



60 Years, Growing Stronger



ANNUAL INTEGRATED REPORT 2024

60 Years, Growing Stronger: MSM's Milestones

For six decades, MSM Malaysia Holdings Berhad (MSM) has been at the heart of Malaysia's sugar industry, embodying a journey of resilience, innovation and progress. It began in **1959** with the establishment of MSM Prai Berhad (MSM Prai) in Prai, Penang, which commenced its refining operations in **1964**. The subsequent decades saw continuous growth, with milestones such as the founding of MSM Perlis Sdn Bhd in **1971**, which began milling and refining operations by **1973**.



By **1976**, MSM embraced automation, modernising production processes and setting the stage for efficiency and excellence. The establishment of MSM Logistics Sdn Bhd in **1990** solidified its logistical capabilities, connecting MSM Prai to key warehouses in Sungai Buloh (**1992**) and Johor Bahru (**2002**) via railway networks, ensuring seamless sugar distribution across Malaysia.



In the 2000s, MSM expanded its capacity significantly—MSM Prai's refining capability grew to **960,000 tonnes** in **2010**, positioning the Company as a formidable player in the global sugar market. The formation of MSM Malaysia Holdings Berhad and its successful listing on Bursa Malaysia in **2011** marked a new chapter of growth and corporate excellence. MSM continued to innovate with the establishment of MSM Johor and MSM Trading International DMCC (Dubai) in **2015**, expanding its global reach.



MSM's focus on sustainability and value creation has been pivotal in recent years. In **2023**, the launch of **Gula Prai Super Premium Sugar** showcased its product innovation, while its inclusion as a constituent of the **FTSE4Good Bursa Malaysia** and **FTSE4Good Bursa Malaysia Shariah Indices** with a rating of **3.3 stars** (as at December 2024) reflects its commitment to ESG principles. As MSM celebrates its **60th anniversary**, its recognition at NACRA 2024 with Platinum and Silver awards symbolises its continued excellence in governance, reporting and stakeholder value.



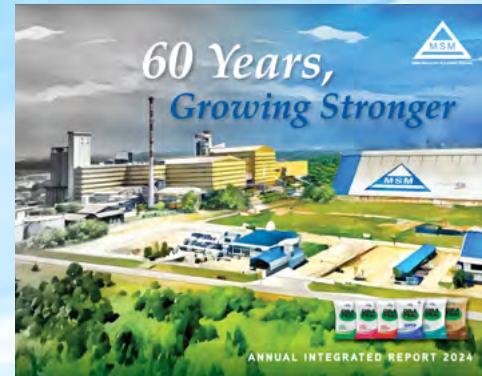
By **2019**, MSM had demonstrated its global competitiveness with the commercial launch of MSM Sugar Refinery (Johor) Sdn Bhd (MSM Johor). Since 2023, MSM has been ranked as the **seventh-largest sugar refiner in the world** based on its annual refining capacity of 2.05 million tonnes. Further strengthening its market presence, the Company redefined its offerings in **2020** with the introduction of Premium Prai Sugar and a refreshed version of the iconic **Gula Prai** packaging.



From its humble beginnings to becoming a global leader in the sugar industry, MSM's journey of "60 Years, Growing Stronger" is a testament to its ability to adapt, innovate and thrive. With a foundation built on operational excellence, sustainability and a commitment to sweetening lives, MSM continues to pave the way for a stronger, more sustainable future for Malaysia and beyond.



60 Years, Growing Stronger



COVER RATIONALE

To commemorate MSM Malaysia Holdings Berhad's 60th Anniversary, the theme "60 Years, Growing Stronger" celebrates the Company's six-decade journey of resilience, innovation and leadership in the sugar industry. It reflects the Company's enduring legacy and its contributions to Malaysia's growth while honouring the milestones that have defined its progress.

"60 Years" signifies MSM's heritage, achievements, and the trust it has built with stakeholders since its inception in 1964. "Growing Stronger" highlights MSM's forward momentum, showcasing its commitment to adapt, innovate and thrive in a changing market. It encapsulates the Company's dedication to sustainable practices, operational excellence and delivering value, ensuring continued impact on communities and industries while building a stronger and sweeter future.

The cover's transition from monochrome to colour symbolises MSM's evolution, with both refineries and the surrounding greenery reflecting its operational excellence and environmental stewardship. The inclusion of MSM's product range highlights its enduring role in enhancing lives and market leadership. With vibrant greens and blues conveying progress and optimism, the design strikes a balance between honouring MSM's heritage and emphasising its forward-looking vision for sustainable growth and industry leadership.

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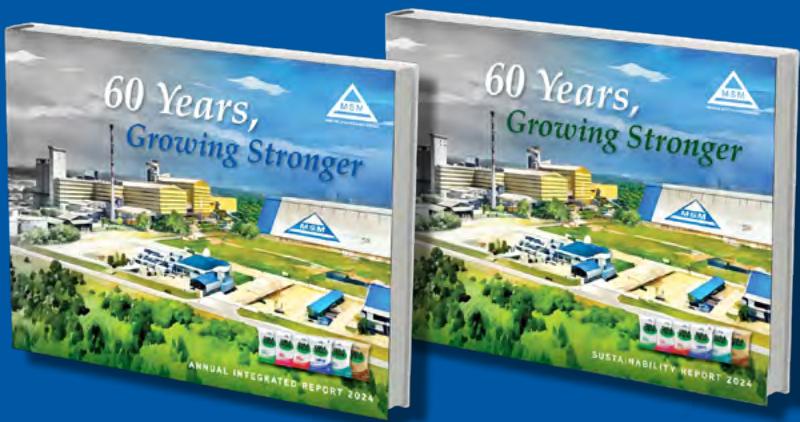
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BASIS OF THIS REPORT

MSM MALAYSIA HOLDINGS BERHAD

MSM Malaysia Holdings Berhad (MSM, the Group or the Company) is pleased to present our Annual Integrated Report (AIR) for the financial year (FY) ending 31 December 2024. The purpose of this AIR is to provide our stakeholders with key and detailed information about our business strategy, performance and future prospects, framed in the context of Environmental, Social and Governance (ESG) considerations. Driven by our vision of becoming a world class and cost-efficient organisation driven by sustainability with a diversified portfolio in food-related business, we aim to create stakeholder value over the short, medium and long term through objective and transparent disclosures.



OUR REPORTING SUITE

The 2024 Reporting Suite comprises this Annual Integrated Report and the Sustainability Report (SR). Both reports and other investor resources are available online on our corporate website at <https://www.msmsugar.com/investor-relations/reports>



Scan here to access
our corporate website

SCOPE AND BOUNDARIES

This Annual Integrated Report (AIR) details MSM's financial and non-financial performances from 1 January 2024 to 31 December 2024, including all aspects of our international and Malaysian businesses, especially in the Central and Southern regions. Alongside our performance, this report also considers challenges to the business along with opportunities and risks that may affect our value creation process.

MATERIALITY

The principle of materiality is applied in assessing the inclusion of information in our AIR. This report focuses particularly on issues, opportunities and challenges that may materially impact MSM and our ability to be a sustainable business that consistently delivers value to our shareholders and stakeholders. These material issues are reviewed internally and audited externally on an annual basis.

COMBINED ASSURANCE

We implement a combined assurance model to manage various aspects of our business operations. The contents of the entire AIR have been vetted and approved by the Management and Board of Directors. The financial statements included in this AIR have been audited by PricewaterhouseCoopers PLT, Malaysia.

BOARD RESPONSIBILITY STATEMENT

MSM acknowledges its responsibility to ensure the integrity of this AIR. We believe that this report addresses all material matters and provides a balanced view of MSM's strategy and its ability to create and preserve value in the short, medium and long term. We confirm that this report has been prepared in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad as well as the <IR> Framework and has been authorised for release on 30 April 2025.

FEEDBACK

We greatly value your feedback as we continuously strive to improve our reporting. For feedback and enquiries regarding our reporting suite and the information contained within, please reach out to our Investor Relations team via email at investor.relations@msmsugar.com or via telephone at +603 2162 7900.

FORWARD-LOOKING STATEMENTS

Throughout this AIR, we use forward-looking statements that pertain to the plans, goals, strategies and future performance of our organisation. These statements are not guarantees of future performance, as they involve risks and assumptions in the context of potential scenarios. While we continue to advance our strategies and plans, changes in macroeconomic and operating landscapes may require us to adapt accordingly.



BASIS OF THIS REPORT



UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UN SDGs)

As part of MSM's strategy, we have prioritised the following SDGs to ensure our business is environmentally, socially and economically sustainable:



For more information on MSM's Sustainable Development Goals (SDGs), please refer to our SR 2024 available on our corporate website.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS ADOPTED



NAVIGATE OUR REPORT

In this report, the following navigation icons are designed to connect our six capitals, key stakeholders, strategic themes and enablers to material matters, risks and performance for ease of reference.

NAVIGATION ICONS



Find relevant information on our corporate website



Find relevant information in this report

MATERIALITY MATTERS

M1	Climate Action	M9	Community Engagement and Development
M2	Waste Management	M10	Governance, Ethics and Integrity
M3	Water Management	M11	Traceability, Responsible Sourcing and Supply Chain Management
M4	Renewable Energy and Energy Management	M12	Operational Performance
M5	Upholding Human Rights and Labour Standards	M13	Data Security and Protection
M6	Diversity, Equity and Inclusion	M14	Business Development and Product Quality
M7	Occupational Health and Safety		
M8	Employee Engagement and Talent Management		

ADOPTING INTEGRATED REPORTING

MSM Malaysia Holding Berhad's adoption of integrated reporting is formulated on the Principle-based Framework of Integrated Reporting, comprising the Six Capitals, Seven Guiding Principles and Eight Content Elements as prescribed by the Value Reporting Foundation¹ (VRF) and the International Financial Reporting Standards (IFRS). Hence, the contents of this AIR have been developed in accordance with:

6 CAPITALS

- F Financial Capital**
- M Manufactured Capital**
- I Intellectual Capital**
- H Human Capital**
- S Social & Relationship Capital**
- N Natural Capital**

7 GUIDING PRINCIPLES

- Strategic focus and future orientation
- Connectivity of information
- Conciseness
- Reliability and completeness
- Consistency and comparability
- Materiality
- Stakeholder relationships

8 CONTENT ELEMENTS

- Organisational overview and external environment
- Governance
- Business model
- Risks and opportunities
- Strategy and resource allocation
- Performance
- Outlook
- Basis of preparation and presentation



MSM AT A GLANCE

OVERVIEW OF MSM

Total Manpower:

1,154
employees

Serving
>300
direct account customers

Produced
>1 million MT
of refined sugar products in 2024

Ranked **3rd**
most chosen fast-moving consumer goods (FMCG) brand in
Malaysia for four consecutive years since 2020*

**Premium
Quality
Sugar**

Polarisation of
99.6%

ICUMSA
40

**LARGEST
STANDALONE
SUGAR REFINERY
IN MALAYSIA**





One of the largest sugar refiners in the global sugar industry

Listed on the Main Market of Bursa Malaysia with a market capitalisation of
RM830 million
(as at 31 December 2024)

MSM Malaysia Holdings Berhad (MSM), Malaysia's leading refined sugar producer, has been listed on the Main Market of Bursa Malaysia Securities Berhad since 28 June 2011 with a market capitalisation of RM830 million as at 31 December 2024. The Group operates through two subsidiaries: MSM Prai Berhad (established in 1959) and MSM Sugar Refinery (Johor) Sdn Bhd (established in 2018).

OVERVIEW OF MSM

In 2024, MSM proudly marks 60 years of operations, a milestone that underscores its enduring legacy and continued contributions to Malaysia's growth and development in the sugar industry.

The Group has an annual refining capacity of 2.05 million metric tonnes (MT), supported by its two refineries, MSM Prai Berhad (MSM Prai) and MSM Sugar Refinery (Johor) Sdn Bhd (MSM Johor). To enhance operational efficiency, MSM is actively optimising MSM Johor's capacity to further improve its operational excellence, reducing production costs. Additionally, MSM has begun a Rejuvenation Plan for MSM Prai, ensuring its operational reliability and extending the plant's lifespan by another 30 years.

MSM produces, markets and sells refined sugar under its flagship brand, Gula Prai, which has upheld the promise of "Sweetening Lives Since 1964." Serving both domestic and international markets, MSM caters to diverse customers, including household consumers, small and medium industries (SMIs), major industries, as well as traders, wholesalers and distributors across the region.

Note:

* Based on Kantar Asia Brand Footprint 2021 - 2024

MSM AT A GLANCE

OVERVIEW OF MSM



To be a world class and cost-efficient organisation driven by sustainability with a diversified portfolio in food-related business.

VISION

MISSION

SENSE OF BELONGING

WINNING ATTITUDE

INTEGRITY

INNOVATION

TEAMWORK

CORE VALUES

We strive to enhance value for shareholders through efficient, innovative and customer-centric business execution. This is further amplified by value-added downstream and regional market growth throughout the food-related value chain. We uphold our commitment to sustainability values in four lenses: sustainable value creation, better planet, positive social impact and good governance.

OVERVIEW OF MSM



OUR SUBSIDIARIES

- ▶ MSM Prai Berhad
- ▶ MSM Sugar Refinery (Johor) Sdn Bhd
- ▶ MSM Logistics Sdn Bhd
- ▶ MSM Trading & Distribution Sdn Bhd

OUR CUSTOMERS

- ▶ Malaysian households
- ▶ Beverage and confectionery companies
- ▶ Hotels
- ▶ Restaurants and food outlets
- ▶ Distilleries and producers of ethanol, animal feed and yeast

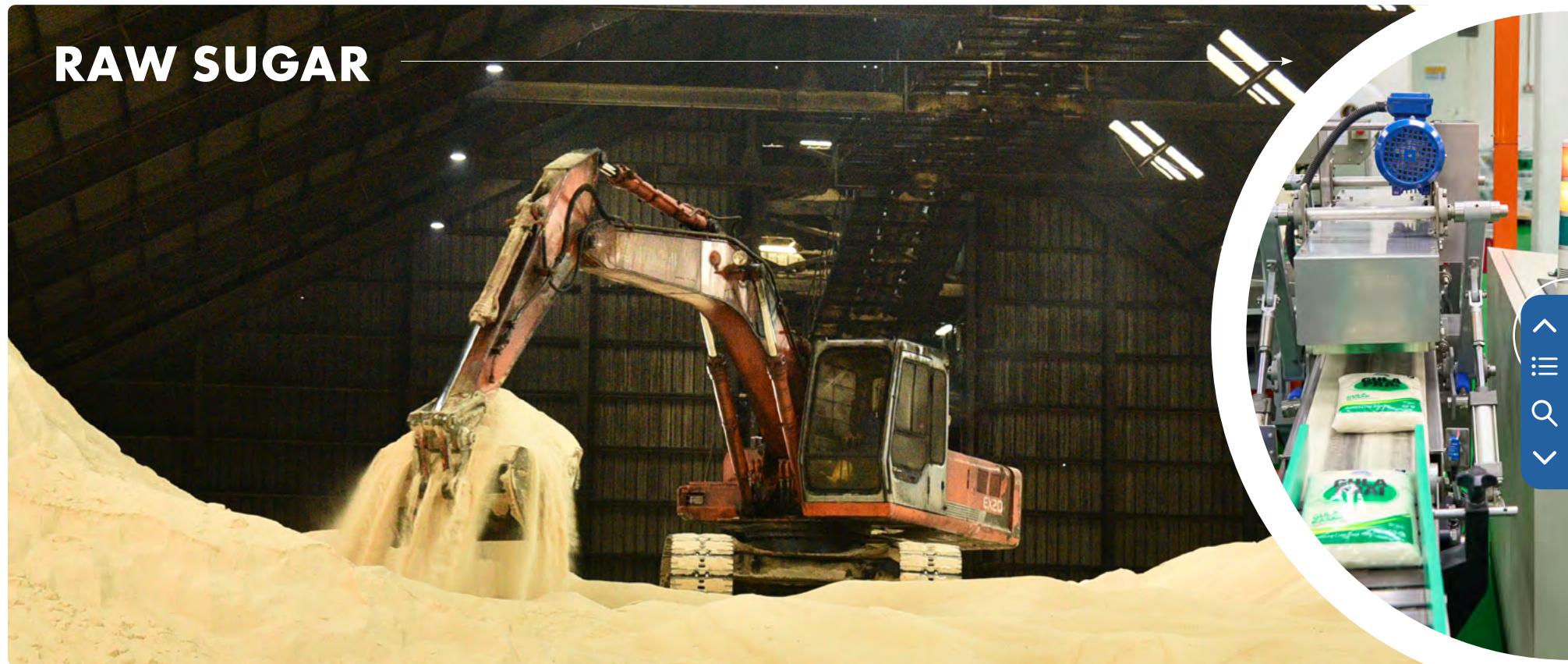


OUR PRODUCTS

- ▶ White refined sugar of various grain sizes
- ▶ Soft brown sugar
- ▶ Sugar premix
- ▶ Liquid sugar
- ▶ Fine syrup
- ▶ Sucratose and stevia mix
- ▶ Molasses



OUR VALUE CHAIN



● PRODUCING HIGH QUALITY PRODUCTS

The Group focuses on the midstream activities of the sugar value chain — namely sourcing, processing, marketing and distribution of refined sugar products, value added sugar products and sugar refining by-products.

OUR VALUE CHAIN



Through two established refineries located in Prai, Penang and Tanjung Langsat, Johor, MSM is known for its premium quality sugar with a high sucrose content which is the predominant choice of food and beverage industry consumers, both domestically and regionally.

In addition to its flagship refined sugar products, MSM leverages on its expanded production capacities by also producing value-added sugar products such as liquid sugar, fine syrup, premixes, as well as molasses, a by-product of the sugar refining process. The Group continues to explore the additional sustainable applications of mudcake, a sugar refining waste product, beyond its established use as fertiliser, promoting circular economy practices.

MSM AT A GLANCE

OUR BRAND PRODUCTS

GULA PRAI IS RANKED AS THE
**3RD MOST CHOSEN FMCG
 BRAND IN MALAYSIA FOR
 FOUR CONSECUTIVE YEARS
 SINCE 2020***

* Based on Kantar Asia Brand Footprint 2021- 2024.

Legends:



Sugar Grades

Suggested Storage Conditions

Packaging Size



Coarse Grain Sugar

Here's a sugar product that you can't miss! Available almost everywhere and at every retail outlet in Malaysia, this sugar delivers an excellent taste, making it the ideal sugar for general sweetening needs.

Coarse Grain Sugar, P1, EP1

Keep sugar in a cool and dry place at ambient temperature

500g, 1kg, 2kg, 25kg, 50kg, 500kg & 1,000kg



Caster Sugar

Popular with bakers as the fine crystals cream easily into butter and dissolve more readily into meringues and batters. Caster sugar adds more volume to baked products, giving them a lighter texture, a result preferred by bakers. It's also perfect to be lightly sprinkled over baked goods.

Caster Sugar

Keep sugar in a cool and dry place at ambient temperature

500g, 25kg, 50kg, 900kg & 1,000kg



Super Premium Sugar (Gula Super)

It is refined to an exceptional level, resulting in a pure, uniform white colour and enhanced sweetness. An ideal choice for use in all culinary creations, from confectionery to baking and beverages. Try this premium sugar today and experience the difference in taste and quality.

Premium Refined Sugar, ICUMSA 40

Keep sugar in a cool and dry place at ambient temperature

1kg



Fine Granulated Sugar

Another hot selling sugar product! Great to be enjoyed with your favourite beverage and for home food preparation.

Fine Granulated Sugar, PXX, P1S, EPXX, EP1S

Keep sugar in a cool and dry place at ambient temperature

1kg, 25kg, 50kg, 500kg, 1,000kg & Bulk



Soft Brown Sugar

Indulgent rich flavour with a subtle golden colour, robust aroma and moist texture. Our soft brown sugar is crafted through the perfect infusion of molasses, making it ideal for enhancing the taste of cookies, cakes and even coffee.

Soft Brown Sugar, PB, P4

Keep sugar in a cool and dry place at ambient temperature

500g, 25kg & 50kg



Icing Sugar

A versatile ingredient in sweet baked goods, sugar and chocolate confectionery, providing a smooth, soft finish texture. Ideal for a plethora of baked goods such as fillings, fondants and as a decorative touch to your baked masterpiece.



Icing Sugar



Keep sugar in a cool and dry place at ambient temperature



500g & 40kg

Cube Sugar

Crafted from fine sugar, the Cube Sugar dissolves effortlessly, ensuring a smooth infusion of sweetness. Ideal for precise portion control, each 5g cube adds a touch of sophistication to teas or coffees, elevating the experience with simplicity and refined taste.



Fine Granulated Sugar



Keep sugar in a cool and dry place at ambient temperature



5g x 100 cubes

Quality Cup Pack Sugar

Sugar sachet offers a practical and convenient solution for individuals, businesses and food establishments to manage and provide sugar in a controlled, hygienic and efficient manner. Suitable for those who want to do portion control, easy to carry and use on-the-go.



Fine Granulated Sugar



Keep sugar in a cool and dry place at ambient temperature



5g x 100 sachets

Go 1/2

Go 1/2 is mixed with sucralose to add the sweetness you love while reducing overall sugar consumption by half. So you enjoy more sweetness with less sugar. Packaged in convenient sachets for you to control the sugar in your drinks and desserts, even when you are on the go!



Fine grain sugar



Keep in a clean and dry place at ambient temperature and away from direct sunlight



2.5g x 50 sachets

Go Natura

Go Natura complements smaller sugar portions with the natural sweetness of stevia in handy sachets that you can take with you wherever you go. One sachet is all you need to satisfy your sweet tooth!



Fine grain sugar



Keep in a clean and dry place at ambient temperature and away from direct sunlight



2.5g x 50 sachets

Liquid Sugar

High grade sugar syrup.



Concentrated clear liquid



Sugar should be kept in a clean and dry place at ambient temperature, away from direct sunlight



Tanker

Fine Syrup

Similar to liquid sugar, deep brown colour in appearance.



Concentrated clear liquid



Store at least at room temperature as lower temperatures may cause crystallisation. Storage above 50 °C may cause discolouration



Tanker

Premix

Customisable sweetened products for industrial use.



Sweetened cocoa, glucose or milk preparation



Keep in a clean and dry place at ambient temperature and away from direct sunlight



25kg

Molasses

The thick and dark brown liquid molasses is a by-product derived from the sugar refining process. MSM sells molasses to distilleries and producers of ethanol, animal feed and yeast.



