MFCB

MEGA FIRST CORPORATION BERHAD

Reg. No. 196601000210 (6682-V)

INTEGRATED ANNUAL REPORT 2024

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BASIS OF THIS REPORT

INTRODUCTION

Mega First Corporation Berhad (MFCB) is pleased to present its very first Integrated Annual Report (IAR) for the financial year ended 31 December 2024. This IAR aims to provide our stakeholders a comprehensive and transparent overview of our business, highlighting the progress of our strategies, governance, performance and future outlook, along with the integration of sustainable practices into our operations within the context of generating value in the short-, medium- and long-term.

SCOPE AND BOUNDARIES

This report covers the Group's financial and non-financial performance for the period 1 January 2024 to 31 December 2024. The scope of our report includes subsidiaries business operations, both in Malaysia and internationally. We discuss the effects of internal and external factors on our business performance, material developments, as well as the risks and opportunities that may impact our operations.

REPORTING FRAMEWORK & GUIDELINES

In line with established best practices, we are guided by national and international standards and frameworks to ensure that our report is reliable, comprehensive and consistent. We have adopted some of the elements and principles of the International Integrated Report Framework as part of our first Integrated Annual Report, acknowledging that preparing a full-fledged Integrated Report will be a multi-year journey.

We also adhere to the prescribed guidelines and standards of the Malaysian Code on Corporate Governance (MCCG), the Bursa Malaysia Main Market Listing Requirements (MMLR), the Companies Act 2016 and the Malaysian Financial Reporting Standards.

With regards to sustainability, we are guided by the Global Reporting Initiative (GRI) Universal Standards (2021), Bursa Malaysia's Sustainability Report Guide (3rd Edition), United Nations Sustainable Development Goals and the FTSE ESG Indicators.

MATERIALITY

We address the material matters impacting our businesses, in addition to the identified risks and opportunities. The matters discussed in this report are those that could significantly impact our ability to generate value in the short-, medium- and long-term. Additionally, the report discusses the Group's outlook and the steps taken to manage these issues.

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements that may describe our future plans, strategies, goals and performance. The forward-looking statements are subject to various known and unknown risks, uncertainties and factors that could cause actual outcomes, performance, or achievements to differ significantly from those expressed or implied. These statements are based on a range of assumptions related to our current and future business strategies and the operating environments we may encounter without guaranteeing the outcomes. Such statements can be identified by the usage of words such as “may”, “will”, “would”, “could”, “believe”, “expect”, “anticipate”, “intend”, “estimate”, “aim”, “plan”, “forecast” or similar expressions. The use of these terms should not be taken as a representation or guarantee on our part that these plans and objectives will be accomplished.

ASSURANCE

This Report follows stringent internal controls and governance standards, with its release approved by our Board of Directors. We recognise that independent assurance is essential to ensuring the accuracy and transparency of the data presented. To this end, the reliability of the Report is further reinforced by our independent external auditor, Messrs Crowe Malaysia PLT. Messrs Crowe Malaysia PLT who audited the Financial Statements, also considered other financial data and certain non-financial information disclosed in the IAR 2024 which is consistent with the Financial Statements and to their knowledge obtained during the course of audit. In addition, our Internal Audit team reviewed selected disclosures, as detailed in the following paragraph.

To enhance the credibility of our sustainability efforts, selected performance metrics under six sustainability matters have been subjected to an internal review by the Group's Internal Audit function and has been approved by the Board's Audit Committee. These sustainability matters included Water, Anti-corruption, Community/Society, Health and Safety, Supply Chain Management and Data Privacy and Security. We aim to expand the scope of internal audit review in the next reporting year.

FEEDBACK

Your feedback and comments on this report are highly valued. For inquiries or additional feedback, please contact our Investor Relations team at: **ir@mega-first.com**

OUR CORE BUSINESS DIVISIONS

RENEWABLE ENERGY DIVISION

HYDROPOWER

MFCB is the owner of 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 15% effective stake of DSPC from EDL-Generation Public Company, providing MFCB with 95% effective equity interest in the project. The DSHP comprises a 325 MW run-of-river hydropower plant, a 1 MWp solar installation, embankments, a switchyard, operator village and other ancillary facilities. The hydropower facility consists of five 65 MW turbines in two powerhouses located on the Sahong Channel, one of seven Mekong River anabranch channels which cross the Khone Falls. The first four turbines were completed at the end of 2019, while the fifth turbine was completed in mid 2024.

The project utilises a natural fall of about 20 metres over the 5 km reach of the Sahong Channel to generate about 2,300 GWh per year of renewable energy, which is mainly exported to Cambodia.

SOLAR POWER

MFCB's involvement in the solar photovoltaic (PV) investments is mainly through MFP Solar Sdn. Bhd. (MFP Solar), a 55% subsidiary of MFCB. MFP Solar focuses on the development of 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. As of end-2024, MFCB Group has installed C&I capacity amounting to 31.3 MW for energy sale and an additional 63.2 MW capacity to be constructed in Malaysia and Maldives. Upon completion of these projects, our cumulative solar portfolio will reach a total capacity of 94.5 MW for future energy income.

On a separate note, a number of the Group's operations have installed solar PV systems with total installed capacity of 3.741 MWp to increase the proportion of the Group's energy usage to renewable energy to minimise CO_2 emission.

PACKAGING DIVISION

MFCB's Packaging Division activities are mainly undertaken by two subsidiary groups led by Hexachase Corporation Sdn. Bhd. (Hexachase Group) and Stenta Films (Malaysia) Sendirian Berhad (Stenta). Collectively, the Division produces an extensive product line ranging from high-quality printed labels and stickers to paper bag products and laminated flexible packaging materials. These products are used in industries like food and beverages, FMCG, electronics and retail in over 20 countries globally.

Stenta is one of the leading flexible packaging film manufacturers of Biaxially Oriented Polypropylene films (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.

Located in Bandar Baru Bangi, Selangor, Malaysia, Stenta exports its products throughout Asia, the Middle East, Africa, South America and Europe, and also acts as one of Hexachase Flexipack's suppliers. Stenta recently completed the construction of a new factory in December 2024 under the first phase of its expansion plan, which has added new machines to produce LLDPE films. With this expansion, Stenta has a production capacity of about 35,000 tonnes per annum.

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).

Hexachase Group is located in Malacca, Malaysia. Hexachase Packaging has a total production capacity of 30,600 tonnes per annum, which includes the 510 tonnes of capacity added following the installation of three high-speed machines that produce self-opening system (SOS) packaging. The completion of a double-storey warehouse in November 2023 has also enabled Hexachase Packaging to cater for up to 1,200 pellets of finished goods. Its total warehouse space is now 12,700 sq ft.

Hexachase Flexipack has also expanded its operations with the completion of a new production site that has added 138,000 sq ft to the current existing space of 105,000 sq ft. This new facility was completed in the fourth quarter of 2024 with startup in 2025. The expansion is expected to boost production capacity from 10,000 tonnes to 20,000 tonnes per annum. Meanwhile, Hexachase Labels has been producing high-quality labels to a variety of industries since 1996.

RESOURCES DIVISION

MFCB's Resources Division comprises three subsidiary groups led by 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.

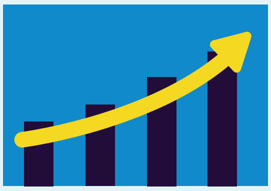
The Resource Division's activities are primarily carried out by the key subsidiary of RCI, namely RCI Lime Sdn Bhd (RCIL). RCIL supplies lime products both domestically and globally. We export about two-thirds of our production volume to many reputable clients across the Asia Pacific region, making it one of the leading lime manufacturers in Asia.

RCI (via its subsidiaries) owns multiple limestone reserves across various locations and operates multiple advanced lime kilns with fully integrated facilities, ensuring consistent and sustainable supply to customers.

Our competitive advantage includes ownership of a large limestone reserves estimated to be sufficient for more than 75 years of supply at the current pace of extraction. Following the completion of a major expansion in 2018, our installed kiln capacity more than doubled to almost 2,000 tonnes per day. This makes us the largest commercial quicklime producer in Malaysia for a product that is essential for many industries.

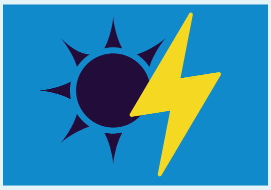
Cheng Sun (via its subsidiary – Syarikat Cheng Sun Quarry Sdn Bhd) is involved in the quarrying of limestone for processing into fine calcium carbonate powder. Cheng Sun's plant and factory located in Keramat Pulai, near Ipoh. This product is used as a filler in the paint, plastic and rubber industries.

FINANCIAL AND BUSINESS HIGHLIGHTS



Solid Revenue Growth:
RM1.36 billion
(increase of 9.0%)

Renewable Energy:
Generated about 2,300 GWh of hydro and solar power (avoiding 554,405 tCO_2e and selling over 48,000 RECs)



Solar Capacity:
Increased to 31.3 MWp, with 63.2 MWp under development in Malaysia and the Maldives

Hydro Capacity:
Increased to 325 MW with the commissioning of a 5th turbine at Don Sahong Hydropower Plant (DSHP)

Long-term Value Creation:
Signed new 25-year concession and power purchase agreements for DSHP, enhancing long-term earnings

Portfolio Expansion:
Acquired CSC, a new group of subsidiaries with 40% effective equity interest, adding more than 1,100 acres of farmland to support food security

CORPORATE INFORMATION

BOARD OF DIRECTORS

EXECUTIVE CHAIRMAN

Goh Nan Kioh

NON-INDEPENDENT NON-EXECUTIVE DEPUTY CHAIRMAN

Tay Kheng Chiong

EXECUTIVE DIRECTORS

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

www.mega-first.com

GROUP STRUCTURE

MFCB

RENEWABLE ENERGY DIVISION

- **95%** Don Sahong Power Company Ltd
- **55%** MFP Solar Sdn Bhd
- **100%** MF Solar Tronoh Sdn Bhd
- **99%** Mega First Solar (Maldives) Consortium Pvt Ltd
- Other Subsidiaries

PACKAGING DIVISION

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

RESOURCES DIVISION

- **100%** RCI Lime Sdn Bhd
- **99.6%** Syarikat Cheng Sun Quarry Sdn Bhd
- **100%** Anting Sendirian Berhad
- Other Subsidiaries

INVESTMENT HOLDING & OTHERS

FOOD SECURITY

- **40%** Chin Sam Chiap Sdn Bhd
- **40%** Chin Sam Chiap Pte Ltd
- **40%** Chin Sam Chiap Plantation Sdn Bhd
- **40%** HF Agriculture Sdn Bhd
- **40%** CSC Integrated Herbal Farm Sdn Bhd
- **100%** Mega First Green Harvest (Cambodia) Co., Ltd
- **100%** Mega First Plantation (Cambodia) Limited
- Other Subsidiaries

PROPERTY

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

OTHER BUSINESSES

- **100%** Bloxwich (Malaysia) Sdn Bhd
- **100%** TT Kinta Sdn Bhd
- **51%** Setia Alam Medical Centre Sdn Bhd
- Other Subsidiaries

JOINT VENTURES

- **50%** Edenor Technology Sdn Bhd
- Other Joint Venture

ASSOCIATES

- **30.0%** Apex Power Industry Sdn Bhd
- **28.8%** Integrated Smart Technologies Sdn Bhd
- Other Associates

EXECUTIVE CHAIRMAN STATEMENT

Dear Valued Stakeholders,

On behalf of the Board of Directors, I am pleased to present Mega First Corporation Berhad's Integrated Annual Report for the financial year ended 31 December 2024 (FY2024).

FY2024 was marked by a dynamic and ever evolving global economic landscape, shaped by heightened geopolitical tensions, fluctuating commodity prices, currency volatility, lower consumer demand and heightened competition. Despite these external pressures, I am pleased to share that MFCB has demonstrated resilience and agility, leveraging on its strong management experience and diversified portfolio of businesses to maintain a solid financial performance.

KEY HIGHLIGHTS OF FY2024

The Group made some notable achievements during the year including:

i) The acquisition of CSC Agriculture Holdings Sdn Bhd

On 28 May 2024, Mega First Agrotech Sdn Bhd, a wholly owned subsidiary of MFCB, successfully completed the acquisition of a new subsidiaries group, CSC Agriculture Holdings Sdn Bhd and its subsidiaries (CSC) with 40% effective equity stake following execution of a Share Subscription Agreement with CSC and its existing shareholders.

CSC is principally engaged in fruits and vegetables farming and wholesaling, managing over 1,100 acres of farmland in the states of Johor and Pahang. With more than 600 acres under active development, including modern greenhouses for clean leafy vegetables, CSC is well-positioned to contribute and support Malaysia's national food security agenda.

The utilisation of modern greenhouse technology will enhance productivity, combat the effects of climate change and optimise water and land use while ensuring a stable supply of affordable high quality food for all Malaysians.

ii) Execution of Supplemental Concession Agreement (SCA) and Supplemental Power Purchase Agreement (SPPA)

Following the successful commercial operation of the fifth turbine in July 2024, MFCB's 95% owned subsidiary, Don Sahong Power Company Ltd (DSPC) had in December 2024, signed a SCA with the Government of Lao PDR (GOL) and the SPPA with Electricité Du Laos (EDL) for the entire 325 MW Don Sahong Hydropower Project.

As part of the SCA:

i) The new 25-year concession period started on 1 January 2025 and will run until 31 December 2049.

ii) DPSC agreed to pay USD82.5 million upfront to the GOL for the right to use water for hydropower generation from 1 January 2024 to 31 December 2049, replacing most of the annual royalty payment.

iii) The tax exemption on DSPC's taxable income will be extended by three months to 31 December 2025. A lower tax rate applies from 2026 to 2029, before reverting to 24% in 2030.

As part of the SPPA:

i) The SPPA term was revised to align to the new concession period, from 1 January 2025 to 31 December 2049.

ii) During the dry season from November to May each year, EDL shall pay for all energy availability on a take or pay basis. During the wet season from June to October, EDL shall take or pay for all energy availability up to 955 GWh. For energy availability above 955 GWh, EDL shall take and pay.

iii) The levelised tariff remains at 6.15 US cents, but the tariff will start at 6 cents from 2025, gradually increasing to 6.20 US cents from 2029 until the end of the concession.

The terms of the SCA and SPPA are expected to enhance the Group's net assets and earnings in the future, further reinforcing MFCB's long-term commitment to sustainable and renewable energy production.

iii) Kicked off the execution of two large scale solar projects

These two projects mainly include:

a) 51.0 MWp solar farm project in Malaysia under the Corporate Green Power Programme by the Energy Commission; and

b) A 11.4 MWp solar farm project with a state utility company in the Republic of Maldives.

Both the projects are expected to be completed in 2025.

DELIVERING FINANCIAL RESULTS

In FY2024, the Group achieved a recurring annual turnover growth of 9% (excluding construction revenue), reaching RM1.36 billion (FY2023: RM1.25 billion, excluding sales from Tawau fuel-powered plant disposed in May 2023). The Group's normalised pre-tax profit (excluding contributions from associates and joint ventures, construction profits and non-operating items) increased 5.7% to RM513.6 million (FY2023: RM485.6 million), underscoring strong performance across the Group's core businesses. Normalised profit after tax and non-controlling interest increased by 25.3% to RM480.8 million (FY2023: RM383.8 million) highlighting the positive impact of acquiring an additional 15% effective equity interest in DSPC and robust growth in core earnings.

For more detailed information on the Group's financial performance, please refer to our Management Discussion and Analysis on page 20.

I am pleased to announce that the total dividend payout for FY2024 was increased to 9.0 sen per share (FY2023: 8.25 sen), reinforcing the Board's commitment to delivering sustainable shareholder value while maintaining a balanced approach between shareholder returns and reinvestment for future growth.

DELIVERING SUSTAINABLE VALUE

MFCB remains committed to strengthening its financial position through prudent operations and financial management while actively exploring growth opportunities to create long-term stakeholder value.

Our strategic focus largely remains on the renewable energy division, where we have strong track record and experience in generating a stable, recurring income stream. We are always on the lookout for new projects. However, we will maintain a disciplined investment approach, ensuring that all potential projects meet our stringent risk and return criteria. At the present time, we are exploring new solar development opportunities under the National Energy Transition Roadmap (NETR) launched in August 2023. This includes two newly announced programmes: the Battery Energy Storage Scheme (BESS) and the Corporate Renewable Energy Supply Scheme (CRESS).

Beyond renewable energy, we are also dedicated to supporting and nurturing the existing businesses within our Group, given that all of them are strategically positioned in industries that align with future market needs and trends.

DRIVING SUSTAINABILITY MOMENTUM

Sustainability remains a key pillar of our long-term strategy, and this year, we have made significant strides in embedding sustainable practices across our operations. A major milestone has been the expansion of our sustainability reporting coverage to include all divisions across the Group, ensuring greater transparency, accountability and consistency in our approach. We have also introduced divisional sustainability targets that align with the Group's overarching objectives, creating a clear roadmap for progress and impact at every level of the organisation. This structured approach brings us one step closer to turning our sustainability ambitions into measurable outcomes.

We recognise that sustainability is an ongoing journey and we remain steadfast in our commitment to continuously promote resource efficiency and biodiversity conservation, investing in our people and the communities we operate in and upholding the high ethical and governance standards. Through these efforts, we aim to build a more resilient and sustainable future for all.

UPHOLDING GOOD GOVERNANCE

MFCB is committed to upholding the highest standards of corporate governance, recognising its importance to the Group's long-term success. Our governance framework is designed to ensure transparency, accountability and ethical business practices across all levels of the organisation. In 2024, we continued to strengthen our governance practices by enhancing our risk management processes, ensuring compliance with regulatory requirements and fostering a culture of integrity. We believe that strong governance and ethical behaviour is the foundation of sustainable growth and a key factor in building stakeholder trust and confidence.

ACKNOWLEDGEMENT

I would like to extend my deepest gratitude to all our stakeholders for their unwavering support throughout the year. To our shareholders, your trust and confidence in our vision and leadership fuel our drive for excellence. To our customers, suppliers and partners, your dedication and partnership have been crucial in delivering value and positioning us for sustained growth.

To our employees, your resilience, dedication and commitment, especially in these challenging times, are the backbone of our success. Finally, I express my sincere appreciation to our Board of Directors and management teams for their strategic guidance and leadership. Together, we have navigated through uncertainties and capitalised on opportunities, positioning MFCB for even greater success in the future.

MATERIAL MATTERS

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.

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

ENVIRONMENTAL

MATERIAL ISSUES	RELEVANT UN SDGs
Biodiversity	14, 15
Energy Consumption	7, 13
GHG Emissions and Climate Change	13
Waste Management	12
Water and Wastewater	6

SOCIAL

MATERIAL ISSUES	RELEVANT UN SDGs
Diversity and Equal Opportunity	5, 8, 10
Employee Training and Development	8
Employee Wellness and Engagement	8
Local Communities	1, 2, 3, 4, 7, 10, 11, 17
Occupational Health and Safety	3

GOVERNANCE

MATERIAL ISSUES	RELEVANT UN SDGs
Ethics and Compliance	16
Fair Labour Practices and Human Rights	8, 10
Innovation and Product Responsibility	9, 12
Risk and Crisis Management	16
Sustainable Supply Chain	12

STAKEHOLDER ENGAGEMENT

At MFCB, we recognise that consistent engagement with our stakeholders is fundamental in creating long-term positive impacts. By gathering valuable views and perspectives of a diverse set of stakeholders, we obtain insights into the material topics that may have impact on our business. In 2024, we continue to maintain this engagement with our key stakeholders and provide a summary of the key outcomes.

STAKEHOLDER	ENGAGEMENT METHODS	FREQUENCY	AREAS OF STAKEHOLDER CONCERN	OUTCOME OF ENGAGEMENTS
Customers	• 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 business and customer 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 and all operating subsidiaries of Hexachase 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.
Employees	• Annual performance appraisal • Interview • Briefings • Training	• 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 training is 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 training programmes in order to further develop themselves in a personal and professional capacity.

STAKEHOLDER	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. This year we contributed a total of RM542,526 to the communities. *Please refer to page 52 for further details of our community outreach efforts.*
Suppliers and 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 improve processes/ source new equipment to enhance operational efficiency and cost effectiveness. This year, 80% of our Tier 1 suppliers signed our Responsible Sourcing Policy acknowledgement form to show their commitment to comply with the standards we are putting forward on our suppliers. *Please refer to pages 56-57 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 2024, 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.

OUR MARKET LANDSCAPE

RENEWABLE ENERGY

The renewable energy sector in Southeast Asia is poised for significant growth, driven by increasing energy demand, governmental commitments to decarbonisation and the region's abundant natural resources. Both hydropower and solar energy are expected to play crucial roles in meeting the region's future energy needs.

Hydropower
Location: Don Sahong Hydropower Project, Laos

Hydropower remains a key component of Southeast Asia's renewable energy mix, contributing 14.5% of total electricity generation in the region. Hydropower is particularly vital in the region's energy strategy because it provides a cost-effective and flexible low-carbon power source that is relatively more stable compared to other renewables. However, the sector faces challenges due to climate change, which could impact water availability and hydropower generation capacity in the long term.

Amongst the various types of renewable energy, hydropower has the longest and most established history. Coupled with the fact that the development of hydropower is very site specific, it is likely that most economically viable sites for hydropower around the region would have been developed or is being developed by now. Therefore, most undeveloped hydropower sites are less likely to be technically and economically viable, although some may become viable over time. Hence, unlike solar and wind power, there would likely be less opportunity in the hydropower space in the long term.

Solar power
Location: Maradhoo Harbour, Maldives

The solar energy market in Southeast Asia and the developing world is projected to expand as countries race towards meeting ambitious renewable energy targets as well as to address rising demand for power in the region. The Malaysian government's National Energy Transition Roadmap (NETR) underscores the country's commitment to expanding its renewable energy portfolio, which aims to increase the contribution of renewables to 31% of the national installed capacity mix by 2025 and further to 40% by 2035. Solar energy is a key focus area supported by initiatives such as the Large Scale Solar (LSS) programmes, Net Energy Metering (NEM) scheme and the Corporate Renewable Energy Supply Scheme (CRESS). We are also expanding our focus beyond solar energy towards the supporting Energy Infrastructure such as Battery Energy Storage System (BESS) and Grid Infrastructure.

Overall, the renewable energy sector in Southeast Asia is characterised by both significant opportunities and challenges. On one hand, the region's commitment to decarbonisation and the growing demand for clean energy creates a favourable environment for renewable energy investments. Governments are implementing policies to attract investment, such as feed-in tariffs and tax incentives, which are crucial for scaling up renewable energy projects.

On the other hand, the sector faces challenges that could hinder its growth. The intermittent nature of renewable energy necessitates the development of robust energy Infrastructure upgrades, which will require coordinated efforts from governments and private sector players. Traditional regulatory barriers in the region also restricts the growth of renewable energy generation, despite strong private and international capital flows into renewable energy. In order to promote renewable energy development, policies need to incentivise the development of supporting energy infrastructure, create transparency in energy procurement process as well as allow private investors access to end users.

PACKAGING

The packaging industry in Malaysia and Southeast Asia is experiencing steady growth, driven by increasing urbanisation, rising consumer demand and the expanding e-commerce sector. The shift towards more sustainable packaging solutions, such as paper-based products and flexible packaging, is particularly notable.

Low density polyethylene film
Location: Bandar Baru Bangi, Selangor

The flexible packaging market in Southeast Asia is projected to grow significantly, with an expected compound annual growth rate (CAGR) of 4.59% from 2024 to 2032. This growth is largely fuelled by the increasing demand for packaged food, which benefits from the convenience, cost-effectiveness and protective qualities of flexible packaging. Flexible packaging is becoming the preferred choice for many industries, including food and beverages, FMCG, electronics and pharmaceuticals, due to its ability to enhance shelf life, reduce transportation costs and offer versatility in design and function.

The paper bags market is also set to grow, with a projected CAGR of 4.4% from 2024 to 2032. The growing environmental concerns and regulatory pressures against single-use plastics are major drivers of this trend. In regions like Europe and North America, where the adoption of paper bags is already strong, there is a growing interest in Asia-Pacific markets as well, driven by consumer preferences for environmentally friendly and reusable packaging options.

The global push towards sustainability is having a profound impact on the packaging industry. Consumers and businesses alike are increasingly favouring packaging solutions that are recyclable, compostable, or made from post-consumer recycled content. This shift is creating new opportunities for companies like MFCB to innovate and lead in the development of sustainable packaging materials.

The packaging industry faces several challenges despite its strong growth prospects. Key among these is the pressure to innovate towards more sustainable and eco-friendly solutions. Developing biodegradable and recyclable materials is essential but often comes with higher costs and significant investment in research and development. Additionally, the industry must navigate increasingly stringent regulatory environments, particularly regarding the use of plastics, which requires companies to adapt quickly to varying standards across regions.

Furthermore, the industry is vulnerable to global supply chain disruptions and economic uncertainties, such as inflation and shifts in consumer spending, which can impact both the availability of raw materials and demand for packaging products. Balancing these challenges while continuing to innovate and maintain cost-effectiveness is crucial for companies operating in this sector.

RESOURCES

Limestone
Location: Gopeng, Perak

The limestone and quicklime industry in Asia Pacific region is poised for continued expansion, supported by industrial growth and infrastructure developments. The region remains a strategic location for foreign direct investments (FDI), driving demand for limestone and quicklime products across key industrial sectors such as construction, steel production, ore processing, water treatment and agriculture.

Nevertheless, the market is expected to undergo structural shifts influenced by evolving industrial demand, regulatory developments and global trade adjustments. Trade tensions and tariff policies have placed significant strain on the steel sector, a major consumer of quicklime, while the oversupply of quicklime in China presents a risk of downward pressure on regional pricing. Meanwhile, tightening regulatory frameworks in both domestic and export markets are expected to impact compliance costs.

Despite near-term headwinds, demand for lime-based products is expected to stabilise and achieve long-term growth, as they remain fundamental to various industrial processes. Malaysian producers remain well-positioned to serve both domestic and regional markets, benefiting from the country's strategic location, competitive logistics networks and access to high-quality limestone reserves. Additionally, the increasing role of quicklime in environmental management, particularly in water treatment and flue gas desulfurisation, is expected to drive market demand as industries transition towards more sustainable practices.

OUR VALUE CREATION MODEL

CAPITAL	INPUT	OUTPUTS & OUTCOME
Financial **The pool of funds available to aid all aspects of the value creation process.**	• Revenue: RM1.7 billion • Market Capitalisation: RM4.3 billion (as at 31 December 2024) • Total shareholders fund: RM3.3 billion • Net debt/equity ratio: 25% • CAPEX: RM832.9 million (water rights, power plants, PPE, plantation assets, equity accounted investments)	• Profit before tax: RM509.3 million • Dividend: 9.0 sen per share • Dividend payout ratio: 18%
Intellectual **Defines the innovations and processes unique to our organisation.**	• Recyclable and environmentally-friendly packaging materials: **Ekolene, Starlene, Smilene and Protecta** • Supplemental Concession Agreement signed with the Government of Lao PDR for the Don Sahong Hydropower Project (DSHP) in 2024	• 25-year Concession Agreement to operate the Don Sahong Hydropower Plant in Laos until 2049

Human
The backbone of the business.
	• 1,664 employees
	• Offline and online training and development activities
	  - *523 employees trained on health and safety standards*
	• Strong adherence to fair labour and human rights
		• 76.1% male, 23.9% female
		  - *25% Board of Directors are women*
		• Total training hours: 17,244 hours
		• 1.01 Loss Time Incident Rate (for every 200,000 man-hours worked)
		• Zero work-related fatalities

Social & Relationship **The relationships we have with our stakeholders such as the authorities, suppliers, customers and communities.**	• Contributions to communities that we impact through educational, livelihood and infrastructure support • Responsible Sourcing Policy for our Tier 1 suppliers/ESG training of Tier 1 suppliers • Strong customer engagement to strengthen relationships	• RM542,526 invested in community initiatives benefiting 186,340 beneficiaries • Supplier ESG assessment: 85% pass rate • Total procurement spend of RM770.7 million in 2024 with 60.9% spent on local suppliers

OUR VALUE CREATION MODEL (CONT'D)

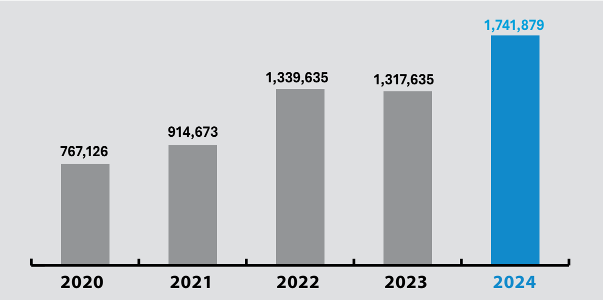
CAPITAL	INPUT	OUTPUTS & OUTCOME
Natural **The raw materials required to produce our products.**	• Energy consumed: 2.05 million GJ • 179 Megalitres third-party water withdrawn • MFCB Biodiversity Conservation Strategy	• Scope 1 emissions: 519,283.5 tCO_2e Scope 2 emissions: 53,014.8 tCO_2e Scope 3 emissions: 226,906.1 tCO_2e • Total carbon avoidance through renewable energy generation - *Generated RE (hydro and solar) for sale avoided 554,405 tCO_2e* - *Generated RE for internal consumption avoided 2,917 tCO_2e* • Waste diverted from disposal: 7,334 tonnes - *Reused waste: 4,796 tonnes* - *Recycled waste: 2,136 tonnes* - *Collected scheduled waste: 390 tonnes*
Manufacturing **Our physical assets, infrastructure and production facilities that enable the efficient creation of goods and services.**	• Renewable Energy: - *31.3 MWp installed solar capacity* - *63.2 MWp in the pipeline* - *325 MW hydro generation capacity (DSHP)* • Packaging: - *Hexachase Group* *>240,000 sq ft factory space* *>12,000 sq ft warehouse space* *>30,000 tonnes production capacity per annum* - *Stenta* >35,000 tonnes production capacity per annum • Resources: - *Kiln capacity of about 2,000 tonnes per day* • Food Security: - *2,734 hectares of land cultivated in Cambodia* - *> 600 acres of farmland developed in Malaysia*	• Renewable Energy: - *Hydropower Energy Availability Factor – 87.1%* - *Energy output of 2,300 GWh for 2024* • Packaging: - *Hexachase sales: RM184.0 million* - *Stenta sales: RM215.2 million* • Resources: Sales volume of approximately 497,000 tonnes

MANAGING OUR RISKS

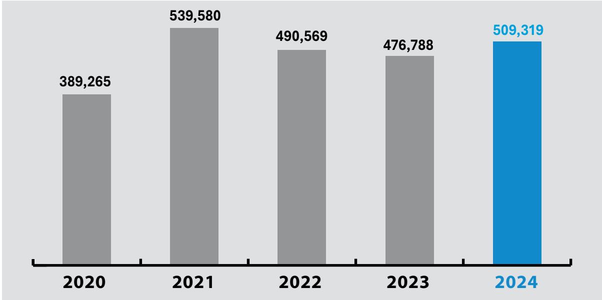
RISK	IMPACT	MITIGATION	OPPORTUNITIES
Strategic and Business Risks	These risks arise from changes in the business environment, market competition and evolving customer preferences. They involve the potential failure to implement effective strategies or business models that align with market trends, innovation and long-term planning.	Developing and adhering to a clear strategic vision, risk management in research and development.	Potential growth through research and development and strategic direction.
Operational Risks	Operational risks relate to the failure of internal processes, systems, or human errors, which can lead to disruptions in day-to-day operations. This could include risks from supply chain disruptions, manufacturing defects, or equipment failures.	Decentralised management at the division level with standard operating procedures.	Improving efficiency and operations management through structured decentralisation.
Financial and Commercial Risks	These risks involve potential financial loss due to credit, liquidity, interest rates, foreign exchange fluctuations, or commodity price volatility. For a company involved in international markets, fluctuations in currency or commodity prices can impact profitability.	Close monitoring of credit, liquidity, interest rate, foreign exchange and commodity price risks.	Effective risk mitigation can open up opportunities for better financial management and investments.
Governance and Compliance Risks	These risks relate to the failure to adhere to laws, regulations and internal governance standards, which can lead to legal penalties or reputational damage.	Delegation of compliance responsibility to department heads with specific knowledge.	Improved compliance can strengthen governance and reduce operational risks.
Corruption Risks	Corruption risks involve unethical behaviour, including bribery, fraud, or conflicts of interest, which can have legal and reputational consequences for the company.	Zero-tolerance policy towards corruption, adherence to Anti-Bribery and Corruption Policy.	Adhering to anti-corruption practices can enhance the company's reputation and stakeholder trust.

FIVE-YEAR FINANCIAL HIGHLIGHTS

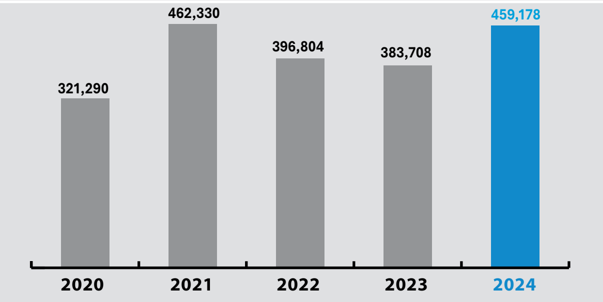
REVENUE (RM'000)



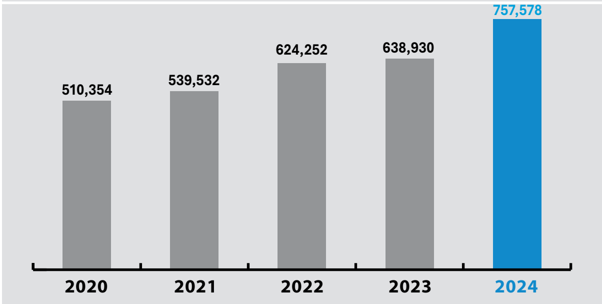
PROFIT BEFORE TAX (RM'000)



PROFIT AFTER TAX ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM'000)

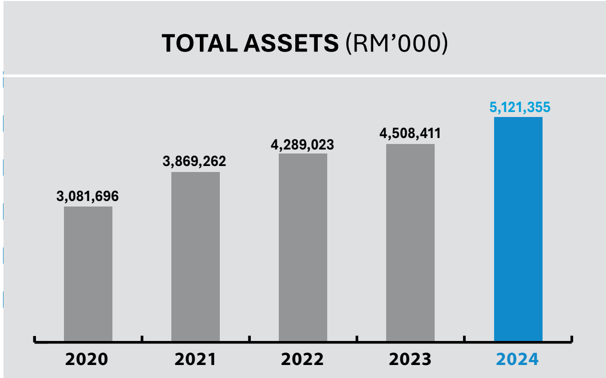


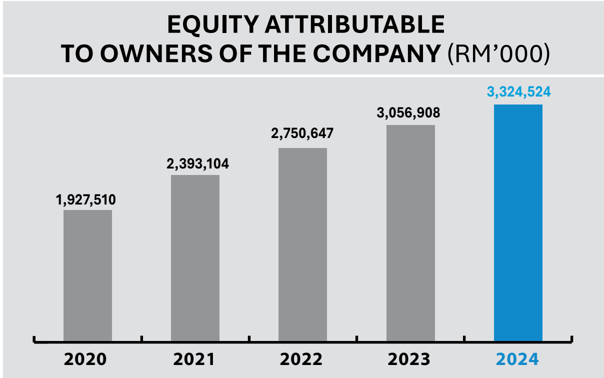
EBITDA (RM'000)

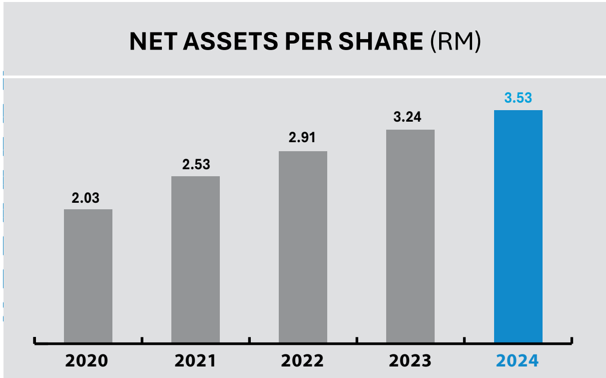


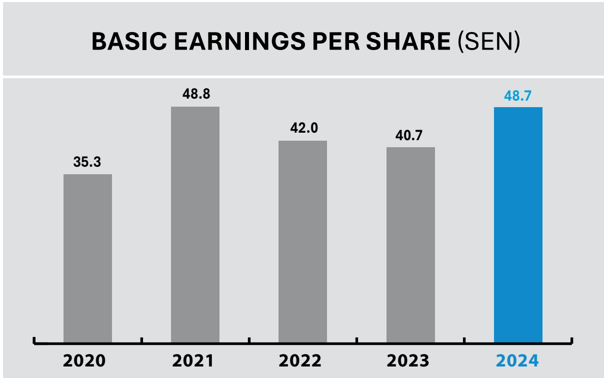
Financial Year Ended 31 December	**2020** RM'000	**2021** RM'000	**2022** RM'000	**2023** RM'000	**2024** RM'000
Consolidated Statements of Profit or Loss and Other Comprehensive Income					
Revenue	767,126	914,673	1,339,635	1,317,635	1,741,879
Earnings before interest, taxes, depreciation and amortisation* (EBITDA)	510,354	539,532	624,252	638,930	757,578
Profit before tax	389,265	539,580	490,569	476,788	509,319
Profit after tax	378,180	530,665	475,727	451,640	491,018
Profit after tax attributable to owners of the Company	321,290	462,330	396,804	383,708	459,178
Additional Information					
Finance costs	22,331	20,866	29,589	40,079	62,183
Depreciation and amortisation	102,947	110,589	127,403	132,056	144,024
Interest income	4,200	9,539	6,169	23,593	24,190
Share of profit/(loss) in equity accounted investments	(11)	121,964	17,140	(13,600)	(66,242)

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



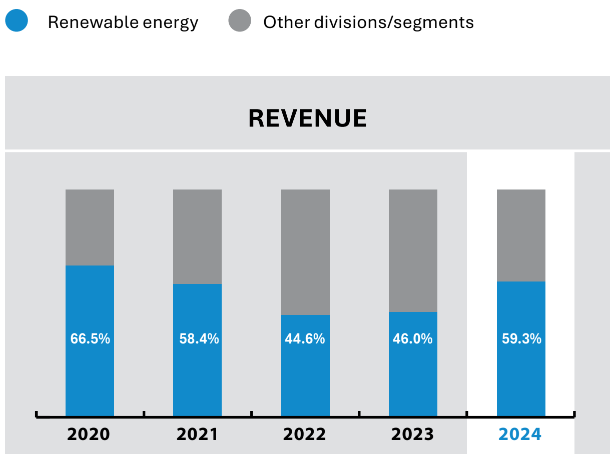


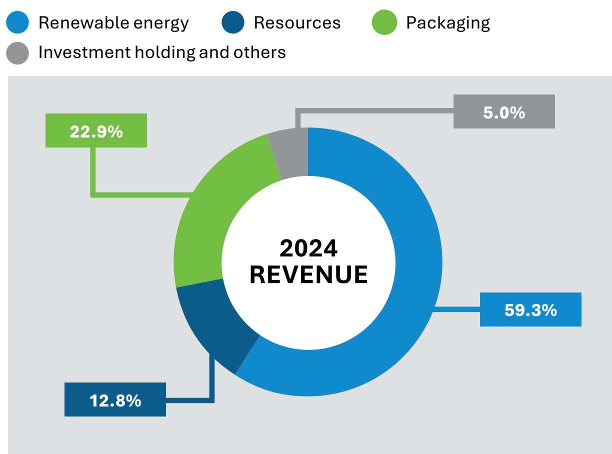


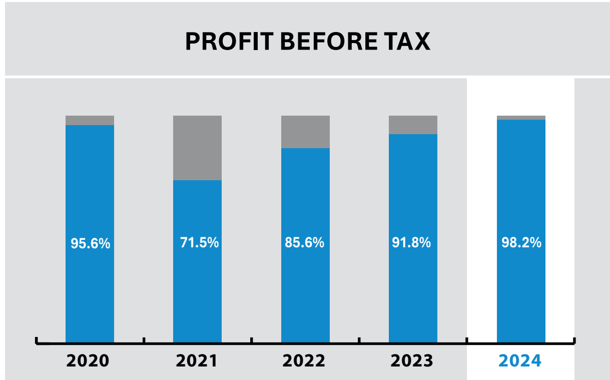


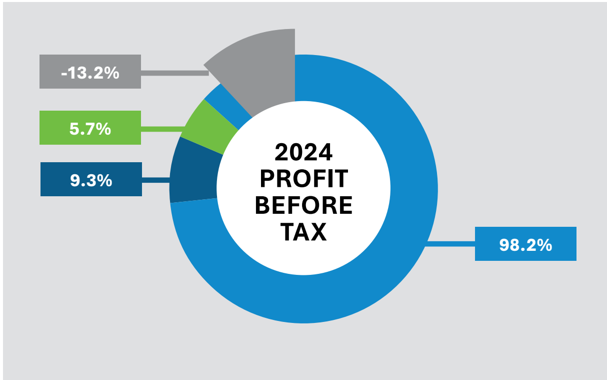
Financial Year Ended 31 December	**2020** RM'000	**2021** RM'000	**2022** RM'000	**2023** RM'000	**2024** RM'000
Consolidated Statements of Financial Position					
Total assets	3,081,696	3,869,262	4,289,023	4,508,411	5,121,355
Total borrowings	657,875	777,881	712,953	901,331	1,146,440
Total equity	2,165,612	2,739,576	3,191,026	3,224,018	3,544,454
Equity attributable to owners of the Company	1,927,510	2,393,104	2,750,647	3,056,908	3,324,524
Bank balances and deposits	93,607	257,649	492,254	508,587	268,320
Financial Indicators					
Return on equity attributable to owners of the Company (%)	16.7%	19.3%	14.4%	12.6%	13.8%
Return on total assets (%)	12.3%	13.7%	11.1%	10.0%	9.6%
Net gearing ratio (%)	26.1%	19.0%	6.9%	12.2%	24.8%
Net assets per share (RM)	2.03*	2.53	2.91	3.24	3.53
Dividend per share (sen)	6.25*	6.75	7.45	8.25	9.00
Gross dividend yield (%)	1.8%	1.9%	2.2%	2.2%	2.0%
Interest cover (times)	18.4	26.9	17.6	12.9	9.2
Basic earnings per share (sen)	35.3*	48.8	42.0	40.7	48.7
Price earnings ratio (times)	9.8	7.2	7.9	9.1	9.4
Share price as at the financial year end (RM)	3.45*	3.50	3.32	3.69	4.59

** After effect of Shares Split on 14 June 2021.*









Financial Year Ended 31 December	**2020** RM'000	**2021** RM'000	**2022** RM'000	**2023** RM'000	**2024** RM'000
Revenue					
Renewable Energy	510,214	533,864	596,925	606,163	1,032,511*
Packaging	97,775	208,217	398,964	402,341	399,167
Resources	142,819	154,880	206,324	202,893	223,621
Subtotal	750,808	896,961	1,202,213	1,211,397	1,655,299
Investment Holding and Others	16,318	17,712	137,422	106,238	86,580
Total	**767,126**	**914,673**	**1,339,635**	**1,317,635**	**1,741,879**
Profit Before Tax					
Renewable Energy	372,086	385,585	419,698	437,557	500,149 ^
Packaging	9,461	22,219	33,546	33,600	29,282
Resources	18,766	16,725	17,385	23,297	47,322
Subtotal	400,313	424,529	470,629	494,454	576,753
Investment Holding and Others	(11,048)	115,051	19,940	(17,666)	(67,434)
Total	**389,265**	**539,580**	**490,569**	**476,788**	**509,319**

** Included construction revenue arising from concession service arrangements.*

^ Included construction profit arising from concession service arrangements.

