livelihoods and inspiring our people	53	

DISCLOSURE	DESCRIPTION	WHERE IT CAN BE FOUND	PAGE	OMISSIONS
GRI 3: MATERIAL TOPICS				
3-1	Process to determine material topics	Sustainability at MFCB	35	
3-2	List of material topics	Sustainability at MFCB	35	
3-3	Management of material topics	Sustainability at MFCB; Promoting environmental sustainability; Enhancing livelihoods and inspiring our people; Building a sustainable and ethical business	35, 38-64	
TOPIC MANAGEMENT DISCLOSURES				
GRI 201: ECONOMIC PERFORMANCE				
201-1	Direct economic value generated and distributed	Please refer to our 2023 Annual Report	-	
GRI 203: INDIRECT ECONOMIC PERFORMANCE				
203-1	Infrastructure investments and services supported	Enhancing livelihoods and inspiring our people	56-58	
203-2	Significant indirect economic impacts	Enhancing livelihoods and inspiring our people	56-58	
GRI 204: PROCUREMENT PRACTICES				
204-1	Proportion of spending on local suppliers	Building a sustainable and ethical business	60, 72	
GRI 205: ANTI-CORRUPTION				
205-1	Operations assessed for risks related to corruption	Group Performance Data	72	
205-2	Communication and training about anti-corruption policies and procedures	Group Performance Data	72-73	
205-3	Confirmed incidents of corruption and action taken	Group Performance Data	72-73	
GRI 302: ENERGY				
302-1	Energy consumption within the organisation	Group Performance Data	66	
302-4	Reduction of energy consumption	Promoting environmental sustainability	40	
GRI 303: WATER AND EFFLUENTS (2018)				
303-3	Water withdrawal	Group Performance Data	66	Groundwater; Seawater; Produced water
GRI 304: BIODIVERSITY				
304-2	Significant impacts of activities, products and services on biodiversity	Promoting environmental sustainability	45-49	
304-3	Habitats protected or restored	Promoting environmental sustainability	45-49	
GRI 305: EMISSIONS				
305-1	Direct (Scope 1) GHG emissions	Group Performance Data	66	
305-2	Energy indirect (Scope 2) GHG emissions	Group Performance Data	66	
305-3	Other indirect (Scope 3) GHG emissions	Group Performance Data	66	
GRI 306: WASTE (2020)				
306-3	Waste generated	Group Performance Data	66	
306-4	Waste diverted from disposal	Group Performance Data	66	
306-5	Waste directed to disposal	Group Performance Data	66	
GRI 401: EMPLOYMENT				
401-1	New employee hires and employee turnover	Group Performance Data	69	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Group Performance Data	70	
401-3	Parental leave	Group Performance Data	70	

DISCLOSURE	DESCRIPTION	WHERE IT CAN BE FOUND	PAGE	OMISSIONS
GRI 403: OCCUPATIONAL HEALTH AND SAFETY (2018)				
403-1	Occupational health and safety management system	Enhancing livelihoods and inspiring our people	53-54	
403-2	Hazard identification, risk assessment, and incident investigation	Enhancing livelihoods and inspiring our people	54	
403-3	Occupational health services	Enhancing livelihoods and inspiring our people	54	
403-4	Worker participation, consultation, and communication on occupational health and safety	Enhancing livelihoods and inspiring our people	54	
403-5	Worker training on occupational health and safety	Enhancing livelihoods and inspiring our people	54	
403-6	Promotion of worker health	Enhancing livelihoods and inspiring our people	55	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Enhancing livelihoods and inspiring our people	54	
403-9	Work-related injuries	Group Performance Data	71	
403-10	Work-related ill health	Group Performance Data	72	
GRI 404: TRAINING AND EDUCATION				
404-1	Average hours of training per year per employee	Group Performance Data	70	
404-3	Percentage of employees receiving regular performance and career development reviews	Group Performance Data	70	
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY				
405-1	Diversity of governance bodies and employees	Group Performance Data	68	
405-2	Ratio of basic salary and remuneration of women to men	Group Performance Data	69	
GRI 406: NON-DISCRIMINATION				
406-1	Incidents of discrimination and corrective actions taken	Building a sustainable and ethical business	64	
GRI 413: LOCAL COMMUNITIES				
413-1	Operations with local community engagement, impact assessments and development programs	Enhancing livelihoods and inspiring our people	56-58	

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board is committed to ensuring that good corporate governance practices are applied throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value and to improve its financial performance. This overview statement provides an overview of the Group's practices and applications of the Recommended Practices under the revised Malaysian Code on Corporate Governance ("MCCG") which was issued by the Securities Commission Malaysia on 28 April 2021, throughout the financial year ended 31 December 2023 ("FY2023").

The details on how the Company has applied each Practice set out in the MCCG during FY2023 are disclosed in the Corporate Governance Report 2023 ("CG Report"), which is available on the Company's website, **http://www.mega-first.com**. This overview statement is to be read together with the CG Report.

The Board considers that the Group has complied substantially with the principles and guidance as stipulated in the MCCG throughout FY2023. In areas where the Group departs from the recommended practices of MCCG, the Board will endeavour to make improvements moving forward to comply with these practices.

PRINCIPLE A

BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

The Board takes full responsibility for the oversight and overall performance of the Company and of the Group. In discharging its functions and responsibilities, the Board is guided by the Board Charter, which outlines the duties and responsibilities of and matters reserved for the Board. Prior approval from the Board is required for material capital expenditure, projects, acquisitions or divestitures. Additionally, the Directors are expected to act in a professional manner and to observe high ethical business standards, honesty and integrity at all times and thereby protect and promote the reputation and performance of the Company.

In order to discharge their duties and responsibilities effectively, all directors have unrestricted access to senior management personnel and the Company Secretary. Further details regarding Board meetings' agenda and Board papers containing information for deliberation at the Board meetings are furnished on a timely manner to the Board to accord sufficient time for the Directors to review the Board papers. The Board is also informed of the decision and significant issues deliberated by the Board Committees via the reporting of the Chairman of the respective Board Committees.

Board Committees, namely Audit Committee, Remuneration Committee, Nominating Committee and Employees' Share Option Committee have also been established by the Board to assist them in the discharge of its stewardship role. All the committees have written terms of reference and, where applicable, comply with the recommendations of the MCCG. These Board Committees examine specific issues within their respective terms of reference as approved by the Board and report to the Board with their recommendations. The Board receives reports of the Committees' proceedings and deliberations. The ultimate responsibility for decision making, however, lies with the Board.

The Board has adopted the Board Charter since 2014. The Board reviews and updates the Board Charter periodically, the latest being in March 2023. The Company also adopts the Employee Code of Conduct and Disciplines which set out the standard of conduct and culture required for all employees of the Group. The Group has also established a Whistleblowing Policy. All documents are available at the Company's website, **http://www.mega-first.com**.

The Executive Chairman essentially functions as Chief Executive Officer and Chairman of the Board. He leads the Board and ensures that appropriate discussion takes place and relevant opinions among Board members are forthcoming. In addition, the Chairman chairs all shareholder meetings and ensures orderly conduct of these proceedings and adequate opportunity is given for shareholder engagement on the business of these meetings. The Executive Chairman also oversees the business affairs of the Group and is responsible for leading the Management in the execution of policies and strategies approved by the Board. The fact that the Executive Chairman is also the single largest shareholder, there is the advantage of shareholder leadership and a natural alignment of interests. He has shown tremendous commitment and had played an integral role in the stewardship of the Group.

The Executive Chairman is assisted by the Non-Independent Non-Executive Deputy Chairman and Executive Directors in ensuring the smooth and effective running of the Group. The Executive Directors are assisted by the head of each division in implementing and running the Group's day-to-day business activities. The head of division with their "hands-on" knowledge and expertise in operational issues is responsible for formulating strategic plans to accommodate changes swiftly. In addition, the Senior Independent Director also acts as a sounding board for the Executive Chairman, as an intermediary for other directors when necessary and as the point of contact for shareholders and other stakeholders.

The Board also ensure there is no conflict of interest or potential conflict of interest issues relating to a Director to be in line with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). As and when a potential conflict of interest arises, the Directors concerned are required to declare their interest and abstain from the decision-making process.

The Board is comfortable that there is no undue risk of potential conflict of interest as all related party transactions are disclosed and strictly dealt with in accordance with MMLR. In addition, the Independent Directors who constitute half of the Board, provides for effective oversight over management and ensures that there is independence of judgement.

Governing Sustainability

In the course of pursuing the vision and mission of the Group, the Board acknowledges that practices which support corporate responsibility are keys to the sustainability of the Group. The Board has overall oversight and decision-making responsibility with regards to sustainability. The Sustainability Executive Committee, which comprise of Executive Directors and managing directors of the various divisions, provide overall directions to the Group and reports to the Board. The Group has established a Sustainability Policy which provides guiding principles on how the culture of sustainability should be promoted across the Group. The Sustainability Policy complements the Group's approach to sustainability by expanding on the key focus areas of MFCB's sustainability strategy. The Sustainability Policy is available at the Company's website, **http://www.mega-first.com**.

Please refer to Sustainability Report embedded in this Annual Report for more details.

II. BOARD COMPOSITION

The Board, led by an experienced Executive Chairman is made up of twelve (12) members of whom four (4) are Executive Directors, six (6) are Independent Directors and one (2) Non-Independent Non-Executive Directors. Independent Directors form half of the Board to ensure that minority shareholders' interests are adequately represented.

Independent Directors

Since 28 April 2021, the MCCG recommends the tenure of an independent director does not exceed a term of nine (9) years. If the Board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process. The Company has complied with the aforesaid MCCG recommendation since its effective date.

Datuk Hj. Pengiran Saifuddin has served the Board for a cumulative period of nine (9) years. The Nominating Committee has assessed his independence and is satisfied that he remains unbiased, objective and independent in expressing his opinions and in participating in the decision making of the Board. He possesses tremendous insights and in-depth knowledge of the Company's business and affairs. The length of his service on the Board has not in any way interfered with his objective and independent judgment in carrying out his role as a member of the Board and relevant Committees. With his skills and vast experience in business and management, he would be able to contribute positively during deliberations or discussions of the Board and Board Committees. He has also devoted sufficient attention to his responsibilities as Independent Director and in carrying out his duty in the best interest of the Company and its shareholders.

On the recommendation of the Nominating Committee, the Board has in March 2024 approved to seek shareholders' approval via a two-tier voting process to retain Datuk Hj. Pengiran Saifuddin as Independent Director of the Company at the forthcoming 58th Annual General Meeting ("AGM").

For a large company like MFCB, the MCCG recommends that the Board should consist of majority independent directors. The Board recognises that MFCB does not fully adhered to this recommendation. Nevertheless, the Independent Directors, constituting half of the Board, play a crucial role in furnishing effective oversight of management activities and upholding independence of judgment. The Board will continue to look for suitable candidates to fill the gap created by the aforesaid changes.

Diversity

The Board recognises the advantages of maintaining a diverse Board in terms of background, knowledge, experience, expertise, skills, ethnicity, age, and gender. The Board Composition Policy, which is available on the Company's website, **http://www.mega-first.com** provides that diversity in terms of skills, background, knowledge, international and industry experience, culture, independence, age and gender, among many other factors, will be taken into consideration when seeking to appoint a new Director to the Board so as to bring relevant perspectives to Board discussions. The composition of the Board consists of individuals with a wide range of experience, industry knowledge and skills. The Board also comprises individuals of different age group, ethnicity and gender.

On 1 September 2023, Ms Lui Soek Kuen joined the Board. With her addition, the Board currently comprises three (3) women directors, namely Datin Jeyanthini a/p M. Kannaperan, Ms Lui Soek Kuen and Ms Goh Mei Sze, representing 25% of the Board. The Board will maintain at least three (3) women Directors and will actively work towards having a minimum of 30% women as members of the Board.

In respect of the year ended 31 December 2023, the Board, is of its opinion that its current composition and size is adequate and provide for sufficient diversity taking into account the scope and nature of the Group's operations.

Directors' Training

The Directors are mindful that they should receive appropriate continuous training in order to broaden their perspectives and to keep abreast with new developments for the furtherance of their duties. Each Director also evaluates his/her own training needs on a continuous basis that would best enable them to enhance their knowledge and contributions to the Board. The Board, through the Nominating Committee, oversees the training needs of its Directors. The Company Secretary compiles training programmes including in-house trainings as well as those conducted by Bursa Malaysia, which are available to the Directors for their selection and participation.

The Directors are encouraged to visit the Group's operating centres to have an insight into the Group's various operations which would assist the Board to make effective decisions relating to the Group.

The programmes that were attended by the Directors during the year under review includes the following:-

NAME	PROGRAMMES	
Goh Nan Kioh	• Mandatory Accreditation Programme Part II - Leading for Impact (LIP)	• Bursa's Sustainability Reporting Requirements for Listed Companies
Goh Nan Yang	• Mandatory Accreditation Programme Part II - Leading for Impact (LIP)	• Bursa's Sustainability Reporting Requirements for Listed Companies
Goh Mei Sze	• Mandatory Accreditation Programme Part II - Leading for Impact (LIP)	• Bursa's Sustainability Reporting Requirements for Listed Companies
Khoo Teng Keat	• Advocacy Session for Directors and CEOs of Main Market Listed Issuers • Bursa's Sustainability Reporting Requirements for Listed Companies	• Mandatory Accreditation Programme Part II - Leading for Impact (LIP)
Tay Kheng Chiong	• Mandatory Accreditation Programme Part II - Leading for Impact (LIP) • Update on MMLR – Enhanced Conflict-of-Interest Measures	• Bursa's Sustainability Reporting Requirements for Listed Companies
Yeow See Yuen	• Update on MMLR – Enhanced Conflict-of-Interest Measures	• Bursa's Sustainability Reporting Requirements for Listed Companies

NAME	PROGRAMMES	
Datuk Hj. Pengiran Saifuddin bin Pengiran Tahir	• Mandatory Accreditation Programme Part II - Leading for Impact (LIP)	• Bursa's Sustainability Reporting Requirements for Listed Companies
Jesper Bjorn Madsen	• Mandatory Accreditation Programme Part II - Leading for Impact (LIP) • Bursa's Sustainability Reporting Requirements for Listed Companies	• Update on MMLR - Enhanced Conflict-of-Interest Measures
Dato' Setia Prof Dr Tan Hui Meng	• Section of Uro-Oncology Forum (Surf) 2023 • Men's Health World Congress 2023	• 32nd Malaysian Urological Conference
Datin Jeyanthini a/p M. Kannaperan	• Mandatory Accreditation Programme Part II - Leading for Impact (LIP)	• Bursa's Sustainability Reporting Requirements for Listed Companies
Au Siew Loon	• Audit Committee Conference 2023 • Bursa Malaysia Mandatory Accreditation Programme (MAPI) • The Edge Malaysia ESG Forum 2023 • Bursa's Sustainability Reporting Requirements for Listed Companies • New TP Horizon, Transition or Transformation	• Update on MMLR – Enhanced Conflict-of-Interest Measures • Advocacy Session for Directors and CEOs of Main Market Listed Issuers • Navigating CFO Circle Event : Navigating ESG Priority and Enhanced Sustainability Disclosure
Lui Soek Kuen *(appointed on 1 September 2023)*	• Bursa Malaysia Mandatory Accreditation Programme (MAPI)	

Board and Board Committees Meetings

The dates for Board and Board Committees meetings for the financial year are scheduled in advance before the end of each financial year to facilitate the Directors' time management. Prior to the Board meetings, all Directors will receive the agenda and a set of Board papers containing information for deliberation at the Board meetings. Minutes of each Board meeting are circulated to all Directors prior to the confirmation of the minutes to be done at the commencement of the following Board meeting. The Directors may request for clarification or raise comments before the minutes are confirmed as a correct record of the proceedings of the meeting.

During the year under review, five Board meetings, six (6) Audit Committee meetings, two (2) Nominating Committee meetings and one (1) Remuneration Committee meeting were held. The attendance record of each Director is as follows:-

BOARD MEETING	ATTENDANCE
Goh Nan Kioh (Chairman)	5/5
Tay Kheng Chiong	5/5
Goh Nan Yang	5/5
Goh Mei Sze	5/5
Khoo Teng Keat	5/5
Yeow See Yuen	5/5
Datuk Hj. Pengiran Saifuddin bin Pengiran Tahir, JP	5/5
Jesper Bjorn Madsen	5/5
Dato' Setia Prof Dr Tan Hui Meng	4/5
Datin Jeyanthini a/p M. Kannaperan	3/5
Au Siew Loon	5/5
Lui Soek Kuen *(Appointed on 1 September 2023)*	1/1
Dato' Koh Hong Sun *(Retired on 24 May 2023)*	2/2

AUDIT COMMITTEE	ATTENDANCE
Yeow See Yuen (Chairman) *(Ceased as Chairman and Member on 24 May 2023)*	3/3
Au Siew Loon (Chairman) *(Appointed as Chairman on 24 May 2023)*	3/3
Jesper Bjorn Madsen	5/6
Datuk Hj. Pengiran Saifuddin bin Pengiran Tahir, JP *(Ceased as Member on 5 February 2024)*	5/6
Lui Soek Kuen *(Appointed as Member on 5 February 2024)*	n/a

NOMINATING COMMITTEE	ATTENDANCE
Dato' Koh Hong Sun (Chairman) *(Retired on 24 May 2023)*	1/1
Datin Jeyanthini a/p M. Kannaperan (Chairman) *(Appointed as Chairman on 5 February 2024)*	2/2
Yeow See Yuen	2/2
Lui Soek Kuen *(Appointed as Member on 5 February 2024)*	n/a

REMUNERATION COMMITTEE	ATTENDANCE
Jesper Bjorn Madsen (Chairman)	1/1
Datin Jeyanthini a/p M. Kannaperan	1/1
Dato' Koh Hong Sun *(Retired on 24 May 2023)*	1/1
Tay Kheng Chiong *(Appointed as Member on 5 February 2024)*	n/a

Nominating Committee ("NC")

The NC consists wholly of Non-Executive Directors and is chaired by an Independent Director. The composition of the NC is set out in the Corporate Information section of this Annual Report.

The NC's role includes assessing and recommending candidature of directors, succession plans and training programs, boardroom diversity, board composition, annual assessment of directors, Board and Board Committees. The NC meets as and when required, but at least once a year.

Directors' Fit and Proper Policy was adopted in 2022 which sets out the approach, guidelines and procedures to ensure that a formal, rigorous and transparent process is adhered to for the appointment, re-appointment and/or re-election of the Directors of the Group upon recommended by the NC. The said policy is available on the Company's website, **http://www.mega-first.com**.

Board Effectiveness Evaluation ("BEE") are conducted annually to identify opportunities for increasing efficiency, maximise strengths and to highlight areas for improvement. Professional consultants are engaged to conduct the assessment once every three years.

In FY2023, the BEE was conducted internally. Sets of online questionnaires which consisted of evaluations by the Board, Board Committees, self and peer assessment as well as independent directors' assessment were developed to maximise the effectiveness and performance of the Board in the best interests of the Group. The areas covered were as follows:

EVALUATION	ASSESSMENT CRITERIA
Board of Directors	Board mix and composition, quality of information and decision making, boardroom activities, strategy governance and monitoring role, Board's relationship with the Management and Environmental, Social and Governance ("ESG")/Sustainability.
Board Committee	Board Committees' composition, boardroom activities and key responsibilities.
Individual Director	Individual Directors' fit and proper, contribution and performance, and caliber and personality.

The results were presented to the NC and the Board in March 2024 for deliberation. Upon review, the Board is satisfied with the performance of the Board, Board Committees and individual Directors and noted the areas that required improvements. The results were used as a basis for recommending the relevant Directors for re-election at the upcoming AGM and such practice is in line with the Directors' Fit and Proper Policy adopted by the Company.

The activities undertaken by the NC in FY2023 were summarised below:

- evaluated a new director based on the Directors' Fit and Proper Policy and subsequently recommended for appointment as Independent Director, reviewed and assessed the skills mix, independence, expertise, composition, size diversity and experience to meet the needs of the Board.
- discussed and reviewed the results of BEE.
- reviewed and recommended Directors who are retiring and being eligible for re-election, based on the results of BEE and Fit and Proper Policy.
- reviewed and assessed the re-designation of an Independent Director whose tenure has exceeded cumulative twelve (12) years, to Non-Independent Non-Executive Director, based on BEE for financial year ended 31 December 2022 and Directors' Fit and Proper Policy.

III. REMUNERATION

The Remuneration Committee ("RC") is responsible for implementing the Remuneration Policy and Procedure by reviewing and recommending matters relating to remuneration of Board and Senior Management. It is designed to ensure the transparency in determining the levels and components of remuneration package which continues to retain and motivate dedicated directors and senior management.

RC reviews annually and the Board approves the remuneration for Executive Directors and senior management staff. The remuneration of the Executive Directors and senior management staff are structured so as to link rewards to corporate and individual performance. The director's fees attributable to the Executive Directors for their directorship in other companies within the Group are paid to the Company.

The remuneration for Non-Executive Directors is by way of fixed annual fees, based on recommendations of the Remuneration Committee and approval by the Board and shareholders at annual general meeting. The level of remuneration reflects level of responsibilities undertaken by the particular Non-Executive Director concerned. The meeting allowance for Non-Executive Directors is based on their attendance for Board, Board Committee or general meeting. They are also reimbursed reasonable expenses incurred by them in the course of carrying out their duties on behalf of the Company. The Directors concerned do not participate in the deliberation and decision in respect of his individual remuneration.

The Terms of Reference of Remuneration Committee and Remuneration Policy and Procedure for Directors and Senior Management is available on the Company's website, **http://www.mega-first.com**.

PRINCIPLE B

EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE ("AC")

The AC comprises three (3) Independent Non-Executive Directors and is chaired by Mr Au Siew Loon effective 24 May 2023, upon cessation of office by Mr Yeow See Yuen on even date.

The AC plays an active role in helping the Board discharge its governance responsibilities. The AC works within the purview of the terms of reference. The AC reviews issues of accounting policy and presentation for external financial reporting, monitors the internal audit function and ensures an objective and professional relationship is maintained with the external auditors. Its principal function is to assist the Board in maintaining a sound system of internal controls and governance.

The AC member has full access to the auditors, both internal and external, who in turn have access at all times to the Chairman of the AC. The Report of the AC, including its composition, duties and activities, is presented in the Audit Committee Report section of this Annual Report.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board acknowledges its overall responsibility for maintaining the system of risk management and internal controls to safeguard shareholders' investment and the Company's assets. The Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that the Group's objectives and activities are aligned with those risks and opportunities. The business unit head identifies and communicates with the Executive Directors of the Company the critical business risks and the management action plan to manage the risks. Such approaches are to mitigate and manage rather than eliminate risks and provide only reasonable assurance against misstatement or loss.

The Board is assisted by the AC to review and evaluate the adequacy and effectiveness of the internal control system through deliberation of Internal Audit Reports. A Risk Assessment Team was established to oversee the risk management activities of the Group, oversees the effective communication and implementation of the Group's risk tolerance and other related issues.

The details of the Risk Management and Internal Control Framework is disclosed in the Statement on Risk Management and Internal Control of this Annual Report.

PRINCIPLE C

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. ENGAGEMENT WITH STAKEHOLDERS

The Board acknowledges the need for shareholders and stakeholders to be informed of all material business matters affecting the Company. They are kept well informed of developments and performances of the Company through regular investors' briefings, including quarterly results briefings, timely announcements and disclosures made to Bursa Malaysia, including the release of financial results on a quarterly basis, press coverage and research reports published by security houses. The Company's annual report which contains all the necessary disclosures in addition to facts and figures about the Group and the Company is released within four months after the financial year end. In addition, efforts have been made to ensure that the report is user friendly so that shareholders have a good understanding about the Company and its operations. All announcements and disclosures made to Bursa Malaysia, including the annual report and investors' briefings presentation slides, are also accessible from the Company's website, **http://www.mega-first.com**.

II. CONDUCT OF GENERAL MEETINGS

AGM is an important forum for communicating with the Shareholders. Members of the Board, the Financial Controller and external auditors were present to answer questions raised at the 57th AGM held on 24 May 2023. The Chairman presented the overall performance and progress of business activities of the Group. Shareholders were able to participate and provided with opportunity to raise queries in relation to the Company's business activities and all queries were answered by the Directors appropriately.

The voting of all resolutions at the AGM was conducted through e-polling system to facilitate good participation of shareholders. The Board endeavours to comply with the good practice in the upcoming AGM and other future General Meetings of the Company.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

The Board is pleased to present the following Statement on Risk Management and Internal Control, which outlines the key features of the Group's risk management framework and internal control system and its integration into business processes and activities to assist the Group to meet its business objectives while safeguarding shareholders' investments and the Group's assets. The framework remains agile and is adjusted, when needed, to meet the ongoing changes in the business and regulatory requirements.

The Statement is prepared pursuant to Chapter 15 Corporate Governance – Paragraph 15.26 (b) and Practice Note 9 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia"), Principle B – Chapter II of the Malaysian Code on Corporate Governance 2021, together with guidance from Bursa Malaysia's "Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers".

RESPONSIBILITIES AND ACCOUNTABILITIES

AT BOARD LEVEL

The Board acknowledges its overall responsibility in establishing a sound system of risk management and internal control covering not only financial controls but also operational, environmental and compliance controls, as well as reviewing its adequacy and effectiveness.

The Group has an established Internal Audit Department that reports to the Audit Committee. The Audit Committee is responsible for undertaking regular review of the risk management practices and internal control processes in order to provide the Board with independent and objective assurance that the risk management and internal control system is adequate and effective in addressing the risks identified. The Board recognises that such system is designed to manage, rather than to eliminate, the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

The Board confirms that there is an ongoing process for identifying, evaluating and managing significant risks faced by the Group for the financial year under review, and the process has been in place during the financial year and up to the date of approval of the Annual Report. This process is an integral part of the Group's risk management and internal control system.

AT MANAGEMENT LEVEL

Management is accountable to the Board for risk management and internal control and has implemented processes to identify, evaluate, manage and report risks and controls.

Business plans and business strategies are formulated by Executive Directors and presented to the Board for review to ensure proposed plans and strategies are in line with the Group's risk appetite. On the day-to-day operations, the respective Head of Division/Business Unit are responsible for managing the risk of their division/business unit. Changes in the key business risks faced by the Group or emergence of new business risks and the corresponding internal controls to mitigate the risks are discussed during management meetings.

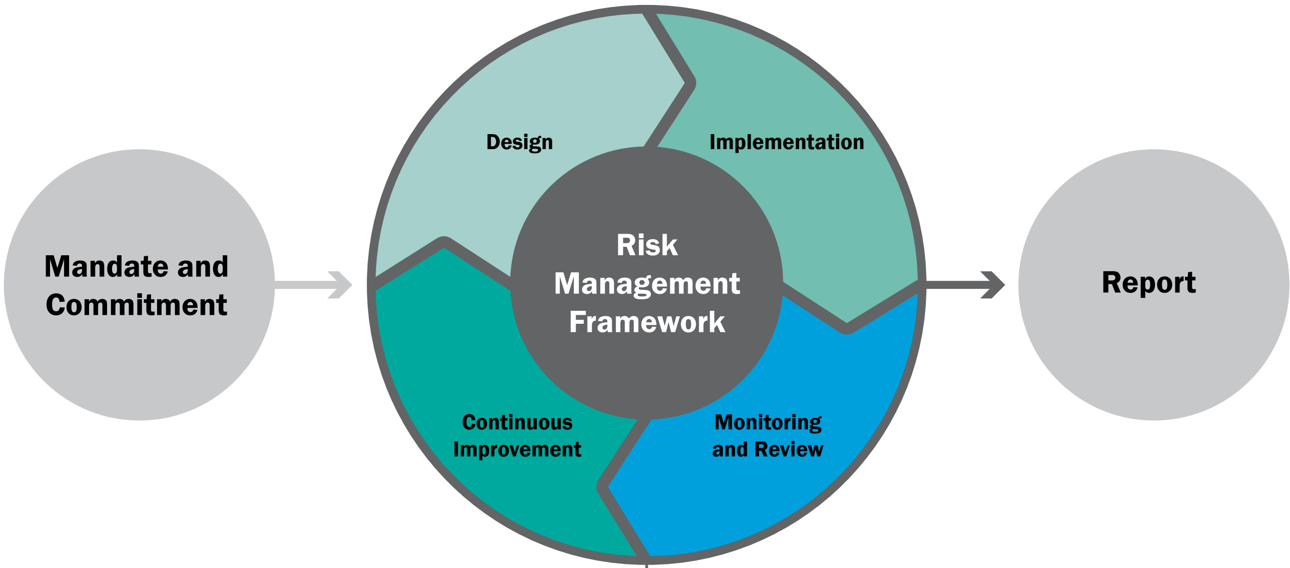
RISK MANAGEMENT FRAMEWORK

The Group recognises that an embedded risk management framework within the Group's operations is an integral part of good corporate governance as it enhances accountability, provide insights, and improves decision-making and outcomes.