Molasses (liquid)



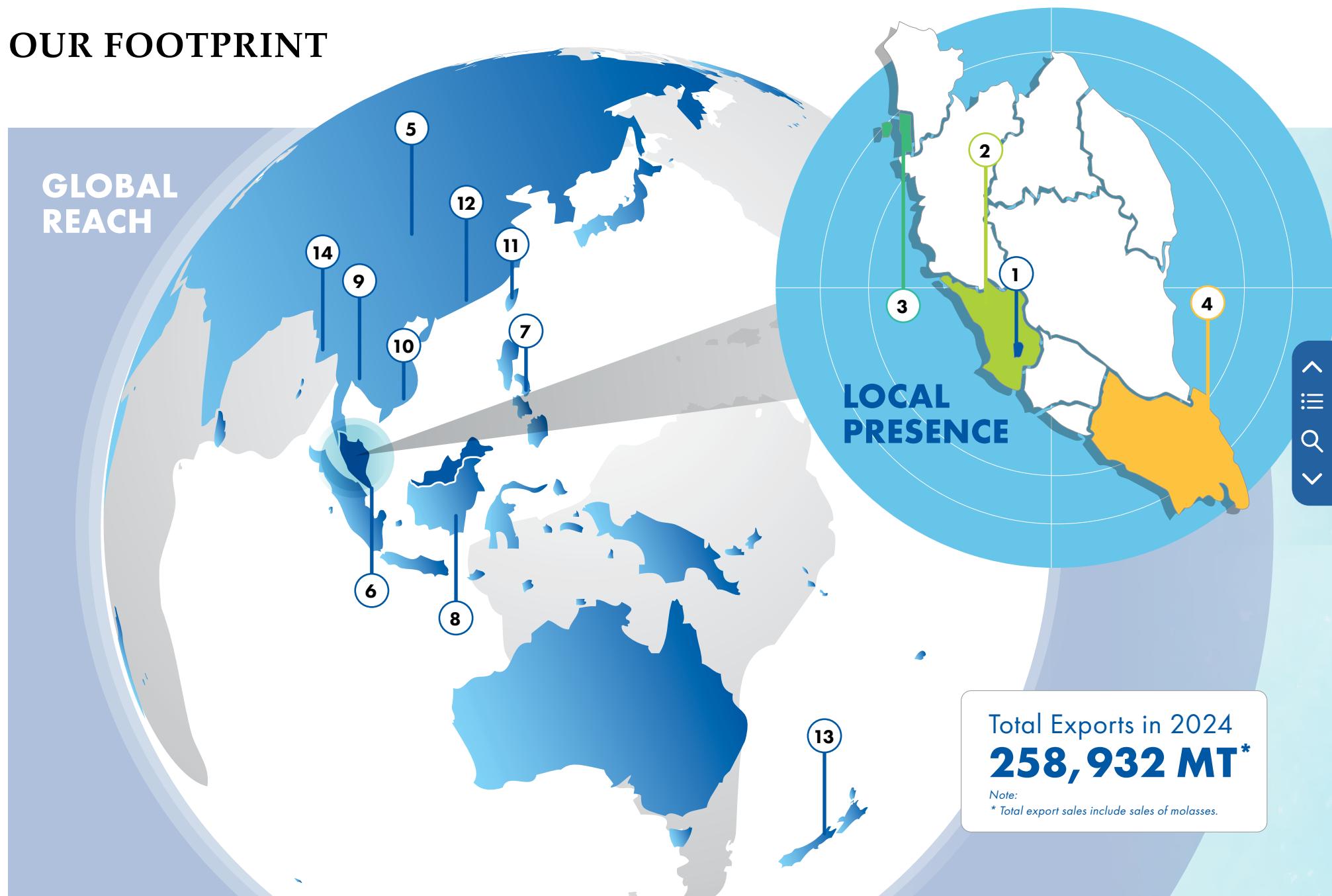
Keep in a cool and dry place



Ex-factory in customer's tanker

MSM AT A GLANCE

OUR FOOTPRINT



MSM AT A GLANCE

OUR FOOTPRINT

1  **MSM Head Office**
MSM Malaysia Holdings Berhad
201101007583 (935722-K)

2  **Sungai Buloh Warehouse (SBW)**
MSM Prai Berhad
195901000226 (3573-D)

3  **MSM Prai**
MSM Prai Berhad
195901000226 (3573-D)

4  **MSM Johor**
MSM Sugar Refinery (Johor) Sdn Bhd
201501014132 (1139464-W)

Refining Capacity: 1.05 million MT

Refining Capacity: 1.00 million MT

5  **China**
56,447 MT
(21.80%)

6  **Singapore**
44,739 MT
(17.28%)

7  **Philippines**
40,001 MT
(15.45%)

8  **Indonesia**
23,900 MT
(9.23%)

9  **Thailand**
14,775 MT
(5.71%)

10  **Vietnam**
14,745 MT
(5.69%)

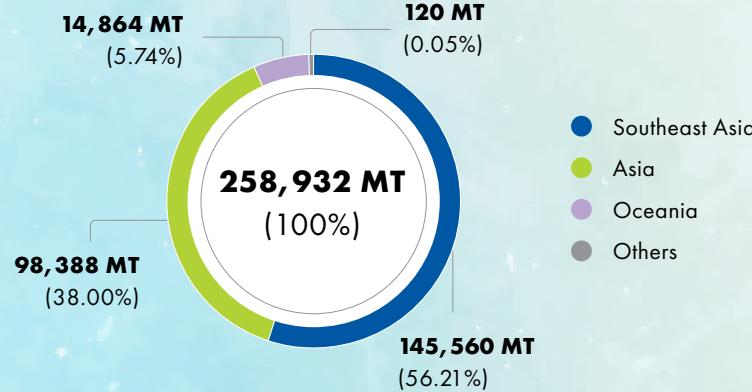
11  **Taiwan**
14,552 MT
(5.62%)

12  **Hong Kong**
13,310 MT
(5.14%)

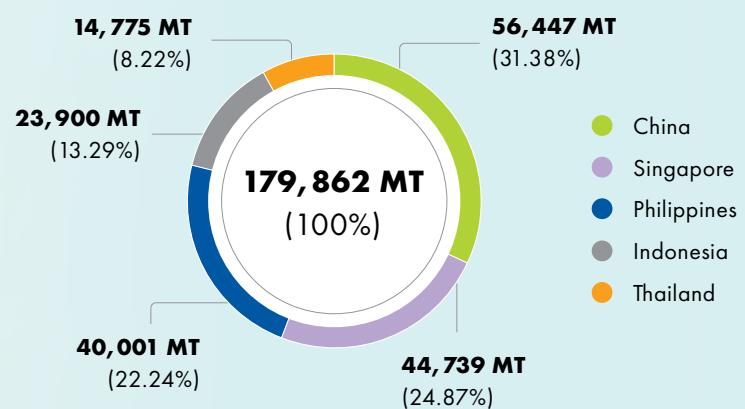
13  **New Zealand**
7,788 MT
(3.01%)

14  **Myanmar**
7,400 MT
(2.86%)

Regional Breakdown



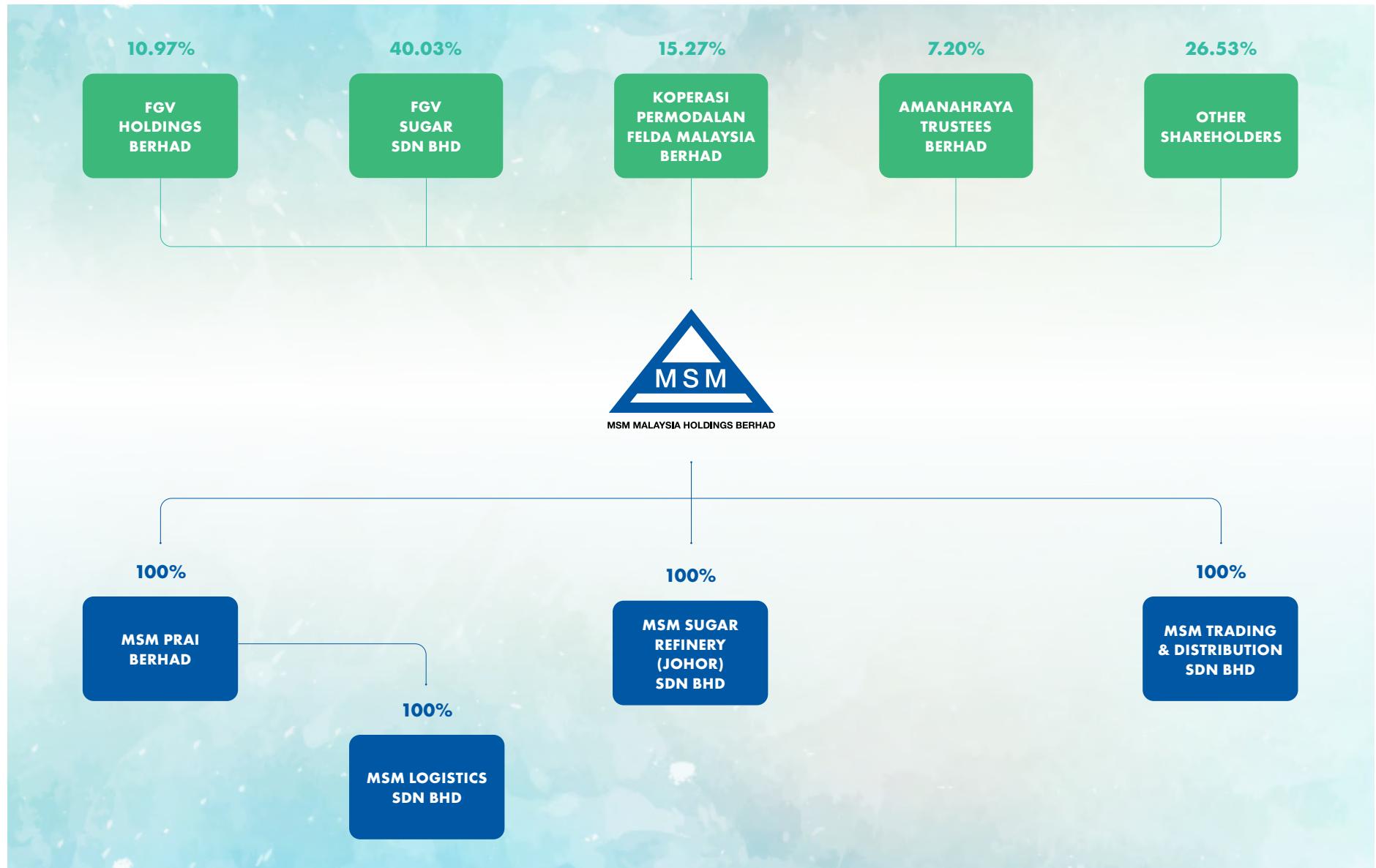
Top 5 Export Destinations



MSM AT A GLANCE

OUR GROUP STRUCTURE

AS AT 28 MARCH 2025



MSM AT A GLANCE

OUR CORPORATE INFORMATION

BOARD OF DIRECTORS	
Datuk Syed Hisham Syed Wazir Chairman/Independent Non-Executive Director	
Dato' Sri Muthanna Abdullah Independent Non-Executive Director	
Choy Khai Choon Independent Non-Executive Director	
Datuk Dr. Abd Hapiz Abdullah Independent Non-Executive Director	
Fakhrunniam Othman Non-Independent Non-Executive Director	
Low Chooi Hoon Independent Non-Executive Director (appointed with effect from 1 July 2024)	
Dato' Dr. Suzana Idayu Wati Osman Non-Independent Non-Executive Director (appointed with effect from 16 August 2024)	
Nurul Muhaniza Hanafi Non-Independent Non-Executive Director (appointed with effect from 1 December 2024)	
Dato' Mohd Banuri Aris Non-Independent Non-Executive Director (appointed with effect from 1 December 2024)	
Raja Faridah Raja Ahmad Non-Independent Non-Executive Director (resigned on 21 November 2024)	
Dato' Mohd Nazrul Izam Mansor Non-Independent Non-Executive Director (resigned on 1 September 2024)	
Nik Fazila Nik Mohamed Shihabuddin Non-Independent Non-Executive Director (retired on 6 June 2024)	
Dato' Rosini Abd Samad Independent Non-Executive Director (cessation of office on 7 January 2024)	

GROUP CHIEF EXECUTIVE OFFICER Syed Feizal Syed Mohammad	CHIEF FINANCIAL OFFICER Ab Aziz Ismail (appointed with effect from 1 April 2025)	COMPANY SECRETARY Azni Ariffin (LS0010610) SSM Practising Certificate No.: 202008003324	REGISTERED OFFICE Level 21, Wisma FGV Jalan Raja Laut 50350 Kuala Lumpur Wilayah Persekutuan Kuala Lumpur, Malaysia Tel: +603 2789 0000 Fax: +603 2789 0001
SHARE REGISTRAR Boardroom Share Registrars Sdn Bhd 11 th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia Helpdesk: +603 7890 4700 Fax: +603 7890 4670 Email: BSR.Helpdesk@boardroomlimited.com	AUDITORS PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146) Chartered Accountants Level 10, Menara TH 1 Sentral Jalan Rakyat, Kuala Lumpur Sentral P.O. Box 10192 50706 Kuala Lumpur, Malaysia Tel: +603 2173 1188 Fax: +603 2173 1288 Website: www.pwc.com/my	STOCK EXCHANGE LISTING Main Market of Bursa Malaysia Securities Berhad Listed since 28 June 2011 Stock Code: 5202 Stock Name: MSM	INVESTOR RELATIONS AND ENQUIRIES Investor Relations Officer: Fariza Haizumi Ahmad Level 44, Menara FELDA Platinum Park, No. 11 Persiaran KLCC, 50088 Kuala Lumpur, Malaysia Tel: +603 2162 7900 Fax: +603 2181 5015 Website: www.msmsugar.com Email: investor.relations@msmsugar.com

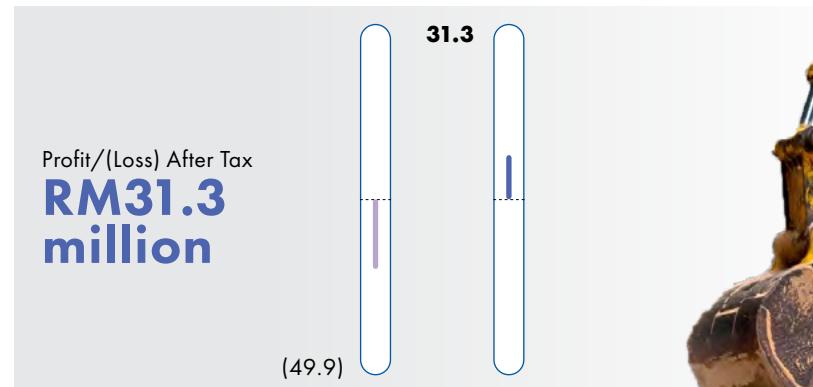
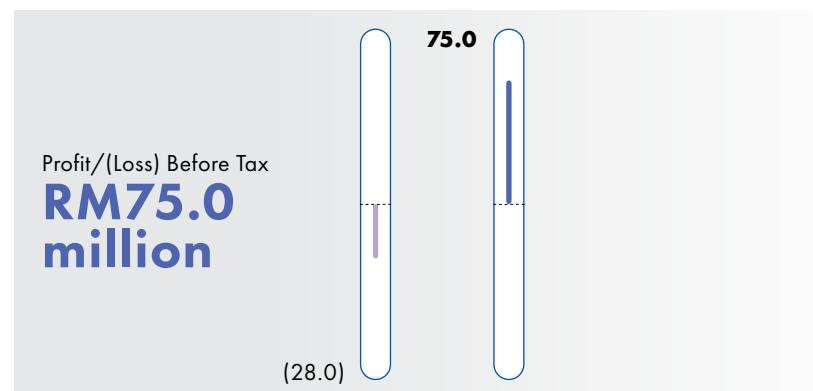
MSM SOCIAL MEDIA ACCOUNTS	
	MSM Malaysia Holdings Berhad
	MSM Gula Prai
	MSMGULAPRAI TV
	@msmgulaprai
	@gulaprai

For MSM event highlights throughout 2024, please refer to pages 19 to 25 of this AIR.

YEAR IN REVIEW

PERFORMANCE HIGHLIGHTS

FINANCIAL HIGHLIGHTS



● 2023 ● 2024

For further information on the Company's financial performance, refer to pages 36 to 43 of this AIR.

BUSINESS HIGHLIGHTS



PERFORMANCE HIGHLIGHTS

SUSTAINABILITY HIGHLIGHTS

ENVIRONMENTAL

E



SOCIAL

S

GOVERNANCE

G

For further information on the Company's ESG efforts and initiatives, refer to pages 80 to 105 of this AIR or our SR 2024.

100%

circularity of mudcake waste recovery into fertiliser or cement

Non-hazardous waste recycled and recovered

25,413 MT

Upgraded the Industrial Effluent Treatment System (IETS) at MSM Johor

Achieved waste recycling rate of

95%

to support circular economy and waste diversion

7.00%

reduction in Scopes 1 and 2 greenhouse gas (GHG) emissions intensity

Planted

4,200

mangrove and mangrove-associated trees since 2021

33%

of board members are female

38%

female representation in executive roles and above

Lost-Time Incident Frequency Rate (LTIFR) reduced to

0.29**Zero**

workplace fatalities

Invested over

RM1 million

in employee training and development

Recorded

29,439.5

hours of employee training

100%

Achieved
Board of Directors training on anti-corruption and corporate governance

99.47%

of our vendors are locally based

Zero

confirmed incidents of corruption and action in 2024, achieved through stringent policies and procedures against bribery and corruption

RM639.8 million

spent in procurement of goods and services from local suppliers



YEAR IN REVIEW

AWARDS & ACCOLADES

MSM MALAYSIA HOLDINGS BERHAD



MSM PRAI BERHAD



MSM SUGAR REFINERY (JOHOR) SDN BHD



YEAR IN REVIEW

SIGNIFICANT EVENTS OF 2024

January 2024

- 1 Universiti Utara Malaysia (UUM) - School of Technology Management & Logistics (STML) Go Green Symposium 2024
- 2 MSM Prai Food Safety and Quality Week
- 3 Media & Analysts Visit to MSM Johor
- 4 MSOSH Practitioner Awards
- 5 MAIWP Run 2024



February 2024

- 1 FELDA FGV Fundraising Golf Tournament
- 2 Friendly Engagement Programme with Damai Orphanage, Kuang
- 3 WAQAF Run 2024
- 4 Crocodile Sanctuary Cleaning and Refurbishment
- 5 Penang Zakat Handover Ceremony



YEAR IN REVIEW

SIGNIFICANT EVENTS OF 2024

March 2024

- 1 Pulau Besar Beach Clean Up by MSM Johor and Local Residents
- 2 Launch of Platform Structure and New Effluent Treatment System at MSM Prai
- 3 MSM Prai Contribution to Masjid Jamek Prai
- 4 MSM at the Dubai Sugar Conference
- 5 MSM at international F&B trade fair, Gulfood 2024
- 6 Breaking Fast with Children of Buku Jalanan Chow Kit and Yayasan Chow Kit
- 7 MSM Contribution to Yayasan Maghrifah Charity Event 2024



April 2024

- 1 COFCO Sugar China Visit to MSM Johor
- 2 Industrial Site Visit to MSM Johor by IEM-UTM Skudai
- 3 One Million Trees Planting Programme in a Day
- 4 MSM Prai Riuhan Rendah Open House 2024



YEAR IN REVIEW

SIGNIFICANT EVENTS OF 2024

May 2024

- 1 National Labour Day 2024
- 2 World Safety and Health at Work Day Event at MSM Prai
- 3 MSM Semanis Syawal Open House 2024
- 4 MSM Johor Raya Open House 2024
- 5 SBW Klasik Raya Open House 2024
- 6 Emergency Response Team Training with Pasir Gudang Fire Department
- 7 MSM Forklift Cadet 2.0 Programme
- 8 MSM Johor Beach Clean Up and Visit to Turtle Hatchery
- 9 MSM Johor Donated to Dewi Sri Maha Karu Mariamman Temple



June 2024

- 1 MSM 13th Annual General Meeting
- 2 MSM Prai's Coral Rehabilitation and Cultivation Sustainability Programme at Pulau Perhentian
- 3 Corporate Social Responsibility (CSR) Green Package Initiative at the National Zoo
- 4 Korban Perdana at Anjung FELDA
- 5 Aidiladha Celebration at MSM
- 6 FGV Innovation & LSS Convention 2024
- 7 MSM Prai served as a Panel Jury Member for the Sekolah Lestari - Anugerah Alam Sekitar programme



YEAR IN REVIEW

SIGNIFICANT EVENTS OF 2024

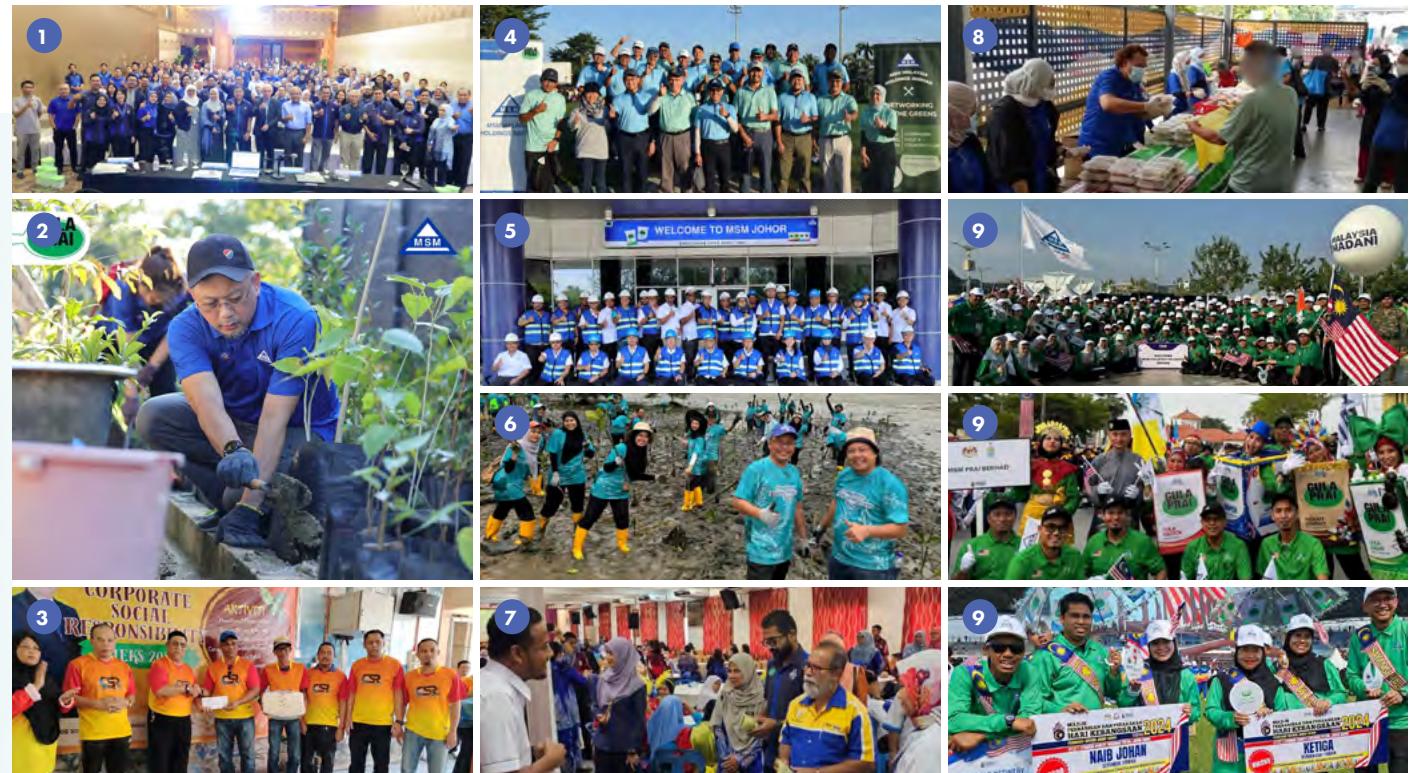
July 2024

- 1 HSE Week at the Sungai Buloh Warehouse (SBW)
- 2 UUM - STML Green Carnival 2024
- 3 Hari Peneroka FELDA 2024
- 4 Protecting Shells, Preserve Seas 2.0
- 5 Monday Plogging at Tasik Titiwangsa
- 6 HSES & Q Carnival Week at MSM Johor
- 7 Health and Safety Week at MSM Prai



August 2024

- 1 MSM Town Hall 2024
- 2 Rainforest Conservation Day Out at Elmina Rainforest Centre
- 3 2024 CSR Programme by MSM Prai Berhad Trade Union
- 4 MSM Networking on the Greens
- 5 MSM Board Members and Top Management Visit to MSM Johor
- 6 Mangrove Planting Programme at Tanjung Langsat Port
- 7 MSM Prai Participated in Sustainable Schools - Environmental Awards Programme
- 8 Food Distribution for the Homeless at Medan Tuanku Homeless Service Centre
- 9 MSM Group 67th National Day Celebration



SIGNIFICANT EVENTS OF 2024

September 2024

- 1 CGRM Engagement with Malaysian Anti-Corruption Commission (MACC) Pulau Pinang
- 2 MSM's visit to the Paediatrics Ward at University Malaya Medical Centre
- 3 Malaysia International Halal Showcase (MIHAS) 2024
- 4 FELDA Regulatory Division, Prime Minister's Department Visit to MSM Johor
- 5 MSM Prai Berhad Trade Union Collective Agreement Renewal Signing Ceremony
- 6 National Corporate Governance & Sustainability Awards (NACGSA) 2024
- 7 MSM Prai participated in the Penang River Festival 2.0



YEAR IN REVIEW

SIGNIFICANT EVENTS OF 2024

October 2024

- 1 MSM representatives at the World Ozone Day 2024
- 2 Group People & Culture Wow Heboh Mini Carnival at Menara FELDA
- 3 Malaysia Professional Accountancy Centre (MyPAC) Delegation Courtesy Visit
- 4 Zakat Contribution by MSM Prai
- 5 MSM representatives at the National Environment Day Celebration
- 6 MSM celebrating Deepavali 2024
- 7 FGV Group's 2025 - 2027 Strategic Business Plan Roundtable Discussion



YEAR IN REVIEW

SIGNIFICANT EVENTS OF 2024

November 2024

- 1 Environment Week Malaysia 2024 at MSM Prai
- 2 MSM took home multiple awards at the MSOSH Awards 2024
- 3 Launch of Kilangku Syurgaku at SBW
- 4 MSM won two awards at the National Annual Corporate Report Awards 2024
- 5 The Royal Malaysian Police (PDRM) delivered a Road Safety Talk at SBW



December 2024

- 1 FELDA Group Misi Bantuan Banjir
- 2 MSM took home multiple awards at the 24th Malaysia-International HR Awards 2024

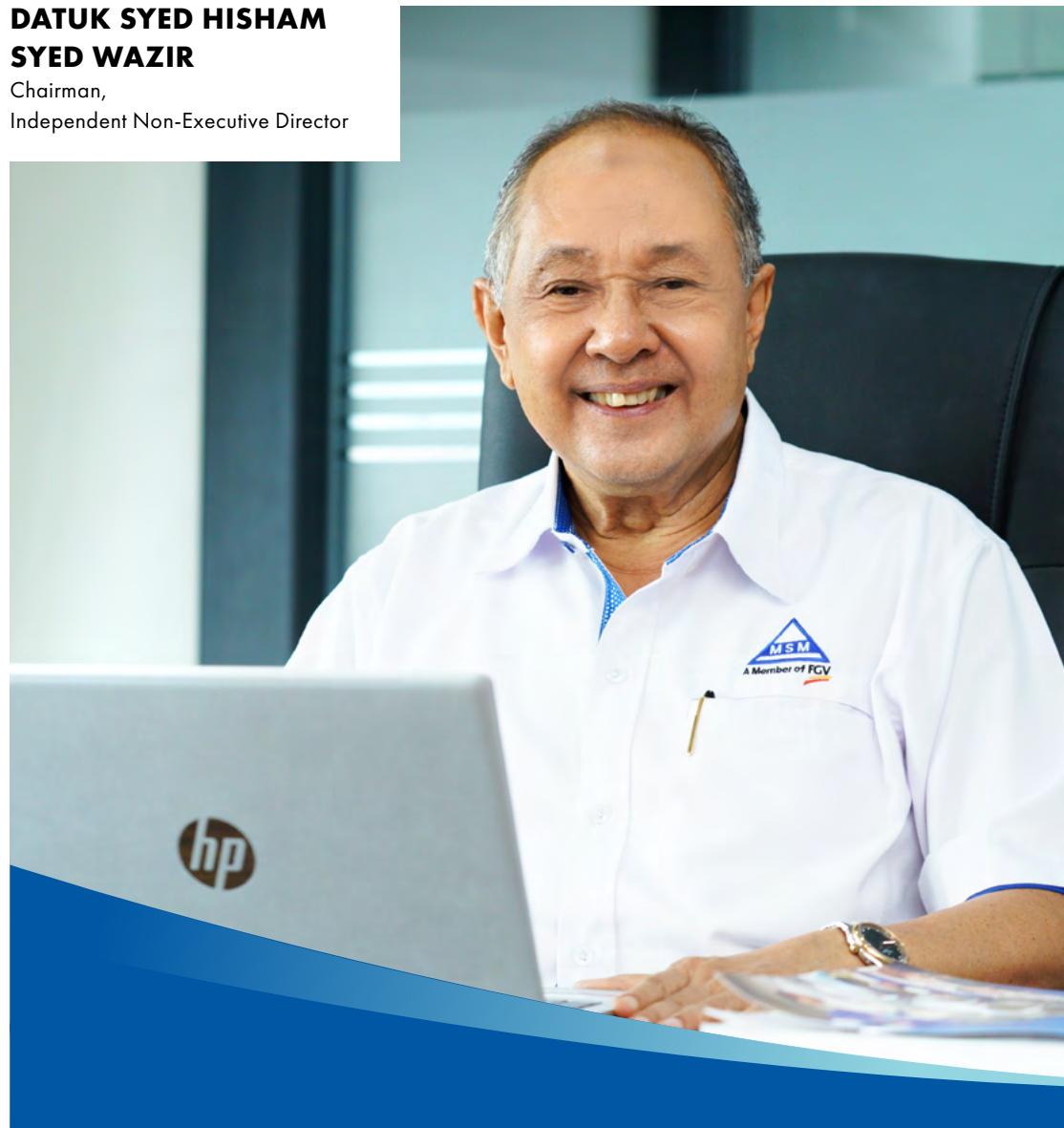


A PERSPECTIVE FROM OUR LEADERSHIP

CHAIRMAN'S STATEMENT

DATUK SYED HISHAM SYED WAZIR

Chairman,
Independent Non-Executive Director



DEAR STAKEHOLDERS,

As we mark the momentous milestone of MSM Malaysia Holdings Berhad's 60th anniversary, it is with great pride that I reflect on a remarkable year defined by progress and perseverance. As we celebrate six decades of serving Malaysia and beyond, we are reminded that our longevity is built on more than just our production capabilities, it is anchored in our firm commitment to excellence, sustainability and creating long-term value for our stakeholders. I am proud to say that 2024 stands as a testament to our steadfast efforts, as we returned to profitability for the first time in three years and set our course for a more promising future.