MANAGEMENT DISCUSSION AND ANALYSIS

1.0 GROUP FINANCIAL PERFORMANCE

Financial Year Ended 31 December	2024 RM'000	2023 RM'000	Changes RM'000	Changes %
Revenue	1,741,879	1,317,635	424,244	32.2
Other income	101,107	108,118	(7,011)	-6.5
Other expenses	(39,426)	(84,894)	45,468	-53.6
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	757,578	638,930	118,648	18.6
Operating profit	637,744	530,467	107,277	20.2
Profit before tax	509,319	476,788	32,531	6.8
Profit after tax	491,018	451,640	39,378	8.7
Profit after tax attributable to owners of the Company	459,178	383,708	75,470	19.7
Revenue				
Renewable Energy	649,002	605,894	43,108	7.1
Resources	223,621	202,893	20,728	10.2
Packaging	399,167	402,341	(3,174)	-0.8
Sub-total	1,271,790	1,211,128	60,662	5.0
Construction revenue arising from concession service arrangements	383,248	-	383,248	n.a
Investment Holding and Others	86,841	106,507	(19,666)	-18.5
Total revenue	**1,741,879**	**1,317,635**	**424,244**	**32.2**
Profit Before Tax				
Renewable Energy	463,510	437,557	25,953	5.9
Resources	47,322	23,297	24,025	103.1
Packaging	29,282	33,600	(4,318)	-12.9
Sub-total	540,114	494,454	45,660	9.2
Construction profit arising from concession service arrangements	36,639	-	36,639	n.a
Investment Holding and Others	(67,434)	(17,666)	(49,768)	281.7
Total profit before tax	**509,319**	**476,788**	**32,531**	**6.8**
Significant income/(expense) items:				
Share of loss in equity accounted investments	(66,242)	(13,600)	(52,642)	387.1
Insurance income recognised for/(Write-offs of) assets damaged by fire incident in 2023	31,826	(26,936)	58,762	n.m
Fair value gain on put option liability	1,539	13,943	(12,404)	-89.0
Fair value (loss)/gain on investment properties	(7,994)	3,543	(11,537)	n.m
(Loss)/Gain on foreign exchange	(4,134)	32,048	(36,182)	n.m
Income tax penalty	-	(5,697)	5,697	-100.0

n.a - not applicable
n.m - not meaningful.

In 2024, the Group's revenue increased by 32.2% year-on-year to RM1,741.9 million, up from RM1,317.6 million in 2023. This was primarily driven by RM383.2 million in construction revenue from service concession agreements with the Government of Laos for the Don Sahong 5th turbine expansion and the Maldivian government for an 11.4 MWp solar farm. Revenue from core divisions also rose by 5%, reaching RM1,271.8 million from RM1,211.1 million, alongside a maiden contribution of RM50.6 million from CSC Agriculture Holdings Sdn Bhd and its subsidiaries (CSC Group). This growth was partially offset by the absence of RM71.0 million in revenue from the Tawau power plant, which was disposed of in 2023.

The three core divisions collectively reported a 9.2% increase in pre-tax profit to RM540.1 million, up from RM494.5 million. This was supported by a 5.9% rise in profit from the Renewable Energy Division to RM463.5 million and a 103.1% surge in profit from the Resources Division to RM47.3 million, which more than compensated for a 12.9% decline in the Packaging Division to RM29.3 million.

Overall, the Group's pre-tax profit rose by 6.8% to RM509.3 million from RM476.8 million. This included RM36.6 million in construction profit (none recorded in 2023), though this was offset by higher losses in the Investment Holding & Others Division.

The Investment Holding & Others Division reported a RM67.4 million loss, widening from RM17.7 million in 2023, mainly due to a RM66.2 million share of loss from associates and joint ventures (up from RM13.6 million), an RM8.0 million fair value loss on investment properties (versus a RM3.5 million gain previously) and a RM4.1 million foreign exchange loss (down from a RM32.0 million gain in 2023). These losses were partially mitigated by RM31.8 million in insurance income (compared to a RM26.9 million asset write-off in 2023) and a smaller RM1.5 million fair value gain on put option liability (down from RM13.9 million).

The larger losses from joint ventures and associates were mainly due to Edenor Technology Sdn Bhd and its subsidiaries (Edenor), which continued facing capacity constraints from ongoing repairs and upgrades, alongside market weaknesses, excess global capacity, volatile commodity prices and impairment charges.

The Group's normalised pre-tax profit i.e. excluding contributions from associates and joint ventures, construction profits and non-operating items, increased by 5.7% to RM513.6 million from RM485.6 million, reflecting strong core business performance.

Profit after tax and non-controlling interests (PATNCI) rose by 19.7% to RM459.2 million from RM383.7 million. On a normalised basis, excluding associates, joint ventures, construction profits and non-operating items, PATNCI surged by 25.3% to RM480.8 million from RM383.8 million, reflecting strong core earnings growth and the positive impact of acquiring an additional 15% effective equity interest in Don Sahong Power Company Ltd (DSPC).

2.0 RENEWABLE ENERGY DIVISION

2.1 PERFORMANCE IN 2024

In 2024, the Renewable Energy Division's revenue increased by 7.1%, reaching RM649.0 million, compared to RM605.9 million in 2023. Hydro energy sales rose by 6.9%, climbing from RM597.5 million to RM638.8 million, while solar energy sales grew a significant 20.7%, reaching RM10.2 million.

The growth in hydro energy revenue was primarily driven by a 7.7% increase in hydro energy volume following the commissioning of the fifth turbine in July 2024. This growth was partially offset by a slight decline in the weighted average tariff rate. The average exchange rate for the Ringgit against the US Dollar was stable at around RM4.57/USD in both periods.

In 2024, the Group added 4.3 MWp of generation capacity to its solar portfolio, bringing the cumulative installed capacity to 31.3 MWp by the end of the year, up from 27.0 MWp on December 31, 2023.

The Division reported a year-on-year improvement in pre-tax profit of 5.9%, rising to RM463.5 million from RM437.6 million in 2023. This increase in profit was driven by higher revenue and lower net finance charges, although it was partly offset by increased amortisation charges and higher operating and maintenance costs due to the commissioning of the fifth turbine and associated overhaul expenses.

	COMPLETED CAPACITY AS AT 31 DECEMBER 2023	CAPACITY INSTALLED IN 2024	REMAINING CAPACITY SECURED/ UNDER CONSTRUCTION	TOTAL CAPACITY
Hydropower (MW)	260.0	65.0	-	325.0
Solar (MW)	27.0	4.3	63.2	94.5
Total (MW)	**287.0**	**69.3**	**63.2**	**419.5**

KEY PERFORMANCE METRICS	2022	2023	2024
Revenue (RM million)	596.9	605.9	649.0
Profit before Tax (RM million)	419.7	437.6	463.5
Hydropower Energy Availability Factor	94.6%	91.4%	87.1%
Power generated from for sale:			
- Hydropower (GWh)	2,155.32	2,082.87	2,243.08
- Solar (GWh)	22.74	28.23	34.32
Power generated for own consumption			
- Hydropower (GWh)	16.29	15.00	17.90
- Solar (GWh)	0.67	2.82	3.90

2.1.1 HYDROPOWER

The Don Sahong Hydropower Plant (DSHP) recorded an average Energy Availability Factor (EAF) of 87.1% in 2024, a drop from 91.4% in 2023, as expected. This decline was due to the extra 25% capacity that was added on from July 2024 following the commissioning of the fifth turbine and the shutdown of one of the existing four turbines in early December 2024 for a scheduled major overhaul. The commissioning of the fifth turbine had also lowered the overall water head when all five units were operating during the wet season which would have contributed to the overall reduction in EAF.

Despite the lower EAF, revenue grew 6.9% to RM638.8 million in 2024 due to a 7.7% increase in hydro energy volume following the commissioning of the fifth turbine in July 2024. This growth was marginally offset by a slight decline in the weighted average tariff rate. PBT rose 6.6% to RM462.9 million driven by higher revenue and lower net finance charges, although it was partly offset by increased amortisation charges and higher operating and maintenance costs due to the commissioning of the fifth turbine and overhaul expenses.

2.2 KEY INITIATIVES

2.2.1 HYDROPOWER

The commercial operation of the fifth turbine in July 2024 has increased DSHP's total generation capacity to 325 MW.

One of the reasons DSPC constructed the fifth turbine is to ensure a consistent long-term supply of power to Electricite du Laos (EDL), which will enable EDL to meet its energy export obligations to Cambodia's Eletricite du Cambodge (EDC). The fifth turbine was also a crucial addition to DSHP due to the scheduled major overhaul of the other four turbines that began in December 2024. With each unit estimated to shutdown for three and half months, the fifth turbine ensures that DSPC will have at least four turbines available throughout the year.

As an incentive for building the fifth turbine, the Government of Lao PDR (GOL) extended the concession period of the DSHP by four years and three months. At the same time, the tax concession will be extended until the end of 2025 and the tax rate will be reduced for the subsequent four years (from 2026 to 2029) before increasing to the standard rate of 24% in 2030 and thereafter. All the new concession terms are captured in the Supplemental Concession Agreement (SCA) which was executed in December 2024.

Under the SCA, DSPC has also agreed to pay USD82.5 million to the GOL for the water rights for the period from January 1, 2024 to December 31, 2049. This payment replaces the annual royalty obligations and secures the rights for the annual generation of 2,140 GWh of energy, exempting DSPC from paying royalties on energy generation up to this threshold. For energy generation exceeding 2,140 GWh, royalty payments will continue to apply at the rates specified in the SCA.

In December 2024, DSPC also executed a Supplemental Power Purchase Agreement (SPPA) with EDL where the levelised tariff remains unchanged at the previous rate of 6.15 US cents per kWh. However, the starting tariff will reset to 6.00 US cents per kWh in 2025 and increase progressively to 6.20 US cents per kWh by 2029 and will remain at this rate until the end of the concession period on 31 December 2049.

The operation of the fifth turbine together with the execution of the SCA and SPPA will enhance the long-term sustainability of DSPC's earnings and cashflow.

2.2.2 SOLAR POWER

The Solar Division continues to build its portfolio in 2024 by installing capacity of 4.3 MW for its C&I customers. To date, 31.3 MW has been commissioned and energised. Revenue increased to RM10.2 million with PBT of RM0.6 million mainly due to the progressive installation of the new solar capacities.

The Group is also in the midst of executing other larger scale solar projects, including:

- 51.0 MW solar farm project in Malaysia under the Corporate Green Power Programme by the Energy Commission, expected to be commercially operational in 2025; and
- 11.4 MW solar farm project with a state utility company in the Republic of Maldives, expected to be completed in 2025.

2.3 KEY TRENDS, RISKS AND OPPORTUNITIES

2.3.1 CURRENCY FLUCTUATIONS

As MFCB's presentation currency is in Malaysian Ringgit, the translation of hydro business results which are USD-denominated into the Group's reporting currency would have an impact on the Group's financial position and performance. Accordingly, the Group's net assets at end of 2024 were negatively influenced by 2.5% depreciation of the US Dollar against the Ringgit while profit was positively impacted by the 0.32% appreciation of the US Dollar against the Ringgit as compared to 2023.

2.3.2 OPERATIONAL RISK

Operational risk from the downtime of our hydro turbines is a risk that we need to manage and minimise even though the loss of revenue from potential downtime is insured. The original four turbines which went into operation in early 2020, have been operating at 90% of the time over the past five years, which is equivalent to almost 40,000 running hours. To ensure continuous supply of energy to EDL and minimise the risk of forced outages, we embarked on the first scheduled major overhaul of the first turbine on 10 December 2024.

DSPC is committed to minimising forced outages by ensuring that scheduled maintenance and overhauls are carried out on time and as scheduled. The completion of the fifth turbine prior to the first scheduled major overhaul has minimised loss of generation and also ensured that we can continue to run four turbines despite the ongoing overhaul.

2.3.3 RE OPPORTUNITIES

The National Energy Transition Roadmap (NETR) continues to drive the development of Malaysia's RE industry and we expect it to open more investment opportunities for the Group in the RE sector. We hope to continue to participate in new schemes that will be introduced by the Energy Commission.

2.4 DIVISION'S OUTLOOK

2.4.1 HYDROPOWER

The earnings of Don Sahong are expected to remain relatively stable in 2025, with several offsetting factors at play. On the positive side, the full-year operation of the fifth turbine is projected to increase energy sales volume by 3%. Additionally, the investment in water rights announced in December 2024 will significantly reduce the net royalty expense starting from 1 January,2025. Lower amortisation charges of concession assets are also expected following the extension of the concession period in accordance with the terms of the SCA executed in December 2024.

However, these benefits will be largely offset by a lower energy tariff, as the tariff has been reset to 6.0 US cents per kWh in 2025, which is the first year of the revised concession period, compared to a weighted average tariff of 6.22 US cents in 2024. Furthermore, there will be higher operation and maintenance expenses following the commissioning of the fifth turbine and the scheduled overhaul costs.

The revenue and earnings of DSPC are very much dependent of the energy availability of DSHP. With the completion of the fifth unit, the average annual energy availability predicted by the long term simulation has increased from 2,028 GWh to 2,264 GWh. Since the commercial operation of the original four units in January 2020, the annual energy availability of DSHP has been consistently above 2,028 GWh. With the addition of the fifth turbine, we expect the annual energy availability to hover around 2,280-2,300 GWh and on an annual basis, the availability may vary about 2% around this mean, provided there are no prolonged forced outages. When considering these factors together with the new concession and power purchase terms in the SCA and SPPA, we anticipate a relatively stable revenue and earnings profile over the next 25 years.

2.4.2 SOLAR POWER

We anticipate continued growth in our solar earnings, driven by the progressive installation of secured solar capacities. Currently, 31.3 MWp of solar generation facilities are operational, with an additional 63.2 MWp expected to commence commercial operations in 2025. Upon completion of these projects, our cumulative solar portfolio will reach a total capacity of 94.5 MWp by the end of 2025.

Management will continue to explore new solar development opportunities under the NETR launched in August 2023. This includes two newly announced programmes which are the Battery Energy Storage Scheme (BESS) and the Corporate Renewable Energy Scheme (CRESS).

3.0 PACKAGING DIVISION

3.1 PERFORMANCE IN 2024

In the year under review, the Division's subsidiaries, Hexachase Group and Stenta, generally observed weaker demand or downtrading in certain consumer segments. The industry has had to contend with industry-wide overcapacity and intense competition, amidst an inflationary environment which has dampened overall consumer sentiment.

Despite this challenging environment, revenue was only slightly impacted as we recorded a decline of 0.8% to RM399.2 million in 2024 from RM402.3 million in 2023. Profit before tax declined by 12.9% to RM29.3 million from RM33.6 million in 2023, primarily attributed to overall margin pressure from price competition and a rising operating cost environment.

KEY PERFORMANCE METRICS	2022	2023	2024
Revenue (RM million)	399.0	402.3	399.2
Profit before Tax (RM million)	33.5	33.6	29.3

As an export-oriented manufacturer, we have seen demand as a whole reflecting the moderate global economic growth in 2024. Consequently, while demand could generally be considered stable, we observed downtrading in certain consumer segments, given the high inflationary environment present throughout most of 2024.

Nevertheless, the packaging business recorded moderate sales growth due to our solid track record and ability to secure new customers. Flexipack's sales revenue was affected due to soft customer demand in the second and third quarter.

3.2 KEY INITIATIVES

3.2.1 HEXACHASE

In 2024, Hexachase Packaging focused on enhancing its supply chain within Southeast Asia to reduce dependency on international suppliers and improve turnaround times. One key initiative was encouraging local newspaper papermills to diversify into producing food-grade packaging materials. While recycled food-grade paper is more common in the U.S. and Europe, it is still relatively rare in Southeast Asia, presenting challenges in sourcing. By fostering a local supply chain, we aim to reduce shipping costs and lead times, ensuring more efficient operations. Additionally, we continued to prioritise the customisation of packaging solutions, seeking a balance between commoditised volume products and tailored, higher-value offerings.

Flexipack has been actively working with customers, particularly multinational corporations, to transition from non-sustainable packaging to more sustainable structures. Many of these companies have set timelines for achieving their sustainability goals and Flexipack is committed to working with them to meet those objectives. By collaborating on this shift, the company is capturing growth opportunities and contributing to the global sustainability movement and also strengthening long-term customer relationships.

3.2.2 STENTA

With Stenta being further upstream in the packaging value chain, it observed a slight decline in demand due to economic uncertainties and shifts in consumer preference.

KEY PERFORMANCE METRICS	2022	2023	2024
Revenue (RM million)	215.3	214.0	215.2
Profit before Tax (RM million)	23.3	24.2	24.3

In 2024, Stenta focused on strategic expansion, particularly by increasing its LLDPE production capacity. This expansion was driven by a forward-looking approach, where Stenta builds capacity in anticipation of market demand, rather than responding solely to current customer requirements. This resilient strategy ensures the company is well-prepared to meet broader market needs as they arise.

The completion of our third and fourth LLDPE blown film lines is expected to increase production capacity and better economies of scale, ultimately leading to higher revenue and improved profitability. The added capacity positions Stenta to capitalise on growing market opportunities while strengthening its competitive edge through cost efficiency and expanded output.

3.3 KEY TRENDS, RISKS AND OPPORTUNITIES

The Packaging Division is well-positioned to capitalise on the growing demand for environmentally friendly solutions, particularly in the area of paper bags. As the global focus on sustainability increases, paper bags have emerged as a competitive advantage due to their eco-friendly nature. This demand is supported by a projected compound annual growth rate (CAGR) of 4.3% from 2024 to 2034, with the global market size expected to grow from USD 5.6 billion to USD 8.7 billion.

Flexipack is also advancing in sustainability by collaborating with brand owners to develop multi-layer mono-material packaging, which enables recycling and supports higher recycling rates. This aligns with the global trend toward sustainable packaging solutions, which are increasingly sought after by both consumers and regulators.

Stenta is leading the way in mono-material applications, with a portfolio focused on fully recyclable polyolefin plastics such as PP and LLDPE, which are versatile, economical and energy-efficient. By continuing to innovate in this space, Stenta reinforces its position as a leader in sustainable flexible packaging solutions, contributing positively to environmental efforts.

However, the division faces external risks that could impact operations and costs. As an export-oriented business, currency fluctuations are a key factor affecting profitability. As of early 2025, escalating trade tensions and the anticipation of new U.S. tariff measures have introduced significant uncertainty to the region and Malaysia's economy.

3.4 DIVISION'S OUTLOOK

The packaging industry is expected to remain resilient, driven by ongoing urbanisation and population growth, which underscores its essential role in daily life. In the long term, there is strong potential to expand into the U.S. market, particularly as the shift to environmentally friendly paper bags gains momentum in grocery stores and department stores. Supermarkets are identified as a key sector for growth, as inflation encourages consumers to cook at home, further boosting the demand for paper packaging solutions.

Flexipack is poised for continued growth, especially as the trend toward sustainable, recyclable packaging intensifies, with regulatory support further advancing this shift. Concurrently, demand for paper-based packaging for primary applications is expected to rise. Stenta's short- to medium-term focus will be on expanding its mono-material applications, both in terms of breadth and depth, while scaling up production capacity to align with long-term market demand.

4.0 RESOURCES DIVISION

4.1 PERFORMANCE IN 2024

The overall demand for lime products in the region has remained stable, although uncertainties such as the conflict in the Middle East, particularly in the Red Sea region, has raised global shipping and logistic costs. Sluggish growth in China has also prompted their producers to look beyond their domestic markets, likely creating an overcapacity issue that may pressure prices.

Given these challenges, we have strived to keep our costs low to maintain our competitive edge as well as defended and grown the markets we are in. We continue to provide consistent and timely supply to our clients with robust product quality at a reasonable price in what is essentially a commoditised business.

Revenue in 2024 increased by 10.2% year-on-year to RM223.6 million from RM202.9 million in 2023 due to an increase in sales volume of lime products, supported by strong local and regional demand. This was partially offset by a decline in revenue from non-lime products, mainly due to the cessation of brick product operations. Profit before tax (PBT) surged to RM47.3 million, more than double the RM23.3 million recorded in 2023. This was attributed to improvements in production and cost efficiency as well as a favourable shift in the sales mix.

KEY PERFORMANCE METRICS	2022	2023	2024
Revenue (RM million)	206.3	202.9	223.6
Profit before Tax (RM million)	17.4	23.3	47.3

4.2 KEY INITIATIVES

We continue to look for ways to optimise plant operations while gradually growing revenue as we seek to balance profitability against our fixed costs. Given the nature of our industry, maintaining economies of scale is key as input costs of resources such as limestone, fuel and electricity make up a significant amount of variable costs.

In the year under review, we have studied the potential of using rail transport and are in the midst of planning to install a solar panel farm to offset electricity costs.

4.3 KEY TRENDS, RISKS AND OPPORTUNITIES

Higher logistics costs, currency volatility as well as events that constrain global shipping capacity remain as significant risks to our business. Other factors that are not entirely within our span of control include the tariffs that other countries impose on our products.

Nevertheless, we continue to see opportunities as we are now one of the largest commercial players in Southeast Asia with potential for long-term growth. While growth is generally slow, it is steady and the market will continue to offer various pockets of opportunities that are linked to both economic and population growth.

4.4 DIVISION'S OUTLOOK

The demand for lime products in the region is expected to remain strong and we will continue to focus on actively expanding the customer base in the region while closely monitoring market dynamics. We are also prepared to make necessary adjustments to pricing and distribution channels to sustain business growth.

In terms of potential growth areas, in Malaysia we see the possibility of entering markets such as flue gas and wastewater treatment. We will also continue to promote our products for road infrastructure projects, where lime would act as a stronger and more resilient alternative to cement. In addition, the plantation sector also offers opportunities where our lime product can neutralise soil that has become too acidic following excessive application of fertilisers over the years.

5.0 GROUP FINANCIAL POSITION

5.1 ASSETS AND LIABILITIES

Changes in key assets and liabilities during the financial year ended 2024 are explained below:

ASSET/LIABILITY ITEMS	AS AT 31.12.2024 RM'000	AS AT 31.12.2023 RM'000	CHANGES RM'000	EXPLANATION
Service concession asset	2,175,656	1,940,046	235,610	The increase was due to 5th turbine addition, partly offset by RM88.9 million amortisation charge and RM54.8 million translation loss.
Property, plant and equipment (PPE)	775,791	531,945	243,846	The increase was primarily due to: (a) RM212.6 million CAPEX, comprising mainly: i. RM114.9 million for the Packaging Division on construction of new factories, and restoration of manufacturing facilities damaged by fire; ii. RM45.7 million for acquisition of land designated for medical centre development; iii. RM29.1 million for agricultural development; iv. RM11.9 million for Renewable Energy Division; and v. RM7.6 million for Resources Division. (b) RM80.2 million from the effect of new subsidiaries acquired during the year. Partly offset by annual depreciation charge of RM50.9 million.
Water rights	337,515	-	337,515	Represents investment for 25-year water rights at Don Sahong site.
Receivable and other asset (non-current)	246,445	-	246,445	Comprises mainly interest-bearing term loan (non-current portion) receivable from EDL.
Development expenditures	884	203,048	(202,164)	The decrease mainly due to the commissioning of the 5th turbine.
Investment properties	261,679	168,746	92,933	The increase was due to land acquisition and effect of CSC's consolidation (+RM24.2 million), partly offset by recognition of RM8.0 million fair value loss.

5.1 ASSETS AND LIABILITIES (CONT'D)

ASSET/LIABILITY ITEMS	AS AT 31.12.2024 RM'000	AS AT 31.12.2023 RM'000	CHANGES RM'000	EXPLANATION
Right-Of-Use (ROU) assets	117,549	116,312	1,237	No significant movement during the year.
Joint ventures and associates	173,432	166,674	6,758	The increase due to investment in new associate, Apex and additional investment in joint venture, offset by Group's share of loss of RM66.2 million in the current year.
Investment in quoted shares	87,351	133,278	(45,927)	The decrease was mainly due to fair value loss of marketable securities.
Inventories (current)	185,896	131,737	54,159	The increase was largely due to higher inventories in the Packaging Division and Resources Division, as well as increase in spare parts and consumables of Don Sahong.
Receivables and other current assets	391,774	490,098	(98,324)	The decrease was mainly due to lower receivable from EDL, partly offset by development costs associated with solar projects.
Deferred tax liabilities	133,853	126,954	6,899	The increase was mainly because of CSC consolidation.
Payables and accruals (current)	214,530	168,823	45,707	The increase was mainly because of accrual for remaining costs of the 5th turbine and CSC consolidation.

6.0 CASH FLOW ANALYSIS

During the financial year ended 31 December 2024, the Group generated RM479.4 million in after-tax cash from operating activities, received RM27.8 million in insurance claims and RM33.6 million in net investment receipts. Together with RM228.7 million in net drawdown of loans, a total of RM769.5 million in funds were made available to the Group in current year.

During the year, a total of RM1,004.2 million was deployed for the following purposes:

(i) RM832.9 million for investing activities, comprising mainly:

1. RM494.6 million for Renewable Energy Division;
2. RM110.6 million for Packaging Division;
3. RM105.1 million for acquisition of two parcels of land;
4. RM73.0 million for associates and joint venture;
5. RM31.0 million for Food Security Division;
6. RM6.6 million for Resources Division; and
7. RM12.0 million for Other Division.

(ii) RM97.5 million for dividends paid;

(iii) RM72.8 million in finance costs paid to lenders and for hire purchase/lease liabilities; and

(iv) RM1.0 million share-buyback of the Company's shares.

The cash shortfall from the above was funded via internal funds, which together with RM5.7 million in translation loss, resulted in the decrease of the Group's cash reserve from RM508.6 million on 31 December 2023 to RM268.3 million as of 31 December 2024.

7.0 CAPITAL STRUCTURE AND RESOURCES MANAGEMENT

	GROUP	
	2024 RM'000	**2023** RM'000
Total Bank Borrowings, excluding hire purchase liabilities	1,146,440	901,331
Less: Bank balances and deposits	(268,320)	(508,587)
Net debt	878,120	392,744
Total equity	3,544,454	3,224,018
Debt-to-equity ratio (times)	0.25	0.12

As at 31 December 2024, Group's net debts increased to RM878.1 million from RM392.7 million posted a year ago and this represents an increase in net gearing ratio from 12.2% to 24.8% which is considered optimal. The Group's approach to capital management is to maintain a strong credit rating for its borrowings and healthy capital ratios in order to support its businesses.

7.1 GROUP BORROWINGS AND DEBT SECURITIES

	Long-term		Short-term		Total	
	Foreign Currency ('000)	**RM** ('000)	**Foreign Currency** ('000)	**RM** ('000)	**Foreign Currency** ('000)	**RM** ('000)
As at 31 December 2024						
Secured						
Trade financing and loans	-	-	-	50,926	-	50,926
Term loans	-	294,406	-	36,136	-	330,542
Term loans (USD)^	18,333	82,051	18,333	82,051	36,666	164,102
Revolving credit	-	-	-	156,883	-	156,883
		376,457		325,996		702,453
Unsecured Loan						
Term loan	-	20,202	-	-	-	20,202
Term loan (USD)^	30,000	134,265	40,000	179,020	70,000	313,285
Revolving credit	-	-	-	110,500	-	110,500
		154,467		289,520		443,987
Total Borrowings		530,924		615,516		1,146,440
As at 31 December 2023						
Secured						
Trade financing and loans	-	-	-	38,710	-	38,710
Term loans	-	114,228	-	26,724	-	140,952
Term loan (USD)*	36,667	168,300	18,333	84,150	55,000	252,450
Revolving credit	-	-	-	97,019	-	97,019
		282,528		246,603		529,131
Unsecured Loan						
Term loan (USD)*	40,000	183,600	40,000	183,600	80,000	367,200
Revolving credit	-	-	-	5,000	-	5,000
		183,600		188,600		372,200
Total Borrowings		466,128		435,203		901,331

^ - *translated at exchange rate of 4.48 as at 31 December 2024*

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

7.1 GROUP BORROWINGS AND DEBT SECURITIES (CONT'D)

In 2024, total borrowings (excluding hire purchase liabilities) increased to RM1,146.4 million, this represents an increase of RM245.1 million from RM901.3 million at 31 December 2023, mainly due to:

(i) Net loans drawdown of RM228.7 million to part finance the purchase of PPE, investment properties and ROU assets; and

(ii) RM27.5 million term loans assumed from acquisition of new subsidiaries.

Partially reduced by RM11.1 million translation gain on USD-denominated loans.

The Group's borrowings (excluding hire purchase liabilities) as at 31 December 2024 are predominantly floating in nature and none of the borrowings denominated in foreign currencies are hedged to RM. The Group has not issued any debt securities at end of the reporting period.

8.0 CAPITAL EXPENDITURE REQUIREMENTS

The major capital expenditure requirements contracted for the upcoming years amounted to approximately RM190.4 million which is primarily earmarked for 63.2 MWp solar photovoltaic projects of RM131.8 million and RM50.3 million to complete ongoing capital expansion plan within Packaging Division.

9.0 FOREIGN CURRENCY EXPOSURE

As the Group operates in numerous international markets, it engages in transactions involving multiple currencies (mainly US dollar). Consequently, the Group is subject to foreign currency risk, which can affect financial performance due to fluctuations in exchange rates.

9.1 IMPACT ON GROUP'S FINANCIAL STATEMENTS

(a) **Revenue and Costs:** A significant portion of our revenue and costs are either from Group's foreign operations (where their functional currencies are not Ringgit Malaysia) or denominated in foreign currencies. Fluctuations in exchange rates can lead to variations in reported revenues and expenses when converted to the Company's reporting currency. In 2024, yearly average exchange rate between US Dollar and Ringgit Malaysia remains consistent from previous year.

The amount of revenue derived from foreign operations and currencies registered at RM1,417 million, representing 81.4% of Group's annual turnover for 2024. In the same year, the Group spent RM355.3 million on expenses from foreign operations and currencies.

(b) **Assets and Liabilities:** Our balance sheet includes assets and liabilities denominated in foreign currencies. Changes in exchange rates can affect the value of these assets and liabilities, resulting in

1. Foreign exchange gains or losses recognised in statement of profit or loss, for non-foreign operations. As at 31 December 2024, the non-foreign operations have a net exposure in financial assets (after setting off financial liabilities) of 79.8% denominated in foreign currencies. Further details are provided in Note 40.1(a)(i) of the Financial Statements 2024.

2. Foreign currency translation gains or losses recognised outside profit or loss (i.e. in the statement of other comprehensive income) for foreign operation where 2.5% depreciation of US dollar against Malaysia Ringgit observed during the financial year.

In maintaining stability and predictability of the Group's financial performance, the Group mitigates its foreign currency risk exposure by aligning revenue and expenses in the same currency to reduce exposure (i.e. natural hedging) whilst continuously monitoring its currency exposure and market conditions and adjusts its risk management strategy accordingly.

The Group remains committed to robust risk management practices to navigate the complexities of the global market.

SUSTAINABILITY SCORECARD

Our sustainability scorecard helps us track our performance against our targets and sub-targets.

Legend: Progress Tracking

Early-stage | On-going | Target achieved

TARGET 1:
NET ZERO EMISSIONS BY 2050

Sub-targets	2024's performance	Description
Conduct group-wide GHG inventory by 2025	Target achieved: A GHG inventory was successfully developed for the reporting year 2022 and 2023.	Successfully engaged an external consultant and developed a group-wide GHG inventory in 2024. This established the foundation for our GHG accounting and our baselines based on our 2022 performance.
Reduce waste to landfill by 50% by 2030	Early-stage: We established our waste-to-landfill intensity baseline at 590.8 tonnes per billion RM, based on 2022* performance.	With the establishment of our waste baseline, the Group is working with Divisions at the operational level to identify strategies to reduce their waste to landfill.
Carbon Neutrality and Commence Transition towards net zero by 2035	On-going: Our emissions intensity in 2024 was 458,817.4 tCO_2e per billion RM. This is a 23% reduction from the 2022* baseline of 595,979.4 tCO_2e per billion RM.	With the finalisation of our GHG inventory, the Divisions are now able to identify core focus areas for emissions reduction and work towards achieving our goals. Currently, our total renewable energy consumption in 2024 is 42,144 GJ. DSPC's site operates on 100% renewable electricity, supported by 3.7 MW of solar PV installed across our Divisions.
Reduce GHG emissions in the Supply Chain by 50% by 2035	Early-stage: We established our Scope 3 emissions intensity baseline at 218,833.4 tCO_2e per billion RM, based on 2022* performance. At this stage, this is based on Categories 1, 4, 5, 6, 7 and 9 only.	With the development of a group-wide GHG inventory in 2024, we are able to identify the baseline emissions in the supply chain and set our reduction strategies from 2025 onwards.

The year 2022 was chosen as the baseline for our GHG inventory, which was developed by an external consultant.

TARGET 2:
ENHANCING LIVELIHOODS OF 300,000 PEOPLE IN NEARBY COMMUNITIES BY 2030

Sub-targets	2024's performance	Description
Setup a Scholarship and Management Trainee Programme by 2024	Target achieved: 16 students have benefitted from our education programmes.	In 2024, the Group formalised its existing scholarship and undergraduate programme that has been ongoing at Division level.
Conduct Social Impact Assessment for 100% of community initiatives by 2025	Early-stage: About 90% of community initiatives are assessed for their social impacts.	Don Sahong Power Company Ltd (DSPC) from our Renewable Energy Division, conducted a socioeconomic survey in September 2024, which covers 90% of our community initiatives to assess the impact of our operations on the community's livelihoods.

TARGET 3:
100% TIER 1 SUPPLIERS TO COMPLY WITH RESPONSIBLE SOURCING POLICY BY 2030

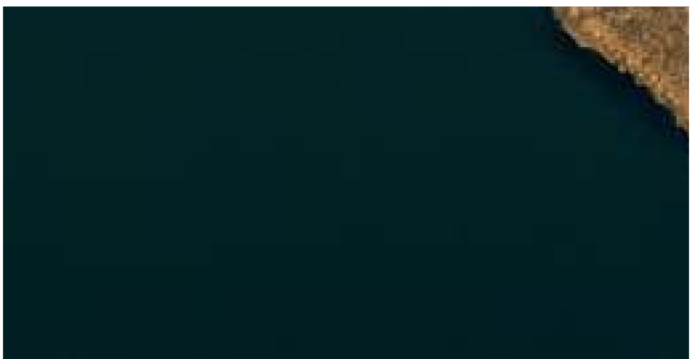
Sub-targets	2024's performance	Description
Conduct internal audits of all higher-risk suppliers by 2025	We have identified seven high risk Tier 1 suppliers based on the sustainability assessment conducted in 2024.	The Group has introduced a High-Risk Supplier Development Programme for high-risk suppliers and will continue to regularly assess the performance of our suppliers.

MFCB

MEGA FIRST CORPORATION BERHAD

Reg. No. 196601000210 (6682-V)

SUSTAINABILITY REPORT 2024



OUR VISION

To be a leading Malaysian company with a strong commitment to sustainable development in all our businesses and to achieve long term value creation to the benefit of all our stakeholders.

OUR MISSION

To implement sustainable initiatives across our entire organisation with an emphasis on sustainable production, social accountability and sound environmental management practices.

SUSTAINABILITY AT MFCB

Sustainability is embedded in the core of our business, focusing on three key sustainability themes: Promoting Environmental Sustainability, Enhancing Livelihoods and Inspiring Our People and Building a Sustainable and Ethical Business. These themes are rooted in the fundamental pillars of Environment, Social and Governance (ESG). Through these efforts we aspire to create long-term value for our stakeholders while fostering positive impacts on the environment and society.

Our sustainability strategy outlines the overarching direction for our Group's sustainability efforts.

Legend

Environmental | Social | Governance

SUSTAINABILITY THEMES	SUSTAINABILITY 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 by pursuing operational GHG reduction and working with stakeholders on their carbon neutrality commitments.
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.
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.

In 2024, we enhanced our reporting coverage to include all Divisions under MFCB Group, namely Renewable Energy, Resources, Packaging, Food Security, Automotive Components and Property. Showcasing the strength of the Group carrying diverse business segments, we decided to report at the Group level starting in 2024, in comparison with our divisional reporting style in the previous years.

This year, we built upon our 2023 efforts to enhance employee awareness and knowledge of sustainability by conducting Sustainability 101 Training. Throughout the year, Management-level representatives from our remaining Divisions completed the training. We continue to regularly review the evolving sustainability and climate landscape to ensure our workforce is well-informed and equipped with the appropriate skills and competencies to address emerging challenges.

To foster internal motivation and alignment with the Group's overall targets, we introduced Divisional targets, where each Division is required to set interdependent goals under the Environmental and Social pillars of ESG. All of our Divisions have demonstrated strong commitment by proposing their own targets and initiatives to contribute toward achieving these goals.

In December 2024, FTSE Russell confirmed that MFCB has been independently assessed according to the FTSE4Good criteria and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. This achievement reflects our dedication to aligning our business with and achieving global best practices and standards.

SUSTAINABILITY GOVERNANCE

MFCB's sustainability governance prioritises the values of transparency and accountability, ensuring that all our actions align with our commitment to responsible ESG practices. By fostering open communication and maintaining high standards of ethical behaviour, we aim to create a sustainable business model that balances profitability with positive impacts on the planet and society. This approach allows us to build trust with our stakeholders and drive meaningful progress towards our sustainability goals.

Our governance structure is led by the Board of Directors, who have overall responsibility for our sustainability performance. The Board provides leadership from the top and has oversight over a range of sustainability topics including overall sustainability risks and the material topics identified through our materiality assessment. The Board reviews the Group's sustainability matters and performance on a quarterly basis, ensuring that the Group is on track to meet its sustainability targets.

At Group level, the day-to-day management of sustainability-related issues and concerns are delegated to the Group Sustainability Executive with support from the respective representatives in each Division. Our Sustainability Committee, which meets quarterly, is responsible for maintaining regular communications on sustainability performance and actions to help achieve the Group's overall ESG goals. The meetings also foster transparency and interaction between the Divisions, encouraging cross-functional collaboration and the sharing of best practices.

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.	

PROMOTING ENVIRONMENTAL SUSTAINABILITY

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

OUR APPROACH

We are committed to our goals to reach carbon neutrality by 2035 and net zero emissions by 2050. The Group is guided by our relevant policies, including our Group Sustainability Policy, Waste Policy, Water Management Policy and Biodiversity Policy. These policies set out our commitment to reduce and minimise our environmental impacts and improve resource efficiency.

OUR MILESTONES

✓ Conduct a group-wide GHG Inventory by 2025.

02 Reduce waste to landfill by 50% by 2030.

03 By 2035, achieve carbon neutrality and commence transition towards Net Zero.

04 Reduce GHG emissions in the supply chain by 50% by 2035.

ENVIRONMENTAL MANAGEMENT

Across the Group, the management of environmental performance is spearheaded by specific roles within each Division, including the Manager of Operation & Maintenance, Manager of Environmental & Social Programs, and Environmental, Health and Safety Officer. Each role is responsible for managing the potential environmental impacts of its Division through regular monitoring to ensure compliance with relevant laws and regulations.