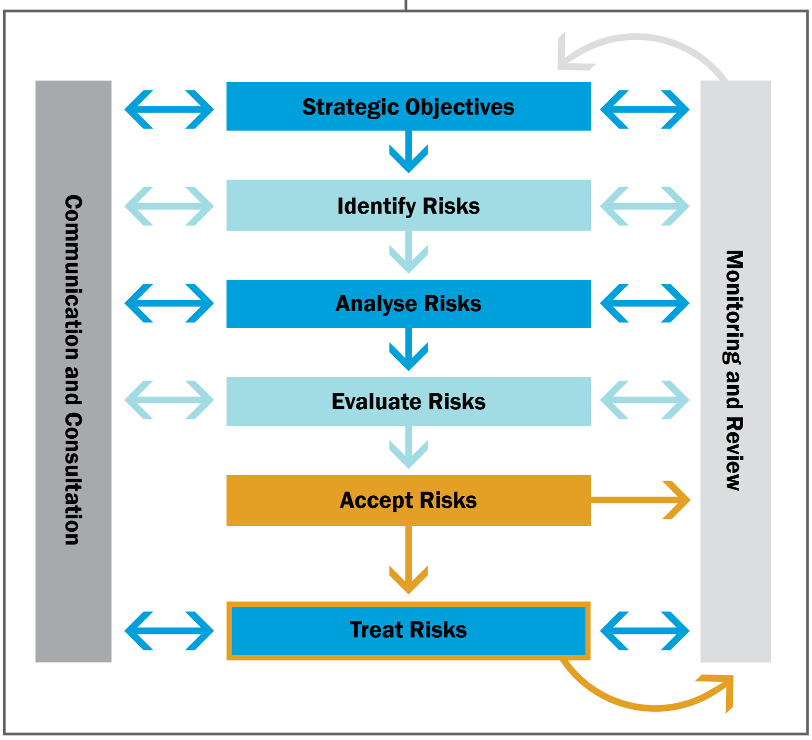
The Framework, which is benchmarked against the International Organisation for Standardisation (Risk Management – Guidelines), sets out the structured process to continuously identify, evaluate, respond and monitor the risks that might affect the Group's business objectives. It adopts both the "top-down strategic" and "bottom-up operational" approach and spans the entire organisation to address all areas of significant risk for the Group. Through such structure, material risks are consolidated from operation level to Management, escalated up to the Risk Assessment Team ("RAT") and finally to the Board.

The Group defines risk as any event that may impact upon its business objectives. It is measured in terms of likelihood and consequences. Business risks arise as much from the likelihood of loss opportunities as it does from uncertainties and hazards.

The risk management framework starts with the understanding of strategic objectives in ensuring that key risks are identified.



The Group's risk management process is illustrated below here:



RISK PROFILE

The Group's risk profile is updated and reported on a yearly basis, or as and when required. Risk assessment interviews have been conducted by the senior manager overseeing the risk management function with the chief executives and managers of the respective divisions/business units as part of the assessment of strategic risks affecting the Group.

The RAT, headed by an Executive Director, is established to oversee the risk management activities of the Group. The RAT also oversees the effective communication and implementation of the Group's risk tolerance and other related issues.

A summarised annual update on salient changes to the key risk profile is tabled to the Audit Committee to facilitate timely assessment. Any major changes to risks together with the appropriate actions and/or strategies to be taken, will be brought to the attention of the Board by the Chairman of the Audit Committee.

RISK MANAGEMENT PROCESS

The key aspects of the risk management process are as follows:

(a) Identify Risk

Risks are primarily identified and assessed by segments, functions and countries. Risk identification involves examining all sources of potential risk and the perception of all stakeholders, both internal and external, which may impact the achievement of the business objectives. All identified risks are documented in Key Risk Records after assessing its possibilities and causes of occurrence as well as implications with treatment and ongoing monitoring.

(b) Analyse Risk

The identified risks are analysed to determine their risk levels, which are determined by the relationship between the likelihood and the consequences if the risk occurs. The likelihood and consequences are assessed by taking into account the adequacy and enforcement of existing controls. The Group uses a five-level scale for probability and a set of scales to measure different aspects of the impact. Risks are then scored in a qualitative risk matrix.

Risks are categorised into four levels – low, moderate, high and extreme.

LIKELIHOOD	CONSEQUENCE				
	INSIGNIFICANT	MINOR	MODERATE	MAJOR	EXTREME
Rare	Low	Low	Moderate	High	High
Unlikely	Low	Low	Moderate	High	Extreme
Possible	Low	Moderate	High	Extreme	Extreme
Likely	Moderate	High	High	Extreme	Extreme
Almost Certain	High	High	Extreme	Extreme	Extreme

RISK LEVEL	ACTION TO BE TAKEN
Low	Managed by routine procedures and low-level delegations, unlikely to consider specific application of resources.
Moderate	Managed by specific monitoring or response procedures within line management delegations.
High	Executive management accountability with senior management responsibility.
Extreme	Immediate action must be taken to reduce the risk. If it is not possible to reduce the risk immediately, it must be referred to the Executive Chairman.

This is designed to be responsive to changes in the business environment and is communicated to the appropriate levels through existing reporting structures and processes of the Group.

(c) Evaluate Risk

The evaluation takes into account the degree of control over each identified risk and the cost impact, benefits and opportunities presented by the risk. The significance of the risk, and the importance of the policy, program, process or activity, are considered in deciding if a risk is acceptable or otherwise. Risks with "High" or "Extreme" will be given high priority while risks that are beyond the control of the Group will be monitored closely with no specific action plan.

(d) Treat Risk

Risks are treated in different ways depending on their nature. The intention of a risk treatment is to reduce the expected level of an unacceptable risk. There are a number of options available for treating risks. These should be considered in the light of cost and benefit for implementing action.

Where risks are identified as unavoidable or no suitable treatment plans are available, the management has accepted them. Other treatment options include avoiding the risk by not taking the activity that is likely to trigger the risk, reducing the risk by implementing preventive or reactive controls and transferring the risk by outsourcing the activity or purchasing insurance for insurable risks.

(e) Monitor and Review Risk

Review of the risk profiles, control procedures and status of the action plans are carried out on a regular basis by the respective Head of Division/Business Unit. This is to ensure that appropriate actions are taken to address issues reported on a timely basis or within agreed timelines in addition to keeping abreast of changes in the business and operating environment.

The Key Risk Records from the core divisions/business units are reviewed by the RAT, and the status of mitigation plans are communicated to the Board.

Under the Group's Risk Management Framework, sources of risk can be categorised into the following headings, with different strategies to mitigate each:

(a) Strategic and Business Risks

The Group voluntarily accepts some risks in order to generate high expected returns. The first task in risk management is to establish whether the Group has a vision of the direction it wants to take. The Group takes on risks through its research and development activities and in-depth discussion at the Board level.

(b) Operational Risks

The management of the Group's day-to-day operational risks is mainly decentralised at the division/business unit level and guided by standard operating procedures. Operational risks that cut across the Group are coordinated centrally.

(c) Financial and Commercial Risks

The Group is exposed to various financial and commercial risks relating to credit, liquidity, interest rates, foreign currency exchange rates and commodity prices. The Group's risk management objectives and policies coupled with the required quantitative and qualitative disclosures relating to these risks are set out in notes to the financial statements.

(d) Governance and Compliance Risks

The Group operates in diverse geographical locations and as such is exposed to compliance risks of the laws and regulations in the various countries the Group operates, and compliance with the various certifications. The responsibility and oversight of compliance is delegated to department heads. They have sufficient subject-specific knowledge and are familiar with the policies, procedures and practices outlined in the manual of standard operating procedures.

(e) Corruption Risks

The Group has zero-tolerance for corruption activities and is committed to act professionally, fairly and with integrity in all business dealings and relationships. Corruption risks are often treated differently than other risks as there is a moral dimension to corruption and great reputational risks involved for the organisation.

INTERNAL CONTROL SYSTEM

The Board and Management have taken various steps to establish a control environment that covers integrity and ethical values of the Group, the governance structure that would allow the discharge of their respective duties and assignment of authority and responsibility, as well as the process and procedure to ensure reporting to shareholders and other stakeholders on a timely basis.

(a) The Group takes its ethical and legal responsibilities seriously and is committed to conduct business professionally and honestly, and in compliance with all applicable laws in all the jurisdiction in which the Group operates. The Group has reinforced its commitment on ethical conduct with the following policies, which have been approved for implementation by the Board:

- Anti-Bribery and Corruption Policy;
- Employees' Code of Conduct and Discipline; and
- Whistle-Blowing Policy.

(b) The Group has an organisational structure that is aligned with its business and operational requirements, with clear and formally defined approving authority limits and authorisation procedures, which is the primary instrument that governs and manages the business decision making process within the Group.

(c) Standard Operating Procedures that set out the policies, procedures and practices to be adopted by all companies in the Group, these policies and procedures provide guidance and direction for proper management and governance of operations and business activities of all divisions/business units.

From time to time, the management might identify the need for the Group to develop policies about operational matters. In line with the development of reporting frameworks such as Global Reporting Initiative Standards, the Group is expected to be transparent and accountable to its shareholders. The Group has established the following policies, and has been or will be implementing measures based on these policies:

- Anti-Money Laundering Policy;
- Biodiversity Policy;
- Board Composition Policy;
- Directors' Fit and Proper Policy;
- Diversity and Inclusion Policy;
- Group Sustainability Policy;
- Human Rights Policy;
- Occupational Health and Safety Policy;
- Policy on Nomination & Assessment Process of Board Members;
- Conflict of Interest Policy
- Remuneration Policy and Procedures for Directors and Senior Management;
- Responsible Sourcing Policy;
- Waste Management Policy; and
- Water Management Policy.

(d) Annual budget system is in place. The annual budgets that include business plans and strategies are presented to, and approved by the Board. Monthly results are then monitored against budgets and key performance indicators by the Management, focusing on variances and important operational issues, and the findings discussed with the Head of Division/Business Unit.

(e) Regular visits to operating units by senior management whenever appropriate.

(f) The Group information technology systems that capture, compile, analyse and report relevant data are in place with continuous development and improvement, which enable effective decision making from the accurate and timely information provided. Management and financial reports are generated regularly to facilitate financial and operating reviews of the various divisions/business units by the Board and Management.

(g) Adequate insurance and physical security of major assets are in place to ensure that assets are safeguarded and sufficiently covered against disaster that will result in material losses to the Group.

(h) Human resource function sets out policies for recruitment, training and staff appraisal to ensure competency of employees and employees are trained adequately in carrying out their responsibilities.

(i) On a quarterly basis, the Board reviews and discusses a comprehensive Quarterly Review Report, covering the Group's performance. In addition, the Board also deliberates on the appropriateness of key business strategies adopted by the divisions/business units in the light of any significant shifts in risk profiles. In this manner, the Board is not only kept well informed on current issues facing the Group but also participates in risk management.

(j) The internal audit function of the Group is performed in-house by its Internal Audit Department. The Head of Internal Audit reports directly to the Audit Committee and has unrestricted access to the Committee members on all matters. All the internal auditors had declared to the Committee by signing the annual declarations that they were and had been independent, objective and in compliance with the Code of Ethics of The Institute of Internal Auditors Standards (Global) in carrying out their duties for the financial year. The Audit Committee is of the view that the internal auditors had demonstrated strong value and principles under the Code of Ethics.

The primary roles of the Internal Audit Department are to undertake regular and systematic review of the risk management processes, adequacy and effectiveness of internal controls and governance practices of the Group. Internal Audit Department provides independent and reasonable assurance to the Board and Management that the internal controls are operating satisfactorily and effective. The Committee is assisted by the Internal Audit Department in discharging its duties and responsibilities.

The Internal Audit Department performed routine audit and reviews on all business segments of the Group in accordance with the approved Audit Planning Memorandum. Audit reports were issued to the Management and the Committee with detailed findings, recommendations and management's responses on the findings. The Head of Internal Audit attends all meetings of the Committee and presents the quarterly work progress report on the status of completion of planned audit assignment including audit findings, update on implementation of corrective actions on past key audit findings and review of the quarterly related party transactions, if any. During the financial year under review, 6 internal audit assignments were carried out covering operating units on Resources, Packaging and other investment holding entities within the Group. The audit activities encompassed operational and compliance audits of operations to ascertain adequacy and effectiveness of its system of internal control as well as determine the reliability and integrity of financial and operational information.

The Internal Audit Department also assisted the Committee to prepare the Report of the Audit Committee for inclusion in the Company's Annual Report, and reviewed the appropriateness and completeness of the Corporate Governance Overview Statement, Corporate Governance Report and the Statement on Risk Management and Internal Control with regards to the compliance with the Malaysian Code on Corporate Governance 2021, Paragraph 15.15 of the Main Market Listing Requirements and Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers.

The Internal Audit Department expenses in respect of the financial year ended 31 December 2023 was RM422,695.

(k) The Group's risk management framework and internal control system applies to the Company and its subsidiaries only. Joint ventures and associates are excluded. However, the Group's interest is served through representation on the Board of these companies, receipt and review of management accounts, and enquiries thereon. Such representation also provides the Board with information for timely decision making on the continuity of the Group's investment based on their performance.

ASSURANCE TO THE BOARD

The Executive Directors and Financial Controller are responsible for ensuring that the Group's risk management framework and internal control system are assessed and continuous improvements scrutinised by means of independent and objective evaluations. The Board has been assured by the Executive Directors and Financial Controller that these processes are adequately established and effectively implemented, and nothing has come to their attention which may render the financial results presented and information provided to be false and misleading in any material respect.

BOARD'S COMMITMENT

The Board is mindful that the development of the Risk Management Framework is an ongoing process and the Management continues to take steps to improve the risk management and internal control processes. During the financial year under review, some internal control weaknesses were identified but were not considered significant to be mentioned in this Statement as none had materially impacted the business operations of the Group. Nevertheless, remedial actions and corrective measures have been or are being taken to address them.

The Board is of the view that the Group's risk management and internal control system is reasonably adequate in mitigating risks. However, the Board recognises the fact that it requires continuous review to meet the changing and challenging business environment as well as to safeguard shareholders' interests and the Group's assets. Therefore, the Board is committed towards maintaining an effective risk management and internal control system throughout the Group and where necessary putting in place appropriate plans to further enhance the Group's risk management and internal control system.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the MMLR of Bursa Malaysia, the external auditors, Crowe Malaysia PLT, have reviewed this Statement on Risk Management and Internal Control for inclusion in this Annual Report for the financial year ended 31 December 2023.

Their limited assurance review was performed in accordance with Malaysian Approved Standard on Assurance Engagements ISAE3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information as well as Audit and Assurance Practice Guide 3 ("AAPG 3"), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by the Malaysian Institute of Accountants.

AAPG 3 does not require the external auditors to, and they did not, consider whether this Statement 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. It also does not require the external auditors to consider whether the processes to deal with material internal control aspects of any significant problems will, in fact, remedy the problems.

Based on their review, nothing had come to their attention that caused them to believe that the Statement on Risk Management and Internal Control set out above was not prepared, in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers, nor was factually inaccurate.

AUDIT COMMITTEE REPORT

A. COMPOSITION AND MEETINGS

Our Committee comprises three (3) members, all of whom satisfy the independence requirements of the Listing Requirements. The composition and attendance of each member at the Audit Committee ("AC") meetings during the financial year ended 31 December 2023 ("the financial year") were as follows:-

NAME OF MEMBERS	ATTENDANCE
Au Siew Loon Chairman (Independent Director) *(Appointed on 24 May 2023)*	3/3
Yeow See Yuen * *(Non-Independent Non-Executive Director)*	3/3
Jesper Bjorn Madsen *(Independent Director)*	5/6
Datuk Hj. Pengiran Saifuddin bin Pengiran Tahir, JP *(Independent Director)*	5/6

** Ceased as Chairman and member following his redesignation to Non-Independent Non-Executive Director on 24 May 2023.*

The Committee held six (6) meetings during the financial year. The Financial Controllers, Executive Director and Head of Internal Audit were invited to attend the meetings to provide clarifications on matters discussed, updates on financial performance, and Group's operations. In addition, the Committee had two independent dialogues with the External Auditors, Crowe Malaysia PLT without the presence of management during the financial year, to discuss matters of interest that arose in the course of the audit. No significant matters were highlighted and discussed.

B. TERMS OF REFERENCE

In carrying out its statutory duties and responsibilities, the Committee is guided by its Terms of Reference ("TOR") which are available on the Company's website at **http://www.mega-first.com**.

The performance of the Committee and its members were reviewed and assessed by the Board via the Nominating Committee and the Board is satisfied that the Committee and its members had discharged their functions, duties and responsibilities in accordance with the Committee's TOR.

C. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

The Committee had carried out these activities in 2023:

1. FINANCIAL STATEMENT AND REPORTING REVIEW

1.1 Reviewed and discussed the quarterly management report of the unaudited results of the Group. The financial review included the comparative quarterly and year-to-date results.

1.2 Reviewed the adequacy and appropriateness of disclosure in the unaudited quarterly financial statements before recommending to the Board for consideration and approval and release to Bursa Malaysia. When reviewing these financial statements, the Committee had obtained reasonable assurance that the condensed interim financial statements were prepared in accordance with the applicable financial reporting standards and obtaining assurance from management and external auditors that it complied with Bursa Malaysia Listing Requirements.

1.3 Reviewed the audited financial statements of the Group and of the Company as well as the statutory auditors' report thereon prior to submitting to the Board for approval, and that the financial statements were drawn up in accordance with the applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards, Companies Act 2016, Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and Income Tax Act 1967 and it presented a true and fair view of the Company's financial performance.

1.4 Reviewed the disclosure statements in the published annual report of the Group and of the Company which encompasses the Corporate Governance Overview Statement, Corporate Governance Report (set out in corporate website), Statement on Risk Management and Internal Control and other documents as set out in Part A of Appendix 9C of the MMLR of Bursa Malaysia.

2. EXTERNAL AUDIT

2.1 Reviewed and discussed with the external auditors their 2023 Audit Planning Memorandum before commencement of the annual audit. The 2023 Audit Planning Memorandum covered inter alia, audit approach, significant events, areas of audit emphasis and timeline.

2.2 Reviewed and discussed with the external auditors their Audit Review Memorandum upon completion of the annual audit, covering significant audit findings, internal control deficiencies, if any, status of audit and accounting issues and on the independence of the external auditors.

2.3 In determining the re-appointment of Crowe Malaysia PLT as auditors of the Company, the Committee had conducted an annual assessment of the auditors' quality of services provided, interaction, communication, objectivity and professionalism in the form of assessment questionnaires. The Committee also obtained feedback from the management who had interactions with the audit engagement team. The assessments encompassed the following areas:-

a. Objectivity and Independence

The external auditors provided written assurance to the Committee confirming that they were not aware of any relationship which would impair their independence, and they have continuously complied with the relevant ethical and regulatory requirements.

The external auditors' independence was further enhanced by the By-Laws of Malaysian Institute of Accountants (on professional ethics, conduct and practice) as well as Crowe Malaysia PLT's internal policy, which requires the audit engagement partner to be rotated every seven (7) years. The audit engagement partner responsible for the Group audit was rotated since 2022.

The provision of non-audit services by the external auditors was also reviewed by the Committee for its reasonableness of fees charged and whether such services would affect their independence. The Committee opines that the services have not impaired the independence of external auditors.

b. Communications and Quality of Services

The Committee deliberated on the effectiveness of external auditors in the areas of technical competency, availability of resources and quality of services. The lead audit engagement partner and engagement teams have demonstrated openness, objectivity and professionalism in their communications with the AC including discussions at private meetings.

In addition, the AC also considered the information in the Annual Transparency Report tabled by the external auditors. Based on foregoing assessment, the Committee was satisfied with Crowe Malaysia PLT and recommended to the Board for their re-appointment as External Auditors of the Company. A resolution for the re-appointment will be tabled for approval at the forthcoming Annual General Meeting.

3. INTERNAL AUDIT

As regards to the work of the internal auditors of the Company, the AC carried out the following:

3.1 Reviewed and approved the Audit Planning Memorandum of the internal auditors for the financial year ended 31 December 2023 after ensuring the adequacy of the audit scope and coverage activities of the Group and the resources of the internal audit function. The scope was determined after assessment of key risk areas of the Group's activities.

3.2 Reviewed and discussed the internal audit reports which comprised audit findings, recommendations and corrective actions committed by the Management to ensure that all key risks will be addressed and adequate controls put in place on a timely basis.

3.3 Reviewed the progress of action plans committed by the Management for the key findings highlighted in previous internal audit reports until all material negative findings have been fully rectified.

3.4 Reviewed with Internal Audit on a quarterly basis any related party transactions to ensure transactions are carried out at arms length and are fair and reasonable and complied with Company procedures and the MMLR of Bursa Malaysia.

4. OTHER MATTERS CONSIDERED BY THE COMMITTEE

4.1 Reported to the Board on significant issues and concerns discussed during the Committee meetings together with applicable recommendations. Minutes of meetings were made available to all Board members.

4.2 Discussed and noted the updates on regulatory requirements issued by regulatory, statutory and professional bodies, and business news articles published by the mass media which may be of interest to the Committee and the Board.

4.3 Reviewed the updates on the nature and extent of any conflict of interest ("COI") or potential conflict of interest, including interest in any competing business situations, procedure or course of conduct that raises question of management integrity within the Group.

D. INTERNAL AUDIT FUNCTION AND ACTIVITIES

For information relating to the internal audit function and its activities, please refer to the Statement on Risk Management and Internal Control.

ADDITIONAL COMPLIANCE INFORMATION DISCLOSURES
(FINANCIAL YEAR ENDED 31 DECEMBER 2023)

1) Material Contracts with Related Parties

There was no material contract entered into by the Group involving the interest of Directors and major shareholders, either still subsisting at the end of the financial year ended 31 December 2023 or entered into since the end of the previous financial year other than as disclosed in Notes 30 and 44(b) to the financial statements for the financial year ended 31 December 2023.

2) Audit fees and non-audit fees for external auditors

The amount of audit fees incurred by MFCB Group and MFCB amounted to approximately RM1,002,000 and RM185,000 respectively.

The amount of non-audit fees payable for services rendered by MFCB's external auditors and their affiliated firm or corporation companies for the financial year ended 31 December 2023 amounted to approximately RM332,000 and RM22,000 for the Group and the Company respectively. Non-audit services provided by external auditors and its member firms to the Group and the Company comprised mainly tax compliance fees of RM246,000 and RM15,000 respectively.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for ensuring that the financial statements give a true and fair view of the state of affairs of the Group and Company as at 31 December 2023 and of the results and cash flows of the Group and Company for the financial year ended on that date.

The Directors are pleased to announce that in preparing the financial statements for the financial year ended 31 December 2023, the Directors have:

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

The Directors are responsible to ensure that the Group and Company keep accounting records which disclose the financial position of the Group and Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the Companies Act 2016.

The Directors are responsible for taking such reasonable steps to safeguard the assets of the Group and Company, and to detect and prevent fraud and other irregularities.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors of MEGA FIRST CORPORATION BERHAD have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The principal activities of the Company are that of investment holding and provision of management services. The principal activities of the subsidiaries are set out in Note 42 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

RESULTS OF OPERATIONS

The results of the operations of the Group and of the Company for the financial year are as follows:-

	GROUP RM'000	**COMPANY** RM'000
Profit before tax	476,788	180,394
Tax expense	(25,148)	(373)
Profit after tax for the financial year	451,640	180,021
Attributable to:-		
Owners of the Company	383,708	180,021
Non-controlling interests	67,932	-
	451,640	180,021

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature other than as disclosed below in this Directors' Report under "Items of An Unusual Nature".

DIVIDENDS

Since the end of the previous financial year, the Company paid:-

(a) a final single-tier dividend of 3.85 sen per ordinary share amounted to RM36,394,273 in respect of the financial year ended 31 December 2022 on 25 April 2023; and

(b) an interim single-tier dividend of 4.00 sen per ordinary share amounted to RM37,710,380 for the financial year ended 31 December 2023 on 13 October 2023.

On 28 February 2024, the Company declared a second and final single-tier dividend of 4.25 sen per ordinary share in respect of the current financial year. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2024. The final dividend will be paid on 19 April 2024 to the Depositors who are registered in the Record of Depositors at the close of business on 3 April 2024.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than the following:-

GROUP	**Translation Reserve** RM'000	**Retained Profits^** RM'000	**Fair Value Reserve** RM'000
Foreign currency translation changes	62,725	-	-
Effect of accretion of interest in a subsidiary	-	(39,100)	-
Fair value changes of equity investments	-	-	(18,711)

^ - Other than items already disclosed in this Directors' Report under "Results of Operations" and "Dividends".

DIRECTORS' REPORT (CONT'D)

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

(a) there were no changes in the issued and paid-up share capital of the Company; and

(b) there were no issues of debentures by the Company.

TREASURY SHARES

During the financial year, the Company purchased 2,546,300 of its issued ordinary shares from the open market at an average price of RM3.24 per share. The total consideration paid for the purchase was RM8,255,800 including transaction costs. The shares purchased are being held as treasury shares in accordance with Section 127(6) of the Companies Act 2016 and are presented as a deduction from equity.

None of the treasury shares were resold or cancelled during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company. There were no outstanding options granted by the Company to any person to take up any unissued shares in the Company as at 31 December 2023.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

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

CURRENT ASSETS

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

At the date of this Directors' Report, the Directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

At the date of this Directors' Report, there does not exist:-

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

(b) other contingent liability of the Group and of the Company which has arisen since the end of the financial year.

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

DIRECTORS' REPORT (CONT'D)

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the Directors, substantially affected by any item, transaction or event of a material and unusual nature other than the following:-

	GROUP RM'000	**COMPANY** RM'000
Impact on Profit After Tax		
Write-offs of property, plant and equipment and inventories due to fire incident occurred within Packaging Division, net of deferred tax asset	(26,066)	-
Additional income taxes and penalties in relation to tax dispute between Idaman Harmoni Sdn. Bhd. and the Inland Revenue Board of Malaysia	(17,095)	-
Impact on Equity Attributable to Owners of the Company		
Acquisition of additional ordinary shares in a subsidiary	(39,100)	-

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

DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this Directors' Report are as follows:-

- Goh Nan Kioh
- Goh Nan Yang (Also alternate to Goh Nan Kioh)
- Khoo Teng Keat
- Tay Kheng Chiong
- Yeow See Yuen
- Datuk Hj. Pengiran Saifuddin Bin Pengiran Tahir, JP
- Jesper Bjorn Madsen
- Dato' Setia Prof Dr Tan Hui Meng
- Datin Jeyanthini a/p M.Kannaperan
- Goh Mei Sze
- Au Siew Loon
- Lui Soek Kuen (Appointed on 1.9.2023)
- Dato' Koh Hong Sun (Retired on 24.5.2023)

The names of Directors of subsidiaries (who have held office during the financial year and up to the date of this Directors' Report, not including those directors mentioned above) as required under Section 253(2) of the Companies Act 2016 have not been disclosed in this Directors' Report by virtue of relief order granted by the Companies Commission of Malaysia. Their names are set out in the respective subsidiaries' Directors' Report and the said information is deemed incorporated herein by such reference and shall form part thereof.

DIRECTORS' REPORT (CONT'D)

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, the interests of Directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:-

	Number of ordinary shares			
	Balance as at 1.1.2023/ Date of Appointment	**Acquired**	**Disposed**	**Balance as at 31.12.2023**
SHARES IN THE COMPANY				
Goh Nan Kioh				
- Direct	26,097,456	-	-	26,097,456
- Deemed	301,484,282	1,068,700	-	302,552,982
Goh Nan Yang				
- Direct	12,594,754	-	-	12,594,754
Khoo Teng Keat				
- Direct	4,677,376	-	-	4,677,376
Tay Kheng Chiong				
- Direct	786,462	-	-	786,462
Yeow See Yuen				
- Direct	9,429,994	171,000	-	9,600,994
- Deemed	104,000	-	(104,000)	-
Dato' Setia Prof Dr Tan Hui Meng				
- Direct	966,600	-	-	966,600
- Deemed	2,347,200	20,000	-	2,367,200
Goh Mei Sze				
- Direct	2,000,000	-	-	2,000,000
Jesper Bjorn Madsen				
- Direct	500,000	-	-	500,000
Lui Soek Kuen				
- Direct	4,000	-	-	4,000

In accordance with Section 8 of the Companies Act 2016, Goh Nan Kioh, by virtue of his interest in the shares of the Company, is deemed to have interests in the shares of all subsidiary companies within the Group to the extent of the Company's interests.

The other directors holding office at the end of the financial year had no interest in shares, options over unissued shares or debentures of the Company or its related corporations during the financial year.

DIRECTORS' REPORT (CONT'D)

Other than as stated above, none of the Directors of the Company who were in office at the end of the financial year had any other interests in the shares or options over unissued shares of the Company or of its related corporations during the financial year except as disclosed below:-

	Number of ordinary shares			
	Balance as at 1.1.2023	Acquired	Disposed	Balance as at 31.12.2023
SHARES IN SUBSIDIARY, HEXACHASE LABELS SDN BHD				
Goh Nan Yang	33,750	-	-	33,750
Yeow See Yuen	11,250	-	-	11,250

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than Directors' remuneration as disclosed in the "Directors' Remuneration" of this Directors' Report) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

The details of the Directors' remuneration paid or payable to the Directors of the Company during the financial year are as follows:-

	GROUP/COMPANY RM'000
Fees	482
Salaries, bonuses and other remuneration	2,203
Defined contribution benefits	262
Other emoluments	31
	2,978

The estimated monetary value of benefits-in-kind provided by the Group and the Company to the Directors of the Company were RM2,330.