A PERSPECTIVE FROM OUR LEADERSHIP

 OPERATING ENVIRONMENT

The global economic landscape in 2024 presented formidable challenges for businesses across all sectors. Elevated inflation and persistently high interest rates constrained access to affordable capital, limiting growth opportunities and dampening investment momentum. Rising energy prices further compounded these pressures, driving up operational costs in production, logistics and transportation.

For the sugar industry, global market volatility intensified due to extreme weather events disrupting production in key regions. Severe droughts and wildfires in Brazil, one of the world's largest sugar producers, significantly reduced sugarcane yields, tightening global supply and driving prices higher. India's focus on ethanol production also limited sugar exports, adding further strain to global markets.

Geopolitical conflicts continued to reverberate through the global economy, impacting energy prices and contributing to inflationary pressures. Additionally, U.S. port strikes caused logistical disruptions, increasing freight costs and complicating global supply chains.

Despite these headwinds, MSM navigated the complexities of 2024 with resilience and foresight. Our proactive hedging strategies and operational excellence enabled us to mitigate market fluctuations and stabilise our operations, reinforcing our position as a reliable industry leader amidst global uncertainty.



"Our proactive hedging strategies and operational excellence enabled us to mitigate market fluctuations and stabilise our operations, reinforcing our position as a reliable industry leader amidst global uncertainty."

 KEY ACHIEVEMENTS

2024 was a landmark year for MSM, as we charted a strong return to profitability and significant progress across our operations. We delivered a remarkable performance in the fourth quarter, recording a profit before tax (PBT) of RM96 million. As a result, this translated to a full year PBT of RM75 million, a significant turnaround from the loss before tax of RM28 million recorded in 2023. Consequently, this has given us the confidence to target a return as a dividend-paying company in the future.

We were able to achieve these stellar set of results as we upheld operational excellence, pursued market expansion and demonstrated leadership to strengthen our foundations and position us for future growth. In the year under review, we enhanced our production capabilities, improved operational efficiency in both our Prai and Johor refineries and expanded our market presence. We reinforced our market leadership by tapping into emerging markets with high demand potential and enhancing our partnerships across key markets such as China, Vietnam and Indonesia.

Recorded Profit Before Tax (PBT) of **RM75 million** in 2024 compared to Loss Before Tax (LBT) of RM28 million in 2023.

We also actively engaged with the Government and industry stakeholders to address critical challenges faced by the local sugar industry, particularly concerning the influx of imported sugar and market disruptions. Our advocacy efforts contributed to policy adjustments that stabilised the domestic market, including the restoration of a 70,000 MT annual import quota to protect local manufacturers.

A PERSPECTIVE FROM OUR LEADERSHIP

CHAIRMAN'S STATEMENT

 GOVERNANCE

At MSM, governance is the cornerstone of our commitment to ethical conduct, transparency and accountability. In 2024, we strengthened our governance framework through robust policies and proactive measures aimed at upholding the highest standards of integrity across all operations.

The Board, supported by the Audit, Governance and Risk Committee (AGRC), has been instrumental in steering our sustainability direction, ensuring alignment with our strategic objectives and regulatory obligations. We fortified our anti-corruption efforts through initiatives grounded in the T.R.U.S.T. framework, conducting comprehensive risk assessments, enhancing our anti-bribery policies and embedding systematic monitoring mechanisms.

Throughout the year, we championed a culture of integrity through various initiatives, including the MSM Integrity Symposium, Integrity Talks across MSM subsidiaries and the Corporate Governance & Risk Management (CGRM) Roadshow, which reinforced awareness of ethical practices and strengthened internal controls. We also deployed surveys to more than 1,000 employees under the Integrity Assessment Tool (IAT) to help us evaluate and measure our progress in embedding ethics and integrity into workplace culture. We achieved a high score of over 80%, reflecting a high level of integrity, transparency and accountability within the organisation.

This commitment to governance excellence was recognised through prestigious accolades, including the National Corporate Governance & Sustainability Awards (NACGSA) 2024 Overall Excellence Award for the Top 20 companies, in which we ranked 19th. The NACGSA award sets a benchmark for best practices among Malaysian public listed companies as it integrates three key assessments, namely the ASEAN Corporate Governance Scorecard, the Malaysian Code on Corporate Governance and the Sustainability Scorecard.

 SUSTAINABILITY

At MSM, sustainability is at the heart of our operations, guiding how we impact the environment, society and economy. In the year under review, we continued to collaborate with Wilmar International Limited (Wilmar), to align our sourcing practices with No Deforestation, No People Exploitation (NDPE) principles. This commitment reflects our dedication to promoting ethical sourcing and ensuring transparency in maintaining a responsible sugar supply chain. Wilmar's NDPE Policy has been recognised by the Sustainable Agriculture Initiative Platform (SAI Platform) earning them a Gold Equivalent rating in the Farm Sustainability Assessment (FSA) 3.0.

Our commitment to sustainability is also evident in our improved ESG performance, achieving a commendable FTSE4Good ESG rating of 3.3 stars from 3.1 as of December 2024. Going forward, we are preparing for the adoption of the International Sustainability Standards Board (ISSB) framework, focusing on quantifying sustainability-related risks and opportunities, as required by Malaysia's National Sustainability Reporting Framework. Furthermore, in the context of sustainability governance, we will be transitioning oversight of sustainability from the AGRC to the newly established dedicated Board Sustainability Committee (BSC) from January 2025 onwards. The BSC is tasked to assist the Board to oversee, review and monitor MSM's progress in executing its sustainability strategies and ESG performance.

In line with Malaysia's climate ambitions, we are advancing efforts to reduce our environmental footprint by enhancing energy efficiency, exploring renewable energy solutions and aligning with global frameworks such as the Science-Based Targets Initiative (SBTi) and the Task Force on Climate-Related Financial Disclosures (TCFD).

"Our commitment extends to fostering a circular economy, where we focus on reducing waste and enhancing recycling to minimise our environmental impact. Initiatives like mangrove tree planting further highlight our dedication to environmental conservation and protecting biodiversity."

Established the
Board Sustainability Committee (BSC)
in January 2025.



A PERSPECTIVE FROM OUR LEADERSHIP

OUTLOOK

Following a pivotal turnaround in 2024, supported by the provision of the Joint Sugar Industry incentive by the Government to cover the global rise in input cost, MSM is entering a new phase of strategic evolution. Guided by our Business Plan 2025 – 2027 (BP27), we are set to embark on a three-year journey focused on stabilisation, growth and diversification.

In 2025, our primary focus will be on stabilising operations and strengthening our market presence, particularly in key regional markets. We will also prioritise improving operational efficiencies and solidifying our position in the domestic market.

Moving into 2026, our strategy shifts towards expanding the Sugar Universe—broadening our market reach, deepening our product offerings and fostering innovation within our core business. We aim to explore high-potential markets across Asia-Pacific and develop new partnerships that align with our growth objectives.

By 2027, we envision a transformation that extends beyond the sugar industry. Our goal is to diversify into complementary sectors such as essential food commodities and related industries, leveraging synergies with our key shareholders, FGV Holdings Berhad (FGV) Group and Federal Land Development Authority (FELDA). This expansion will enhance our contribution to Malaysia's economic landscape, drive job creation and fortify national food security.



BOARD MOVEMENTS

In 2024, MSM experienced several changes within our Board of Directors, marking a year of transition and renewal. We extend our heartfelt gratitude to those who concluded their service with us during the year. We acknowledge the contributions of Dato' Rosini Abd Samad, who concluded her tenure in January, followed by Nik Fazila Nik Shihabuddin in June, Dato' Mohd Nazrul Izam Mansor in September and Raja Faridah Raja Ahmad in November. Each of these esteemed individuals has played a pivotal role in shaping MSM's journey and we are deeply appreciative of their leadership, commitment and dedication during their time with us.

As we bid farewell to these distinguished directors, we also welcome new members who bring fresh perspectives and valuable expertise to our leadership team. Low Chooi Hoon has joined us as an Independent Non-Executive Director, stepping into the role previously held by Dato' Rosini. Representing FGV, we welcome Dato' Dr Suzana Idayu Wati Osman and Nurul Muhaniza Hanafi as Non-Independent Non-Executive Directors, bringing with them deep industry insight and strategic acumen. Additionally, Dato' Mohd Banuri Aris has been appointed as a Non-Independent Non-Executive Director, representing Koperasi Permodalan FELDA Malaysia Berhad (KPF), succeeding Raja Faridah.

Their collective expertise and leadership will be invaluable as we continue to chart a course for growth, innovation and operational excellence.

CHAIRMAN'S STATEMENT

ACKNOWLEDGEMENTS

As we reflect on a year of meaningful achievements and transformation, I extend my heartfelt gratitude to all those who have contributed to MSM's success in 2024.

First and foremost, we are deeply appreciative of the support from the Ministry of Domestic Trade and Cost of Living (KPDN) and other relevant sugar industry authorities. To our customers, suppliers and business partners, thank you for your unwavering trust and partnership. Your support has been instrumental in driving our growth and ensuring that MSM remains the local sugar industry leader.

Our gratitude also goes to our shareholders, particularly the FELDA Group, including FGV and KPF, as well as Permodalan Nasional Berhad (PNB). Your continued confidence has empowered us to pursue our goals with resilience and purpose.

I also extend my appreciation to our Group Chief Executive Officer (Group CEO), Syed Feizal Syed Mohammad and MSM's management team for their outstanding leadership and dedication. To the entire Keluarga MSM, your hard work, passion and perseverance have been fundamental to our success. Your contributions ensure that MSM continues to thrive as a trusted leader in the sugar industry.

Our heartfelt appreciation also goes to Ab Aziz Ismail for joining us as our new Chief Financial Officer (CFO). His leadership and financial acumen will be invaluable in navigating the next phase of MSM's growth. We also wish to thank Nur Izwan Mohd Nawawi, our previous Officer-In-Charge, CFO, for his dedicated service and we are grateful for the strong financial foundation he laid during his tenure.

As we celebrate our 60th anniversary, we move forward with gratitude and determination, inspired by the contributions of all who support and believe in MSM's journey. Together, we look ahead with confidence to the next chapter of growth, innovation and success.



A PERSPECTIVE FROM OUR LEADERSHIP

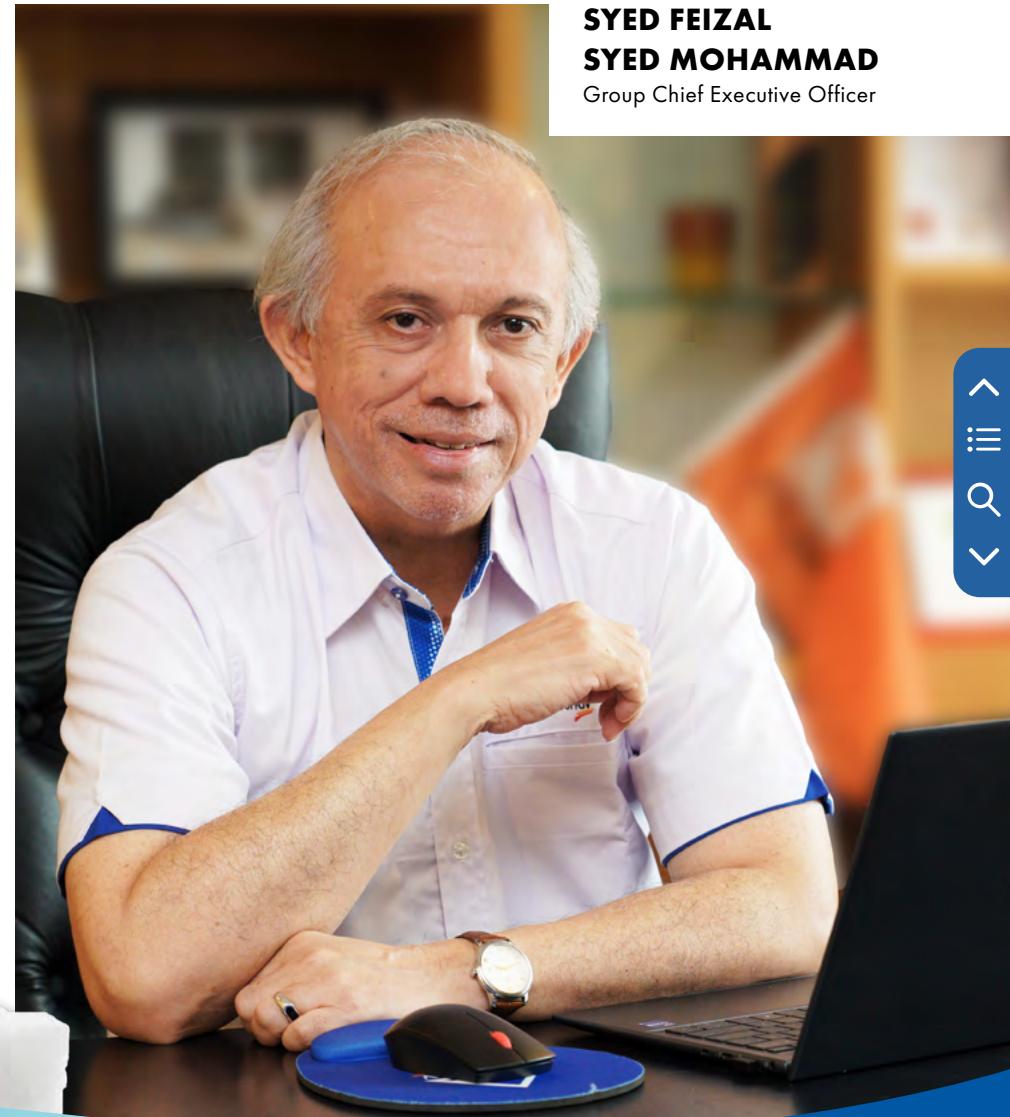
IN CONVERSATION WITH OUR GROUP CHIEF EXECUTIVE OFFICER

DEAR STAKEHOLDERS,

2024 marked a pivotal year for MSM, as we celebrated our 60th anniversary while achieving a significant financial turnaround that reflected years of disciplined execution and strategic transformation.

Amid market volatility, we remained resilient by enhancing operational efficiencies, refining cost structures and expanding our export footprint. With the dedication of our talented team and the support of our valued stakeholders, MSM is well-positioned to build on this momentum and chart a path toward enduring success.

“2024 was a defining year for MSM as we successfully delivered a significant turnaround, returning to profitability and achieving notable financial and operational improvements.”



**SYED FEIZAL
SYED MOHAMMAD**
Group Chief Executive Officer



A PERSPECTIVE FROM OUR LEADERSHIP

IN CONVERSATION WITH OUR GROUP CHIEF EXECUTIVE OFFICER



MSM delivered a strong financial turnaround in 2024, returning to profitability after facing challenges in previous years. What were the key drivers behind this success?

2024 was a defining year for MSM as we successfully delivered a significant turnaround, returning to profitability and achieving notable financial and operational improvements. For the full year, we recorded a profit before tax (PBT) of RM75 million, a remarkable reversal from the loss before tax (LBT) of RM28 million in 2023. This was underpinned by disciplined execution of our transformation strategy, focusing on cost optimisation, efficiency enhancements and market expansion.

One of the most significant contributors to our improved performance was stronger production efficiency. In 2024, the Group recorded a capacity utilisation factor (UF) of 54%, up from 48% in 2023 while our yield improved to 96% from 95%. These gains were supported by operational discipline at both MSM Prai and MSM Johor, where we streamlined processes, enhanced preventive maintenance and improved energy efficiency.

Despite market challenges, including volatile raw sugar prices and rising freight costs, we effectively managed risks through proactive hedging strategies and improved cost structures. Our revenue grew 15% year-on-year to RM3.54 billion, supported by an 8% increase in sales volume and a 6% higher average selling price (ASP).

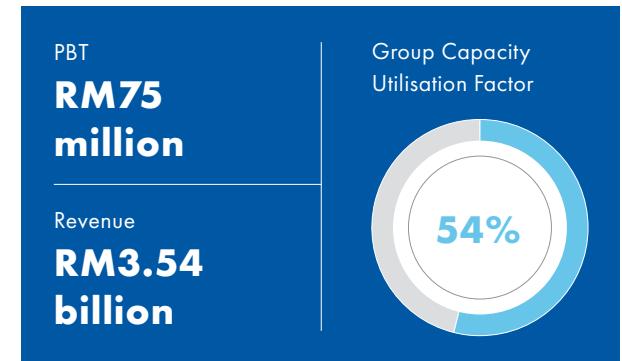
Commercially, our export segments saw significant growth, with increased demand from key markets, including Asia-Pacific

and new regions in North America and Europe. This diversification strategy not only bolstered revenue but also positioned MSM as a more competitive global player in the sugar industry.

Ultimately, MSM's turnaround was driven by strong operational execution, strategic cost management and a commitment to sustainable growth. With these fundamentals in place, we are now well-positioned to build on this momentum in 2025 and beyond.

We also brought in external expertise by engaging consultants from Wilmar, leveraging their deep industry knowledge to refine our operational strategies and drive efficiency across our production facilities. Their insights have been instrumental in streamlining processes, optimising production cycles and encouraging a culture of continuous improvement within our organisation.

“Ultimately, MSM’s turnaround was driven by strong operational execution, strategic cost management and a commitment to sustainable growth.”



A PERSPECTIVE FROM OUR LEADERSHIP

IN CONVERSATION WITH OUR GROUP CHIEF EXECUTIVE OFFICER



Reflecting on MSM's transformation journey, what were the pivotal factors that shaped the Company's progress to where it stands today in 2024?

2

MSM's transformation has been a journey defined by resilience, strategic clarity and unwavering commitment to operational excellence. Looking back over the past few years, the turning point began with the recognition that meaningful change required not only operational shifts but a comprehensive transformation across every aspect of the business.

In 2022, we faced significant challenges, including persistent inflationary pressures, rising input costs and underperformance at MSM Johor, which weighed heavily on our operations. It was during this period that we laid the groundwork for our turnaround by focusing on three core pillars: improving operational efficiency, optimising costs and reigniting our people's motivation and morale. These early steps included ramping up production, securing strategic contracts like the Coca-Cola supply agreement and refining our export strategy to expand into new markets such as Indonesia and China.

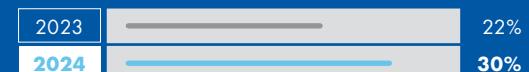
By 2023, our focus sharpened on stabilising operations and addressing specific challenges at MSM Johor. We made significant strides in enhancing operational reliability by rectifying equipment issues, improving production capabilities and increasing UF. Our broader transformation initiatives also took root as we expanded our ESG commitments and fostered a culture of accountability and innovation across the organisation. While digital tools supported operational improvements, our primary focus remained on enhancing core manufacturing performance and operational discipline.

Now, in 2024, we see the results of those efforts materialising. The financial turnaround this year reflects not just improved market conditions but the impact of years of hard work, disciplined execution and strategic foresight. Our team has embraced a performance-driven culture and operational excellence is now deeply embedded in how we do business. From overcoming production challenges at MSM Johor to strengthening our export presence and advancing ESG initiatives, each milestone has brought us closer to realising MSM's full potential.

This progress has only been possible because of the collective efforts of our dedicated workforce, the support from our shareholders and the resilience of our leadership team. Together, these factors have shaped MSM's journey to becoming a stronger, more agile organisation, prepared to navigate future challenges and seize new growth opportunities.

"Together, these factors have shaped MSM's journey to becoming a stronger, more agile organisation, prepared to navigate future challenges and seize new growth opportunities."

Average UF of **30%** at MSM Johor in 2024 compared to 22% in 2023



A PERSPECTIVE FROM OUR LEADERSHIP

IN CONVERSATION WITH OUR GROUP CHIEF EXECUTIVE OFFICER



The turnaround at the Johor refinery has been particularly noteworthy. What steps did management take to motivate the team and drive this transformation?

3

The turnaround at MSM Johor stands as one of the most significant achievements in our transformation journey and it is, without a doubt, a testament to the resilience and dedication of our people. When we began this effort, MSM Johor was weighed down by operational inefficiencies and underutilisation, which had long been barriers to unlocking its full potential. However, we understood early on that the solution was not just technical. It was about reigniting motivation and creating a culture of accountability and ownership among our people.

The first critical step was rebuilding morale and instilling a sense of belief within the team. We recognised that operational challenges were deeply intertwined with how our people felt about their work and their potential to effect change. Management made it a priority to be present on the ground, engaging directly with employees to understand their concerns, gather insights and foster a collaborative environment. This helped us break down barriers between leadership and operational teams, creating a more inclusive and transparent workplace culture.

We also focused on empowering our people through targeted upskilling initiatives. Employees were encouraged to take ownership of their roles and were provided with opportunities for training and professional development. As a result, many team members began to emerge as subject matter experts, taking initiative to optimise operations and implement innovative solutions. This shift in mindset was critical to building a team that was not only capable but also motivated to drive continuous improvement.

Another vital element was strategic leadership appointments which involved placing the right individuals in key positions who could drive the transformation agenda forward with clarity and purpose. We ensured that those leading MSM Johor were equipped with both technical expertise and the leadership skills necessary to inspire their teams.

Operationally, we introduced disciplined management practices focused on preventive maintenance, efficiency optimisation and reliability improvements. These efforts culminated in significant milestones, including achieving record-breaking utilisation factors and operational stability. By the end of 2024, MSM Johor had reached an unprecedented level of operational efficiency, reflecting the hard work and dedication of everyone involved.

This transformation was not just about fixing equipment or streamlining processes. It was about fostering a culture of ownership, pride and belief in our collective ability to succeed. Today, MSM Johor stands as a symbol of what can be achieved when strategy, leadership and people come together with a shared vision for progress.

“Leadership and people come together with a shared vision for progress.”



A PERSPECTIVE FROM OUR LEADERSHIP

IN CONVERSATION WITH OUR GROUP CHIEF EXECUTIVE OFFICER

How is MSM strengthening its environmental, social and governance (ESG) commitments and what progress has been made in 2024?