In Malaysia, the Resources and Packaging Divisions each have an Environmental Regulatory Compliance Monitoring Committee (ERCMC) and Environmental Performance Monitoring Committee (EPMC). These committees are tasked with overseeing and managing environmental performance within their respective Divisions. By actively promoting a culture of sustainability, these committees help drive the Group's overarching sustainability goals and support our long-term vision of environmental stewardship.

During the year, four environmental compliance audits were completed. These audits are typically conducted by independent third-party auditors on a three-year cycle to ensure that our operations comply with the standards set by government and regulatory agencies across the jurisdictions where we operate.

43% OF SITES
ISO 14001 CERTIFIED

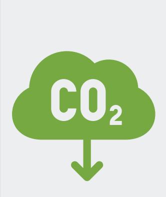
ISO 14001:2015 Certification

- **Renewable Energy:** MFPI
- **Resources:** RCI
- **Packaging:** Stenta, Hexachase Flexipack and Labels
- **Automotive Components:** Bloxwich (Malaysia)

DIVISION HIGHLIGHT

Integrated Management System (IMS) Implementation

In August this year, RCI successfully integrated its Quality, Environmental and OHS Management Systems into a unified Integrated Management System (IMS). This integration was validated by SIRIM QAS International Sdn. Bhd. through a successful recertification audit, covering three standards: QMS ISO 9001:2015, EMS ISO 14001:2015 and OHSMS ISO 45001:2018. This significant milestone marks a step forward in enhancing RCI's operational productivity and efficiency while ensuring adherence to the highest standards and best practices.



OUR ROAD TO NET ZERO

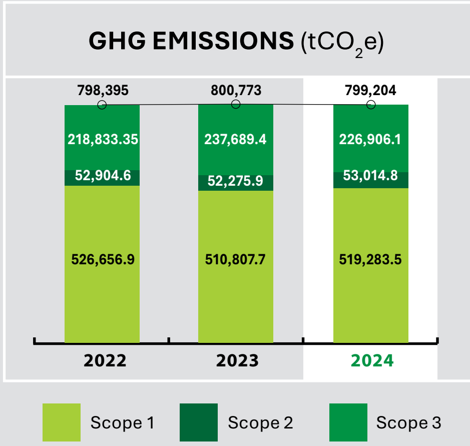
Our journey toward net-zero emissions is driven by a strong sense of purpose and responsibility. At MFCB, we believe in creating meaningful change and having a lasting positive impact on the environment. To reflect our shared responsibility in safeguarding the planet for future generations, we are determined to reduce our carbon footprint to its lowest possible level and embrace efforts such as transitioning to renewable energy sources, practicing responsible resource consumption, efficient management of water and waste and conserving biodiversity. We emphasise the importance of cross-Division collaboration and in 2024, we have encouraged each Division to establish its own environmental targets, fostering a sense of accountability that supports the Group's overall goals.

GHG EMISSIONS AND CLIMATE CHANGE

As the world shifts toward a low-carbon economy, we recognise the urgent need to further mitigate our impact on climate change. To advance our GHG emissions reduction strategies, we formally engaged an external consultant to assist in the development of a group-wide GHG inventory. Establishing a solid foundation to drive our other environmental goals, this initiative provided us with a holistic view of our environmental impact and helped identify the most significant emission sources. It also verified the previously implemented methodology and ensured completeness, which is essential for capturing all relevant emissions.

The inventory adopts an operational control approach, accounting for 100% of emissions from subsidiaries or operations that we have operational control over. This includes Divisions in Malaysia, Lao PDR and Cambodia.

Additionally, we expanded our emissions boundary scopes to include the following Scope 3 categories: Category 1 (Purchased Goods and Services), Category 4 (Upstream Transportation and Distribution), Category 5 (Waste Generated in Operations) and Category 9 (Downstream Transportation and Distribution) across all Divisions. We also gathered data from previous years to gain a comprehensive view of our historical performance.



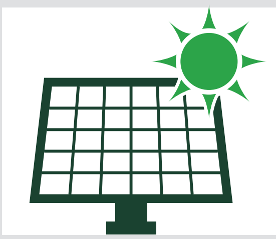
Notes:

1. *The GHG inventory for 2022 and 2023 was developed by an external consultant, establishing 2022 as the baseline year.*
2. *Scope 3 emissions data for 2024 does not include the Food Security Division.*

The inventory also helped us gain critical insights into our carbon footprint, enabling us to set more precise and impactful reduction targets. Moving forward, we will continue refining our methodology, integrating best practices, and leveraging technology to enhance the accuracy and efficiency of our emissions tracking. These efforts will reinforce our commitment to sustainability and ensure we are well-positioned to contribute meaningfully to global decarbonisation goals.

Our key initiatives that were integral to the emissions reduction in 2024 are as follows:

Group-wide **GHG inventory** development



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

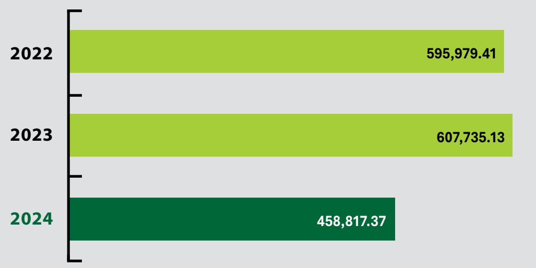
Implementation of various **energy efficiency initiatives** in production processes

Efforts in **reducing waste** across our operations

In 2024, we achieved a notable reduction of 23% in our GHG emissions intensity compared to 2022. This improvement was driven by a decrease in non-mechanical emissions, which includes process emissions from the lime production and the use of CO_2 gas in the automotive components manufacturing.

As a diverse group of businesses which also operates in the resources industry, we acknowledge that process emissions from our lime production are the primary contributor to the Group's total emissions. In 2024, 67% of our total Scope 1 emissions stemmed from this process. The calcination or heating of limestone, at very high temperatures to produce quicklime is an emissions-intensive process that releases CO_2.

GHG EMISSIONS INTENSITY
(tCO_2e/RM billion)



Notes:

1. *The GHG emissions intensity per revenue data for 2024 excludes Scope 3 emissions from the Food Security Division, with the exception of Category 6 (Business Travel) and Category 7 (Employee Commuting).*

While this process releases significant amounts of carbon, it remains essential to quicklime production. The quicklime industry plays a crucial role in the global economy and society by supporting a wide range of sectors. In the steel industry, quicklime is essential for removing impurities during production, while in the paper and pulp sector, it is a critical component of the chemical recovery process. In agriculture, it improves soil quality and aids in disinfection practices.

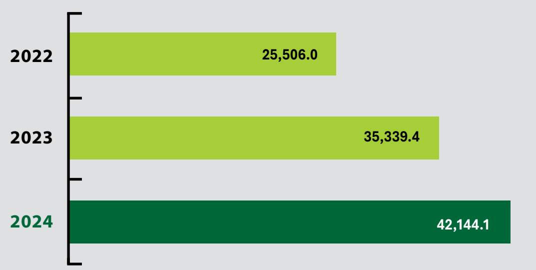
Quicklime also contributes to environmental management through wastewater treatment, flue gas desulfurisation and sludge sanitation. These applications make quicklime vital for industrial processes, environmental protection, food production and infrastructure development.

ENERGY CONSUMPTION

Acknowledging that energy consumption is a significant contributor to our GHG emissions, the majority of our Divisions have implemented solar PV installation systems to help reduce dependency on the grid.

In 2024, DSPC successfully built a 1.0MW solar system on-site for use by the powerhouse and permanent operator village (POV). At the moment, the DSHP site is utilising 100% renewable energy for its electricity consumption. The solar consumption of our other Divisions is also expected to increase in 2025, with the completion of Project Solar Tronoh. The 51MW project is the Group's first large-scale solar and will supply green electricity to our Divisions through the Corporate Green Power Agreement (CGPA).

RENEWABLE ENERGY CONSUMPTION
(Gigajoules)



Additionally, our Packaging Division in Malacca embarked on an energy audit initiative in August. Taking advantage of the Energy Audit Conditional Grant (EACG 2.0) Programme led by the Ministry of Energy Transition and Water Transformation (PETRA) Malaysia, the audit is expected to be completed in the second quarter of 2025. Upon completion, we will be able to review the energy efficiency of our operation lines and determine additional potential energy savings opportunities. If successful, we will be extending this initiative across the other Divisions to support our net zero goals.

We also continued our energy reduction efforts at RCI by replacing the conventional starter with a Variable Speed Drive (VSD) for the induction motor at one of our roller mills. The roller mill was previously using a Star-Delta starter, with limited flexibility and high energy consumption and maintenance. The VSD, on the other hand, is able to adjust the motor speed based on real-time needs, matching output to the load demand. This upgrade is expected to improve RCI's operation performance by lowering its energy consumption by 5% and reducing mechanical stress through the soft-start capability, preventing power spikes during start-up. RCI is committed to continuing this initiative along with its equipment motors upgrade (implemented in 2022), to ensure improved energy efficiency and alignment with our carbon neutral goals.

RENEWABLE ENERGY GENERATION

Our Renewable Energy operations drive the shift to a low-carbon future. In July 2024, DSPC successfully completed the installation and operation of its fifth 65MW turbine, bringing the total installed capacity of DSHP to 325MW. Currently, the plant is generating approximately 20% more hydropower energy during rainy season, with an annual generation of 2,300 GWh. The renewable power generated here resulted in the avoidance of 527,789 tCO_2e. We also generated more than two million Renewable Energy Certificates (RECs) this year from DSHP, with more than 48,000 RECs sold to corporate consumers.

During the year, we completed four rooftop solar projects in Malaysia, bringing the total installed capacity to 31.3MW. Additionally, our 46.5MW Corporate Green Power Programme (CGPP) project, which was secured in August 2023, was revised to 51MW this year. Overall, our solar operations produced 34,322MWh of solar energy in 2024, from 10 operations in Malaysia and one in Cambodia.

FROM THE NEWSLETTER

Five-Year Concession Extension For The Don Sahong Hydropower Project

DSPC has signed a Supplemental Concession Agreement with the Government of Lao PDR and a Supplemental Power Purchase Agreement with Electricité Du Laos (EDL) on December 10, 2024. These agreements formalised the revised commercial terms following the addition of a new 65MW turbine generator, increasing the project's total capacity to 325MW and its annual energy output to approximately 2,300GWh. The revised commercial operation date is set for 1 January 2025, with a concession period of 25 years starting from this date.

We recognise the challenges we face in advancing environmental sustainability while growing our business. This year, our 11.4MW Maldives project, which was initially scheduled to become operational, experienced unforeseen delays. As of 31 December 2024, construction is on-going at all nine sites across the Maldives Islands, with five sites (6.0MW) to be completed in the second quarter of 2025. Once operational, this project will contribute 18% of the total grid demand across these islands, making it the largest ground-mounted solar installation in the area.

OUR ACHIEVEMENT SINCE DECEMBER 2019

356 MW TOTAL COMPLETED CAPACITY	**2.55 MIL. TONNES** TOTAL CO_2E AVOIDANCE	**10,679 GWH** TOTAL RENEWABLE ENERGY GENERATED	**63 MW** SECURED CAPACITY/ UNDER CONSTRUCTION

AIR QUALITY

We assess and monitor our operations' emissions as well as the surrounding air quality especially at our Resources and Packaging Divisions. During the year, we implemented Stack Emission Monitoring for all chimneys in our operation facilities. The report was 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).

Zero incidents of non-compliance were reported for air quality in 2024.

Filter Bag System Upgrade

RCI has successfully upgraded and replaced its aging air pollution control system by redesigning, re-engineering, fabricating and installing a new bag filter system for our hydration silos. This initiative enhances our ability to control and manage airborne particulate matter (fugitive dust) generated during the transfer of hydrated lime into the hydration silos and other activities at the silo top.

Ambient Air Monitoring

Building on the monitoring efforts conducted in 2023, RCI continued with the Quarterly Ambient Air Monitoring in 2024, measuring key parameters such as Total Suspended Particulates (TSP), Particulate Matter (PM10 and PM2.5), Sulphur Dioxide (SO_2) and Nitrogen Dioxide (NO_2), in alignment with the New Malaysian Ambient Air Quality Standards 2020. This monitoring aims to provide comprehensive insights into the air quality within our premises while evaluating the potential impact of our operations on nearby communities. The results of these assessments confirmed that the surrounding air quality was within the compliant standards.

NOISE EXPOSURE

Recognising the impact of noise pollution from quarry operations, our Resources Division maintained its quarterly monitoring of boundary noise level to ensure compliance with permissible levels. In our Packaging Division, Stenta completed a noise reduction initiative at Metallizer areas to reduce the excessive noise level to below 82.0 dB. The initiative introduced fiberglass and rockwool barriers around the equipments to absorb and block sound transmissions.

This year, we recorded full compliance with the boundary noise level standards established by the DOE.

WATER MANAGEMENT

In 2024, all our operations are located in areas free from water stress, with most relying on municipal water supplies.

For our hydropower operation nestled along one of the world's major rivers, the Mekong River, we are committed to preserving the natural ecosystems and livelihoods that depend on it. As we grow as a company, adopting innovative water management strategies is essential to building a resilient and water-secure future. During the year, we continued to undertake the following:

1. **Regular water quality monitoring**

   Water quality is analysed regularly at various locations along the Mekong River to ensure adherence to the Lao PDR standards and to monitor any impacts resulting from DSHP.

2. **Daily monitoring of river water levels**

   We conduct daily monitoring of river water levels at seven strategic locations upstream and downstream of DSHP. This ongoing effort ensures adequate water flow through fish passage channels and supports any necessary adjustments to the plant's operations. The daily water level reports from the Pakse gauging station also assist in effectively planning our day-to-day operations.

Our other Divisions continued their regular water management initiatives including rainwater harvesting for internal consumption, installing sensor-based faucets to conserve water and conducting regular water quality monitoring efforts. Throughout the year, we ensured full compliance with all water-related regulations and standards.

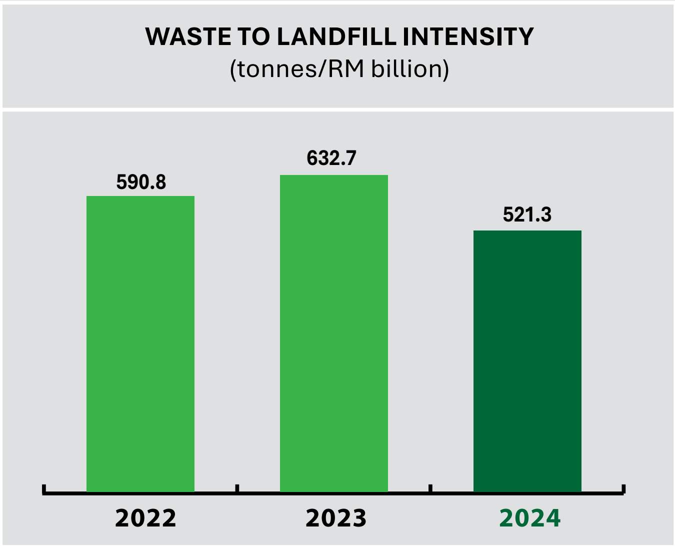
CIRCULAR ECONOMY

As a packaging manufacturer, ensuring the quality and safety of our products is essential to our business. Despite the importance it holds in meeting our customer expectations, we acknowledge the growing concern surrounding plastic waste and its impacts on the environment, which compels us to seek more sustainable alternatives and practices in our operations.

In 2024, we diverted 7,334 tonnes of waste from landfill, representing a 10% increase compared to 2023. Of the total waste diverted, 65% was clean films prepared for reuse. Additionally, our waste to landfill intensity has shown a declining trend over the past three years, as illustrated in the diagram below.

↓50%
WASTE TO LANDFILL
BY 2030

7,334
TONNES OF WASTE
DIVERTED FROM LANDFILL



Note: Waste to landfill data in 2024 does not include the Food Security Division.

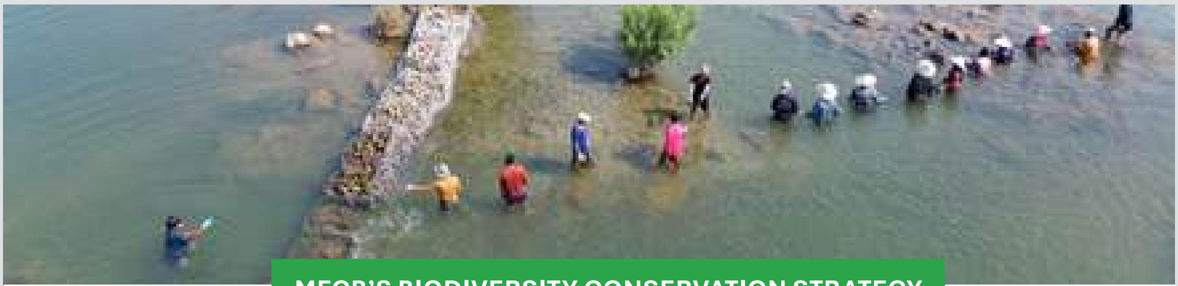
We also sold 2,388 tonnes of biodegradable Biaxially-Oriented Polypropylene (BOPP) films this year (about 10% of the total BOPP films sold). This packaging solution reduces the environmental impact of plastic waste as it breaks down more quickly than traditional plastic packaging, helping to reduce landfill accumulation.

Additionally, we strive to adopt the best practices in resource management throughout our operations. Wherever possible, all recyclable materials generated from our processes, or from the packaging of purchased items such as paper and plastic are recycled through a third-party waste management vendor. Currently, we embrace at least 6Rs of the 10Rs waste management framework – **rethink, reduce, reuse, remanufacture, repurpose and recycle**.

During the year, Hexachase Flexipack obtained its International Sustainability & Carbon (ISCC) PLUS Certification. This is the second ISCC PLUS certification in our Packaging Division – the first was awarded to Stenta in 2023. This voluntary certification is a globally recognised standard for supporting sustainable, fully traceable, deforestation-free and climate-friendly supply chains. It ensures that our flexible packaging products are sourced from sustainably certified organisations, reinforcing stakeholder confidence through the consistent application of our best sustainability practices across our operations.

BIODIVERSITY CONSERVATION

Protecting our planet's natural resources is essential to preserving the delicate balance of ecosystems and securing lasting benefits for future generations. The location of DSHP on an anabranch of the Mekong River presents a unique opportunity for us to contribute to the conservation of this biologically diverse habitat. The Mekong River system sustains approximately 900 fish species, including 220 endemic and numerous endangered species. Moreover, it serves as a lifeline for local communities, offering a vital source of income and sustenance for millions across the region.



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 increase the awareness among communities about the importance of biodiversity.	We will publish at least two scientific studies in the area we operate.

This year, we continued implementing our Biodiversity Conservation Strategy which we detailed in our 2023 Sustainability Report. The strategy outlines our goals for 2030 and 2050, aligning with the Kunming-Montreal Global Biodiversity Framework (GBF) and Lao PDR's National Biodiversity Strategy and Action Plan 2016–2025. Among the 23 targets established in the GBF, we are focused on making a meaningful contribution to targets 2, 3, 4 and 10.

Centred around the themes of 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 our hydropower project in 2015. As one of the few companies in the region to set clear goals and targets for preserving biodiversity, we understand the challenges that lie ahead. The complex and dynamic nature of the Mekong River basin, combined with numerous external factors, adds layers of difficulty to achieving our objectives. Despite these challenges, we remain committed to focusing on actionable solutions and will continue to collaborate with the Mekong River Commission and other stakeholders to support shared conservation goals.

Our long-term aspiration is to achieve a net positive impact on biodiversity by maintaining and restoring the integrity of ecosystems within and around our project areas. Currently, this focus is anchored on our operations in Lao PDR.

CONSERVATION AND REHABILITATION

The Khone Falls-Siphandone region, where the project is located, boasts an exceptionally rich diversity of fish species due to its ideal natural habitat, hydrological conditions and abundant food supply. This area contributes significantly to aquatic biodiversity and productivity, hosting approximately 25% of all fish species found in the Mekong River basin, including locally endemic species such as *Aaptosyax grypus* (pa sanak nyai), *Mekongina erythrospila* (pa sa-ee), *Labeo erythropterus* (pa va souang) and *Gyrinocheilus pennocki* (pa ko).

7,650
TREE SEEDLINGS
HAVE BEEN PLANTED SINCE 2016

Since the project's inception in 2008, DPSC has carried out extensive monitoring initiatives to assess its impacts on the surrounding environment and communities. In tandem, it has implemented a variety of mitigation and management measures in collaboration with the Don Sahong Fisheries Management Committee (DSFMC). These efforts are further strengthened by the adoption of the Don Sahong Fisheries Management Plan (DSFMP) and the implementation of the Fisheries Monitoring and Action Plan (FishMAP), both of which are supported by DSPC through the DSFMC.

Outlined below is the detailed breakdown of our ongoing efforts:

Don Sahong Fisheries Management Committee (DSFMC)

Established in 2016, the committee includes representatives of:

- Village, district/provincial fisheries organisations;
- Fishers;
- Village/district social organisations;
- Village, District/Municipal Security Officers; and
- Other relevant sectors as deemed necessary.

as outlined in Article 51 of the Fisheries Law.

OVERSEES THE IMPLEMENTATION

Don Sahong Fisheries Management Plan (DSFMP)

A long-term adaptive management strategy implemented in 2015 to:

- Reduce fishing pressure, particularly on migrating fish, to allow them to utilise alternative channels, mitigating the loss of fish passage through the Sahong Channel;
- Protecting, preserving and managing fisheries resources in the Don Sahong Fisheries Management Area (DSFMA), focusing on endangered or declining aquatic species; and
- Ensuring the sustainable management of aquatic fauna in the DSFMA.

COMPLEMENTS

Fisheries Monitoring and Action Plan (FishMAP)

Developed in 2013 by DSPC to focus on:

- Physical improvements of the natural channels at Khone Falls, facilitating easier migration for fish; and
- Comprehensive monitoring efforts to evaluate the effectiveness of the fish passages and the overall status of fish and fisheries at Khone Falls.

DSFMC Activities

As part of our ongoing efforts to maintain the diversity and population of key fish species, DSFMC released 40,000 indigenous fish to the head pond of the Don Sahong dam including the Yellow-Eyed Silver Barb (*Hypsibarbus peirrei*), Notched Mud Carp (*Henicorhynchus entmema*), Siamese Mud Carp (*Henicorhynchus siamensis*), Thin-Lips Barb (*Labiobarbus leptocheilus*) and Pa khao na (*Sikukia gudgeri*). These fish are particularly important for the ecosystem in this section of the Mekong River and were bred at the Ban Hatchery Station.

Our efforts are also supported by ongoing enforcement measures which include inspecting locations across the seven main channels which are at high risk of illegal fishing and removing big gears from the channels. In 2024, 16 locations were inspected and 72 big gears were removed. The two main fish markets – Veunkham and Nakasang – are also monitored regularly and traders who support illegal fishing (such as by electrofishers and "Lee" traps) are reported to authorities.

200
INDIGENOUS TREES (*SINDORA SIAMENSIS*)
PLANTED AT NEW CONSERVATION AREA IN KHONG DISTRICT IN 2024

Ongoing activities of the DSFMC

- **Registration of fishers and fishery organisations**
- **Communicating permitted activities for fishers and traders**
- **Rehabilitation of important habitats**
- **Rehabilitation of indigenous fish**
- **Enforcement**

FishMAP Activities

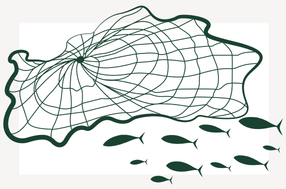
Under the FishMAP, DSPC conducts weekly monitoring of fish population levels. Household catch from 60 households surrounding the project area are tracked, and local fishermen are hired to conduct fish catches every five days using standard fishing gears. Fish are caught at 11 locations – 7 upstream locations and 4 downstream locations – and are counted, weighed and measured in length. Detailed records have been kept since 2014, providing the company consistent insight as to the status of the fish populations in the area.

In 2024, DSPC carried out fish passage works in two channels – Xang Pheuak and Somphamit. The work that was carried out included removing some vegetation and fish traps to maintain minimum flows during the dry season that will enable fish to pass. This work is crucial in ensuring that fish have a number of different channels to move through at all times.

AWARENESS AND CAPACITY BUILDING

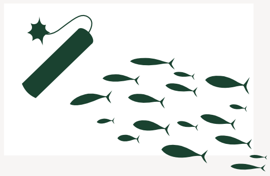
The DSPC team works closely with local communities and government departments to raise awareness and understanding of various fisheries-related issues, aiming to maintain healthy fish populations for the benefit of all.

KEY ISSUES



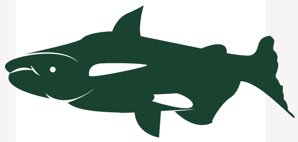
Large illegal fishing gears

Obstructs fish movement through river channels at Khone Falls, preventing migratory fish from reaching essential spawning or feeding habitats.



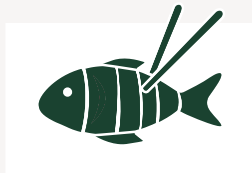
Illegal fishing methods

Electrofishers, explosives and poisons harm numerous species and also pose significant risks to users and others.



Illegal capture and sale of endangered fish species

The market for endangered fish species encourages fishermen to use illegal fishing methods.



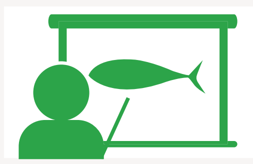
Consumption of raw fish

Locals have for generations consumed raw fish, however it is not always safe to consume raw fish, especially when it has not been stored or prepared hygienically. It can result in parasitic infections, particularly from liver flukes.

OUR TWO-PRONGED STRATEGY

Raising Awareness

Conducting outreach programmes in schools and villages to educate children and communities about these issues while offering practical solutions and alternatives.



Technical Training and Workshops

Organising training sessions and workshops for patrol teams and relevant stakeholders, including government departments to foster collaboration and deepen understanding of effective solutions to these challenges.

RAISING AWARENESS

In 2024, DSFMC educated more than 100 local students about the health risks of eating raw fish, and the ecological impacts of using illegal and destructive fishing gears in the Mekong River. The students attend four schools in the project area - Hang Sadam, Hua Sadam and Don Sahong primary schools, as well as Don Sadam secondary school. They also met with representatives from the six project-area villages to discuss and explain the Fisheries Law regulations, which include prohibition of capture of endangered species, controls on fishing gears and methods and management of conservation zones.

TECHNICAL TRAINING AND WORKSHOPS

A workshop was conducted for three village patrol teams to train them on the Fisheries Law in March 2024 and to understand the rules and regulations in the law. In February 2024, DSFMC organised an educational visit to the Nam Theun I and II dams to observe and learn about the implementation of fisheries management practices in their projects. Twenty-four representatives, including village chiefs and community heads, from the DSPC area participated in the three-day trip where they learned about the fishery management practices of the Nam Theun hydropower project and visited a conservation zone, fish processing community and fish market.

SCIENTIFIC RESEARCH

DSPC is expected to finalise its fish abundance monitoring database for Khone Falls in the first quarter of 2025, spanning from 2009 to 2023. The team has been tracking daily catches from 80 households and fish traders under the FishMAP. The findings, which include the status and trends of fish and fisheries, were documented to evaluate the effectiveness of fish passages, fisheries management and the impact of other factors, such as interannual hydrological variation. This comprehensive and high-quality dataset is a valuable and unique resource for the Mekong region, significantly contributing to the scientific understanding of fish and fisheries.

The DSFMC has been collaborating with relevant stakeholders and authorities to identify Fish Conservation Zones (FCZs) in the Siphandone area, contributing to broader efforts by WWF-Laos aimed at conserving fish populations. The resulting map will outline protected areas within the Khong District and detail the specific regulations for each designated FCZ.

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

MFCB is driven by a goal to uplift and enhance the livelihoods of 300,000 people surrounding our operational areas by 2030. This commitment signifies our responsibility to our employees, stakeholders and the communities we serve. We deeply value the power of investing in people and believe that meaningful change begins with their development. Our corporate social responsibility initiatives pave the way for advancing the communities around us and we are committed to building partnerships that promote lasting relationships and sustainable growth.

OUR MILESTONES

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

✓ Set up a Scholarship and Management Trainee Programme by 2024.

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

Our pursuit of creating real change is rooted in our corporate people policies. Led by our Employee Code of Conduct and Discipline, we extend our values and expectations with the Diversity and Inclusion Policy and Human Rights Policy. Available on our corporate website, these policies define our standards and responsibilities in human capital management.

During the year, all our divisions are aligned with our Code of Conduct and have systems in place to identify any non-compliance with the Code. In addition, we regularly review the effectiveness of our Code of Conduct and make adjustments where required.

PRIORITISING OUR PEOPLE

DIVERSITY AND EQUAL OPPORTUNITY

1,664
TOTAL WORKFORCE

We place a strong emphasis on fostering an inclusive organisational culture that values and supports employees of all genders, ages, cultural backgrounds, experiences and perspectives. Our Diversity and Inclusion Policy highlights our commitment to workforce diversity and providing equal opportunities. 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. 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. This approach has enhanced workplace productivity and collaboration, which we deeply value as a Group. Our dedication to equal opportunity spans all areas of employment, including recruitment, professional growth, promotions and leadership opportunities. We foster an inclusive environment where every individual is valued and respected for their unique contributions.

1. **Increase Female Leadership in Management Roles**
   In 2024, 36.5% of our leadership roles were held by women, reflecting a slight increase from the previous year at 35.7%. This is particularly evident in our Automotive Components Division, where women held 60% of managerial roles, a notable achievement in an industry that is traditionally male-dominated. We will continue to empower more women to embrace leadership opportunities in the years ahead.

2. **Empowering Diversity in Our Workforce**
   To embrace diversity and foster a more inclusive workplace, we have introduced tailored facilities and policies to support and empower employees to perform at their best. Across our Divisions, we provide amenities such as prayer rooms and nursing rooms, along with special leave days like maternity, paternity and study leave, to support both personal and professional growth. These efforts reflect our commitment to valuing the unique skills and talents of every employee. Looking ahead, we will continue implementing inclusive practices and creating an environment where everyone can thrive.

TRAINING AND DEVELOPMENT

Across the Group, we believe that nurturing our people through professional and personal growth will foster greater success for all. During the year, a total of 17,244 hours of training was completed by employees.

Key training programmes conducted in 2024 are outlined in the table below.

Sustainability 101 Training	An essential training programme across the Group designed to: • Communicate our sustainability strategy and goals • Provide an overview of sustainability and its importance to our business and employees • Enhance awareness and knowledge about sustainability among our employees • Equip employees with tools and resources to support sustainability initiatives
Upskilling and Reskilling Programmes	• Stenta conducted training on emerging skills such as data analytics and Artificial Intelligence (AI). Reskilling programmes also were introduced for employees transitioning into new roles or functions within the Division. • RCI also conducted eight training sessions during the year on skills and competency development.
Social Compliance Training	• Training on workplace standards, ethical practices and compliance with the labour laws.
Knowledge Enhancement Training	• RCI showed strong focus in knowledge enhancement this year, particularly in Occupational Health, Safety and Environment, IMS awareness and internal audit with more than 20 courses provided to employees.

During the year, we formalised our existing scholarship and education initiatives by establishing a Group Internship, Management Trainee and Scholarship Guideline to provide a clear framework for the Group's approach to these programmes. This effort also strengthens our second sub-target under the social pillar (establishing a scholarship and management trainee programme) by creating a solid foundation for implementing such initiatives across the Group. Through these programmes, we aim to nurture future talent, build a robust pipeline of skilled professionals and contribute to the personal and professional development of young individuals.

244
EMPLOYEES HAVE SERVED FOR MORE THAN 10 YEARS

EMPLOYEE WELLNESS AND ENGAGEMENT

At MFCB, we believe in fostering a positive work environment that supports both employee wellness and productivity. By offering fair compensation and comprehensive benefits, we aim to meet evolving employee expectations while staying aligned with industry benchmarks.

We provide benefits to full-time employees including annual performance bonus, medical insurance coverage and personal accident insurance coverage.

We also recognise that employee engagement is an integral component in our overall success. Across the Group, we value effective engagement with our employees to empower them to make a positive impact both within the organisation and beyond. This year, we introduced a quarterly corporate newsletter to keep employees informed about the latest sustainability updates across our Divisions. In addition to fostering engagement, the newsletter promotes transparency and reinforces our company culture. It delivers regular updates on our goals, achievements and key initiatives, ensuring employees stay informed and connected. To celebrate individual contributions, we include an 'Employee Spotlight' section, highlighting accomplishments and nurturing a sense of belonging and motivation within the team.

To further support this, each Division implements tailored employee engagement initiatives to ensure our workforce remains connected and supported. Key programmes that we have conducted during the year include:

EMPLOYEE WELLNESS

1. **Health Talks and Preventive Screening**

   During the year, our headquarters, Stenta from our Packaging Division and Bloxwich from our Automotive Components Division organised health talks and preventive screenings for employees. The initiatives aimed to provide employees with valuable insights into their personal health, empowering employees to address potential health concerns proactively. Through these efforts, we successfully raised health awareness and encouraged healthier lifestyle choices among 314 employees.

   In addition, Stenta, in collaboration with the Government Anti-Drug Agency, conducted a Drug-Free Workplace Talk, aimed at raising awareness about the dangers of drug abuse. Meanwhile, Bloxwich also extended the focus on employee well-being by organising a "R U Okay?" Talk, which centred on mental health awareness. The session emphasised the importance of mental wellness and highlighted the vital role each team member plays in cultivating a supportive and empathetic work environment.

2. **Wellness Challenge**

   Bloxwich organised "The Biggest Gain & Loss Challenge" to inspire employees to prioritise their personal health and wellness goals. The challenge fostered a sense of camaraderie and motivation, as participants showcased impressive dedication in reaching their fitness targets. This initiative added a dynamic and engaging element to Bloxwich's wellness activities, further strengthening the company's commitment to employee well-being.

3. **Game Nights**

   RCI 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.

4. **Blood Donation Drive**

   This year, Bloxwich and Stenta organised blood donation campaigns at their respective Divisions to support local healthcare efforts, foster community engagement and encourage employees to participate in meaningful initiatives. Together, the drives successfully collected a total of 35 bags of blood, demonstrating the dedication and generosity of participants across both divisions.

EMPLOYEE ENGAGEMENT

1. Lunch sessions

To enhance employee engagement, our headquarters office organised regular lunch sessions throughout 2024, providing an opportunity for employees to connect. Offering nutritious and well-balanced meals, the gatherings helped build relationships across departments and teams. It fosters stronger connections within the workplace and promotes a culture of work-life balance.

2. Festive Celebrations

Across the Group, we celebrated various festive occasions with enthusiasm and unity, embracing the diverse cultural heritage of Malaysia. Throughout the year, we organised inclusive celebrations for key festivals such as Chinese New Year, Hari Raya, National Day, Deepavali and also Christmas. These events were not only a chance to honour special occasions and traditions, but also an opportunity to bring employees together, fostering a sense of community and belonging. Special gatherings and festive meals were organised across the Divisions, strengthening relationships and boosting morale.

3. Toolbox Briefing Programme

Building on the success of our previous Toolbox Briefing Programme at RCI, we expanded our efforts this year by delivering 338 toolbox briefing sessions on 27 different topics aimed at enhancing communication, raising awareness and reinforcing RCI's organisational culture. The programme covered key areas such as environmental awareness, occupational health and safety, and productivity and efficiency. This initiative ensures comprehensive and consistent communication across all departments, successfully reaching 100% of RCI's employees.

This programme has become something I look forward to every week at RCI. It effectively enhances awareness and promotes communication among employees, as the toolbox sessions are conducted in multiple languages. They cover a wide range of topics, including productivity, efficiency, safety, environment and ESG.

Mohamad Asraf
Senior Quarry Engineer at RCI

FROM THE NEWSLETTER

RCI Heritage Night

RCI hosted a Heritage Night on December 6, 2024, to celebrate its rich cultural diversity and honor the company's heritage. The evening commenced with an inspiring speech by Mr. John Chu, Head of the Resources Division, who emphasised the value of embracing diversity and reflecting on the company's journey. The event featured engaging activities, Best Dressed Awards and culminated with an exciting lucky draw offering a grand prize of RM3,888. Aligned with RCI's sustainability goals, attendees received eco-friendly door gifts, including reusable tote bags, cutlery sets and bowls.

4. Beach Clean up

In December 2024, Hexachase Flexipack organised its first voluntary beach clean-up programme at Klebang Beach, Malacca. This initiative aims to foster a culture of volunteerism, empowering employees to make a positive impact through hands-on participation. A total of 20 employees, accompanied by their family members, dedicated their time and effort to uplifting the community. The clean-up resulted in the collection of 136.35 kg of waste, which was subsequently managed by SWM Environment, the designated concessionaire for solid waste management and public cleansing in Malacca. Through this effort, we emphasised the importance of civic responsibility in preserving natural ecosystems and instilled a mindset of responsible waste management.

FAIR LABOUR AND HUMAN RIGHTS

Across the Group, respect for people and human rights are highly prioritised. We are steadfast in our commitment to maintaining a zero-tolerance policy against any form of unlawful and unethical human rights violations and discrimination. Our Human Rights Policy is aligned with the UN Guiding Principles on Business and Human Rights. This policy covers a wide range of critical topics including the protection of children's rights, the prohibition of forced labour and the safeguarding of freedoms such as movement, expression and association. It also ensures equal employment opportunities for all, reinforcing our dedication to fostering a fair and inclusive workplace for everyone. The policy is communicated to all employees on an annual basis and is made available on our website. 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. The company proactively assesses its human rights impacts on an on-going basis and have put in place a number of actions to avoid, prevent and mitigate any potential human rights issues.

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

DIVISION HIGHLIGHT

Stenta's Family Friendly Programme

Stenta has increased its allocation for family medical outpatient expenses and provides a zero-interest loan facility for employees for purposes such as purchasing vehicles, buying, renovating, or repairing a house and education.

FOREIGN WORKERS

The Group takes a proactive approach in assessing our human rights impacts as part of our commitment to ensuring compliance with relevant laws and regulations. As part of this, we strictly prohibit any recruitment fee practices for hiring foreign workers at any stage of the recruitment process across all our operations. This policy aims to promote fairness and eliminate the risk of exploiting foreign workers. We expect our employees, business partners and suppliers to adhere to this policy, underscoring the importance of respecting boundaries related to security and human rights. Our policy is publicly available on our website, allowing stakeholders to understand and align with our expectations.

WORKING HOURS

We prioritise the well-being of our employees by fostering a balanced approach to work-life integration. Across the Group, we are committed to eliminating excessive working hours to promote employee well-being, productivity and compliance with labour standards. Our approach includes implementing reasonable work shift schedules that promote manageable working hours, encouraging regular breaks and discouraging the abuse of overtime.

During the year, Stenta introduced a Flexible Work Arrangement (FWA) to provide employees with greater flexibility in their work schedules while fostering a progressive and productive work environment. Through FWA, employees have the option to adjust their working hours, working days and even select their place of work.

FAIR WAGE

We have consistently offered fair compensation that exceeds the minimum wage across all employment levels within the Group. This ensures that all employees can earn a reasonable living wage in the locations where we operate. In our Packaging and Resources Divisions, employees are free to join the established workers' union and elect representatives for collective bargaining. In 2024, 16.6% of our employees (compared to 19.9% in 2023) were covered by collective agreements. This reduction is due to an increase in the number of company hires who are not part of a union. Additionally, some employees may choose not to join a union, as the company's existing practices are already on par with current industry standards. Regardless, we remain committed to ensuring fair and equitable working conditions for all employees, irrespective of their union membership status.

INDIGENOUS RIGHTS

Across the Divisions, we recognise and respect the rights of indigenous communities. As such, we do not operate on any indigenous lands. If there arise any situations of potential future undertakings on indigenous lands, we are committed to respecting indigenous rights by engaging in consultations with traditional landowners to obtain their free and prior informed consent.

OCCUPATIONAL HEALTH AND SAFETY

Demonstrating our commitment to workplace safety, we consistently apply best practices across our operations, adhering to the Occupational Health and Safety Act, our Group's Occupational Health and Safety Policy and Occupational Health and Safety Management System. These measures ensure a safe and healthy work environment for all employees, driving us closer to our goal of zero work-related injuries and illnesses.

Our main Divisions have its own dedicated OHS Committees and Standard Operating Procedures (SOPs) for addressing and reporting work-related hazards. These committees, which include both management and employee representatives, convene bi-monthly to discuss safety improvements, welcoming input from all members. New employees receive comprehensive OHS training, while those working in production and quarrying areas participate in weekly OHS briefings to reinforce safety protocols and highlight potential risks.

To systematically identify workplace hazards, our Divisions employ the Hazard Identification, Risk Assessment and Risk Control (HIRARC) process. We ensure that relevant employees are thoroughly trained to conduct HIRARC assessments effectively. The findings from these assessments are reviewed during OHS Committee meetings, where actionable measures are determined to address identified hazards. Employees are encouraged to report safety concerns directly to their managers or through an anonymous grievance mechanism, fostering a culture of openness without fear of reprisal. Managers are specifically trained to handle these reports with care and professionalism.

In the event of an incident, a stringent reporting protocol is followed. Incidents must be reported within 24 hours to the relevant managers or departments, followed by the submission of an Incident Investigation Report. Serious accidents leading to lost time are promptly reported to the Department of Occupational Safety and Health (DOSH) via an online system. Each incident undergoes a thorough investigation within a defined timeframe to determine root causes and implement corrective actions, which may include additional training or physical improvements to mitigate future risks. This process is typically completed within a month of the incident.

Our commitment to safety extends to the continuous monitoring of corrective measures to evaluate their effectiveness. If a similar issue arises, a subsequent investigation is conducted to identify further improvements and prevent recurrence. Through these proactive and comprehensive measures, we maintain a steadfast focus on creating a safe and secure work environment for all employees.