INDEMNITY AND INSURANCE COST

The Directors and Officers of the Group and of the Company are covered by Directors and Officers Liability Insurance ("D&O 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 total amount of indemnity coverage for the Directors and Officers of the Group was RM10,000,000. The insurance premium for the D&O Insurance paid during the financial year amounted to RM20,400. No indemnity was given to or insurance effected for auditors of the Company.

SUBSIDIARIES

The name, place of incorporation, principal activities and percentage of issued share capital held by the Company in each of its subsidiaries as required under Section 253(1)(c) of the Companies Act 2016 have not been disclosed in this Directors' Report by virtue of relief order granted by the Companies Commission of Malaysia. Instead, the required details are disclosed in Note 42 to the financial statements.

DIRECTORS' REPORT (CONT'D)

SIGNIFICANT EVENTS

The significant events during the financial year are disclosed in Note 43 to the financial statements.

AUDITORS

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

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

	GROUP RM'000	COMPANY RM'000
Audit fees	1,002	185
Non-audit fees	7	7
	1,009	192

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS

GOH NAN YANG

KHOO TENG KEAT

25 March 2024

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MEGA FIRST CORPORATION BERHAD
(Incorporated in Malaysia)
(Registration Number: 196601000210 (6682-V))

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Mega First Corporation Berhad, which comprise the statements of financial position as at 31 December 2023 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 107 to 180.

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 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

BASIS FOR OPINION

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

INDEPENDENCE AND OTHER ETHICAL RESPONSIBILITIES

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

KEY AUDIT MATTERS

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

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

<table>
<tr><th colspan="2">Don Sahong Hydropower Project - Service Concession Asset
Refer to Note 13 to the financial statements</th></tr>
<tr><th>Key Audit Matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>The carrying amount of the service concession asset as at 31 December 2023 was RM1.940 billion. The Group has carried out the impairment assessment on the service concession asset and concluded that there is no indication of impairment on the service concession asset by comparing the recoverable amount of the service concession asset to its carrying amount.

The Group estimated the recoverable amount of the service concession asset using the value-in-use ("VIU") method. Estimating the VIU involves discounting to its present value the estimated future cash inflows and outflows that will be derived from the service concession asset using an appropriate discount rate.

The service concession asset is considered a key audit matter due to the magnitude of the balances and risk of material misstatement due to significant judgement being applied in its impairment assessment.</td><td>The audit of service concession asset was undertaken by a component auditor ("CA"). Our procedures included:-

(a) Assessed the objectivity, independence and expertise of the CA;

(b) Performed enquiry and obtained explanations from management to corroborate the audit evidence obtained by the CA; and

(c) Evaluated and assessed the following in relation to the VIU of the service concession asset:-
• Key assumptions used in the computation of the VIU;
• Discount rate used in the computation of the VIU; and
• Sensitivity analysis of the key assumptions used.</td></tr>
</table>

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MEGA FIRST CORPORATION BERHAD (CONT'D)

(Incorporated in Malaysia)

(Registration Number: 196601000210 (6682-V))

Valuation of put option Refer to Note 32 to the financial statements	
Key Audit Matter	**How our audit addressed the key audit matter**
The acquisition of Stenta Films (Malaysia) Sendirian Berhad ("Stenta") in 2021 included a put option over Stenta's shares held by the non-controlling interests. This put option is a financial liability as the Company and the Group cannot avoid the contractual obligations to purchase the shares held by non-controlling interest. It is measured based on the present value of the redemption amount of the option, when it is exercised. The carrying amount of the put option liability as at 31 December 2023 is RM70.8 million. This is a key audit matter due to the valuation of the option is subject to the use of significant estimates and assumptions in the projected future cash flows of Stenta.	Our audit procedures included:- (a) Reviewed the appropriateness of valuation model used to ascertain recoverable amount and testing mathematical accuracy of the model used; (b) Agreed the key assumptions used in the valuation model to the budget approved by the management; (c) Assessed management's key assumption used in the valuation model to past historical trends and industry data; and (d) Evaluated and assessed the following in relation to the valuation of the put option:- • growth rate used; • discount rate used; and • sensitivity analysis of the key assumptions used.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

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

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

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

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

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

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MEGA FIRST CORPORATION BERHAD (CONT'D)
(Incorporated in Malaysia)
(Registration Number: 196601000210 (6682-V))

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MEGA FIRST CORPORATION BERHAD (CONT'D)
(Incorporated in Malaysia)
(Registration Number: 196601000210 (6682-V))

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 42 to the financial statements.

OTHER MATTERS

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

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Onn Kien Hoe
01772/11/2024 J
Chartered Accountant

Kuala Lumpur

25 March 2024

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		GROUP		COMPANY	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	5	1,317,635	1,339,635	157,657	12,872
Cost Of Sales		(748,281)	(778,799)	-	-
Gross Profit		569,354	560,836	157,657	12,872
Other Income		108,118	48,673	41,961	15,192
Administrative And Distribution Expenses		(62,111)	(61,341)	(11,000)	(9,565)
Other Expenses		(53,406)	(17,209)	(1,462)	(1,417)
Net Impairment Losses on Financial Assets	7	(31,488)	(27,941)	(726)	-
Profit From Operations	6	530,467	503,018	186,430	17,082
Finance Costs	8	(40,079)	(29,589)	(6,036)	(5,212)
Share Of Results in Equity Accounted Investments		(13,600)	17,140	-	-
Profit Before Tax		476,788	490,569	180,394	11,870
Tax Expense	9	(25,148)	(14,842)	(373)	(81)
Profit After Tax For The Financial Year		451,640	475,727	180,021	11,789
Other Comprehensive Income/(Expenses)	10	61,641	39,747	(44)	(354)
Total Comprehensive Income For The Financial Year		513,281	515,474	179,977	11,435
Profit After Tax Attributable To:					
- Owners Of The Company		383,708	396,804	180,021	11,789
- Non-controlling Interests		67,932	78,923	-	-
		451,640	475,727	180,021	11,789
Total Comprehensive Income Attributable To:					
- Owners Of The Company		427,722	425,052	179,977	11,435
- Non-controlling Interests		85,559	90,422	-	-
		513,281	515,474	179,977	11,435
Earnings Per Share (sen)	11	40.65	41.98		

The accompanying Notes on pages 116 to 180 form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

		GROUP		COMPANY	
	Note	**2023** RM'000	**2022** RM'000	**2023** RM'000	**2022** RM'000
ASSETS					
Non-Current Assets					
Service Concession Asset	13	1,940,046	1,940,823	-	-
Property, Plant And Equipment	14	531,945	481,679	11,255	10,742
Investment Properties	15	168,746	165,203	-	-
Development Expenditures	16	203,048	74,574	-	-
Right-Of-Use Assets	17	116,312	119,021	10,532	10,855
Subsidiaries	18	-	-	1,410,237	1,319,678
Joint Ventures	19	144,604	157,695	20,000	20,000
Associates	20	22,070	16,866	-	-
Investments In Quoted And Unquoted Shares	21	133,947	152,658	1,462	1,506
Goodwill On Consolidation	22	54,673	54,673	-	-
Inventories	23	40,166	43,443	-	-
Deferred Tax Assets	31	2,932	-	-	-
		3,358,489	3,206,635	1,453,486	1,362,781
Current Assets					
Inventories	23	131,737	147,882	-	-
Contract Assets		1,414	-	-	-
Receivables	24	488,684	437,252	38,841	18,476
Bank Balances And Deposits	25	508,587	492,254	22,028	59,154
Short-Term Investments	26	19,500	5,000	-	-
		1,149,922	1,082,388	60,869	77,630
TOTAL ASSETS		4,508,411	4,289,023	1,514,355	1,440,411

The accompanying Notes on pages 116 to 180 form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023 (CONT'D)

	Note	GROUP 2023 RM'000	GROUP 2022 RM'000	COMPANY 2023 RM'000	COMPANY 2022 RM'000
EQUITY AND LIABILITIES					
Share Capital	27	743,121	743,121	743,121	743,121
Treasury Shares	28	(45,517)	(37,261)	(45,517)	(37,261)
Reserves	29	2,359,304	2,044,787	580,396	474,524
Equity Attributable To Owners Of The Company		3,056,908	2,750,647	1,278,000	1,180,384
Non-controlling Interests	18(c)	167,110	440,379	-	-
Total Equity		3,224,018	3,191,026	1,278,000	1,180,384
Non-Current Liabilities					
Long-Term Borrowings	30	466,128	396,749	-	-
Deferred Tax Liabilities	31	126,954	124,320	-	-
Put Option Liability	32	70,759	84,702	70,759	84,702
Hire Purchase Liabilities	33	5,752	8,609	-	-
Lease Liabilities		4,191	4,155	-	-
Payables	35	588	540	-	-
		674,372	619,075	70,759	84,702
Current Liabilities					
Hire Purchase Liabilities	33	4,866	6,269	-	-
Lease Liabilities		1,129	723	-	-
Short-Term Borrowings	34	435,203	316,204	50,000	50,000
Payables	35	168,823	155,726	115,596	125,325
		610,021	478,922	165,596	175,325
Total Liabilities		1,284,393	1,097,997	236,355	260,027
TOTAL EQUITY AND LIABILITIES		4,508,411	4,289,023	1,514,355	1,440,411
Net Assets Per Ordinary Share (RM)	36	3.24	2.91		

The accompanying Notes on pages 116 to 180 form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

			Non-Distributable				Distributable			
GROUP	**Share Capital** RM'000	**Treasury Shares** RM'000	**Translation Reserve** RM'000	**Fair Value Reserve** RM'000	**Capital Reserve** RM'000	**Other Reserve** RM'000	**Retained Profits** RM'000	**Attributable To Owners Of The Company** RM'000	**Non-Controlling Interests** RM'000	**Total Equity** RM'000
Balance at 1 January 2022	743,121	(36,869)	847	140,324	27,394	(88,556)	1,606,843	2,393,104	346,472	2,739,576
Profit after taxation for the financial year	-	-	-	-	-	-	396,804	396,804	78,923	475,727
Other comprehensive income/(expenses) for the financial year:										
- Fair value changes of equity investments	-	-	-	(47,993)	-	-	-	(47,993)	-	(47,993)
- Foreign currency translation difference	-	-	76,241	-	-	-	-	76,241	11,499	87,740
Total comprehensive income /(expenses) for the financial year	-	-	76,241	(47,993)	-	-	396,804	425,052	90,422	515,474
Contributions by and distributions to owners of the Company:										
Dividends paid to shareholders of the Company (Note 12)	-	-	-	-	-	-	(67,117)	(67,117)	-	(67,117)
Purchase of treasury shares	-	(392)	-	-	-	-	-	(392)	-	(392)
Total transactions with owners of the Company	-	(392)	-	-	-	-	(67,117)	(67,509)	-	(67,509)
Subscription of shares in subsidiaries by non-controlling interests	-	-	-	-	-	-	-	-	3,485	3,485
Balance at 31 December 2022/1 January 2023	743,121	(37,261)	77,088	92,331	27,394	(88,556)	1,936,530	2,750,647	440,379	3,191,026
Profit after taxation for the financial year	-	-	-	-	-	-	383,708	383,708	67,932	451,640
Other comprehensive income/(expenses) for the financial year:										
- Fair value changes of equity investments	-	-	-	(18,711)	-	-	-	(18,711)	-	(18,711)
- Foreign currency translation difference	-	-	62,725	-	-	-	-	62,725	17,627	80,352
Total comprehensive income/(expenses) for the financial year	-	-	62,725	(18,711)	-	-	383,708	427,722	85,559	513,281
Contributions by and distributions to owners of the Company:										
Dividends paid to shareholders of the Company (Note 12)	-	-	-	-	-	-	(74,105)	(74,105)	-	(74,105)
Purchase of treasury shares	-	(8,256)	-	-	-	-	-	(8,256)	-	(8,256)
Total transactions with owners of the Company	-	(8,256)	-	-	-	-	(74,105)	(82,361)	-	(82,361)
Effect on accretion of interest in a subsidiary (Note 43(c))	-	-	-	-	-	-	(39,100)	(39,100)	(389,429)	(428,529)
Dividends paid to a subsidiary's non-controlling interests	-	-	-	-	-	-	-	-	(7,576)	(7,576)
Subscription of shares in subsidiaries by non-controlling interests	-	-	-	-	-	-	-	-	43,324	43,324
Disposal of a subsidiary (Note 38)	-	-	-	-	-	-	-	-	(5,147)	(5,147)
Balance at 31 December 2023	743,121	(45,517)	139,813	73,620	27,394	(88,556)	2,207,033	3,056,908	167,110	3,224,018

The accompanying Notes on pages 116 to 180 form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

			Non-Distributable		Distributable	
COMPANY	**Share Capital** RM'000	**Treasury Shares** RM'000	**Fair Value Reserve** RM'000	**Other Reserve** RM'000	**Retained Profits** RM'000	**Total Equity** RM'000
Balance at 1 January 2022	743,121	(36,869)	(1,239)	(88,556)	620,001	1,236,458
Profit after taxation for the financial year	-	-	-	-	11,789	11,789
Other comprehensive expenses for the financial year:						
- Fair value changes of equity investments	-	-	(354)	-	-	(354)
Total comprehensive (expenses)/income for the financial year	-	-	(354)	-	11,789	11,435
Contributions by and distributions to owners of the Company:						
Dividends paid to shareholders of the Company (Note 12)	-	-	-	-	(67,117)	(67,117)
Purchase of treasury shares	-	(392)	-	-	-	(392)
Total transactions with owners of the Company	-	(392)	-	-	(67,117)	(67,509)
Balance at 31 December 2022/1 January 2023	743,121	(37,261)	(1,593)	(88,556)	564,673	1,180,384
Profit after taxation for the financial year	-	-	-	-	180,021	180,021
Other comprehensive expenses for the financial year:						
- Fair value changes of equity investments	-	-	(44)	-	-	(44)
Total comprehensive (expenses)/income for the financial year	-	-	(44)	-	180,021	179,977
Contributions by and distributions to owners of the Company:						
Dividends paid to shareholders of the Company (Note 12)	-	-	-	-	(74,105)	(74,105)
Purchase of treasury shares	-	(8,256)	-	-	-	(8,256)
Total transactions with owners of the Company	-	(8,256)	-	-	(74,105)	(82,361)
Balance at 31 December 2023	743,121	(45,517)	(1,637)	(88,556)	670,589	1,278,000

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

GROUP	Note	2023 RM'000	2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		476,788	490,569
Adjustments for:			
Allowance for/(Writeback of) impairment losses on receivables (net)	7	31,488	27,941
Amortisation of:			
- service concession asset		88,638	85,525
- development expenditures		508	478
Depreciation of:			
- property, plant and equipment		38,297	37,350
- right-of-use assets		4,613	4,050
Impairment loss on property, plant and equipment		555	-
Finance costs:			
- Interest on bank borrowings		37,502	27,076
- Interest on hire purchase liabilities		786	1,187
- Interest on lease liabilities		247	199
- Others		1,544	1,127
Fair value gain on:			
- put option liability		(13,943)	(4,955)
- investment properties		(3,543)	-
Provision for retirement benefits		48	48
Share of results in equity accounted investments		13,600	(17,140)
Unrealised gain on foreign exchange (net)		(3,801)	(7,899)
Write-down in value of inventories		5,001	829
Inventories written off		4,333	-
Property, plant and equipment written off		28,330	4,500
Dividend income		(1,471)	(1,626)
Deferred income recognised		(239)	(239)
Gain on disposal of:			
- property, plant and equipment		(151)	(172)
- a subsidiary	38	(1,020)	-
Gain on lease modification		(4)	-
Interest income		(23,593)	(6,169)
Operating Profit Before Working Capital Changes		684,513	642,679
Changes in Working Capital:			
- Decrease/(Increase) in inventories		9,634	(19,853)
- Increase in receivables		(110,809)	(57,115)
- (Increase)/Decrease in contract assets		(1,414)	1,587
- Increase in payables		28,901	38,167
Cash From Operations		610,825	605,465
Income tax paid		(25,688)	(12,974)
Retirement benefits paid		-	(48)
Net Cash From Operating Activities		585,137	592,443

The accompanying Notes on pages 116 to 180 form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

GROUP	Note	2023 RM'000	2022 RM'000
Net Cash From Operating Activities		585,137	592,443
CASH FLOWS FOR INVESTING ACTIVITIES			
Interest received		23,593	6,169
Dividends received		1,471	1,626
Acquisition of additional equity shares in a subsidiary	43(c)	(428,529)	-
Investment in associates		(5,713)	(11,469)
Proceeds from disposal of property, plant and equipment		839	188
Payments for purchase of:			
- Property, plant and equipment	39(a)	(112,953)	(78,085)
- Right-of-use assets	39(a)	(556)	(23,740)
- Development expenditures	16	(124,882)	(73,734)
- Quoted shares		-	(62)
- Short-term investments		(14,500)	(5,000)
Net cash outflow from disposal of a subsidiary	38	(675)	-
Net Cash For Investing Activities		(661,905)	(184,107)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES			
Finance costs paid:			
- Interest expenses	39(b)	(38,535)	(28,462)
- Others		(1,544)	(1,127)
Dividends paid to:			
- Owners of the Company	12	(74,105)	(67,117)
- Non-controlling interests		(7,576)	-
Net (repayment)/drawdown of:			
- Revolving credits, trade financing and loans	39(b)	(10,631)	5,537
- Hire purchase liabilities	39(b)	(6,550)	(4,515)
- Lease liabilities	39(b)	(809)	(977)
- Term loans	39(b)	179,414	(92,260)
Purchase of treasury shares		(8,256)	(392)
Proceeds from issuance of shares by subsidiaries to non-controlling interests		43,324	3,485
Placement of deposits pledged to financial institutions or with original maturity period of more than 3 months		(36,172)	(6,747)
Net Cash From/(For) Financing Activities		38,560	(192,575)
EFFECT OF FOREIGN EXCHANGE TRANSLATION		18,369	13,027
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(19,839)	228,788
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		482,773	253,985
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	25	462,934	482,773

The accompanying Notes on pages 116 to 180 form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

COMPANY	Note	2023 RM'000	2022 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES			
Profit before tax		180,394	11,870
Adjustments for:			
Depreciation of:			
- Property, plant and equipment		383	175
- Right-of-use assets		323	568
Finance costs:			
- Interest on bank borrowings		2,431	1,845
- Interest on hire purchase liabilities		-	1
- Interest on amount owing to subsidiaries		3,553	3,277
- Others		52	89
Fair value gain on put option liability		(13,943)	(4,955)
Dividend income		(154,770)	(10,000)
Deferred income recognised		(239)	(239)
Gain on disposal of property, plant and equipment		-	(40)
Interest income:			
- Advances to subsidiaries		(452)	(306)
- Deposits with financial institutions and others		(1,112)	(1,288)
Unrealised gain on foreign exchange		(446)	(8,474)
Impairment loss on amount owing by a subsidiary	7	726	-
Operating Profit/(Loss) Before Working Capital Changes		16,900	(7,477)
Increase in receivables		(685)	(300)
Increase in payables		214	756
Cash From/(For) Operations		16,429	(7,021)
Income tax paid		(100)	(130)
Net Cash From/(For) Operating Activities		16,329	(7,151)

The accompanying Notes on pages 116 to 180 form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

COMPANY	Note	2023 RM'000	2022 RM'000
Net Cash From/(For) Operating Activities		16,329	(7,151)
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES			
Interest received		1,564	1,594
Dividends received		154,770	10,000
Capital repayment received from a subsidiary		114,015	376
Subscription of equity shares in subsidiaries		(204,574)	(36,368)
Advances to subsidiaries		(20,421)	(6,883)
Repayment from joint venture		-	3,521
Advances to an associate		-	(127)
Payment for purchase of property, plant and equipment	39(a)	(896)	(1,657)
Proceeds from disposal of property, plant and equipment		-	40
Net Cash From/(For) Investing Activities		44,458	(29,504)
CASH FLOWS FOR FINANCING ACTIVITIES			
Finance costs paid:			
- Interest on bank borrowings	39(b)	(2,431)	(1,845)
- Interest on hire purchase liabilities	39(b)	-	(1)
- Interest on advances from subsidiaries		(3,553)	(3,277)
- Others		(52)	(89)
Dividends paid	12	(74,105)	(67,117)
Net drawdown/(repayment) of:			
- Revolving credits	39(b)	-	7,000
- Hire purchase liabilities	39(b)	-	(17)
Repayment to subsidiaries		(9,962)	(3,116)
Purchase of treasury shares		(8,256)	(392)
Net Cash For Financing Activities		(98,359)	(68,854)
EFFECT OF FOREIGN EXCHANGE TRANSLATION		446	8,474
NET DECREASE IN CASH AND CASH EQUIVALENTS		(37,126)	(97,035)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		59,154	156,189
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	25	22,028	59,154

The accompanying Notes on pages 116 to 180 form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

1. CORPORATE INFORMATION

The Company is a public company limited by shares, incorporated and domiciled in Malaysia. The Company is listed on the Main Market of the Bursa Malaysia Securities Berhad. The registered office and principal place of business of the Company is located at A-12-01 Level 12, Block A, PJ8, No. 23 Jalan Barat, Seksyen 8, 46050 Petaling Jaya, Selangor Darul Ehsan.

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

The consolidated financial statements are presented in Ringgit Malaysia (“RM”), which is the Company’s functional and presentation currency and has been rounded to the nearest thousand, unless otherwise stated.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 25 March 2024.

2. PRINCIPAL ACTIVITIES

The principal activities of the Company are that of investment holding and provision of management services. The principal activities of the subsidiaries are set out in Note 42 to the financial statements. There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

3. BASIS OF PREPARATION

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

3.1 During the current financial year, the Group and the Company have adopted the following new accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any):-

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

MFRS 17 Insurance Contracts

Amendments to MFRS 17 Insurance Contracts

Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 - Comparative Information

Amendments to MFRS 101: Disclosure of Accounting Policies

Amendments to MFRS 108: Definition of Accounting Estimates

Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to MFRS 112: International Tax Reform - Pillar Two Model Rules

The Amendments to MFRS 101 ‘Disclosure of Accounting Policies’ did not result in any changes to the existing accounting policies of the Group and of the Company. The amendments require the disclosure of ‘material’ rather than ‘significant’ accounting policies and provide guidance on how entities apply the concept of materiality in making decisions about the material accounting policy disclosures. The Group and the Company have made updates to the accounting policies presented in Note 4 to the financial statements in line with the amendments.

3. BASIS OF PREPARATION (CONT'D)

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

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025

The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group and of the Company upon their initial application.

4. MATERIAL ACCOUNTING POLICY INFORMATION

4.1 Basis of Consolidation

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

(a) Changes in Ownership Interests in Subsidiaries Without Change of Control

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

4.2 Financial Instruments

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 - Revenue from Contracts with Customers at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

(a) Financial Assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the Group's business model for managing the financial asset and the cash flow characteristics of the asset i.e. classification of the financial assets.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.2 Financial Instruments (Cont'd)

(a) Financial Assets (Cont'd)

(i) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

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

(ii) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest.

The Group has elected to designate the equity instruments as financial assets through other comprehensive income at initial recognition.

The financial assets are initially measured at fair value plus transaction costs. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes taken up in other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference of a debt instrument which are recognised directly in profit or loss. The fair value changes do not include interest and dividend income.

(iii) Fair Value through Profit or Loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. The fair value changes do not include interest or dividend income.

(b) Financial Liabilities

(i) Financial Liabilities at Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value (excluding interest expense) of these financial liabilities are recognised in profit or loss except for the amount of change in the fair value that is attributable to changes in the credit risk of that liability is recognised directly in other comprehensive income and is not subsequently reclassified to profit or loss upon the derecogntion of the financial liability.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.2 Financial Instruments (Cont'd)

(b) Financial Liabilities (Cont'd)

(i) Financial Liabilities at Fair Value through Profit or Loss (Cont'd)

Put Option Liability Over Shares Held By Non-Controlling Interest

A contract that contains an obligation for the Group to deliver cash or other financial asset in exchange for its own (or its subsidiary's) equity shares is a financial liability. This liability is recorded irrespective of whether the contract meets the definition of an equity instrument.

The initial redemption liability is recognised as other reserve in equity as a reduction of the Group's equity if the risks and rewards of ownership remain with the non-controlling interest or a reduction of non-controlling interest's equity if the risks and rewards of ownership transfer to the Group. Subsequently, the put option as the non-hedging derivative liability will be remeasured at the fair value (based on present value of the redemption amount) and any changes will be recognised in profit or loss, to reflect the liability up to the amount payable under the option at the date at which it becomes exercisable.

(ii) Financial Liabilities at Amortised Costs

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

(c) Equity Instruments

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

(i) Ordinary Shares

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(ii) Treasury Shares

When the Company's own shares recognised as equity are bought back, the amount of the consideration paid, including all costs directly attributable, are recognised as a deduction from equity. Own shares purchased that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares.

(d) Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee.

4.3 Subsidiaries

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

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.4 Joint Arrangements

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements returns.

The Group has assessed the nature of its joint arrangement and determined it to be joint venture where it has rights only to the net assets of the arrangement.

The Group's investment in the joint venture is carried in the consolidated statement of financial position at cost plus the Group's share of the post-acquisition retained profits and reserves. The interest in the joint venture is the carrying amount of the investment in the joint venture determined using the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the joint venture.

4.5 Associates

An associate is an entity in which the Group has a long-term equity interest and where it exercises significant influence over the financial and operating policies.

The Group's investment in the associate is carried in the consolidated statement of financial position at cost plus the Group's share of the post-acquisition retained profits and reserves. The interest in the associate is the carrying amount of the investment in the associate determined using the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the associate.

4.6 Property, Plant and Equipment

Property, plant and equipment, other than freehold land and buildings, are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land is not depreciated.

Power plant assets are depreciated to profit or loss on the straight-line basis over the period when the assets are available for use until the expiry of the power purchase agreement term.

Other property, plant and equipment, other than construction-in-progress, are depreciated to profit or loss (unless it is included in the carrying amount of another asset) on the straight-line basis to write off the cost of each asset over its estimated useful life. The principal annual depreciation rates are:-

Buildings	2.0% to 5.0%
Plant, machinery and equipment	5.0% to 50%
Vehicles	20% to 33%

4.6.1 Bearer Plants

Bearer plants are living plants used in the production or supply of agricultural produce; are expected to bear produce for more than one period; and have a remote likelihood of being sold as agricultural produce.

Bearer plants mainly include mature and immature coconut and other crops plantations. Immature plantations are stated at acquisition cost which includes costs incurred for field preparation, planting, fertilising and maintenance, capitalisation of borrowing costs incurred on loans used to finance the developments of immature plantations and an allocation of other indirect costs based on planted hectares. Mature plantations are stated at acquisition cost less accumulated depreciation and impairment.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.7 Right-Of-Use Assets and Lease Liabilities

(a) Short-term Leases and Leases of Low-value Assets

The Group apply the "short-term lease" and "lease of low-value assets" recognition exemption. For these leases, the Group recognise the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

(b) Right-of-use Assets

Right-of-use assets are initially measured at cost. Subsequent to the initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term. The estimated useful lives of the right-of-use assets are determined as follow:-

Leasehold Land and Land Use Right	over the lease term ranges from 25 to 99 years

(c) Lease Liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount has been reduced to zero.

4.8 Investment Properties

Investment properties are properties which are owned either to earn rental income or for capital appreciation or for both but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties which are owned are initially measured at cost.

Subsequent to initial recognition, investment properties are stated at fair value. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

4.9 Service Concession Asset

Service concession asset recognised is measured at cost, which is the fair value of the consideration received or receivable for the construction services provided and is amortised on a straight-line basis over the period when it is available for use until the end of 25 years, starting from commercial operation date ("COD").

4.10 Development Expenditure

Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses, if any. Development expenditure initially recognised as an expense is not recognised as assets in the subsequent period.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.11 Inventories

(a) Land Held for Property Development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle is classified as non-current. The carrying amount of such land classified as inventory under non-current assets is carried at the lower of cost and net realisable value.

Land held for property development is reclassified as property development costs under current assets at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

(b) Property under Development

Properties under development are stated at the lower of cost and net realisable value. Net realisable value is determined by reference to the sale proceeds of properties sold in the ordinary course of business, less applicable variable selling expenses and the anticipated costs to completion, or by management estimates based on prevailing marketing conditions.

On completion, sold properties are recognised in profit or loss and unsold properties are transferred to developed properties held for sale.

(c) Developed Properties Held for Sale

Units of development properties completed and held for sale are stated at the lower of cost and net realisable value. Cost is determined by the specific identification method.

(d) Other Inventories

Other inventories are stated at the lower of cost (determined on a weighted average or first-in first-out method, as applicable) and net realisable value after making due allowance for any obsolete or slow-moving items.