4

In 2024, MSM continued to embed ESG principles deeply within our operations, reinforcing our commitment to sustainable and responsible business practices. This focus is not just a compliance exercise but a core pillar of our long-term growth strategy. I am encouraged by how our employees have embraced this journey. There is growing awareness and engagement across MSM toward sustainability goals, which is vital for driving long-term change. This cultural shift has been reflected in the way teams contribute to operational efficiency and support broader ESG initiatives.

On the environmental front, we have made notable progress in energy efficiency, achieving significant improvements across our operations. Our Prai refinery recorded a remarkable energy intensity below 1.0 tonnes of steam per tonne of raw sugar melted (Ts/Tr), while Johor improved its energy efficiency substantially, reducing consumption to 1.22 Ts/Tr by the end of 2024. These gains have translated into lower emissions and a reduced carbon footprint, supporting our broader decarbonisation goals. We are also advancing toward a zero landfill objective, achieving a 95% waste recovery rate. The next target is full recovery, with initiatives like exploring potential uses for waste products of the sugar refining process such as mudcake, including research into applications for animal feed and aquatic life.

From a social perspective, we focused on fostering a motivated and skilled workforce. Our talent development

initiatives, such as the Prodigy programme, have played a crucial role in nurturing young talent, providing graduates with valuable industry experience and helping address graduate unemployment. We have also emphasised diversity, recognising the value brought by varied demographics, including increasing female representation in leadership roles and encouraging the inclusion of fresh perspectives from younger employees.

On the governance front, we have strengthened our integrity framework through initiatives like the MSM Integrity Symposium, promoting a culture of accountability across all levels of the organisation. Additionally, we have made significant strides in sustainability reporting, proactively preparing for upcoming regulatory requirements under Bursa Malaysia's National Sustainability Reporting Framework.

Our Prai refinery recorded a remarkable energy intensity below

1.0 Ts/Tr

Johor improved its energy efficiency substantially, reducing consumption to

1.22 Ts/Tr
by the end of 2024

We are also advancing toward a zero landfill objective, achieving a

95%

waste recovery rate



A PERSPECTIVE FROM OUR LEADERSHIP

IN CONVERSATION WITH OUR GROUP CHIEF EXECUTIVE OFFICER

**What is your outlook for MSM as it moves forward and what are the key priorities for 2025 and beyond?**

5

Looking ahead, we approach 2025 with cautious optimism, buoyed by the progress made over the past year and the firm foundation laid by our transformation journey. Our focus will be on unlocking greater operational potential while advancing strategic growth initiatives that position MSM for long-term sustainability.

Operationally, we will continue to sweat our assets. For MSM Prai, the goal is to maintain high performance with a utilisation factor (UF) above 80%, yield targets around 97% and energy efficiency below 1.0 Ts/Tr. With MSM Johor having stabilised operations, we will focus on ramping up to 45% UF, with a targeted yield of 94% and continued improvements in energy consumption. The completion of Boiler 3 in Johor by late 2025 will further enhance production capacity and operational efficiency.

Commercially, we aim to expand our market presence, particularly in China and the ASEAN region, including Vietnam, Indonesia, Singapore and the Philippines. Our goal is to increase total export volumes to 360,000 MT in 2025, with an emphasis on value-added products like liquid sugar and premixes from MSM Johor. This diversification will strengthen our export footprint and help mitigate domestic market volatility.

Innovation will remain central to our strategy, not only through technological advancements but also by rethinking financial models and operational processes. We are exploring new trading opportunities, inspired by industry leaders such as Wilmar, as well as plantation initiatives as a long-term sustainability strategy.

Another critical priority will be preparing for carbon tax implications and enhancing our risk management frameworks, particularly in the face of unpredictable factors like climate-related disruptions and

geopolitical tensions. Our proactive hedging strategies and continuous improvements in operational efficiency will be vital in navigating these external challenges.

Internally, we aim to foster a culture of ambition and innovation. Our next phase of growth will require unlocking new levels of potential within the organisation, supported by strategic partnerships and an open mindset toward bold ventures that can drive significant business value.

Ultimately, our outlook for 2025 and beyond is shaped by our commitment to sustainable growth, operational excellence and market leadership. We are poised to build on the momentum of 2024, with a clear focus on strengthening MSM's position both domestically and globally.

"We are poised to build on the momentum of 2024, with a clear focus on strengthening MSM's position both domestically and globally."

Our goal is to increase total export volumes to

360,000 MT
in 2025



A PERSPECTIVE FROM OUR LEADERSHIP

GROUP FINANCIAL REVIEW

OVERVIEW

2024 in Summary

2024 marked a turnaround for MSM, with the Group continuing its positive momentum to produce a year-on-year improvement, made all the more significant with a return to profitability.

Our transformation journey remains on track, setting the foundation for sustainable growth and long-term profitability. This progress was underpinned by stronger operational performance at MSM Johor and the continued optimisation of steady operations at MSM Prai.

While the year brought positive momentum, it was not without challenges. High inflation weighed on domestic consumer spending, while persistently elevated interest rates, rising energy prices and volatile NY11 commodity prices added pressure. In the latter part of the year, the sharp and sudden strengthening of the Ringgit against the US Dollar (USD) further impacted assets with USD carrying values. Like many other businesses, MSM also faced increased input costs amid ongoing geopolitical uncertainties.

Despite these hurdles, the Group delivered a strong performance in FY2024, a testament to our resilience and ability to adapt to evolving business conditions.



STATEMENT OF COMPREHENSIVE INCOME

REVENUE

In FY2024, the Group recorded higher revenue of RM3.54 billion, 15% higher compared to RM3.09 billion in FY2023. Contributing to this was an 8% growth in sales volume and a 6% increase in the average selling price (ASP). Geographically, approximately 80% of the Group's revenue came from our Domestic operations. As part of the local Joint Sugar Industry, we continued to receive incentives from the Government which started in November 2023. This incentive, which accounts for 8% of our total revenue, is vital to address the systemic anomaly in the retail price of packed sugar sold in Malaysia, which ranks as the lowest in the region. We are pleased that the Government acknowledges our key role in ensuring the sustainability of sugar supply in Malaysia, especially considering that we continued to maintain consistent and sufficient supply despite the regulated ceiling price being significantly lower than input costs.

While the incentive has helped neutralise the ceiling price challenge in the Wholesale segment, we have also improved revenue from other segments. The Group's adjusted revenue over and above the incentive grew 7% year-on-year. The Domestic segment, which comprises Wholesale and Industry segments, grew its underlying sales by 6% on the back of a 6% growth in volume.

The Wholesale segment alone, excluding incentives, grew 3%, resulting from a 4% rise in sales volume, testifying to the Group's strong brand presence in Malaysian households. The Industry segment has also shown significant improvement with an 8% growth in revenue, reflecting an 8% growth in volume, despite selling prices remaining unchanged over the last financial year.

In addition, the Export segment's revenue, which accounts for the remaining 20% of the Group's total revenue, grew underlying sales by 11%. This was due to strong volume growth of 17%, indicating MSM's robust position and marketability in the regional market. However, the ASP for Export declined by 5% due to challenging price competition in the Export segment as well as fluctuations in the USD exchange rate.



The Group recorded higher revenue of

RM3.54 billion



Approximately



of the Group's revenue came from our Domestic operations



A PERSPECTIVE FROM OUR LEADERSHIP

Gross Profit margin percentage of

6%

double the Gross Profit margin in FY2023 of 3%

Profit from operations also grew exponentially to

RM 112 million

from RM12 million in FY2023



Profit before tax (PBT) of
RM75 million

in FY2024

PROFITABILITY

The Group registered profit before tax (PBT) of RM75 million in FY2024 swinging back to black following a loss before tax of RM28 million in the previous year. Gross Profit rose to RM216 million, up from RM79 million in FY2023. This translates to an improved Gross Profit margin percentage of 6%, double the Gross Profit margin in FY2023 of 3%. Profit from operations also grew exponentially to RM112 million, from RM12 million in FY2023.

The remarkable improvement in performance can be attributed to several key factors. Firstly, our well-established risk mitigation strategy for raw sugar hedging has been crucial in mitigating the volatility of raw sugar costs. Additionally, efficiency improvements at both refineries have led to higher output and enhanced yield, resulting in better energy consumption, as well as reduced refining costs. Furthermore, the government incentive received has strengthened the Wholesale segment's performance, helping to offset losses from the regulated ceiling price and contributing to the overall sustainability of our business operations.



A PERSPECTIVE FROM OUR LEADERSHIP

GROUP FINANCIAL REVIEW

FINANCE COSTS AND GEARING RATIO

The Group's borrowings have decreased significantly by 21% year-on-year, dropping to RM894 million from RM1.1 billion in FY2023. As a result of the lower borrowings, finance costs for the year were RM44 million, down from RM48 million in FY2023. This reduction in borrowings is directly attributed to intentional efforts to reduce debt, lower finance costs and improve the gearing ratio. The Group's gearing ratio, calculated as net debt over total capital, stands at 34% for the current year, an improvement from 37% in FY2023, driven by higher total capital resulting from improved profitability. This achievement is particularly noteworthy considering the challenges faced throughout the year, including elevated interest rates and rising input costs. To mitigate these challenges, the Group has leveraged internal funds, where possible, to finance raw sugar purchases and capital expenditure projects.

TAXATION

The Group recorded a higher tax expense of RM43 million in FY2024 compared to RM21 million in FY2023 as a result of improved profitability. The effective tax rate for FY2024 was 57%, higher than the statutory income tax rate of 24% driven by deferred tax assets not recognised in a subsidiary.

Significantly
**decreased
borrowings
by 21%**
year-on-year to
RM894 million

Group's gearing ratio
stands at
34%
for FY2024, an
improvement from 37% in
FY2023

STATEMENT OF CASH FLOWS

The Group's strong profitability has contributed to improved cash management for the year, despite a lower cash balance of RM174 million at the end of FY2024, compared to RM278 million at the close of FY2023. Operating activities have generated total net cash of RM226 million, a significant improvement from the cash outflow for operating activities of RM111 million in FY2023. This improvement was mainly driven by the surge in core operating profit and more effective working capital management. The lower cash balance at the year end is primarily due to the use of internal funds for raw sugar purchases, repayment of term loans and investments in capital expenditure projects.



Generated total net cash of
RM226 million
from operating activities



A PERSPECTIVE FROM OUR LEADERSHIP

GROUP FINANCIAL REVIEW

**FOCUS FOR 2025**

The outlook for the global economy remains uncertain, with FY2025 expected to face tighter financial market conditions, potential currency volatility and ongoing geopolitical uncertainties. While the Group has seen financial improvements in FY2024, we acknowledge the significant challenges ahead in maintaining financial performance and delivering greater value to our shareholders. Moving forward, continued focus will be placed on strengthening risk mitigation against commodity price volatility, improving working capital and managing operational expenditures. Our efforts will remain dedicated to driving volume growth, increasing margins and optimising costs. Furthermore, all areas of the business are aligned towards operational efficiency, which is crucial for generating sustainable profits and strengthening the balance sheet.

As we navigate these challenges, we welcome Ab Aziz Ismail as our new Chief Financial Officer, effective 1 April 2025. We also extend our sincere appreciation to Nur Izwan Mohd Nawawi, who served diligently as Officer-In-Charge, CFO since 12 August 2024, for his leadership and contributions during a critical transition period.



A PERSPECTIVE FROM OUR LEADERSHIP

FINANCIAL PERFORMANCE

5-YEAR FINANCIAL HIGHLIGHTS

	2024 RM'000	2023 RM'000	2022 RM'000	2021 RM'000	2020 RM'000
Revenue	3,544,733	3,091,223	2,565,985	2,259,698	2,184,463
Cost of Sales	(3,328,595)	(3,011,960)	(2,611,704)	(2,098,744)	(2,016,920)
Gross Profit/(Loss)	216,138	79,263	(45,719)	160,954	167,543
Other Operating Income	4,254	23,441	10,044	9,897	1,566
Selling and Distribution Expenses	(23,449)	(25,676)	(39,639)	(28,293)	(26,101)
Administrative Expenses	(81,442)	(75,031)	(70,808)	(66,106)	(62,374)
Reversal of Impairment/(Impairment) of Financial Assets - Net	745	693	2,819	(1,635)	(6,565)
Reversal of Impairment of Non-Financial Assets	-	-	-	16,427	11,775
Other Operating Expenses	(3,654)	(1,854)	(249)	(7,682)	(14,232)
Other (Losses)/Gains - Net	(384)	10,979	(7,025)	41,998	(2,816)
Profit/(Loss) from Operations	112,208	11,815	(150,577)	125,560	68,796
Finance Income	7,068	7,932	4,022	2,587	3,835
Finance Costs	(44,312)	(47,760)	(31,984)	(47,045)	(36,784)
Profit/(Loss) before Zakat and Taxation	74,964	(28,013)	(178,539)	81,102	35,847
Zakat	(1,000)	(1,000)	(1,000)	(1,000)	(1,486)
Taxation	(42,710)	(20,871)	827	(43,487)	(30,498)
Profit/(Loss) for the Financial Year from Continuing Operations	31,254	(49,884)	(178,712)	36,615	3,863
Discontinued Operations					
Profit/(Loss) from Discontinued Operations, Net of Tax	-	-	-	88,738	(75,091)
Profit/(Loss) for the Financial Year	31,254	(49,884)	(178,712)	125,353	(71,228)

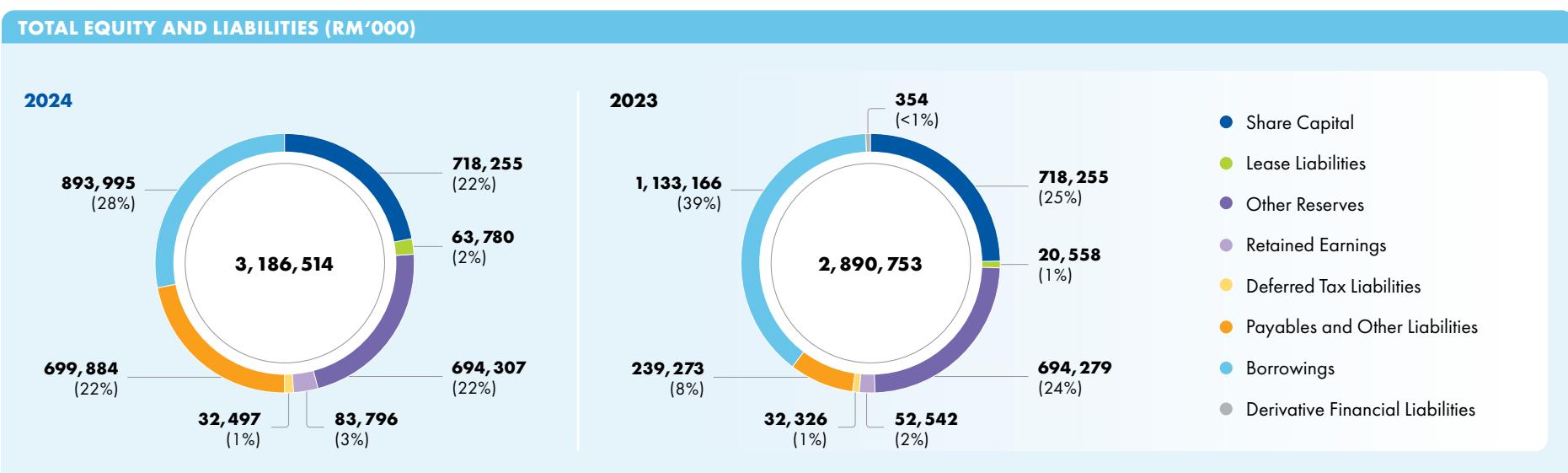
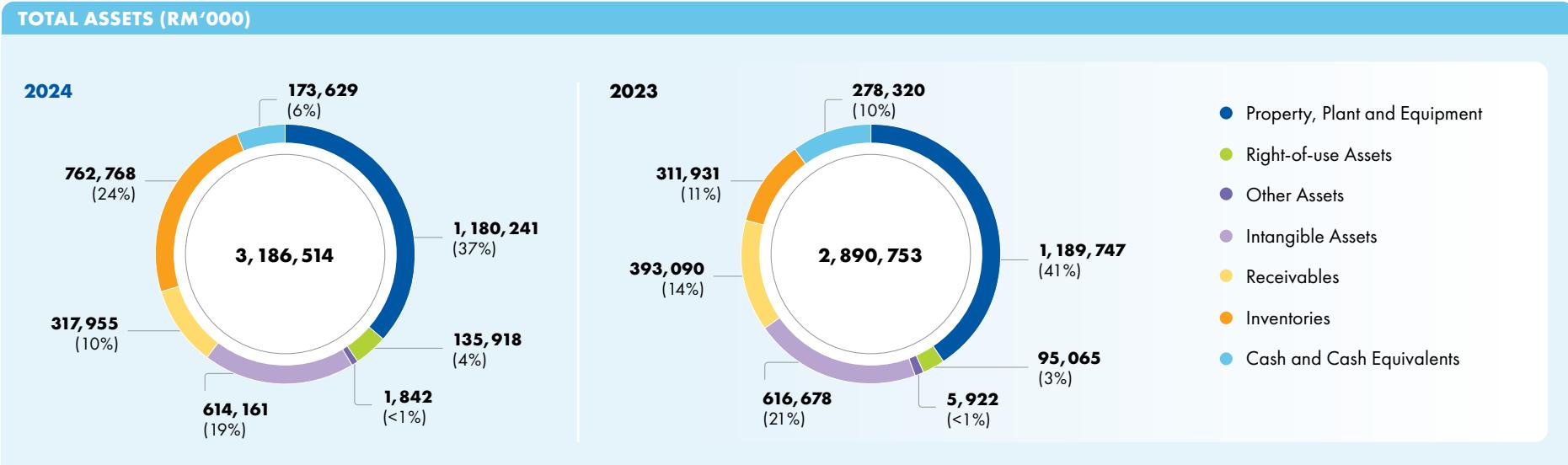
FINANCIAL RATIOS	2024 RM'000	2023 RM'000	2022 RM'000	2021 RM'000	2020 RM'000
Return on Shareholder's Equity	2.09%	(3.40%)	(11.80%)	7.32%	(4.50%)
Return on Total Assets	1.0%	(1.7%)	(6.4%)	4.4%	(2.6%)
Debt Equity Ratio	1.1	1.0	0.9	0.7	0.8
Dividend Cover	-	-	-	5.9	-
Total Assets	3,186,514	2,890,753	2,811,793	2,870,839	2,770,280
Net Assets per Share	2.13	2.08	2.15	2.44	2.25
Earnings/(Loss) per Share (Sen)	4.45	(7.10)	(25.42)	17.83	(10.13)



A PERSPECTIVE FROM OUR LEADERSHIP

FINANCIAL PERFORMANCE

STATEMENT OF FINANCIAL POSITION



A PERSPECTIVE FROM OUR LEADERSHIP

FINANCIAL PERFORMANCE

QUARTERLY FINANCIAL PERFORMANCE

	First Quarter RM'000	Second Quarter RM'000	Third Quarter RM'000	Fourth Quarter RM'000
2024				
Revenue	906,614	833,077	861,444	943,598
Profit/(Loss) from Operations	74,348	(21,533)	(46,255)	105,648
Profit/(Loss) before Zakat and Taxation	65,731	(31,642)	(55,576)	96,451
Profit/(Loss) Attributable to Equity Holders of the Company	41,713	(32,397)	(49,758)	71,696
Basic Earnings/(Loss) per Share (Sen)	5.93	(4.61)	(7.08)	10.20
2023				
Revenue	588,393	746,231	806,722	949,877
(Loss)/Profit from Operations	(25,403)	(5,813)	(22,765)	65,796
(Loss)/Profit before Zakat and Taxation	(33,183)	(14,203)	(33,830)	53,203
(Loss)/Profit Attributable to Equity Holders of the Company	(35,875)	(20,817)	(36,063)	42,871
Basic (Loss)/Earnings per Share (Sen)	(5.10)	(2.96)	(5.13)	6.10

STATEMENT OF VALUE ADDED

	2024 RM'000	2023 RM'000
Value Added		
Revenue	3,544,733	3,091,223
Purchase of Goods and Services	(3,238,361)	(2,928,275)
Value Added by the Group	306,372	162,948
Other Operating Income	4,254	23,441
Other (Losses)/Gains - Net	(384)	10,979
Reversal of Impairment of Financial Assets	745	693
Finance Income	7,068	7,932
Finance Cost	(44,312)	(47,760)
Value Added Available for Distribution	273,743	158,233



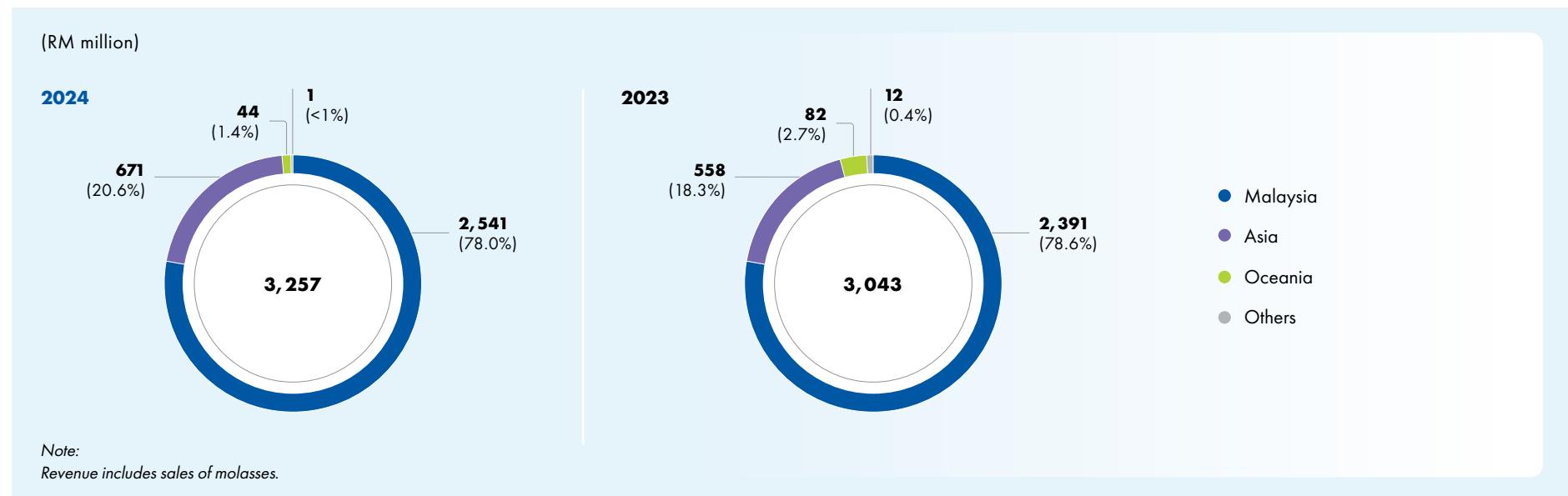
A PERSPECTIVE FROM OUR LEADERSHIP

FINANCIAL PERFORMANCE

STATEMENT OF VALUE ADDED (CONTINUED)

	2024 RM'000	2023 RM'000
Distribution		
To Employees		
- Employment Cost	115,521	103,594
To Government/Approved Agencies		
- Taxation and Zakat	43,710	21,871
To Shareholders		
- Dividends	-	-
Retained for Reinvestment and Future Growth		
- Depreciation and Amortisation	83,258	82,652
- Retained Profits/(Losses)	31,254	(49,884)
Total Distributed	273,743	158,233

REVENUE BY REGION



OUR APPROACH TO VALUE CREATION

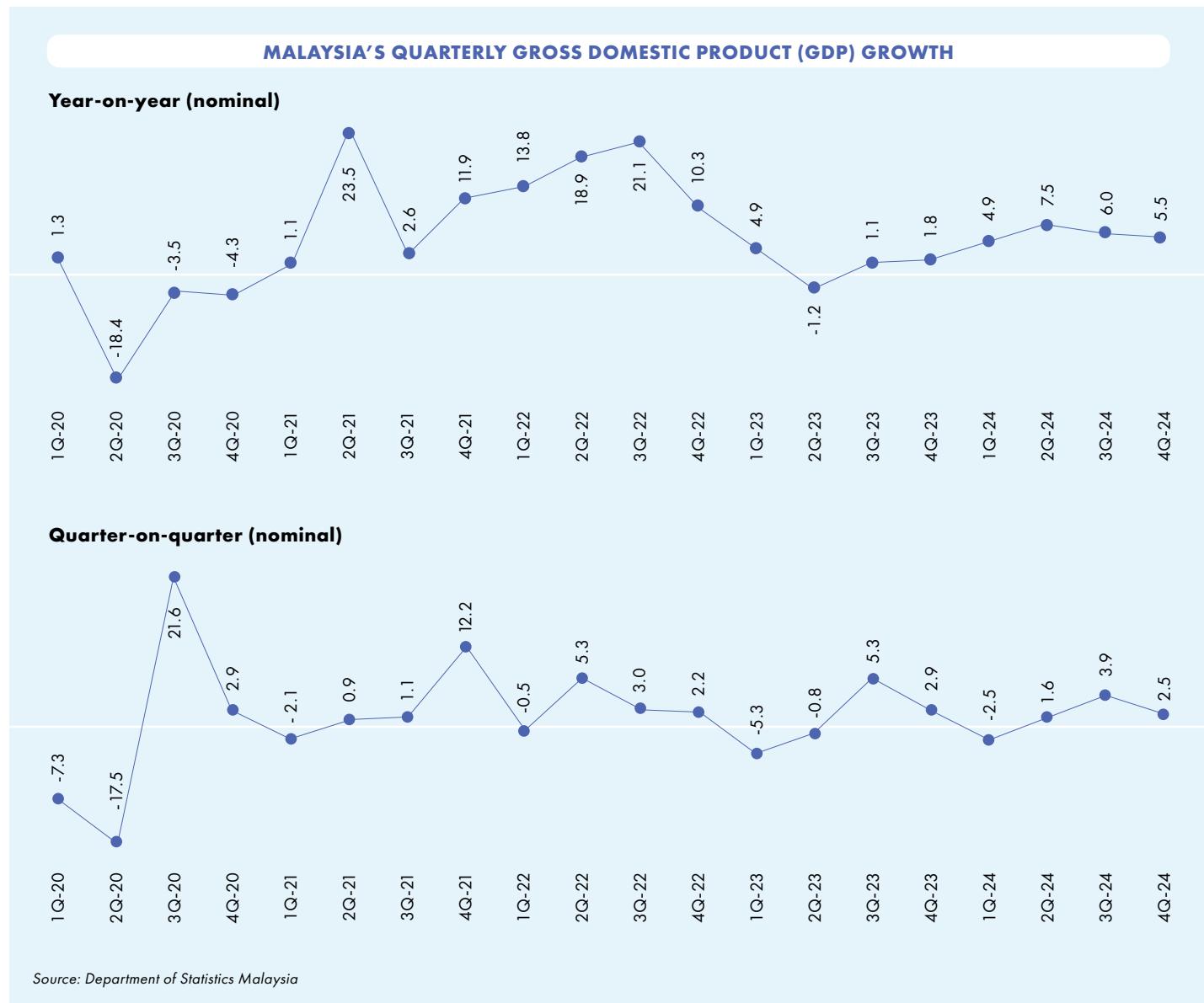
MARKET LANDSCAPE

OVERVIEW

In 2024, various macroeconomic factors significantly influenced the global business environment, including the sugar industry in which MSM operates. Persistently high inflation kept interest rates elevated, driving up financing costs and limiting access to affordable capital. This situation hampered investment in growth and innovation, compounding the challenges faced by many industries. Additionally, rising energy prices increased operational costs across production, transportation and logistics, leading to tighter margins and heightened financial pressures.