29% OF SITES
ISO 45001 CERTIFIED

ISO 45001:2018 Certification

- Renewable Energy: MFPI
- Resources: RCI
- Packaging: Stenta
- Automotive Components: Bloxwich (Malaysia)

523 EMPLOYEES
TRAINED ON HEALTH & SAFETY STANDARDS

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 and overhead crane operation
- ☑ Waste handling

1.01
LOST TIME INCIDENT RATE

During the year, we recorded 1.01 work-related injury rate for every 200,000 man-hours worked with zero work-related fatalities across the Group. The incidents involved 13 recordable work-related injuries to hands and legs. We unfortunately recorded a workplace incident that resulted in the fatality of a third-party contractor at one of our projects in the Klang valley. The safety and well-being of everyone working at, or associated with, our operations are of the utmost importance to us. Following the incident, we conducted a thorough investigation to identify the root cause and implemented enhanced safety measures to prevent similar occurrences in the future. This includes reinforcing safety protocols, providing targeted training and increasing on-site supervision to ensure compliance with our safety standards. We remain fully committed to strengthening our protocols where necessary to safeguard the health and safety of all personnel across our operations.

Key OHS programmes implemented by our Divisions throughout the year include:

OCCUPATIONAL HEALTH & SAFETY HAZARDS	ASSESSMENT PROGRAM	DIVISION	INITIATIVES/ACTIVITIES IN 2024
Noise	Noise Risk Assessment ("NRA")	• Packaging • Resources (RCI)	• Conduct Annual Audiometric Testing. • Maintain Annual Hearing Conservation Training.
		• Packaging (Stenta)	• Completed ISO 45001:2018 SV1 audit by third party certification body with zero non-compliance observed. • Completed noise reduction project using isolation control at Metallizer area to reduce excessive noise level to below 82dB.
		• Resources (RCI)	• Install "Hearing Protection Zone" signage at work area exceeding NEL 85 dB(A). • Maintain approved Personal Hearing Protection (PHP) with Noise Reduction Rating (NRR) of 25 dB or higher to workers.
Chemicals	Chemical Health Risk Assessment ("CHRA")	• Packaging (Stenta) • Resources (RCI)	• Inspection, examination and testing of Local Exhaust Ventilation (LEV). • Conduct Chemical Exposure Monitoring (CEM) and CHRA for identified additional parameter.
Plant & Machineries	Inspection on hoisting machinery and unfired pressure vessel	• Resources (RCI)	• Completed Non-Destructive Testing (NDT) using Ultrasonic Thickness Gauging (UTC) to assess safety and integrity of air receiver tanks. • 14 units of PMT (air receiver tank and air compressor) and three units of PMA (electric chain hoist) were inspected by the authority, DOSH officer to ensure these PMTs and PMAs are in good condition and fit to use. Certificate of Fitness with validity of 15 months have been issued by DOSH.
Safety Procedures	Emergency facilities update	• Resources (RCI)	• A new emergency shower and two eye wash units were installed to handle chemical spill emergencies and chemical splash incidents.

Stenta also hosted local university students to conduct an industrial hygiene assessment, including noise assessment, indoor air quality evaluation, heat stress analysis, chemical exposure monitoring and chemical health risk assessments. This has helped students have a better understanding of industrial hygiene practices.

EMPOWERING COMMUNITIES

At MFCB, we believe that our responsibilities extend beyond achieving business success. We recognise that true progress lies from improving the collective well-being of the communities we serve. Our community investments are also strategically aligned with our business objectives, ensuring that our contributions create meaningful, sustainable impact while supporting our long-term growth and values. In December 2024, we advanced our commitment to education and community development by establishing a comprehensive Group Internship, Management Trainee and Scholarship Guideline. These guidelines provide clear processes for selecting, managing and supporting the students, as well as for outreach, application and reporting requirements for the Divisions implementing these programmes. By formalising our existing education initiatives, this framework ensures that future efforts will have a greater impact, creating meaningful opportunities and enhancing the quality of life for deserving students.

This year, all our Divisions actively implemented community development programs, investing a total of RM542,526 to benefit the communities we serve. We also encourage our employees to participate in volunteer work, contributing to various community events and supporting our outreach initiatives.

186,340
BENEFICIARIES
FROM COMMUNITY INVESTMENTS

RM164,258
Ensure all children have access to education to support continuous community development.

EDUCATION

Across our Divisions, youth education is a key focus of our efforts. We have provided scholarships, internships, graduate placements and contributed to youth unemployment initiatives. At DSPC, school-aged children in the surrounding communities face both physical and financial barriers to accessing school and higher education. Since the start of our operations, DSPC has been providing financial aid as well as transportation services to students to enable them to go to school. In 2024, four new full scholarships were awarded to underprivileged students to attend university, bringing the total number of scholarships awarded since 2016 to 16. DSPC also funds a small bus that enables 28 students to attend high school that is more than 60km away from their village as well as the fuel for a boat to bring 18 students from Don Phapheng to Thakho to attend primary school.

To nurture future generations entering the workforce, Stenta provides opportunities for local university students to undertake internships, enabling them to learn more about the industry. In 2024, Stenta hosted 23 internship students. They also opened up their operations to 15 other students to conduct industrial visits and research projects.

In addition to these, our other Divisions, Hexachase and RCI, are focused on encouraging youth participation in sports and ensuring schools have the necessary resources to support students. Together they have contributed RM130,980 to local schools for sports events, school activities and infrastructure improvements.

EDUCATION INITIATIVE HIGHLIGHT

RCI's Partnership with AIESEC from Universiti Tunku Abdul Rahman (Kampar Campus)

ECHO 2.0 Project

The ECHO 2.0 Project is a continuation of the 2023 ECHO 1.0, a Malaysian Youth Volunteer programme aimed at empowering young people to take ownership of climate change impacts through SDG-aligned projects, specifically on SDG 13: Climate Action.

Ninety-two students from SMK Methodist ACS Kampar participated in various hands-on activities such as the Eco-Soap Workshop and Eco-Waste Workshop, aimed at fostering awareness on sustainable lifestyles and develop action plan to address environmental issues. The activities encouraged teamwork and critical thinking, allowing students to collaborate on innovative solutions for waste reduction and sustainable living. Many participants expressed their enthusiasm about applying what they learned at home and within their communities, reinforcing the long-term impact of the programme. The event also served as a platform for educators and facilitators to engage with students on real-world sustainability challenges, inspiring them to become proactive environmental advocates.

SPEAK-UP 11.0 Project

The SPEAK-UP 11.0 Project focuses on SDG 4: Quality Education. It empowers Malaysian youth to acquire critical technical, vocational and personal development skills to prepare for employment opportunities. The project also provides underprivileged students (B40 Group) with STEAM education – Science, Technology, Engineering and Mathematics.

A total of 82 students from SMK Sentosa participated in the workshops designed to equip them with valuable skills for improved job prospects and entrepreneurship opportunities. These workshops covered essential topics such as website design and communication, providing students with both technical expertise and soft skills crucial for the modern workforce. Many students found the experience inspiring, as it opened their eyes to new career possibilities and the importance of continuous learning. The programme also fostered collaboration among peers, allowing them to share ideas, work on projects and develop interpersonal skills that will benefit them in their future endeavors.

RM236,998

Spent on improving the infrastructure of rural communities to boost connectivity and quality of life

21 km
ACCESS ROADS
BUILT/UPGRADED SINCE 2016

23
COMMUNITY BUILDINGS
CONSTRUCTED / RENOVATED SINCE 2016

INFRASTRUCTURE

DSPC continues to improve the livelihoods of surrounding communities by upgrading the basic infrastructure in the area. In 2024, we completed the construction of 92 toilets for families who currently do not have access to one. For the Don Sahong, Hang Sadam and Hua Sadam villages, DSPC is currently constructing two water supply systems that will provide treated water directly to around 290 households as well as constructing a 30 km concrete road. Both projects are currently underway with expected completion in 2025. This will benefit over 1,671 people who use these roads daily and potentially improve tourism in the area.

In Perak, Malaysia, RCI supplied 110.2 tonnes of crusher run to improve around 1km of access roads in the nearby communities. This has helped reduce potential accidents caused by poor road conditions. They also helped a local school, SK Gunung Panjang, construct concrete floors in stagnant water areas, where the school then setup a reading corner and a garden for students and teachers to enjoy.

INFRASTRUCTURE INITIATIVE HIGHLIGHT

Flood Prevention Initiative for Champasak Province

DSPC contributed two water pump systems for Champasak Province, a region prone to flooding during the rainy season (typically from May to October). The handover event, attended by 17 people, took place at the Administration Office of Champasak Province in Pakse. The pump systems were operational as of October 2024, helping to mitigate flooding risks for 80,944 residents in the province. The initiative is part of the Community Development Fund (CDF) and cost RM129,858 (LAK 614,180,000) to install.

Sanitation Amenities For Local Communities At DSPC

DSPC continued its community works by developing two water treatment systems and 92 sanitation amenities for the six villages it serves in the Don Sahong area. At the time of the report, 18 sanitation amenities have been fully constructed and handed to the villagers of Hua Sadam. These facilities are expected to provide continuous clean water to the local communities while improving hygiene as the basic human need for health and well-being. This initiative is in line with SDG 6: Clean Water and Sanitation.

RM89,196

Provided for financial or physical assistance aimed at economic empowerment

638 TONNES DRY-SEASON RICE

PRODUCED SINCE 2016

LIVELIHOOD SUPPORT

The local communities around DSPC are mostly dependent on the fishing industry as well as farming. DSPC is aware of the annual trends in fish catch due to varying water levels between the dry season and monsoon season and has continued to engage closely with the communities on alternative income streams. Some of the ongoing initiatives in place include providing technical advice and financial assistance for agricultural production which has helped farmers grow rice, other vegetables and livestock during dry season. In 2024, the team has focused on helping communities establish small cooperatives for fish processing, sugar processing and noodle products. Over RM83,990 was provided to purchase equipment, enabling 114 families to establish their own operations in their villages.

DSPC has also established a Revolving Fund Program since 2015, which has successfully helped families save money and raise funds to support their livelihoods. We also continue to support the running of the Health Centre that was built in 2020 by paying the electricity bills. Without this Health Centre, local villagers had to travel more than 37km to seek professional medical treatment. Since being built, the centre has treated more than 3,580 patients and saved 21 lives.

In Perak, Malaysia, both Bloxwich and RCI provided financial support for less fortunate communities. Bloxwich contributed RM2,400 to the Handicap Welfare Home in Batu Gajah, Perak to help support their operations for the disabled community. RCI participated in an initiative organised by the Kampar District Police to support NGOs and contributed RM1,500 to 10 underprivileged families and 30 children and orphans in conjunction with the Eid celebration. They also contributed RM1,208 to Persatuan Pusat Jagaan Kasih Sayang Kampar to support the care for 20 children.

BUILDING A SUSTAINABLE AND ETHICAL BUSINESS

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

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 APPROACH

We are committed to having 100% of our Tier 1 suppliers comply with our Responsible Sourcing Policy by 2030. This goal aligns with our commitment to build a sustainable business, a resilient supply chain and fostering ethical business practices.

Across the Group, we uphold the highest level of corporate governance and ethics standards. We strongly believe that ethical practices shape a sustainable business and create a positive and healthy work environment that drives growth. We strive to create a reputable workplace where employees feel secured and motivated to excel. This is underpinned by our dedication to integrity and the implementation of effective procedures and policies.

OUR GROUP CORPORATE POLICIES

LIST OF POLICIES	AIM OF POLICIES
Anti-Bribery and Corruption Policy	To provide guidance on addressing bribery and corruption issues that may arise during business operations and to clarify employees' responsibilities in preventing and managing such matters.
Anti-Money Laundering Policy	To prevent and combat money laundering as well as possible terrorism financing.
Biodiversity Policy	To preserve and protect biodiversity while ensuring the sustainable use of biodiversity resources.
Board Composition Policy	To outline the Board's approach to determining the composition of the Board of Directors of Mega First Corporation Berhad.
Conflict of Interest Policy	To provide guidance on how to deal with conflict of interest or potential conflict of interest situations as they arise and protect the interest of the Group.
Directors Fit and Proper Policy	To act as a guide to the Nomination Committee (NC) and the Board in their review and assessment of candidates that are to be appointed onto the Board as well as Directors who are seeking for election or re-election.
Diversity and Inclusion Policy	To promote a fair, inclusive and respectful workplace that values diversity and prevents discrimination or harassment.
Group Sustainability Policy	To align with the UN Sustainable Development Goals (SDGs) by promoting ethical business practices, fostering social responsibility and minimising environmental impact.
Human Rights Policy	To uphold and respect human rights in all areas of our operations as well as ensuring compliance with globally recognised labour standards.
Occupational Health and Safety Policy	To reinforce our commitment to health and safety excellence.
Policy on Nomination & Assessment Process of Board Members	To describe the process of MFCB's NC and Board in discharging their responsibilities for the nomination, assessment and re-election of Board members in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Malaysian Code on Corporate Governance (MCCG).

OUR GROUP CORPORATE POLICIES (CONT'D)

LIST OF POLICIES	AIM OF POLICIES
Remuneration Policy and Procedures for Directors and Senior Management	To ensure that appropriate level of remuneration for directors and senior management is aligned with the Company's strategic goals and corporate value.
Responsible Sourcing Policy	To promote sustainable, ethical and responsible sourcing guidelines to suppliers and ensure our suppliers are aligned and committed to helping MFCB achieve our goals.
Rights of Shareholders	To outline and protect the rights of shareholders, ensuring they have access to important company information, can participate in decision-making and receive fair treatment in accordance with the law.
Waste Management Policy	To promote responsible resource consumption, minimise waste generation through reduction, recycling and reuse, and ensure safe and efficient disposal of waste in compliance with local regulations.
Water Management Policy	To promote the responsible use and conservation of water, ensure compliance with local regulations, minimise pollution and contribute to water security for current and future generations.
Whistle-Blowing Policy	To provide an avenue for stakeholders to disclose any improper conduct in accordance with the procedures, ensuring whistleblowers are protected from any retaliation.

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

SUSTAINABLE PROCUREMENT

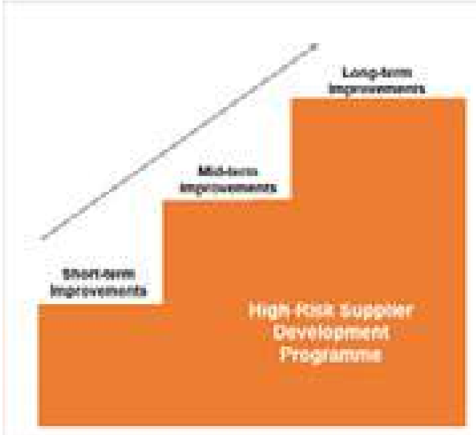
In line with our commitment to sustainability, our procurement practices are instrumental in fostering a responsible and conscientious business model. By prioritising suppliers who adopt sustainable practices and ensuring compliance across the supply chain, we go beyond simple transactions to embrace a comprehensive and forward-thinking approach.

80% **TIER 1 SUPPLIERS** SIGNED RESPONSIBLE SOURCING POLICY

This year, we took a step further in our effort to ensure that our suppliers aligned with our sustainability goals. Throughout April to September 2024, we rolled out two initiatives:

INITIATIVE	OBJECTIVES	PERFORMANCE
 **Responsible Sourcing Policy Acknowledgement**	To ensure that our Tier 1 suppliers are fully aware and committed to complying with our policies and standards. This initiative also fosters accountability and minimises risks related to non-compliance or misconduct within the supply chain.	80% of our Tier 1 suppliers signed the Responsible Sourcing Policy acknowledgement form.
 **Sustainability Risk Assessment**	To evaluate suppliers' practices and their alignment with our ESG standards, helping us identify high-risk suppliers and those that meet current industry practices.	81% of our Tier 1 suppliers completed the sustainability risk assessment and seven out of 48 suppliers have been identified as high-risk suppliers.

HIGH-RISK SUPPLIER DEVELOPMENT PROGRAMME



In 2024, an assessment was distributed to all Tier 1 suppliers identified in the previous year across our three main Divisions – Renewable Energy, Packaging and Resources. Of the 48 suppliers who responded, seven were classified as high-risk due to poor sustainability management and limited oversight of ESG progress. To address these challenges, we have developed a High-Risk Supplier Development Programme designed to help suppliers eliminate non-compliance practices and enhance their overall ESG performance within three defined timelines. Through tailored action plans that will require more detailed reporting on progress and impact reduction, we will be working closely with these suppliers to address their shortcomings. By fostering stronger partnerships and building capacity, we aim to not only mitigate risks but also drive meaningful progress towards a more resilient and responsible supply chain.

Our Packaging Division partakes in regular customer audits using the Suppliers Ethical Data Exchange (SEDEX) guidelines and the Sedex Members Ethical Trade Audit (SMETA) methodology. During these audits, social practices are evaluated to verify that the company adheres to rigorous standards related to labour, health and safety, environmental and business integrity. This year, we recorded zero non-compliance under the guidelines. Hexachase Packaging has also during the year upgraded to SEDEX SMETA 4-Pillar certification , which covers the four key areas of labour standards, health and safety, environmental management and business ethics. This certification reflects our commitment to continuously improving our practices and fostering a responsible and ethical business environment.

In February 2025, Stenta obtained a "B" for CDP's 2024 Climate assessment, which is an improvement from their 2023 score of "C". This progress reflects our commitment to reducing our impact and aligning with global best practices in climate action. To support the livelihoods of local communities and advance sustainable procurement, 60.9% of our spending in 2024 was directed toward local suppliers. This figure reflects an increase from the 49.8% recorded in 2023 due to our internal push to procure more materials locally. We firmly believe that prioritising locally sourced products and services, helps stimulate the local economy while fostering a low-carbon supply chain.

INNOVATING FOR A MORE SUSTAINABLE FUTURE

At MFCB, we are committed to driving innovation that fosters a more sustainable future. By continually exploring new technologies and practices, we strive to minimise our environmental impact while maximising efficiency. Our focus on sustainable solutions spans across all aspects of our operations, from the development of eco-friendly products to the implementation of energy-efficient processes. These efforts in innovation are integral to ensuring that our business remains adaptable and responsible in an ever-changing world.

In this aspect, our Packaging Division is leading through its innovative use of recyclable and environmentally-friendly packaging materials. Stenta is actively focused on creating packaging solutions that will have a significant positive impact on the environment by conserving precious resources, minimising food waste and reducing landfill waste. Some of the solutions developed so far include:

EKOLENE

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) film 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.

RCI implemented a significant technology enhancement in 2024 to ensure it operates in a comprehensive digital ecosystem. During the year, backup infrastructure for digital assets was established, based on a backup policy to safeguard critical data. These initiatives enhance data security and improve operational efficiency at RCI. Concurrently, efforts were also made to upgrade digital hardware, empowering employees to leverage emerging trends such as artificial intelligence, while also tackling sustainability goals by reducing paper waste.

AN ETHICALLY RESPONSIBLE BUSINESS

Across the Group, we remain committed to combating corruption and bribery, implementing robust measures to ensure compliance with Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018. Our Anti-Bribery and Corruption (ABC) Policy is aligned with the ISO 37001:2016 Anti-Bribery Management Systems (ABMS) standard, and extends to all employees, regardless of their roles, as well as third-party individuals and organisations such as customers and suppliers. The Policy also provides clear guidance to stakeholders on our internal limits and processes. Notably, RCI, under our Resources Division has achieved ISO37001:2016 certification and successfully completed its recertification for the next three-year cycle during the year.

As part of the Group's Risk Management Framework, we regularly evaluate corruption risks within our operations to ensure ethical and responsible business practices. With a zero-tolerance approach to corruption and bribery, we remain steadfast in our commitment to integrity in all business activities. During the year, a formal risk assessment was conducted for the majority of our operating units, including a specific focus on corruption risks. The findings indicated a low overall corruption risk level, reflecting the robustness of our risk management protocols and the dedication of our team to maintaining high standards of integrity and compliance throughout our operations.

In 2024, we recorded zero incidents of corruption. There were also no significant instances of non-compliance with laws and regulations (i.e. fines exceeding RM100,000 or restrictions imposed). Additionally, we did not make any political contributions in any of the countries where we operate, which is aligned with our Group policy to maintain a strictly apolitical stance.

DIVISION HIGHLIGHT

Quarry SDG Rating

In 2024, the Mineral and Geoscience Department in Perak employed the Sustainable Development Indicator Programme to rigorously supervise and manage quarry operations in the region. This comprehensive programme meticulously evaluates key dimensions, including environmental, safety, social and operational aspects, by assigning judicious ratings on a scale of 1 to 5 stars. This year, two quarries within the Resources Division were assessed and both received 4 out of 5 stars. A third-party consultant was also involved in assessing RCI Lime on top of the assessment by the Mineral and Geoscience Department in Perak.

a) RCI Lime Sdn. Bhd. : ★ ★ ★ ★
(Assessment by Mineral & Geoscience Department)

b) Mesrasasi Sdn. Bhd. : ★ ★ ★ ★
(Assessment by Mineral & Geoscience Department)

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 programme 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 quarrying operations.

ANTI-DISCRIMINATION

We are committed to fostering a workplace that is free from discrimination and harassment, ensuring fair and respectful treatment for all individuals regardless of background, gender, race, religion, age, sexual orientation, physical attributes, disabilities, or nationality. At MFCB, we maintain a zero-tolerance approach to direct or indirect discrimination, bullying, or harassment and this commitment extends to our business partners and suppliers. This year, we reported zero incidents of discrimination, reflecting our commitment to fostering an inclusive and respectful workplace environment.

GRIEVANCE MECHANISMS AND REMEDIATION

We provide secure, confidential and accessible channels for both internal and external stakeholders across our value chain, including employees, suppliers, investors and members of the public. All parties are open to raise concerns about non-compliance, suspected violations of our Code of Conduct and corporate policies, human rights issues, or any misconduct. These channels, governed by our Whistleblowing Policy and overseen by the Audit Committee (AC), ensure strict confidentiality and protection for whistleblowers, safeguarding them from any form of retaliation. This protection remains in place even if investigations reveal misunderstandings regarding the facts or procedures involved. All reports are thoroughly reviewed, with appropriate corrective actions taken to uphold ethical standards and accountability, ensuring transparency for both internal and external stakeholders.

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

INDUSTRY AND MEMBERSHIP ASSOCIATIONS

No.	**Organisation**
1.	Lao Association of Dams (LAD)
2.	Malaysia External Trade Development Corporation (MATRADE)
3.	Sustainable Energy Development Authority (SEDA)
4.	Registered Solar PV Investor (RPVI)
5.	Malaysian Photovoltaic Industry Association (MPIA)
6.	Malaysian International Chamber of Commerce & Industry (MICCI)
7.	Malaysian Employers Federation (MEF)
8.	Perak Quarry Association
9.	Federation of Malaysian Manufacturers
10.	Malaysian Plastic Manufacturer Association (MPMA)
11.	Bangi Industry Administrative Association (BIAA)
12.	Perodua Suppliers Association (P2SA)
13.	Proton Malaysia Vendors Association (PVA)
14.	Toyota Suppliers Club, Malaysia
15.	Honda Malaysia Suppliers Club (HMSC)
16.	Malaysian Automotive Component Parts Manufacturers (MACPMA)
17.	Real Estate Housing and Development Association (REHDA)

GROUP PERFORMANCE DATA

ENVIRONMENTAL[1]

	Unit	2022	2023	2024
Energy[2]				
Total energy consumption	GJ	2,007,525.29	1,963,640.81	2,049,150.77
- Non-Renewable Energy Consumption	GJ	1,982,019.29	1,928,301.40	2,007,006.63
- Renewable Energy Consumption	GJ	25,506.00	35,339.42	42,144.14
Emissions[3]				
Scope 1	tCO_2e	526,656.91	510,807.72	519,283.45
Scope 2	tCO_2e	52,904.62	52,275.94	53,014.78
Scope 3	tCO_2e	218,833.35	237,689.42	226,906.12
Total Absolute Emissions	tCO_2e	798,394.87	800,773.08	799,204.35
Revenue	RM bil.	1.34	1.32	1.74
Emissions Intensity	tCO_2e/RM bil.	595,979.41	607,735.13	458,817.37
Air Quality[4]				
Average Total Suspended Particles (TSP)	mg/m^3	28.25	28.70	25.10
Average NOx emissions per kiln	mg/m^3	125.00	118.40	145.20
Average SOx emissions per kiln	mg/m^3	34.57	4.40	1.30
Water and effluents[5]				
Surface water	megalitres	-	1.20	8,118.17
Third-party water	megalitres	184.11	177.18	188.79
Waste[6]				
Waste diverted from disposal				
Hazardous				
Preparation for reuse	tonnes	-	-	-
Recycling	tonnes	703.00	-	11.68
Other recovery operations	tonnes	25.89	308.92	389.51
Non-hazardous				
Preparation for reuse	tonnes	9,215.05	4,244.67	4,796.30
Recycling	tonnes	1,707.26	2,133.55	2,136.19
Others	tonnes	-	5.42	-
Waste directed to disposal[7]				
Hazardous				
Landfill	tonnes	-	-	-
Non-hazardous				
Landfill	tonnes	791.44	833.65	908.04
Waste to landfill Intensity	tonnes/RM bil.	590.79	632.69	521.30

1. *Environmental data in 2024 covers six Divisions and headquarters office of MFCB Group, except CSC under the Food Security Division.*
2. *Energy data in 2022 and 2023 have been restated to include data from six Divisions and headquarters office of MFCB Group, except CSC under the Food Security Division.*
3. - *Emissions data in 2022 and 2023 have been restated to include data from six Divisions and headquarters office of MFCB Group, except CSC under the Food Security Division.*
   - *Scope 3 emissions data in 2024 for Food Security Division only covers Category 6 (Business Travels) and 7 (Employee Commuting).*
4. *Air quality data covers RCI only under the Resources Division.*
5. - *Water and effluents data in 2022 covers the three main Divisions; Renewable Energy, Resources (RCI) and Packaging.*
   - *Water and effluents data in 2023 covers the three main Divisions; Renewable Energy, Resources and Packaging and headquarters office.*
   - *Water and effluents data in 2024 does not include Food Security Division and had a significant increase due to inclusion of estimated surface water used at DSPC site in Lao PDR.*
6. - *Waste data in 2022 covers the three main Divisions; Renewable Energy, Resources (RCI) and Packaging.*
   - *Waste data in 2023 covers the three main Divisions; Renewable Energy, Resources and Packaging and headquarters office.*
   - *Waste data in 2024 does not include Food Security Division.*
7. - *Waste directed to disposal data is estimated for all Divisions, except for Hexachase Flexible and Labels under the Packaging Division and the Resources Divisions.*
   - *Waste directed to disposal data in 2022 and 2023 have been restated due to miscalculations in the previous years.*

SOCIAL

Note: Our social data in 2024 includes six Divisions of MFCB Group except Work-Related Injuries, Work-Related Ill-Health and Community Investment.

WORKFORCE DATA	2022		2023		2024	
	No.	%	No.	%	No.	%
Total workforce	**1108**	**100.0**	**1268**	**100.0**	**1664**	**100**
Male	851	76.8	976	77.0	1267	76.1
Female	257	23.2	292	23.0	397	23.9
Malaysia	1026	92.6	1172	92.4	1539	92.5
Lao PDR	25	2.3	25	2.0	27	1.6
Cambodia	57	5.1	71	5.6	98	5.9
Permanent full-time	**1106**	**99.8**	**1268**	**100.0**	**1663**	**99.9**
Male	850	76.7	976	77.0	1266	76.1
Female	256	23.1	292	23.0	397	23.8
Malaysia	1024	92.4	1172	92.4	1538	92.5
Lao PDR	25	2.3	25	2.0	27	1.6
Cambodia	57	5.1	71	5.6	98	5.9
Permanent part-time	**2**	**0.2**	**0**	**0.0**	**1**	**0.1**
Male	1	0.1	0	0.0	1	0.1
Female	1	0.1	0	0.0	0	0.0
Malaysia	2	0.2	0	0.0	1	0.1
Lao PDR	0	0.0	0	0.0	0	0.0
Cambodia	0	0.0	0	0.0	0	0.0
Temporary	**0**	**0.0**	**0**	**0.0**	**0**	**0.0**
Male	0	0.0	0	0.0	0	0.0
Female	0	0.0	0	0.0	0	0.0
Malaysia	0	0.0	0	0.0	0	0.0
Lao PDR	0	0.0	0	0.0	0	0.0
Cambodia	0	0.0	0	0.0	0	0.0

WORKERS WHO ARE NOT EMPLOYEES	2022	2023	2024
Direct engagement	71	110	119
Indirect engagement	126	687	518
Total	**197**	**797**	**637**

GOVERNANCE BODIES AND EMPLOYEE DIVERSITY DATA	2022		2023		2024	
	No.	%	No.	%	No.	%
Board members	**11**	**100.0**	**12**	**100.0**	**12**	**100.0**
Male	9	81.8	9	75.0	9	75.0
Female	2	18.2	3	25.0	3	25.0
Aged <30 years	0	0	0	0.0	0	0.0
Aged 30-50 years	1	9.1	1	8.3	1	8.3
Aged >50 years	10	90.9	11	91.7	11	91.7
Senior Management	**16**	**100.0**	**15**	**100.0**	**18**	**100.0**
Male	15	93.7	14	93.3	17	94.4
Female	1	6.3	1	6.7	1	5.6
Aged <30 years	2	12.5	0	0.0	0	0.0
Aged 30-50 years	3	18.8	3	20.0	3	16.7
Aged >50 years	11	68.7	12	80.0	15	83.3
Chinese	16	100.0	15	100	18	100
Malay	0	0	0	0	0	0
Indian	0	0	0	0	0	0
Others	0	0	0	0	0	0
Management	**104**	**100.0**	**115**	**100.0**	**137**	**100.0**
Male	68	65.4	74	64.3	87	63.5
Female	36	34.6	41	35.7	50	36.5
Aged <30 years	6	5.8	7	6.1	4	2.9
Aged 30-50 years	66	63.5	72	62.6	92	67.2
Aged >50 years	32	30.7	36	31.3	41	29.9
Chinese	73	70.2	76	66.1	96	70.1
Malay	17	16.3	24	20.9	27	19.7
Indian	8	7.7	8	7.0	8	5.8
Others	6	5.8	7	6.1	6	4.4
Executive	**197**	**100.0**	**207**	**100.0**	**269**	**100.0**
Male	119	60.4	118	57.0	147	54.6
Female	78	39.6	89	43.0	122	45.4
Aged <30 years	69	35.0	64	30.9	96	35.7
Aged 30-50 years	108	54.8	119	57.5	143	53.2
Aged >50 years	20	10.2	24	11.6	30	11.2
Chinese	83	42.1	85	41.1	121	45.0
Malay	90	45.7	99	47.8	125	46.5
Indian	11	5.6	11	5.3	9	3.3
Others	13	6.6	12	5.8	14	5.2
Non-Executive	**791**	**100.0**	**931**	**100.0**	**1240**	**100.0**
Male	649	82.0	770	82.7	1016	81.9
Female	142	18.0	161	17.3	224	18.1
Aged <30 years	421	53.2	484	52.0	584	47.1
Aged 30-50 years	328	41.5	402	43.2	565	45.6
Aged >50 years	42	5.3	45	4.8	91	7.3
Chinese	39	4.9	37	4.0	64	5.2
Malay	348	44.0	392	42.1	478	38.5
Indian	38	4.8	31	3.3	50	4.0
Others	366	46.3	471	50.6	648	52.3
GROUP TOTAL	**1108**	**100.0**	**1268**	**100.0**	**1664**	**100.0**

RATIO OF AVERAGE TOTAL REMUNERATION OF MEN TO WOMEN	2022	2023	2024
	Ratio	Ratio	Ratio
Senior Management			
Malaysia	0.94:1	0.92:1	0.85:1
Lao PDR	N/A	N/A	N/A
Cambodia	N/A	N/A	N/A
Management			
Malaysia	1.16:1	1.39:1	1.30:1
Lao PDR	2.69:1	2.64:1	2.72:1
Cambodia	N/A	N/A	N/A
Executive			
Malaysia	1.43:1	1.33:1	1.35:1
Lao PDR	1.38:1	1.31:1	1.54:1
Cambodia	N/A	N/A	N/A
Non-Executive			
Malaysia	1.22:1	1.27:1	1.23:1
Lao PDR	1.83:1	2.43:1	1.92:1
Cambodia	N/A	N/A	0.82:1

NEW EMPLOYEE HIRES	2022		2023		2024	
	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)
Gender						
Male	210	27.2	256	30.1	198	15.8
Female	56	25.9	69	26.8	80	22.0
Age Group						
Aged <30 years	178	40.2	218	43.8	179	26.9
Aged 30-50 years	82	18.3	101	20.0	90	11.6
Aged >50 years	6	6.1	6	5.7	9	5.2
Region						
Malaysia	246	24.9	293	26.4	239	14.8
Lao PDR	2	0.2	1	0.1	2	0.1
Cambodia	18	1.8	31	2.8	37	2.3
TOTAL	**266**		**325**		**278**	

EMPLOYEE TURNOVER	2022		2023		2024	
	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)
Gender						
Male	122	15.8	111	13.0	218	17.4
Female	27	12.5	32	12.5	53	14.6
Age Group						
Aged <30 years	78	17.6	81	16.3	100	15.0
Aged 30-50 years	59	13.2	48	9.5	157	20.2
Aged >50 years	12	12.1	14	13.3	14	8.1
Region						
Malaysia	140	14.2	125	11.3	261	16.2
Lao PDR	0	0.0	1	0.1	0	0.0
Cambodia	9	0.9	17	1.5	10	0.6
TOTAL	**149**		**143**		**271**	

**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	Temporary/ Part-time
Healthcare / Medical Benefit	✓	×
Group Personal Accident Insurance	✓	×
Hospitalisation and Surgical Insurance	✓	×
Parental Leave	✓	×

PARENTAL LEAVE	2023						2024					
	Men		Women		Total		Men		Women		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Number of employees entitled to parental leave	976	77.0	292	23.0	1268	100.0	1267	76.1	397	23.9	1664	100.0
Number of employees who took parental leave	1	0.1	9	3.1	10	0.8	38	3.0	25	6.3	63	3.8
Number of employees who returned to work after parental leave ended	1	100.0	7	77.8	8	80.0	38	100.0	22	88.0	60	95.2
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	36	94.7	11	44.0	47	78.3

**The number of employees who returned to work after parental leave ended and were still employees 12 months after their return to work may extend into the subsequent reporting year.*

PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS	2022	2023	2024
Gender			
Male	100%	100%	100%
Female	100%	100%	100%
Employment Category			
Senior management	100%	100%	100%
Management	100%	100%	100%
Executive	100%	100%	100%
Non-Executive	100%	100%	100%

AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE BY GENDER AND EMPLOYMENT CATEGORY	2022	2023	2024
Gender			
Male	7.4	9.8	9.2
Female	8.3	15.9	14.2
Employment category			
Senior management	0.1	3.1	0.4
Management	15.1	21.4	23.6
Executive	13.7	24.6	25.8
Non-Executive	5.3	6.6	5.7

TOTAL HOURS OF TRAINING PER YEAR BY EMPLOYMENT CATEGORY	2022	2023	2024
Employment category			
Senior management	1.0	48.0	7.0
Management	1,567.2	3,010.5	3,235.0
Executive	2,693.3	5,074.6	6,953.5
Non-Executive	4,179.0	6,116.1	7,048.5
TOTAL	8,440.5	14,249.2	17,244.0

NUMBER OF EMPLOYEES TRAINED ON HEALTH AND SAFETY STANDARDS	2022	2023	2024
Number of employees trained on health and safety standards	488	520	523

WORK-RELATED INJURIES	2022	2023	2024
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	8	12	13
Rate	0.75	0.98	1.01
Lost Time Incident Rate	1.33	0.98	1.01
Number of hours worked	2,125,365	2,444,122	2,572,509
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	2022	2023	2024
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	3	4	0
Main types of work-related ill health	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	2022	2023	2024
Amount invested in community projects (RM)	1,266,000	1,802,638	542,526
Total number of beneficiaries of the investment in communities	17,383	8,742	186,340

SUPPLY CHAIN MANAGEMENT	2022	2023	2024
Proportion of spending on local suppliers (%)	56.9	49.8	60.9

GOVERNANCE

Note: Our governance data does not include Batamas under the Resources Division and Food Security Division in Malaysia as well as in Cambodia.