4.12 Income Tax

(a) Current Tax

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

(b) Deferred Tax

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.13 Critical Accounting Estimates and Judgements

Key Sources of Estimation Uncertainty

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

(a) Depreciation and Amortisation of Property, Plant and Equipment, Right-Of-Use Assets, Service Concession Asset and Other Assets

The estimates for the residual values, useful lives and related depreciation and amortisation charges for the property, plant and equipment, right-of-use assets, service concession asset and other assets are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment, right-of-use assets, service concession asset and other assets will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation and amortisation charges could be revised.

(b) Valuation of Investment Properties

Investment properties of the Group reported at fair value under level 2 are based on valuations performed by Management with reference to the sales prices of comparable properties in close proximity location and where necessary, adjusting for factors such as tenure, location, property size, and market trends. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting valuations.

For investment properties carried at fair value under level 3 which are valued using discounted cash flows approach, the Management have exercised judgement in determining discount rates as represented by rental yields, estimates of future cash flows, market rental rate, rental void rate and other factors used in the valuation process. Also, judgement has been applied in estimating prices for less readily observable external parameters. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting fair value.

(c) Impairment of Goodwill

The assessment of whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which the goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(d) Impairment of Property, Plant and Equipment, Right-Of-Use Assets, Service Concession Asset and Other Assets

The Group and the Company determine whether its property, plant and equipment, right-of-use assets, service concession asset and other assets is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.13 Critical Accounting Estimates and Judgements (Cont'd)

Key Sources of Estimation Uncertainty (Cont'd)

(e) Fair Value of Put Option Liability

The fair value of put option liability over shares of a subsidiary held by non-controlling interest is determined using expected future value of a subsidiary with the resulting value discounted to present value. In the estimating the fair value of the redemption amount of put option, the Group has used discounted cash flows model in projecting expected exercise price payable, utilising comparable discount rate and estimated sales and profit margin reflecting current market conditions specific to the industry it operates within. Although the Group and the Company believe that the estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurement of fair value.

(f) Impairment of Trade Receivables

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables.

(g) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). It also requires the Group and the Company to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group and the Company use judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions as well as forward-looking information.

(h) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements.

5. REVENUE

	GROUP		COMPANY	
	2023 RM'000	**2022** RM'000	**2023** RM'000	**2022** RM'000
Revenue from Contracts with Customers				
Recognised at a point in time:				
- Energy sale	676,863	708,741	-	-
- Sales of goods	633,197	623,337	-	-
- Provision of management services	-	-	1,323	1,278
	1,310,060	1,332,078	1,323	1,278
Revenue from Other Sources				
Dividend income	383	360	154,770	10,000
Interest income	1,114	1,290	1,564	1,594
Rental income	6,078	5,907	-	-
	7,575	7,557	156,334	11,594
	1,317,635	1,339,635	157,657	12,872

The information on the disaggregation of revenue based on geographical region is summarised below:-

	At A Point In Time		Other Sources		Total	
	2023 RM'000	**2022** RM'000	**2023** RM'000	**2022** RM'000	**2023** RM'000	**2022** RM'000
The Group						
Lao PDR	598,478	591,070	-	-	598,478	591,070
Malaysia	363,532	399,402	7,575	7,557	371,107	406,959
Other ASEAN countries	83,140	126,991	-	-	83,140	126,991
Papua New Guinea	65,753	64,962	-	-	65,753	64,962
India and Bangladesh	77,995	62,539	-	-	77,995	62,539
Australia and New Zealand	37,916	28,383	-	-	37,916	28,383
Other countries	83,246	58,731	-	-	83,246	58,731
	1,310,060	1,332,078	7,575	7,557	1,317,635	1,339,635
The Company						
Malaysia	1,323	1,278	155,833	11,550	157,156	12,828
Other countries	-	-	501	44	501	44
	1,323	1,278	156,334	11,594	157,657	12,872

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

Sale of goods

Revenue from sale of goods is recognised at a point in time when goods have been transferred and accepted by customers, net of goods and services tax, returns and discount.

The credit period ranges from 30 to 120 days from the invoice date. There is no significant financing component in the selling price as the sales are made on normal credit terms not exceeding 12 months.

5. REVENUE (CONT'D)

(a) The information about the performance obligations in contracts with customers is summarised below (Cont'd):-

Revenue from Energy Sale

Revenue from the sale of energy is recognised at a point in time upon invoiced value of electricity generated, net of billing adjustments and indirect taxes (wherever applicable) because the customer receives and uses the benefits simultaneously.

Customers are invoiced on a monthly basis and the credit period range from 30 to 60 days from the invoice date.

Provision of Management Services

Revenue from provision of management services is recognised when services are rendered.

(b) The information of the revenue from other sources is summarised below:-

Dividend Income

Dividend income from subsidiaries and other investments are recognised when the shareholders' right to receive is established.

Interest Income

Interest income on short-term deposits and advances are recognised on an accrual basis based on effective interest method.

Rental Income

Rental income is accounted for on a straight-line method over the lease term.

6. PROFIT FROM OPERATIONS

This is arrived at:-

	GROUP		COMPANY	
	2023 RM'000	**2022** RM'000	**2023** RM'000	**2022** RM'000
After crediting:				
Dividend income from subsidiaries	-	-	154,770	10,000
Fair value gain on investment properties (Note 15)	3,543	-	-	-
Gain arising from financial asset measured at fair value through other comprehensive income:				
- Dividend from equity investments	1,471	1,626	-	-
Gains arising from financial assets measured at amortised cost:				
- interest income on				
(i) Advances to subsidiaries	-	-	452	306
(ii) Deposits with financial institutions and others	23,593	6,169	1,112	1,288
Gain arising from financial liability measured at fair value through profit or loss:				
- Fair value gain on put option liability	13,943	4,955	13,943	4,955
Deferred income recognised	239	239	239	239
Gain on foreign exchange:				
- Realised	28,247	3,406	26,947	1,112
- Unrealised	3,801	7,899	446	8,474
Gain on disposal of:				
- Property, plant and equipment	151	172	-	40
- A subsidiary (Note 38)	1,020	-	-	-
Rental income	7,208	6,901	310	310
Share of results in equity accounted investments	-	17,140	-	-

6. PROFIT FROM OPERATIONS (CONT'D)

This is arrived at (Cont'd):-

	GROUP		COMPANY	
	2023 RM'000	**2022** RM'000	**2023** RM'000	**2022** RM'000
After charging:				
Amortisation of:				
- Service concession asset	88,638	85,525	-	-
- Development expenditures	508	478	-	-
Auditors' remuneration:				
(a) Audit fees:				
(i) For the financial year				
- Crowe Malaysia PLT ("Auditors")	886	879	185	185
- Member firms of the Auditors	14	29	-	-
- Other auditors	102	100	-	-
(ii) Underprovision in previous financial years:				
- Auditors	5	63	-	28
(b) Non-audit fees:				
(i) Auditors	7	7	7	7
(ii) Firms or corporations affiliated to Auditors:				
- Tax compliance fees	246	212	15	11
- Other service fees	79	53	-	-
- Underprovision in previous financial year	4	-	4	-
Share of results in equity accounted investments	13,600	-	-	-
Directors' remuneration (Note 45)	2,978	2,757	2,978	2,757
Depreciation of:				
- Property, plant and equipment	38,297	37,350	383	175
- Right-of-use assets	4,613	4,050	323	568
Direct operating expenses arising from investment properties	4,140	2,620	-	-
Impairment loss on property, plant and equipment (Note 14)	555	-	-	-
Property, plant and equipment written off, arising from:				
- Fire incident (Note 43(b))	27,942	-	-	-
- Others	388	4,500	-	-
Inventories written off, arising from:				
- Fire incident (Note 43(b))	1,056	-	-	-
- Others	3,277	-	-	-
Provision for retirement benefits	48	48	-	-
Staff costs (including other key management personnel as disclosed in Note 45):				
- Defined contribution benefits	5,104	4,592	648	529
- Salaries, wages, bonuses and allowances	66,624	57,395	5,469	4,463
- Other benefits	5,273	3,220	284	251
Write-down in value of inventories	5,001	829	-	-

7. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	GROUP		COMPANY	
	2023 RM'000	**2022** RM'000	**2023** RM'000	**2022** RM'000
Losses arising from financial assets measured at amortised cost:				
- Impairment loss on trade receivables (Note 24)	32,370	28,772	-	-
- Writeback on impairment loss on trade receivables (Note 24)	(882)	(831)	-	-
- Impairment loss on amount owing by a subsidiary (Note 24)	-	-	726	-
	31,488	27,941	726	-

8. FINANCE COSTS

	GROUP		COMPANY	
	2023 RM'000	**2022** RM'000	**2023** RM'000	**2022** RM'000
Losses arising from financial liabilities measured at amortised cost, notably interest expense on:				
- Bank overdrafts	49	31	-	-
- Revolving credits	4,594	3,412	2,431	1,845
- Amount owing to subsidiaries	-	-	3,553	3,277
- Term loans	30,505	21,754	-	-
- Hire purchase liabilities	786	1,187	-	1
- Trade financing and loans	2,354	1,879	-	-
Interest expense on lease liabilities	247	199	-	-
Others	1,544	1,127	52	89
	40,079	29,589	6,036	5,212

9. TAX EXPENSE

	GROUP		COMPANY	
	2023 RM'000	**2022** RM'000	**2023** RM'000	**2022** RM'000
Current tax:				
- Current financial year	17,749	13,173	373	78
- Underprovision in the previous financial years	11,317	732	-	3
	29,066	13,905	373	81
Deferred tax (Note 31):				
- Relating to originating and recognition of temporary differences	(3,783)	3,135	-	-
- Overprovision in the previous financial years	(135)	(2,397)	-	-
	(3,918)	738	-	-
Real property gains tax	-	199	-	-
	25,148	14,842	373	81

9. TAX EXPENSE (CONT'D)

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

	GROUP		COMPANY	
	2023 RM'000	**2022** RM'000	**2023** RM'000	**2022** RM'000
Profit before tax	476,788	490,569	180,394	11,870
Tax at Malaysian statutory rate of 24%	114,429	117,738	43,295	2,849
Tax effects of:				
- Non-taxable/Tax exempted income	(120,515)	(110,048)	(47,214)	(4,724)
- Expenses not deductible	16,292	13,516	4,292	1,953
- Deferred tax assets not recognised during the financial year	2,460	291	-	-
- Utilisation of deferred tax assets previously not recognised	-	(306)	-	-
- Share of results in equity accounted investments	3,142	(3,643)	-	-
- Utilisation of reinvestment allowances	(1,346)	(1,240)	-	-
- Under/(Over)provision in previous financial years:				
- Current tax	11,317	732	-	3
- Deferred tax	(135)	(2,397)	-	-
- Differential in tax rates	(496)	-	-	-
- Real property gains tax arising from disposal of investment properties	-	199	-	-
Tax expense	25,148	14,842	373	81

Malaysia Income Tax Act 1967

Domestic income tax is calculated at the statutory tax rate of 24% on the estimated assessable profit for the year.

Other Tax Jurisdictions

The subsidiary in the Lao People's Democratic Republic ("Lao PDR") is exempted from income tax starting from the date of incorporation until 1 October 2025, being the 5th anniversary of the concession plant's commercial operation date ("COD"). Thereafter, the subsidiary in Lao PDR would be subjected to the corporate income tax rate of 24%.

The subsidiaries in the Kingdom of Cambodia is subjected to income tax rate of 20% on the estimated assessable profit for the year.

10. OTHER COMPREHENSIVE INCOME/(EXPENSES)

	GROUP		COMPANY	
	2023 RM'000	**2022** RM'000	**2023** RM'000	**2022** RM'000
Items that will be reclassified subsequently to profit or loss				
Foreign currency translation:				
- Changes during the financial year	80,352	87,740	-	-
Items that will not be reclassified subsequently to profit or loss				
Fair value of equity instruments:				
- Net losses during the financial year	(18,711)	(47,993)	(44)	(354)
Other comprehensive income/(expenses)	61,641	39,747	(44)	(354)

11. EARNINGS PER SHARE

	GROUP	
	2023	**2022**
Profit after tax for the financial year attributable to owners of the Company (RM'000)	383,708	396,804
Weighted average number of ordinary shares ('000):-		
Issued ordinary shares on 1 January	988,352	988,352
Effect of treasury shares held	(44,353)	(43,025)
Weighted average number of ordinary shares on 31 December	943,999	945,327
Basic earnings per share (sen)	40.65	41.98

11.1 The basic earnings per share is calculated by dividing the Group's profit after tax attributable to owners of the Company by the weighted average number of ordinary shares in issue after adjusting treasury shares held by the Company.

11.2 The diluted earnings per share is equal to the basic earnings per share as there is no outstanding dilutive equity instrument issued by the Company as at end of reporting period.

12. DIVIDENDS

	COMPANY	
	2023 RM'000	**2022** RM'000
Final single-tier dividend of 3.5 sen per ordinary share in respect of the financial year ended 31 December 2021	-	33,086
First interim single-tier dividend of 3.6 sen per ordinary share in respect of the financial year ended 31 December 2022	-	34,031
Final single-tier dividend of 3.85 sen per ordinary share in respect of the financial year ended 31 December 2022	36,394	-
First interim single-tier dividend of 4.0 sen per ordinary share in respect of the financial year ended 31 December 2023	37,711	-
	74,105	67,117

On 28 February 2024, the Company declared a final single-tier dividend of 4.25 sen per ordinary share for the financial year ended 31 December 2023. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2024. The final dividend will be paid on 19 April 2024 to the Depositors who are registered in the Record of Depositors at the close of business on 3 April 2024.

13. SERVICE CONCESSION ASSET

	GROUP	
	2023 RM'000	2022 RM'000
Cost		
At 1 January	2,196,756	2,084,166
Translation differences	100,080	112,590
At 31 December	2,296,836	2,196,756
Accumulated Amortisation		
At 1 January	(255,933)	(161,877)
Amortisation during the financial year	(88,638)	(85,525)
Translation differences	(12,219)	(8,531)
At 31 December	(356,790)	(255,933)
Net carrying amount as at 31 December	1,940,046	1,940,823

Don Sahong Hydropower Project

On 13 February 2008, the Group had signed the Project Development Agreement with the Government of Lao PDR ("Lao Government") to develop, build, own and operate the Don Sahong Hydropower Project in the Khong District, Champassak Province, Lao PDR.

On 15 September 2015, the Group entered into a Concession Agreement ("CA") with Lao Government, whereby the Lao Government had granted on a build, operate and transfer basis, the concession rights to the Group for the development of the Don Sahong Hydropower Project. The Project is a 260MW run-of-river hydropower project.

At the expiration of the concession period or upon the early termination of the CA under the terms of the CA, the Group shall transfer the Project Assets to the Lao Government, in accordance with the terms and conditions of the CA including the Group's obligations with respect to Prudent Utility Practices and in compliance with the Lao Government Law, together with all data and information required to be provided to the Lao Government.

On 1 October 2015, the Group entered into a Power Purchase Agreement ("PPA") with Electricité Du Laos ("EDL") for the sale by its subsidiary and the purchase by EDL of all electricity generated by the Project on a take-or-pay basis. The construction works on the Don Sahong Hydropower Project which commenced in the fourth quarter of 2015 was completed at the end of 2019.

The Group received a certificate from the Ministry of Energy and Mines of Laos confirming the Project has achieved the Commercial Operation Date ("COD") on 1 October 2020. The concession period shall end on the date occurring twenty-five (25) years after the COD, which is on 30 September 2045.

The Group has assessed the recoverable amount of the service concession asset and determined that no impairment is required.

14. PROPERTY, PLANT AND EQUIPMENT

GROUP	Freehold Land and Buildings RM'000	Plant and Machinery RM'000	Bearer Plants RM'000	Equipment, Vehicles and Construction-in-Progress RM'000	Total RM'000
Cost					
At 1 January 2022	111,256	662,507	63,778	68,668	906,209
Additions (Note 39(a))	10,903	41,370	12,237	13,575	78,085
Disposals/Write-offs	-	(66)	(4,500)	(819)	(5,385)
Reclassification from right-of-use assets (Note 17)	-	34,277	-	9,046	43,323
Translation differences	58	197	2,934	483	3,672
At 31 December 2022/1 January 2023	122,217	738,285	74,449	90,953	1,025,904
Additions (Note 39(a))	1,516	14,538	23,577	75,612	115,243
Disposals/Write-offs	(4,869)	(30,741)	-	(5,650)	(41,260)
Disposal of a subsidiary (Note 38)	-	(104,897)	-	(3,478)	(108,375)
Reclassification	84	(1,760)	(1)	811	(866)
Transfer	9,659	27,800	-	(37,459)	-
Translation differences	51	183	3,087	1,155	4,476
At 31 December 2023	128,658	643,408	101,112	121,944	995,122
Accumulated Impairment Losses					
At 1 January 2022	(80)	(59,382)	-	(79)	(59,541)
Reclassification	50	(50)	-	-	-
At 31 December 2022/1 January 2023	(30)	(59,432)	-	(79)	(59,541)
Disposal of a subsidiary (Note 38)	-	10,393	-	77	10,470
Addition (Note 6)	-	(555)	-	-	(555)
Reclassification	-	2,949	-	2	2,951
At 31 December 2023	(30)	(46,645)	-	-	(46,675)
Accumulated Depreciation					
At 1 January 2022	(20,024)	(386,911)	-	(29,340)	(436,275)
Depreciation charges	(2,696)	(29,502)	-	(5,152)	(37,350)
Disposals/Write-offs	-	50	-	819	869
Reclassification from right-of-use assets (Note 17)	-	(7,899)	-	(3,828)	(11,727)
Translation differences	(53)	(65)	-	(83)	(201)
At 31 December 2022/1 January 2023	(22,773)	(424,327)	-	(37,584)	(484,684)
Depreciation charges	(3,106)	(29,791)	-	(5,400)	(38,297)
Disposals/Write-offs	401	10,168	-	1,673	12,242
Disposal of a subsidiary (Note 38)	-	93,737	-	2,857	96,594
Reclassification	24	26	-	(2,135)	(2,085)
Translation differences	(11)	(75)	-	(186)	(272)
At 31 December 2023	(25,465)	(350,262)	-	(40,775)	(416,502)
Net Book Value					
At 31 December 2023	103,163	246,501	101,112	81,169	531,945
At 31 December 2022	99,414	254,526	74,449	53,290	481,679

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

COMPANY	Bearer Plants RM'000	Equipment and Vehicles RM'000	Total RM'000
Cost			
At 1 January 2022	8,942	2,043	10,985
Additions	895	762	1,657
Disposals	-	(153)	(153)
Reclassification from right-of-use assets (Note 17)	-	1,228	1,228
At 31 December 2022/1 January 2023	9,837	3,880	13,717
Additions	815	81	896
Disposals/Write-offs	-	(407)	(407)
At 31 December 2023	10,652	3,554	14,206
Accumulated Depreciation			
At 1 January 2022	-	(1,926)	(1,926)
Depreciation charges	-	(175)	(175)
Disposals	-	153	153
Reclassification from right-of-use assets (Note 17)	-	(1,027)	(1,027)
At 31 December 2022/1 January 2023	-	(2,975)	(2,975)
Depreciation charges	-	(383)	(383)
Disposals/Write-offs	-	407	407
At 31 December 2023	-	(2,951)	(2,951)
Net Book Value			
At 31 December 2023	10,652	603	11,255
At 31 December 2022	9,837	905	10,742

Property, plant and equipment of the Group with net book value of RM184,577,000 (2022: RM190,927,000) have been charged as security for banking facilities granted to certain subsidiaries.

Included in the property, plant and equipment of the Group were plant and equipment with a total carrying amount of RM5,695,000 (2022: RM12,871,000) held under hire purchase arrangements.

15. INVESTMENT PROPERTIES

	GROUP	
	2023 RM'000	2022 RM'000
Leasehold land and buildings, at fair value:-		
At 1 January	165,203	165,203
Fair value gain recognised in profit or loss (Note 6)	3,543	-
At 31 December	168,746	165,203

15. INVESTMENT PROPERTIES (CONT'D)

(a) Certain investment properties of the Group are leased to customers under operating leases with rentals payable monthly. The leases contain initial non-cancellable periods ranging from 1 to 3 (2022: 1 to 3) years and with an option that is exercisable by the customers to extend their leases, which are negotiated separately on a contract-by-contract basis.

The Group requires 1 (2022: 1) month advance rental payments from the customers. The leases do not include residual value guarantee and variable lease payments.

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

	GROUP	
	2023 RM'000	**2022** RM'000
Within 1 year	4,442	4,666
Between 1 and 2 years	1,654	3,250
Between 2 and 3 years	201	667
	6,297	8,583

(b) Investment property of a subsidiary with carrying value of approximately RM109,000,000 (2022: RM111,000,000) has been charged as security for revolving credit facilities granted to the Company and a subsidiary.

(c) The details of the Group's investment properties that are carried at fair values are analysed as follows:-

GROUP	**Level 2** RM'000	**Level 3** RM'000	**Total** RM'000
2023			
Leasehold land and buildings	35,201	133,545	168,746
2022			
Leasehold land and buildings	29,658	135,545	165,203

(i) The level 2 fair value of the leasehold land and buildings has been derived using the market comparison approach with reference to sales price of comparable properties in close proximity, adjusted for differences in key attributes such as tenure, location, property size and market trends. The most significant input into this valuation approach is price per square foot of comparable properties. There has been no change to the valuation technique during the financial year. There were no transfers between level 1 and level 2 during the financial year.

(ii) The level 3 fair value of the leasehold land and buildings has been determined using a discounted cash flow approach based on the following significant unobservable inputs:-

Valuation techniques	Significant unobservable inputs	Relationship of unobservable input to Fair Value
Discounted cash flow approach which capitalises the actual or estimated rental income stream, net of projected operating costs, using discount rates derived from market yields.		The estimated fair value would increase/(decrease) if:
	(aa) Expected market rental rate (per square feet) ranging from RM2.91 to RM4.65.	(aa) Expected net rental income were higher/(lower).
	(bb) Discount rate represented by rental yield ranging from 4.5% to 8.6%	(bb) Expected yield were lower/(higher).
	(cc) Void rate of 5%.	(cc) Rental void rate were lower/(higher).

15. INVESTMENT PROPERTIES (CONT'D)

(c) The details of the Group's investment properties that are carried at fair values are analysed as follows (Cont'd):-

(iii) The following table shows a reconciliation of level 3 fair value:-

	GROUP	
	2023 RM'000	**2022** RM'000
At 1 January	135,545	12,045
Fair value loss recognised in profit or loss:		
- unrealised	(2,000)	-
Transfer into level 3	-	123,500
At 31 December	133,545	135,545

In the previous financial year, certain properties with carrying amount of approximately RM123,500,000 were transferred from level 2 to level 3 as the fair value are determined by Management using a discounted cash flow as reference to sales price of comparable properties in close proximity are not available.

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

16. DEVELOPMENT EXPENDITURES

	GROUP	
	2023 RM'000	**2022** RM'000
Cost		
At 1 January	76,001	1,582
Additions:		
- Don Sahong Hydropower Project	124,882	72,006
- Other development project	-	1,728
Translation difference	4,100	685
At 31 December	204,983	76,001
Accumulated amortisation		
At 1 January	(1,427)	(949)
Addition during the financial year	(508)	(478)
At 31 December	(1,935)	(1,427)
	203,048	74,574
Represented by:-		
Don Sahong Hydropower Project	201,673	72,691
Other development project	1,375	1,883
	203,048	74,574

Included in additions during the financial year are:-

	GROUP	
	2023 RM'000	**2022** RM'000
Staff costs	2,958	2,322

16. DEVELOPMENT EXPENDITURES (CONT'D)

Development expenditures consist primarily of construction costs incurred for the development of fifth turbine, in connection with the Don Sahong Hydropower Project.

As at the end of the reporting period, the fifth turbine is still under construction and is not ready for commercial use.

17. RIGHT-OF-USE ASSETS

GROUP	Leasehold Land and Land Use Right RM'000	Plant and Equipment RM'000	Total RM'000
Cost			
At 1 January 2022	129,340	43,258	172,598
Additions	25,053	-	25,053
Written off	(341)	-	(341)
Reclassification to property, plant and equipment (Note 14)	-	(43,323)	(43,323)
Translation differences	240	65	305
At 31 December 2022/1 January 2023	154,292	-	154,292
Additions	1,776	-	1,776
Disposal/Written off	(364)	-	(364)
Modification of lease liabilities	(231)	-	(231)
Translation differences	225	-	225
At 31 December 2023	155,698	-	155,698
Accumulated Depreciation			
At 1 January 2022	(29,813)	(11,726)	(41,539)
Depreciation charges	(4,050)	-	(4,050)
Disposal/Written off	341	-	341
Reclassification to property, plant and equipment (Note 14)	-	11,727	11,727
Translation differences	(15)	(1)	(16)
At 31 December 2022/1 January 2023	(33,537)	-	(33,537)
Depreciation charges	(4,613)	-	(4,613)
Written off	364	-	364
Modification of lease liabilities	108	-	108
Translation differences	26	-	26
At 31 December 2023	(37,652)	-	(37,652)
Accumulated Impairment Losses			
At 1 January 2022	(1,734)	-	(1,734)
Addition	-	-	-
At 31 December 2022/1 January 2023	(1,734)	-	(1,734)
Addition	-	-	-
At 31 December 2023	(1,734)	-	(1,734)
Net Book Value			
At 31 December 2023	116,312	-	116,312
At 31 December 2022	119,021	-	119,021

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

COMPANY	Leasehold Land and Land Use Right RM'000	Plant and Equipment RM'000	Total RM'000
Cost			
At 1 January 2022	13,654	1,228	14,882
Reclassification to property, plant and equipment (Note 14)	-	(1,228)	(1,228)
At 31 December 2022/31 December 2023	13,654	-	13,654
Accumulated Depreciation			
At 1 January 2022	(2,476)	(782)	(3,258)
Depreciation charges	(323)	(245)	(568)
Reclassification to property, plant and equipment (Note 14)	-	1,027	1,027
At 31 December 2022/1 January 2023	(2,799)	-	(2,799)
Depreciation charges	(323)	-	(323)
At 31 December 2023	(3,122)	-	(3,122)
Net Book Value			
At 31 December 2023	10,532	-	10,532
At 31 December 2022	10,855	-	10,855

The Group owns some leasehold land and has land use rights on certain pieces of land through various agreements (which are non-cancellable operating lease in nature). The land has a remaining lease period or right of use period of between 22 and 89 years.

The leasehold land and land use right of the Group with net book value of approximately RM42,762,000 (2022: RM42,860,000) are pledged as security for bank borrowings of certain subsidiaries as disclosed in Notes 30 and 34 to the financial statements.

Included in the cost of leasehold land and land use right is an amount of RM12,889,000 (2022: RM12,889,000) related to initial sum paid in securing the right to carry out plantation activities on a piece of land in Cambodia as detailed in ensuing paragraphs.

On 31 July 2013, the Company obtained approval from the Royal Government of Cambodia for the concession of a plot of land measuring 9,477 hectares situated in the Namlear Wildlife Sanctuary Zone, Mondulkiri Province, Kingdom of Cambodia primarily for agricultural development and cultivation (the "ELC Agreement"). The originally granted area is gross and inclusive of the relevant protected area, land reserved for public infrastructure, and land parcels affected by authorised occupation by the local villagers.

On 9 February 2018, Mega First Plantation (Cambodia) Ltd, a 100% owned subsidiary of the Company, entered into an amendment to the ELC Agreement with the Ministry of Agriculture, Forestry and Fisheries, whereby the size of the land in the ELC Agreement has been revised to the registered land area of 6,419.93 hectares and the term of the concession has been reduced from 90 years to 50 years, commencing from 29 April 2013.

In the current financial year, the Group carried out a review of the recoverable amount of right-of-use assets and determined that no impairment is required in current financial year.

During the current financial year, certain tenancy agreements were early terminated and resulted to a decrease in the right-of-use assets and lease liabilities by RM123,000 and RM127,000, respectively. Accordingly, RM4,000 gain on lease modification was recognised in the profit or loss.

18. SUBSIDIARIES

	COMPANY	
	2023	**2022**
	RM'000	RM'000
i) Unquoted ordinary shares in Malaysia		
At cost:-		
At 1 January	1,467,698	1,451,148
Additions	183,531	16,550
Disposals	(20)	-
At 31 December	1,651,209	1,467,698
Less: Accumulated impairment losses	(360,696)	(360,696)
	1,290,513	1,107,002
ii) Unquoted equity shares outside Malaysia		
At cost:-		
At 1 January	212,676	193,234
Additions	21,063	19,818
Capital repayment	(114,015)	(376)
At 31 December	119,724	212,676
Net carrying amount as at 31 December	1,410,237	1,319,678

(a) The subsidiaries are listed in Note 42 to the financial statements.