The impact of extreme weather events, exacerbated by climate change, further disrupted global commodity markets, particularly in the sugar industry. Major producers like Brazil and India experienced challenges in sugarcane harvests, tightening supply and pushing prices upward. Volatile currency exchange rates, including a stronger U.S. dollar, added to the complexity of global trade, affecting pricing and competitiveness.

Despite these challenges, the raw sugar (NY11) market experienced a notable shift by the end of 2024. Prices dropped from 23.71 to 19.04 US cents per pound, driven by improved supply prospects from Brazil, which benefitted from record-breaking sugar production and favourable weather conditions. This improvement provided short-term relief to global markets, easing price pressures and stabilising conditions in the latter part of the year.



OUR APPROACH TO VALUE CREATION

MARKET LANDSCAPE

MALAYSIA'S ANNUAL GDP GROWTH

2022

+8.7%

2023

+3.7%

2024

+5.1%

In the year under review, global economic growth slowed due to mounting geopolitical tensions, with U.S. tariffs disrupting trade and increasing market uncertainty. High interest rates have curbed investment and spending, despite declining inflation in certain economies. Environmental disruptions, particularly the El Niño phenomenon, have impacted agriculture and driven up food prices, adding pressure to already volatile commodity markets. Additionally, structural challenges such as aging populations, weak productivity and low investment continue to hinder long-term growth prospects.

Against this backdrop, various risks affected economic stability, including stringent monetary policies by central banks to control inflation, economic fragmentation and escalating geopolitical conflicts, particularly in the Middle East. Major elections in several countries, including the U.S. presidential election in 2024, further contribute to economic uncertainty.

Despite these global challenges, Malaysia's economy remains resilient, supported by strong domestic demand and a resurgence in international demand. The country's annual GDP grew 5.1%, reflecting its continued economic momentum amid external pressures. As Malaysia navigates these uncertainties, its diversified economic base and proactive policy measures will play a crucial role in sustaining growth into 2025 and beyond.



OUR APPROACH TO VALUE CREATION

MARKET LANDSCAPE

KEY CHALLENGES for the Sugar Industry in 2024

The sugar industry faced multifaceted challenges in 2024, shaped by geopolitical, climatic and economic factors such as:

1 Geopolitical Tensions

The ongoing Russia-Ukraine conflict continued to disrupt global supply chains and energy markets, amplifying logistical challenges and inflationary pressures. Meanwhile, the Israel-Palestine conflict added uncertainty to global energy markets, threatening to exacerbate food and commodity price volatility in the event of regional tensions escalating.

2 Logistical Disruptions

Strikes at key U.S. ports, particularly on the East and Gulf Coasts, significantly disrupted supply chains, affecting around 60% of U.S. container imports and exports. These bottlenecks increased freight costs and delayed shipments, adding to operational challenges for businesses reliant on these ports.

3 Climate Impact on Production

Severe droughts and fires in Brazil impacted sugarcane yields, reducing expected outputs by approximately 5 million MT. Similarly, adverse weather in India and Thailand further constrained global supply. These disruptions tightened markets and drove price volatility, with the International Sugar Organization revising its global sugar deficit forecast to 2.51 million MT by November 2024.

4 Government Policies

In Malaysia, the Government maintained controlled sugar prices at RM2.85 per kilogram for coarse grain sugar and RM2.95 per kilogram for fine granulated sugar. To sustain this policy amid rising costs, monthly incentives were provided by the Government to the local Joint Sugar Industry, to offset losses incurred by the industry.



OUR APPROACH TO VALUE CREATION

MARKET LANDSCAPE

Performance of Major Sugar Producers in 2024



Brazil

Brazil's sugar production for the 2024/25 season is estimated at 44 million MT, a decline from earlier forecasts of 46 million MT due to severe drought and deteriorating sugarcane quality. Despite these challenges, Brazil remains a key global supplier, with its expanded cultivation and favourable weather conditions earlier in the year supporting market stability.



India

India's sugar production reached 33.7 million MT for 2024/25, reflecting a 2.2 million MT increase compared to the previous season. This improvement was driven by favourable monsoon rains that enhanced sugarcane recovery in key states. However, ongoing export restrictions and its government's focus on ethanol production continue to limit India's contribution to global exports.



Thailand

Thailand's sugar industry is rebounding, with production projected to rise by 18% to 10.35 million MT in 2024/25. Recovery in sugarcane yields and sucrose content has positioned Thailand to strengthen its export levels, though regional competition and trade policy changes present uncertainties.



United States

U.S. sugar production is estimated at 9.51 million MT in 2025, slightly higher than previous forecasts. Steady crop yields and favourable weather conditions have supported production levels, while logistical challenges from port strikes earlier in the year have moderated.

OUTLOOK 2025

The global sugar market is poised for a dynamic year ahead, shaped by shifting production trends, policy interventions and volatile weather conditions. Brazil is expected to remain a dominant player, though persistent drought could limit its output. India's continued emphasis on ethanol production may constrain export volumes despite domestic production gains. Thailand's recovery signals opportunities for regional trade, though China's import restrictions on liquid sugar and pre-mixed sugar powder could pressure Thai exports.

Global consumption is projected to rise, driven by increasing demand in developing economies. However, heightened price volatility is anticipated as tight supplies intersect with unpredictable weather patterns and strong crude oil prices, which incentivise ethanol production over sugar.



OUR APPROACH TO VALUE CREATION

ENGAGING WITH OUR STAKEHOLDERS

Building and maintaining robust relationships with stakeholders has been pivotal to our turnaround success. Despite facing challenges, we leveraged alternative channels to sustain engagement and gather feedback when face-to-face interactions were limited. By attentively listening to our stakeholders, we gained invaluable insights that informed our risk management and decision-making processes.

The table below illustrates our diverse engagement platforms for stakeholders and links raised issues to the pertinent material matters of the year, with consumers and customers prioritised at the forefront.

STAKEHOLDER HIGHLIGHTS



CONSUMERS AND CUSTOMERS

Zero product recalls, reflecting stringent quality and production safety measures by MSM



REGULATORY AGENCIES AND STATUTORY BODIES

Yearly engagement

with Department of Environment and Department of Occupational Safety and Health at MSM Prai (including SBW) and MSM Johor



EMPLOYEES

38% female representation in executive roles and above



VENDORS, SUPPLIERS AND INDUSTRY PARTNERS

Engaged more than

700 local suppliers

in our effort to contribute to local economic growth



SHAREHOLDERS AND INVESTMENT COMMUNITY

Improved FTSE4Good ESG rating from 3.1 to

3.3 stars



MEDIA, NON-GOVERNMENTAL ORGANISATIONS AND COMMUNITIES

Conducted

101 community events to generate positive impacts in the local communities where we operate



OUR APPROACH TO VALUE CREATION

ENGAGING WITH OUR STAKEHOLDERS

Why They Are Important to Us	Key Areas of Concerns for Stakeholder Groups	Our Response	Engagement Platforms
 CONSUMERS AND CUSTOMERS <p>Driving demand, influencing market trends and ensuring business sustainability through continued sales and brand loyalty.</p> <p>Relevant Material Matters</p> <p>M10 M11 M13 M14</p> <p>Impact to Capitals</p> <p>F M S</p>	<ul style="list-style-type: none"> Product quality Consumer health and safety Fair & competitive price Excellent customer service Attractive credit term 	<ul style="list-style-type: none"> Compliance with food standards Household brand Creation of a strong distribution network Optimisation of inventory management system Order fulfilment process 	<ul style="list-style-type: none"> Online communications (emails, corporate website, social media) Dedicated account sales representatives On-ground branding events and activities Customer complaint response form Event and engagement sessions
 EMPLOYEES <p>Driving innovation, productivity and growth while shaping MSM's culture, delivering value and ensuring long-term success.</p> <p>Relevant Material Matters</p> <p>M2 M3 M7 M10 M11</p> <p>M13 M14</p> <p>Impact to Capitals</p> <p>F M S</p>	<ul style="list-style-type: none"> Occupational safety, health & well-being Career development opportunities Vertical and horizontal growth opportunities Competitive benefit, remuneration and welfare packages Conducive working environment <ul style="list-style-type: none"> Protecting human rights Promoting Diversity, Equity and Inclusion (DEI) 	<ul style="list-style-type: none"> Prioritised health and safety programmes Robust talent management process Employee engagements and feedback mechanisms Investment in employees' training and development Benchmark pay structures against industry standards Talent attraction, career advancement and retention Frequent management conversations with employees Team building and recreational events Psychological safety and mental health awareness initiatives 	<ul style="list-style-type: none"> MSM's internal portal and emails Social and recreational activities Regular employee meetings, engagement events and programmes Onboarding programmes



OUR APPROACH TO VALUE CREATION

ENGAGING WITH OUR STAKEHOLDERS

Why They Are Important to Us	Key Areas of Concerns for Stakeholder Groups	Our Response	Engagement Platforms
SHAREHOLDERS AND INVESTMENT COMMUNITY			
 Providing capital, influencing valuation, ensuring accountability, driving long-term growth and enhancing MSM's reputation and financial stability. <p>Relevant Material Matters</p> <p>M10 M11 M13 M14</p>	<ul style="list-style-type: none"> Sustainable financial performance and returns to shareholders Future growth for business Strategic engagement on value-added initiatives Providing comprehensive understanding on the Company's performance, strategy and future prospects Transparent and timely communications including financial reports and sustainability disclosures Ethical and responsible business conduct Embedding ESG in business strategy and decision-making 	<ul style="list-style-type: none"> Implementation of the 3-year rolling MSM Business Plan to sustain long-term plans and growth Ensure transparency in corporate reporting and disclosures through various platforms Profit sustainability plan and revenue expansion initiatives Sustainable manufacturing performance efforts Strengthen reliability programmes and MSM Prai rejuvenation plan Inculcate ESG mindset and practices Uphold a strong governance, compliance and transparency framework 	<ul style="list-style-type: none"> Annual integrated reports Sustainability reports Quarterly financial results announcements and briefings Annual general meetings Annual roadshows (non-deal road shows/investor conferences/corporate days) Online communications (email, corporate website, social media)
REGULATORY AGENCIES AND STATUTORY BODIES			
 Enabling MSM to operate within a supportive environment and infrastructure in addition to providing other means of support to sustain our growth. <p>Relevant Material Matters</p> <p>M2 M3 M7 M10 M11 M13 M14</p> <p>Impact to Capitals</p> <p>F M I H S N</p>	<ul style="list-style-type: none"> Compliance with all legal and regulatory requirements Strong corporate governance Environmental emissions and discharge management Recycling awareness Fair labour practices Safety at work Waste and water management Fulfillment of domestic market sugar supply Effective internal control measures 	<ul style="list-style-type: none"> Ensure good control environment Perform periodical risk assessments and monitoring Establish internal governance of Halal practices and policies Conduct annual consultation sessions Uphold sustainable practices to protect stakeholders Hold annual stakeholder consultations 	<ul style="list-style-type: none"> Regular updates, disclosures and reporting to regulators Regulatory forums, briefings, meetings, conferences and consultation papers Collaborations and partnerships with local councils



OUR APPROACH TO VALUE CREATION

ENGAGING WITH OUR STAKEHOLDERS

Why They Are Important to Us	Key Areas of Concerns for Stakeholder Groups	Our Response	Engagement Platforms
 VENDORS, SUPPLIERS AND INDUSTRY PARTNERS <p>Providing quality materials for MSM to produce the products and services needed for MSM's sustainable growth.</p> <p>Relevant Material Matters</p> <p>M5 M7 M10 M11 M13 M14</p>	<ul style="list-style-type: none"> Convenient access to procurement systems Fair and equal evaluation of vendors and their proposals Communicate fair conditions that satisfy both suppliers' and MSM's needs Communication of new policies, guidelines or strategies 	<ul style="list-style-type: none"> Establishment of honest and open contract/tender negotiations Support for local vendors Actively engage with vendors to improve their understanding on the Company's procedures, guidelines, expectations of deliverables and quality standards Conduct integrity assessments 	<ul style="list-style-type: none"> Annual audits Supplier meetings Vendor site visits Vendor evaluation form E-Procurement system E-Procurement & Tender management system Formal and informal engagements
 MEDIA, NON-GOVERNMENTAL ORGANISATIONS AND COMMUNITIES <p>Helping to shape public perception, influence policy, drive social responsibility and foster trust, collaboration as well as sustainable business practices.</p> <p>Relevant Material Matters</p> <p>M10 M11</p> <p>Impact to Capitals</p> <p>S N</p>	<ul style="list-style-type: none"> Socio-economic operational impact and initiatives Support key community developments and activities Sponsorships and donations Responsive and viable contribution 	<ul style="list-style-type: none"> Community empowerment Regular channeling of value information to media Media engagement and outreach Provision of volunteering opportunities through community activities Provision of financial aid and charitable donations 	<ul style="list-style-type: none"> Community engagement activities Online communications (emails, corporate website, social media)

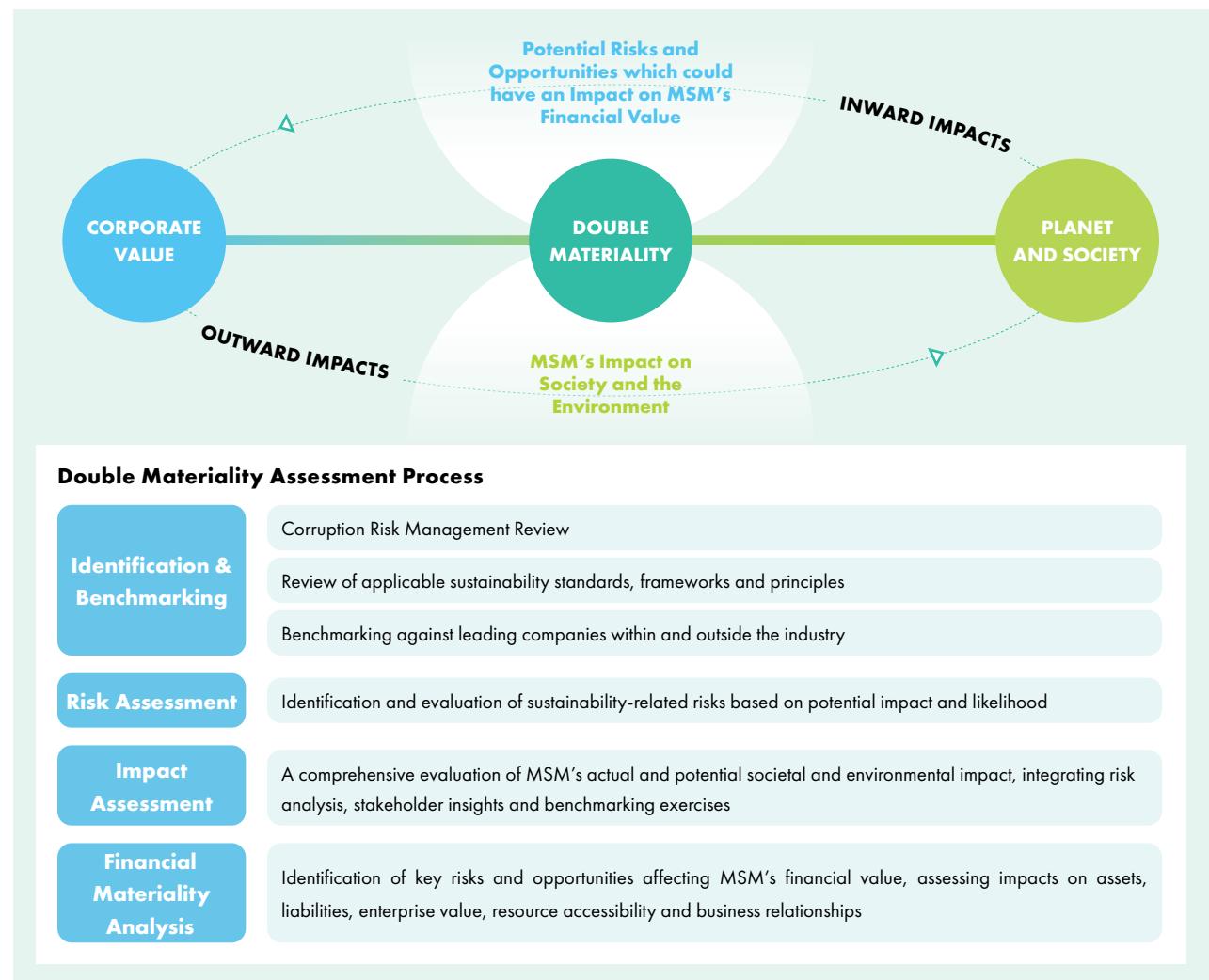


OUR APPROACH TO VALUE CREATION

WHAT MATTERS TO YOU (AND US)

Materiality assessments remain an integral process for us to determine and understand our sustainability priorities. Since transitioning from single materiality to double materiality in 2023, we have gained deeper insights into these priorities, enabling us to balance both outward impacts on society and the environment, as well as inward financial implications. This has enhanced how MSM identifies and responds to emerging sustainability challenges and opportunities.

In 2024, MSM reviewed its material matters by performing an impact materiality validation exercise through an online survey among internal and external stakeholders. The results have shown that all material matters remain relevant, demonstrating a strong alignment between MSM's sustainability strategy and stakeholder expectations. No revisions were required to the material matters, including their naming conventions. By consistently reviewing our material priorities, we ensure that our sustainability strategy remains dynamic, forward-thinking and responsive to evolving global and industry trends.

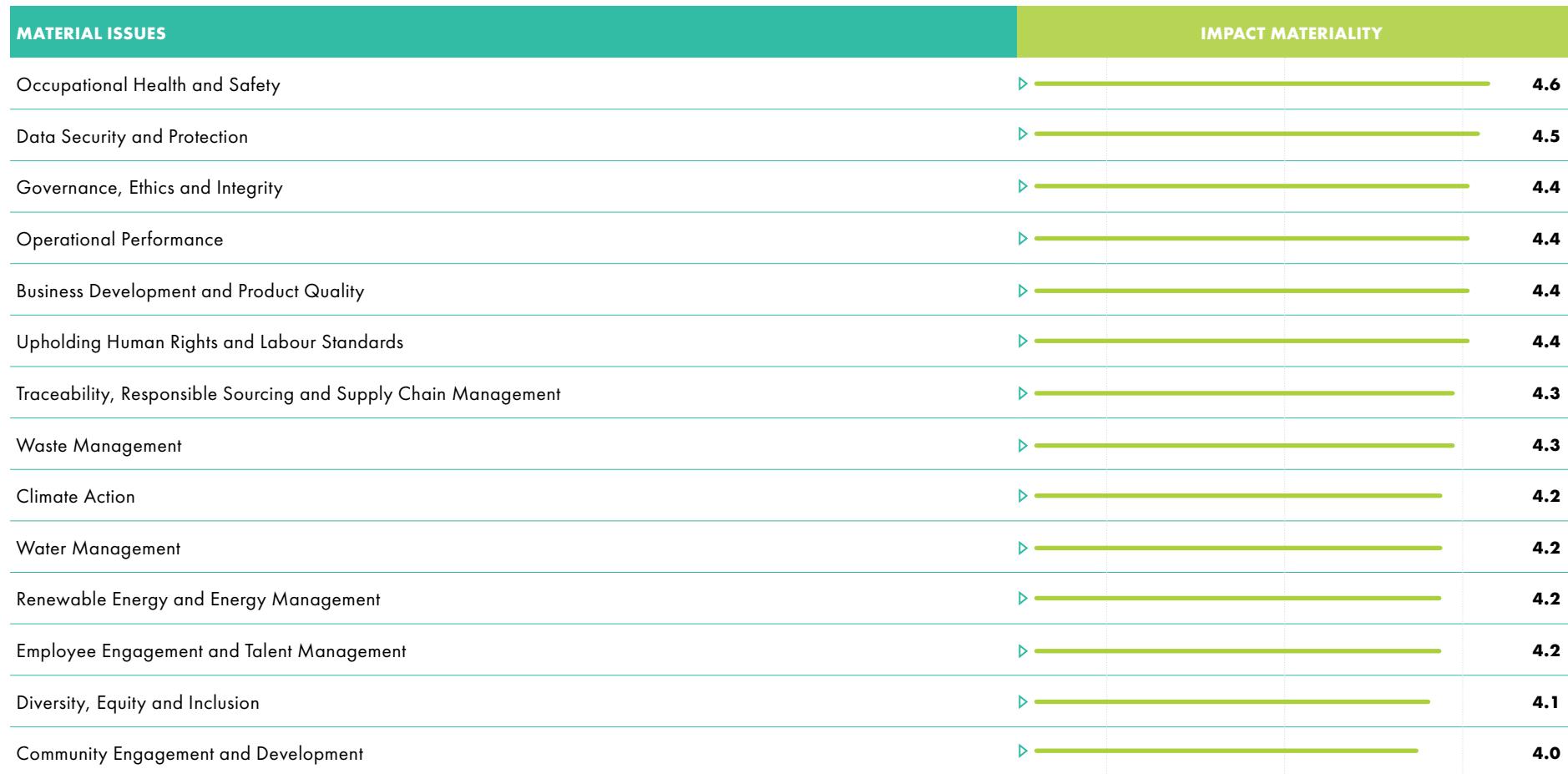


OUR APPROACH TO VALUE CREATION

WHAT MATTERS TO YOU (AND US)

The impact materiality validation exercise showed that Occupational Health and Safety is the most significant material issue, while Community Engagement and Development has the least impact on MSM. Despite this result, we will continue to engage with the local communities in which we operate and contribute to their development, creating long-term value.

2024's Impact Materiality



 For more details of MSM's double materiality assessment and MSM's financial materiality, refer to *What Matters to You (and Us)* on pages 22 to 23 of MSM's SR 2023.