OPERATIONS ASSESSED FOR RISKS RELATED TO CORRUPTION	2022	2023	2024
Percentage of operations assessed for risks related to corruption (%)	18	27	21

* - *The percentages of operations assessed for risks related to corruption in 2022 and 2023 have been restated to reflect the correct number of entities across the three main Divisions.*

- *The percentage of operations assessed for risks related to corruption in 2024 decreased due to the expanded coverage to include all six Divisions under the MFCB Group.*

COMMUNICATION ABOUT ANTI-CORRUPTION POLICIES AND PROCEDURES	2022		2023		2024	
	No.	%	No.	%	No.	%
Board Members	-	-	-	-	-	-
Senior management	1	14.3	1	14.3	1	6.7
Management	27	35.1	44	53.7	43	35.5
Executive	69	44.2	116	70.7	105	49.5
Non-Executive	165	30.2	353	49.7	378	43.3
Number of Employees communicated	282	33.1	514	53.4	527	43.2
Total Number of Employees	852	100.0	963	100.0	1220	100.0
Business Partner	358	99.2	442	89.0	460	100.0

* - *The numbers of non-executives in 2022 and business partners in 2023 who received communication about anti-corruption policies and procedures have been restated due to typographical error. This correction is also reflected in the respective percentages.*

- *Only Stenta communicated about anti-corruption policies and procedures to its business partners in 2024.*
- *Total number of employees only include for the three main Divisions and headquarters office.*

TRAINING ABOUT ANTI-CORRUPTION POLICIES AND PROCEDURES	2022		2023		2024	
	No.	%	No.	%	No.	%
Board Members	-	-	-	-	-	-
Senior management	0	0.0	1	14.3	0	0.0
Management	14	18.2	29	35.4	24	19.8
Executive	32	20.5	40	24.4	22	10.4
Non-Executive	112	18.3	127	17.9	16	1.8
Number of Employees	**158**	**18.5**	**197**	**20.5**	**62**	**32.0**
Total Number of Employees	**852**	**100.0**	**963**	**100.0**	**1220**	**100.00**
Business Partner	-	-	-	-	-	-

**Total number of employees only include for the three main Divisions and the headquarters office.*

INCIDENTS, COMPLAINTS AND NON-COMPLIANCE	2022	2023	2024
Confirmed incidents of corruption and action taken	0	0	0
Confirmed incidents of non-compliance with laws and regulations	0	0	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	0	0

PERFORMANCE DATA TABLE FROM BURSA MALAYSIA ESG REPORTING PLATFORM

INDICATOR	MEASUREMENT UNIT	2022	2023	2024
BURSA (ANTI-CORRUPTION)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Management	Percentage	16.70	33.70	17.60
Executive	Percentage	20.50	24.40	10.40
Non-executive/Technical Staff	Percentage	18.30	17.90	1.80
General Workers	Percentage	0.00	0.00	0.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	18.00	27.00*	21.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
BURSA (COMMUNITY/SOCIETY)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	126,600.00	1,802,638.00	542,526.42
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	17,383	8,742	186,340
BURSA (DIVERSITY)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Management Under 30	Percentage	6.70	5.40	2.60
Management Between 30-50	Percentage	57.50	57.70	61.30
Management Above 50	Percentage	35.80	36.90	36.10
Executive Under 30	Percentage	35.00	30.90	35.70
Executive Between 30-50	Percentage	54.80	57.50	53.20
Executive Above 50	Percentage	10.20	11.60	11.20
Non-executive/Technical Staff Under 30	Percentage	53.20	52.00	47.10
Non-executive/Technical Staff Between 30-50	Percentage	41.50	43.20	45.60
Non-executive/Technical Staff Above 50	Percentage	5.30	4.80	7.30
General Workers Under 30	Percentage	0.00	0.00	0.00
General Workers Between 30-50	Percentage	0.00	0.00	0.00
General Workers Above 50	Percentage	0.00	0.00	0.00
Gender Group by Employee Category				
Management Male	Percentage	69.20	67.70	67.10
Management Female	Percentage	30.80	32.30	32.90
Executive Male	Percentage	60.40	57.00	54.60
Executive Female	Percentage	39.60	43.00	45.40
Non-executive/Technical Staff Male	Percentage	82.00	82.70	81.90
Non-executive/Technical Staff Female	Percentage	18.00	17.30	18.10
General Workers Male	Percentage	0.00	0.00	0.00
General Workers Female	Percentage	0.00	0.00	0.00
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	81.80	75.00	75.00
Female	Percentage	18.20	25.00	25.00
Under 30	Percentage	0.00	0.00	0.00
Between 30-50	Percentage	9.10	8.30	8.30
Above 50	Percentage	90.90	91.70	91.70
BURSA (ENERGY MANAGEMENT)				
Bursa C4(a) Total energy consumption	Megawatt	63.66	62.27*	64.80

Legend

Internal assurance | External assurance | No assurance | (*) Restated

INDICATOR	MEASUREMENT UNIT	2022	2023	2024
BURSA (HEALTH AND SAFETY)				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	1.33	0.98	1.01
Bursa C5(c) Number of employees trained on health and safety standards	Number	488	520	523
BURSA (LABOUR PRACTICES AND STANDARDS)				
Bursa C6(a) Total hours of training by employee category				
Management	Hours	1,568	3,059	3,242
Executive	Hours	2,693	5,075	6,954
Non-executive/Technical Staff	Hours	4,179	6,116	7,049
General Workers	Hours	0	0	0
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00	0.00	0.00
Bursa C6(c) Total number of employee turnover by employee category				
Management	Number	9	9	5
Executive	Number	32	29	47
Non-executive/Technical Staff	Number	109	105	219
General Workers	Number	0	0	0
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
BURSA (SUPPLY CHAIN MANAGEMENT)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	56.90	49.80	60.90
BURSA (DATA PRIVACY AND SECURITY)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
BURSA (WATER)				
Bursa C9(a) Total volume of water used	Megalitres	184.11	178.38	8,306.96
BURSA (WASTE MANAGEMENT)				
Bursa C10(a) Total waste generated	Metric tonnes	12,442.64	7,526.21*	8,241.72
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	11,651.20	6,692.56*	7,333.68
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	791.44	833.65*	908.04
BURSA (DATA PRIVACY AND SECURITY)				
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	526,656.91	510,807.72*	519,283.45
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	52,904.62	52,275.94*	53,014.78
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	218,833.35	237,689.42*	226,906.12

Notes:

1. Internal assurance has been provided for the Renewable Energy, Packaging and Resources Divisions starting from 2024.

Legend

Internal assurance | External assurance | No assurance | (*) Restated

GRI INDEX

DISCLOSURE	DESCRIPTION	WHERE IT CAN BE FOUND	PAGE	OMISSIONS
GRI 2: GENERAL DISCLOSURES				
2-1	Organisational Details	Please refer to our 2024 Integrated Annual Report – Who We Are/ What We Do	2-5	
2-2	Entities included in the organisation's sustainability reporting	Please refer to our 2024 Integrated Annual Report – Basis of This Report	1	
2-3	Reporting period, frequency and contact point	Please refer to our 2024 Integrated Annual Report – Basis of This Report	1	
2-4	Restatements of information	Please refer to our 2024 Integrated Annual Report – Basis of This Report	1	
2-5	External assurance	Please refer to our 2024 Integrated Annual Report – Basis of This Report	1	
2-6	Activities, value chain and other business relationships	Please refer to our 2024 Integrated Annual Report – Who We Are/ What We Do	2-5	
2-7	Employees	Group Performance Data	60-67	
2-8	Workers who are not employees	Group Performance Data	60-67	
GOVERNANCE				
2-9	Governance structure and composition	Please refer to our 2024 Integrated Annual Report – Corporate Governance Overview Statement	80-86	
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 2024 Integrated Annual Report – Corporate Governance Overview Statement	80-86	
2-12	Role of the highest governance body in overseeing the management of impacts	Please refer to our 2024 Integrated Annual Report – Corporate Governance Overview Statement	80-86	
2-13	Delegation of responsibility for managing impacts	Sustainability Governance	34	
2-14	Role of the highest governance body in sustainability reporting	Sustainability Governance	34	
2-15	Conflicts of interest	Please refer to our 2024 Integrated Annual Report – Corporate Governance Overview Statement	80-86	
2-16	Communication of critical concerns	Sustainability Governance	34	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 2024 Integrated Annual Report – Corporate Governance Overview Statement	80-86	
2-18	Evaluation of the performance of the highest governance body	Please refer to our 2024 Integrated Annual Report – Corporate Governance Overview Statement	80-86	
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		

DISCLOSURE	DESCRIPTION	WHERE IT CAN BE FOUND	64.80	OMISSIONS
STRATEGY, POLICIES AND PRACTICES				
2-22	Statement on sustainable development strategy	Please refer to our 2024 Integrated Annual Report – Executive Chairman Statement	6-7	
2-23	Policy commitments	Building a sustainable and ethical business	55-58	
2-24	Embedding policy commitments	Building a sustainable and ethical business	55-58	
2-25	Processes to remediate negative impacts	Enhancing livelihoods and inspiring our people; Building a sustainable and ethical business	45-58	
2-26	Mechanisms for seeking advice and raising concerns	Enhancing livelihoods and inspiring our people; Building a sustainable and ethical business	45-58	
2-27	Compliance with laws and regulations	Promoting environmental sustainability, Enhancing livelihoods and inspiring our people, Building a sustainable and ethical business, Group performance data	33-58, 67	
2-28	Membership associations	Industry and Memberships Associations	59	
STAKEHOLDER ENGAGEMENT				
2-29	Approach to stakeholder engagement	Please refer to our 2024 Integrated Annual Report – How We Create Value	8-19	
2-30	Collective bargaining agreements	Enhancing livelihoods and inspiring our people	45-54	
GRI 3: MATERIAL TOPICS				
3-1	Process to determine material topics	Please refer to our 2024 Integrated Annual Report – How We Create Value	8-19	
3-2	List of material topics	Please refer to our 2024 Integrated Annual Report – How We Create Value	8-19	
3-3	Management of material topics	Sustainability at MFCB; Promoting environmental sustainability; Enhancing livelihoods and inspiring our people; Building a sustainable and ethical business	33-58	
TOPIC MANAGEMENT DISCLOSURES				
GRI 201: ECONOMIC PERFORMANCE				
201-1	Direct economic value generated and distributed	Please refer to our 2024 Integrated Annual Report – Executive Chairman Statement	6-7	
GRI 203: INDIRECT ECONOMIC PERFORMANCE				
203-1	Infrastructure investments and services supported	Enhancing livelihoods and inspiring our people	45-54	
203-2	Significant indirect economic impacts	Enhancing livelihoods and inspiring our people	45-54	
GRI 204: PROCUREMENT PRACTICES				
204-1	Proportion of spending on local suppliers	Building a sustainable and ethical business	55-58	
GRI 205: ANTI-CORRUPTION				
205-1	Operations assessed for risks related to corruption	Group Performance Data	60-67	
205-2	Communication and training about anti-corruption policies and procedures	Group Performance Data	60-67	
205-3	Confirmed incidents of corruption and action taken	Group Performance Data	60-67	
GRI 302: ENERGY				
302-1	Energy consumption within the organisation	Group Performance Data	60-67	
302-4	Reduction of energy consumption	Promoting environmental sustainability	35-44	
GRI 303: WATER AND EFFLUENTS (2018)				
303-3	Water withdrawal	Group Performance Data	60-67	Groundwater; Seawater; Produced water
GRI 304: BIODIVERSITY				
304-2	Significant impacts of activities, products and services on biodiversity	Promoting environmental sustainability	35-44	
304-3	Habitats protected or restored	Promoting environmental sustainability	35-44	

DISCLOSURE	DESCRIPTION	WHERE IT CAN BE FOUND	64.80	OMISSIONS
GRI 305: EMISSIONS				
305-1	Direct (Scope 1) GHG emissions	Group Performance Data	60-67	
305-2	Energy indirect (Scope 2) GHG emissions	Group Performance Data	60-67	
305-3	Other indirect (Scope 3) GHG emissions	Group Performance Data	60-67	
GRI 306: WASTE (2020)				
306-3	Waste generated	Group Performance Data	60-67	
306-4	Waste diverted from disposal	Group Performance Data	60-67	
306-5	Waste directed to disposal	Group Performance Data	60-67	
GRI 401: EMPLOYMENT				
401-1	New employee hires and employee turnover	Group Performance Data	60-67	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Group Performance Data	60-67	
401-3	Parental leave	Group Performance Data	60-67	
GRI 403: OCCUPATIONAL HEALTH AND SAFETY (2018)				
403-1	Occupational health and safety management system	Enhancing livelihoods and inspiring our people	45-54	
403-2	Hazard identification, risk assessment, and incident investigation	Enhancing livelihoods and inspiring our people	45-54	
403-3	Occupational health services	Enhancing livelihoods and inspiring our people	45-54	
403-4	Worker participation, consultation, and communication on occupational health and safety	Enhancing livelihoods and inspiring our people	45-54	
403-5	Worker training on occupational health and safety	Enhancing livelihoods and inspiring our people	45-54	
403-6	Promotion of worker health	Enhancing livelihoods and inspiring our people	45-54	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Enhancing livelihoods and inspiring our people	45-54	
403-9	Work-related injuries	Group Performance Data	60-67	
403-10	Work-related ill health	Group Performance Data	60-67	
GRI 404: TRAINING AND EDUCATION				
404-1	Average hours of training per year per employee	Group Performance Data	60-67	
404-3	Percentage of employees receiving regular performance and career development reviews	Group Performance Data	60-67	
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY				
405-1	Diversity of governance bodies and employees	Group Performance Data	60-67	
405-2	Ratio of basic salary and remuneration of women to men	Group Performance Data	60-67	
GRI 406: NON-DISCRIMINATION				
406-1	Incidents of discrimination and corrective actions taken	Building a sustainable and ethical business	55-58	
GRI 413: LOCAL COMMUNITIES				
413-1	Operations with local community engagement, impact assessments and development programs	Enhancing livelihoods and inspiring our people	45-54	

STATEMENT OF ASSURANCE
BY INTERNAL AUDIT FUNCTION

ASSURANCE UNDERTAKEN

In strengthening the credibility of the Sustainability Report 2024, selected common sustainability matters of this Report have been subjected to an internal review by the Group's Internal Audit function and has been approved by the Audit Committee.

We have conducted a limited assurance engagement on the sustainability information relating to certain selected common sustainability matters and indicators. Based on the procedures performed, nothing has come to our attention that causes us to believe that the reviewed common indicators are not fairly stated, in all material respects.

SUBJECT MATTER

The data collection processes, record management and accuracy have been internally reviewed for the following common sustainability matters and indicators:

NO.	COMMON SUSTAINABILITY MATTERS	COMMON INDICATORS	MEASUREMENT UNIT	BURSA REF
1.	Anti-corruption	• Anti-corruption training for employees	% of employees	C1 (a)
		• Assessment for corruption-related risks	% of operations	C1 (b)
		• Incidents of corruption and action taken	No. of incidents	C1 (c)
2.	Community/ Society	• Investment in the community	MYR	C2 (a)
		• Beneficiaries of the investment in communities	No. of beneficiaries	C2 (b)
3.	Health and Safety	• Work-related fatalities	No. of fatalities	C5 (a)
		• Lost time incident	Rate	C5 (b)
		• Employees health and safety training	No. of employees	C5 (c)
4.	Supply Chain Management	• Spending on local suppliers	% of spending	C7 (a)
5.	Data Privacy and Security	• Complaints concerning breaches of customer privacy and losses of customer data	No. of complaints	C8 (a)
6.	Water	• Water consumption	Megaliters	C9 (a)

SCOPE

The internal limited review includes the operations of the three core divisions, namely Renewable Energy, Resources and Packaging divisions, for the period from 1 January 2024 to 31 December 2024.

PROFILE OF DIRECTORS

GOH NAN KIOH | EXECUTIVE CHAIRMAN

AGED 72

Board Committees Membership(s): Nil

Board Meeting Attendance in 2024: 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 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 61

Board Committees Membership(s): Remuneration Committee

Board Meeting Attendance in 2024: 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 MEI SZE | EXECUTIVE DIRECTOR

AGED 37

Board Committees Membership(s): Nil

Board Meeting Attendance in 2024: 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 and a sister of Mr Goh Chin San.

KHOO TENG KEAT | EXECUTIVE DIRECTOR

AGED 55

Board Committees Membership(s): Nil

Board Meeting Attendance in 2024: 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 58

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

Board Meeting Attendance in 2024: 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 71

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

Board Meeting Attendance in 2024: 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 68

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

Board Meeting Attendance in 2024: 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 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 70

Board Committees Membership(s): Nil

Board Meeting Attendance in 2024: 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 64

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

Board Meeting Attendance in 2024: 4/5

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 64

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

Board Meeting Attendance in 2024: 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 53

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

Board Meeting Attendance in 2024: 5/5

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 60

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.

IR. YEONG CHEE MENG | HEAD, DON SAHONG HYDROPOWER PROJECT AGED 72

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 67

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 58

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 63

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 52

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 32

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 which is listed on Bursa Malaysia.

He is the son of Mr Goh Nan Kioh 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.

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 Malaysian Code on Corporate Governance (MCCG), throughout the financial year ended 31 December 2024 (FY2024).

The details on how the Company has applied each Practice set out in the MCCG during FY2024 are disclosed in the Corporate Governance Report 2024 (CG Report), which is available on the Company's website, **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 FY2024. 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 (AC), Remuneration Committee (RC), Nominating Committee (NC) and Employees' Share Option Committee (ESOS) 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 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, **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 comprises Executive Directors and managing directors of the various divisions, provides 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, **www.mega-first.com**.

Please refer to Sustainability Statement embedded in this IAR for more details.

II. BOARD COMPOSITION

During the financial year ended 31 December 2024, 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 two (2) Non-Independent Non-Executive Directors. Independent Directors form half of the Board to ensure that minority shareholders' interests are adequately represented. One (1) of the Executive Director resigned as Director on 31 December 2024. Subsequent to the resignation, the Board comprises eleven (11) members.

INDEPENDENT DIRECTORS

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 (9) 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.

Datuk Hj. Pengiran Saifuddin has served the Board for a cumulative period of more than nine (9) years. The NC 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 NC, the Board had in March 2025 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 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 did not fully adhered to this recommendation during the financial year ended 31 December 2024. Nevertheless, the Independent Directors, constituting half of the Board, played a crucial role in furnishing effective oversight of management activities and upholding independence of judgment.

However, MFCB has since 1 January 2025 fulfilled the recommendation arising from the resignation of a non-independent executive director on 31 December 2024.

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, **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.

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 2024, 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 NC, 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	• Business Outlook Presentation for MFCB Group : Resources Division and Packaging Division	
Goh Nan Yang *(resigned on 31 December 2024)*	• Business Outlook Presentation for MFCB Group : Packaging Division	
Goh Mei Sze	• Business Outlook Presentation for MFCB Group : Resources Division and Packaging Division	
Khoo Teng Keat	• Business Outlook Presentation for MFCB Group : Resources Division and Packaging Division	
Tay Kheng Chiong	• Update on Sustainability Journey in Malaysia : National Sustainability Reporting Framework	• Business Outlook Presentation for MFCB Group : Resources Division and Packaging Division
Yeow See Yuen	• Update on Sustainability Journey in Malaysia : National Sustainability Reporting Framework	• Business Outlook Presentation for MFCB Group : Resources Division and Packaging Division
Datuk Hj. Pengiran Saifuddin bin Pengiran Tahir	• Business Outlook Presentation for MFCB Group : Resources Division and Packaging Division	

NAME	PROGRAMMES	
Jesper Bjorn Madsen	• Update on Sustainability Journey in Malaysia : National Sustainability Reporting Framework	• Business Outlook Presentation for MFCB Group : Resources Division and Packaging Division
Dato' Setia Prof Dr Tan Hui Meng	• 33rd Malaysian Urological Conference	• Business Outlook Presentation for MFCB Group : Resources Division and Packaging Division
Datin Jeyanthini a/p M. Kannaperan	• Business Outlook Presentation for MFCB Group : Resources Division and Packaging Division	
Au Siew Loon	• Bursa Malaysia Mandatory Accreditation Programme Part II – Leading for Impact (LIP) Building high impact boards for sustainable growth • KPMG Symposium Beyond ESG	• Update on Sustainability Journey in Malaysia : National Sustainability Reporting Framework • Business Outlook Presentation for MFCB Group : Resources Division and Packaging Division
Lui Soek Kuen	• Bursa Malaysia Mandatory Accreditation Programme Part II – Leading for Impact (LIP) Building high impact boards for sustainable growth	• Update on Sustainability Journey in Malaysia : National Sustainability Reporting Framework • Business Outlook Presentation for MFCB Group : Resources Division and Packaging Division

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, five (5) AC meetings, one (1) NC meeting and one (1) RC meeting were held. The attendance record of each Director is as follows:-

TYPE OF MEETING	BOARD	AC	NC	RC
Total meetings in 2024	**5**	**5**	**1**	**1**
Goh Nan Kioh (Chairman)	5			
Tay Kheng Chiong	5			1
Goh Nan Yang *(resigned on 31 December 2024)*	4			
Goh Mei Sze	5			
Khoo Teng Keat	5			
Yeow See Yuen	5		1	
Datuk Hj. Pengiran Saifuddin bin Pengiran Tahir, JP	5			
Jesper Bjorn Madsen	5	4		1
Dato' Setia Prof Dr. Tan Hui Meng	4			
Datin Jeyanthini a/p M. Kannaperan	4		1	1
Au Siew Loon	5	5		
Lui Soek Kuen	5	5	1	

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 IAR.

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, **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 FY2024, 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 2025 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 FY2024 were summarised below:

- 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 independence of an Independent Director whose tenure has exceeded nine (9) years.

III. REMUNERATION

The 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 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 RC and Remuneration Policy and Procedure for Directors and Senior Management is available on the Company's website, **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.

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, **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 58th AGM held on 21 May 2024. 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 2024

The Board is pleased to present the following Statement on Risk Management and Internal Control, outlining the key features of the Group's risk management framework and internal control system. This framework is integrated into business processes and activities to help the Group meet its business objectives while safeguarding shareholders' investments and the Group's assets. It is dynamic and will be amended as needed to accommodate ongoing changes in 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). It also aligns with Principle B – Chapter II of the Malaysian Code on Corporate Governance 2021 and is guided by 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 for establishing a sound system of risk management and internal control. This system covers financial, operational, environmental, and compliance controls and includes regular reviews of its adequacy and effectiveness.

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

The Board confirms the existence of an ongoing process for identifying, evaluating, and managing significant risks faced by the Group during the financial year under review. This process has been in place throughout 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 strategies are formulated by the Executive Directors and presented to the Board for review to ensure that the proposed plans and strategies align with the Group's risk appetite. In day-to-day operations, the respective Head of Division/Business Unit is responsible for managing the risk of their division/business unit. Changes in key business risks faced by the Group, the emergence of new business risks, and the corresponding internal controls to mitigate these risks are discussed during management meetings.

RISK MANAGEMENT FRAMEWORK

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

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

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

The risk management framework starts with understanding strategic objectives to ensure that key risks are identified.

RISK MANAGEMENT FRAMEWORK (CONT'D)

RISK PROFILE

The Group's risk profile is updated and reported annually or as needed. The senior manager overseeing the risk management function has conducted risk assessment interviews 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, has been established to oversee the Group's risk management activities. It also oversees the effective communication and implementation of the Group's risk tolerance and other related matters.

A summarised annual update on key changes to the risk profile is presented to the Audit Committee to facilitate timely assessment. Any major risk changes, along with appropriate actions or strategies, will be brought to the Board's attention 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 considering the perceptions of all stakeholders, both internal and external, that may impact the achievement of business objectives. All identified risks are documented in Key Risk Records after assessing their likelihood, causes, and potential implications, along with proposed treatment measures and ongoing monitoring.

(b) Analyse Risk

The identified risks are analysed to assess their risk levels, which depend on the relationship between their likelihood and the consequences. These factors are evaluated by considering 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 through routine procedures and low-level delegations, with minimal need for specific resource allocation.
Moderate	Managed through specific monitoring or response procedures within line management delegations.
High	Executive management is accountable, with senior management responsible for oversight and response.
Extreme	Immediate action must be taken to reduce the risk. If immediate reduction is not possible, the matter must be escalated to the Executive Chairman.

This framework is designed to respond to changes in the business environment and is communicated through the Group's existing reporting structures and processes.

RISK MANAGEMENT FRAMEWORK (CONT'D)

(c) Evaluate Risk

The evaluation takes into account the degree of control over each identified risk, as well as its cost impact, benefits, and opportunities. The significance of the risk and the importance of the policy, program, process, or activity are considered when determining whether a risk is acceptable or not. Risks classified as “High” or “Extreme” will be given high priority, while risks beyond the Group’s control will be closely monitored without a specific action plan.

(d) Treat Risk

Risks are treated in different ways depending on their nature. The objective of risk treatment is to reduce the expected level of an unacceptable risk. Several options are available for treating risks, and these should be considered based on the cost and benefit of implementing the action.

When risks are unavoidable or no suitable treatment plans are available, management accepts them. Other treatment options include avoiding the risk by not engaging in activities that may trigger it, reducing the risk by through preventive or reactive controls, and transferring the risk by outsourcing the activity or purchasing insurance for insurable risks.

(e) Monitor and Review Risk

The review of risk profiles, control procedures, and the status of action plans is carried out on a regular basis by the respective Head of Division/Business Unit. This ensures that appropriate actions are taken to address reported issues in a timely manner or within agreed timelines, while also 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 is communicated to the Board.

Under the Group’s Risk Management Framework, sources of risk can be categorised under 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. An essential first step in risk management is ensuring that the Group has a clear vision for its strategic direction. 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 related to the laws and regulations of the various countries in which 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.

RISK MANAGEMENT FRAMEWORK (CONT'D)

(e) Corruption Risks

The Group has zero-tolerance for corruption activities and is committed to acting professionally, fairly and with integrity in all business dealings and relationships. Corruption risks are often treated differently from 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 upholds the integrity and ethical values of the Group, a governance structure that enables the discharge of their respective duties and the assignment of authority and responsibility, as well as processes and procedures to ensure timely reporting to shareholders and other stakeholders.

(a) The Group takes its ethical and legal responsibilities seriously and is committed to conducting business professionally and honestly, in compliance with all applicable laws in all jurisdictions in which it operates. To reinforce this commitment, the Board has approved the implementation of policies on Anti-Bribery and Corruption, Employees' Code of Conduct and Discipline, and Whistle-Blowing.

(b) The Group has an organisational structure aligned with its business and operational requirements, with clear and formally defined approval authority and authorisation procedures, which serve as the primary instruments governing and managing the business decision-making process within the Group.

(c) Standard Operating Procedures 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 the proper management and governance of operations and business activities of all divisions/business units.

From time to time, management may identify the need for the Group to develop policies on operational matters. In line with the development of reporting frameworks, such as the 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 implemented or will implement measures based on these policies:

- Anti-Money Laundering Policy;
- Biodiversity Policy;
- Board Composition Policy;
- Conflict of Interest 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;
- Remuneration Policy and Procedures for Directors and Senior Management;
- Responsible Sourcing Policy;
- Waste Management Policy; and
- Water Management Policy.

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

(e) Senior management makes regular visits to operating units whenever appropriate.

INTERNAL CONTROL SYSTEM (CONT'D)

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

(g) Adequate insurance coverage and physical security measures of major assets are in place to ensure that assets are safeguarded and sufficiently protected against disasters that could result in material losses to the Group.

(h) The human resource function establishes policies for recruitment, training, and staff appraisal to ensure employee competency. Employees are also adequately trained to carry out their responsibilities.

(i) On a quarterly basis, the Board reviews and discusses a comprehensive Quarterly Review Report covering the Group's performance. Additionally, the Board deliberates on the appropriateness of key business strategies adopted by the divisions/business units in response to significant shifts in risk profiles. This process ensures that the Board remains well-informed about current issues facing the Group while actively participating 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 Committee members on all matters. All internal auditors declared to the Committee, by signing the annual declarations, that they were 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 demonstrated strong values and principles under the Code of Ethics.

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

The Internal Audit Department performed routine audits and reviews on all business segments of the Group in accordance with the approved Audit Planning Memorandum. Audit reports were issued to Management and the Committee with detailed findings, recommendations, and Management's responses to 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, updates on the implementation of corrective actions on past key audit findings, and a review of the quarterly related party transactions, if any.

During the financial year under review, 4 internal audit assignments were completed, covering operating units in Packaging and other investment-holding entities within the Group. The audit activities encompassed operational and compliance audits to ascertain the adequacy and effectiveness of the system of internal control, as well as to determine the reliability and integrity of financial and operational information.

The Internal Audit Department also assisted the Committee in preparing 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 regard to compliance with the Malaysian Code on Corporate Governance, Paragraph 15.15 of the MMLR of Bursa Malaysia, and the Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers.

The Internal Audit Department's expenses for the financial year ended 31 December 2024 was RM433,765.

(k) The Group has been addressing material sustainability matters in alignment with its sustainability framework and business strategies. Sustainability information relating to selected common sustainability matters from our Sustainability Report has been reviewed and verified by the Group's internal auditors.

(l) The Group's risk management framework and internal control system apply to the Company and its subsidiaries only; joint ventures and associates are excluded. However, the Group's interest is safeguarded through representation on the Boards of these companies, as well as the receipt and review of management accounts and related inquiries. Such representation also provides the Board with the necessary information for timely decision-making regarding the continuity of the Group's investment, based on the performance of these entities.

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 continuously improved through independent and objective evaluations. The Board has received assurance from the Executive Directors and Financial Controller that these processes are adequately established and effectively implemented, and that nothing has come to their attention that may render the financial results presented or the information provided false or 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 Management continues to take steps to improve risk management and internal control processes. During the financial year under review, some internal control weaknesses were identified; however, they were not considered significant enough to be mentioned in this Statement, as none had materially impacted the Group's business operations. 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 that continuous reviews is necessary to meet the challenges of a dynamic business environment and to safeguard shareholders' interests and the Group's assets. Therefore, the Board remains committed to maintaining an effective risk management and internal control system across the Group and, where necessary, implementing appropriate measures to enhance these systems further.

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 its inclusion in this Annual Report for the financial year ended 31 December 2024.

Their limited assurance review was performed in accordance with the Malaysian Approved Standard on Assurance Engagements ISAE3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information, and 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 consider whether this Statement covers all risks and controls, nor did they 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 assess whether the processes addressing material internal control aspects of significant problems will effectively remedy them.

Based on their review, nothing has come to their attention that causes 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 it factually inaccurate.

AUDIT COMMITTEE REPORT

A. COMPOSITION AND MEETINGS

The AC 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 2024 (the financial year) were as follows:-

NAME OF MEMBERS	POSITION	ATTENDANCE
Au Siew Loon (Chairman of AC)	Independent Director	**5/5**
Jesper Bjorn Madsen	Independent Director	**4/5**
Lui Soek Kuen (Appointed on 5 February 2024)	Independent Director	**5/5**

The AC held five (5) 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 AC 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 AC is guided by its Terms of Reference (TOR) which are available on the Company's website at www.mega-first.com.

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

C. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

The AC had carried out these activities in 2024:

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 AC 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 MMLR of Bursa Malaysia.

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, MMLR of 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 Audit Committee Report, Corporate Governance Overview Statement, Corporate Governance Report, 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 2024 Audit Planning Memorandum before commencement of the annual audit. The 2024 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 AC had conducted an annual assessment of the auditors' quality of services provided, interaction, communication, objectivity and professionalism in the form of assessment questionnaires. The AC 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 AC 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 six (6) years. The audit engagement partner responsible for the Group audit was rotated in 2022.

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

b. Communications and Quality of Services

The AC 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 AC 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 AGM.

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 2024 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 AUDIT COMMITTEE

4.1 Reported to the Board on significant issues and concerns discussed during the AC 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 AC and the Board.

4.3 Reviewed the updates on the nature and extent of any conflict of interest (COI) or potential COI, 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 2024)

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 2024 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 2024.

2) AUDIT FEES AND NON-AUDIT FEES FOR EXTERNAL AUDITORS

The amount of audit fees incurred by MFCB Group and MFCB to external auditors of MFCB amounted to approximately RM1,123,000 and RM217,000 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 2024 amounted to approximately RM390,000 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 RM276,000 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 2024 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 2024, 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.

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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 2024.

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 apart from new subsidiaries acquired as disclosed in Note 37 to the financial statements.

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	509,319	29,869
Tax expense	(18,301)	(44)
Profit after tax for the financial year	491,018	29,825
Attributable to:-		
Owners of the Company	459,178	29,825
Non-controlling interests	31,840	-
	491,018	29,825

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 4.25 sen per ordinary share amounted to RM40,067,278 in respect of the financial year ended 31 December 2023, on 19 April 2024; and

(b) an interim single-tier dividend of 4.50 sen per ordinary share amounted to RM42,417,369 for the financial year ended 31 December 2024, on 18 October 2024.

On 26 February 2025, the Company declared a second and final single-tier dividend of 4.50 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 2025. The final dividend will be paid on 18 April 2025 to the Depositors who are registered in the Record of Depositors at the close of business on 8 April 2025.

RESERVES AND PROVISIONS

Apart from movements in retained profits which are disclosed in the sections of "Results of Operations" and "Dividends" to this report, all other material transfers to or from reserves or provisions during the financial year are disclosed as follows:-

GROUP	**Translation Reserve** RM'000	**Fair Value Reserve** RM'000
Foreign currency translation changes	(68,303)	-
Fair value changes of equity investments	-	(43,161)

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 218,000 of its issued ordinary shares from the open market at an average price of RM4.36 per share. The total consideration paid for the purchase was approximately RM956,000 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 2024.

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 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 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 so 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) any 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.

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		
Insurance claim income (net of tax) arising from fire incident occurred within Packaging Division in September 2023	28,894	-

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 (Resigned on 31.12.2024)
- 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

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' 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 1.1.2024	Acquired	Disposed	Balance as at 31.12.2024
SHARES IN THE COMPANY				
Goh Nan Kioh				
- Direct	26,097,456	-	-	26,097,456
- Deemed	302,552,982	421,800	-	302,974,782
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	9,600,994	180,500	-	9,781,494
Dato' Setia Prof Dr Tan Hui Meng				
- Direct	966,600	66,400	-	1,033,000
- Deemed	2,367,200	60,000	-	2,427,200
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.

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 1.1.2024	Acquired	Disposed	Balance as at 31.12.2024
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” section 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 remuneration paid or payable to the Directors of the Company during the financial year are as follows:-

	GROUP RM’000	**COMPANY** RM’000
Fees	523	523
Salaries, bonuses and other remuneration	2,042	552
Defined contribution benefits	245	66
Other emoluments	20	6
	2,830	1,147

The estimated monetary value of benefits-in-kind provided by the Group and the Company to the Directors of the Company were RM9,706.

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.

SIGNIFICANT EVENTS

The significant events during the financial year are disclosed in Note 47 to the financial statements.

AUDITORS

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

AUDITORS' REMUNERATION

The total amount payable to the auditors as remuneration for their services as auditors for the financial year are as follows:-

	GROUP RM'000	COMPANY RM'000
Crowe Malaysia PLT and member firms	1,137	217
Other auditors	236	-
	1,373	217

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS

GOH MEI SZE

KHOO TENG KEAT

26 March 2025

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 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 109 to 181.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and 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.

Don Sahong Hydropower Project (DSPC) – Revenue recognition and Service Concession Asset
Refer to Notes 5 and 12 to the financial statements

Key Audit Matter	How our audit addressed the key audit matter
The Group has undertaken the additional fifth turbine generator, supplementing the four turbines currently in operation. The fifth turbine was successfully commissioned in July 2024. In December 2024, the Group entered into a Supplemental Concession Agreement and a Supplemental Power Purchase Agreement, covering all five turbines. The accounting treatment applied aligns with IC Interpretation 12, under which the revised concession agreement is considered a service concession arrangement. As a result, an additional service concession asset amounting to RM370.6 million has been recognised. Construction revenue of RM370.6 million and construction cost of RM335.6 million in relation to fifth turbine have been recognised for the financial year ended 31 December 2024 in accordance with MFRS 15. The carrying amount of the service concession asset as at 31 December 2024 was RM2.17 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 and revenue recognition for the DSPC are considered key audit matters due to the magnitude of the balances and risk of material misstatement due to significant judgement being applied in their determination.	The audit of DSPC was undertaken by a component auditor (CA). Our procedures included:- (a) Assessed the objectivity, independence and expertise of the CA; (b) Assessed the related concession agreement for the fulfilment of the criteria of service concession arrangement for recognition of service concession asset; (c) Performed enquiry and obtained explanations from management to corroborate the audit evidence obtained by the CA; and (d) 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.

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 2024 is RM69.2 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.

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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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
01772/11/2026 J
Chartered Accountant

Kuala Lumpur

26 March 2025

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

		GROUP		COMPANY	
	Note	**2024** RM'000	**2023** RM'000	**2024** RM'000	**2023** RM'000
Revenue	5	1,741,879	1,317,635	46,453	157,657
Cost Of Sales And Providing Services		(1,085,098)	(748,281)	-	-
Gross Profit		656,781	569,354	46,453	157,657
Other Income		101,107	108,118	3,618	41,961
Administrative And Distribution Expenses		(80,718)	(62,111)	(10,932)	(11,000)
Other Expenses		(29,156)	(53,406)	(1,297)	(1,462)
Net Impairment Losses on Financial Assets	6	(10,270)	(31,488)	-	(726)
Profit From Operations	7	637,744	530,467	37,842	186,430
Finance Costs	8	(62,183)	(40,079)	(7,973)	(6,036)
Share Of Results in Equity Accounted Investments		(66,242)	(13,600)	-	-
Profit Before Tax		509,319	476,788	29,869	180,394
Tax Expense	9	(18,301)	(25,148)	(44)	(373)
Profit After Tax For The Financial Year		491,018	451,640	29,825	180,021
Other Comprehensive (Expenses)/Income	10	(114,011)	61,641	(886)	(44)
Total Comprehensive Income For The Financial Year		377,007	513,281	28,939	179,977
Profit After Tax Attributable To:					
- Owners Of The Company		459,178	383,708	29,825	180,021
- Non-controlling Interests		31,840	67,932	-	-
		491,018	451,640	29,825	180,021
Total Comprehensive Income Attributable To:					
- Owners Of The Company		347,714	427,722	28,939	179,977
- Non-controlling Interests		29,293	85,559	-	-
		377,007	513,281	28,939	179,977
Earnings Per Share (sen)	11	48.71	40.65		

The accompanying Notes on pages 117 to 181 form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

		GROUP		COMPANY	
	Note	**2024** RM'000	**2023** RM'000	**2024** RM'000	**2023** RM'000
ASSETS					
Non-Current Assets					
Service Concession Assets	12	2,175,656	1,940,046	-	-
Property, Plant And Equipment	13	775,791	531,945	11,761	11,255
Water Rights	14	337,515	-	-	-
Investment Properties	15	261,679	168,746	-	-
Receivable And Other Asset	16	246,445	-	-	-
Right-Of-Use Assets	17	117,549	116,312	10,209	10,532
Subsidiaries	18	-	-	1,529,364	1,410,237
Joint Ventures	19	104,545	144,604	45,000	20,000
Associates	20	68,887	22,070	-	-
Investments In Quoted And Unquoted Shares	21	88,020	133,947	576	1,462
Goodwill On Consolidation	22	57,927	54,673	-	-
Inventories	23	40,166	40,166	-	-
Development Expenditures	24	884	203,048	-	-
Deferred Tax Assets	31	-	2,932	-	-
		4,275,064	3,358,489	1,596,910	1,453,486
Current Assets					
Inventories	23	185,896	131,737	-	-
Biological Assets, at Fair Value		301	-	-	-
Receivables And Other Assets	16	391,774	490,098	26,013	38,841
Bank Balances And Deposits	25	268,320	508,587	4,874	22,028
Short-Term Investments	26	-	19,500	-	-
		846,291	1,149,922	30,887	60,869
TOTAL ASSETS		5,121,355	4,508,411	1,627,797	1,514,355

The accompanying Notes on pages 117 to 181 form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024 (CONT'D)

	Note	GROUP 2024 RM'000	GROUP 2023 RM'000	COMPANY 2024 RM'000	COMPANY 2023 RM'000
EQUITY AND LIABILITIES					
Share Capital	27	743,121	743,121	743,121	743,121
Treasury Shares	28	(46,473)	(45,517)	(46,473)	(45,517)
Reserves	29	2,627,876	2,359,304	526,850	580,396
Equity Attributable To Owners Of The Company		3,324,524	3,056,908	1,223,498	1,278,000
Non-controlling Interests	18(c)	219,930	167,110	-	-
Total Equity		3,544,454	3,224,018	1,223,498	1,278,000
Non-Current Liabilities					
Long-Term Borrowings	30	530,924	466,128	-	-
Deferred Tax Liabilities	31	133,853	126,954	-	-
Put Option Liability	32	69,220	70,759	69,220	70,759
Hire Purchase Liabilities		1,147	5,752	-	-
Lease Liabilities		7,288	4,191	-	-
Payables	34	636	588	-	-
		743,068	674,372	69,220	70,759
Current Liabilities					
Hire Purchase Liabilities		2,566	4,866	-	-
Lease Liabilities		1,221	1,129	-	-
Short-Term Borrowings	33	615,516	435,203	180,000	50,000
Payables	34	214,530	168,823	155,079	115,596
		833,833	610,021	335,079	165,596
Total Liabilities		1,576,901	1,284,393	404,299	236,355
TOTAL EQUITY AND LIABILITIES		5,121,355	4,508,411	1,627,797	1,514,355
Net Assets Per Ordinary Share (RM)	35	3.53	3.24		

The accompanying Notes on pages 117 to 181 form an integral part of the financial statements.

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

			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 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 43)	-	-	-	-	-	-	(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 36)	-	-	-	-	-	-	(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/ 1 January 2024	743,121	(45,517)	139,813	73,620	27,394	(88,556)	2,207,033	3,056,908	167,110	3,224,018
Profit after taxation for the financial year	-	-	-	-	-	-	459,178	459,178	31,840	491,018
Other comprehensive expenses for the financial year:										
- Fair value changes of equity investments	-	-	-	(43,161)	-	-	-	(43,161)	-	(43,161)
- Foreign currency translation difference	-	-	(68,303)	-	-	-	-	(68,303)	(2,547)	(70,850)
Total comprehensive income/(expenses) for the financial year	-	-	(68,303)	(43,161)	-	-	459,178	347,714	29,293	377,007
Contributions by and distributions to owners of the Company:										
Dividends paid to shareholders of the Company (Note 43)	-	-	-	-	-	-	(82,485)	(82,485)	-	(82,485)
Purchase of treasury shares	-	(956)	-	-	-	-	-	(956)	-	(956)
Total transactions with owners of the Company	-	(956)	-	-	-	-	(82,485)	(83,441)	-	(83,441)
Effect on accretion of interest in a subsidiary (Note 36)	-	-	-	-	-	-	3,003	3,003	(9,382)	(6,379)
Effect on dilution of interest in a subsidiary	-	-	-	-	-	-	340	340	(330)	10
Dividends paid to a subsidiary's non-controlling interests	-	-	-	-	-	-	-	-	(14,975)	(14,975)
Subscription of shares in subsidiaries by non-controlling interests	-	-	-	-	-	-	-	-	162	162
Acquisition of subsidiaries (Note 37)	-	-	-	-	-	-	-	-	48,052	48,052
Gain arising from disposal of equity investments recycled to retained profits	-	-	-	(1,657)	-	-	1,657	-	-	-
Balance at 31 December 2024	743,121	(46,473)	71,510	28,802	27,394	(88,556)	2,588,726	3,324,524	219,930	3,544,454

The accompanying Notes on pages 117 to 181 form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 **(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 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 43)	-	-	-	-	(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 2023/1 January 2024	743,121	(45,517)	(1,637)	(88,556)	670,589	1,278,000
Profit after taxation for the financial year	-	-	-	-	29,825	29,825
Other comprehensive expenses for the financial year:						
- Fair value changes of equity investments	-	-	(886)	-	-	(886)
Total comprehensive (expenses)/income for the financial year	-	-	(886)	-	29,825	28,939
Contributions by and distributions to owners of the Company:						
Dividends paid to shareholders of the Company (Note 43)	-	-	-	-	(82,485)	(82,485)
Purchase of treasury shares	-	(956)	-	-	-	(956)
Total transactions with owners of the Company	-	(956)	-	-	(82,485)	(83,441)
Balance at 31 December 2024	743,121	(46,473)	(2,523)	(88,556)	617,929	1,223,498

The accompanying Notes on pages 117 to 181 form an integral part of the financial statements.