(b) During the current financial year, the Company has:-

(i) disposed of its 43.75% equity interest in Mega Ventures Limited ("MVL") for a total cash consideration of RM20,213;

(ii) subscribed for or purchased additional ordinary shares in:-

(aa) Mega First Power Industries Sdn. Bhd. through capitalisation of amount owing of RM3,800,000;

(bb) MVL for total cash consideration of RM160,889,999;

(cc) Mega First Plantation (Cambodia) Ltd through capitalisation of amount owing of RM21,063,374;

(dd) TT Kinta Sdn. Bhd. through capitalisation of amount owing of RM18,836,000;

(ee) Mega First Agrotech Sdn. Bhd. (formerly known as Lifestyle Wellness Sdn. Bhd.) for total cash consideration of RM100; and

(ff) Mega First Green Farms Limited for total cash consideration of RM4,771.

(iii) divested its investment of RM114.02 million (2022: RM376,000) in Don Sahong Holdings Limited ("DSH") through capital reduction exercise undertaken by DSH.

18. SUBSIDIARIES (CONT'D)

(c) The non-controlling interests ("NCI") at the end of the reporting period comprised the following:-

	Effective Equity Interest Held by NCI		GROUP	
	2023 %	2022 %	2023 RM'000	2022 RM'000
Mega Ventures Limited ("MVL")	25.0	-	40,111 #1	-
Don Sahong Power Company Ltd. ("DSPC")	5.0 #2	20.0	#2	296,580
Stenta Films (Malaysia) Sendirian Berhad and its subsidiary ("Stenta Group")	25.0	25.0	47,050	42,738
Idaman Harmoni Sdn. Bhd. ("IHSB")	35.0	35.0	32,633	38,809
Other subsidiaries			47,316	62,252
			167,110	440,379

#1 - Included share of 5% effective equity interest in DSPC.

#2 - Represents effective equity interest held by non-controlling interest of MVL which the related impact is subsumed within carrying amount of MVL's non-controlling interests.

(d) The summarised financial information (before intra-group elimination) for subsidiaries that have non-controlling interests and are material to the Group is as follows:-

	MVL#1 RM'000	DSPC RM'000	Stenta Group RM'000	IHSB RM'000
At 31 December 2023				
Non-current assets	294,015	2,148,484	107,671	115,380
Current assets	119,028	677,302	121,518	26,905
Non-current liabilities	(168,300)	(1,065,285)	(6,862)	(8,055)
Current liabilities	(84,297)	(290,430)	(36,134)	(39,983)
Net assets	160,446	1,470,071	186,193	94,247
Financial year ended 31 December 2023				
Revenue	-	597,461	225,299	5,637
(Loss)/Profit after tax	(473)	376,238	20,671	(17,648)
Total comprehensive income/(expenses)	209	451,285	20,671	(17,648)
Total comprehensive income/(expense) attributable to non-controlling interests	52	89,234	4,312	(6,176)
Net cash flows (for)/from operating activities	(474)	505,805	34,283	(17,406)
Net cash flows (for)/from investing activities	(413,051)	(102,236)	(31,417)	16,700
Net cash flows from/(for) financing activities	415,206	(345,264)	(14,681)	-

#1 - Included share of 5% effective equity interest in DSPC.

18. SUBSIDIARIES (CONT'D)

(d) The summarised financial information (before intra-group elimination) for subsidiaries that have non-controlling interests and are material to the Group is as follows (Cont'd):-

	DSPC RM'000	Stenta Group RM'000	IHSB RM'000
At 31 December 2022			
Non-current assets	2,014,920	108,040	117,386
Current assets	573,532	128,169	42,203
Non-current liabilities	(1,066,609)	(19,772)	(5,628)
Current liabilities	(38,943)	(47,491)	(39,297)
Net assets	1,482,900	168,946	114,664
Financial year ended 31 December 2022			
Revenue	590,531	234,893	5,530
Profit after tax	345,168	18,283	2,547
Total comprehensive income	431,380	18,283	2,547
Total comprehensive income attributable to non-controlling interests	80,532	4,571	891
Net cash flows from operating activities	502,616	27,356	1,105
Net cash flows (for)/from investing activities	(57,977)	(9,705)	1,627
Net cash flows for financing activities	(182,840)	(12,086)	-

19. JOINT VENTURES

	GROUP		COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Unquoted shares in Malaysia, at cost	20,000	20,000	20,000	20,000
Share of post-acquisition profits	124,604	137,695	-	-
	144,604	157,695	20,000	20,000

The details of the joint ventures are as follows:-

Company	Principal Activities	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held 2023 %	2022 %
Edenor Technology Sdn. Bhd. ("Edenor")	Investment holding	Malaysia	50	50
Merchant Commodities Pty. Ltd. ("MC")	Dormant	Australia	50	50

Edenor and its subsidiaries (collectively known as "Edenor Group") are involved in the oleochemical and specialty chemical operations in Malaysia.

The Group's joint arrangements are structured through separate entities which provide the Group rights to the net assets of the entities. Accordingly, the Group has classified the investment in Edenor Group and MC as joint venture.

19. JOINT VENTURES (CONT'D)

(a) The summarised financial information (after fair value adjustment at acquisition date) for joint ventures which is material to the Group is presented below:-

	Edenor Group	
	2023 RM'000	**2022** RM'000
At 31 December		
Non-current assets:		
- Property, plant and equipment	422,965	373,949
- Right-of-use assets	2,323	46,881
- Intangible assets	3,113	4,220
Current assets:		
- Inventories	191,130	202,575
- Receivables, deposits and prepayments	85,102	133,300
- Bank balances and deposits	33,038	72,365
Non-current liability - Deferred tax liabilities	(36,548)	(39,364)
Current liabilities:		
- Bank borrowings	(290,260)	(314,130)
- Payables and other liabilities	(89,424)	(98,623)
Non-controlling interests	(32,231)	(65,783)
Net assets	289,208	315,390
Financial year ended 31 December		
Revenue	891,819	1,264,875
Bargain purchase gain arising from acquisition	-	33,874
Gain on accretion of interest in a subsidiary	13,068	-
Interest income	162	220
Depreciation and amortisation	(36,299)	(34,488)
Interest expense	(10,879)	(11,067)
(Loss)/Profit before tax	(33,042)	36,679
Tax reversal /(expense)	3,962	(573)
(Loss)/Profit after tax	(29,080)	36,106
(Loss)/Profit after tax less non-controlling interests	(26,182)	31,462
Total comprehensive (expenses)/income	(26,182)	31,462
Group's share of results in joint venture:		
Loss after tax less non-controlling interest, excluding following items:-	(19,625)	(1,206)
i) Bargain purchase gain arising from acquisition	-	16,937
ii) Gain on accretion of interest in a subsidiary	6,534	-
Group's share of total comprehensive (expenses)/income	(13,091)	15,731
Carrying Amount		
Group's share of net assets/Carrying amount of Group's interest in Edenor Group	144,604	157,695

19. JOINT VENTURES (CONT'D)

(b) The Group's commitment in respect of the joint ventures is as follows:-

	GROUP/COMPANY	
	2023 RM'000	**2022** RM'000
Financial guarantee contracts in relation to corporate guarantees given to a subsidiary of the joint venture*	272,297	300,167

** - represent the outstanding credit facilities of a joint venture's subsidiary as at end of reporting period.*

(c) The summarised financial information for MC is not presented as the losses MC sustained has exceeded the Group's interest in this joint venture. The Group's cumulative share of unrecognised loss at the end of the reporting period was approximately RM3,999,000 (2022: RM3,590,000) as it has no obligation in respect of these losses.

20. ASSOCIATES

	GROUP	
	2023 RM'000	**2022** RM'000
Unquoted shares in Malaysia, at cost:-		
- At 1 January	15,457	3,988
- Additions	5,713	11,469
- At 31 December	21,170	15,457
Share of post-acquisition profits	900	1,409
	22,070	16,866

The details of the associates incorporated in Malaysia are as follows:-

Company	**Principal Activities**	**Percentage of Issued Share Capital Held**	
		2023	**2022**
Golden Blue Capital Sdn. Bhd.	Investment holding	40.0%	40.0%
Asset 1 Land Sdn. Bhd. ("Asset 1")	Investment holding	30.0%	30.0%
Integrated Smart Technologies Sdn. Bhd. ("IST")	Investment holding	28.8%	28.8%
iRadar Sdn. Bhd.	Engaged in research, design and development in relation to radar and provision of consultancy and training services	20.0%	-

IST and its subsidiaries are involved in the manufacturing of automated assembly and test machines in Malaysia.

Asset 1 and its subsidiaries are involved in the businesses as operator of lifestyle community centre and educational institution.

20. ASSOCIATES (CONT'D)

(a) The summarised financial information for all associates that are individually immaterial to the Group is as follows:-

	Other individually immaterial associates	
	2023 RM'000	**2022** RM'000
Financial year ended 31 December		
Group's share of (loss)/profit for the financial year	(509)	1,409
Group's share of other comprehensive income	-	-
Group's share of total comprehensive (expenses)/income	(509)	1,409
Aggregate carrying amount of the Group's interests in the associates	22,070	16,866

(b) The Group's commitment in respect of an associate is as follows:-

	GROUP/COMPANY	
	2023 RM'000	**2022** RM'000
Financial guarantee contracts in relation to corporate guarantees given to an associate*	13,063	12,270

** - represent the outstanding credit facilities of an associate as at end of reporting period*

21. INVESTMENTS IN QUOTED AND UNQUOTED SHARES

	GROUP		COMPANY	
	2023 RM'000	**2022** RM'000	**2023** RM'000	**2022** RM'000
Equity investments, at fair value:				
- Quoted shares	133,278	152,305	1,462	1,506
- Unquoted shares	669	353	-	-
	133,947	152,658	1,462	1,506

The Group designated its investments in quoted and unquoted shares to be measured at fair value through other comprehensive income because the Group intends to hold the investments for long-term.

22. GOODWILL ON CONSOLIDATION

	GROUP	
	2023 RM'000	**2022** RM'000
Cost:-		
At 1 January/31 December	54,673	54,673

22. GOODWILL ON CONSOLIDATION (CONT'D)

The carrying amount of goodwill allocated to each cash-generating unit ("CGU") is as follows:-

	GROUP	
	2023 RM'000	**2022** RM'000
Packaging segment	49,101	49,101
Resources segment	4,582	4,582
Other	990	990
	54,673	54,673

The Group has assessed the recoverable amounts of goodwill allocated and determined that no impairment is required. The recoverable amounts of the cash-generating units are determined using value-in-use approach which is derived from the present value of the future cash flows from the operating segments computed based on the financial projections approved by management covering period of 1 year. The key assumptions used in the determination of the recoverable amounts of goodwill arising from the following operating segments are as follows:-

	Average Gross Margins		Average Sales Growth Rates		Discount Rates	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
Packaging segment	18%	19%	28%	23%	9.3%	9.7%
Resources segment	17%	18%	10%	1%	9.3%	9.4%

Average gross margin is determined by management based on past experience. Growth rates are based on expected projected growth rates of the resources segment and packaging segment. Discount rates (pre-tax) reflects risks of the businesses.

The values assigned to the key assumptions represent management's assessment of future trends in the cash-generating units and are based on both external sources and internal historical data.

23. INVENTORIES

	GROUP	
	2023 RM'000	**2022** RM'000
Non-Current		
(i) Land held for property development		
- Freehold land	3,093	3,093
- Leasehold land	24,141	24,141
	27,234	27,234
(ii) Property development costs	12,932	16,209
	40,166	43,443
Current		
(iii) Completed properties for sale	9,238	9,238
(iv) Other inventories		
- Finished goods and work-in-progress	36,452	25,650
- Materials, spare parts and consumables	86,047	112,994
	122,499	138,644
	131,737	147,882

23. INVENTORIES (CONT'D)

	GROUP	
	2023 RM'000	**2022** RM'000
Recognised in profit or loss		
Inventories recognised as cost of sales	560,335	595,484
Write-down in value of inventories	5,001	829
Inventories written off	4,333	-

24. RECEIVABLES

	GROUP		COMPANY	
	2023 RM'000	**2022** RM'000	**2023** RM'000	**2022** RM'000
Trade receivables				
Gross amount	513,070	460,034	-	-
Less: Allowance for impairment losses				
- At 1 January	(52,302)	(24,173)	-	-
- Additions (Note 7)	(32,370)	(28,772)	-	-
- Writeback (Note 7)	882	831	-	-
- Write-offs	138	82	-	-
- Translation differences	(1,763)	(270)	-	-
- At 31 December	(85,415)	(52,302)	-	-
	427,655	407,732	-	-
Other receivables				
Gross amount	15,983	7,522	1,324	1,263
Less: Allowance for impairment losses				
- At 1 January	(1,272)	(1,270)	(702)	(702)
- Translation differences	-	(2)	-	-
- At 31 December	(1,272)	(1,272)	(702)	(702)
	14,711	6,250	622	561
Deposits and Prepayments				
Refundable deposits	3,997	4,960	179	250
Prepayments and non-refundable deposits	40,512	15,690	1,076	381
Current tax assets	1,809	2,620	-	15
Amount owing by Subsidiaries				
Gross amount	-	-	37,159	17,563
Less : Allowance for impairment losses				
- At 1 January	-	-	(294)	(294)
- Addition (Note 7)	-	-	(726)	-
- Write-off	-	-	825	-
- At 31 December	-	-	(195)	(294)
	-	-	36,964	17,269
	488,684	437,252	38,841	18,476

24. RECEIVABLES (CONT'D)

The credit periods granted for trade receivables range from 21 to 120 (2022: 21 to 120) days.

Other receivables are interest-free, unsecured and receivable on demand. There was no indication that amounts owing at the end of the reporting period are not recoverable.

Included in prepayments of the Group as at end of the reporting period are amounts of approximately RM21,520,000 (2022: RM2,095,000) paid for future purchase of properties, plant and equipment.

The amount owing by subsidiaries is non-trade in nature, interest-free, unsecured and receivable on demand except for a principal sum of approximately RM14,077,000 (2022: RM12,249,000) which bears interest rate of 3.3% (2022: 2.8%) per annum. The amount owing is to be settled in cash.

25. BANK BALANCES AND DEPOSITS

	GROUP		COMPANY	
	2023 RM'000	**2022** RM'000	**2023** RM'000	**2022** RM'000
Cash and bank balances	163,867	135,374	22,028	5,596
Deposits with financial institutions	344,047	356,733	-	53,558
Housing Development Accounts	673	147	-	-
	508,587	492,254	22,028	59,154

The deposits with financial institutions of the Group earn interest at rates ranging from 0.05% to 5.15% (2022: 0.05% to 3.60%) per annum. The deposits have maturity periods ranging from 30 to 365 days (2022: 30 to 365 days).

The Housing Development Accounts are maintained by certain subsidiaries in accordance with Section 7(A) of the Housing Developers (Control and Licensing) Act 1966. These accounts consist of monies received from purchasers to be utilised for property development projects after which, the surplus monies, if any, will accrue to the said subsidiaries upon the completion of the property development projects.

Included in bank balances and deposits of the Group are RM28,674,000 (2022: RM4,361,000) deposits pledged to financial institutions as security for banking facilities granted to certain subsidiaries as disclosed in Notes 30 and 34 to the financial statements.

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:-

	GROUP		COMPANY	
	2023 RM'000	**2022** RM'000	**2023** RM'000	**2022** RM'000
Bank balances and deposits	508,587	492,254	22,028	59,154
Less:				
- Deposits pledged to financial institutions or with original maturity period of more than 3 months	(45,653)	(9,481)	-	-
	462,934	482,773	22,028	59,154

26. SHORT-TERM INVESTMENTS

	GROUP	
	2023 RM'000	**2022** RM'000
Unquoted preference shares, at amortised cost	19,500	5,000

27. SHARE CAPITAL

	GROUP/COMPANY			
	Number of Shares		Amount	
	2023 RM'000	**2022** RM'000	**2023** RM'000	**2022** RM'000
Ordinary Shares				
At 1 January/31 December	988,352	988,352	743,121	743,121

(i) The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

(ii) Of the total 988,352,102 (2022: 988,352,102) issued and fully paid-up ordinary shares as at 31 December 2023, 45,592,600 (2022: 43,046,300) ordinary shares were held as treasury shares by the Company. The number of outstanding ordinary shares in issue as at 31 December 2023 was therefore 942,759,502 (2022: 945,305,802).

28. TREASURY SHARES

	GROUP/COMPANY			
	Number of Shares		Amount	
	2023 RM'000	**2022** RM'000	**2023** RM'000	**2022** RM'000
At 1 January	43,046	42,931	37,261	36,869
Purchase of shares	2,547	115	8,256	392
At 31 December	45,593	43,046	45,517	37,261

During the financial year, the Company purchased 2,546,300 (2022: 115,000) of its issued ordinary shares from the open market at an average price of approximately RM3.24 (2022: RM3.41) per share for a total consideration of RM8,255,800 (2022: RM392,128). These shares are held as treasury shares in accordance with Section 127 of the Companies Act 2016. None of the treasury shares were resold or cancelled during the financial year.

Treasury shares have no rights to voting, dividends and participation in any other distribution. Treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes including substantial shareholding, take-overs, notices, the requisition of meeting, the quorum for a meeting and the result of a vote on a resolution at a meeting.

29. RESERVES

	Note	GROUP 2023 RM'000	GROUP 2022 RM'000	COMPANY 2023 RM'000	COMPANY 2022 RM'000
Non-distributable reserves					
Translation reserve	29.1	139,813	77,088	-	-
Fair value reserve	29.2	73,620	92,331	(1,637)	(1,593)
Capital reserve	29.3	27,394	27,394	-	-
Other reserve	29.4	(88,556)	(88,556)	(88,556)	(88,556)
		152,271	108,257	(90,193)	(90,149)
Distributable reserve					
Retained profits		2,207,033	1,936,530	670,589	564,673
		2,359,304	2,044,787	580,396	474,524

29.1 Translation reserve

The translation reserve arose from the translation of the financial statements of foreign subsidiaries whose functional currencies are different from the Group's presentation currency. This reserve is not distributable by way of dividends.

29.2 Fair value reserve

The fair value reserve represents the cumulative fair value changes (net of tax, where applicable) of fair value through other comprehensive income financial assets until they are disposed of. This reserve is not distributable by way of dividends.

29.3 Capital reserve

The capital reserve relates to compulsory legal reserve created in accordance with the Law on Enterprise (Revision) No. 33/NA in the Lao PDR whereby the subsidiary company in Lao PDR is required to provide compulsory legal reserve at the rate 10% of profit after deducting accumulated losses, subject to a 50% limit of the subsidiary company's registered capital. The legal reserve of the subsidiary company must be utilised only for offsetting the loss result.

29.4 Other reserve

Other reserve relates to put option agreement entered by the Company with the minority shareholders of Stenta which give rise to an obligation by the Company to purchase Stenta's equity interest held by the minority interest, as detailed in Note 32 to the financial statements.

30. LONG-TERM BORROWINGS

The Group's long-term borrowings are analysed as follows:-

	GROUP 2023 RM'000	GROUP 2022 RM'000
Unsecured:		
Term loan from a major shareholder	367,200	443,390
Secured:		
Other term loans with financial institutions	393,402	118,203
	760,602	561,593
Less: Current liabilities (Note 34)	(294,474)	(164,844)
	466,128	396,749

30. LONG-TERM BORROWINGS (CONT'D)

Term loan from a major shareholder

The term loan was to part finance the Don Sahong Hydropower Project. The loan is unsecured, bears floating interest rate determined with reference to Secured Overnight Financing Rate ("SOFR") plus margin of 2.20% to 2.45% and is repayable (on a quarterly basis) over the financing tenure of 5 years from the date of first disbursement.

Other term loans with financial institutions

The interest rate of other term loans ranges between 4.17% and 7.00% (2022: 2.44% and 5.21%) per annum, and are secured by:-

(a) Legal charges over properties, leasehold land and machineries of certain subsidiaries, as disclosed in Notes 14 and 17 to the financial statements;

(b) Debentures covering fixed and floating charges over all present and future assets of certain subsidiaries;

(c) Legal charge over bank accounts of certain subsidiaries;

(d) A pledge of certain subsidiaries' deposit accounts with financial institutions, as disclosed in Note 25 to the financial statements;

(e) Corporate guarantee given by the Company and certain of its subsidiaries;

(f) Joint and several guarantees given by certain directors of certain subsidiaries of the Company;

(g) Guarantee coverage by the Government of Malaysia under the Working Capital Guarantee Scheme;

(h) A negative pledge by a subsidiary; and

(i) Power of Attorney over certain ordinary shares of a subsidiary.

31. DEFERRED TAX ASSETS/LIABILITIES

	GROUP	
	2023 RM'000	**2022** RM'000
Deferred tax liabilities	126,954	124,320
Deferred tax assets	(2,932)	-
Net deferred tax liabilities	124,022	124,320

The movement of net deferred tax liabilities during the financial year is analysed as follows:-

	GROUP	
	2023 RM'000	**2022** RM'000
At beginning of financial year	124,320	119,508
Recognised in profit or loss (Note 9)	(3,918)	738
Effect of foreign exchange translation	3,620	4,074
At end of financial year	124,022	124,320

31. DEFERRED TAX ASSETS/LIABILITIES (CONT'D)

The net deferred tax liabilities represent the tax effects of:-

	GROUP	
	2023 RM'000	**2022** RM'000
Service concession asset	83,078	79,459
Property, plant and equipment and non-current inventories	41,253	41,067
Fair value gain on investment properties	10,152	9,938
Provisions	(6,137)	(5,087)
Unabsorbed capital allowances arising from write off of property, plant and equipment due to fire incident	(2,932)	-
Others	(1,392)	(1,057)
	124,022	124,320

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

	GROUP	
	2023 RM'000	**2022** RM'000
Unutilised tax losses, expires in year of assessment:		
- expiring within 5 years	6,917	7,292
- expiring within 6 to 10 years	6,329	4,135
Unabsorbed capital allowances	15,329	8,127
Others	4,584	3,355
	33,159	22,909

As at 31 December 2023 subject to agreement with the Inland Revenue Board, the Group has unutilised reinvestment allowances of approximately RM13,348,000 (2022: RM13,855,000) available to be carried forward to be offset against future taxable income.

The Malaysia Finance Act 2021 has been gazetted on 31 December 2021 and take effect on 1 January 2022 which concludes time limit for carrying forward unutilised business losses has been extended from seven (7) to a maximum period of ten (10) consecutive Year of Assessment ("YA"), from YA2019 i.e. unutilised business losses previously carried forward up to YA2018 can now be carried forward up to YA2028.

Based on the current legislation in Malaysia, the unabsorbed reinvestment allowances are allowed to be utilised for 7 consecutive years of assessment, whereas the unabsorbed capital allowances and unabsorbed investment tax allowances are allowed to be carried forward indefinitely.

The unused tax losses of the subsidiary in Cambodia in any year of assessment can only be carried forward for a maximum period of 5 consecutive years of assessment immediately following that year of assessment.

32. PUT OPTION LIABILITY

	GROUP/COMPANY	
	2023 RM'000	**2022** RM'000
At 1 January	84,702	89,657
Recognised in profit or loss (Note 6)	(13,943)	(4,955)
At 31 December	70,759	84,702

32. PUT OPTION LIABILITY (CONT'D)

The Company entered into a Put Option Agreement with the non-controlling interests of Stenta Group whereby the non-controlling interests have the right to require the Company to buy their equity interest in Stenta Group in accordance to the terms of the Put Option Agreement.

The obligation by the Company to purchase Stenta Group's equity interest held by the non-controlling interests is initially recognised as put option liability with a corresponding charge direct to equity (classified as "Other Reserve"). Subsequent to the initial recognition, the put option will be remeasured at fair value and any changes in fair value is recognised in profit or loss.

33. HIRE PURCHASE LIABILITIES

The hire purchase liabilities are analysed as follows:-

	GROUP	
	2023 RM'000	**2022** RM'000
Non-current	5,752	8,609
Current	4,866	6,269
	10,618	14,878

The hire purchase liabilities bear effective interest rates ranging from 2.27% to 7.66% (2022: 3.78% to 9.00%) and are secured by certain plant and equipment, as disclosed in Note 14 to the financial statements.

34. SHORT-TERM BORROWINGS

	GROUP		COMPANY	
	2023 RM'000	**2022** RM'000	**2023** RM'000	**2022** RM'000
Revolving credits:				
- Secured	97,019	93,073	45,000	45,000
- Unsecured	5,000	5,000	5,000	5,000
	102,019	98,073	50,000	50,000
Term loans (Note 30):				
- Secured	110,874	28,754	-	-
- Unsecured	183,600	136,090	-	-
	294,474	164,844	-	-
Trade financing and loans:				
- Secured	38,710	53,287	-	-
	435,203	316,204	50,000	50,000

The effective interest rates of the short-term borrowings (other than term loans as disclosed in Note 30 to the financial statements), are as follows:-

(a) The revolving credits of the Group bear interest rates ranging from 4.31% to 5.33% (2022: 2.65% to 5.17%) per annum whereas the Company's revolving credits bear interest rates ranging from 4.57% to 5.33% (2022: 4.57% to 5.07%) per annum.

(b) The trade financing and loans of the Group bear interest rates ranging from 3.62% to 5.37% (2022: 3.65% to 5.55%) per annum.

34. SHORT-TERM BORROWINGS (CONT'D)

Short-term borrowings were secured by:-

(a) legal charges over an investment property of a subsidiary, as disclosed in Note 15 to the financial statements; and

(b) collaterals relating to term loans as detailed in Note 30 to the financial statements.

35. PAYABLES

	GROUP		COMPANY	
	2023 RM'000	**2022** RM'000	**2023** RM'000	**2022** RM'000
Non-current				
Provision for retirement benefits	588	540	-	-
Current				
Trade payables	81,526	82,191	-	-
Other payables and accruals:				
- Other payables	38,461	22,879	93	93
- Accruals	38,844	42,266	3,032	2,818
	77,305	65,145	3,125	2,911
Deferred income	6,265	6,569	5,209	5,448
Current tax liabilities	3,727	1,821	258	-
Amount owing to subsidiaries	-	-	107,004	116,966
	168,823	155,726	115,596	125,325

A subsidiary of the Group operates an unfunded, non-contributory defined benefit retirement scheme ("the Scheme") for its eligible employees. Under the Scheme, eligible employees are entitled to retirement contribution at agreed basis for each completed year of service on attainment of the retirement age of 60, without cessation of employment prior to age 60. The movement of provision for retirement benefits is as follows:-

	GROUP	
	2023 RM'000	**2022** RM'000
At 1 January	540	540
Recognised in profit or loss:		
- Current service cost	36	36
- Interest cost	12	12
Payment during financial year	-	(48)
At 31 December	588	540

The principal assumptions used in computing the estimated contributions based on the Projected Unit Credit Method are as follows:-

	GROUP	
	2023	**2022**
Discount rate	4%	4%
Expected rate of salary increases	7%	7%

The credit period granted to the Group's trade payables ranges from 30 to 120 (2022: 30 to 120) days.

35. PAYABLES (CONT'D)

Included in deferred income of the Group and of the Company is an amount of RM5,208,242 (2022: RM5,447,701) in respect of Feasibility Study Grant received from Malaysia External Trade Development Corporation for the Group's power project, in the form of reimbursement of approved actual expenses. Deferred income is recognised in profit or loss over the concession period of 25 years, starting from Project's commercial operation date.

The amount owing to subsidiaries is non-trade in nature, interest-free, unsecured and repayable on demand except for a principal sum of approximately RM83,249,000 (2022: RM71,421,000) which bears interest at rate of 3.30% to 5.12% (2022: 2.60% to 4.92%). The amount owing is to be settled in cash.

36. NET ASSETS PER ORDINARY SHARE

The net assets per ordinary share has been calculated based on the Group's shareholders' funds as at the end of reporting period of approximately RM3,056,908,000 (2022: RM2,750,647,000) on 942,759,502 (2022: 945,305,802) outstanding ordinary shares in issue, net of treasury shares.

37. CAPITAL COMMITMENTS

	GROUP		COMPANY	
	2023 RM'000	**2022** RM'000	**2023** RM'000	**2022** RM'000
Property, plant and equipment:				
- approved and contracted for	322,262	276,456	-	-

38. NET CASH OUTFLOW ON DISPOSAL OF SUBSIDIARY

On 30 May 2023, the Group disposed of its 51% equity interest in Serudong Power Sdn Bhd ("SPSB") for total cash consideration of RM1.173 million.

The financial effects of the disposal at the date of disposal are summarised below:-

	GROUP
	2023 RM'000
Property, plant and equipment (Note 14)	1,311
Inventories	454
Trade receivables	20,419
Other receivables, deposits and prepayments	1,365
Bank balances and deposit	1,848
Trade and other payables	(19,436)
Current tax liabilities	(661)
Non-controlling interests	(5,147)
Carrying amount of new assets disposed	153
Gain on disposal of a subsidiary (Note 6)	1,020
Consideration received, satisfied in cash	1,173
Less: Bank balances and deposits of subsidiary disposed of	(1,848)
Net cash outflow from disposal of a subsidiary	(675)

There were no disposals of subsidiaries in the previous financial year.