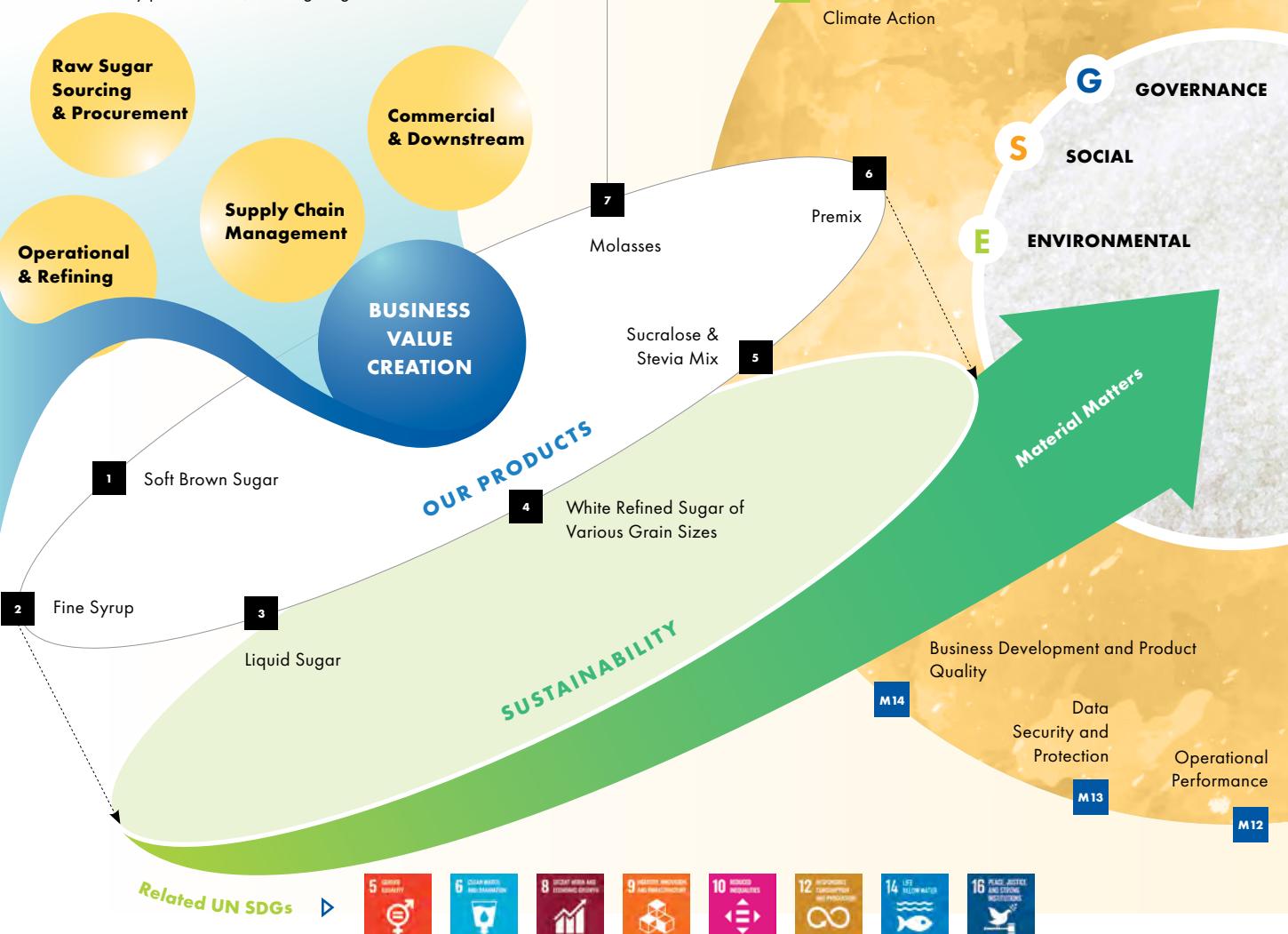
OUR APPROACH TO VALUE CREATION

OUR VALUE CREATING BUSINESS MODEL



OUR BUSINESS

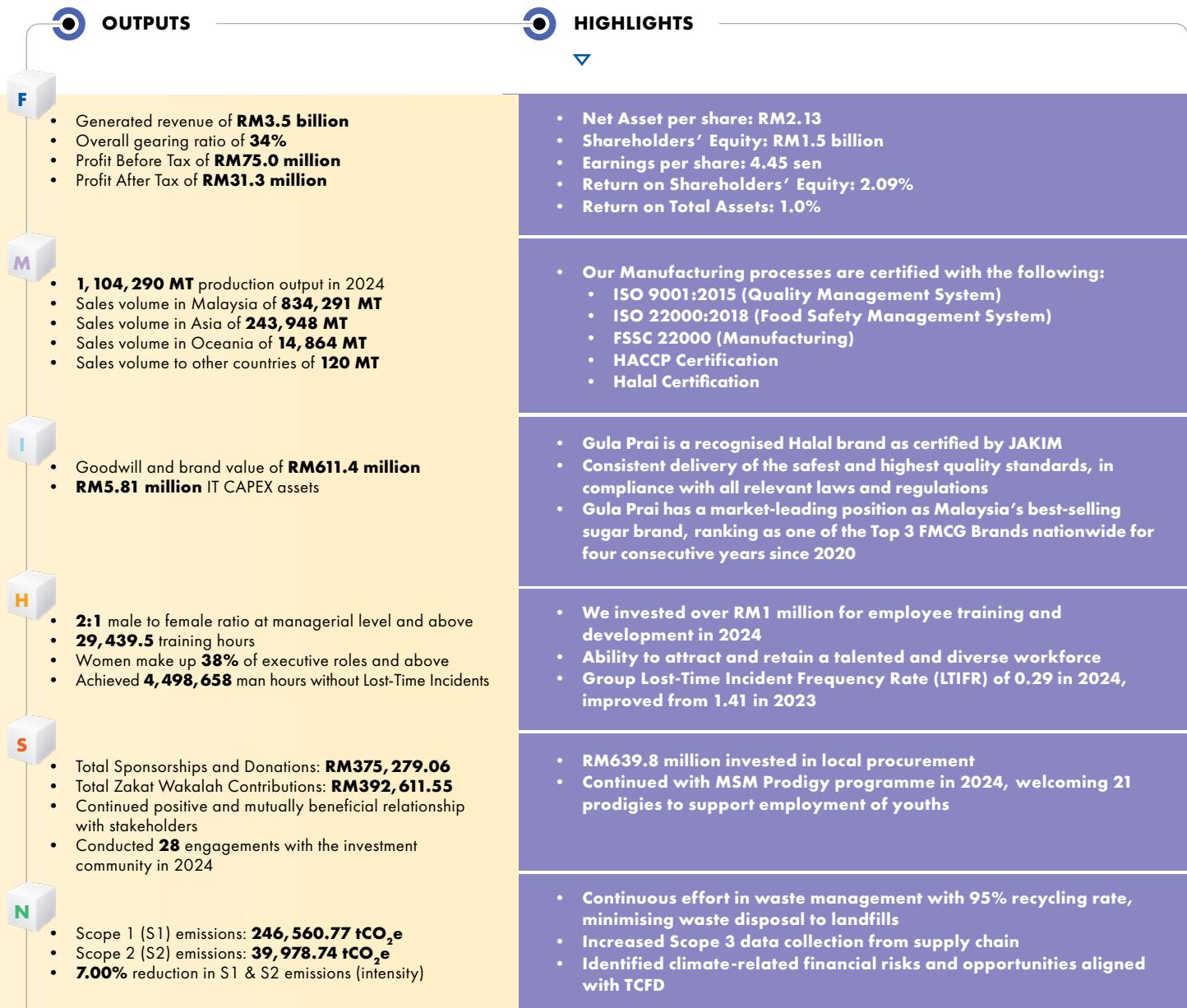
This value creation model illustrates how MSM leverages key inputs to power core business activities from raw sugar sourcing to refining and commercial operations. These processes generate a range of high-quality products while integrating sustainability and material matters across environmental, social and governance pillars. The outcome is reflected in our operational, financial, and sustainability performance, creating long-term value for stakeholders.



OUR APPROACH TO VALUE CREATION

- Upholding Human Rights and Labour Standards M5
- Diversity, Equity and Inclusion M6
- Occupational Health and Safety M7
- Employee Engagement and Talent Management M8
- Community Engagement and Development M9
- Governance, Ethics and Integrity M10
- Traceability, Responsible Sourcing and Supply Chain Management M11

OUR VALUE CREATING BUSINESS MODEL



OUR APPROACH TO VALUE CREATION

OUR STRATEGIC PRIORITIES

OUR STRATEGIC APPROACH & FUTURE OUTLOOK

60 years, Growing Stronger

In 2024, MSM focused on achieving a financial turnaround through the successful implementation of our transformation strategy. Our efforts were centred on strengthening our domestic market share while driving expansion into neighbouring regions, including Asia-Pacific (APAC) and other emerging markets. Despite facing numerous challenges within the industry and global macroeconomic headwinds, we remained committed to progressing with our growth initiatives.

This year also marks the 60th anniversary of MSM Prai, a significant milestone that highlights its enduring strength and legacy. As a model factory recognised for its outstanding operational performance, MSM Prai will continue to be maintained and upgraded under the MSM Prai Rejuvenation Plan, ensuring its long-term sustainability.

On the financial front, the Group has shown remarkable resilience, even in the face of sustained margin compression. We would like to express our sincere gratitude to the Government for its ongoing support of the local sugar industry. Over the years, the industry has faced challenges from rising costs of raw sugar, freight, gas and the depreciation of the Ringgit. The Joint Sugar Industry Incentive has played a crucial role in normalising the impact of costs that exceeded the ceiling price for consumer-packaged sugar.

2024 Business Review

The Group is dedicated to driving operational excellence and fostering sustainable growth as we adapt to the evolving industry landscape. The implementation of initiatives in the MSM Business Plan has largely followed our expectations and we have made significant progress compared to the previous year. Notably, we have achieved better production efficiencies and enhanced the capabilities of MSM Johor.

However, certain critical operational objectives are still in progress. While most key operational metrics have shown considerable improvement from 2023, further time and effort is required to fully achieve our long-term goal of maximising asset potential.

The Group remains unwavering in our commitment to meeting the targets outlined under our Strategic Themes on page 59. These targets continue to serve as a clear guide for our strategic focus and operational initiatives as we work towards sustained growth and optimisation.

We periodically review and update our rolling Business Plan to ensure that it remains aligned with the changing business environment and reflects the Group's current position.

MSM STRATEGY MAP



OUR APPROACH TO VALUE CREATION

OUR STRATEGIC PRIORITIES

To be a world class and cost-efficient organisation driven by sustainability with a diversified portfolio in the food-related business.

Suppliers

Active engagement with over 700 local suppliers, supporting the local economic and business growth.

S4

Employees

Prioritising employee well-being, career advancement, and a safe working environment.

S5

Media and Communities

Promoting and strengthening social impact through community-driven initiatives and CSR programmes.

S6

What will MSM be known for?

S7

Regulators

Bursa Malaysia, Securities Commission Malaysia, Department of Occupational Safety and Health (DOSH), Department of Environment (DOE), KPDN etc. Upholding industry regulations, ESG best practices, corporate governance and robust internal controls.

Metric 2

Maintain high reliability and efficiency in refining and operational processes

Metric 3

Strengthen financial position through disciplined balance sheet management

Metric 4

Enhance energy efficiency and adopt sustainable green energy solutions

Improve UF, yield and energy consumption**Strategic capital management****Lower energy consumption and leverage renewable energy****High value sales**

Expanding sales in key regional markets through strategic retail partnerships and optimised value-chain integration

Domestic market expansion

- Enhancing last-mile delivery capabilities and expanding Consumer Reach Points (CRP)
- Driving market penetration through new product development, advertising and promotional campaigns

Integrity**Innovation****Diversity**

OUR APPROACH TO VALUE CREATION

OUR STRATEGIC PRIORITIES

OUR STRATEGIC APPROACH & FUTURE OUTLOOK

Strategic Themes	Relevant Material Matters	Related Capitals	Key Objectives
Sustainable Manufacturing Performance	M11 M12 M13	F M H	<ul style="list-style-type: none"> Operational performance Resource management Compliance excellence Water and waste management Renewable energy and energy management
Revenue Expansion	M11 M14	F I	<ul style="list-style-type: none"> Service and product quality Market growth maximises offtakes Optimise pricing capabilities
Capital Preservation	M10 M11 M12	F	<ul style="list-style-type: none"> Financial planning and control Effective cashflow management
Improve Sustainable Values	M1 M2 M3 M4 M5 M6 M7 M8 M9 M10 M11	S I N	<ul style="list-style-type: none"> Environmental impact and climate action Community engagement endeavours Employee engagement and talent management Occupational health and safety, upholding human rights and labour standards Advocate for greater diversity among senior corporate positions Upholding human rights and labour standards Governance, ethics and integrity

Legend: ✓ Completed ⌚ Ongoing ▶ Not started



OUR APPROACH TO VALUE CREATION

OUR STRATEGIC PRIORITIES

Potential Risks	2024 Initiatives and Priorities	Goals by 2027
<ul style="list-style-type: none"> • Strategic • Operational • Catastrophe • Sustainability 	<ul style="list-style-type: none"> ✓ Strengthen reliability programme ✓ Compliance excellence has been achieved ✓ Improved the overall turnaround time (TAT) ⌚ MSM Prai rejuvenation plan to extend plant's lifespan ⌚ Industry technical subject matter expert engagement ⌚ Yield optimisation 	<ul style="list-style-type: none"> • Average yield optimisation >96% • Average utilisation factor >70% • Average energy efficiency at 1.0 tonne steam per tonne raw sugar melted (Ts/Tr)
<ul style="list-style-type: none"> • Strategic • Market • Geopolitical • Sustainability 	<ul style="list-style-type: none"> ✓ Traceability and responsible sourcing ⌚ Market expansion in neighbouring countries and Asia-Pacific ⌚ Explore new offtakes in emerging markets e.g. Africa and Middle East ⌚ Expand value added product sales into China 	<ul style="list-style-type: none"> • Revenue growth of 50% • Total sales volume >1.4 million MT per annum • >10% market share in the Asia-Pacific
• Financial	<ul style="list-style-type: none"> ⌚ Cash Conservation, Cost Savings and Revenue Generation (C2R) initiatives ⌚ Price revision to absorb overall higher input cost ✓ Prudent raw sugar and freight hedging strategy mitigating volatility risk ⌚ Negotiate with suppliers for better pricing ✓ Obtain Joint Sugar Industry incentive from the Government ✓ Rationalising capital expenditures 	<ul style="list-style-type: none"> • Gross Profit margin ~10% • Net Gearing Ratio <1.0x • Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA) >RM300 million
<ul style="list-style-type: none"> • Sustainability • Operational 	<ul style="list-style-type: none"> ✓ Engaging with local residents through outreach programmes such as beach cleaning and plogging ⌚ Nature-based initiatives such as planting mangrove and mangrove-associated trees ⌚ Explore renewable energy solutions ✓ Circular economy, waste-to-wealth via re-purposing production waste such as mudcake into building materials and fertilisers ✓ Improved FTSE4Good ESG Rating to 3.3 stars from 3.1 	<ul style="list-style-type: none"> • Zero fatalities • Lost Time Incident Frequency Rate (LTIFR) <2.0 • Reduce water consumption by 4% from operations • FTSE4Good ESG rating >4.0

 For further information on the potential risks, refer to pages 167 and 168 of this AIR.



OUR APPROACH TO VALUE CREATION

OUR STRATEGIC PRIORITIES

Progress of
Key Strategic Initiatives (KSIs)
under review in **2024**

Improving Sales Performance (Value-added Products)**Achieved**

- Started sales of liquid sugar with several trading houses
- Increase sales volume of value-added products with a special focus on exports to China
- Target to sell value-added products to the food industry

Ongoing**Sustainable Manufacturing Performance****Achieved**

- Successful rectification of major issues at MSM Johor
- Overall higher Group production volume, yield and UF
- Target to achieve MSM Johor UF above 50%

Ongoing**Sales & Distribution (S&D) Cost Savings****Achieved**

- Maximised internal storage and fleet
- Internal fleet expansion
- Improve fulfilment centre performance
- Optimising fleet planning and turnaround time

Ongoing**Strategic Capital Management****Achieved**

- The local Joint Sugar Industry received an incentive from the Government
- Capital preservation to alleviate capital constraints
- Optimising strategic cash flow management and debt profile

Ongoing**Export via Strategic Partnerships****Achieved**

- Recurring export sales of refined sugar create sustainable opportunities for long-term growth
- Grow export offtakes from neighbouring countries, Asia-Pacific and new markets in Africa
- The anti-dumping tariff is under appeal for the Vietnamese market
- Import permit approvals remain pending for the Indonesian market

Ongoing**Digital Transformation towards Industry 4.0****Achieved**

- Implementation of several monitoring digital dashboard for live monitoring and quick access
- Computerised Maintenance Management System (CMMS) at MSM Johor
- Enhance data capture and analytics capabilities
- Smart Manufacturing at MSM Johor
- CMMS at MSM Prai

Ongoing

OUR APPROACH TO VALUE CREATION



CHALLENGES FACED IN 2024

Navigating Cost Pressures and Trade Barriers

In 2024, MSM faced significant challenges, with approximately 80% of our production costs attributed to raw sugar, freight, natural gas and the overall impact of higher raw material costs. Additionally, trade barriers further complicated matters, impeding export growth and increasing costs due to tariffs. Sales to neighbouring countries, especially in the retail and SMI segments in Indonesia, require more time and closer collaboration with local partners to secure the necessary import permits. In Vietnam, we are actively appealing against the anti-dumping tariff imposed on Thai-origin raw sugar, while assuring the authorities that our sugar for the Vietnam market is properly segregated and does not originate from Thailand.

Market Disruptions from Import Arbitrage

Midway through 2024, a sharp decline in raw sugar prices coupled with the weakening of the US dollar created arbitrage opportunities, enabling importers to exploit price differentials. During this period, large import quotas were exercised with limited consideration of their impact on the domestic market. The absence of import tariffs in Malaysia compounded the situation, leading to an influx of imported sugar that pressured local pricing power, disrupted sales volumes and caused inventory build-up for domestic manufacturers.

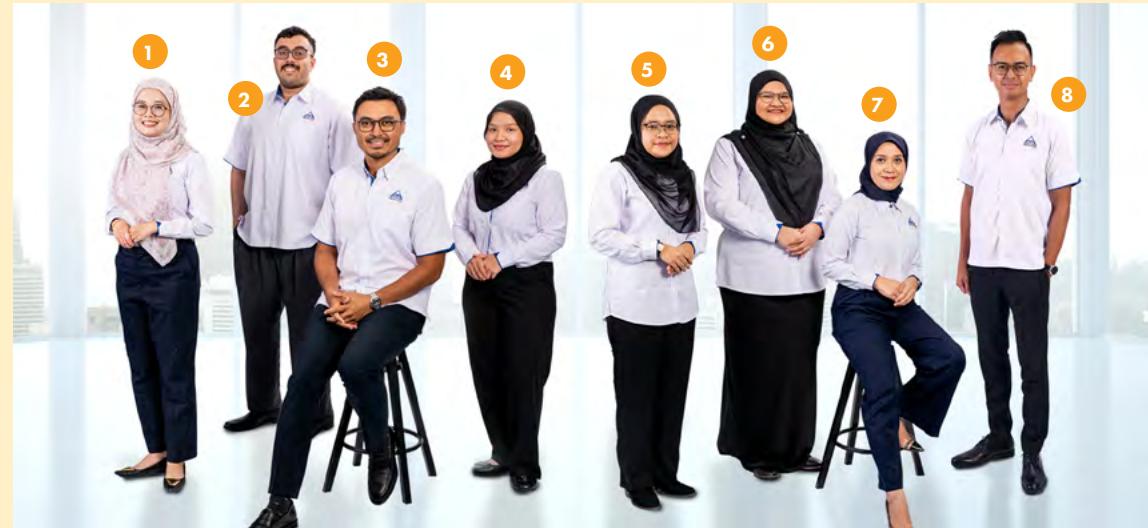
Industry Advocacy for Market Stability

While the temporary market disruption eased as raw sugar prices recovered and the US dollar regained strength, MSM and the broader sugar industry took a proactive stance by engaging with the Government to address the issues of sugar dumping and opportunistic arbitrage practices. The industry highlighted the

detrimental impact of a surge in imports on local manufacturers and advocated for the implementation of measures such as tariffs and stricter import controls to stabilise the market.

Strategic Measures to Counter Rising Costs

To address the ongoing challenge of rising costs, the Group has explored several strategic initiatives, including the hedging of freight expenses through Long-Term Contracts (LTC) to secure more favourable pricing. Furthermore, efforts will focus on maintaining higher utilisation factors and improving yield to reduce unit costs and boost operational efficiency. The Group continues to engage with the Government regarding the regulation of sugar import permits and has proposed a new pricing mechanism to ensure fair market pricing for both producers and consumers.



1. **Annur Syafiqah Abd Riff** - Head, Group Digital, Corporate Strategy & Investor Relations
2. **Ameer Akarbara Mohd Rafik** - Executive, Corporate Strategy & Investor Relations
3. **Abdul Hadi Karim** - Head, Corporate Strategy & Investor Relations
4. **Safia Zulaikha Zulhazmi** - Prodigy, Business Intelligence & Digitalisation
5. **Nur Atiqa Halil** - Prodigy, Business Intelligence & Digitalisation
6. **Nurul Ain Muhammad Ramdan** - Executive, Corporate Strategy & Investor Relations
7. **Fariza Haizumi Ahmad** - Senior Manager, Corporate Strategy & Investor Relations
8. **Muhammad Amir Firdaus Abdul Rahim** - Manager, Corporate Strategy & Investor Relations

OUR STRATEGIC PRIORITIES



OUR APPROACH TO VALUE CREATION

OUR STRATEGIC PRIORITIES

LOOKING AHEAD:

STRATEGIC VISION FOR 2025 AND BEYOND

As we enter 2025, the Group remains steadfast in our commitment to sustaining financial performance and operational excellence across all assets. The primary focus will be on achieving higher overall sales through reinforced domestic and export strategies, including strategic collaborations. The anticipated growth in value-added product volumes from MSM Johor for the China market is expected to positively influence the overall average selling price (ASP), thereby improving margins. While on track for business growth, the Group will continue to explore viable options for strengthening our balance sheet, enabling us to optimally support our growth strategies.

In the long term, the Group envisions a comprehensive transformation, aiming to expand not only within the sugar industry but also into new sectors. This vision entails strengthening sugar refining operations, increasing market penetration within the APAC region and diversifying our business portfolio into key essential commodities that complement and create synergies with our core sugar business.

This strategy is designed to generate greater economic value for the Group while making a significant contribution to Malaysia's economy across multiple dimensions. These include enhancing value for our shareholders, creating employment opportunities and strengthening the nation's sustainability efforts.

Additionally, MSM remains a strategic asset for the country, playing a vital role in ensuring food security and serving as the reliable main supplier of sugar to the Food and Beverages industry. This is achieved through a strong focus on business continuity planning and the implementation of effective risk management practices.

MSM'S BUSINESS PLAN

Profit/(Loss) Before Tax for the Financial Year (RM mil)

- 2021
- 2022
- 2023
- 2024

Restructuring

- Completed the disposal of MSM Perlis Sdn Bhd
- Paid dividends of 3.0 sen per share amounting to RM21 million

169

2021

- Local Joint Sugar Industry absorbed the high cost of producing Coarse Grain Sugar (CGS) 1kg from January 2022 up to October 2023
- Losses were due to prolonged margin compression as a result of the Government-imposed controlled ceiling price

2022

(179)

High input cost convergence due to steep rise in global raw sugar, freight and energy prices

- Continuous engagement with the Government to resolve the CGS pricing anomaly
- Launch of Gula Super
- Near Region strategy
- LTC Freight mitigation



OUR APPROACH TO VALUE CREATION

OUR STRATEGIC PRIORITIES

Turnaround

- Government continued with the incentive to enable the Industry to cover the global rise in input cost i.e., raw sugar, freight, labour and energy cost
- Improved year-on-year operational performance i.e., UF and yield

Stabilisation

- Growing sales locally and globally to achieve economies of scale
- Explore strategic partnership for large volume offtake for the export market
- Sustain operational excellence
- Achieve financial resilience through better profitability and stronger balance sheet

Grow Sugar Universe

- MSM Johor performance maturity and economies of scale
- Step up Value-Added Products sales growth
- Integration into complementary segments with higher margins
- Initiate renewable energy project reducing refining cost
- Adopt new technologies toward Industrial Revolution 4.0 (IR 4.0)

Beyond Sugar

- Essential Food Commodity
- Diversify and expand into additional revenue streams beyond sugar into complementary businesses capabilities
- Complete revitalisation of MSM Prai through Rejuvenation programme and complete upgrades of IETS programme
- Broaden midstream and distribution processes through export growth

2023

2024

2025

2026

2027

(28)

75

Recovery

- Strategic support from Joint Task Force comprising Board and Management
- Cost savings and rationalising selling prices
- Government normalising sugar pricing via provision of RM1/kg incentive to the local Joint Sugar Industry

MSM BP 27 (2025-2027)
3-year rolling business plan



OUR APPROACH TO VALUE CREATION

INVESTOR RELATIONS

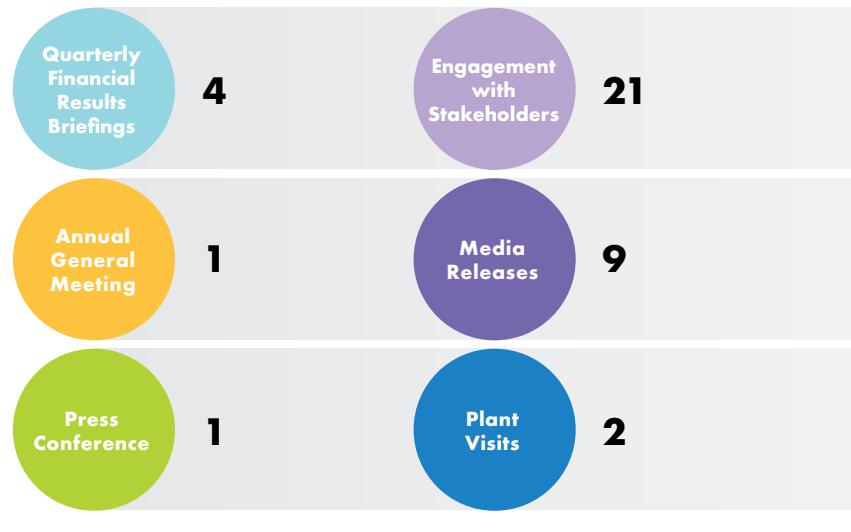
 INVESTOR RELATIONS

MSM values the trust and confidence of our valued shareholders. The Company is committed to maintaining timely, transparent and accurate communication to equip existing and prospective investors with the information needed for well-informed decision-making. MSM's Investor Relations (IR) team plays a vital role in fostering an open dialogue with the investment community while ensuring that our corporate narrative aligns with our vision, mission, performance and long-term strategy.