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

GROUP	2024 RM'000	2023 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES		
Profit before tax	509,319	476,788
Adjustments for:		
Allowance for impairment losses on receivables, net	10,270	31,488
Amortisation of:		
- service concession asset	88,921	88,638
- development expenditures	491	508
Depreciation of:		
- property, plant and equipment	49,874	38,297
- right-of-use assets	4,738	4,613
Finance costs:		
- Interest on bank borrowings	60,073	37,502
- Interest on hire purchase liabilities	526	786
- Interest on lease liabilities	263	247
- Others	1,321	1,544
Goodwill written off	990	-
Impairment loss on property, plant and equipment	-	555
Inventories written off	44	4,333
Loss on deconsolidation of subsidiaries	99	-
Plant and equipment written off	656	28,330
Right-of-use assets written off	33	-
Provision for retirement benefits	48	48
Share of results in equity accounted investments	66,242	13,600
Unrealised loss/(gain) on foreign exchange	2,036	(3,801)
(Writeback)/Write-down in value of inventories	(30)	5,001
Construction profit arising from service concession arrangements	(36,639)	-
Dividend income	(2,091)	(1,471)
Deferred income recognised	(239)	(239)
Fair value (gain)/loss on:		
- put option liability	(1,539)	(13,943)
- investment properties	7,994	(3,543)
- biological assets	(25)	-
Gain on disposal of:		
- property, plant and equipment	(494)	(151)
- a subsidiary	-	(1,020)
Gain on lease modification	(8)	(4)
Insurance claims income	(31,826)	-
Interest income	(24,190)	(23,593)
Operating Profit Before Working Capital Changes	706,857	684,513
Changes in Working Capital:		
- (Increase)/Decrease in inventories	(52,574)	9,634
- Increase in receivables and prepayments	(165,370)	(85,063)
- (Increase)/Decrease in contract assets	(276)	690
- Increase/(Decrease) in payables	9,329	(2,862)
Cash From Operations	497,966	606,912
Income tax paid	(18,606)	(25,688)
Net Cash From Operating Activities	479,360	581,224

The accompanying Notes on pages 117 to 181 form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

GROUP	Note	**2024** RM'000	**2023** RM'000
Net Cash From Operating Activities		479,360	581,224
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES			
Acquisition of additional equity shares in a subsidiary	36	(6,379)	(428,529)
Contract costs paid	16.2.4	(16,274)	(8,425)
Dividends received		2,091	1,471
Insurance claims income received		27,797	-
Interest received		24,190	23,593
Investment in associates and joint venture		(73,000)	(5,713)
Net cash outflow from:			
- acquisition of subsidiaries	37	(5,384)	-
- deconsolidation/disposal of subsidiaries	38	(48)	(675)
Payments for purchase of:			
- water rights	14	(337,515)	-
- property, plant and equipment	39(a)	(219,210)	(115,162)
- investment properties		(59,466)	(17,216)
- development expenditures		(116,784)	(93,119)
- right-of-use assets	39(a)	(95)	(556)
- quoted shares		(1,200)	-
- short-term investments		-	(14,500)
Proceeds from disposal of:			
- property, plant and equipment		1,191	839
- quoted shares		3,966	-
Proceed from redemption of short-term investment		4,500	-
Net Cash For Investing Activities		(771,620)	(657,992)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES			
Dividends paid to:			
- Owners of the Company	43	(82,485)	(74,105)
- Non-controlling interests		(14,975)	(7,576)
Finance costs paid:			
- Interest expenses	39(b)	(61,667)	(38,535)
- Others		(1,321)	(1,544)
Net drawdown/(repayment) of:			
- Revolving credits, trade financing and loans	39(b)	177,580	(10,631)
- Hire purchase liabilities	39(b)	(8,018)	(6,550)
- Lease liabilities	39(b)	(1,792)	(809)
- Term loans	39(b)	51,136	179,414
Withdrawal/(Placement) of deposits pledged to financial institutions or with original maturity period of more than 3 months		5,737	(36,172)
Proceeds from issuance of shares by subsidiaries to non-controlling interests		162	43,324
Proceeds on disposal of a partial interest in a subsidiary		10	-
Purchase of treasury shares		(956)	(8,256)
Net Cash From Financing Activities		63,411	38,560
EFFECT OF FOREIGN EXCHANGE TRANSLATION		(5,681)	18,369
NET DECREASE IN CASH AND CASH EQUIVALENTS		(234,530)	(19,839)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		462,934	482,773
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	25	228,404	462,934

The accompanying Notes on pages 117 to 181 form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

COMPANY	Note	2024 RM'000	2023 RM'000 Restated
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES			
Profit before tax		29,869	180,394
Adjustments for:			
Depreciation of:			
- Property, plant and equipment		211	383
- Right-of-use assets		323	323
Fair value gain on put option liability		(1,539)	(13,943)
Deferred income recognised		(239)	(239)
Unrealised gain on foreign exchange		(177)	(446)
Impairment loss on amount owing by a subsidiary		-	726
Operating Profit Before Working Capital Changes		28,448	167,198
Decrease/(Increase) in receivables		398	(685)
(Decrease)/Increase in payables		(162)	214
Cash From Operations		28,684	166,727
Income tax paid		(330)	(100)
Net Cash From Operating Activities		28,354	166,627
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES			
Additional investment in joint venture		(25,000)	-
Capital repayment received from a subsidiary		-	114,015
Payment for purchase of property, plant and equipment	39(a)	(717)	(896)
Repayment from/(Advances to) subsidiaries		12,459	(20,421)
Subscription of equity and non-equity shares in subsidiaries		(119,127)	(204,574)
Net Cash for Investing Activities		(132,385)	(111,876)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES			
Dividends paid	43	(82,485)	(74,105)
Net drawdown of revolving credits	39(b)	130,000	-
Purchase of treasury shares		(956)	(8,256)
Advances from/(Repayment to) subsidiaries		40,141	(9,962)
Net Cash From/(For) Financing Activities		86,700	(92,323)
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		177	446
NET DECREASE IN CASH AND CASH EQUIVALENTS		(17,154)	(37,126)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		22,028	59,154
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	25	4,874	22,028

The accompanying Notes on pages 117 to 181 form an integral part of the financial statements.

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.

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 these principal activities during the financial year apart from new subsidiaries acquired as disclosed in Note 37 to the financial statements.

3. BASIS OF PREPARATION

These financial statements comprise both separate and consolidated financial statements. The financial statements of the Company are separate financial statements, while the financial statements of the Group are consolidated financial statements that include those of the Company and its subsidiaries as of the end of the reporting period. The Company and its subsidiaries are collectively referred to as “the Group”.

The financial statements of the Group and of the Company are:-

(a) 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;

(b) 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

(c) in compliance with Malaysian Financial Reporting Standards (MFRSs), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 26 March 2025.

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)

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

Amendments to MFRS 101: Classification of Liabilities as Current or Non-Current

Amendments to MFRS 101: Non-current Liabilities with Covenants

Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements

The adoption of the above amendments did not have any impact on the financial statements of the Group and of the Company.

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
MFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19: Subsidiaries without Public Accountability – Disclosures	1 January 2027
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity	1 January 2026
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 121: Lack of Exchangeability	1 January 2025
Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026

(a) MFRS 18 'Presentation and Disclosure in Financial Statements' will replace MFRS 101 'Presentation of Financial Statements' upon its adoption. This new standard aims to enhance the transparency and comparability of financial information by introducing new disclosure requirements. Specifically, it requires that income and expenses be classified into 3 defined categories: "operating", "investing" and "financing" and introduces 2 new subtotals: "operating profit or loss" and "profit or loss before financing and income tax". In addition, MFRS 18 requires the disclosure of management-defined performance measures and sets out principles for the aggregation and disaggregation of information, which will apply to all primary financial statements and the accompanying notes. The statement of financial position and the statement of cash flows will also be affected. The Group and the Company are currently assessing the impact of implementing this new standard.

(b) MFRS 19 Subsidiaries without Public Accountability: Disclosures. We foresee that not many subsidiaries will adopt the exemption because their parent prefers that the subsidiary prepare a full set of financial statements for the preparation of the parent's consolidated financial statements.

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) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred by the Group at the acquisition date. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition.

(b) Goodwill

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

In respect of equity-accounted associates and joint ventures, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted associates and joint ventures.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

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.

(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.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.2 Financial Instruments (Cont'd)

(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.

Put Option Liability Over Shares Held By Non-Controlling Interest

The Group had written put options over the equity of a subsidiary which permit the holders to put their shares in the subsidiary back to the Group at their fair values on specified dates over a 5 years period. The amount that may become payable under the option on exercise is initially recognised at the present value of the redemption amount within borrowings with a corresponding charge directly to equity. The charge to equity is recognised separately as written put options over non-controlling interests.

The liability is subsequently accreted through finance charges up to the redemption amount that is payable at the date at which the option first becomes exercisable. In the event that the option expires unexercised, the liability is derecognised with a corresponding adjustment to equity.

(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. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

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.

4.4 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%
Bearer plants	3 to 38 years

(a) Bearer Plants

Bearer plants are living plants used in the production or supply of agricultural produce which 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 losses, if any.

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 /remaining lease period ranging from 3 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 concession term.

The Group estimate the fair value of the consideration received or receivable for the construction services provided to be equal to the projected project costs plus a margin. Project costs comprise all costs incurred during the development and construction phase of the Project and borrowing costs. Development costs include preliminary site works, environmental and social, project development and management, professional fees and insurance costs. Costs during the construction phase include Engineering, Procurement, Construction and Commissioning Contract (EPCC Contract) and construction of Transmission Facility.

The costs of day-to-day servicing of the service concession asset are recognised in profit or loss when incurred.

Where an indication of impairment exists, the carrying amount of the service concession asset is assessed and written down immediately to its recoverable amount.

4.10 Service Concession Arrangement

A service concession arrangement is an arrangement involving an operator constructing and/or upgrading, operating and maintaining infrastructure used to provide a public service for a specified period of time. The operator is paid for its services over the period of the arrangement. The arrangement is governed by a contract that sets out performance standards, mechanisms for adjusting prices and arrangements for arbitrating disputes. The grantor controls (through ownership, beneficial entitlement or otherwise) any significant residual interest in the infrastructure at the end of the term of the arrangement.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.10 Service Concession Arrangement (Cont'd)

The Group provides construction services to the grantor in exchange for the concession assets and contract assets. Construction revenue is recognised at the fair value using the output method as guided under Note 4.9 to the financial statements, with corresponding entry recorded as a service concession assets and contract assets, in the consolidated statement of financial position.

The service concession asset represents the Group's rights (license) to charge the grantor, based on usage of the public service for the construction of assets.

Provision for anticipated loss on the construction project will be made in the financial statements as soon as the possibility of loss is ascertained.

4.10.1 Contract Cost Assets

The Group recognises costs that relate directly to a contract with customer as an asset when the costs generate or enhance resources of the Group, will be used in satisfying performance obligation in the future and are expected to be recovered.

4.10.2 Contract Assets

Contract assets are recognised when the Group's right to consideration is conditional on something other than the passage of time, for construction work completed on construction contracts but not yet billed as at the reporting date. It is transferred to trade receivables when the Group issues billing in the manner as established in the contracts with customers.

A contract asset is subject to impairment requirements of MFRS 9.

4.10.3 Water Rights

This represents the payments made for the water rights associated with the service concession arrangement which will be amortised on a straight-line basis over the concession period.

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 inventories 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 Development Costs

Property development costs 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 market 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

Developed properties 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. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

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.

4.13 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.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.13 Critical Accounting Estimates and Judgements (Cont'd)

Key Sources of Estimation Uncertainty (Cont'd)

(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.

(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.

(i) Revenue Recognition for Construction Contracts

The Group recognises construction revenue by reference to the construction progress based on the physical proportion of contract work performed. Significant judgement is required in determining the progress towards complete satisfaction of the performance obligation based on the contract work certified to date corroborated by the level of completion of the construction based on actual costs incurred to date over the estimated total contract costs. The total estimated costs are based on approved budgets, which require assessment and judgement to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, management relies on past experience.

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.13 Critical Accounting Estimates and Judgements (Cont'd)

Key Sources of Estimation Uncertainty (Cont'd)

(j) Purchase Price Allocation

Purchase prices related to business combinations are allocated to the underlying acquired assets and liabilities based on their estimated fair value at the time of acquisition. The determination of fair value required the Group to make assumptions, estimates and judgements regarding future events. The allocation process is inherently subjective and impacts the amount assigned to individually identifiable assets and liabilities. As a result, the purchase price allocation impacts the Group's reported assets (including goodwill) and liabilities, future net earnings due to the impact on future depreciation and amortisation expense and impairment tests. The fair values of the assets acquired and liabilities assumed under the business combinations made during the current financial year are disclosed in Note 37 to the financial statements.

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	
	2024 RM'000	**2023** RM'000	**2024** RM'000	**2023** RM'000
Revenue from Contracts with Customers				
Recognised at a point in time:				
i) Energy sale:				
- Renewable	649,003	605,894	-	-
- Non-renewable	-	70,969	-	-
ii) Sales of goods	702,590	633,197	-	-
iii) Provision of management services	-	-	1,298	1,323
Recognised over time:				
- Construction revenue	383,247	-	-	-
Revenue from Other Sources				
Dividend income	904	383	44,695	154,770
Interest income	29	1,114	460	1,564
Rental income	6,106	6,078	-	-
	1,741,879	1,317,635	46,453	157,657

5. REVENUE (CONT'D)

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

	Contracts With Customers		Other Sources		Total	
	2024 RM'000	**2023** RM'000	**2024** RM'000	**2023** RM'000	**2024** RM'000	**2023** RM'000
GROUP						
Lao PDR	1,010,325	598,478	-	-	1,010,325	598,478
Malaysia	317,399	363,532	7,039	7,575	324,438	371,107
Other ASEAN countries	84,999	83,140	-	-	84,999	83,140
Papua New Guinea	49,231	65,753	-	-	49,231	65,753
India and Bangladesh	83,435	77,995	-	-	83,435	77,995
Australia and New Zealand	47,133	37,916	-	-	47,133	37,916
Other countries	142,318	83,246	-	-	142,318	83,246
	1,734,840	1,310,060	7,039	7,575	1,741,879	1,317,635
COMPANY						
Malaysia	1,298	1,323	45,096	155,833	46,394	157,156
Other countries	-	-	59	501	59	501
	1,298	1,323	45,155	156,334	46,453	157,657

(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 periods ranging from 30 to 120 days from the invoice date.

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 periods ranging 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.

Construction Services

Revenue from construction contracts is recognised over time in the period when the services are rendered using cost incurred plus a margin method.

(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. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	GROUP		COMPANY	
	2024 RM'000	**2023** RM'000	**2024** RM'000	**2023** RM'000
Losses arising from financial assets measured at amortised cost:				
- Impairment loss on receivables	10,587	32,370	-	-
- Writeback of impairment loss on trade receivables	(317)	(882)	-	-
- Impairment loss on amount owing by a subsidiary	-	-	-	726
	10,270	31,488	-	726

7. PROFIT FROM OPERATIONS

This is arrived at:-

	GROUP		COMPANY	
	2024 RM'000	**2023** RM'000	**2024** RM'000	**2023** RM'000
After crediting:				
Dividend income from subsidiaries	-	-	44,695	154,770
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	2,091	1,471	-	-
Gains arising from financial assets measured at amortised cost:				
- Interest income on				
(i) Advances to subsidiaries	-	-	454	452
(ii) Deposits with financial institutions and others	24,190	23,593	5	1,112
Gain arising from financial liability measured at fair value through profit or loss:				
- Fair value gain on put option liability (Note 32)	1,539	13,943	1,539	13,943
Gain on foreign exchange:				
- Realised	-	28,247	1,348	26,947
- Unrealised	-	3,801	177	446
Gain on disposal of:				
- Property, plant and equipment	494	151	-	-
- A subsidiary (Note 38)	-	1,020	-	-
Insurance claims income	31,826	-	-	-
Rental income	7,549	7,208	310	310
Writeback in value of inventories	30	-	-	-
After charging:				
Amortisation of:				
- Service concession asset (Note 12)	88,921	88,638	-	-
- Development expenditures (Note 24)	491	508	-	-
Auditors' remuneration:				
(a) Audit fees:				
(i) For the financial year				
- Crowe Malaysia PLT (Auditors)	1,123	886	217	185
- Member firms of the Auditors	14	14	-	-
- Other auditors	236	102	-	-
(ii) (Over)/Underprovision in previous financial years:				
- Auditors	(62)	5	-	-

7. PROFIT FROM OPERATIONS (CONT'D)

	GROUP		COMPANY	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
After charging (Cont'd):				
Auditors' remuneration (Cont'd):				
(b) Non-audit fees:				
(i) Auditors	7	7	7	7
(ii) Firms or corporations affiliated to Auditors:				
- Tax compliance fees	276	246	15	15
- Other service fees	107	79	-	-
- Underprovision in previous financial year	-	4	-	4
Directors' remuneration (Note 45)	2,830	2,978	1,147	2,978
Depreciation of:				
- Property, plant and equipment	49,874	38,297	211	383
- Right-of-use assets	4,738	4,613	323	323
Direct operating expenses arising from investment properties	3,761	4,140	-	-
Fair value loss on investment properties (Note 15)	7,994	-	-	-
Goodwill written off (Note 22)	990	-	-	-
Impairment loss on property, plant and equipment (Note 13)	-	555	-	-
Inventories written off, arising from:				
- Fire incident within Packaging Division in September 2023	-	1,056	-	-
- Others	44	3,277	-	-
Loss on foreign exchange:				
- Realised	2,098	-	-	-
- Unrealised	2,036	-	-	-
Loss on deconsolidation of subsidiaries (Note 38)	99	-	-	-
Property, plant and equipment written off, arising from:				
- Fire incident within Packaging Division in September 2023	-	27,942	-	-
- Others	656	388	-	-
Right-of-use assets written off	33	-	-	-
Staff costs (including other key management personnel as disclosed in Note 45):				
- Defined contribution benefits	6,101	5,104	716	648
- Salaries, wages, bonuses and allowances	76,744	66,624	6,158	5,469
- Other benefits	7,099	5,273	270	284
Write-down in value of inventories	-	5,001	-	-

8. FINANCE COSTS

	GROUP		COMPANY	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Losses arising from financial liabilities measured at amortised cost, notably interest expense on:				
- Bank overdrafts	17	49	-	-
- Revolving credits	6,785	4,594	3,787	2,431
- Amount owing to subsidiaries	-	-	3,726	3,553
- Term loans	51,052	30,505	-	-
- Hire purchase liabilities	526	786	-	-
- Trade financing and loans	2,219	2,354	-	-
Interest expense on lease liabilities	263	247	-	-
Others	1,321	1,544	460	52
	62,183	40,079	7,973	6,036

9. TAX EXPENSE

	GROUP		COMPANY	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current tax:				
- Current financial year	17,223	17,749	64	373
- (Over)/Underprovision in the previous financial years	(1,455)	11,317	(20)	-
	15,768	29,066	44	373
Deferred tax (Note 31):				
- Relating to originating and recognition of temporary differences	4,065	(3,783)	-	-
- Overprovision in the previous financial years	(1,532)	(135)	-	-
	2,533	(3,918)	-	-
	18,301	25,148	44	373

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	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit before tax	509,319	476,788	29,869	180,394
Tax at Malaysia statutory rate of 24%	122,237	114,429	7,169	43,295
Tax effects of:				
- Non-taxable/Tax exempted income	(131,488)	(120,515)	(10,742)	(47,214)
- Expenses not deductible	15,408	16,170	3,637	4,292
- Deferred tax assets not recognised during the year	1,352	2,460	-	-
- Utilisation of deferred tax assets previously not recognised	(576)	-	-	-
- Share of results in equity accounted investments	15,898	3,264	-	-
- Utilisation of reinvestment allowances	(1,492)	(1,346)	-	-
- Under/(Over)provision in previous financial years:				
- Current tax	(1,455)	11,317	(20)	-
- Deferred tax	(1,532)	(135)	-	-
- Differential in tax rates	(51)	(496)	-	-
Tax expense	18,301	25,148	44	373

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 31 December 2025 (2023: 30 September 2025). A lower tax rate applies from 2026 to 2029 before subject to standard corporate income tax rate of 24% in Lao PDR from 2030.

The subsidiaries in the Kingdom of Cambodia are subjected to income tax rate of 20% on the estimated assessable profit for the year.

The subsidiary in the Republic of Maldives is subjected to income tax rate of 15% on the estimated assessable profit for the year.

The subsidiary in Singapore is subjected to income tax rate of 17% on the estimated assessable profit for the year.

10. OTHER COMPREHENSIVE (EXPENSES)/INCOME

	GROUP		COMPANY	
	2024 RM'000	**2023** RM'000	**2024** RM'000	**2023** RM'000
Items that will be reclassified subsequently to profit or loss				
Foreign currency translation:				
- Changes during the financial year	(70,850)	80,352	-	-
Items that will not be reclassified subsequently to profit or loss				
Fair value of equity instruments:				
- Net losses during the financial year	(43,161)	(18,711)	(886)	(44)
Other comprehensive (expenses)/income	(114,011)	61,641	(886)	(44)

11. EARNINGS PER SHARE

	GROUP	
	2024	**2023**
Profit after tax for the financial year attributable to owners of the Company (RM'000)	459,178	383,708
Weighted average number of ordinary shares ('000):-		
Issued ordinary shares on 1 January	988,352	988,352
Effect of treasury shares held	(45,663)	(44,353)
Weighted average number of ordinary shares on 31 December	942,689	943,999
Basic earnings per share (sen)	48.71	40.65

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. SERVICE CONCESSION ASSETS

	GROUP	
	2024 RM'000	**2023** RM'000
Cost		
At 1 January	2,296,836	2,196,756
Construction revenue recognised during the year	379,292	-
Translation differences	(65,610)	100,080
At 31 December	2,610,518	2,296,836
Accumulated Amortisation		
At 1 January	(356,790)	(255,933)
Amortisation during the financial year	(88,921)	(88,638)
Translation differences	10,849	(12,219)
At 31 December	(434,862)	(356,790)
Net carrying amount as at 31 December	2,175,656	1,940,046

12. SERVICE CONCESSION ASSETS (CONT'D)

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 260 MW 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 and operational since 7 January 2020.

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 and the concession period ends on 30 September 2045, twenty-five (25) years after the COD.

Following the successful commissioning of the fifth turbine generator on 4 July 2024, the total generation capacity of DSHP has increased to 325 MW. In December 2024, the Group entered into a Supplemental Concession Agreement (SCA) with the Government of the Lao People's Democratic Republic (GOL) and a Supplemental Power Purchase Agreement (SPPA) with EDL. These agreements covered all five turbines of the DSHP, including the original four turbine and generator units.

Pursuant to the SCA and SPPA, the new concession period will span 25 years, commencing from the Final Commercial Operation Date (FCOD) of 1 January 2025 and end on 31 December 2049. The SPPA term has been revised to align with the new concession period.

During the dry season (November to May), EDL is obligated to purchase and pay for all available energy on a take-or-pay basis throughout the SPPA term. During the wet season (June to October), EDL will purchase and pay for energy availability of up to 955 GWh annually on a take-or-pay basis. For energy availability exceeding 955 GWh, EDL will purchase and pay based on actual energy dispatch. The levelised tariff remains unchanged at the previous rate of 6.15 US cents per kWh.

The Group has assessed the recoverable amount of the service concession asset and determined that no impairment is required.

13. 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 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 2023/1 January 2024	128,658	643,408	101,112	121,944	995,122
Additions (Note 39(a))	55,874	36,368	22,913	97,432	212,587
Disposals/Write-offs	(180)	(1,144)	(28)	(2,401)	(3,753)
Acquisition of subsidiaries (Note 37)	22,352	9,377	46,068	26,606	104,403
Transfer from Development Expenditures (Note 24)	-	344,003	-	-	344,003
Derecognised to profit or loss as construction costs	-	(344,003)	-	-	(344,003)
Transfer	1,664	15,034	-	(16,698)	-
Translation differences	(34)	(182)	(2,684)	(510)	(3,410)
At 31 December 2024	208,334	702,861	167,381	226,373	1,304,949
Accumulated Impairment Losses					
At 1 January 2023	(30)	(59,432)	-	(79)	(59,541)
Disposal of a subsidiary (Note 38)	-	10,393	-	77	10,470
Addition (Note 7)	-	(555)	-	-	(555)
Reclassification	-	2,949	-	2	2,951
At 31 December 2023/1 January 2024	(30)	(46,645)	-	-	(46,675)
Disposal	30	-	-	-	30
Acquisition of subsidiaries (Note 37)	-	-	-	(855)	(855)
At 31 December 2024	-	(46,645)	-	(855)	(47,500)
Accumulated Depreciation					
At 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 2023/1 January 2024	(25,465)	(350,262)	-	(40,775)	(416,502)
Depreciation charges	(3,401)	(40,155)	(333)	(7,007)	(50,896)
Disposals/Write-offs	43	1,096	-	1,231	2,370
Acquisition of subsidiaries (Note 37)	(809)	(7,276)	(3,778)	(13,349)	(25,212)
Derecognised to profit or loss under construction costs	-	8,398	-	-	8,398
Translation differences	8	40	-	136	184
At 31 December 2024	(29,624)	(388,159)	(4,111)	(59,764)	(481,658)
Net Book Value					
At 31 December 2024	178,710	268,057	163,270	165,754	775,791
At 31 December 2023	103,163	246,501	101,112	81,169	531,945

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

COMPANY	Bearer Plants RM'000	Equipment and Vehicles RM'000	Total RM'000
Cost			
At 1 January 2023	9,837	3,880	13,717
Additions (Note 39(a))	815	81	896
Disposals/Write-offs	-	(407)	(407)
At 31 December 2023/1 January 2024	10,652	3,554	14,206
Additions (Note 39(a))	687	30	717
At 31 December 2024	11,339	3,584	14,923
Accumulated Depreciation			
At 1 January 2023	-	(2,975)	(2,975)
Depreciation charges	-	(383)	(383)
Disposals/Write-offs	-	407	407
At 31 December 2023/1 January 2024	-	(2,951)	(2,951)
Depreciation charges	-	(211)	(211)
At 31 December 2024	-	(3,162)	(3,162)
Net Book Value			
At 31 December 2024	11,339	422	11,761
At 31 December 2023	10,652	603	11,255

Property, plant and equipment of the Group with net book value of RM266,188,000 (2023: RM184,577,000) 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 RM5,926,000 (2023: RM5,695,000) held under hire purchase arrangements.

Included in the Group's bearer plants at the end of the reporting period are total depreciation charges of RM1,199,000 (2023: Nil) which were capitalised from other property, plant and equipment as well as right-of-use assets, during current financial year.

14. WATER RIGHTS

	GROUP	
	2024 RM'000	**2023** RM'000
At 1 January	-	-
Addition	337,515	-
At 31 December	337,515	-

During the financial year, the Group (via DSPC) has made payment of RM337.52 million to the GOL for the water rights of DSHP (in lieu of its royalty obligation on annual energy generation up to 2,140 Gigawatt hours or GWh) covering the period from 1 January 2025 to 31 December 2049.

For energy generation exceeding 2,140 GWh, royalty is payable at the applicable rates specified in the SCA.

Accounting policies governing the water rights are detailed Note 4.10.3 to the financial statements.

15. INVESTMENT PROPERTIES

	GROUP 2024 RM'000	2023 RM'000
Leasehold land and buildings, at fair value:-		
At 1 January	168,746	165,203
Additions	76,682	-
Acquisition of subsidiaries (Note 37)	24,245	-
Fair value (loss)/gain recognised in profit or loss (Note 7)	(7,994)	3,543
At 31 December	261,679	168,746

(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 (2023: 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 (2023: 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 2024 RM'000	2023 RM'000
Within 1 year	4,375	4,442
Between 1 and 2 years	2,665	1,654
Between 2 and 3 years	1,684	201
	8,724	6,297

(b) Investment properties of subsidiaries with carrying value of approximately RM201,832,000 (2023: RM109,000,000) has been charged as security for credit facilities granted to the Company and certain subsidiaries.

(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
2024			
Leasehold land and buildings	136,033	125,646	261,679
2023			
Leasehold land and buildings	35,201	133,545	168,746

(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.

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):-

(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 4.7% to 8.19%.	(bb) Expected yield were lower/(higher).
	(cc) Void rate of 5%.	(cc) Rental void rate were lower/(higher).

(iii) The following table shows a reconciliation of level 3 fair value:-

	GROUP	
	2024 RM'000	**2023** RM'000
At 1 January	133,545	135,545
Fair value loss recognised in profit or loss	(7,899)	(2,000)
At 31 December	125,646	133,545

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. RECEIVABLES AND OTHER ASSETS

		GROUP		COMPANY	
	Note	**2024** RM'000	**2023** RM'000	**2024** RM'000	**2023** RM'000
Non-current					
Long-term receivable from EDL^	16.1	282,931	-	-	-
Less: Expected credit loss	6	(1,621)	-	-	-
		281,310	-	-	-
Less: current portion of long-term receivable		(35,366)	-	-	-
Non-current portion of the long-term receivable		245,944	-	-	-
Prepayment		501	-	-	-
		246,445	-	-	-

^ - converted from trade receivables

16. RECEIVABLES AND OTHER ASSETS (CONT'D)

		GROUP		COMPANY	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current					
a) Trade receivables	16.2.1	283,261	426,566	-	-
b) Other receivables:					
- Current portion of long-term receivable		35,366	-	-	-
- Others	16.2.2	11,435	14,711	1,006	622
c) Refundable deposits		6,120	3,997	188	179
d) Prepayments and non-refundable deposits	16.2.3	31,161	32,087	285	1,076
e) Contract cost assets	16.2.4	16,084	9,839	-	-
f) Contract assets	16.2.5	4,749	1,089	-	-
g) Current tax assets		3,598	1,809	27	-
h) Amount owing by subsidiaries	16.2.6	-	-	24,507	36,964
		391,774	490,098	26,013	38,841

16.1 Long-term receivable

The Group has entered into an agreement with EDL in December 2024 that EDL will settle overdue trade balance owed to the Group on monthly instalment basis and with interest charge at 6.5% per annum, over repayment period of 8 years, beginning 1 January 2025.

16.2.1 Trade receivables

	GROUP		COMPANY	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Gross amount	289,462	511,981	-	-
Less: Allowance for impairment losses				
- At 1 January	(85,415)	(52,302)	-	-
- Additions (Note 6)	(8,954)	(32,370)	-	-
- Writeback (Note 6)	317	882	-	-
- Acquisition of subsidiaries	(1,643)	-	-	-
- Write-offs	89,278	138	-	-
- Translation differences	216	(1,763)	-	-
- At 31 December	(6,201)	(85,415)	-	-
	283,261	426,566	-	-

The credit periods granted for trade receivables ranging from 21 to 120 (2023: 21 to 120) days.

16. RECEIVABLES AND OTHER ASSETS (CONT'D)

16.2.2 Other receivables

	GROUP		COMPANY	
	2024 RM'000	**2023** RM'000	**2024** RM'000	**2023** RM'000
Gross amount	12,719	15,983	1,708	1,324
Less: Allowance for impairment losses				
- At 1 January	(1,272)	(1,272)	(702)	(702)
- Additions (Note 6)	(12)	-	-	-
- At 31 December	(1,284)	(1,272)	(702)	(702)
	11,435	14,711	1,006	622

16.2.3 Prepayment and non-refundable deposits

Included in the prepayments and non-refundable deposits of the Group as at the end of the reporting period are amounts paid for future purchase of property, plant and equipment and investment properties of approximately RM12,126,000 (2023: RM4,304,000) and nil (2023: RM17,216,000), respectively.

16.2.4 Contract cost assets

Contract cost assets comprised mainly the construction costs of solar photovoltaic systems in Maldives of RM14,185,000 (2023: RM8,425,000).

Included in the contract cost assets are interest expenses of approximately RM805,000 (2023: Nil) which was capitalised in relation to the construction of solar assets.

Total amount of capital contracts costs of RM16,274,000 (2023: RM8,425,000) was incurred during the financial year.

16.2.5 Contract assets

The contract assets mainly relate to the Group's right to consideration for work performed to develop solar photovoltaic systems but not yet billed as at the reporting date. In relation to this, construction revenue of approximately RM3,955,000 (2023: Nil) was recognised during current financial year.

16.2.6 Amount owing by subsidiaries

	COMPANY	
	2024 RM'000	**2023** RM'000
Gross amount	24,702	37,159
Less: Allowance for impairment losses		
- At 1 January	(195)	(294)
- Addition (Note 6)	-	(726)
- Write-off	-	825
- At 31 December	(195)	(195)
	24,507	36,964

The amount owing by subsidiaries is non-trade in nature, interest-free, unsecured and receivable on demand except for a principal sum of approximately RM12,834,000 (2023: RM14,077,000) which bears interest rate of 3.3% (2023: 3.3%) per annum. The amount owing is to be settled in cash.

17. RIGHT-OF-USE ASSETS

GROUP	Leasehold Land, Farmland and Land Use Right RM'000	Office, Hostel, Shoplots, Plant and Equipment RM'000	Total RM'000
Cost			
At 1 January 2023	154,292	-	154,292
Additions (Note 39(a))	1,776	-	1,776
Disposal/Written off	(364)	-	(364)
Modification of lease liabilities	(231)	-	(231)
Translation differences	225	-	225
At 31 December 2023/1 January 2024	155,698	-	155,698
Additions (Note 39(a))	1,345	70	1,415
Acquisition of subsidiaries (Note 37)	4,960	551	5,511
Modification of lease liabilities	395	(43)	352
Written off	(478)	(40)	(518)
Translation differences	(156)	-	(156)
At 31 December 2024	161,764	538	162,302
Accumulated Depreciation			
At 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 2023/1 January 2024	(37,652)	-	(37,652)
Depreciation charges	(4,715)	(200)	(4,915)
Acquisition of subsidiaries (Note 37)	(361)	(151)	(512)
Modification of lease liabilities	(300)	(141)	(441)
Written off	465	20	485
Translation differences	16	-	16
At 31 December 2024	(42,547)	(472)	(43,019)
Accumulated Impairment Losses			
At 31 December 2023/2024	(1,734)	-	(1,734)
Net Book Value			
At 31 December 2024	117,483	66	117,549
At 31 December 2023	116,312	-	116,312

COMPANY	Leasehold Land and Land Use Right RM'000
Cost	
At 31 December 2023/2024	13,654
Accumulated Depreciation	
At 1 January 2023	(2,799)
Depreciation charges	(323)
At 31 December 2023/1 January 2024	(3,122)
Depreciation charges	(323)
At 31 December 2024	(3,445)
Net Book Value	
At 31 December 2024	10,209
At 31 December 2023	10,532

17. RIGHT-OF-USE ASSETS (CONT'D)

The Group owns some leasehold land, farmland 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/right of use period (from the date of purchase) ranging between 3 to 99 years.

The leasehold land and land use right of the Group with net book value of approximately RM41,339,000 (2023: RM42,762,000) are pledged as security for bank borrowings of certain subsidiaries as disclosed in Notes 30 and 33 to the financial statements.

Included in the cost of leasehold land and land use right of the Group and of the Company is an amount of RM12,889,000 (2023: 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.

18. SUBSIDIARIES

	COMPANY	
	2024 RM'000	**2023** RM'000
i) Unquoted ordinary shares in Malaysia		
At cost:-		
At 1 January	1,651,209	1,467,698
Additions	83,036	183,531
Disposals	-	(20)
	1,734,245	1,651,209
Less: Accumulated impairment losses	(360,696)	(360,696)
At 31 December	1,373,549	1,290,513
ii) Unquoted equity shares outside Malaysia		
At cost:-		
At 1 January	119,724	212,676
Additions	21,091	21,063
Capital repayment	-	(114,015)
At 31 December	140,815	119,724
iii) Unquoted preference shares in Malaysia		
At cost:-		
At 1 January	-	-
Additions	15,000	-
At 31 December	15,000	-
Net carrying amount as at 31 December	1,529,364	1,410,237

(a) The subsidiaries are listed in Note 42 to the financial statements.

(b) During the current financial year, the Company has subscribed for or purchased additional ordinary shares in several of its wholly-owned subsidiaries for cash consideration of RM68,204,680 and by way of capitalising RM35,922,204 advances made to such subsidiaries.

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	
	2024	**2023**	**2024**	**2023**
	%	%	RM'000	RM'000
Mega Ventures Limited (MVL)	25.0	25.0	42,465[#1]	40,111[#1]
Don Sahong Power Company Ltd. (DSPC)	5.0[#2]	5.0[#2]	[#2]	[#2]
Stenta Films (Malaysia) Sendirian Berhad and its subsidiary (Stenta Group)	25.0	25.0	49,866	47,050
CSC Agriculture Holdings Sdn Bhd (CSC Group)	60.0	-	46,324	-
Idaman Harmoni Sdn Bhd (IHSB)	25.0	35.0	22,124	32,633
Other subsidiaries			59,151	47,316
			219,930	167,110

#1 - Included share of 5% effective equity interest in DSPC.

#2 - The impact of effective equity interest held by the Group in DSPC 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]	**DSPC**	**Stenta Group**	**IHSB**	**CSC Group**
	RM'000	RM'000	RM'000	RM'000	RM'000
At 31 December 2024					
Non-current assets	253,352	2,453,379	149,780	107,378	113,266
Current assets	80,620	597,535	142,299	26,528	29,600
Non-current liabilities	(82,051)	(1,641,244)	(43,368)	(8,392)	(36,009)
Current liabilities	(82,063)	(142,780)	(47,833)	(38,297)	(21,497)
Net assets	169,858	1,266,890	200,878	87,217	85,360
Financial year ended 31 December 2024					
Revenue	-	1,009,464	227,272	5,673	50,562 [#3]
Profit/(Loss) after tax	102,361	429,189	19,262	(5,871)	(2,171) [#3]
Total comprehensive income/(expenses)	101,975	343,351	19,262	(5,871)	(2,410) [#3]
Total comprehensive income/(expense) attributable to non-controlling interests	15,329 [#1]	[#2]	3,960	(1,573)	(1,446) [#3]
Dividends paid to non-controlling interests	(12,975)	-	(2,000)	-	- [#3]
Net cash flows (for)/from operating activities	(293)	433,468	15,186	333	1,312 [#3]
Net cash flows from/(for) investing activities	155,597	(443,577)	(59,068)	1,587	(4,489) [#3]
Net cash flows from/(for) financing activities	156,724	(258,653)	27,156	(2,637)	(1,078) [#3]

#1 - Included share of 5% effective equity interest in DSPC.

#2 - The impact of effective equity interest held by the Group in DSPC is subsumed within carrying amount of MVL's non-controlling interests.

#3 - For the 7-months period ended 31 December 2024.

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):-

	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	19,255	(17,648)
Total comprehensive income/(expenses)	209	451,285	19,255	(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.

19. JOINT VENTURES

	GROUP 2024 RM'000	GROUP 2023 RM'000	COMPANY 2024 RM'000	COMPANY 2023 RM'000
Unquoted shares in Malaysia				
At cost:-				
At 1 January	20,000	20,000	20,000	20,000
Addition	25,000	-	25,000	-
	45,000	20,000	45,000	20,000
Share of post-acquisition profits	59,545	124,604	-	-
At 31 December	104,545	144,604	45,000	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 2024 %	Percentage of Issued Share Capital Held 2023 %
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	
	2024 RM'000	**2023** RM'000
At 31 December		
Non-current assets:		
- Property, plant and equipment	419,481	422,965
- Right-of-use assets	1,984	2,323
- Intangible assets	1,896	3,113
Current assets:		
- Inventories	256,783	191,130
- Receivables, deposits and prepayments	116,176	85,102
- Bank balances and deposits	19,500	33,038
Non-current liability - Deferred tax liabilities	(31,481)	(36,548)
Current liabilities:		
- Bank borrowings	(407,328)	(290,260)
- Payables and other liabilities	(136,311)	(89,424)
Non-controlling interests	(31,610)	(32,231)
Net assets	209,090	289,208
Financial year ended 31 December		
Revenue	805,085	891,819
Gain on accretion of interest in a subsidiary	-	13,068
Interest income	188	162
Depreciation and amortisation	(36,469)	(36,299)
Interest expense	(15,436)	(10,879)
Loss before tax	(135,835)	(33,042)
Tax reversal	3,230	3,962
Loss after tax	(132,605)	(29,080)
Loss after tax less non-controlling interests	(130,118)	(26,182)
Total comprehensive expenses	(130,118)	(26,182)
Group's share of total comprehensive expenses	(65,059)	(13,091)
Carrying Amount		
Group's share of net assets/Carrying amount of Group's interest in Edenor Group	104,545	144,604

(b) The Group's commitment in respect of the joint ventures is as follows:-

	GROUP/COMPANY	
	2024 RM'000	**2023** RM'000
Financial guarantee contracts in relation to corporate guarantees given to a subsidiary of the joint venture*	399,881	272,297

**:- represent the outstanding debts 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 RM3,552,000 (2023: RM3,999,000) as it has no obligation in respect of these losses.

20. ASSOCIATES

	GROUP	
	2024 RM'000	2023 RM'000
Unquoted shares in Malaysia, at cost:-		
- At 1 January	21,170	15,457
- Additions	48,000	5,713
- At 31 December	69,170	21,170
Share of post-acquisition (losses)/profits	(283)	900
	68,887	22,070

The details of the associates incorporated in Malaysia are as follows:-

Company	Principal Activities	Percentage of Issued Share Capital Held	
		2024	2023
Apex Power Industry Sdn. Bhd. (Apex)	Investment holding	30.0	-
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.	Research, design and development in relation to radar and provision of consultancy and training services	20.0	20.0
Golden Blue Capital Sdn. Bhd.	Investment holding	40.0	40.0

The subsidiary of Apex is involved in the manufacturing a wide range of products, and engineering services to the generation, transmission and distribution sectors of the electrical power industry.

Subsidiaries of IST are involved in the manufacturing of automated assembly and test machines in Malaysia.

Asset 1's subsidiaries are involved in the businesses as operator of lifestyle community centre and educational institution.