39. CASH FLOW INFORMATION

(a) During the financial year, the Group and the Company made the following payment to purchase property, plant and equipment and right-of use assets:-

	GROUP		COMPANY	
	2023 RM'000	**2022** RM'000	**2023** RM'000	**2022** RM'000
Property, plant and equipment				
Cost of property, plant and equipment purchased (Note 14)	115,243	78,085	896	1,657
Acquisition through hire purchase arrangements	(2,290)	-	-	-
Cash disbursed for purchase of property, plant and equipment	112,953	78,085	896	1,657
Right-of-use assets				
Cost of right-of-use assets acquired (Note 17)	1,776	25,053	-	-
Addition of new lease liabilities	(1,220)	(1,313)	-	-
Cash disbursed for addition of right-of-use assets	556	23,740	-	-

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

GROUP	Term Loans RM'000	Hire Purchase Liabilities RM'000	Lease Liabilities RM'000	Other Short-term Borrowings* RM'000	Total RM'000
2023					
At 1 January	561,593	14,878	4,878	151,360	732,709
Changes in Financing Cash Flows					
Proceeds from drawdown	300,650	-	-	3,960	304,610
Repayment of principal	(121,236)	(6,550)	(809)	(14,591)	(143,186)
Net drawdown/(repayment)	179,414	(6,550)	(809)	(10,631)	161,424
Interest paid	(30,505)	(786)	(247)	(6,997)	(38,535)
	148,909	(7,336)	(1,056)	(17,628)	122,889
Others Changes					
Acquisition of new hire purchase liabilities (Note 39(a))	-	2,290	-	-	2,290
Acquisition of new leases (Note 39(a))	-	-	1,220	-	1,220
Interest expense recognised in profit or loss (Note 8)	30,505	786	247	6,997	38,535
Modification of lease liabilities	-	-	(127)	-	(127)
Foreign exchange differences	19,595	-	158	-	19,753
	50,100	3,076	1,498	6,997	61,671
At 31 December	760,602	10,618	5,320	140,729	917,269

39. CASH FLOW INFORMATION(CONT'D)

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

GROUP	**Term Loans** RM'000	**Hire Purchase Liabilities** RM'000	**Lease Liabilities** RM'000	**Other Short-term Borrowings*** RM'000	**Total** RM'000
2022					
At 1 January	631,128	19,393	4,192	145,823	800,536
Changes in Financing Cash Flows					
Proceeds from drawdown	-	-	-	7,000	7,000
Repayment of principal	(92,260)	(4,515)	(977)	(1,463)	(99,215)
Net (repayment)/drawdown	(92,260)	(4,515)	(977)	5,537	(92,215)
Interest paid	(21,754)	(1,187)	(199)	(5,322)	(28,462)
	(114,014)	(5,702)	(1,176)	215	(120,677)
Other Changes					
Acquisition of new leases (Note 39(a))	-	-	1,313	-	1,313
Interest expense recognised in profit or loss (Note 8)	21,754	1,187	199	5,322	28,462
Foreign exchange differences	22,725	-	350	-	23,075
	44,479	1,187	1,862	5,322	52,850
At 31 December	561,593	14,878	4,878	151,360	732,709

** - Comprises of revolving credits, trade financing and loans*

COMPANY	**Hire Purchase and Finance Leases** RM'000	**Other Short-term Borrowings** RM'000	**Total** RM'000
2023			
At 1 January	-	50,000	50,000
Changes in Financing Cash Flows			
Interest paid	-	(2,431)	(2,431)
Other Changes			
Interest expense recognised in profit or loss (Note 8)	-	2,431	2,431
At 31 December	-	50,000	50,000
2022			
At 1 January	17	43,000	43,017
Changes in Financing Cash Flows			
(Repayment of principal)/Proceeds from drawdown	(17)	7,000	6,983
Interest paid	(1)	(1,845)	(1,846)
	(18)	5,155	5,137
Other Changes			
Interest expense recognised in profit or loss (Note 8)	1	1,845	1,846
At 31 December	-	50,000	50,000

40. FINANCIAL INSTRUMENTS

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

40.1 Financial Risk Management Policies

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country, in which the property or investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

The Group's foreign operations of various functional currencies when translated into the Company's reporting currency, notably RM based on closing rates (for assets and liabilities) and average transaction rates (for income and expenses) at consolidation, gives rise to foreign currency translation gain or loss that will be recognised in other comprehensive income. Intragroup transactions with foreign operations involving monetary financial instruments will also result in foreign currency translation gain or loss that cannot be eliminated on consolidation, but has to be recognised either in profit or loss or in other comprehensive income.

Resulting from its net investment in foreign operations, the Group's current and future profit stream in various foreign currencies will also be exposed to foreign currency risk.

In general, currency exposure from foreign investments and borrowings is managed centrally at the Group level, whilst currency exposure arising from transactions or contractual obligations is managed at the respective entity or business unit's level.

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Ringgit Malaysia. The currencies giving rise to this risk are primarily United States Dollar ("USD") and Singapore Dollar ("SGD"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

The principal closing rates used in the translation of foreign currencies are as follows:-

	2023 RM	**2022** RM
1 United States Dollar	4.590	4.390
1 Singapore Dollar	3.479	3.274

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

The Group's exposure to foreign currency (a currency which is other than the functional currency of the entities within the Group) is as follows:-

GROUP	UNITED STATES DOLLAR RM'000	SINGAPORE DOLLAR RM'000	OTHERS RM'000	TOTAL RM'000
2023				
Financial assets				
Investments in quoted shares	-	15,647	172	15,819
Receivables	41,141	2,240	3,027	46,408
Bank balances and deposits	61,788	11,617	964	74,369
	102,929	29,504	4,163	136,596
Financial liabilities				
Payables (current)	(7,509)	(40)	(3,320)	(10,869)
Short-term borrowings	(3,570)	-	-	(3,570)
	(11,079)	(40)	(3,320)	(14,439)
Currency exposure, net financial assets	91,850	29,464	843	122,157
2022				
Financial assets				
Investments in quoted shares	-	17,691	208	17,899
Receivables	41,400	4,009	508	45,917
Bank balances and deposits	101,563	250	1,485	103,298
	142,963	21,950	2,201	167,114
Financial liabilities				
Payables (current)	(4,486)	(10)	(315)	(4,811)
Trade financing and loans	(30,475)	-	-	(30,475)
	(34,961)	(10)	(315)	(35,286)
Currency exposure, net financial assets	108,002	21,940	1,886	131,828

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

The Company's exposure to foreign currency is as follows:-

COMPANY	UNITED STATES DOLLAR RM'000
2023	
Financial asset	
Bank balances and deposits	18,375
2022	
Financial asset	
Bank balances and deposits	55,392

Foreign currency risk sensitivity analysis

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

	GROUP		COMPANY	
	2023 RM'000	**2022** RM'000	**2023** RM'000	**2022** RM'000
Effects on profit after taxation				
USD/RM:				
- strengthened by 5%	3,490	4,104	698	2,105
- weakened by 5%	(3,490)	(4,104)	(698)	(2,105)
SGD/RM:				
- strengthened by 5%	525	162	-	-
- weakened by 5%	(525)	(162)	-	-
Effects on equity				
SGD/RM:				
- strengthened by 5%	595	672	-	-
- weakened by 5%	(595)	(672)	-	-

There is no impact on the Group's other components of equity.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities at the end of the reporting period as disclosed in Notes 24, 25, 30, 34 and 35 to the financial statements. The Group's policy is to obtain the most favourable interest rates available by maintaining a balanced portfolio mix of fixed and floating rate borrowings. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

The Group actively reviews its debt portfolio, taking into account the nature and requirements of its businesses as well as the current business and economic environment. This strategy allows it to achieve an optimum cost of capital whilst locking in long term funding rates for long term investments.

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk (Cont'd)

The Group's fixed rate borrowings are not subject to interest rate risk as defined in MFRS 7 since neither the carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

Interest rate risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates on all floating rate borrowings, net of unpledged deposits placed with financial institutions as at the end of the reporting period, with all other variables held constant:-

	GROUP	
	2023 RM'000	**2022** RM'000
Effect on profit after taxation		
Increase of 25 basis points (bp)	(1,113)	(685)
Decrease of 25 bp	1,113	685

There is no impact on the Group's other components of equity.

Any reasonably possible change in the interest rates at the end of the reporting period does not have a material impact in the Company's profit after taxation and equity. Hence, no sensitivity analysis is presented.

(iii) Equity Price Risk

The Group's principal exposure to equity price risk arises mainly from changes in quoted investment prices. The Group manages its exposure to equity price risks by maintaining a portfolio of equities with different risk profiles.

Equity price risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the prices of the quoted investments as at the end of the reporting period, with all other variables held constant:-

	GROUP	
	2023 RM'000	**2022** RM'000
Effects on equity		
Increase of 5%	6,664	7,615
Decrease of 5%	(6,664)	(7,615)

Any reasonably possible change in the prices of quoted investments at the end of the reporting period does not have a material impact in the Company's profit after taxation and equity. Hence, no sensitivity analysis is presented.

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted investments, cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company's exposure to credit risk arises principally from loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

(i) Credit risk concentration profile

The Group's major concentration of credit risk relates to the amount owing by a debtor which constituted approximately 76% of its total trade receivables at the end of the reporting period.

The exposure of credit risk for trade receivables by geographical region is as follows:-

	GROUP	
	2023 RM'000	**2022** RM'000
Lao PDR	324,463	289,958
Malaysia	58,393	71,866
Others	44,799	45,908
	427,655	407,732

(ii) Maximum exposure to credit risk

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

In addition, the Group's and the Company's maximum exposure to credit risk also includes corporate guarantees provided to its joint venture, associate and subsidiaries as disclosed under the 'Maturity Analysis' of item (c) below, representing the outstanding banking facilities of the joint venture, associate or subsidiaries respectively as at the end of the reporting period. These corporate guarantees have not been recognised in the Group's and the Company's financial statements since their fair values on initial recognition were not material.

(iii) Assessment of Impairment Losses

The Group have an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the receivables. The Group closely monitor the receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group assesses whether any of financial assets at amortised cost, contract assets are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficulty of the debtor;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the debtor's financial difficulty;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

The Group considers a debtor to be in default when the debtor is unlikely to repay its debt to the Group in full or is more than 90 days past due. The Group uses a more lagging past due criterion for certain trade debtors when it is more appropriate to reflect their loss patterns.

Trade Receivables and Contract Assets

The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

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

The expected loss rates are based on the payment profiles of sales over 12 months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers trade receivables to settle their debts.

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

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

Allowance for Impairment Losses

GROUP	GROSS AMOUNT RM'000	LIFETIME INDIVIDUAL ALLOWANCE RM'000	LIFETIME COLLECTIVE ALLOWANCE RM'000	CARRYING AMOUNT RM'000
2023				
Current (not past due)	172,889	-	-	172,889
1 to 90 days past due	142,957	-	-	142,957
91 to 180 days past due	51,290	(47)	-	51,243
Past due more than 180 days	129,090	(68,524)	-	60,566
	496,226	(68,571)	-	427,655
Credit impaired:				
- individually impaired	16,844	(16,789)	(55)	-
	513,070	(85,360)	(55)	427,655
2022				
Current (not past due)	178,476	(281)	-	178,195
1 to 90 days past due	157,052	-	-	157,052
91 to 180 days past due	29,892	-	-	29,892
Past due more than 180 days	76,845	(34,252)	-	42,593
	442,265	(34,533)	-	407,732
Credit impaired:				
- individually impaired	17,769	(17,769)	-	-
	460,034	(52,302)	-	407,732

The movement in the loss allowances in respect of trade receivables is disclosed in Note 24 to the financial statements.

Other Receivables

The Group and the Company apply the 3-stage general approach to measuring expected credit losses for its other receivables and amount owing by related parties.

Under this approach, loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group and the Company consider the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables (Cont'd)

Allowance for Impairment Losses

GROUP	GROSS AMOUNT RM'000	LIFETIME LOSS ALLOWANCE RM'000	CARRYING AMOUNT RM'000
2023			
Low credit risk	15,983	(1,272)	14,711
2022			
Low credit risk	7,522	(1,272)	6,250
COMPANY			
2023			
Low credit risk	1,324	(702)	622
2022			
Low credit risk	1,263	(702)	561

The impairment loss provided is as detailed in Note 24 to the financial statements.

Bank Balances and Deposits

The Group considers these banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

Amount Owing By Subsidiaries (Non-Trade Balances)

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

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

The Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded.

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through "repayable over time" or a fire sale of less liquid assets by the subsidiary.

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Amount Owing By Subsidiaries (Non-Trade Balances) (Cont'd)

Inputs, Assumptions and Techniques used for Estimating Impairment Losses (Cont'd)

For loans and advances that are not repayable on demand, impairment loss is measured using techniques that are similar for estimating the impairment losses of other receivables as disclosed above.

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

Allowance for Impairment Losses

COMPANY	GROSS AMOUNT RM'000	LIFETIME LOSS ALLOWANCE RM'000	CARRYING AMOUNT RM'000
2023			
Low credit risk	36,892	-	36,892
Significant increase in credit risk	267	(195)	72
Credit impaired	-	-	-
	37,159	(195)	36,964
2022			
Low credit risk	17,196	-	17,196
Significant increase in credit risk	367	(294)	73
Credit impaired	-	-	-
	17,563	(294)	17,269

(c) Liquidity Risk

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

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 Financial Risk Management Policies (Cont'd)

(c) Liquidity Risk (Cont'd)

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

GROUP	CONTRACTUAL INTEREST RATE %	CARRYING AMOUNT RM'000	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM'000	WITHIN 1 YEAR RM'000	1 - 5 YEARS RM'000	OVER 5 YEARS RM'000
2023						
Payables:						
- Non-current	-	588	588	-	588	-
- Current	-	158,831	158,831	158,831	-	-
Hire purchase liabilities	2.27 to 7.66	10,618	11,378	5,367	6,011	-
Term loans	4.17 to 7.00	760,602	808,488	325,145	448,231	35,112
Trade financing and loans	3.62 to 5.37	38,710	38,710	38,710	-	-
Revolving credits	4.31 to 5.33	102,019	102,019	102,019	-	-
Put option liability	4.99	70,759	80,288	-	80,288	-
Financial guarantee contracts*	-	-	285,360	285,360	-	-
		1,142,127	1,485,662	915,432	535,118	35,112
2022						
Payables:						
- Non-current	-	540	540	-	540	-
- Current	-	147,336	147,336	147,336	-	-
Hire purchase liabilities	3.78 to 9.00	14,878	16,988	7,722	9,266	-
Term loans	2.44 to 5.21	561,593	645,632	118,776	496,686	30,170
Trade financing and loans	3.65 to 5.55	53,287	53,287	53,287	-	-
Revolving credits	2.65 to 5.17	98,073	98,073	98,073	-	-
Put option liability	4.82	84,702	100,293	-	100,293	-
Financial guarantee contracts*	-	-	312,437	312,437	-	-
		960,409	1,374,586	737,631	606,785	30,170

* - *The contractual undiscounted cash flows represent the outstanding bank facilities of joint venture and associate at the end of the reporting period. The financial guarantees are not recognised as their fair values are not material.*

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 Financial Risk Management Policies (Cont'd)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

COMPANY	CONTRACTUAL INTEREST RATE %	CARRYING AMOUNT RM'000	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM'000	WITHIN 1 YEAR RM'000	1 - 5 YEARS RM'000	OVER 5 YEARS RM'000
2023						
Payables (current):						
- interest-free	-	26,880	26,880	26,880	-	-
- interest-bearing	3.30 to 5.12	83,249	83,249	83,249	-	-
Revolving credits	4.57 to 5.33	50,000	50,000	50,000	-	-
Put option liability	4.99	70,759	80,288	-	80,288	-
Financial guarantee contracts#	-	-	605,384	605,384	-	-
		230,888	845,801	765,513	80,288	-
2022						
Payables (current):						
- interest-free	-	48,456	48,456	48,456	-	-
- interest-bearing	2.60 to 4.92	71,421	71,421	71,421	-	-
Revolving credits	4.57 to 5.07	50,000	50,000	50,000	-	-
Put option liability	4.82	84,702	100,293	-	100,293	-
Financial guarantee contracts#	-	-	405,425	405,425	-	-
		254,579	675,595	575,302	100,293	-

 # - The contractual undiscounted cash flows represent the outstanding bank facilities of subsidiaries, joint venture and associate at the end of the reporting period. The financial guarantees are not recognised as their fair values are not material.

40.2 Capital Risk Management

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

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, loans and borrowings from financial institutions less bank balances and deposits. Total equity includes equity attributable to the owners of the parent and non-controlling interest.

40. FINANCIAL INSTRUMENTS (CONT'D)

40.2 Capital Risk Management (Cont'd)

The debt-to-equity ratio of the Group at the end of the reporting period was as follow:-

	GROUP	
	2023 RM'000	**2022** RM'000
Term loans (Note 30)	760,602	561,593
Hire purchase liabilities (Note 33)	10,618	14,878
Revolving credits (Note 34)	102,019	98,073
Trade financing and loans (Note 34)	38,710	53,287
	911,949	727,831
Less: Bank balances and deposits (Note 25)	(508,587)	(492,254)
Net debt	403,362	235,577
Total equity	3,224,018	3,191,026
Debt-to-equity ratio (times)	0.13	0.07

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

40.3 Classification Of Financial Instruments

	GROUP		COMPANY	
	2023 RM'000	**2022** RM'000	**2023** RM'000	**2022** RM'000
Financial assets				
Designated at Fair Value Through Other Comprehensive Income Upon Initial Recognition				
Investments in quoted shares	133,278	152,305	1,462	1,506
Investment in unquoted shares	669	353	-	-
	133,947	152,658	1,462	1,506
Amortised Cost				
Receivables and deposits	446,363	418,942	801	811
Bank balances and deposits	508,587	492,254	22,028	59,154
Short-term investments	19,500	5,000	-	-
Amount owing by subsidiaries	-	-	36,964	17,269
	974,450	916,196	59,793	77,234

40. FINANCIAL INSTRUMENTS (CONT'D)

40.3 Classification Of Financial Instruments (Cont'd)

	GROUP		COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Financial liabilities				
Fair Value Through Profit or Loss				
Put option liability	70,759	84,702	70,759	84,702
Amortised Cost				
Payables:				
- Non-current	588	540	-	-
- Current	158,831	147,336	3,125	2,911
Hire purchase liabilities	10,618	14,878	-	-
Term loans	760,602	561,593	-	-
Revolving credits	102,019	98,073	50,000	50,000
Trade financing and loans	38,710	53,287	-	-
Amount owing to subsidiaries	-	-	107,004	116,966
	1,071,368	875,707	160,129	169,877

40.4 Fair Value Information

Other than those disclosed below, the fair values of the financial assets and financial liabilities maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments. The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

	Fair Value of Financial Instruments Carried At Fair Value			Fair Value of Financial Instruments Not Carried At Fair Value				
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Total Fair Value	Carrying Amount
GROUP	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2023								
Financial Assets								
Investments in quoted shares	133,278	-	-	-	-	-	133,278	133,278
Investment in unquoted shares	-	669	-	-	-	-	669	669
Financial Liabilities								
Term loans	-	-	-	-	760,602	-	760,602	760,602
Hire purchase liabilities	-	-	-	-	10,618	-	10,618	10,618
Put option liability	-	-	70,759	-	-	-	70,759	70,759
2022								
Financial Assets								
Investments in quoted shares	152,305	-	-	-	-	-	152,305	152,305
Investment in unquoted shares	-	353	-	-	-	-	353	353
Financial Liabilities								
Term loans	-	-	-	-	561,593	-	561,593	561,593
Hire purchase liabilities	-	-	-	-	14,878	-	14,878	14,878
Put option liability	-	-	84,702	-	-	-	84,702	84,702

40. FINANCIAL INSTRUMENTS (CONT'D)

40.4 Fair Value Information (Cont'd)

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period (Cont'd):-

	Fair Value of Financial Instruments Carried At Fair Value			Fair Value of Financial Instruments Not Carried At Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
COMPANY	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2023								
Financial Asset								
Investments in quoted shares	1,462	-	-	-	-	-	1,462	1,462
Financial Liability								
Put option liability	-	-	70,759	-	-	-	70,759	70,759
2022								
Financial Asset								
Investments in quoted shares	1,506	-	-	-	-	-	1,506	1,506
Financial Liability								
Put option liability	-	-	84,702	-	-	-	84,702	84,702

(a) The fair values of financial instruments carried at fair value have been determined using the following basis:-

(i) The fair values of quoted equity investments are measured at their quoted closing bid prices at the end of the reporting period.

(ii) The fair value of unquoted equity investment is determined to approximate the net assets of the investee.

(iii) The fair value of put option liability is determined using expected future value of a subsidiary with the resulting value discounted at present value, based on key unobservable inputs of:-

(aa) Discount rate at 4.99%; and

(bb) Post-tax profit with compound annual growth rate of 12% over the remaining periods until expiry of exercise date.

A 1% higher/lower in discount rate would decrease/increase the fair value by approximately RM1.7 million and RM1.8 million, respectively whereas a 5% rise/fall in future profit after taxation would increase/decrease the fair value by approximately RM1.2 million.

In regard to financial instruments carried at fair value, there were no transfer between level 1 and level 2 during the financial year.

(b) The fair values of financial instruments not carried at fair value, which are for disclosure purposes, have been determined using the following basis:-

(i) The fair values of the Group's bank borrowings that carry floating interest rates approximated to their carrying amounts as they are repriced to market interest rate on near the reporting date.

(ii) The fair value of term loans and hire purchase liabilities that carry fixed interest rates are determined by discounting the relevant future contractual cash flows using current market interest rates for similar instruments at the end of the reporting period.

41. OPERATING SEGMENTS

For management purposes, the Group is organised into business units based on their products and services provided and accordingly into three (3) core business segments, as follows:-

Business segments	Summary description
Renewable Energy	Build, own and operate renewable power plants.
Resources	Quarrying of limestone, manufacturing and trading of lime products, calcium carbonate powder and bricks.
Packaging	Manufacturing and distribution of flexible packaging materials, paper bags, flexible packaging and labels products.

Management assesses the performance of the operating segments based on operating profit or loss which is measured differently from those disclosed in the consolidated financial statements.

Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the operating segments are presented under unallocated items. Unallocated items comprise mainly investments and related income, loans and borrowings and related expenses, corporate assets (primarily the Company's headquarters) and head office expenses.

Transfer prices between operating segments are at arm's length basis in a manner similar to transactions with third parties.

GROUP	Renewable Energy RM'000	Resources RM'000	Packaging RM'000	Investment Holding & Others RM'000	Eliminations RM'000	Consolidated RM'000
2023						
Revenue						
External revenue	606,163	202,893	402,341	106,238	-	1,317,635
Inter-segment revenue	-	-	-	157,294	(157,294)	-
Consolidated revenue	606,163	202,893	402,341	263,532	(157,294)	1,317,635
Results						
Profit from operations	464,602	20,803	14,344	189,741	(159,023)	530,467
Finance costs						(40,079)
Share of results in equity accounted investments						(13,600)
Profit before tax						476,788
Tax expense						(25,148)
Profit after tax						451,640

41. OPERATING SEGMENTS (CONT'D)

Included in the profit after tax for the financial year are the following items:-

GROUP	Renewable Energy RM'000	Resources RM'000	Packaging RM'000	Investment Holding & Others RM'000	Eliminations RM'000	Consolidated RM'000
2023						
Income						
Dividend income	-	-	-	156,241	(154,770)	1,471
(Loss)/Gain on foreign exchange, net:						
- Realised	(311)	1,074	613	26,871	-	28,247
- Unrealised	(50)	2,371	1,034	446	-	3,801
Interest income	21,019	1,686	734	3,856	(3,702)	23,593
Fair value gain on put option liability	-	-	-	13,943	-	13,943
Fair value gain on investment properties	-	-	-	3,543	-	3,543
Expense						
(Allowance for)/Writeback of impairment losses on receivables	(31,978)	5	296	189	-	(31,488)
Amortisation of:						
- Service concession asset	(88,638)	-	-	-	-	(88,638)
- Development expenditures	-	-	(508)	-	-	(508)
Depreciation of:						
- Property, plant and equipment	(4,627)	(9,641)	(20,500)	(2,289)	(1,240)	(38,297)
- Right-of-use assets	(26)	(2,505)	(1,312)	(594)	(176)	(4,613)
Property, plant and equipment written off	(277)	(4)	(28,049)	-	-	(28,330)
Inventories written off	-	-	(1,056)	(4,735)	1,458	(4,333)
Write-down in value of inventories	-	(4,239)	(738)	(24)	-	(5,001)
Assets						
Segment assets	2,934,635	320,539	495,246	753,250	-	4,503,670
Inter-segment assets	1,406	47,293	5,388	128,448	(182,535)	-
	2,936,041	367,832	500,634	881,698	(182,535)	4,503,670
Deferred tax assets						2,932
Current tax assets						1,809
Consolidated total assets						4,508,411
Liabilities						
Segment liabilities	726,495	46,385	200,726	180,106	-	1,153,712
Inter-segment liabilities	2,420	9,120	12,467	158,722	(182,729)	-
	728,915	55,505	213,193	338,828	(182,729)	1,153,712
Deferred tax liabilities						126,954
Current tax liabilities						3,727
Consolidated total liabilities						1,284,393

41. OPERATING SEGMENTS (CONT'D)

Included in the profit after tax for the financial year are the following items (Cont'd):-

GROUP	Renewable Energy RM'000	Resources RM'000	Packaging RM'000	Investment Holding & Others RM'000	Eliminations RM'000	Consolidated RM'000
2023						
Other segment items						
Addition to non-current assets other than financial instruments:						
- Property, plant and equipment	18,774	3,988	61,372	31,109	-	115,243
- Right-of-use assets	-	252	1,431	93	-	1,776
- Development expenditures	124,882	-	-	-	-	124,882
- Associates	-	-	-	5,713	-	5,713
- Short-term investments	-	-	-	14,500	-	14,500
2022						
Revenue						
External revenue	596,925	206,324	398,964	137,422	-	1,339,635
Inter-segment revenue	-	-	-	12,065	(12,065)	-
Consolidated revenue	596,925	206,324	398,964	149,487	(12,065)	1,339,635
Results						
Profit from operations	438,821	18,107	39,924	19,843	(13,677)	503,018
Finance costs						(29,589)
Share of results in equity accounted investments						17,140
Profit before tax						490,569
Tax expense						(14,842)
Profit after tax						475,727
Income						
Dividend income	-	251	-	11,375	(10,000)	1,626
(Loss)/Gain on foreign exchange, net:						
- Realised	(1,306)	1,218	2,398	1,096	-	3,406
- Unrealised	-	2,015	(2,589)	8,473	-	7,899
Interest income	4,629	851	317	4,049	(3,677)	6,169
Fair value gain on put option liability	-	-	-	4,955	-	4,955
Expense						
(Allowance for)/Writeback of impairment losses on receivables (net)	(28,007)	(296)	(112)	474	-	(27,941)
Amortisation of:						
- Service concession asset	(85,525)	-	-	-	-	(85,525)
- Development expenditures	-	-	(478)	-	-	(478)
Depreciation of:						
- Property, plant and equipment	(3,518)	(11,042)	(19,655)	(1,895)	(1,240)	(37,350)
- Right-of-use assets	(26)	(2,446)	(821)	(581)	(176)	(4,050)
Plant and equipment written off	-	-	-	(4,500)	-	(4,500)

41. OPERATING SEGMENTS (CONT'D)

Included in the profit after tax for the financial year are the following items (Cont'd):-

GROUP	Renewable Energy RM'000	Resources RM'000	Packaging RM'000	Investment Holding & Others RM'000	Eliminations RM'000	Consolidated RM'000
2022						
Assets						
Segment assets	2,700,252	312,434	491,007	782,710	-	4,286,403
Inter-segment assets	64	24,857	4,897	138,815	(168,633)	-
	2,700,316	337,291	495,904	921,525	(168,633)	4,286,403
Current tax assets						2,620
Consolidated total assets						4,289,023
Liabilities						
Segment liabilities	523,996	35,497	200,210	212,153	-	971,856
Inter-segment liabilities	4,186	5,384	10,856	147,303	(167,729)	-
	528,182	40,881	211,066	359,456	(167,729)	971,856
Deferred tax liabilities						124,320
Current tax liabilities						1,821
Consolidated total liabilities						1,097,997
Other segment items						
Addition to non-current assets other than financial instruments:						
- Property, plant and equipment	12,495	4,644	41,274	19,672	-	78,085
- Right-of-use assets	-	5,474	19,098	481	-	25,053
- Development expenditures	72,006	-	1,728	-	-	73,734
- Associates	-	-	-	11,469	-	11,469
- Short-term investments	-	-	-	5,000	-	5,000

Geographical information

The information on the disaggregation of revenue based on geographical region is disclosed in Note 5 to the financial statements.