MSM's IR function has bolstered investor confidence through transparent communication and strategic engagements, resulting in heightened interest and consequently attracting a broader investor base. Ultimately, the IR team's proactive efforts to strengthen MSM's market presence have increased shareholder value and positioned the Company for sustained long-term growth.

ENGAGEMENT CHANNELS

In 2024, MSM actively engaged investors through our quarterly financial results briefings, media releases, investor engagements and plant visits.



For further details on how we communicate with our stakeholders, refer to pages 149 and 150 of this AIR.

IR Engagements in 2024



4 CGS-CIMB 16th Annual Malaysia Corporate Day 2024

13 Engagement with Great Eastern Life Insurance & CGS-CIMB

21 Engagement with Affin Hwang Investment & Clients

26 Engagement with Public Investment Bank & Clients

MAR

JAN



16 Media & Analysts Visit to MSM Johor

FEB

26 MSM Fourth Quarter (4Q) FY2023 Financial Results Briefing

30 Small Cap RHB Investment Bank Corporate Day

31 Engagement with Urusharta Jamaah Sdn Bhd



OUR APPROACH TO VALUE CREATION

INVESTOR RELATIONS



OUR APPROACH TO VALUE CREATION

INVESTOR RELATIONS

MAIN AREAS OF DISCUSSION/CONCERN BY SHAREHOLDERS IN 2024

1 Financial Performance

- MSM reported its quarterly financial results with detailed explanations on the performance of the Group and its subsidiaries.
- MSM conducted its 13th AGM virtually and also conducted engagements with analysts, external shareholders and the like both physically and virtually.

2 Operational Performance

- MSM provided operational parameters such as utilisation factor, yield and production volumes for 2024. These parameters have been reviewed and shared with analysts during the quarterly financial results briefings.
- MSM Johor has achieved record-breaking melting volume and yield improvements, while the rejuvenation projects at MSM Prai have continued to progress in 2024.

3 Average Selling Price

- Refined sugar is a controlled-price item with a Government-fixed ceiling price for the domestic market at RM2.85/kg, which is among the lowest sugar retail ceiling price in the world.
- MSM consistently updates the Government on global sugar market movements. In the event of a significant increase in raw sugar prices or unfavourable forex costs impacting production, the Government will be informed by MSM to consider revising the ceiling price.

- As part of the local Joint Sugar Industry, MSM has received incentives from the Government since November 2023.
- MSM awaits further decision from the Government on any revision on the price mechanism moving forward.

4 Equity Stake Disposal of MSM Johor

- MSM has to consider the strategic fit of any potential partners with MSM's aspirations such as to expand its export sales volume.
- Any new potential partner must bring offtake benefits to MSM in the export market in order to add to the sustainability of the MSM Johor blueprint.
- The potential partner will also need to add further value in terms of commercial as well as operational and technical support.

5 NY11 Raw Sugar Price

- In 2024, the NY11 traded at a more moderate range with a significant reduction from the high-price environment in 2023 due to improved weather conditions and balanced production in key sugar-producing regions.
- MSM remained committed to securing its raw sugar at the most competitive prices through its hedging strategy.
- MSM's hedging strategy is deliberated at the bi-weekly Trading Committee meeting guided by experts' market views and MSM's business requirements.



OUR APPROACH TO VALUE CREATION

Annual General Meeting

MSM Malaysia Holdings Berhad's 13th AGM was held on a fully virtual basis on 6 June 2024. The AGM was attended physically by all Directors, with the exception of Fakhrunniam Othman, who was undertaking his Hajj pilgrimage. Also in attendance were the Group CEO, Syed Feizal Syed Mohammad, as well as other Senior Management personnel including the Group COO and Chief Financial Officer (CFO).

The 13th AGM proceedings included a detailed presentation by the Group CEO on MSM's financial and operational performance, business strategies, risks and mitigations and moving forward plans.

The Chairman of the Board encouraged shareholder engagement via their enquiries and questions related to the motions presented during the meeting. Shareholders were also urged to seek clarity on any matters pertinent to the meeting or the Group.

The 13th AGM was conducted with transparency, incorporating proactive measures to encourage shareholders' attendance and participation. The Notice and Agenda were issued 21 days prior to the meeting, in compliance with Section 316(2)(a) of the Companies Act 2016 and the timeline prescribed in the Company's Constitution, giving shareholders ample time to make necessary arrangements to attend and participate in person or through corporate representatives or proxies.



INVESTOR RELATIONS

Media Relations Activities

In 2024, MSM Malaysia Holdings Berhad undertook a wide range of media outreach initiatives which included press conferences, the dissemination of press releases and more.

Such media interactions are designed to harness the strategic influence of the press to efficiently share information with stakeholders, ultimately fostering a more precise public understanding of MSM and its business strategies.

Topics Covered	Number of News Clippings
Corporate News related to Business Performance, Financial Performance, Prospects, or Outlook	99
MSM Malaysia Holdings Berhad's Sustainability Initiatives	2
Total	101

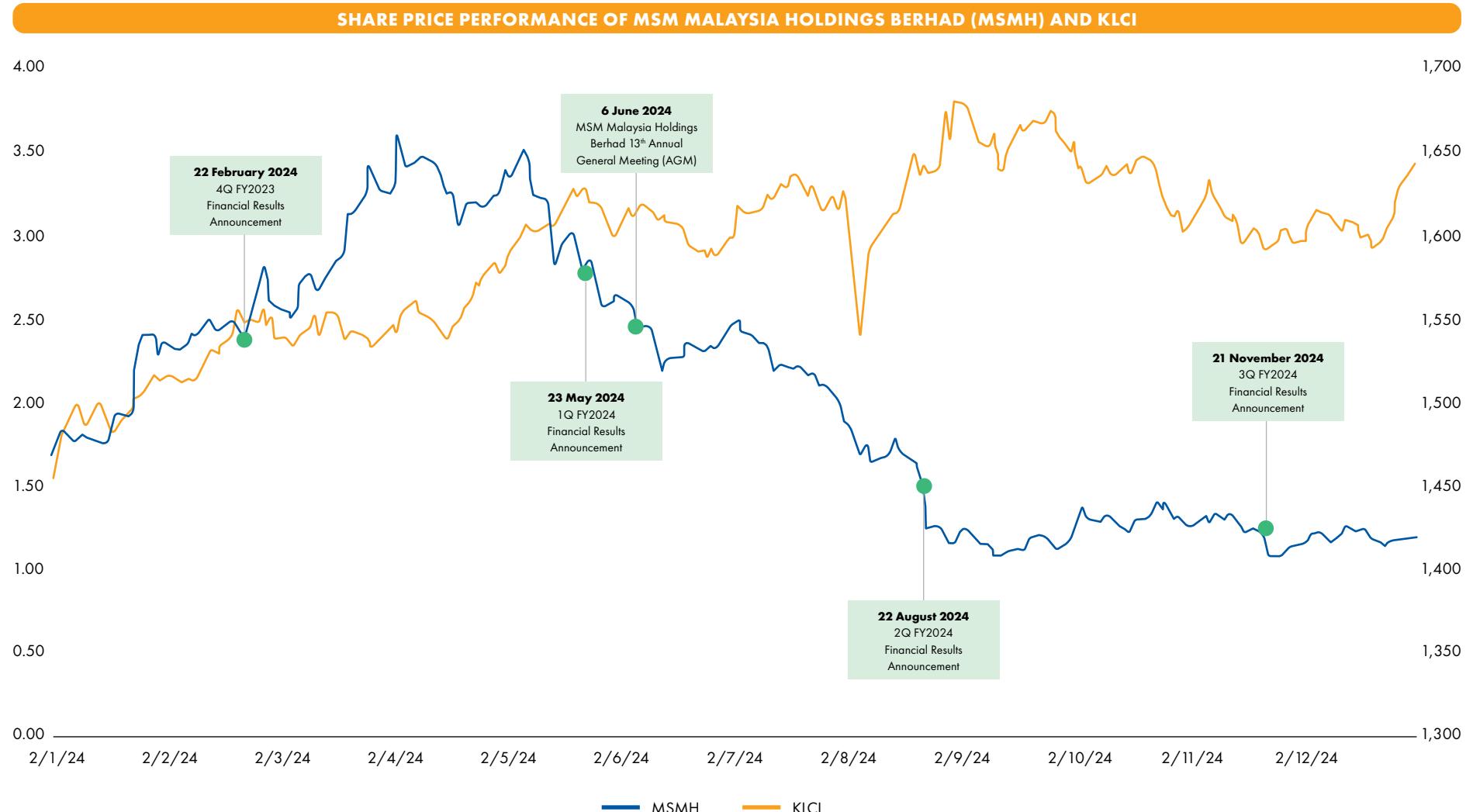
Research Coverage

MSM's IR team maintains a continual presence within the investment community to boost awareness and capture the interest of investors in the Company. We adopt a proactive stance, ensuring that we communicate and provide relevant information promptly and transparently concerning the Group's strategic goals, business operations and performance.



OUR APPROACH TO VALUE CREATION

INVESTOR RELATIONS

**Share Price Performance**

The Group's share price opened at RM1.67 on 2 January 2024 and peaked at RM3.61 in April 2024. The share price closed the year off at RM1.18, 29% lower compared to the beginning of the year. The broader market performance, as represented by the Kuala Lumpur Composite Index (KLCI), increased by 13% over the year, opening at 1,453 points and closing at 1,642 points.

OUR APPROACH TO VALUE CREATION

INVESTOR RELATIONS

Shareholder Information

MSM and its Group of companies (MSM Group) maintains a single class of shares, with FGV Holdings Berhad (FGV) as the largest shareholder, holding a 51.00% interest. This comprises a direct shareholding of 10.97% and an indirect shareholding of 40.03% through FGV Sugar Sdn Bhd, a wholly-owned subsidiary of FGV. Other substantial shareholders include Koperasi Permodalan FELDA Malaysia Berhad, which holds 15.27%, and Amanahraya Trustees Berhad, with a stake of 7.20%. The remaining 26.53% is held by a diverse mix of local corporations, Malaysian retail investors and foreign shareholders.

 To see further shareholder information, refer to Analysis of Shareholdings on pages 281 to 283 of this AIR.

Insider Trading of MSM Shares

MSM Group enforces strict compliance with applicable insider trading laws and regulations through provisions outlined in the Corporate Disclosure Policy and Code of Business Conduct and Ethics (COBCE). These provisions govern the conduct of employees, directors and related parties when dealing in MSM shares, especially during Closed Periods, as outlined below.

Trading During Closed Periods

During a Closed Period, any Director and Principal Officers of the Company or the Company's major subsidiary (Affected Person) intending to deal in MSM shares must:

Prior Notification:

Submit written notice to the Company before the proposed dealing, stating: Their current holdings of MSM shares; and their intention to buy or sell MSM shares during the Closed Period.

Company Announcement:

Upon receiving such notice, MSM will immediately announce the intention to Bursa Malaysia Securities.

Transaction Timing:

The proposed dealing may only proceed after one (1) full market day has elapsed from the date of the announcement.

Post-Transaction Notification:

The Affected Person must notify the Company Secretary in writing within one (1) full market day after the transaction. MSM will promptly announce details of the dealing to Bursa Malaysia Securities.

Trading Outside Closed Periods

When dealing in MSM shares outside Closed Periods, the Affected Person must provide written notice of the transaction to the Company Secretary within three (3) market days of the transaction.

Other Communication Channels

MSM also employs the following channels to reach out to our stakeholders.

Corporate website: www.msmsugar.com

Investor Relations email: investor.relations@msmsugar.com

Press Releases: <https://www.msmsugar.com/media/press-releases/2024>

Investor Relations webpage: <https://www.msmsugar.com/investor-relations/investor-relations>

Tel.: +603 2162 7900



MSM SOCIAL MEDIA ACCOUNTS



MSM Malaysia Holdings Berhad



MSMGULAPRAI TV



MSM Gula Prai



@mmsgulaprai



@gulaprai



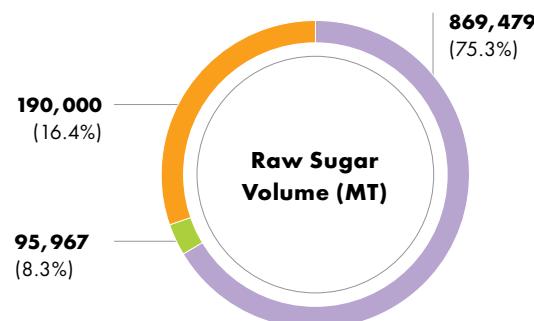
OUR GROUP BUSINESS REVIEW



RAW SUGAR SOURCING & PROCUREMENT

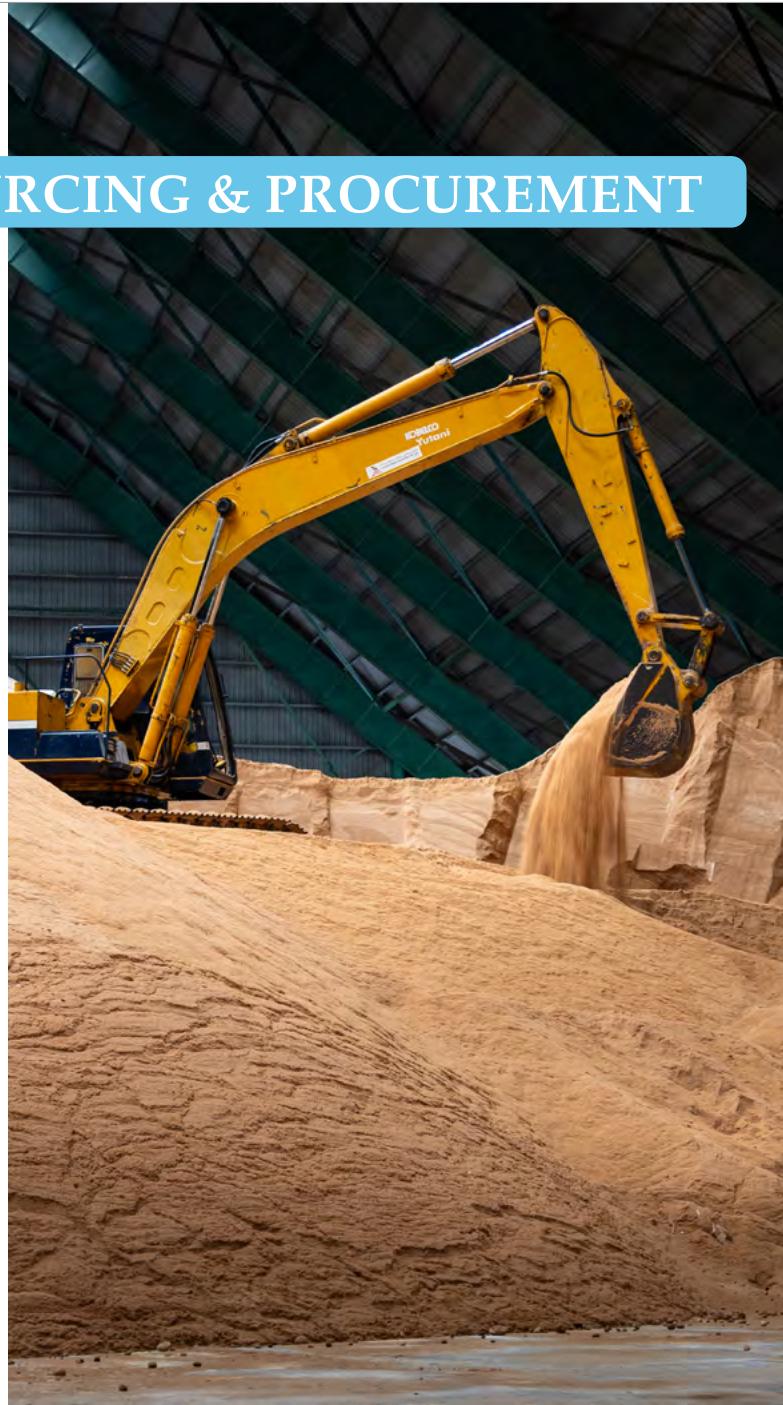
SOURCING DATA & OPERATIONAL HIGHLIGHTS

In 2024, we procured a total of 1,155,446 MT of raw sugar. Brazil remained our largest supplier, contributing 869,479 MT, while Thailand and South Africa supplied 95,967 MT and 190,000 MT, respectively. This diversified sourcing approach was critical in maintaining the resilience and efficiency of our supply chain.



Total Raw Sugar Procured in 2024
1,155,446 MT

● Brazil ● Thailand ● South Africa



OVERVIEW

In 2024, we witnessed a notable shift in the global raw sugar market compared to the high-price environment of 2023. Improved weather conditions and balanced production in key sugar-producing regions contributed to an increase in supply. This shift led to a more moderate trading range for the NY11 sugar benchmark, fluctuating between 17.52 and 24.62 US cents per pound, which was a significant reduction from the previous year's peak of 28.14 US cents per pound. Favourable growing conditions in the European Union, India and Thailand supported this stabilisation, while Brazil's consistent output further eased global supply pressures.

Currency fluctuations also had a substantial impact on our sourcing landscape. The depreciation of the US dollar (USD) against the Malaysian ringgit (MYR) during 2024 worked to our advantage. With the MYR strengthening to its best position in years—trading as low as MYR4.124 to the USD in September 2024—our ability to import raw sugar at a lower cost improved significantly, particularly in the second half of the year.



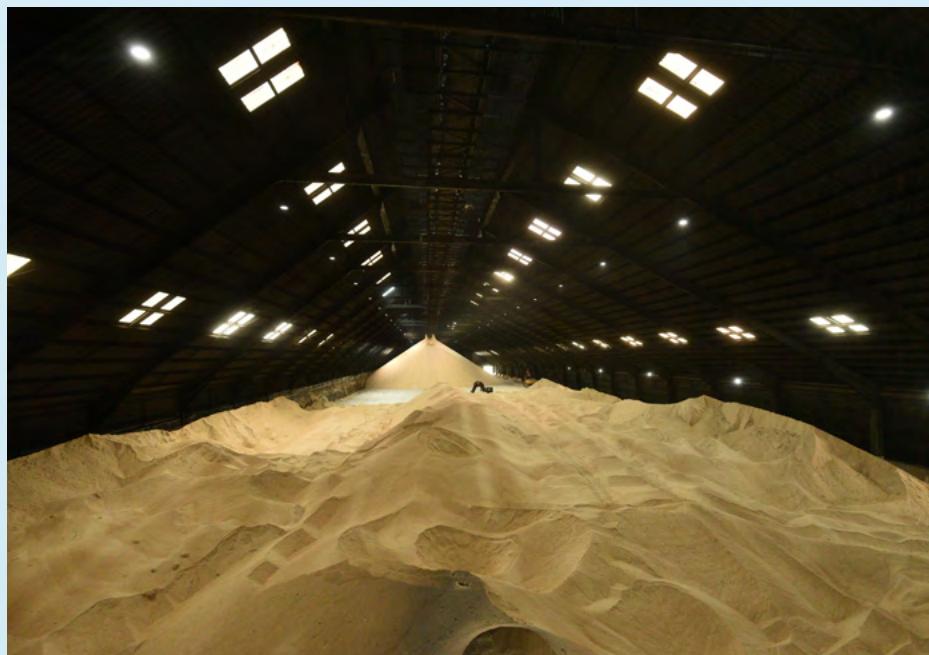


STRATEGIC PROCUREMENT AND RISK MITIGATION

Throughout the year, we remained committed to securing raw sugar at the most competitive prices, even as market dynamics continued to evolve. Our hedging strategies ensured that all sales from our Industry and Exports divisions were closely aligned with prevailing raw sugar prices. This strategic alignment allowed us to manage price risks effectively while maintaining a stable cost structure.

To further manage cost volatility, we continued to benefit from our long-term freight agreement with Wilmar Sugar Pte Ltd, which we established in 2022. This partnership has provided us with greater predictability in freight expenses, ensuring more efficient logistics for our raw sugar imports. Additionally, we maintained our position in Brent crude oil options trading, leveraging favourable commodity price movements to offset high gas costs incurred by our refineries.

Our Trading Committee has been instrumental in navigating these uncertainties. By monitoring global sugar market trends, hedging positions and currency exposure, the committee provided strategic guidance on pricing mechanisms and ensured that our operational decisions reflected market realities. The strengthening MYR further enhanced our ability to procure raw sugar at reduced costs, reaffirming the effectiveness of our procurement strategies.

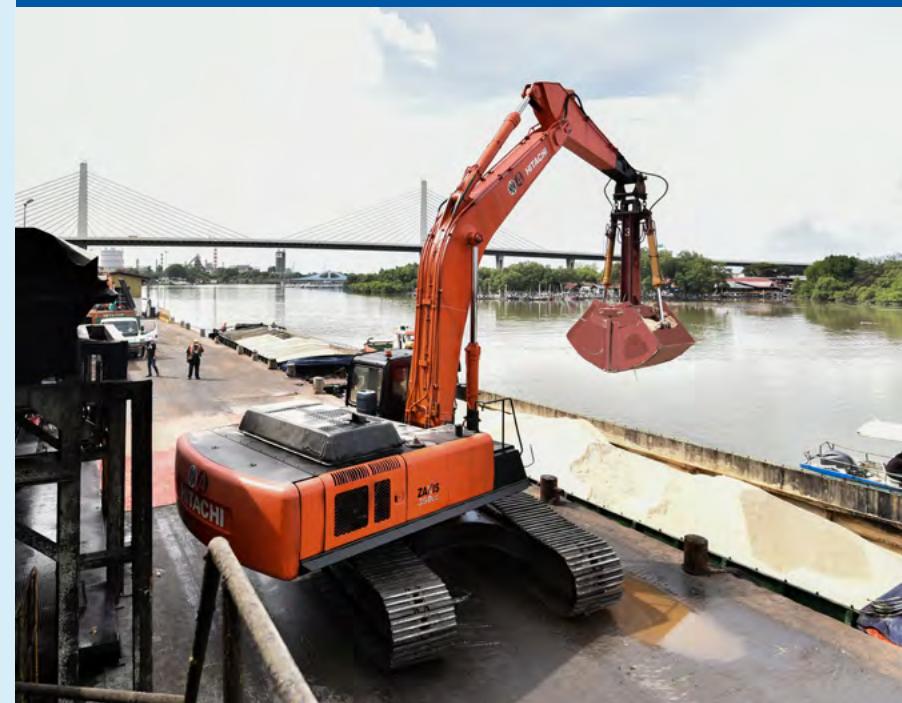


OUTLOOK

As we look ahead to 2025, we are prepared to navigate a market that presents both challenges and opportunities. Early forecasts indicate potential price pressures in the first quarter due to tight supplies, driven by adverse weather conditions and excessive heat in Brazil, one of the world's largest sugar producers. However, improved yields in regions such as the EU, India and Thailand are expected to lead to a surplus by mid-year, potentially driving prices lower in the latter half of 2025.

Our top priority remains securing raw sugar at the lowest possible average cost, which is essential for managing our production expenses effectively. We will continue to refine our hedging strategies and adapt to market dynamics, ensuring that we are well-positioned to mitigate price volatility. Open and consistent communication between our trading team and refineries will remain a cornerstone of our approach, enabling us to maintain transparency and operational alignment.

By staying focused on strategic procurement, efficient logistics and proactive risk management, we are confident in our ability to overcome market challenges and strengthen our position as a leader in the sugar industry.



OUR GROUP BUSINESS REVIEW



OPERATIONAL & REFINING

OPERATIONAL HIGHLIGHTS



Engaged an external **Sugar Process Technical Consultant** to drive process improvements at both MSM Prai and MSM Johor.

Strengthened maintenance management

through the rollout of CMMS at MSM Johor.

Achieved significant milestones on key projects, including **51% completion of Boiler #3** at MSM Johor.

Improved logistics efficiency

Commissioned the Fine Syrup Low Colour project

at MSM Johor to enhance liquor quality using existing granulated activated carbon (GAC) columns.

Pansman at MSM Johor **continued to receive training and support from experts** at MSM Prai to ensure optimum production and high-quality product.



OPERATIONAL PERFORMANCE



Production Volume (MT)

2022		946,834
2023		992,247
2024		1,104,290

Raw Melted Sugar (MT)

2022		995,863
2023		1,039,931
2024		1,138,941

Group Capacity Utilisation (%)

2022		46
2023		48
2024		54

OVERVIEW

2024 marked a year of steady progress for MSM, as we focused on operational efficiency and strategic enhancements across our facilities. Key highlights included achieving record-breaking melting volumes and yield improvements at MSM Johor and progressing our rejuvenation projects at MSM Prai.