(a) The summarised financial information (after fair value adjustment at acquisition date) for associate which is material to the Group is presented below:-

	Apex Group
	2024 RM'000
At 31 December	
Non-current assets:	
- Property, plant and equipment	42,474
- Intangible asset	4,546
Current assets:	
- Inventories	38,734
- Receivables, deposits and prepayments	32,210
- Bank balances and deposits	8,921
Non-current liabilities:	
- Deferred tax liabilities	(5,877)
- Bank borrowings	(1,817)
Current liabilities:	
- Payables and accruals	(27,045)
- Provision for taxation	(1,156)
Net assets	90,990

20. ASSOCIATES (CONT'D)

(a) The summarised financial information (after fair value adjustment at acquisition date) for associate which is material to the Group is presented below (Cont'd):-

	Apex Group
	2024 RM'000
Financial period ended 31 December 2024 (1 month)	
Revenue	9,852
Interest income	34
Depreciation and amortisation	(324)
Interest expense	(46)
Profit before tax	2,001
Tax expense	(363)
Profit after tax/Total comprehensive income	1,638
Group's share of total comprehensive income after fair value adjustment	400
Reconciliation of Net Assets to Carrying Amount	
Group's share of net assets after fair value adjustments	27,297
Goodwill	21,103
Carrying amount of the Group's interests in Apex Group	48,400

(b) The summarised financial information for other associates that are individually immaterial to the Group is as follows:-

	Other individually immaterial associates	
	2024 RM'000	**2023** RM'000
Financial year ended 31 December		
Group's share of loss for the financial year	(1,583)	(509)
Group's share of other comprehensive income	-	-
Group's share of total comprehensive expenses	(1,583)	(509)
Aggregate carrying amount of the Group's interests in immaterial associates	20,487	22,070

(c) The Group's commitment in respect of an associate is as follows:-

	GROUP/COMPANY	
	2024 RM'000	**2023** RM'000
Financial guarantee contracts in relation to corporate guarantees given to an associate*	19,010	13,063

**:- represent the outstanding credit facilities of an associate as at end of reporting period*

21. INVESTMENTS IN QUOTED AND UNQUOTED SHARES

	GROUP		COMPANY	
	2024 RM'000	**2023** RM'000	**2024** RM'000	**2023** RM'000
Equity investments, at fair value:				
- Quoted shares	87,351	133,278	576	1,462
- Unquoted shares	669	669	-	-
	88,020	133,947	576	1,462

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	
	2024 RM'000	**2023** RM'000
Cost:-		
At 1 January	54,673	54,673
Additions (Note 37)	4,244	-
Recognised in profit or loss (Note 7)	(990)	-
At 31 December	57,927	54,673

The carrying amount of goodwill allocated to cash-generating unit (CGU) is as follows:-

	GROUP	
	2024 RM'000	**2023** RM'000
Packaging segment	49,101	49,101
Others	8,826	5,572
	57,927	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 amount of goodwill arising from the packaging segment is as follows:-

	Average Gross Margins		**Average Sales Growth Rates**		**Discount Rates**	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
Packaging segment	16%	18%	49%	28%	7.6%	9.3%

Average gross margin is determined by management based on past experience. Growth rates are based on expected projected growth rates of the 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	
	2024 RM'000	**2023** 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	12,932
	40,166	40,166

23. INVENTORIES (CONT'D)

	GROUP 2024 RM'000	GROUP 2023 RM'000
Current		
(iii) Completed properties for sale	9,238	9,238
(iv) Other inventories		
- Finished goods and work-in-progress	27,935	36,452
- Materials, spare parts and consumables	148,723	86,047
	176,658	122,499
	185,896	131,737
Recognised in profit or loss		
Inventories recognised as cost of sales	584,984	560,335
(Writeback)/Write-down in value of inventories	(30)	5,001
Inventories written off	44	4,333

24. DEVELOPMENT EXPENDITURES

	GROUP 2024 RM'000	GROUP 2023 RM'000
Cost		
At 1 January	204,983	76,001
Additions:		
- Don Sahong Hydropower Project	142,954	124,882
Transfer to Property, Plant and Equipment (Note 13)	(344,003)	-
Translation difference	(624)	4,100
At 31 December	3,310	204,983
Accumulated Amortisation		
At 1 January	(1,935)	(1,427)
Addition during the financial year	(491)	(508)
At 31 December	(2,426)	(1,935)
	884	203,048
Represented by:-		
Don Sahong Hydropower Project	-	201,673
Other development project	884	1,375
	884	203,048

Included in additions during the financial year are:-

	GROUP 2024 RM'000	GROUP 2023 RM'000
Staff costs	1,793	2,958

Development expenditures at the end of previous financial year consisted primarily of construction costs incurred for the development of fifth turbine, in connection with the Don Sahong Hydropower Project.

25. BANK BALANCES AND DEPOSITS

	GROUP		COMPANY	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash and bank balances	112,460	163,867	4,874	22,028
Deposits with financial institutions	155,180	344,047	-	-
Housing Development Accounts	680	673	-	-
	268,320	508,587	4,874	22,028

The deposits with financial institutions of the Group earn interest at rates ranging from 0.05% to 4.40% (2023: 0.05% to 5.15%) per annum. The deposits have maturity periods ranging from 30 to 365 days (2023: 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 RM28,594,000 (2023: RM28,674,000) deposits pledged to financial institutions as security for banking facilities granted to certain subsidiaries as disclosed in Notes 30 and 33 to the financial statements.

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:-

	GROUP		COMPANY	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Bank balances and deposits	268,320	508,587	4,874	22,028
Less: Deposits pledged to financial institutions or with original maturity period of more than 3 months	(39,916)	(45,653)	-	-
	228,404	462,934	4,874	22,028

26. SHORT-TERM INVESTMENTS

	GROUP	
	2024 RM'000	2023 RM'000
Unquoted preference shares, at amortised cost	-	19,500

During the financial year, the preference shares were fully redeemed in cash.

27. SHARE CAPITAL

	GROUP/COMPANY			
	Number of Shares		Amount	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 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 (2023: 988,352,102) issued and fully paid-up ordinary shares as at 31 December 2024, 45,810,600 (2023: 45,592,600) ordinary shares were held as treasury shares by the Company. The number of outstanding ordinary shares in issue as at 31 December 2024 was therefore 942,541,502 (2023: 942,759,502).

28. TREASURY SHARES

	GROUP/COMPANY			
	Number of Shares		Amount	
	2024 '000	**2023** '000	**2024** RM'000	**2023** RM'000
At 1 January	45,593	43,046	45,517	37,261
Purchase of shares	218	2,547	956	8,256
At 31 December	45,811	45,593	46,473	45,517

During the financial year, the Company purchased 218,000 (2023: 2,546,300) of its issued ordinary shares from the open market at an average price of approximately RM4.36 (2023: RM3.24) per share for a total consideration of RM956,000 (2023: RM8,256,000). 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

		GROUP		COMPANY	
	Note	**2024** RM'000	**2023** RM'000	**2024** RM'000	**2023** RM'000
Non-distributable reserves					
Translation reserve	29.1	71,510	139,813	-	-
Fair value reserve	29.2	28,802	73,620	(2,523)	(1,637)
Capital reserve	29.3	27,394	27,394	-	-
Other reserve	29.4	(88,556)	(88,556)	(88,556)	(88,556)
		39,150	152,271	(91,079)	(90,193)
Distributable reserve					
Retained profits		2,588,726	2,207,033	617,929	670,589
		2,627,876	2,359,304	526,850	580,396

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 Group 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	
	2024 RM'000	**2023** RM'000
Unsecured:		
Term loan from a major shareholder	313,285	367,200
Term loan with financial institution	20,202	-
Secured:		
Other term loans with financial institutions	494,644	393,402
	828,131	760,602
Less: Current liabilities (Note 33)	(297,207)	(294,474)
	530,924	466,128

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 6 years from the date of first disbursement.

Other term loans with financial institutions

The interest rate of other term loans ranges from 2.00% to 7.19% (2023: 4.17% to 7.00%) per annum, and are secured by:-

(a) Legal charges over properties, land and machineries of certain subsidiaries, as disclosed in Notes 13, 15 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) Government Guarantee Schemes for business financing;

(h) Guarantee by Credit Guarantee Corporation;

(i) Properties owned by certain subsidiaries' directors;

(j) Assignment of life insurance policies under name of certain subsidiaries' directors;

(k) A negative pledge by a subsidiary; and

(l) Power of Attorney over certain ordinary shares of a subsidiary.

31. DEFERRED TAX (ASSETS)/LIABILITIES

	GROUP	
	2024 RM'000	**2023** RM'000
Deferred tax liabilities	133,853	126,954
Deferred tax assets	-	(2,932)
Net deferred tax liabilities	133,853	124,022

31. DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D)

The movement of net deferred tax liabilities during the year is analysed as follows:-

	GROUP	
	2024 RM'000	**2023** RM'000
At beginning of financial year	124,022	124,320
Acquisition of subsidiaries (Note 37)	9,370	-
Recognised in profit or loss (Note 9)	2,533	(3,918)
Effect of foreign exchange translation	(2,072)	3,620
At end of financial year	133,853	124,022

The net deferred tax liabilities represent the tax effects of:-

	GROUP	
	2024 RM'000	**2023** RM'000
Service concession asset	78,826	83,078
Property, plant and equipment and non-current inventories	60,796	50,537
Fair value gain on investment properties	9,537	10,152
Provisions	(4,245)	(6,137)
Unabsorbed capital allowances	(9,715)	(9,284)
Unabsorbed capital allowances arising from write off of property, plant and equipment due to fire incident	-	(2,932)
Others	(1,346)	(1,392)
	133,853	124,022

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	
	2024 RM'000	**2023*** RM'000
Unutilised tax losses, expires in year of assessment:		
- expiring within 5 years	6,787	4,792*
- expiring within 6 to 10 years	16,794	5,865*
Unabsorbed capital allowances	24,343	7,818*
Other deductible temporary differences	4,539	14,684*
	52,463	33,159

**:- Restated to reflect latest tax credits carry forward and other temporary differences available to the Group .*

Deferred tax assets not recognised at end of 2024 included RM16,072,000 tax credits and deductible temporary differences which originated on date of new subsidiaries acquisitions.

As at 31 December 2024 subject to agreement with the Inland Revenue Board, the Group has unutilised reinvestment allowances of approximately RM13,701,000 (2023: RM13,348,000) 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 2023 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	
	2024 RM'000	2023 RM'000
At 1 January	70,759	84,702
Recognised in profit or loss (Note 7)	(1,539)	(13,943)
At 31 December	69,220	70,759

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. SHORT-TERM BORROWINGS

	GROUP		COMPANY	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revolving credits:				
- Secured	156,883	97,019	105,000	45,000
- Unsecured	110,500	5,000	75,000	5,000
	267,383	102,019	180,000	50,000
Term loans (Note 30):				
- Secured	118,187	110,874	-	-
- Unsecured	179,020	183,600	-	-
	297,207	294,474	-	-
Trade financing and loans:				
- Secured	50,926	38,710	-	-
	615,516	435,203	180,000	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 3.98% to 5.00% (2023: 4.31% to 5.33%) per annum whereas the Company's revolving credits bear interest rates ranging from 4.00% to 4.68% (2023: 4.57% to 5.33%) per annum.

(b) The trade financing and loans of the Group bear interest rates ranging from 3.65% to 5.44% (2023: 3.62% to 5.37%) per annum.

Short-term borrowings were secured by certain collaterals relating to term loans as detailed in Note 30 to the financial statements.

34. PAYABLES

	GROUP		COMPANY	
	2024 RM'000	**2023** RM'000	**2024** RM'000	**2023** RM'000
Non-current				
Provision for retirement benefits	636	588	-	-
Current				
Trade payables	136,328	81,526	-	-
Other payables and accruals:				
- Other payables	22,518	38,461	93	93
- Accruals	47,778	38,844	2,870	3,032
	70,296	77,305	2,963	3,125
Deferred income	5,648	6,265	4,969	5,209
Current tax liabilities	2,258	3,727	-	258
Amount owing to subsidiaries	-	-	147,147	107,004
	214,530	168,823	155,079	115,596

The credit period granted to the Group's trade payables ranges from 30 to 120 (2023: 30 to 120) days.

Included in trade payables is an amount of approximately RM57,933,000 (2023: RM31,763,000) contract costs owed to contractors and suppliers for construction of fifth turbine which remain outstanding as at end of reporting period.

Included in deferred income of the Group and of the Company is an amount of RM4,968,783 (2023: RM5,208,242) 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.

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	
	2024 RM'000	**2023** RM'000
At 1 January	588	540
Recognised in profit or loss:		
- Current service cost	36	36
- Interest cost	12	12
At 31 December	636	588

The principal assumptions used in computing the estimated contributions based on the Projected Unit Credit Method are as follows:-

	GROUP	
	2024	**2023**
Discount rate	4%	4%
Expected rate of salary increases	7%	7%

The amount owing to subsidiaries is non-trade in nature, interest-free, unsecured and repayable on demand except for a principal sum of approximately RM119,675,000 (2023: RM83,249,000) which bears interest at rate of 3.30% to 4.31% (2023: 3.30% to 5.12%). The amount owing is to be settled in cash.

35. NET ASSETS PER ORDINARY SHARE

The net assets per ordinary share have been calculated based on the Group's shareholders' funds as at the end of reporting period of approximately RM3,324,524,000 (2023: RM3,056,908,000) on 942,541,502 (2023: 942,759,502) outstanding ordinary shares in issue, net of treasury shares.

36. PURCHASE OF ADDITIONAL EQUITY INTEREST IN SUBSIDIARIES

(a) During the current financial year, the Group increased its equity interest in Idaman Harmoni Sdn Bhd (IHSB) by purchasing 10,000 ordinary shares, representing 10% equity interest in IHSB for a consideration of RM6,378,515. Following this shares purchase, the Company's effective equity interest in IHSB increased from 65% to 75%.

(b) In the previous financial year, the Group 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 RM428.53 million equivalents). Following this shares purchase, the Company's effective equity interest in DSPC increased from 80% to 95%.

The following summarises the effect of acquiring additional equity interests in the above subsidiaries that is attributable to the owners of the Company:-

	GROUP	
	2024 RM'000	**2023** RM'000
Consideration paid for acquisition of additional equity interests	6,379	428,529
Proportionate share of net assets acquired from non-controlling interests	(9,382)	(389,429)
Effect of (increase)/decrease in equity attributable to owners of the Company	(3,003)	39,100

37. NET CASH OUTFLOW ON ACQUISITION OF SUBSIDIARIES

The Group has:

(a) On 22 January 2024 acquired 10,000 ordinary shares representing 100% equity interest in Grand Ascent Sdn Bhd (GASB) for RM1,500. Since then, GASB became an indirect subsidiary of the Company.

(b) On 28 May 2024 completed the acquisition of CSC Agriculture Holdings Sdn Bhd (CSCAH) via subscription of 13,551,072 ordinary shares in CSCAH for a purchase consideration of RM25,000,000. Since then, CSCAH and its subsidiaries (CSC) became the subsidiaries of the Group where the Company holds 40% effective equity interest in CSC. Details of the acquisition are further disclosed in Note 47(a) to the financial statements; and

(c) On 11 September 2024 acquired 148,944 ordinary shares representing 80% equity interest in OPT Precision Sdn Bhd (OPT) for RM2,080,003. Since then, OPT became an indirect subsidiary of the Company.

37. NET CASH OUTFLOW ON ACQUISITION OF SUBSIDIARIES (CONT'D)

The fair values of the identifiable assets acquired and liabilities assumed from the above acquisitions were as follows:-

	AT DATE OF ACQUISITION	
	CARRYING AMOUNT RM'000	**FAIR VALUE RECOGNISED** RM'000
Property, plant and equipment (Note 13)	37,206	78,336
Investment properties (Note 15)	24,245	24,245
Right-of-use assets (Note 17)	4,999	4,999
Inventories	1,241	1,241
Biological assets	276	276
Trade receivables	9,542	9,542
Other receivable, deposits and prepayments	3,338	3,338
Tax recoverable	399	399
Cash, bank balances and deposits	21,699	21,699
Deferred tax liabilities (Note 31)	(359)	(9,370)
Term loans (Note 39(b))	(27,533)	(27,533)
Hire purchase liabilities (Note 39(b))	(1,113)	(1,113)
Lease liabilities (Note 39(b))	(3,816)	(3,816)
Trade and other payables	(31,352)	(31,352)
Net identifiable assets acquired	38,772	70,891
Less: Non-controlling interests		(48,052)
Add: Goodwill on consolidation (Note 22)		4,244
Total purchase consideration		27,083
Less: Cash and cash equivalents of subsidiaries acquired		(21,699)
Net cash outflow from acquisition of subsidiaries		5,384

The non-controlling interests are measured at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition.

The acquired subsidiaries have contributed the following results to the Group:-

	GROUP
	2024 RM'000
Revenue	51,240
Loss after tax	(2,853)

If the acquisition had taken place at the beginning of the financial year, the acquired subsidiaries would have contributed to the Group's revenue and loss after tax of RM87,637,000 and RM4,250,000, respectively.

38. NET CASH OUTFLOW ON DECONSOLIDATION/DISPOSAL OF SUBSIDIARIES

(a) Two indirect wholly-owned subsidiaries of the Company, namely Mega First Power Services Sdn Bhd (MFPS) and Bayangan Sutera Sdn Bhd (BSSB) have on 19 March 2024 commenced members' voluntary liquidation. Accordingly, the financial results of MFPS and BSSB have been deconsolidated from the Group's accounts with effect from the aforesaid date.

(b) In the previous year, the Group disposed of its 51% equity interest in Serudong Power Sdn Bhd (SPSB) for total cash consideration of RM1.173 million.

38. NET CASH OUTFLOW ON DECONSOLIDATION/DISPOSAL OF SUBSIDIARIES (CONT'D)

The financial effects of the deconsolidation/disposal at the date of disposal are summarised below:-

	GROUP 2024 RM'000	GROUP 2023 RM'000
Property, plant and equipment (Note 13)	-	1,311
Inventories	-	454
Trade receivables	-	20,419
Other receivables, deposits and prepayments	80	1,365
Bank balances and deposit	48	1,848
Trade and other payables	(34)	(19,436)
Current tax asset/(liability)	5	(661)
Non-controlling interests	-	(5,147)
Book value of net assets deconsolidated/disposed	99	153
(Loss)/Gain on deconsolidation/disposal (Note 7)	(99)	1,020
Consideration received, satisfied in cash	-	1,173
Less: Bank balances and deposits of subsidiaries deconsolidated/disposed	(48)	(1,848)
Net cash outflow from deconsolidation/disposal of subsidiaries	(48)	(675)

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:-

	Note	GROUP 2024 RM'000	GROUP 2023 RM'000	COMPANY 2024 RM'000	COMPANY 2023 RM'000
Property, plant and equipment					
Cost of property, plant and equipment purchased	13	212,587	115,243	717	896
Less:					
Acquired through hire purchase arrangements	39(b)	-	(2,290)	-	-
Prepayments made in previous year		(4,304)	(2,095)	-	-
Depreciation capitalised	13	(1,199)	-	-	-
Add: Prepayments made for future purchases	16.2.3	12,126	4,304	-	-
Cash disbursed for purchase of property, plant and equipment		219,210	115,162	717	896
Right-of-use assets					
Cost of right-of-use assets acquired (Note 17)		1,415	1,776	-	-
Addition of new lease liabilities	39(b)	(1,320)	(1,220)	-	-
Cash disbursed for addition of right-of-use assets		95	556	-	-

39. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliation of liabilities arising from financing activities are as follows:-

GROUP	Note	Term Loans RM'000	Hire Purchase Liabilities RM'000	Lease Liabilities RM'000	Other Short-term Borrowings* RM'000	Total RM'000
2024						
At 1 January		760,602	10,618	5,320	140,729	917,269
Changes in Financing Cash Flows						
Proceeds from drawdown		183,638	-	-	355,147	538,785
Repayment of principal		(132,502)	(8,018)	(1,792)	(177,567)	(319,879)
Net drawdown/(repayment)		51,136	(8,018)	(1,792)	177,580	218,906
Interest paid		(51,857)	(526)	(263)	(9,021)	(61,667)
		(721)	(8,544)	(2,055)	168,559	157,239
Others Changes						
Acquisition of new leases	39(a)	-	-	1,320	-	1,320
Acquisition of subsidiaries	37	27,533	1,113	3,816	-	32,462
Interest expense recognised in profit or loss	8	51,052	526	263	9,021	60,862
Interest expense capitalised in contract cost assets	16.2.4	805	-	-	-	805
Modification of lease liabilities		-	-	(97)	-	(97)
Foreign exchange differences		(11,140)	-	(58)	-	(11,198)
		68,250	1,639	5,244	9,021	84,154
At 31 December		828,131	3,713	8,509	318,309	1,158,662
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	39(a)	-	2,290	-	-	2,290
Acquisition of new leases	39(a)	-	-	1,220	-	1,220
Interest expense recognised in profit or loss	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

** - Comprises of revolving credits, trade financing and loans*

39. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliation of liabilities arising from financing activities are as follows (Cont'd):-

COMPANY	**Short-term Borrowings** RM'000
2024	
At 1 January	50,000
Changes in Financing Cash Flows	
Proceeds from drawdown	130,000
Other Changes	
Interest expense recognised in profit or loss (Note 8)	3,787
Repayment of interests (presented as operating cash flows)	(3,787)
At 31 December	180,000
2023	
At 1 January	50,000
Changes in Financing Cash Flows	
Proceeds from drawdown	-
Other Changes	
Interest expense recognised in profit or loss (Note 8)	2,431
Repayment of interests (presented as operating cash flows)	(2,431)
At 31 December	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 foreign currencies will also expose 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.

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 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:-

	2024 RM	**2023** RM
1 United States Dollar	4.475	4.590
1 Singapore Dollar	3.288	3.479

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
2024				
Financial assets				
Investments in quoted shares	-	14,550	149	14,699
Receivables	34,389	338	3,531	38,258
Bank balances and deposits	34,197	11,374	2,386	47,957
	68,586	26,262	6,066	100,914
Financial liabilities				
Payables (current)	(13,547)	(13)	(161)	(13,721)
Trade financing and loans	(7,414)	-	-	(7,414)
	(20,961)	(13)	(161)	(21,135)
Currency exposure, net financial assets	47,625	26,249	5,905	79,779
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)
Trade financing and loans	(3,570)	-	-	(3,570)
	(11,079)	(40)	(3,320)	(14,439)
Currency exposure, net financial assets	91,850	29,464	843	122,157

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
2024	
Financial asset	
Bank balances and deposits	2,502
2023	
Financial asset	
Bank balances and deposits	18,375

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	
	2024 RM'000	**2023** RM'000
Effects on profit after taxation		
USD/RM:		
- strengthened by 5%	1,810	3,490
- weakened by 5%	(1,810)	(3,490)
SGD/RM:		
- strengthened by 5%	445	525
- weakened by 5%	(445)	(525)
Effects on equity		
SGD/RM:		
- strengthened by 5%	728	595
- weakened by 5%	(728)	(595)

There is no impact on the Group's other components of equity.

Any reasonably possible change in the foreign currencies 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.

(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 16, 25, 30, 33 and 34 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.

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.

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk (Cont'd)

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	
	2024 RM'000	**2023** RM'000
Effect on profit after taxation		
Increase of 25 basis points (bp)	(1,938)	(1,113)
Decrease of 25 bp	1,938	1,113

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	
	2024 RM'000	**2023** RM'000
Effects on equity		
Increase of 5%	4,368	6,664
Decrease of 5%	(4,368)	(6,664)

Any reasonably possible change in the prices of quoted investments at the end of the reporting period does not have any impact to the Company's profit after taxation and hence, no sensitivity analysis is presented for such.

(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 79% of its total receivables at the end of the reporting period.

40. FINANCIAL INSTRUMENTS (CONT'D)

40.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

(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.

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 exposure of credit risk for trade receivables and contract assets by geographical region is as follows:-

	GROUP	
	2024 RM'000	**2023** RM'000
Lao PDR	171,158	324,463
Malaysia	68,676	58,393
Others	48,176	44,799
	288,010	427,655

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.

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)

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.

Allowance for Impairment Losses

GROUP	GROSS AMOUNT RM'000	LIFETIME INDIVIDUAL ALLOWANCE RM'000	LIFETIME COLLECTIVE ALLOWANCE RM'000	CARRYING AMOUNT RM'000
2024				
Current (not past due)	250,272	(9)	(102)	250,161
1 to 90 days past due	35,659	(371)	(113)	35,175
91 to 180 days past due	2,105	(641)	(48)	1,416
Past due more than 180 days	1,862	(231)	(373)	1,258
	289,898	(1,252)	(636)	288,010
Credit impaired:				
- individually impaired	4,313	(3,744)	(569)	-
	294,211	(4,996)	(1,205)	288,010
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

The movement in the loss allowances in respect of trade receivables is disclosed in Note 16.2.1 to the financial statements.

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

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.

Allowance for Impairment Losses

GROUP	GROSS AMOUNT RM'000	LIFETIME LOSS ALLOWANCE RM'000	CARRYING AMOUNT RM'000
2024			
Low credit risk			
- Long-term other receivable	282,931	(1,621)	281,310
- Others	12,719	(1,284)	11,435
	295,650	(2,905)	292,745
2023			
Low credit risk	15,983	(1,272)	14,711

COMPANY	GROSS AMOUNT RM'000	LIFETIME LOSS ALLOWANCE RM'000	CARRYING AMOUNT RM'000
2024			
Low credit risk	1,708	(702)	1,006
2023			
Low credit risk	1,324	(702)	622

The movement in the loss allowances in respect of other receivables is disclosed in Note 16 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.

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)

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.

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.

COMPANY	GROSS AMOUNT RM'000	LIFETIME LOSS ALLOWANCE RM'000	CARRYING AMOUNT RM'000
2024			
Low credit risk	24,443	-	24,443
Significant increase in credit risk	259	(195)	64
Credit impaired	-	-	-
	24,702	(195)	24,507
2023			
Low credit risk	36,892	-	36,892
Significant increase in credit risk	267	(195)	72
Credit impaired	-	-	-
	37,159	(195)	36,964

(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
2024						
Payables:						
- Non-current	-	636	636	-	636	-
- Current	-	206,624	206,624	206,624	-	-
Hire purchase liabilities	4.10 to 7.66	3,713	3,855	2,246	1,609	-
Term loans	2.00 to 7.19	828,131	857,834	346,293	408,940	102,601
Trade financing and loans	3.65 to 5.44	50,926	50,926	50,926	-	-
Revolving credits	3.98 to 5.00	267,383	267,383	267,383	-	-
Put option liability	4.02	69,220	73,693	-	73,693	-
Financial guarantee contracts*	-	-	418,891	418,891	-	-
		1,426,633	1,879,842	1,292,363	484,878	102,601
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

* - *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.*

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
2024						
Payables (current):						
- interest-free	-	30,435	30,435	30,435	-	-
- interest-bearing	3.30 to 4.31	119,675	119,675	119,675	-	-
Revolving credits	4.00 to 4.68	180,000	180,000	180,000	-	-
Put option liability	4.02	69,220	73,693	-	73,693	-
Financial guarantee contracts#	-	-	852,464	852,464	-	-
		399,330	1,256,267	1,182,574	73,693	-

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	-

 # - 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.

The debt-to-equity ratio of the Group at the end of the reporting period was as follow:-

	GROUP	
	2024 RM'000	**2023** RM'000
Term loans (Note 30)	828,131	760,602
Revolving credits (Note 33)	267,383	102,019
Trade financing and loans (Note 33)	50,926	38,710
Hire purchase liabilities	3,713	10,618
	1,150,153	911,949
Less: Bank balances and deposits (Note 25)	(268,320)	(508,587)
Net debt	881,833	403,362
Total equity	3,544,454	3,224,018
Debt-to-equity ratio (times)	0.25	0.13

There was no change in the Group's approach to capital management during the financial year.

40. FINANCIAL INSTRUMENTS (CONT'D)

40.3 Classification Of Financial Instruments

	GROUP		COMPANY	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Financial assets				
Designated at Fair Value Through Other Comprehensive Income Upon Initial Recognition				
Investments in quoted shares	87,351	133,278	576	1,462
Investment in unquoted shares	669	669	-	-
	88,020	133,947	576	1,462
Amortised Cost				
Receivables, contract assets and deposits	586,875	446,363	1,194	801
Bank balances and deposits	268,320	508,587	4,874	22,028
Short-term investments	-	19,500	-	-
Amount owing by subsidiaries	-	-	24,507	36,964
	855,195	974,450	30,575	59,793
Financial liabilities				
Fair Value Through Profit or Loss				
Put option liability	69,220	70,759	69,220	70,759
Amortised Cost				
Payables:				
- Non-current	636	588	-	-
- Current	206,624	158,831	2,963	3,125
Hire purchase liabilities	3,713	10,618	-	-
Term loans	828,131	760,602	-	-
Revolving credits	267,383	102,019	180,000	50,000
Trade financing and loans	50,926	38,710	-	-
Amount owing to subsidiaries	-	-	147,147	107,004
	1,357,413	1,071,368	330,110	160,129

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
2024								
Financial Assets								
Investments in quoted shares	87,351	-	-	-	-	-	87,351	87,351
Investment in unquoted shares	-	669	-	-	-	-	669	669
Long-term other receivable	-	-	-	-	281,310	-	281,310	281,310
Financial Liabilities								
Term loans	-	-	-	-	828,131	-	828,131	828,131
Hire purchase liabilities	-	-	-	-	3,713	-	3,713	3,713
Put option liability	-	-	69,220	-	-	-	69,220	69,220

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		
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
COMPANY								
2024								
Financial Asset								
Investments in quoted shares	576	-	-	-	-	-	576	576
Financial Liability								
Put option liability	-	-	69,220	-	-	-	69,220	69,220
2023								
Financial Asset								
Investments in quoted shares	1,462	-	-	-	-	-	1,462	1,462
Financial Liability								
Put option liability	-	-	70,759	-	-	-	70,759	70,759

(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 long-term receivable that carry fixed interest rates are determined by discounting the relevant future contractual cash flows using interest rates for similar instruments at the end of the reporting period.

(iv) The fair value of put option liability is determined using expected future value of two subsidiaries with the resulting value discounted at present value, based on key unobservable inputs of:-

(aa) Discount rate at 4.02%; and

(bb) Post-tax profit with compound annual growth rate of 31.5% over the remaining periods until expiry of exercise date.

A 1% higher/lower in discount rate would decrease/increase the fair value by approximately RM1.1 million, respectively whereas a 5% rise/fall in future profit after taxation would increase/decrease the fair value by approximately RM0.4 million.

In regard to financial instruments carried at fair value, there were no transfer between level 1 and level 2 during the financial year.

40. FINANCIAL INSTRUMENTS (CONT'D)

40.4 Fair Value Information (Cont'd)

(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 and calcium carbonate powder.
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
2024						
Revenue						
External revenue	1,032,250	223,621	399,167	86,841	-	1,741,879
Inter-segment revenue	261	-	-	47,158	(47,419)	-
Consolidated revenue	1,032,511	223,621	399,167	133,999	(47,419)	1,741,879
Results						
Profit from operations	543,236	48,279	38,658	56,985	(49,414)	637,744
Finance costs						(62,183)
Share of results in equity accounted investments						(66,242)
Profit before tax						509,319
Tax expense						(18,301)
Profit after tax						491,018

41. OPERATING SEGMENTS (CONT'D)

GROUP	Renewable Energy RM'000	Resources RM'000	Packaging RM'000	Investment Holding & Others RM'000	Eliminations RM'000	Consolidated RM'000
2024						
Income						
Dividend income	-	61	-	164,213	(162,183)	2,091
Insurance claims income	-	-	31,826	-	-	31,826
Interest income	21,949	2,767	1,241	2,728	(4,495)	24,190
Fair value gain on put option liability	-	-	-	1,539	-	1,539
Writeback/(Write-down) in value of inventories	-	(3,491)	3,572	(51)	-	30
Expense						
Allowance for impairment losses on receivables	(10,064)	(3)	(104)	(99)	-	(10,270)
Amortisation of:						
- Service concession asset	(88,921)	-	-	-	-	(88,921)
- Development expenditures	-	-	(491)	-	-	(491)
Depreciation of:						
- Property, plant and equipment	(14,169)	(9,639)	(20,845)	(3,981)	(1,240)	(49,874)
- Right-of-use assets	(27)	(2,509)	(1,335)	(691)	(176)	(4,738)
Fair value loss on investment properties	-	-	-	-	(7,994)	(7,994)
(Loss)/Gain on foreign exchange, net:						
- Realised	(173)	(1,423)	(2,040)	1,538	-	(2,098)
- Unrealised	(780)	(2,091)	397	438	-	(2,036)
Assets						
Segment assets	3,173,036	321,204	602,611	1,020,906	-	5,117,757
Inter-segment assets	5,233	62,724	24,762	123,471	(216,190)	-
	3,178,269	383,928	627,373	1,144,377	(216,190)	5,117,757
Current tax assets						3,598
Consolidated total assets						5,121,355
Liabilities						
Segment liabilities	(512,144)	(30,517)	(284,976)	(613,153)	-	(1,440,790)
Inter-segment liabilities	(2,074)	(6,059)	(11,804)	(195,990)	215,927	-
	(514,218)	(36,576)	(296,780)	(809,143)	215,927	(1,440,790)
Deferred tax liabilities						(133,853)
Current tax liabilities						(2,258)
Consolidated total liabilities						(1,576,901)
Other segment items						
Material additions to non-current assets other than financial instruments:						
- Property, plant and equipment (PPE)	11,925	7,620	114,888	78,154	-	212,587
- Water rights	337,515	-	-	-	-	337,515
- Investment properties (IP)	-	-	-	76,682	-	76,682
- Development expenditures	142,954	-	-	-	-	142,954
- Additions of PPE, IP and right-of-use assets, as part of new subsidiaries acquisitions (Note 37)	-	-	-	107,580	-	107,580
- Associate and joint venture	-	-	-	73,000	-	73,000

41. OPERATING SEGMENTS (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						
Revenue						
External revenue	605,894	202,893	402,341	106,507	-	1,317,635
Inter-segment revenue	269	-	-	157,025	(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	41,280	162,805	(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
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

41. OPERATING SEGMENTS (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						
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)
Other segment items						
Material additions to non-current assets other than financial instruments:						
- Property, plant and equipment	18,774	3,988	61,372	31,109	-	115,243
- Development expenditures	124,882	-	-	-	-	124,882

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	
	2024 RM'000	**2023** RM'000
Malaysia	1,362,975	1,086,675
Lao PDR	2,755,528	2,142,640
Cambodia	148,099	129,174
Maldives	8,462	-
	4,275,064	3,358,489

Major customer

The following is the major customer with revenue equal to or more than 10% of the Group's revenue:-

	Division	Revenue	
		2024 RM'000	**2023** RM'000
Customer A	Renewable Energy	1,009,464	597,461

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	
			2024 %	2023 %
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	75
TT Kinta Sdn. Bhd.	Property investment	Malaysia	100	100
Mega First Agrotech Sdn. Bhd. (MFAT)	Investment holding	Malaysia	100	100
Mega First Green Farms Limited (MFGF)	Investment holding	Malaysia	100	100
Don Sahong Investments Limited (DSHL)	Investment holding	Malaysia	100	-
Subsidiary of AESB				
Rock Chemical Industries (Malaysia) Sdn. Berhad (RCI)	Investment holding and provision of management consultancy services	Malaysia	100	100
Setia Alam Medical Centre Sdn Bhd (formerly known as Grand Ascent Sdn. Bhd.)	Development and operation of a medical centre	Malaysia	51	-
Subsidiaries of BISB				
Bloxwich (Malaysia) Sdn. Bhd.	Engineering, designing and manufacturing of automotive components	Malaysia	100	100
OPT Precision Sdn Bhd*	Manufacture and trading of all kinds of metal products and related business	Malaysia	80	-
United Excellence Sdn. Bhd.	Investment holding	Malaysia	50.05	50.05

42. SUBSIDIARIES (CONT'D)

Company	Principal Activities	Principal Place of Business/Country of Incorporation	Effective Percentage of Issued Share Capital Held 2024 %	2023 %
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.	Property investment	Malaysia	100	100
Subsidiary of MFIL				
Don Sahong Holdings Limited (DSH) @	Investment holding	Malaysia (incorporated in British Virgin Islands)	100	100
Subsidiaries of DSH				
Ground Roses Limited (GRL) @	Investment holding	Malaysia (incorporated in British Virgin Islands)	100	100
Silver Acreage Limited @	Investment holding	Malaysia (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	95
Subsidiaries of GLSB				
Community Consortium Sdn. Bhd.	Property development	Malaysia	100	100
Idaman Harmoni Sdn. Bhd.	Property investment	Malaysia	75	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
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

42. SUBSIDIARIES (CONT'D)

Company	Principal Activities	Principal Place of Business/Country of Incorporation	Effective Percentage of Issued Share Capital Held 2024 %	2023 %
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. (MF C&I)	Investment holding	Malaysia	100	100
Mega First Power Services Sdn. Bhd. !!	Dormant	Malaysia	100	100
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	100
Mega First Solar (Maldives) Consortium Pvt Ltd*	Construction, installation, operation and maintenance of solar photovoltaic systems	Republic of Maldives	99	99
Subsidiaries of MFC&I				
MFP Solar Sdn. Bhd. (MFP Solar)	Solar photovoltaic investment	Malaysia	55	55
MFP Solar International Limited (MFPSI) @	Investment holding	Malaysia (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
Subsidiaries of RCI				
Batamas Sdn. Berhad (BSB)	Manufacturing and selling of bricks. Temporarily ceased operation	Malaysia	100	100
Identiti Jitu Sdn. Bhd.	Dormant	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

42. SUBSIDIARIES (CONT'D)

Company	Principal Activities	Principal Place of Business/Country of Incorporation	Effective Percentage of Issued Share Capital Held 2024 %	2023 %
Subsidiary of RKSB				
Runding ANR Sdn. Bhd.	Dormant	Malaysia	60	60
Subsidiary of TKSB				
Teratai ANR Sdn. Bhd.	Dormant	Malaysia	77.8	77.8
Subsidiary of MFAT				
CSC Agriculture Holdings Sdn Bhd (CSCAH)	Investment holding	Malaysia	64	-
Subsidiary of MFGF				
Mega First Green Harvest (Cambodia) Co., Ltd @	Manufacturing and trading of fruits, grains and other food products	The Kingdom of Cambodia	100	-
Subsidiary of CSCAH				
CSC Food Hub Holdings Sdn. Bhd. ("CSCFHH") ^	Investment holding	Malaysia	40	-
Subsidiary of CSCFHH				
CSC Fresh Produce Holdings Sdn. Bhd. ("CSCFPH") ^	Investment holding and provision of management services	Malaysia	40	-
Subsidiaries of CSCFPH				
Chin Sam Chiap Sdn. Bhd. (CSCSB) ^	Wholesale, processing, packing and trading of vegetables, fruits and groceries	Malaysia	40	-
Chin Sam Chiap Pte. Ltd. *^	Wholesale of fruits and vegetables	Singapore	40	-
Chin Sam Chiap Plantation Sdn. Bhd.^	Agriculture plantation and selling of agriculture produce	Malaysia	40	-
HF Agriculture Sdn. Bhd.^	Agriculture plantation and selling of agriculture produce	Malaysia	40	-
Hup Heng Import & Export Sdn. Bhd.^	Investment holding	Malaysia	40	-
88 Home Fresh Trading Sdn. Bhd.^	Retail of groceries and vegetables	Malaysia	40	-
Chin Sam Chiap Transport Sdn. Bhd.^	Transportation	Malaysia	40	-
Subsidiary of CSCSB				
CSC Integrated Herbal Farm Sdn. Bhd.^	Agriculture plantation and selling of agriculture produce	Malaysia	40	-

* - *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.*

^ - *Although the Group owns less than half of the effective equity interests in all subsidiaries of CSCFHH, the Group however possesses control over such subsidiaries as it owns more than half of the voting rights in CSCFHH.*

43. DIVIDENDS

	COMPANY	
	2024 RM'000	**2023** RM'000
Final single-tier dividend of 4.25 sen per ordinary share in respect of the financial year ended 31 December 2023	40,067	-
First interim single-tier dividend of 4.50 sen per ordinary share in respect of the financial year ended 31 December 2024	42,418	-
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
	82,485	74,105

On 26 February 2025, the Company declared a final single-tier dividend of 4.50 sen per ordinary share for the financial year ended 31 December 2024. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2025. The final dividend will be paid on 18 April 2025 to the Depositors who are registered in the Record of Depositors at the close of business on 8 April 2025.

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	
	2024 RM'000	**2023** RM'000	**2024** RM'000	**2023** RM'000
Dividend income received and receivable	-	-	44,695	154,770
Management fee received and receivable	-	-	1,298	1,323
Interest income received and receivable	-	-	454	452
Interest expense paid and payable	-	-	(3,726)	(3,553)
Rental received and receivable	-	-	310	310
Rental paid and payable	-	-	(480)	(480)

(b) A Major Shareholder of the Company

	GROUP		COMPANY	
	2024 RM'000	**2023** RM'000	**2024** RM'000	**2023** RM'000
Term loan repaid	47,234	95,785	-	-
Interest expense	24,935	25,012	-	-

(c) Joint Venture and Associate

	GROUP		COMPANY	
	2024 RM'000	**2023** RM'000	**2024** RM'000	**2023** RM'000
Shares subscription in joint venture	25,000	-	25,000	-
Dividend income from an associate	307	-	-	-

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	
	2024 RM'000	**2023** RM'000	**2024** RM'000	**2023** RM'000
Executive Directors:				
- Salaries, bonuses and other emoluments	2,062	2,203	558	2,203
- Defined contribution benefits	245	262	66	262
Non-Executive Directors:				
- Fees	501	482	501	482
- Other emoluments	22	31	22	31
Directors' remuneration (Note 7)	2,830	2,978	1,147	2,978

The estimated monetary value of benefits-in-kind provided by the Group and the Company to a Company's director was RM9,706 (2023: RM2,330).

The details of Directors' remuneration received and receivable for the financial year in bands are as follows:-

	GROUP Number of Directors		COMPANY Number of Directors	
	2024	**2023**	**2024**	**2023**
Executive Directors				
Below RM50,000	-	-	-	-
RM600,001 - RM650,000	1	1	1	1
RM700,001 - RM750,000	-	1	-	1
RM750,001 - RM800,000	1	-	-	-
RM900,001 - RM950,000	1	-	-	-
RM1,100,001 - RM1,150,000	-	1	-	1
Non-Executive Directors				
Below RM50,000	-	2	-	2
RM50,001 - RM100,000	8	7	8	7

(b) Other Key Management Personnel

	GROUP		COMPANY	
	2024 RM'000	**2023** RM'000	**2024** RM'000	**2023** RM'000
Salary, wages, bonuses allowances and other remuneration	8,716	8,049	2,282	4,025

46. CAPITAL COMMITMENTS

	GROUP		COMPANY	
	2024 RM'000	**2023** RM'000	**2024** RM'000	**2023** RM'000
Property, plant and equipment:				
- approved and contracted for	190,359	322,262	-	-

47. SIGNIFICANT EVENTS

The details of significant events occurring during the financial year are disclosed as follow:

(a) Acquisition of CSC Agriculture Holdings Sdn Bhd (CSCAH)

A wholly-owned subsidiary of MFCB, Mega First Agrotech Sdn Bhd had on 8 May 2024 entered into a Share Subscription Agreement with CSCAH and the existing shareholders of CSCAH to subscribe for 13,551,072 ordinary shares in CSCAH for a total consideration of RM25.0 million (Shares Subscription).