The analysis of the Group's non-current assets by geographical region is summarised as follow:-

	NON-CURRENT ASSETS 2023 RM'000	2022 RM'000
Malaysia	1,086,675	1,103,989
Lao PDR	2,142,640	2,014,521
Cambodia	129,174	88,125
	3,358,489	3,206,635

41. OPERATING SEGMENTS (CONT'D)

Major customer

The following is the major customer with revenue equal to or more than 10% of the Group's revenue:-

	Division	Revenue	
		2023 RM'000	**2022** RM'000
Customer A	Renewable Energy	597,461	590,531

42. SUBSIDIARIES

The principal activities of the subsidiaries, their principal place of business, country of incorporation and the effective interest of the Group are shown below:-

Company	Principal Activities	Principal Place of Business/Country of Incorporation	Effective Percentage of Issued Share Capital Held	
			2023 %	**2022** %
Subsidiaries of the Company				
Authentic Excellence Sdn. Bhd. ("AESB")	Investment holding	Malaysia	100	100
Bloxwich International Sdn. Bhd. ("BISB")	Investment holding and provision of management services	Malaysia	100	100
Cheng Sun Industries Sdn. Bhd. ("CSI")	Investment holding	Malaysia	99.6	99.6
Geo-Mobile Asia Sdn. Bhd.	Investment holding	Malaysia	100	100
Gombak Land Sdn. Bhd. ("GLSB")	Property development and Investment holding	Malaysia	100	100
Hexachase Corporation Sdn. Bhd. ("HXC")	Investment holding	Malaysia	52.4	52.4
Mamut Copper Mining Sdn. Bhd. ("MCM")	Investment holding	Malaysia	100	100
Mega First Housing Development Sdn. Bhd.	Property development	Malaysia	100	100
Mega First Industries Sdn. Bhd. ("MFI")	Investment holding	Malaysia	100	100
Mega First Investments (L) Limited ("MFIL")	Investment holding	Malaysia	100	100
Mega First Mining Sdn. Bhd.	Investment holding	Malaysia	100	100
Mega First Plantation (Cambodia) Ltd @	Plantation development	The Kingdom of Cambodia	100	100
Mega First Power Industries Sdn.Bhd. ("MFPI")	Investment holding	Malaysia	100	100
Mega First Resources Sdn. Bhd. ("MFR")	Investment holding	Malaysia	100	100
Propera Sdn. Bhd.	Dormant	Malaysia	100	100
Stenta Films (Malaysia) Sendirian Berhad ("SFSB")	Manufacturing and sale of flexible packaging materials	Malaysia	75	75
Mega Ventures Limited	Investment holding	Malaysia	75	100
TT Kinta Sdn. Bhd.	Investment holding	Malaysia	100	100
Mega First Agrotech Sdn Bhd (formerly known as Lifestyle Wellness Sdn. Bhd.)	Investment holding	Malaysia	100	-
Mega First Green Farms Limited	Investment holding	Malaysia	100	-

42. SUBSIDIARIES (CONT'D)

Company	Principal Activities	Principal Place of Business/Country of Incorporation	Effective Percentage of Issued Share Capital Held	
			2023 %	2022 %
Subsidiary of AESB				
Rock Chemical Industries (Malaysia) Sdn. Berhad ("RCI")	Investment holding and provision of management consultancy services	Malaysia	100	100
Subsidiaries of BISB				
Bloxwich (Malaysia) Sdn. Bhd.	Engineering, designing and manufacturing of automotive components	Malaysia	100	100
United Excellence Sdn. Bhd.	Investment holding	Malaysia	50.05	50.05
Subsidiary of CSI				
Syarikat Cheng Sun Quarry Sdn. Bhd.	Quarrying of limestone and production of fine calcium carbonate powder	Malaysia	99.6	99.6
Subsidiaries of MFR				
Anting Sendirian Berhad	Quarry operator	Malaysia	100	100
Sri Anting Sdn. Bhd.	Operating quarries	Malaysia	100	100
Subsidiary of MFIL				
Don Sahong Holdings Limited @ ("DSH")	Investment holding	Malaysia (the subsidiary was incorporated in British Virgin Islands)	100	100
Subsidiaries of DSH				
Ground Roses Limited @ ("GRL")	Investment holding	Malaysia (the subsidiary was incorporated in British Virgin Islands)	100	100
Silver Acreage Limited @	Investment holding	Malaysia (the subsidiary was incorporated in British Virgin Islands)	100	100
Subsidiary of GRL				
Don Sahong Power Company Ltd *	Develop and operate hydroelectric power plant	Lao People's Democratic Republic	95	80
Subsidiaries of GLSB				
Community Consortium Sdn. Bhd.	Property development	Malaysia	100	100
Idaman Harmoni Sdn. Bhd.	Property investment	Malaysia	65	65
Kinta Ceria Sdn. Bhd.	Property investment	Malaysia	100	100
Megah Harmonik Property Management Sdn. Bhd.	Property management	Malaysia	100	100
Paya Emas Sdn. Bhd.	Property development	Malaysia	60	60
Public Ventures Management Sdn. Bhd. !	Dormant	Malaysia	100	100

42. SUBSIDIARIES (CONT'D)

Company	Principal Activities	Principal Place of Business/Country of Incorporation	Effective Percentage of Issued Share Capital Held	
			2023 %	2022 %
Subsidiary of MFI				
Greentown Parking Sdn. Bhd.	Car park operator	Malaysia	100	100
Subsidiary of SFSB				
Stenta Multifilms Sdn. Bhd.	Manufacturing and sale of flexible packaging materials	Malaysia	75	75
Subsidiaries of HXC				
Hexachase Flexipack Sdn. Bhd.	Manufacturing of flexible packaging products	Malaysia	61.8	61.8
Hexachase Labels Sdn. Bhd. ("HLSB")	Manufacturing of labels and printed products	Malaysia	65.7	65.7
Hexachase Packaging Sdn. Bhd.	Manufacturing of packaging products	Malaysia	55.7	55.7
Subsidiary of HLSB				
Hexachase Marketing & Trading Sdn. Bhd.	Dormant	Malaysia	65.7	65.7
Subsidiary of MCM				
Geo-Mobile Asia (HK) Limited *	Dormant	Hong Kong, the People's Republic of China	100	100
Subsidiaries of MFPI				
Mega First C&I Solar Sdn. Bhd. ("MFC&IS")	Investment holding	Malaysia	100	100
Mega First Power Services Sdn. Bhd. !!	Dormant	Malaysia	100	100
Serudong Power Sdn. Bhd.	Power plant operator	Malaysia	-	51
Bayangan Sutera Sdn. Bhd. !!	Dormant	Malaysia	100	100
MF Solar Tronoh Sdn. Bhd.	Design, build, own, operate and maintain solar photovoltaic power plant and related activities	Malaysia	100	-
Mega First Solar (Maldives) Consortium Pvt Ltd	Construction, installation, operation and maintenance of solar photovoltaic systems	Republic of Maldives	99	-
Subsidiaries of MFC&IS				
MFP Solar Sdn. Bhd. ("MFP Solar")	Solar photovoltaic investment	Malaysia	55	55
MFP Solar International Limited @ ("MFPSI")	Investment holding	Malaysia (the subsidiary was incorporated in British Virgin Islands)	55	55
Subsidiary of MFPSI				
MFP Solar (Cambodia) Co., Ltd @	Solar photovoltaic Investment	The Kingdom of Cambodia	55	55
Subsidiary of MFP Solar				
S & C Green Pace Sdn. Bhd.	Dormant	Malaysia	44	44

42. SUBSIDIARIES (CONT'D)

Company	Principal Activities	Principal Place of Business/Country of Incorporation	Effective Percentage of Issued Share Capital Held	
			2023 %	2022 %
Subsidiaries of RCI				
Batamas Sdn. Berhad ("BSB")	Manufacturing and selling of bricks. Temporarily ceased operation during the financial year	Malaysia	100	100
Identiti Jitu Sdn. Bhd.	Sand mining	Malaysia	55	55
Melewar Jutamas Sdn. Bhd.	Property investment	Malaysia	100	100
RCI Lime Sdn. Bhd.	Manufacture and sale of lime products and limestone quarry operator	Malaysia	100	100
RCI Marketing Sdn. Bhd.	Trading in building materials and construction products	Malaysia	100	100
RCI Minerals Sdn. Bhd. ("RCIM")	Investment holding	Malaysia	100	100
RCI Ventures Sdn. Bhd.	Investment in quoted securities	Malaysia	100	100
Runding Kualiti Sdn. Bhd. ("RKSB")	Investment holding	Malaysia	60	60
Teratai Kembara Sdn. Bhd. ("TKSB")	Investment holding	Malaysia	77.8	77.8
Premier Capacity Sdn. Bhd.	Sand mining	Malaysia	50.25	50.25
Subsidiary of BSB				
Usaha Takzim Sdn. Bhd.	Property investment	Malaysia	100	100
Subsidiary of RCIM				
Mesrasasi Sdn. Bhd.	Quarry operator	Malaysia	100	100
Subsidiary of RKSB				
Runding ANR Sdn. Bhd.	Pre-operating	Malaysia	60	60
Subsidiary of TKSB				
Teratai ANR Sdn. Bhd.	Dormant	Malaysia	77.8	77.8

* - *Subsidiary companies audited by other firms of chartered accountants.*

@ - *Not required to be audited under the laws of the country of incorporation.*

! - *The subsidiary has commenced members' voluntary winding up petition on 9 March 2021.*

!! - *The subsidiaries have commenced members' voluntary winding up petition on 19 March 2024.*

43. SIGNIFICANT EVENTS

The details of significant events occurring during the financial year are disclosed as follow:

(a) Tax dispute between 65%-owned subsidiary, Idaman Harmoni Sdn. Bhd. ("IHSB") and the Inland Revenue Board of Malaysia ("IRBM") in relation to notices of additional tax assessment and penalties amounting to RM22,795,912 (before late payment penalty) served by IRBM to IHSB on 5 October 2016 for Year of Assessment ("YA") 2009 and 2010.

On 2 March 2023, the Court of Appeal (the apex court for this case) allowed the IRBM's appeal against the High Court's decision. This effectively reinstates the decision of the Special Commissioners of Income tax ("SCIT") made on 1 September 2020 which affirmed the assessments.

IHSB paid to IRBM a total of RM17.1 million, comprising RM11.4 million in additional tax assessment and RM5.7 million in penalties, as full and final settlement of the above tax dispute. These amounts were charged to profit and loss in the current financial year.

(b) Fire Incident in Packaging Division

On 26 September 2023, a fire broke out in one of the factories of the Packaging Division which damaged/destroyed certain property, plant and equipment ("PPE") and inventories.

The Group recorded a RM26.9 million (net of partial insurance income) charge against pre-tax profit in the current financial year from assets write-off in accordance with MFRSs, though the damaged assets are fully insured. Subsequent insurance compensation will be recognised as income to profit and loss when the insurance claims are finalised.

The incident did not have a material impact to the operational performance of the Packaging Division in the current financial year.

(c) Acquisition of additional 20% equity interest in Don Sahong Power Company Limited ("DSPC")

In December 2023, the Company increased its equity interest in Mega Ventures Limited ("MVL") from 56.25% to 75% and MVL then purchased 3,380,000 ordinary shares or 20% equity interest in DSPC, for an aggregate consideration of USD92.50 million (or RM428.529 million equivalents). Following the above acquisitions, the Company's effective equity interest in DSPC was increased from 80% to 95%.

The following summarises the effect of acquiring additional equity interests in DSPC that is attributable to the owners of the Company:-

	GROUP
	2023 RM'000
Total consideration paid for the acquisition of additional equity interests in DSPC	428,529
Proportionate share of DSPC's net assets acquired from non-controlling interests	(389,429)
Effect of decrease in equity attributable to owners of the Company	39,100

44. RELATED PARTY DISCLOSURES

For the purpose of the financial statements, the Group and the Company have related party relationships with its subsidiaries, associates, joint ventures and key management personnel.

The significant outstanding balances of the related parties (including the allowance for impairment loss made) together with their terms and conditions are disclosed elsewhere in the financial statements whereas the transactions that the Group and the Company carried out with such parties during the financial year are disclosed below:-

(a) Subsidiaries

	GROUP		COMPANY	
	2023 RM'000	**2022** RM'000	**2023** RM'000	**2022** RM'000
Dividend income received and receivable	-	-	154,770	10,000
Management fee received and receivable	-	-	1,323	1,278
Interest income received and receivable	-	-	452	306
Interest expense paid and payable	-	-	(3,553)	(3,277)
Rental received and receivable	-	-	310	310
Rental paid and payable	-	-	(480)	(480)

(b) A Major Shareholder of the Company

	GROUP		COMPANY	
	2023 RM'000	**2022** RM'000	**2023** RM'000	**2022** RM'000
Term loan repaid	95,785	110,025	-	-
Interest expense	25,012	17,710	-	-

45. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company. The key management personnel compensation during the financial year are as follows:-

(a) Directors of the Company

	GROUP/COMPANY	
	2023 RM'000	**2022** RM'000
Executive Directors:		
- Salaries, bonuses and other emoluments	2,203	2,041
- Defined contribution benefits	262	242
Non-Executive Directors:		
- Fees	482	445
- Other emoluments	31	29
Directors' remuneration (Note 6)	2,978	2,757

The estimated monetary value of benefits-in-kind provided by the Group and the Company to a Company's director was RM2,330 (2022: RM5,581).

45. KEY MANAGEMENT PERSONNEL COMPENSATION

(a) Directors of the Company (Cont'd)

The details of Directors' remuneration received and receivable for the financial year in bands are as follows:-

	GROUP/COMPANY Number of Directors	
	2023	2022
Executive Directors		
Below RM50,000	-	-
RM550,001 - RM600,000	-	1
RM600,001 - RM650,000	1	1
RM700,001 - RM750,000	1	-
RM1,050,001 - RM1,100,000	-	1
RM1,100,001 - RM1,150,000	1	-
Non-Executive Directors		
Below RM50,000	2	-
RM50,001 - RM100,000	7	7

(b) Other Key Management Personnel

	GROUP		COMPANY	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Salary, wages, bonuses allowances and other remuneration	8,049	7,807	4,025	3,760

STATEMENT BY DIRECTORS

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

We, **GOH NAN YANG** and **KHOO TENG KEAT**, being two of the Directors of **MEGA FIRST CORPORATION BERHAD** state that, in the opinion of the directors, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2023 and of their financial performance and cash flows for the financial year ended on that date.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS DATED 25 MARCH 2024.

GOH NAN YANG

KHOO TENG KEAT

STATUTORY DECLARATION

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

I, **NEO HONG CHEE**, the officer primarily responsible for the financial management of **MEGA FIRST CORPORATION BERHAD**, do solemnly and sincerely declare that the accompanying financial statements, are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
the abovenamed **NEO HONG CHEE**
at Petaling Jaya
in the State of Selangor
on this 25 March 2024

Before me,

MOHD IRWAN BIN MOHD RADZI
Commissioner for Oaths

LIST OF PROPERTIES
HELD AS AT 31 DECEMBER 2023

No.	Description	Location	Approximate Age (years)	Total Area (sq. metre)	Tenure	Year of Acquisition	Year of Last Valuation	Carrying Amount RM'000
1	Quarry and limestone hill	HS (D) KA 46712 PT 3997 Gunung Panjang 31600 Gopeng Perak Darul Ridzuan	27	193,300	Leasehold 45 years (Expire in 2065)	1996	1996	2,520
2	Building, office, guardhouse and warehouse	Lot 45158 Gunung Panjang 31600 Gopeng Perak Darul Ridzuan	26	22,600	Freehold	1997	1997	3,722
3	Warehouse	Lot 45156 Gunung Panjang 31600 Gopeng Perak Darul Ridzuan	12	2,970	Freehold	2011	n/a	577
4	Warehouse	Lot 45158 Gunung Panjang 31600 Gopeng Perak Darul Ridzuan	14	864	Freehold	2009	n/a	439
5	Integrated lime kiln and hydration plant	Lot 45155 Geran 58731 Mukim of Kampar 31600 Gopeng Perak Darul Ridzuan	14	22,384	Freehold	2009	n/a	584
6	Integrated lime kiln and hydration plant	Lot 45157 Gunung Panjang 31600 Gopeng Perak Darul Ridzuan	27	18,700	Freehold	1996	1996	163
7	Petcoke Warehouse	Lot 9479 Gunung Panjang 31600 Gopeng Perak Darul Ridzuan	2	1,800	Freehold	2022	2022	2,278
8	Stockyard	Lot 9479 Gunung Panjang 31600 Gopeng Perak Darul Ridzuan	10	64,547	Freehold	2013	2012	1,849
9	Stockyard	Lot 21487 Gunung Panjang 31600 Gopeng Perak Darul Ridzuan	27	10,600	Freehold	1996	1996	40
10	Stockyard	Lot 312555, 312556, 312557 Gunung Panjang 31600 Gopeng Perak Darul Ridzuan	9	62,290	Freehold	2014	2014	2,376
11	Stockyard	Lot 45137, 45138, 45139 Gunung Panjang 31600 Gopeng Perak Darul Ridzuan	10	87,817	Freehold	2013	2013	5,481
12	Stockyard	Lot 45156 Gunung Panjang 31600 Gopeng Perak Darul Ridzuan	17	16,415	Freehold	2006	2006	386
13	Stockyard	Lot 45160 Gunung Panjang 31600 Gopeng Perak Darul Ridzuan	11	25,040	Freehold	2012	2012	1,279
14	Road access	Lot 6252, 6671, 6251, 6738, 13693 Gunung Panjang 31600 Gopeng Perak Darul Ridzuan	11	64,041	Freehold	2012	2012	3,564

No.	Description	Location	Approximate Age (years)	Total Area (sq. metre)	Tenure	Year of Acquisition	Year of Last Valuation	Carrying Amount RM'000
15	Road access	Lot 23358 Gunung Panjang 31600 Gopeng Perak Darul Ridzuan	8	5,893	Freehold	2015	2015	186
16	Road access	Lot 45159 Gunung Panjang 31600 Gopeng Perak Darul Ridzuan	4	5,893	Freehold	2019	2019	988
17	Road access	Lot 26294 Gunung Panjang 31600 Gopeng Perak Darul Ridzuan	3	6,829	Freehold	2020	2011	182
18	Agriculture land	Lot 17890 31600 Gopeng Perak Darul Ridzuan	3	29,947	Freehold	2021	2021	1,080
19	Agriculture land	Lot 17886 31600 Gopeng Perak Darul Ridzuan	3	31,110	Freehold	2021	2021	1,160
20	Industrial land	Lot 405027 31600 Gopeng Perak Darul Ridzuan	3	40,510	Leasehold	2021	2021	910
21	Agriculture land	Lot 45146 31600 Gopeng Perak Darul Ridzuan	1	21,651	Freehold	2023	2023	986
22	Quarry and limestone hill	Lot 45152 Mukim Kampar Daerah Kampar Perak Darul Ridzuan	16	16,010	Freehold	2007	n/a	468
23	Quarry and limestone hill and buildings	Lot 311840, PT 1491 Mukim Kampar 31600 Gopeng Perak Darul Ridzuan	16	58,474	Leasehold 45 years (Expire in 2065)	2007	n/a	2,166
24	Quarry and limestone hill	Lot 196932, PT 3962 Mukim Kampar 31600 Gopeng Perak Darul Ridzuan	16	28,328	Leasehold 45 years (Expire in 2065)	2007	n/a	452
25	Quarry and limestone hill	Lot 214245, PN 473113 Mukim Teja 31600 Gopeng Perak Darul Ridzuan	2	170,000	Leasehold 30 years (Expire in 2050)	2022	2022	5,168
26	Agricultural land	Lot 320491 Mukim Teja Daerah Kampar Perak Darul Ridzuan	10	343,980	Leasehold	2013	n/a	10,888
27	Industrial land	PN 397963 Lot 321568 Mukim Teja, Daerah Kampar Perak Darul Ridzuan	6	469,400	Leasehold 45 years (Expire in 2065)	2017	2017	17,660
28	Office and warehouse	Lot 28 Jalan Pengacara U1/48 Temasya Industrial Park Selangor Darul Ehsan	23	892	Freehold	2000	2000	528
29	Industrial land	Lot 4510 Mukim Bastari Jaya Kuala Selangor Selangor Darul Ehsan	26	77,080	Freehold	1997	n/a	1,595
30	Factory building	Lot 15588 Mukim Sungai Raia 31300 Simpang Pulai Kinta District, Perak Darul Ridzuan	10	n/a	Leasehold	2013	n/a	295

No.	Description	Location	Approximate Age (years)	Total Area (sq. metre)	Tenure	Year of Acquisition	Year of Last Valuation	Carrying Amount RM'000
31	Factory land and buildings	Lot 138321, Jalan Changkat Larang P.O. Box 15 31007 Batu Gajah Perak Darul Ridzuan	38	42,576	Leasehold	1985	1985	180
32	Double storey terrace house	HS (D) 353154 PT 355802 Mukim Hulu Kinta, Daerah Kinta Perak Darul Ridzuan	14	121	Leasehold	2009	n/a	64
33	Industrial land	HS (D) 198575 PT 37292 Mukim Sungai Terap Kinta District, Perak Darul Ridzuan	11	7,174	Leasehold 60 years	2012	2012	641
34	Agricultural land	HS (D) 198576 PT 37293 Mukim Sungai Terap Kinta District, Perak Darul Ridzuan	11	14,636	Leasehold 60 years (Expire in 2071)	2012	2012	1,308
35	Factory land and buildings	Lot PT 839 Mukim of Sg. Raia Kinta District, Perak Darul Ridzuan	36	28,850	Leasehold 45 years (Expire in 2065)	1987	n/a	2,786
36	Quarrying limestone hill	Lot PT 23156 Mukim of Sg. Raia Kinta District, Perak Darul Ridzuan	42	36,422	Leasehold 45 years (Expire in 2065)	1981	n/a	806
37	Industrial land	Lot PT 1109 Mukim of Sg. Raia Kinta District, Perak Darul Ridzuan	31	8,099	Leasehold 45 years (Expire in 2065)	1992	n/a	141
38	Agricultural land	Lot 22974 GRN 46180 Mukim of Sg. Raya Kinta District, Perak Darul Ridzuan	11	33,336	Freehold	2012	2011	2,160
39	Quarry land	HS (D) 3238 PT 1008 Mukim of Sg. Raya Kinta District, Perak Darul Ridzuan	11	40,467	Leasehold 45 years (Expire in 2065)	2012	2011	3,399
40	Quarry land	PN 283888 Lot 303752 Mukim of Sg. Raya Kinta District, Perak Darul Ridzuan	11	60,710	Leasehold 45 years (Expire in 2065)	2012	2011	7,287
41	Agricultural land and buildings	Lot 15588 GRN 11527 Mukim of Sg. Raya Kinta District, Perak Darul Ridzuan	11	68,796	Freehold	2012	2011	3,330
42	Agricultural land	Lot 22993 GRN 49450 Mukim of Sg. Raya Kinta District, Perak Darul Ridzuan	11	7,664	Freehold	2012	2011	355
43	Industrial land	PN 70403 Lot 158432 Mukim of Sg. Raya Kinta District, Perak Darul Ridzuan	11	7,522	Leasehold 45 years (Expire in 2065)	2012	2011	536
44	Industrial land	PN 71751 Lot 187404 Mukim of Sg. Raya Kinta District, Perak Darul Ridzuan	11	16,180	Leasehold 45 years (Expire in 2065)	2012	2011	872
45	Industrial land	PN 71752 Lot 197220 Mukim of Sg. Raya Kinta District, Perak Darul Ridzuan	11	12,132	Leasehold 45 years (Expire in 2065)	2012	2011	1,157
46	Corporate office tower and office suite	PJ8, Seksyen 8 46050 Petaling Jaya Selangor Darul Ehsan	17	19,104	Leasehold 99 years (Expire in 2106)	2006	2021	109,000

No.	Description	Location	Approximate Age (years)	Total Area (sq. metre)	Tenure	Year of Acquisition	Year of Last Valuation	Carrying Amount RM'000
47	Car park	PJ8, Seksyen 8 46050 Petaling Jaya Selangor Darul Ehsan	17		Leasehold 99 years (Expire in 2106)	2006	2018	6,375
48	Car park	PT 147622 Greentown, Ipoh Perak Darul Ridzuan	13	11,621	Leasehold 99 years (Expire in 2094)	2010	2021	12,500
49	Car park	Block A, B, C & D Greentown Business Centre Greentown, Ipoh	17 - 24	4,499	Leasehold 99 years (Expire in 2094)	1999 - 2006	2017	3,500
50	6-storey shop office	Wisma MFCB A-1-16, A1-12, A-1-10, A2-10 A-2-01B, A-2-02 Greentown, Ipoh Perak Darul Ridzuan	6	7,785	Leasehold 99 years (Expire in 2094)	2017	2017	1,533
51	4-storey shop office	Lot 8A, 8B, 24C, 29B, 39B, 40, 40A, 40B, Greentown Avenue, Ipoh Perak Darul Ridzuan	6	12,604	Leasehold 99 years (Expire in 2094)	2017	2017	3,532
52	2-storey shop office	PT 1323, 1339, 1340 Mukim of Paya Rumput Daerah Melaka Tengah, Melaka	6	459	Freehold	2017	2017	968
53	Low cost flat	PN 38656 Mukim Batu Berendam, Daerah Melaka Tengah, Melaka	6	4,030	Leasehold 99 years (Expire in 2100)	2017	2017	2,170
54	3-storey shop office	PT 1126, 1129, 1130, 1175, 1183 Mukim Dengkil, Daerah Sepang Selangor Darul Ehsan	6	1,053	Leasehold 99 years (Expire in 2096)	2017	2017	2,968
55	Vacant land	PN 147624, 295228 Greentown, Ipoh Perak Darul Ridzuan	18	16,188	Leasehold 99 years (Expire in 2094)	2005	n/a	26,200
56	Vacant land held for development	Lot 24288, PN 25739 Mukim Setapak Wilayah Persekutuan Kuala Lumpur	36	2,297	Leasehold 99 years (Expire in 2086)	1987	n/a	337
57	Vacant land held for development	PT 134914 Greentown, Ipoh Perak Darul Ridzuan	28	2,982	Leasehold 99 years (Expire in 2103)	1995	n/a	1,051
58	Vacant land held for development	Lot 277 to 279 Mukim of Paya Rumput Daerah Melaka Tengah, Melaka	30	201,616	Freehold	1993	n/a	9,259
59	Vacant land held for development	Lot 3887-4068, 4070 PT 1135-1166, 1184-1199 Mukim Dengkil, Daerah Sepang Selangor Darul Ehsan	27	214,645	Leasehold 99 years (Expire in 2097)	1996	n/a	29,520
60	Factory land and building	PT 2620 & PT 2621 Lot 31 Seri Iskandar Technology Park Mukim Bota Daerah Perak Tengah 32600 Bota, Perak Darul Ridzuan	27	12,565	Leasehold 99 years (Expire in 2095)	1996	n/a	4,929

No.	Description	Location	Approximate Age (years)	Total Area (sq. metre)	Tenure	Year of Acquisition	Year of Last Valuation	Carrying Amount RM'000
61	Factory and office	Lot 4915 & Lot 4916 18 & 20, Jalan TTC 26 Taman Teknologi Cheng 75250 Melaka	3 - 10	15,468	Leasehold 99 years (Expire in 2096)	2013 - 2022	2021	9,782
62	Industrial Land	PN 67903 Lot 64267, Mukim Durian Tunggal Alor Gajah, Melaka	2	42,490	Leasehold 99 years (Expire in 2112)	2022	2022	15,656
63	Factory and office	Lot 4788-4789, Jalan TTC 29 Taman Perindustrian Cheng Taman Teknologi Cheng 75250 Melaka	14	3,916	Leasehold 99 years (Expire in 2096)	2009	2021	2,246
64	Factory and office	PN 47679 Lot 8821 5A, Jalan TTC 30 Taman Teknologi Cheng 75250 Melaka	5	4,993	Leasehold 99 years (Expire in 2096)	2018	2021	8,498
65	Industrial land	PN 50439 Lot 9422, Mukim Cheng Melaka Tengah, Melaka	2	2,496	Leasehold 99 years (Expire in 2096)	2022	2022	6,789
66	Industrial land	HS (D) 184075 PT 87914 Lot 10, Jalan P/10 Kawasan Perusahaan Seksyen 10 43650 Bandar Baru Bangi Selangor Darul Ehsan	31	27,008	Leasehold 99 years (Expire in 2098)	1992	2021	2,195
67	Land and buildings	HS (D) 184076 PT 87915 Lot 10, Jalan P/10 Kawasan Perusahaan Seksyen 10 43650 Bandar Baru Bangi Selangor Darul Ehsan	11 - 31	40,697	Leasehold 99 years (Expire in 2098)	1992	2021	55,671
68	Concession land	Namlear Wildlife Sanctuary Zone Mondulkiri Province Kingdom of Cambodia	10	6,420 hectares	Leasehold 50 years (Expire in 2063)	2013	n/a	12,906

n/a - not applicable

STATISTICS OF SHAREHOLDINGS
AS AT 29 MARCH 2024

Total Number of Issued Shares: 988,352,102 shares

Class of Shares : Ordinary shares

Voting Rights : One vote per ordinary share on a poll

ANALYSIS OF HOLDINGS

Size of Holding	No. of Holders	No. of Shares Held	% of Shareholdings
Less than 100	326	16,620	0.00
100 to 1,000	1,502	857,741	0.09
1,001 to 10,000	6,449	26,433,264	2.80
10,001 to 100,000	1,876	58,354,935	6.19
100,001 to less than 5% of issued shares	543	586,575,460	62.22
5% and above of issued shares	2	270,521,482	28.70
Total	**10,698**	**942,759,502^**	**100.00**

^ *Excludes 45,592,600 treasury shares retained by the Company as reflected in the Record of Depositors.*

TOP 30 SECURITIES ACCOUNT HOLDERS

No.	Name of Securities Account Holder	No. of Shares held	% of Total Issued Shares
1)	Rubber Thread Industries (M) Sdn Berhad	193,750,800	19.60
2)	Citigroup Nominees (Asing) Sdn Bhd *UBS AG Singapore for Keen Capital Investments Limited*	76,770,682	7.77
3)	Mega First Corporation Berhad *Share Buy-Back Account No. 1*	45,592,600	4.61
4)	Lembaga Tabung Haji	35,896,300	3.63
5)	Cartaban Nominees (Asing) Sdn Bhd *BBH and Co Boston for Fidelity Low-Priced Stock Fund (Prin AllSec Sub)*	32,943,659	3.33
6)	Perbadanan Pembangunan Ekonomi Sabah (SEDCO)	29,574,960	2.99
7)	Goh Nan Kioh	26,097,456	2.64
8)	PRT Capital Pte Ltd	23,211,200	2.35
9)	Kah Hin Loong Sdn Bhd	21,048,100	2.13
10)	Shoptra Jaya (M) Sdn Bhd	14,440,000	1.46
11)	Goh Nan Yang	12,594,754	1.27
12)	Grand Terrace Sdn Bhd	12,585,040	1.27
13)	Zulkifli bin Hussain	11,100,000	1.12
14)	Andrew Lim Cheong Seng	9,650,000	0.98
15)	Citigroup Nominees (Tempatan) Sdn Bhd *Employees Provident Fund Board*	9,416,413	0.95
16)	Cartaban Nominees (Asing) Sdn Bhd *Exempt An for State Street Bank & Trust Company (West CLT OD67)*	8,203,100	0.83
17)	Lanai Etika Sdn Bhd	7,708,800	0.78
18)	Citigroup Nominees (Asing) Sdn Bhd *Exempt An for Citibank New York (Norges Bank 19)*	6,802,470	0.69

No.	Name of Securities Account Holder	No. of Shares held	% of Total Issued Shares
19)	RHB Capital Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Susy Ding (CEB)*	6,521,600	0.66
20)	HLIB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Yeow See Yuen*	5,532,852	0.56
21)	Carbatan Nominees (Asing) Sdn Bhd *BBH and Co Boston for Fidelity Low – Priced Stock Commingledpool*	5,346,500	0.54
22)	Citigroup Nominees (Tempatan) Sdn Bhd *Employees Provident Fund Board (F Templeton)*	5,290,900	0.53
23)	Cartaban Nominees (Asing) Sdn Bhd *BBH (Lux) SCA for Fidelity Funds Asean*	5,205,100	0.53
24)	Cimsec Nominees (Tempatan) Sdn Bhd *CIMB for Khoo Teng Keat (PB)*	4,677,376	0.47
25)	RHB Nominees (Tempatan) Sdn BHd *Pledged Securities Account for Wong Yee Hui*	4,581,400	0.46
26)	HSBC Nominees (Tempatan) Sdn Bhd *HSBC (M) Trustee Bhd for AHAM Select Opportunity Fund*	4,526,400	0.46
27)	Cartaban Nominees (Asing) Sdn Bhd *The Bank of New York Mellon for* *Fidelity Puritan Trust – Fidelity Low-Priced Stock K6 Fund*	4,501,400	0.45
28)	Citigroup Nominees (Tempatan) Sdn Bhd *Employees Provident Fund Board (Islamic)*	4,442,687	0.45
29)	Citigroup Nominees (Tempatan) Sdn Bhd *Urusharta Jamaah Sdn Bhd (Aberdeen 2)*	4,145,800	0.42
30)	Affin Hwang Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Yeow See Yuen*	4,018,542	0.41
	Total	**636,176,891**	**64.34**

SUBSTANTIAL SHAREHOLDERS ACCORDING TO THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

		Direct Interest		Deemed Interest	
No.	**Name of Substantial Shareholder**	**Shares**	**% ^**	**Shares**	**% ^**
1)	Goh Nan Kioh	26,097,456	2.77	302,927,082 [(a)]	32.13
2)	Rubber Thread Industries (M) Sdn Berhad	193,750,800	20.55	7,708,800 [(b)]	0.82
3)	Keen Capital Investments Limited	76,770,682	8.14	201,459,600 [(c)]	21.37
4)	Camasia Limited	1,485,600	0.16	201,459,600 [(c)]	21.37
5)	Laju Riang Sdn Bhd	-	-	201,459,600 [(c)]	21.37
6)	Cam Property (Malaysia) Sdn Bhd	-	-	201,459,600 [(c)]	21.37

DIRECTORS' DIRECT AND DEEMED INTERESTS IN SHARES IN THE COMPANY

		Direct Interest		Deemed Interest	
No.	Director	Shares	% ^	Shares	% ^
1)	Goh Nan Kioh	26,097,456	2.77	302,927,082 [(a)]	32.13
2)	Goh Nan Yang	12,594,754	1.34	-	-
3)	Goh Mei Sze	2,000,000	0.21	-	-
4)	Khoo Teng Keat	4,677,376	0.50	-	-
5)	Yeow See Yuen	9,618,394	1.02	-	-
6)	Tay Kheng Chiong	786,462	0.08	-	-
7)	Datuk Hj. Pengiran Saifuddin bin Pengiran Tahir, JP	-	-	-	-
8)	Jesper Bjorn Madsen	500,000	0.05	-	-
9)	Dato' Setia Prof Dr Tan Hui Meng	966,600	0.10	2,367,200 [(d)]	0.25
10)	Datin Jeyanthini a/p M. Kannaperan	-	-	-	-
11)	Au Siew Loon	-	-	-	-
12)	Lui Soek Kuen	4,000	0.00	-	-
	Total	**57,245,042**	**6.07**	**305,294,282**	**32.38**

Notes:

^ *Based on 988,352,102 issued shares minus 45,592,600 treasury shares retained by the Company as reflected in the Record of Depositors.*

(a) Deemed interest by virtue of his interest in Rubber Thread Industries (M) Sdn Berhad, Lanai Etika Sdn Bhd, Keen Capital Investments Limited, PRT Capital Pte Ltd and Camasia Limited pursuant to Section 8 of the Companies Act, 2016 ("the Act").

(b) Deemed interest by virtue of its interest in Lanai Etika Sdn Bhd pursuant to Section 8 of the Act.

(c) Deemed interest by virtue of its interest in Rubber Thread Industries (M) Sdn Berhad and Lanai Etika Sdn Bhd pursuant to Section 8 of the Act.

(d) Deemed interest by virtue of his spouse's and children's shareholdings in the Company.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 58th Annual General Meeting ("AGM") of Mega First Corporation Berhad ("MFCB" or "the Company") will be conducted virtually at the following date, time and venue for the following purposes:-

Day and Date	:	Tuesday, 21 May 2024
Time	:	10.00 a.m.
Broadcast Venue	:	Conference Room, A-12-01, Level 12, Block A, PJ8, 23 Jalan Barat, Seksyen 8, 46050 Petaling Jaya, Selangor Darul Ehsan
Online Meeting Platform	:	Securities Services e-Portal at **https://sshsb.net.my/**

ORDINARY BUSINESS

1. To receive Audited Financial Statements for the year ended 31 December 2023 together with the Reports of the Directors and Auditors thereon. **(Please refer to Note B below)**

2. To approve the following payments to the Non-Executive Directors in respect of the financial year ending 31 December 2024, from 22 May 2024 until the next AGM of the Company:-
   a) Directors' fees of up to RM557,000 **(Ordinary Resolution 1)**
   b) Directors' meeting allowances of up to RM46,500 **(Ordinary Resolution 2)**

3. To re-elect the following Directors who retire by rotation pursuant to Clause 118 of the Company's Constitution and who being eligible, offer themselves for election:-
   a) Mr Goh Nan Kioh **(Ordinary Resolution 3)**
   b) Datuk Hj. Pengiran Saifuddin bin Pengiran Tahir **(Ordinary Resolution 4)**
   c) Ms Goh Mei Sze **(Ordinary Resolution 5)**

4. To re-elect Ms Lui Soek Kuen who is retiring pursuant to Clause 123 of the Company's Constitution and who being eligible, offer herself for re-election. **(Ordinary Resolution 6)**

5. To re-appoint Crowe Malaysia PLT as auditors of the Company for the financial year ending 31 December 2024 and to authorise the Board of Directors to determine their remuneration. **(Ordinary Resolution 7)**

Special Business

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

6. **Retention of Datuk Hj. Pengiran Saifuddin bin Pengiran Tahir as Independent Director** **(Ordinary Resolution 8)**

   "THAT Datuk Hj. Pengiran Saifuddin bin Pengiran Tahir who has served for a cumulative term of 9 years be and is hereby retained as Independent Director of the Company until the conclusion of the next AGM in accordance with the Malaysian Code on Corporate Governance."

7. **Authority to issue shares pursuant to Section 75 and 76 of the Companies Act, 2016** **(Ordinary Resolution 9)**

   "THAT, subject always to the Companies Act, 2016 ("the Act") and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered and authorised, pursuant to Section 75 and 76 of the Act, to issue shares in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person/persons or party/parties whomsoever the Directors may deem fit provided that the aggregate nominal value of shares to be issued during the preceding 12 months does not exceed ten (10) percent of the total number of shares in issue (excluding treasury shares) at the point of issuance of shares and that such authority shall continue in force until the conclusion of the next annual general meeting.

   THAT pursuant to Section 85 of the Act, read together with Clause 14 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares of the Company arising from any issuance of new shares pursuant to Section 75 and 76 of the Act."

8. **Renewal of Share Buy-Back Authority** **(Ordinary Resolution 10)**

   "THAT, subject always to the Companies Act, 2016 ("the Act"), rules, regulations and orders made pursuant to the Act, and the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("BMSB") and any applicable laws, rules, regulations and guidelines for the time being in force, the Directors of the Company be and are hereby authorised to:-

   i) purchase shares in the Company, at any time and upon such terms and conditions and for such purposes as the Directors may, in their discretion deem fit, provided that the aggregate number of shares bought pursuant to this resolution does not exceed ten percent of the total number of shares as quoted on BMSB at the point of purchase and the total funds allocated shall not exceed the total retained earnings of the Company which would otherwise be available for dividends;

   ii) retain the shares so purchased as treasury shares or cancel them or retain part of the shares so purchased as treasury shares and cancel the remainder or to resell the shares or to distribute the shares as dividend, and in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the MMLR of BMSB and any other relevant authority for the time being in force; and

   iii) take all such steps as are necessary or expedient to implement or to effect the purchase of the shares,

   AND THAT the authority conferred by this resolution shall commence immediately and continue to be in force until the conclusion of the next annual general meeting of the Company, unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in general meeting or upon the expiration of the period within which the next annual general meeting is required by law to be held, whichever occurs first."

9. To transact any other business that may be transacted at an annual general meeting, due notice of which shall have been previously given in accordance with the Companies Act, 2016 and the Company's Constitution.

By Order of the Board
MEGA FIRST CORPORATION BERHAD
Foo Wen Yunn
Secretary
SSM PC No. 202308000796 (MAICSA 7057965)

Petaling Jaya
23 April 2024

A) ENTITLEMENT OF ATTENDANCE AND APPOINTMENT OF PROXY

(1) *The 58th AGM of the Company will be conducted virtually through live streaming and online remote voting via the RPV Facilities which are available at* ***https://sshsb.net.my/****.*

(2) *Please read and follow the procedures as set out in the Administrative Guide for the AGM which can be viewed and downloaded from the website of the Company at* **http://www.mega-first.com** *in order to register, participate and vote remotely via the RPV facilities.*

(3) *The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 which requires the Chairperson of the meeting to be present at the main venue of the meeting. Shareholders/ Proxies/Corporate Representatives WILL NOT BE ALLOWED to attend the AGM in person at the Broadcast Venue on the day of the meeting.*

(4) *In respect of deposited securities, only members whose names appear in the Record of Depositors as at 14 May 2024 shall be entitled to attend the 58th Annual General Meeting or to appoint proxies to attend on their behalf.*

(5) *A member of the Company entitled to attend and vote at the AGM is entitled to appoint a proxy or proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.*

(6) *In the case of a corporate member, the instrument appointing a proxy or proxies shall be (a) under its common seal; or (b) under the hand of its attorney, and in the case of (b), be supported by a certified true copy of the resolution appointing such officer or certified true copy of the power of attorney.*

(7) *A member shall, subject to paragraph (8) below, be entitled to appoint no more than 2 proxies to attend and vote at the AGM. Where a member appoints 2 proxies to attend and vote at the AGM, such appointment shall not be valid unless the member specifies the proportion of his/her shareholding to be represented by each proxy.*

(8) *Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which holds MFCB Shares for multiple beneficial owners in 1 securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. Where a member of the Company is an authorised nominee as defined under the SICDA, it may appoint at least 1 proxy in respect of each securities account it holds with MFCB Shares standing to the credit of the said securities account.*

(9) *The instrument appointing a proxy may be made in hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or at any adjournment thereof:*

In hard copy form

In the case of an appointment is made in hard copy form, the Form of Proxy must be deposited at the registered office of the Company situated at A-12-01, Level 12, Block A, PJ8, 23 Jalan Barat, Seksyen 8, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

By electronic means

In the case of an appointment is made by electronic means, the Form of Proxy must be electronically deposited at ***https://sshsb.net.my/****. Please refer to the procedure as stated in the Administrative Guide for the AGM.*

B) AUDITED FINANCIAL STATEMENTS

The agenda is meant for discussion as the provisions of the Companies Act, 2016 do not require a formal approval of the shareholders on the audited financial statements. Hence, the matter will not be put for voting.

EXPLANATORY NOTES TO ORDINARY AND SPECIAL BUSINESS

1) Non-Executive Directors' Fees and Meeting Allowances

Shareholders' approval is being sought under Resolution 1 and 2 for the payment of the Directors' fees and meeting allowances to Non-Executive Directors, including one potential new Director in respect of the financial year ending 31 December 2024, from 22 May 2024 up till the next AGM of the Company.

The Non-Executive Directors of the Company are entitled to annual Directors' Fees and meeting allowances based on the following structure :

No.	Description	Chairman (RM)	Member (RM)
	Directors' Fees		
1.	Board	Nil	55,000
2.	Audit Committee	20,000	12,000
3.	Remuneration Committee	Nil	2,000
4.	Nominating Committee	Nil	2,000
5.	ESOS Committee	Nil	2,000
	Meeting Allowances	n/a	500 per meeting

2) Re-election of Directors

Clause 118 of the Company's Constitution provides that at every annual general meeting, one-third (1/3) of the Directors are subject to retirement by rotation such that each Director shall retire from office once in every three (3) year. Mr Goh Nan Kioh, Datuk Hj. Pengiran Saifuddin bin Pengiran Tahir and Ms Goh Mei Sze are subject to retirement by rotation and eligible for re-election at this AGM. All of them, being eligible, have offered themselves for re-election at this AGM.

The Nominating Committee had assessed the retiring Directors based on the annual assessment and evaluation of the Board, Board Committees and Independent Directors and peers evaluation for financial year 2023 as well as the Fit and Proper Policy. The Board and the Nomination Committee are satisfied that the performance of each of the retiring Directors have met the performance criteria required of an effective and high performance Board and the Board's expectations by continuously discharging their duties diligently as Directors of the Company.

3) Re-election of Director (casual vacancy)

Clause 123 of the Company's Constitution stipulates that a newly appointed Director, either to fill a casual vacancy or as an additional Director, shall hold office only until the next following annual general meeting and shall then be eligible for re-election. Ms Lui Soek Kuen was appointed during the year, being eligible, has offered herself for re-election at this AGM.

The Nominating Committee had assessed Ms Lui Soek Kuen based on the annual assessment and evaluation of the Board, Board Committees and Independent Directors and peers evaluation for financial year 2023 as well as the Fit and Proper Policy. The Board and the Nomination Committee are satisfied that the performance of Ms Lui Soek Kuen has met the performance criteria required of an effective and high performance Board and the Board's expectations by continuously discharging their duties diligently as Director of the Company.

4) Retention of Datuk Hj. Pengiran Saifuddin bin Pengiran Tahir as Independent Director

Datuk Hj. Pengiran Saifuddin bin Pengiran Tahir has served the Company as Independent Director for 9 years. The Board of Directors, vide the Nominating Committee has assessed the independence of Datuk Hj. Pengiran Saifuddin bin Pengiran Tahir.

The Nominating Committee and the Board are satisfied that Datuk Hj. Pengiran Saifuddin bin Pengiran Tahir remains unbiased, objective and independent in expressing his opinions and in participating in the decision making of the Board. He possesses tremendous insights and in-depth knowledge of the Company's business and affairs. The length of his services on the Board has not in any way interfered with his objective and independent judgment in carrying out his role as a member of the Board and relevant Committees. With his skills and vast experience in management, Datuk Hj. Pengiran Saifuddin bin Pengiran Tahir would be able to contribute during deliberations or discussions of the Board and Board Committees. He has also devoted sufficient attention to his responsibilities as an Independent Director and in carrying out his duty in the best interest of the Company and its shareholders. The Board believes that Datuk Hj. Pengiran Saifuddin bin Pengiran Tahir should be retained as Independent Director. The Board therefore recommends for shareholders' approval to retain Datuk Hj. Pengiran Saifuddin bin Pengiran Tahir as Independent Director.

5) Re-appointment of Auditors

The Audit Committee has assessed the suitability, effectiveness and independence of Crowe Malaysia PLT from the annual assessment and was satisfied with their independence and performance, The Audit Committee had recommended the re-appointment of Crowe Malaysia PLT as Auditors of the Company for the financial year ending 31 December 2024 to the Board for their recommendation to the shareholders for re-appointment at this AGM.

The Board, at the recommendation of the Audit Committee, endorsed the re-appointment of Crowe Malaysia PLT as Auditors of the Company for the financial year ending 31 December 2024.

6) Authority to issue shares pursuant to Section 75 and 76 of the Companies Act, 2016

Ordinary Resolution 9 if passed, will empower the Directors to issue new shares up to 10% of the issued share capital (excluding treasury shares) of the Company at the time of issuance, for purposes of funding future investment projects, working capital, acquisitions and so forth. The approval is a renewed general mandate and is sought to provide flexibility and avoid any delay and cost in convening a general meeting for such issuance of shares for fund raising activities, including placement of shares. The authorisation, unless revoked or varied by the Company at a general meeting, will expire at the next AGM. The Company has not issued any new shares under the general authority given at the last AGM.

7) Renewal of Share Buy-Back Authority

Ordinary Resolution 10 if passed, will give the Company the authority to purchase its own ordinary shares of up to 10% of the total number of shares as quoted on Bursa Malaysia Securities Berhad at the point of purchase ("Share Buy-Back"). This authority, unless renewed or revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM after that date is required by law to be held, whichever occurs first.

For further information, please refer to the Share Buy-back Statement.

Statement Accompanying Notice of Annual General Meeting

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

The profiles of the Directors who are standing for re-election under Agenda 3 and 4 of the Notice of AGM are found on the Profile of Directors section of this Annual Report 2023.

DIRECTORY

MEGA FIRST CORPORATION BERHAD

Address	A-12-01, Level 12, Block A, PJ8, No. 23 Jalan Barat, Seksyen 8, 46050 Petaling Jaya, Selangor Darul Ehsan.
Email Address	**mfcb@mega-first.com**
Telephone No.	+603-7960 8818
Facsimile No.	+603-7960 7818
Person-to-Contact	Mr. Khoo Teng Keat

DON SAHONG POWER COMPANY LTD.

Address	Lao-Thai Friendship Avenue, 374/15, Vat Nak Village, Sisattanak District, Vientiane, Lao PDR.
Email Address	**contact@dshpp.com**
Telephone No.	+856-2135 3532
Facsimile No.	+856-2135 3532
Person-to-Contact	Mr. Khoo Teng Keat

MEGA FIRST POWER INDUSTRIES SDN BHD
MEGA FIRST C&I SOLAR SDN BHD
MFP SOLAR SDN BHD

Address	A-12-01, Level 12, Block A, PJ8, No. 23 Jalan Barat, Seksyen 8, 46050 Petaling Jaya, Selangor Darul Ehsan.
Email Address	**enquiry@mfpsolar.com**
Telephone No.	+603-7960 8818
Facsimile No.	+603-7960 7818
Person-to-Contact	Mr. Goh Chin San

HEXACHASE PACKAGING SDN BHD

Address 1	Lot 4788 & 4789, Jalan TTC 29, Taman Teknologi Cheng, 75250 Melaka.
Address 2	No. 5A, Jalan TTC 30, Taman Teknologi Cheng, 75250 Melaka.
Email Address	**hcsb@hexachase.com**
Telephone No.	+606-337 1201 / +606-337 1202
Facsimile No.	+606-337 1200
Person-to-Contact	Mr. Deric Sim

ROCK CHEMICAL INDUSTRIES (MALAYSIA) SDN BERHAD
RCI LIME SDN BHD

Address	Lot 45157 & 45158, Gunung Panjang, 31600 Gopeng, Perak Darul Ridzuan.
Email Address	**info@rci.com.my**
Telephone No.	+605-359 3188
Facsimile No.	+605-359 3228
Person-to-Contact	Mr. John Chu

ANTING SENDIRIAN BERHAD

Address	Lot 15588, Mukim Sungai Raya, 31300 Simpang Pulai, Ipoh, Perak Darul Ridzuan.
Email Address	**antingsb@hotmail.com**
Telephone No.	+605-357 4105
Facsimile No.	+605-357 6472
Person-to-Contact	Mr. John Chu

SYARIKAT CHENG SUN QUARRY SDN BHD

Address	Lot 67887, Mukim Sg. Raia, 31300 Keramat Pulai, Perak Darul Ridzuan.
Email Address	**csquarry@yahoo.com.my**
Telephone No.	+605-357 1502 / +605-357 1503 / +605-357 1505
Facsimile No.	+605-357 1504
Person-to-Contact	Mr. John Chu

STENTA FILMS (MALAYSIA) SENDIRIAN BERHAD
STENTA MULTIFILMS SDN BHD

Address	Lot No. 10, Jalan P/10, Kawasan Perusahaan Seksyen 10, 43650 Bandar Baru Bangi, Selangor Darul Ehsan.
Email Address	**enquiries@stentafilms.com**
Telephone No.	+603-8924 3388
Facsimile No.	+603-8925 3907 / +603-8925 3157
Person-to-Contact	Dato' Wong Kok Hwa

HEXACHASE FLEXIPACK SDN BHD

Address	No. 18 & 20, Jalan TTC 26, Taman Teknologi Cheng, 75250 Melaka.
Email Address	**hcsb@hexachase.com**
Telephone No.	+606-335 7461 / +606-335 7472
Facsimile No.	+606-335 7429
Person-to-Contact	Mr. Danny Yeo

HEXACHASE LABELS SDN BHD

Address	No. 18 & 20, Jalan TTC 26, Taman Teknologi Cheng, 75250 Melaka.
Email Address	**hcsb@hexachase.com**
Telephone No.	+606-335 7461 / +606-335 7472
Facsimile No.	+606-335 7429
Person-to-Contact	Mr. Danny Yeo

BLOXWICH (MALAYSIA) SDN BHD

Address	Lot 31, Seri Iskandar Technology Park, Mukim Bota, Daerah Perak Tengah, 32600 Bota, Perak Darul Ridzuan.
Email Address	**admin@bloxwich.com.my**
Telephone No.	+605-371 1516 / +605-371 2859
Facsimile No.	+605-371 1520
Person-to-Contact	Mr. Ong Hock Kheng

MEGA FIRST HOUSING DEVELOPMENT SDN BHD
GOMBAK LAND SDN BHD
IDAMAN HARMONI SDN BHD
PAYA EMAS SDN BHD

Address	A-12-01, Level 12, Block A, PJ8, No. 23 Jalan Barat, Seksyen 8, 46050 Petaling Jaya, Selangor Darul Ehsan.
Email Address	**mfcb.property@mega-first.com**
Telephone No.	+603-7960 8818
Facsimile No.	+603-7960 7818
Person-to-Contact	Mr. Khoo Teng Keat

GREENTOWN PARKING SDN BHD

Address	No. 15A Persiaran Greentown 4A, Greentown Avenue, 30450 Ipoh, Perak Darul Ridzuan.
Email Address	**mfcb.property@mega-first.com**
Telephone No.	+605-243 3092
Facsimile No.	+605-243 3094
Person-to-Contact	Mr. Khoo Teng Keat

No. of MFCB shares held:
CDS Account Number:

MFCB

MEGA FIRST CORPORATION BERHAD
Reg. No. 196601000210 (6682-V)
(Incorporated in Malaysia)

FORM OF PROXY

(To be completed in block letters)

I/We ____
(Full Name as per NRIC/Certificate of Incorporation in block letters)

Registration No. / NRIC No. / Passport No. ______________________________

of ____
(Full address/Tel No.)

being a member of MEGA FIRST CORPORATION BERHAD ("the Company") hereby appoint:

Full Name (in Block Letters)	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of MFCB Shares	**%**
Address:			
Email Address:			
Tel No:			

AND / OR

Full Name (in Block Letters)	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of MFCB Shares	**%**
Address:			
Email Address:			
Tel No:			

or failing him/her, the Chairman of the meeting as my/our proxy/proxies to attend and, on a poll, to vote for me/us on my/our behalf at the 58th Annual General Meeting of the Company, to be conducted virtually from the broadcast venue at Conference Room, A-12-01, Level 12, Block A, PJ8, 23 Jalan Barat, Seksyen 8, 46050 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 21 May 2024 at 10:00 a.m. and at any adjournment thereof, in the manner indicated below:

RESOLUTIONS		For	Against	Abstain
1.	Payment of Directors' Fees of up to RM557,000.			
2.	Payment of Directors' Meetings Allowances of up to RM46,500.			
3.	Re-elect Mr Goh Nan Kioh as Director.			
4.	Re-elect Datuk Hj. Pengiran Saifuddin bin Pengiran Tahir as Director.			
5.	Re-elect Ms Goh Mei Sze as Director.			
6.	Re-elect Ms Lui Soek Kuen as Director.			
7.	Re-appoint Crowe Malaysia PLT as auditors and authorise the Board of Directors to fix their remuneration.			
8.	Retention of Datuk Hj. Pengiran Saifuddin bin Pengiran Tahir as Independent Director.			
9.	Authority to issue shares pursuant to Section 75 and 76 of the Companies Act 2016.			
10.	Renewal of Share Buy-Back Authority.			

(Please indicate with an (X) in the space provided as to how you wish your vote to be cast. If no indication is given, my/our proxy shall vote or abstain as he/she thinks fit).

Date:
Contact Number:

____
Signature/Common Seal of Shareholder

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NOTES:

(1) Depositors whose names appear in the Record of Depositors as at 14 May 2024 shall be regarded as members of the Company entitled to attend the AGM or to appoint proxies to attend on their behalf.

(2) A member of the Company entitled to attend and vote at the AGM is entitled to appoint a proxy or proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

(3) In the case of a corporate member, the instrument appointing a proxy or proxies shall be (a) under its common seal; or (b) under the hand of its attorney, and in the case of (b), be supported by a certified true copy of the resolution appointing such officer or certified true copy of the power of attorney.

(4) A member shall, subject to paragraph (5) below, be entitled to appoint no more than 2 proxies to attend and vote at the AGM. Where a member appoints 2 proxies to attend and vote at the AGM, such appointment shall not be valid unless the member specifies the proportion of his/her shareholding to be represented by each proxy.

*(5) Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("**SICDA**") which holds MFCB Shares for multiple beneficial owners in 1 securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. Where a member of the Company is an authorised nominee as defined under the SICDA, it may appoint at least 1 proxy in respect of each securities account it holds with MFCB Shares standing to the credit of the said securities account.*

(6) The instrument appointing a proxy may be made in hard copy form or by electronic means in the following manner and must be received by the Company not less than Forty-Eight (48) hours before the time appointed for holding the AGM or at any adjournment thereof:

In hard copy form

In the case of an appointment is made in hard copy form, the Form of Proxy must be deposited at the registered office of the Company situated at A-12-01, Level 12, Block A, PJ8, 23 Jalan Barat, Seksyen 8, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

By electronic means

*In the case of an appointment is made by electronic means, the Form of Proxy must be electronically deposited at **https://sshsb.net.my/**. Please refer to the procedures as stated in the Administrative Guide for the AGM.*

Please fold here

Affix
Postage
Stamp

The Company Secretary
MEGA FIRST CORPORATION BERHAD
A-12-01 Level 12 Block A PJ8
No. 23 Jalan Barat
Sekyen 8
46500 Petaling Jaya
Selangor Darul Ehsan
Malaysia

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MEGA FIRST CORPORATION BERHAD
Reg. No. 196601000210 (6682-V)

A-12-01, Level 12, Block A, PJ8
23 Jalan Barat, Seksyen 8
46050 Petaling Jaya

Tel: +603-7960 8818
Fax: +603-7960 7818
E-mail: **mfcb@mega-first.com**