CSCAH is an investment holding company, with subsidiaries principally engaged in fruits and vegetable farming and wholesaling. Currently, it operates and manages more than 1,100 acres of farmland in the states of Johor and Pahang with development areas exceeding 600 acres planted with various crops, including a modern greenhouse farming clean leafy vegetables.

The Shares Subscription was completed on 28 May 2024. Since then, CSCAH and its subsidiaries (CSC) constitute part of MFCB Group where MFCB holds 40% effective equity interest in CSC.

(b) Execution of Supplemental Concession Agreement (SCA) and Supplemental Power Purchase Agreement (SPPA) for 5 turbines

Following the successful commissioning of the fifth turbine generator on July 4, 2024, the total generation capacity of the Don Sahong Hydropower Project (DSHP) has increased to 325 MW, with an expected annual energy production of approximately 2,300 GWh. In December 2024, MFCB, through its indirectly partially owned subsidiary, Don Sahong Power Company Ltd (DSPC), entered into a SCA with the Government of the Lao People's Democratic Republic (GOL) and a SPPA with Electricité Du Laos (EDL). These agreements covered all five turbines of the DSHP, including the original four turbine and generator units, which have been operational since January 7, 2020, with a combined capacity of 260 MW.

Pursuant to the SCA and SPPA, the new concession period will span 25 years, commencing from the Final Commercial Operation Date (FCOD) of January 1, 2025, and concluding on December 31, 2049.

1. Key Changes to the SCA Terms:

(i) The concession period for the entire 325 MW DSHP, has been extended by 4 years and 3 months. The new 25-year term begins on January 1, 2025 (previously October 1, 2020, for the four turbines) and will now end on December 31, 2049, compared to the previous expiration date of September 30, 2045;

(ii) DSPC has agreed to pay US$82.5 million upfront to the GOL to acquire the water rights for the DSHP site, covering the period from January 1, 2024, to December 31, 2049. This payment secures the rights for the annual generation of 2,140 GWh of energy, exempting DSPC from paying royalties on energy generation up to this threshold. For energy generation exceeding 2,140 GWh, royalty payments will continue to apply at the rates specified in the SCA. This upfront payment replaces the annual royalty obligations for the specified energy generation; and

(iii) Originally, DSPC was granted a 5-year tax exemption on taxable income until September 30, 2025, with a tax rate of 24% thereafter. Under the SCA, the tax exemption period has been extended by 3 months to December 31, 2025. Additionally, the tax rate will be reduced for the subsequent 4 years (from 2026 to 2029) before increasing to the standard rate of 24% in 2030 and thereafter.

2. Key Changes to the SPPA Terms:

(i) The SPPA term has been revised to align with the new concession period outlined in the SCA, as detailed in section (b)(1)(i) above. The SPPA will now commence on January 1, 2025, and conclude on December 31, 2049;

(ii) During the dry season (November to May), EDL is obligated to purchase and pay for all available energy on a take-or-pay basis throughout the SPPA term. During the wet season (June to October), EDL will purchase and pay for energy availability of up to 955 GWh annually on a take-or-pay basis. For energy availability exceeding 955 GWh, EDL will purchase and pay based on actual energy dispatch; and

47. SIGNIFICANT EVENTS (CONT'D)

(b) Execution of Supplemental Concession Agreement (SCA) and Supplemental Power Purchase Agreement (SPPA) for 5 turbines (Cont'd)

2. Key Changes to the SPPA Terms (Cont'd):

(iii) The levelised tariff remains unchanged at the previous rate of 6.15 US cents per kWh. However, the starting tariff will reset to 6.00 US cents per kWh in 2025. The tariff will then increase progressively, reaching 6.20 US cents per kWh from 2029, and will remain at this rate until the end of the concession period on December 31, 2049.

The SCA and SPPA are expected to enhance the Group's net assets and earnings in the future.

48. COMPARATIVE FIGURES

The following figures have been reclassified to conform with the presentation of the current financial year in order to reflect fairly cash flows of the Company's principal revenue-producing activities, specifically on dividend and interest income received as well as finance costs paid which are key components in determining whether the Company's operations generate sufficient cash flows to maintain operating capability, repay debts, pay dividends and make new investments without recourse to external sources of financing.

	As Previously Reported RM'000	As Restated RM'000
Statements of Cash Flows (Extract)		
Company		
For the financial year ended 31 December 2023		
Cash Flows From/(For) Operating Activities		
Dividend income	(154,770)	-
Finance costs:		
- Interest on bank borrowings	2,431	-
- Interest on amount owing to subsidiaries	3,553	-
- Others	52	-
Interest income:		
- Advances to subsidiaries	(452)	-
- Deposits with financial institutions and others	(1,112)	-
Operating Profit Before Working Capital Changes	16,900	167,198
Cash From Operations	16,429	166,727
Net Cash From Operating Activities	16,329	166,627
Cash Flows From/(For) Investing Activities		
Dividend received	154,770	-
Interest received:		
- Advances to subsidiaries	452	-
- Deposits with financial institutions and others	1,112	-
Net Cash From/(For) Investing Activities	44,458	(111,876)
Cash Flows From/(For) Financing Activities		
Finance costs paid:		
- Interest on bank borrowings	(2,431)	-
- Interest on amount owing to subsidiaries	(3,553)	-
- Others	(52)	-
Net Cash For Financing Activities	(98,359)	(92,323)

STATEMENT BY DIRECTORS

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

We, **GOH MEI SZE** 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 2024 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 26 MARCH 2025.

GOH MEI SZE

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 26 March 2025

Before me,

MOHD IRWAN BIN MOHD RADZI
Commissioner for Oaths

ADDITIONAL INFORMATION

LIST OF PROPERTIES

HELD AS AT 31 DECEMBER 2024

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	28	193,300	Leasehold 45 years (Expire in 2065)	1996	1996	2,254
2	Building, office, guardhouse and warehouse	Lot 45158 Gunung Panjang 31600 Gopeng Perak Darul Ridzuan	27	22,600	Freehold	1997	1997	3,447
3	Warehouse	Lot 45156 Gunung Panjang 31600 Gopeng Perak Darul Ridzuan	13	2,970	Freehold	2011	n/a	501
4	Warehouse	Lot 45158 Gunung Panjang 31600 Gopeng Perak Darul Ridzuan	15	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	15	22,384	Freehold	2009	n/a	584
6	Integrated lime kiln and hydration plant	Lot 45157 Gunung Panjang 31600 Gopeng Perak Darul Ridzuan	28	18,700	Freehold	1996	1996	163
7	Petcoke warehouse	Lot 9479 Gunung Panjang 31600 Gopeng Perak Darul Ridzuan	3	1,800	Freehold	2022	2022	2,159
8	Stockyard	Lot 9479 Gunung Panjang 31600 Gopeng Perak Darul Ridzuan	11	64,547	Freehold	2013	2012	1,849
9	Stockyard	Lot 21487 Gunung Panjang 31600 Gopeng Perak Darul Ridzuan	28	10,600	Freehold	1996	1996	40
10	Stockyard	Lot 312555, 312556, 312557 Gunung Panjang 31600 Gopeng Perak Darul Ridzuan	10	62,290	Freehold	2014	2014	2,376
11	Stockyard	Lot 45137, 45138, 45139 Gunung Panjang 31600 Gopeng Perak Darul Ridzuan	11	87,817	Freehold	2013	2013	5,481
12	Stockyard	Lot 45156 Gunung Panjang 31600 Gopeng Perak Darul Ridzuan	18	16,415	Freehold	2006	2006	386
13	Stockyard	Lot 45160 Gunung Panjang 31600 Gopeng Perak Darul Ridzuan	12	25,040	Freehold	2012	2012	1,279
14	Road access	Lot 6252, 6671, 6251, 6738, 13693 Gunung Panjang 31600 Gopeng Perak Darul Ridzuan	12	64,041	Freehold	2012	2012	3,564
15	Road access	Lot 23358 Gunung Panjang 31600 Gopeng Perak Darul Ridzuan	9	5,893	Freehold	2015	2015	186
16	Road access	Lot 45159 Gunung Panjang 31600 Gopeng Perak Darul Ridzuan	5	5,893	Freehold	2019	2019	988

No.	Description	Location	Approximate Age (years)	Total Area (sq. metre)	Tenure	Year of Acquisition	Year of Last Valuation	Carrying Amount RM'000
17	Road access	Lot 26294 Gunung Panjang 31600 Gopeng Perak Darul Ridzuan	4	6,829	Freehold	2020	2011	232
18	Agriculture land	Lot 17890 31600 Gopeng Perak Darul Ridzuan	4	29,947	Freehold	2021	2021	1,080
19	Agriculture land	Lot 17886 31600 Gopeng Perak Darul Ridzuan	4	31,110	Freehold	2021	2021	1,160
20	Industrial land	Lot 405027 31600 Gopeng Perak Darul Ridzuan	4	40,510	Leasehold	2021	2021	910
21	Agriculture land	Lot 45146 31600 Gopeng Perak Darul Ridzuan	2	21,651	Freehold	2023	2023	986
22	Agriculture land	Lot 45131 31600 Gopeng Perak Darul Ridzuan	1	41,404	Freehold	2024	2024	1,768
23	Agriculture land	Lot 45140 31600 Gopeng Perak Darul Ridzuan	1	17,224	Freehold	2024	2024	791
24	Quarry and limestone hill	Lot 45152 Mukim Kampar Daerah Kampar Perak Darul Ridzuan	17	16,010	Freehold	2007	n/a	468
25	Quarry and limestone hill and buildings	Lot 311840, PT 1491 Mukim Kampar 31600 Gopeng Perak Darul Ridzuan	17	58,474	Leasehold 45 years (Expire in 2065)	2007	n/a	2,035
26	Quarry and limestone hill	Lot 196932, PT 3962 Mukim Kampar 31600 Gopeng Perak Darul Ridzuan	17	28,328	Leasehold 45 years (Expire in 2065)	2007	n/a	441
27	Quarry and limestone hill	Lot 214245, PN 473113 Mukim Teja 31600 Gopeng Perak Darul Ridzuan	3	170,000	Leasehold 30 years (Expire in 2050)	2022	2022	4,975
28	Agricultural land	Lot 320491 Mukim Teja Daerah Kampar Perak Darul Ridzuan	11	343,980	Leasehold (Expire in 2073)	2013	n/a	10,667
29	Industrial land	PN 397963 Lot 321568 Mukim Teja, Daerah Kampar Perak Darul Ridzuan	7	469,400	Leasehold 45 years (Expire in 2065)	2017	2017	16,852
30	Office and warehouse	Lot 28 Jalan Pengacara U1/48 Temasya Industrial Park Selangor Darul Ehsan	24	892	Freehold	2000	2000	527
31	Industrial land	Lot 4510 Mukim Bastari Jaya Kuala Selangor Selangor Darul Ehsan	27	77,080	Freehold	1997	n/a	1,595
32	Factory building	Lot 15588 Mukim Sungai Raia 31300 Simpang Pulai Kinta District, Perak Darul Ridzuan	11	n/a	Leasehold	2013	n/a	276
33	Factory land and buildings	Lot 138321, Jalan Changkat Larang P.O. Box 15 31007 Batu Gajah Perak Darul Ridzuan	39	42,576	Leasehold (Expire in 2045)	1985	1985	164

No.	Description	Location	Approximate Age (years)	Total Area (sq. metre)	Tenure	Year of Acquisition	Year of Last Valuation	Carrying Amount RM'000
34	Industrial land	HS (D) 198575 PT 37292 Mukim Sungai Terap Kinta District, Perak Darul Ridzuan	12	7,174	Leasehold 60 years (Expire in 2071)	2012	2012	641
35	Agricultural land	HS (D) 198576 PT 37293 Mukim Sungai Terap Kinta District, Perak Darul Ridzuan	12	14,636	Leasehold 60 years (Expire in 2071)	2012	2012	1,298
36	Factory land and buildings	Lot PT 839 Mukim of Sg. Raia Kinta District, Perak Darul Ridzuan	37	28,850	Leasehold 45 years (Expire in 2065)	1987	n/a	2,682
37	Quarrying limestone hill	Lot PT 23156 Mukim of Sg. Raia Kinta District, Perak Darul Ridzuan	43	36,422	Leasehold 45 years (Expire in 2065)	1981	n/a	830
38	Industrial land	Lot PT 1109 Mukim of Sg. Raia Kinta District, Perak Darul Ridzuan	32	8,099	Leasehold 45 years (Expire in 2065)	1992	n/a	138
39	Agricultural land	Lot 22974 GRN 46180 Mukim of Sg. Raya Kinta District, Perak Darul Ridzuan	12	33,336	Freehold	2012	2011	2,160
40	Quarry land	HS (D) 3238 PT 1008 Mukim of Sg. Raya Kinta District, Perak Darul Ridzuan	12	40,467	Leasehold 45 years (Expire in 2065)	2012	2011	3,062
41	Quarry land	PN 283888 Lot 303752 Mukim of Sg. Raya Kinta District, Perak Darul Ridzuan	12	60,710	Leasehold 45 years (Expire in 2065)	2012	2011	6,988
42	Agricultural land and buildings	Lot 15588 GRN 11527 Mukim of Sg. Raya Kinta District, Perak Darul Ridzuan	12	68,796	Freehold	2012	2011	3,318
43	Agricultural land	Lot 22993 GRN 49450 Mukim of Sg. Raya Kinta District, Perak Darul Ridzuan	12	7,664	Freehold	2012	2011	355
44	Industrial land	PN 70403 Lot 158432 Mukim of Sg. Raya Kinta District, Perak Darul Ridzuan	12	7,522	Leasehold 45 years (Expire in 2065)	2012	2011	519
45	Industrial land	PN 71751 Lot 187404 Mukim of Sg. Raya Kinta District, Perak Darul Ridzuan	12	16,180	Leasehold 45 years (Expire in 2065)	2012	2011	847
46	Industrial land	PN 71752 Lot 197220 Mukim of Sg. Raya Kinta District, Perak Darul Ridzuan	12	12,132	Leasehold 45 years (Expire in 2065)	2012	2011	1,123
47	Corporate office tower and office suite	PJ8, Seksyen 8 46050 Petaling Jaya Selangor Darul Ehsan	18	19,104	Leasehold 99 years (Expire in 2106)	2006	2021	101,000
48	Car park	PJ8, Seksyen 8 46050 Petaling Jaya Selangor Darul Ehsan	18		Leasehold 99 years (Expire in 2106)	2006	2018	6,375

No.	Description	Location	Approximate Age (years)	Total Area (sq. metre)	Tenure	Year of Acquisition	Year of Last Valuation	Carrying Amount RM'000
49	Car park	PT 147622 Greentown, Ipoh Perak Darul Ridzuan	14	11,621	Leasehold 99 years (Expire in 2094)	2010	2021	12,500
50	Car park	Block A, B, C & D Greentown Business Centre Greentown, Ipoh	18 - 25	4,499	Leasehold 99 years (Expire in 2094)	1999 - 2006	2017	3,500
51	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	7	7,785	Leasehold 99 years (Expire in 2094)	2017	2017	1,533
52	4-storey shop office	Lot 8A, 8B, 24C, 29B, 39B, 40, 40A, 40B, Greentown Avenue, Ipoh Perak Darul Ridzuan	7	12,604	Leasehold 99 years (Expire in 2094)	2017	2017	3,532
53	2-storey shop office	PT 1323, 1339, 1340 Mukim of Paya Rumput Daerah Melaka Tengah, Melaka	7	459	Freehold	2017	2017	968
54	Low cost flat	PN 38656 Mukim Batu Berendam, Daerah Melaka Tengah, Melaka	7	4,030	Leasehold 99 years (Expire in 2100)	2017	2017	2,271
55	3-storey shop office	PT 1126, 1129, 1130, 1175, 1183 Mukim Dengkil, Daerah Sepang Selangor Darul Ehsan	7	1,053	Leasehold 99 years (Expire in 2096)	2017	2017	2,968
56	Vacant land	PN 147624, 295228 Greentown, Ipoh Perak Darul Ridzuan	19	16,188	Leasehold 99 years (Expire in 2094)	2005	2024	26,200
57	Vacant land held for development	Lot 24288, PN 25739 Mukim Setapak Wilayah Persekutuan Kuala Lumpur	37	2,297	Leasehold 99 years (Expire in 2086)	1987	n/a	337
58	Vacant land held for development	PT 134914 Greentown, Ipoh Perak Darul Ridzuan	29	2,982	Leasehold 99 years (Expire in 2103)	1995	n/a	1,051
59	Vacant land held for development	Lot 277 to 279 Mukim of Paya Rumput Daerah Melaka Tengah, Melaka	31	201,616	Freehold	1993	n/a	9,259
60	Vacant land held for development	Lot 3887-4068, 4070 PT 1135-1166, 1184-1199 Mukim Dengkil, Daerah Sepang Selangor Darul Ehsan	28	214,645	Leasehold 99 years (Expire in 2097)	1996	n/a	29,520
61	Factory land and building	PT 2620 & PT 2621 Lot 31 Seri Iskandar Technology Park, Mukim Bota, Daerah Perak Tengah, 32600 Bota, Perak Darul Ridzuan	28	12,565	Leasehold 99 years (Expire in 2095)	1996	n/a	6,228
62	Single storey terrace house	1858, Lorong Kempas 7/6, Taman Kempas, 08000 Sungai Petani, Kedah Darul Aman	3	115	Freehold	2021	n/a	118
63	Factory and office	Lot 4915 & Lot 4916 18 & 20, Jalan TTC 26 Taman Teknologi Cheng 75250 Melaka	4 - 11	15,468	Leasehold 99 years (Expire in 2096)	2013 - 2022	2021	14,397

No.	Description	Location	Approximate Age (years)	Total Area (sq. metre)	Tenure	Year of Acquisition	Year of Last Valuation	Carrying Amount RM'000
64	Industrial land	PN 67903 Lot 64267, Mukim Durian Tunggal Alor Gajah, Melaka	3	42,490	Leasehold 99 years (Expire in 2112)	2022	2022	15,479
65	Factory and office	Lot 4788-4789, Jalan TTC 29 Taman Perindustrian Cheng Taman Teknologi Cheng 75250 Melaka	15	3,916	Leasehold 99 years (Expire in 2096)	2009	2021	2,195
66	Factory and office	PN 47679 Lot 8821 5A, Jalan TTC 30 Taman Teknologi Cheng 75250 Melaka	6	4,993	Leasehold 99 years (Expire in 2096)	2018	2021	8,338
67	Industrial land	PN 50439 Lot 9422, Mukim Cheng Melaka Tengah, Melaka	3	2,496	Leasehold 99 years (Expire in 2096)	2022	2022	6,943
68	Industrial land	HS (D) 184075 PT 87914 Lot 10, Jalan P/10 Kawasan Perusahaan Seksyen 10 43650 Bandar Baru Bangi Selangor Darul Ehsan	32	27,008	Leasehold 99 years (Expire in 2098)	1992	2021	2,164
69	Land and buildings	HS (D) 184076 PT 87915 Lot 10, Jalan P/10 Kawasan Perusahaan Seksyen 10 43650 Bandar Baru Bangi Selangor Darul Ehsan	12 - 32	40,697	Leasehold 99 years (Expire in 2098)	1992	2021	53,600
70	Concession land, infrastructure and plants	Namlear Wildlife Sanctuary Zone Mondulkiri Province Kingdom of Cambodia	11	6,420 hectares	Leasehold 50 years (Expire in 2063)	2013	n/a	119,783
71	Commercial land	HS (D) 306627 PT 37252 No 30 Persiaran Setia Dagang 40170 Shah Alam Selangor Darul Ehsan	1	13,263	Freehold	2024	n/a	45,678
72	Mixed development land	HS(D) 236524 No PT 18841, HS(D) 236525 No PT 18842, HS(D) 236526 No PT 18843, and HS(D) 236527 No PT 18844 Mukim Belanja, Daerah Kinta Perak Darul Ridzuan	1	3,124,309	Leasehold 99 years (Expire in 2117)	2024	n/a	76,682
73	One and a half storey cluster factory	No. 6, Jalan IHP 1/9, Kawasan Perindustrian Iskandar Halal Park, 81700 Pasir Gudang, Johor	3	798	Freehold	2021	2024	1,800
74	Agricultural land, infrastructure and plants	HS(M) 155 MLO 775 Mukim of Kulai, District of Kulai, Johor	0	16,187	Freehold	2024	n/a	1,676
75	Agricultural land, infrastructure and plants	HS(M) 3401 PTD 31505, and HS(M) 3403 PTD 31508 Mukim of Kota Tinggi, District of Kota Tinggi, Johor	0	27,520	Leasehold 99 years (Expire in 2106)	2024	n/a	2,900
76	Agricultural land, infrastructure and plants	GRN 95555, Lot 34, and GRN 95553, Lot 35, Mukim of Ulu Sungei Sedeli Besar, District of Kota Tinggi, Johor	13	120,266	Freehold	2011	2024	5,437
77	Agricultural land, infrastructure and plants	Plot 13 & Plot 14, Projek Pertanian Moden Kluang, KM13 Jalan Batu Pahat, Kluang, 86000 Kluang, Johor	2	399,770	Lease Agreement (Expire in 2025)	2022	n/a	9,141

No.	Description	Location	Approximate Age (years)	Total Area (sq. metre)	Tenure	Year of Acquisition	Year of Last Valuation	Carrying Amount RM'000
78	Agricultural land, infrastructure and plants	H.S.(D) 3128, No. P.T. 7422 and H.S.(D) 3129, No. P.T. 8138, Chegar Perah, Mukim Batu Yon, District of Lipis, Kuantan, Pahang	9	3,205,113	Lease Agreement (Expire in 2045)	2015	n/a	35,106
79	Agricultural land, infrastructure and plants	PTD 4736, Mukim Pantai Timur, District of Kota Tinggi, Johor	5	453,248	Lease Agreement (Expire in 2039	2019	n/a	11,473
80	Building, office, guardhouse and warehouse	Lot 3318, GM787, Jalan Besi Utama Jalan Air Hitam Batu 24, 81000 Kulai, Johor	11	13,329	Freehold	2011	2024	12,722
81	Building, office, guardhouse and warehouse	Lot 3311, GM786, Jalan Besi Utama Jalan Air Hitam Batu 24, 81000 Kulai, Johor	5	11,989	Freehold	2024	2024	14,600
82	Shoplot	No. 4, 6 and 8 Jalan 10/28, Taman Air Biru, 81700 Pasir Gudang, Johor	11	390	Leasehold 99 years (Expire in 2097)	2013	2024	1,680
83	Shoplot	No.49, 51, 53, 55 and 57 Jalan Mangga 7, Taman Kota Masai, 81700 Pasir Gudang, Johor	11	774	Freehold	2013	2024	3,540
84	Shoplot	No.1, 2 and 3 Jalan Sri Sulong, Taman Sri Sulong Mewah, 83500 Batu Pahat, Johor	5	761	Freehold	2019	2024	2,530

n/a - not applicable

STATISTICS OF SHAREHOLDINGS
AS AT 28 MARCH 2025

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	331	16,199	0.002
100 to 1,000	1,486	847,681	0.090
1,001 to 10,000	6,085	25,102,195	2.663
10,001 to 100,000	1,745	55,556,499	5.895
100,001 to less than 5% of issued shares	546	589,864,946	62.587
5% and above of issued shares	2	271,091,782	28.764
Total		**942,479,302^**	**100**

(^) Excludes 45,872,800 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	194,321,100	20.62
2)	Citigroup Nominees (Asing) Sdn Bhd *UBS AG Singapore for Keen Capital Investments Limited*	76,770,682	8.15
3)	Citigroup Nominees (Tempatan) Sdn Bhd *Employees Provident Fund Board*	29,814,713	3.16
4)	Perbadanan Pembangunan Ekonomi Sabah (SEDCO)	29,574,960	3.14
5)	Goh Nan Kioh	26,097,456	2.77
6)	PRT Capital Pte Ltd	23,211,200	2.46
7)	Kah Hin Loong Sdn Bhd	21,292,100	2.26
8)	Citigroup Nominees (Tempatan) Sdn Bhd *Employees Provident Fund Board (Islamic)*	16,311,587	1.73
9)	Lembaga Tabung Haji	16,147,900	1.71
10)	Shoptra Jaya (M) Sdn Bhd	14,440,000	1.53
11)	Goh Nan Yang	12,594,754	1.34
12)	Grand Terrace Sdn Bhd	12,585,040	1.34
13)	Zulkifli bin Hussain	11,100,000	1.18
14)	Andrew Lim Cheong Seng	9,750,000	1.04
15)	Citigroup Nominees (Tempatan) Sdn Bhd *Employees Provident Fund Board (AberIslamic)*	9,170,400	0.97
16)	Citigroup Nominees (Tempatan) Sdn Bhd *Exempt An for OCBC Securities Private Limited (Client A/C-R ES)*	8,700,800	0.92
17)	Lanai Etika Sdn Bhd	7,708,800	0.82

No.	Name of Securities Account Holder	No. of Shares held	% of Total Issued Shares
18)	Cartaban Nominees (Asing) Sdn Bhd *BBH and Co Boston for Fidelity Low-Priced Stock Fund*	7,543,358	0.80
19)	Citigroup Nominees (Asing) Sdn Bhd *SBL Exempt An for UBS AG*	6,919,900	0.73
20)	DB (Malaysia) Nominee (Asing) Sdn Bhd *Exempt An for State Street Bank & Trust Company (West CLT OD67)*	6,899,100	0.73
21)	HSBC Nominees (Asing) Sdn Bhd *JPMCB NA for Vanguard Total International Stock Index Fund*	6,397,600	0.68
22)	UOB Kay Hian Nominees (Tempatan) Sdn Bhd *Exempt An for UOB Kay Hian Pte Ltd (A/C Clients)*	6,058,800	0.64
23)	HLIB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Yeow See Yuen*	5,532,852	0.59
24)	CIMB Islamic Nominees (Tempatan) Sdn Bhd *CIMB Islamic Trustee Berhad - Kenanga Syariah Growth Fund*	5,488,600	0.58
25)	Citigroup Nominees (Tempatan) Sdn Bhd *Employees Provident Fund Board (F Templeton)*	5,366,000	0.57
26)	HSBC Nominees (Tempatan) Sdn Bhd *HSBC (M) Trustee Bhd for AHAM Select Opportunity Fund*	5,326,400	0.57
27)	Cartaban Nominees (Asing) Sdn Bhd *BBH (Lux) SCA for Fidelity Funds Asean*	4,893,600	0.52
28)	CIMSEC Nominees (Tempatan) Sdn Bhd *CIMB for Khoo Teng Keat (PB)*	4,677,376	0.50
29)	Universal Trustee (Malaysia) Berhad *KAF Core Income Fund*	4,434,000	0.47
30)	Maybank Nominees (Tempatan) Sdn Bhd *National Trust Fund (IFM KAF) (446190)*	4,285,500	0.46
	Total	**593,414,578**	**62.96**

SUBSTANTIAL SHAREHOLDERS ACCORDING TO THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

No.	Name of Substantial Shareholder	Direct Interest Shares	Direct Interest % ^	Deemed Interest Shares	Deemed Interest % ^
1)	Goh Nan Kioh	26,097,456	2.77	303,497,382 [(a)]	32.20
2)	Rubber Thread Industries (M) Sdn Berhad	194,321,100	20.62	7,708,800 [(b)]	0.82
3)	Keen Capital Investments Limited	76,770,682	8.15	202,029,900 [(c)]	21.44
4)	Camasia Limited	1,485,600	0.16	202,029,900 [(c)]	21.44
5)	Laju Riang Sdn Bhd	-	-	202,029,900 [(c)]	21.44
6)	Cam Property (Malaysia) Sdn Bhd	-	-	202,029,900 [(c)]	21.44
7)	Employees Provident Fund Board	65,179,500	6.92	-	-

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	303,497,382 [(a)]	32.20
2)	Goh Mei Sze	2,000,000	0.21	-	-
3)	Khoo Teng Keat	4,677,376	0.50	-	-
4)	Yeow See Yuen	9,851,494	1.05	-	-
5)	Tay Kheng Chiong	786,462	0.08	-	-
6)	Datuk Haji Pengiran Saifuddin bin Pengiran Tahir, JP	-	-	-	-
7)	Jesper Bjorn Madsen	500,000	0.05	-	-
8)	Dato' Setia Prof Dr Tan Hui Meng	1,033,000	0.11	2,427,200 [(d)]	0.26
9)	Datin Jeyanthini a/p M. Kannaperan	-	-	-	-
10)	Au Siew Loon	-	-	-	-
11)	Lui Soek Kuen	4,000	0.00	-	-
	Total	**44,949,788**	**4.77**	**305,924,582**	**32.46**

Notes:

^ *Based on 988,352,102 issued shares minus 45,872,800 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 IS HEREBY GIVEN THAT the 59th Annual General Meeting (AGM) of Mega First Corporation Berhad (MFCB or the Company) will be held at the Playhouse Theatre, The Campus Ampang, Lot 7706, Jalan Kolam Air Lama, Mukim, Hulu Kelang, 68000 Ampang, Selangor on Wednesday, 21 May 2025 at 10.00 a.m. for the following purposes:-

ORDINARY BUSINESS

1. To receive Audited Financial Statements for the financial year ended 31 December 2024 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 2025, from 22 May 2025 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 re-election:-
   a) Dato' Setia Prof Dr Tan Hui Meng **(Ordinary Resolution 3)**
   b) Datin Jeyanthini M. Kannaperan **(Ordinary Resolution 4)**
   c) Mr Yeow See Yuen **(Ordinary Resolution 5)**
   d) Mr Khoo Teng Keat **(Ordinary Resolution 6)**

4. To re-appoint Crowe Malaysia PLT as auditors of the Company for the financial year ending 31 December 2025 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:

5. **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 more than nine (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."

6. **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."

7. **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."

8. 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 2025

A) ENTITLEMENT OF ATTENDANCE AND APPOINTMENT OF PROXY

(1) In respect of deposited securities, only members whose names appear in the Record of Depositors as at 14 May 2025 shall be 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

*The appointment of proxy form can be electronically lodged with the Poll Administrator website via Securities Services e-Portal at **https://sshsb.net.my/**. Please refer to the procedures as stated in the Administrative Guide which is available at the Company's website, **www.mega-first.com**.*

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 2025, from 22 May 2025 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) years. Dato' Setia Prof Dr Tan Hui Meng, Datin Jeyanthini M. Kannaperan. Mr Yeow See Yuen and Mr Khoo Teng Keat 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 2024 as well as the Fit and Proper Policy. The Board and the Nominating 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) 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 a cumulative term of more than nine (9) years. The Board of Directors, via the Nominating Committee has assessed his independence as defined in the MMLR.

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. Based on these justifications, the Board recommends Datuk Hj. Pengiran Saifuddin bin Pengiran Tahir to continue his office as Independent Director.

Pursuant to the Malaysian Code of Corporate Governance, shareholders' approval will be sought through a two-tier voting process to retain Datuk Hj. Pengiran Saifuddin bin Pengiran Tahir as Independent Director.

4) **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 2025 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 2025.

5) **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.

6) **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 of the Notice of AGM are found in the Profile of Directors section of this IAR 2024.

Don Sahong Power Company Ltd.

Mr. Khoo Teng Keat

Lao-Thai Friendship Avenue, 374/15,
Vat Nak Village, Sisattanak District,
Vientiane, Lao PDR.

+856 - 2135 3532

+856 - 2135 3532

contact@dshpp.com

RCI Lime Sdn. Bhd.

Mr. John Chu

Lot 45157 & 45158, Gunung Panjang,
31600 Gopeng,
Perak Darul Ridzuan.

+605 - 359 3188

+605 - 359 3228

info@rci.com.my

Anting Sendirian Berhad

Mr. John Chu

Lot 15588, Mukim Sungai Raya,
31300 Simpang Pulai, Ipoh,
Perak Darul Ridzuan.

+605 - 357 4105

+605 - 357 6472

antingsb@hotmail.com

Syarikat Cheng Sun Quarry Sdn. Bhd.

Mr. John Chu

Lot 67887, Mukim Sg. Raia,
31300 Keramat Pulai,
Perak Darul Ridzuan.

+605 - 357 1502 / +605 - 357 1503 / +605 - 357 1505

+605 - 357 1504

csquarry@yahoo.com.my

Mega First Housing Development Sdn. Bhd.
Gombak Land Sdn. Bhd.
Idaman Harmoni Sdn. Bhd.
Paya Emas Sdn. Bhd.

Mr. Khoo Teng Keat

A-12-01, Level 12, Block A, PJ8,
No. 23 Jalan Barat, Seksyen 8,
46050 Petaling Jaya, Selangor Darul Ehsan.

+603 - 7960 8818

+603 - 7960 7818

mfcb.property@mega-first.com

Greentown Parking Sdn. Bhd.

Mr. Khoo Teng Keat

No. 15A Persiaran Greentown 4A,
Greentown Avenue,
30450 Ipoh,
Perak Darul Ridzuan.

+605 - 243 3092

+605 - 243 3094

mfcb.property@mega-first.com

Hexachase Labels Sdn. Bhd.

Mr. Danny Yeo

No. 20, Jalan TTC 26,
Taman Teknologi Cheng,
75250 Melaka.

+606 - 335 7461 / +606 - 335 7472

+606 - 335 7429

hcsb@hexachase.com

Hexachase Flexipack Sdn. Bhd.

Mr. Danny Yeo

No. 20, Jalan TTC 26,
Taman Teknologi Cheng,
75250 Melaka.

+606 - 335 7461 / +606 - 335 7472

+606 - 335 7429

hcsb@hexachase.com

Hexachase Packaging Sdn. Bhd.

Mr. Deric Sim

Lot 4788 & 4789, Jalan TTC 29,
Taman Teknologi Cheng, 75250 Melaka.

No. 5A, Jalan TTC30,
Taman Teknologi Cheng, 75250 Melaka.

+606 - 337 1201 / +606 - 337 1202

+606 - 337 1200

hcsb@hexachase.com

Bloxwich (Malaysia) Sdn. Bhd.

Mr. Ong Hock Kheng

Lot 31, Seri Iskandar Technology Park,
Mukim Bota,
Daerah Perak Tengah,
32600 Bota,
Perak Darul Ridzuan.

+605 - 371 1516 / +605 - 371 2859

+605 - 371 1520

admin@bloxwich.com.my

MFP Solar Sdn. Bhd.
MF Solar Tronoh Sdn. Bhd.
Mega First Solar (Maldives) Consortium Pvt. Ltd.
TT Kinta Sdn. Bhd.

Mr. Goh Chin San

A-12-01, Level 12, Block A, PJ8,
No. 23 Jalan Barat, Seksyen 8,
46050 Petaling Jaya, Selangor Darul Ehsan.

+603 - 7960 8818

+603 - 7960 7818

enquiry@mfpsolar.com

Stenta Films (Malaysia) Sendirian Berhad
Stenta Multifilms Sdn. Bhd.

Dato' Wong Kok Hwa

Lot 10, Jalan P/10,
Kawasan Perusahaan Section 10,
Bandar Baru Bangi, 43650 Kajang,
Selangor Darul Ehsan.

+603 - 8924 3388

+603 - 8925 3907 / +603 - 8925 3157

enquiries@stentafilms.com

Chin Sam Chiap Sdn. Bhd.
Chin Sam Chiap Pte. Ltd.
Chin Sam Chiap Plantation Sdn. Bhd.
HF Agriculture Sdn. Bhd.
CSC Integrated Herbal Farm Sdn. Bhd.

Dato' Chin Boon Tak

Lot 3318, Jalan Besi Utama,
Jalan Air Hitam Batu 24,
81000 Kulai, Johor

+607 - 652 5089 / +607 - 652 1997

cschomefresh@homefresh.com.my

Mega First Plantation (Cambodia) Limited
Mega First Green Harvest (Cambodia) Co., Ltd.

Mr. Neo Hong Chee

A-12-01, Level 12, Block A, PJ8,
No. 23 Jalan Barat, Seksyen 8,
46050 Petaling Jaya, Selangor Darul Ehsan.

+603 - 7960 8818

+603 - 7960 7818

mfcb@mega-first.com

Setia Alam Medical Centre Sdn. Bhd.

Ms. Goh Mei Sze

A-12-01, Level 12, Block A, PJ8,
No. 23 Jalan Barat, Seksyen 8,
46050 Petaling Jaya, Selangor Darul Ehsan.

+603 - 7960 8818

+603 - 7960 7818

mfcb@mega-first.com

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 59th Annual General Meeting of the Company, to be held at the Playhouse Theatre, The Campus Ampang, Lot 7706, Jalan Kolam Air Lama, Mukim, Hulu Kelang, 68000 Ampang, Selangor on Wednesday, 21 May 2025 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 Dato' Setia Prof Dr Tan Hui Meng as Director.			
4.	Re-elect Datin Jeyanthini M. Kannaperan as Director.			
5.	Re-elect Mr Yeow See Yuen as Director.			
6.	Re-elect Mr Khoo Teng Keat 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 2025 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.

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In hard copy form

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By electronic means

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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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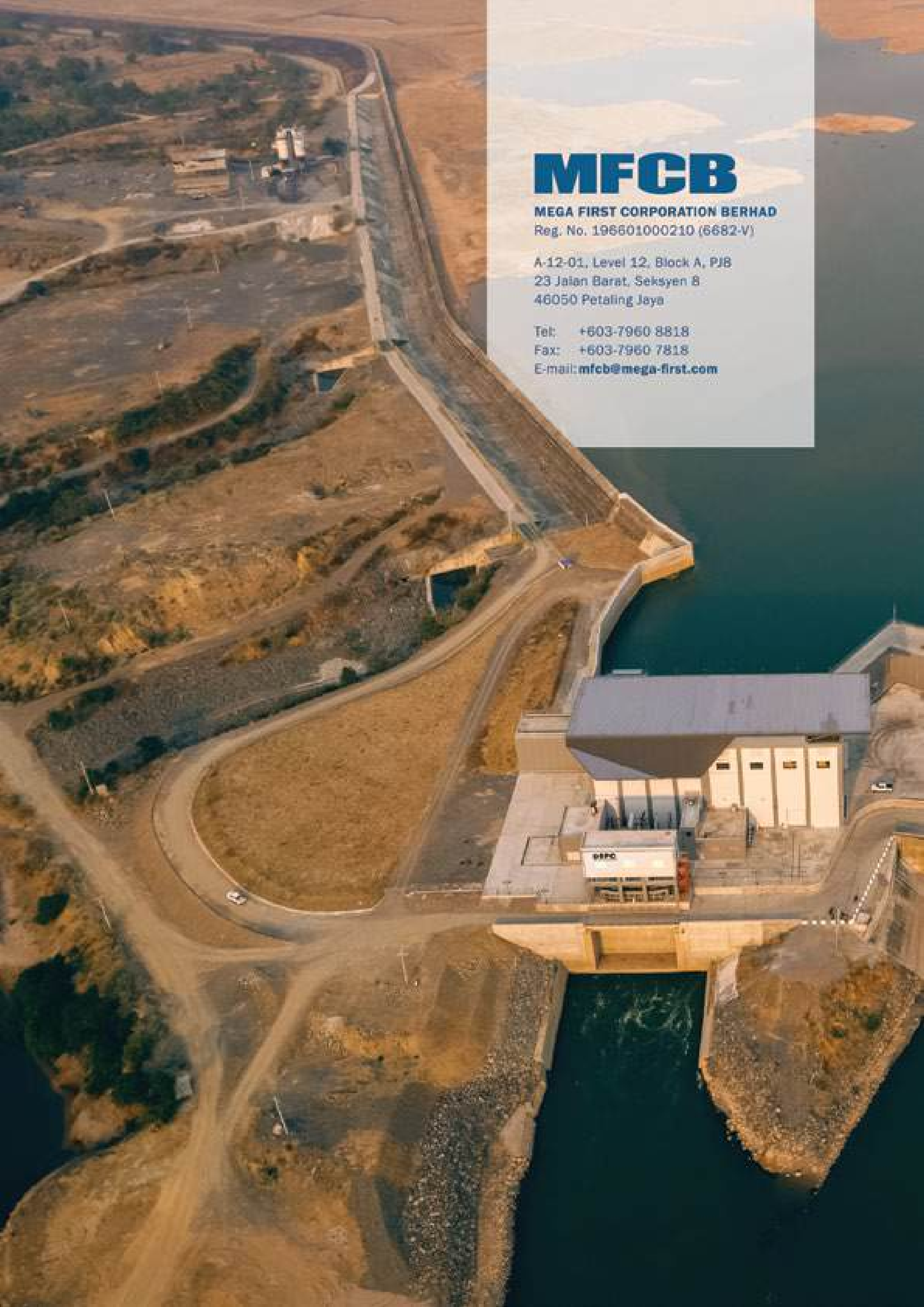

MFCB

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

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23 Jalan Barat, Seksyen 8
46050 Petaling Jaya

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