At MSM Johor, melting volumes peaked at 1,529 MT/day on 2 October 2024 – the highest daily melt since commissioning – with an average of 1,100 MT/day recorded during peak months. Yield performance also improved from 89% in 2023 to 93% in 2024.

Meanwhile, MSM Prai's rejuvenation plan continued to progress, with RM8.04 million allocated in 2024 for six projects. These initiatives include infrastructure upgrades, such as the construction of the Industrial Effluent Treatment System (IETS) Plant and the raw sugar weigher foundation and building. A total of RM6.9 million has been allocated in 2025 for rejuvenation projects.

In addition, we implemented operational enhancements to our logistics and packaging processes. Sungai Buloh Warehouse (SBW) saw improved truck handling efficiency with the construction of shelters to enable sugar loading during rain and increase the number of trucks actively loaded at any given time. At MSM Johor, the Computerised Maintenance Management System (CMMS) was fully operational by September 2024, while Smart Manufacturing advanced to Phase 2, targeting Overall Equipment Efficiency (OEE) and was completed in December 2024.



OCCUPATIONAL SAFETY AND HEALTH

MSM remains steadfast in prioritising safety and well-being. In 2024, two Lost Time Incidents (LTIs) were recorded, both related to slips, trips and falls, with no permanent injuries. Our commitment to "No Harm to People, Property, and Environment" continues to drive robust Occupational Safety and Health (OSH) practices.

PLANNED SHUTDOWNS AND MAINTENANCE

Both MSM Prai and MSM Johor executed planned shutdowns and maintenance activities in 2024 to uphold plant reliability. Operational challenges such as water supply disruptions, high silo levels and high finished goods inventory at warehouses were effectively mitigated through coordinated plant shutdown maintenance.

DATE	PLANNED SHUTDOWN ACTIVITIES
MSM Prai	
10 – 12 January 2024	Planned shutdown for maintenance and to coincide with the utility's water supply disruption
9 – 12 April 2024	Scheduled annual maintenance which included a shutdown of Boiler #7 for inspection and maintenance
24 – 27 August 2024	Scheduled annual shutdown
MSM Johor	
18 – 21 February 2024	Minor planned shutdown to repair pumps and replace coupling stirrer
6 – 9 May 2024	Minor shutdown to rectify leakages at steam line, foreign material issue at GAC column causing filter bag blockage
31 July – 17 August 2024	Extended planned shutdown for complete overhaul of the refinery for the year.

OUTLOOK

MSM is poised for further growth and operational resilience in 2025 and beyond. Key priorities include:

- Advancing key infrastructure projects, including the completion of Boiler #3 at MSM Johor and the IETS Plant at MSM Prai, to support operational and environmental efficiency
- Completing the rollout of CMMS at MSM Prai to enhance maintenance and asset management
- Upgrading machinery in MSM Prai's packing lines to improve efficiency and production capacity
- Enhancing bulk sugar transfer turnaround times between MSM Prai and SBW via rail upgrades and operational improvements
- Completing the additional siding project at SBW to increase sugar transfer capacity from MSM Prai

Furthermore, MSM's commitment to Smart Manufacturing will continue to evolve, leveraging technological advancements to drive efficiency and sustainability in our refining processes. These initiatives will not only enhance operational capabilities but also ensure we remain agile and competitive in a challenging market landscape.



MSM Prai, MSM Johor, SBW and MSM Logistics Leadership Engagement Sessions

OUR GROUP BUSINESS REVIEW



COMMERCIAL & DOWNSTREAM

PERFORMANCE HIGHLIGHTS



The Group Commercial Division (the Division) recorded revenue growth of over 15% across all segments, driven by higher average selling prices (ASP) and expanded market penetration. Domestic sales also showed resilience, growing 6% year-on-year, supported by targeted pricing strategies and focused customer engagement. The Export segment delivered exceptional performance, achieving 17% year-on-year growth due to successful entry into new markets and strategic initiatives.

KEY METRICS



Sales Revenue*

Increased from RM3.09 billion in 2023 to RM3.54 billion in 2024.

Sales Volume*

Reached over 1.09 million MT, reflecting strong demand across key segments.



Note:

* Sales revenue and sales volume include sales of molasses and local Joint Sugar Industry incentives.

OVERVIEW

The year 2024 presented a dynamic market environment for the Division marked by rising input costs and heightened competitive pressures. Malaysia's economy continued its post-pandemic recovery, supported by robust consumer spending. However, the landscape was not without its difficulties, including inflationary pressures and global economic uncertainties. Despite these challenges, the division achieved remarkable growth, reflecting its resilience and adaptability.

Domestically, consumer behaviour reflected cautious spending and a shift away from larger brands, partly due to boycotts linked to geopolitical conflicts.

Export markets, however, remained vibrant, particularly for value-added products like Liquid Sugar and Premix. Challenges persisted, notably competitive pricing pressures from neighbouring sugar producers such as Thailand.

Against this backdrop, the Division's performance underscored its ability to navigate market complexities while achieving strong quarterly revenue growth and hitting significant milestones across both domestic and export markets.



BRAND AND PRODUCT PERFORMANCE

MSM's flagship brand, Gula Prai, maintained its strong market leadership throughout 2024. According to Kantar's latest report, in 2023, MSM ranked third in consumer reach points (CRP), rising to 67.2 points. This increase reflects the brand's expanding customer base and higher purchase frequency, reinforcing its position as a household staple.

A key milestone for the year was the successful soft-launch of Gula Super 500g. Designed to cater to budget-conscious consumers, this product effectively addressed market demand for affordable sugar. Its strong distribution strategy is to secure placements in value-focused retail chains by enhancing accessibility and brand visibility.

Further strengthening MSM's product innovation pipeline, plans for brown sugar variations progressed significantly. The Company is actively evaluating new product options, such as Cuppack Brown Sachet and Brown Cube, for potential market introduction in 2025 – 2026. On the international front, brown sugar exports to Australia and New Zealand demonstrated encouraging growth, with projected big volumes in the coming years.

OPERATIONAL EXCELLENCE AND SMART MANUFACTURING

In 2024, the implementation of Smart Manufacturing systems across production processes, powerhouses, quality assurance (QA) laboratories and packaging areas brought transformative benefits:

Operational Efficiency	Cost Reduction	Manpower Optimisation	Remote Support
Reduced unpredictable downtime and enhanced transparency.	Scalable predictive maintenance lowered operational costs.	Real-time process triggers enabled efficient resource allocation.	Improved decision-making through effective process control and immediate engineering attention.

These advancements align with MSM's commitment to Environmental, Social and Governance (ESG) principles, reinforcing sustainable and efficient operations.

OUTLOOK AND FUTURE PLANS

The Division will focus on diversifying product offerings and enhancing customer engagement to strengthen loyalty and expand its domestic customer base.

For Export growth, key priorities include entering new markets and increasing volumes in Singapore, South Korea and China. In Singapore, MSM Johor's tanker business aims to deliver 18,000 MT annually. In South Korea, the Division plans to introduce new SKUs, including 15 kg and 25 kg paper bags, targeting 20,000 MT annually by 2025. Collaboration with China's COFCO is ongoing to develop the premix market and explore refined sugar offtake opportunities, subject to 2025 import quotas.

Additionally, the Division will prioritise innovation and operational efficiency by leveraging Smart Manufacturing capabilities to deliver high-quality products. These initiatives aim to reinforce MSM's market leadership and drive sustainable growth in 2025.



OUR GROUP BUSINESS REVIEW



SUPPLY CHAIN

OPERATIONAL HIGHLIGHTS



The Group Supply Chain Division (the Division) achieved improvements in key performance indicators in 2024.

Selling & Distribution Cost

2024 **RM115/MT**

2023	111/MT	2022	119/MT
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Inventory Record Accuracy

2024 **99.99%**

2023	99.88%	2022	99.97%
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Order Fulfillment (On Time In Full)

2024 **95%**

2023	94%	2022	91%
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Days of Inventory

2024 **17 days**

2023	9 days	2022	9 days
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OVERVIEW

In 2024, the Group Supply Chain Division remained focused on optimising processes, reducing costs and enhancing revenue growth. This was achieved through a combination of strategic cost management, digitalisation efforts and continued improvement of operational efficiencies.



OPERATION OPTIMISATION AND ENHANCING COST EFFICIENCY

Building upon previous efforts, the Division continued refining its cost structures and operational frameworks to drive financial and operational efficiencies. Key highlights for 2024 include:





Fleet Replacement Programme

MSM's five-year asset acquisition plan progressed with 14 new units and eight reconditioned units replacing aging fleet assets. This initiative reduced the average truck age from 17 years to 10 years, improving efficiency and reliability while lowering maintenance costs.

Improve Capability and Resource Utilisation

We have improved our capability in managing daily distribution volumes of 4,000 MT consistently and our ability to process 1,400 twenty-foot equivalent units (TEUs) of sea containers per month by leveraging existing resources. This reduced dependency on service providers has brought cost benefits to MSM.

Material Handling Equipment (MHE) Transformation

We completed the MHE transformation initiative across all operating sites, which has improved productivity and brought down operating costs. This includes streamlining of processes and standardisation of MHE that are in use, phasing out of diesel forklifts to drive sustainability and the introduction of more efficient equipment with new technology that has reduced total equipment required by 10%.

Small Truck and Tanker Deliveries

MSM expanded its core logistics services beyond border to Singapore utilising its assets electric van, small truck, big truck and tanker. This aligned to business plan to penetrate Singapore market as Malaysian 14th state.



ENHANCING SUPPLY CHAIN EFFICIENCY THROUGH DIGITALISATION AND CERTIFICATIONS

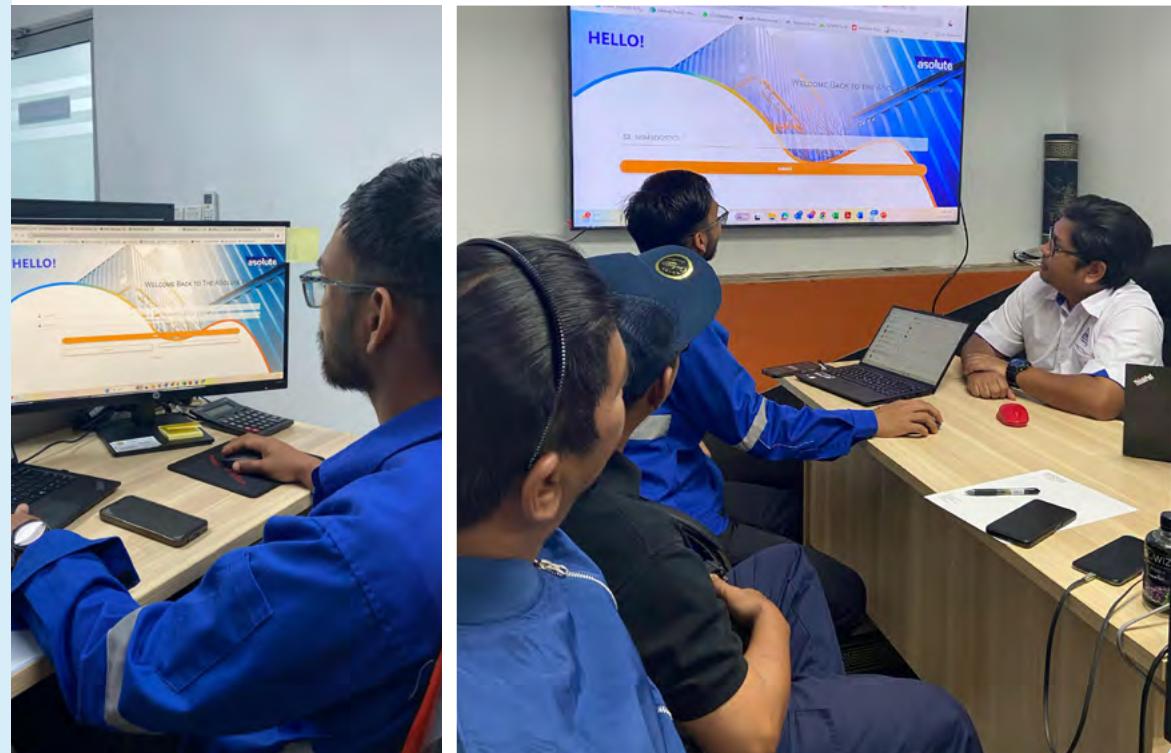
As part of MSM's commitment to modernising its supply chain operations, digitalisation efforts and certifications play a crucial role in driving efficiency, compliance and operational excellence.

SMART Logistics Deployment

The deployment of the Warehouse Management System (WMS) and Transport Management System (TMS) is on track and scheduled to go live in the first half of 2025.

The WMS is expected to improve inventory accuracy, streamline and automate various operation processes, reduce costs and improve order fulfillment speed. WMS will help MSM to maintain its competitiveness in the market and enable us to cater to dynamic market needs in line with MSM's 2025 commercial strategy to improve product availability and offer product innovation.

In addition, the TMS has two objectives, which is to optimise deliveries and reduce logistics costs. It will enable the planning, execution, optimisation and monitoring of transport operations in real time.



Supply Chain Excellence

In line with our efforts to improve our supply chain practices, MSM Logistics Sdn Bhd received the Halal Certification from the Jabatan Kemajuan Islam Malaysia (JAKIM) in 2024. The Halal certification is a mark of trust, transparency and ethical business practices and adds value to MSM offerings.

In addition, we continued improving from our ISO 9001: 2015 certification received in 2023, moving ahead to work on obtaining the ISO 39001 Road Safety Management System certification. Our aim is to be a more operator in the context of road safety and in road traffic systems to reduce road incidents.



EMPOWERING YOUNG ENTREPRENEURS IN LOGISTICS

MSM launched the Program Perintis: Usahawan Logistik Muda in collaboration with Jabatan Pembangunan Usahawan Felda as a long-term CSR initiative to develop micro-entrepreneurs in the transportation sector. The programme equips participants with small trucks for MSM sugar distribution while providing comprehensive training in marketing, branding, operations and financial management under an incubator model. Officially launched on 12 July 2024 in Serdang, the programme aligns with MSM's commitment to corporate social responsibility and economic empowerment, fostering business ownership and sustainable income generation. Over a three-year period beginning 2024, 12 entrepreneurs will be trained across Selangor, Prai and Johor, with a projected monthly earnings of RM5,000–RM7,000 per participant and an estimated total income of RM3.6 million over five years. The first phase commenced in 2024 with two participants in Selangor, completing intensive training and achieving an average monthly income of RM10,000.



OUTLOOK FOR 2025

As MSM looks ahead, the Group Supply Chain Division is set to expand its cross-border logistics capabilities, particularly in the Near Region and Singapore. Efforts to enhance cost efficiencies will continue through process innovations aimed at mitigating inflationary pressures and global uncertainties. A deeper assessment of costs at a granular level—covering segments, services and locations—will help optimise the cost-to-serve model.

Sustainability remains a central focus, with ESG principles further embedded in supply chain operations. MSM is committed to ethical sourcing and energy-efficient logistics solutions to align with market and regulatory expectations. Additionally, product innovation will be driven by evolving consumer preferences, ensuring that MSM stays ahead of demand trends.

Recognising the rapid shift in supply chain dynamics, MSM will also enhance risk management strategies by strengthening engagement with regulators and authorities. This proactive approach will enable the Company to navigate changes in consumer expectations, including increased demand for customised products and faster service levels.

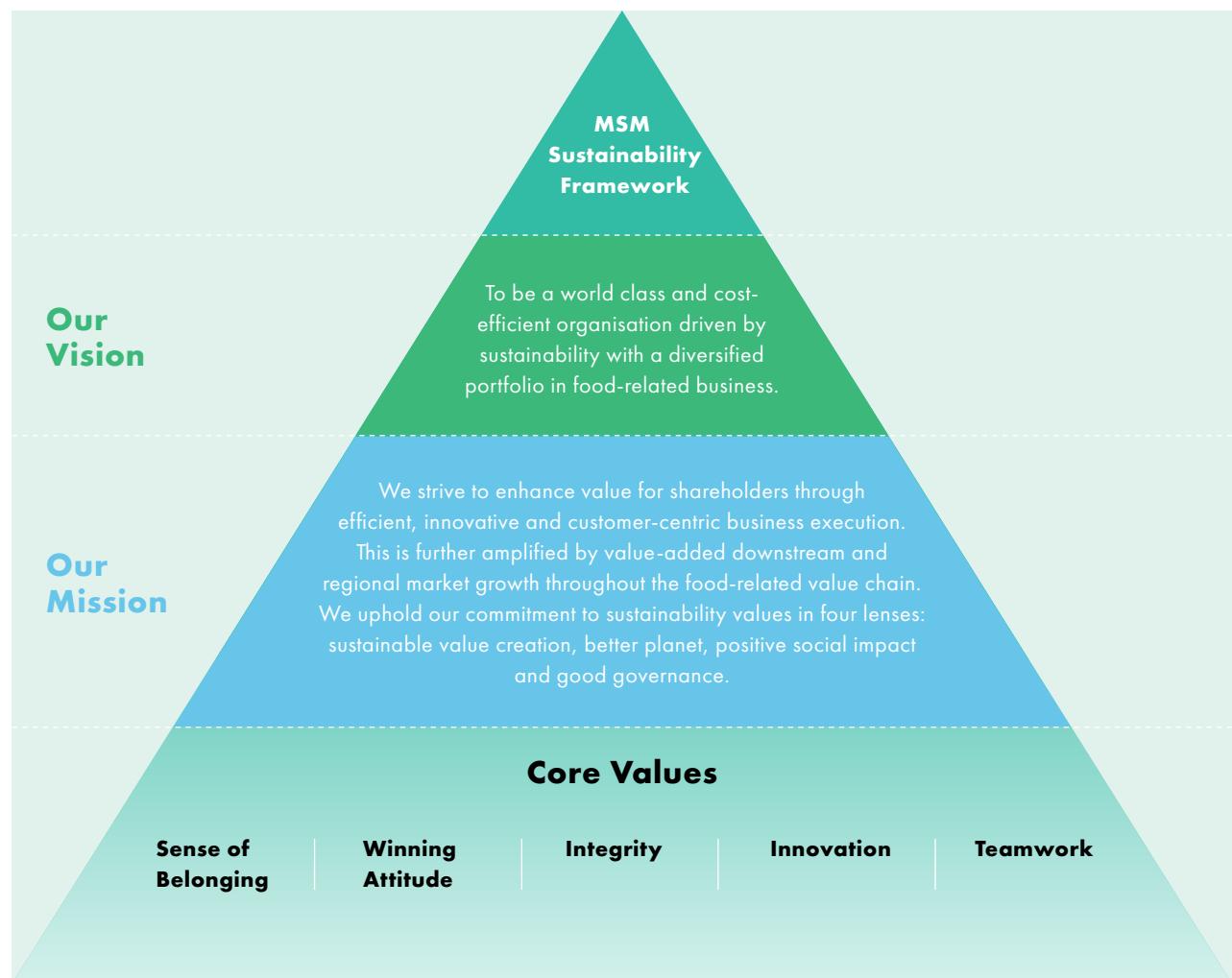


OUR GROUP SUSTAINABILITY REVIEW

SUSTAINABILITY FRAMEWORK

Sustainability is deeply embedded in MSM's decision-making and business operations, ensuring long-term resilience and responsible growth. The MSM Sustainability Framework serves as a foundation for integrating sustainability into our core business strategy, reinforcing our commitment to ethical and responsible practices. In alignment with the Group's sustainability strategy, we incorporate sustainable practices across our operations, creating value for stakeholders while minimising environmental and social impacts.

Guided by a strong vision, mission and core values, the MSM Sustainability Framework reflects our dedication to fostering a cost-efficient, high-performance and sustainable business model. We strive to create long-term value while maintaining a balance between economic growth, environmental responsibility and social well-being. By leveraging opportunities across the food value chain, we aim to strengthen sustainability and business resilience.



OUR GROUP SUSTAINABILITY REVIEW

SUSTAINABILITY FRAMEWORK

Our framework is structured around three key pillars: Environmental, Social and Governance (ESG), with five essential focus areas that shape our sustainability agenda. These focus areas are aligned with the relevant material matters:

ESG FOCUS AREAS				
ECONOMIC GROWTH	ENVIRONMENT	SOCIAL	GOVERNANCE	INNOVATION & TECHNOLOGY
Profitability and economic growth as the main output of a holistic sustainability approach	Integration of environmental protection as well as climate mitigation and adaptation efforts and responsible use of natural resources and in becoming zero environmental impacts business	Integration of responsible approach to social and human rights as the nation's employer of choice and corporate social responsibilities	Integration of sustainability objectives and targets across the Company's core business strategy and model by ensuring full compliance with legal, regulatory and sustainability requirements	Linking innovation and transformation to promote incremental and disruptive sustainability-oriented innovation and progress
SUSTAINABILITY MATTERS				
<ul style="list-style-type: none"> Business Development and Product Quality Operational Performance Traceability, Responsible Sourcing and Supply Chain Management 	<ul style="list-style-type: none"> Climate Action Waste Management Water Management Renewable Energy and Energy Management 	<ul style="list-style-type: none"> Upholding Human Rights and Labour Standards Occupational Health and Safety Employee Engagement and Talent Management Community Engagement and Development Diversity, Equity and Inclusion 	<ul style="list-style-type: none"> Governance, Ethics and Integrity Traceability, Responsible Sourcing and Supply Chain Management Data Security and Protection 	<ul style="list-style-type: none"> Operational Performance Climate Action

In alignment with both global and local sustainability priorities, we are dedicated to contributing to the United Nations Sustainable Development Goals (SDGs) and adhering to the Ten Principles of the United Nations Global Compact (UNG). Our sustainability commitments not only drive responsible business practices but also reinforce our role in shaping a more sustainable future for the industry and beyond. As part of this journey, we are working towards achieving net zero, integrating climate-conscious strategies into our operations to reduce environmental impact and support a low-carbon economy.

OUR SUSTAINABILITY APPROACH

To ensure sustainability is effectively integrated into our operations, MSM utilises a holistic approach that fosters continuous improvement, stakeholder engagement and measurable impact, aligning our sustainability initiatives with our business goals, governance structures and performance monitoring.

This has allowed us to make meaningful progress in embedding sustainability across our operations, with a clear focus on achieving net zero, responsible resource use and strengthening governance. The company has set key milestones for reducing greenhouse gas (GHG) emissions, optimising resource efficiency and aligning with global reporting standards. Looking ahead, MSM aims to prioritise carbon reduction, waste management and regulatory compliance, reinforcing its commitment to sustainable business practices and long-term resilience. By continuously improving its sustainability approach and engaging stakeholders, MSM aims to drive impactful change and support a more sustainable future for the industry.



OUR GROUP SUSTAINABILITY REVIEW

SUSTAINABILITY FRAMEWORK

OUR SUSTAINABILITY APPROACH

Understand Organisational Context	Assess the organisation's mission, values, goals, stakeholder needs and existing sustainability initiatives to build a strong foundation for sustainability integration.
Define Measurable Sustainability Objectives	Establish clear, measurable sustainability goals aligned with the overall corporate strategy and stakeholder expectations across ESG dimensions.
Conduct Materiality Assessment	Identify and prioritise sustainability issues that have the most significant impact on MSM's business and stakeholders. This ensures a focused approach to key sustainability matters.
Establish Governance Structure	Define clear governance roles, responsibilities and decision-making processes to oversee sustainability implementation and track progress.
Develop Sustainability Policies and Procedures	Formalise MSM's commitment to sustainability through comprehensive policies and procedures that provide a structured roadmap for action.
Define and Identify Key Performance Indicators (KPIs)	Establish relevant KPIs to measure progress towards sustainability goals and assess performance across ESG areas.
Develop and Implement Action Plans	Identify and execute sustainability initiatives that address high-priority issues, ensuring tangible impact on business and stakeholders.
Integrate Sustainability Across Functions	Embed sustainability across all business areas, including supply chain, procurement, human capital, resource management, product distribution and marketing.
Engage Stakeholders Throughout the Process	Foster collaboration by actively involving stakeholders in developing and implementing sustainability initiatives.



OUR GROUP SUSTAINABILITY REVIEW

SUSTAINABILITY FRAMEWORK

Monitor and Report Progress

Establish systems to track sustainability performance, ensuring transparency through sustainability reports, town halls and other communication channels.

Apply Kaizen Philosophy for Continuous Improvement

Encourage continuous improvement through stakeholder feedback, regulatory changes, emerging trends and data-driven decision-making.

Group Sustainability Policy

At MSM, the Group Sustainability Policy (GSP) serves as a framework for integrating economic activities with environmental responsibility, social considerations and governance practices. Established in 2018, the GSP is reviewed periodically to ensure it remains aligned with ESG developments, stakeholder expectations and industry standards. Covering 18 key areas, the policy supports MSM's efforts to incorporate sustainable practices into its operations while considering the interests of stakeholders and the broader community. The GSP reflects MSM's commitment to:



Supporting external suppliers in aligning with the GSP

Engaging stakeholders to foster sustainable practices

Fulfilling all applicable legislation and regulatory requirements

ⓘ For more information on the GSP, please refer to https://www.msmsugar.com/sites/default/files/group_sustainability_policy.pdf.

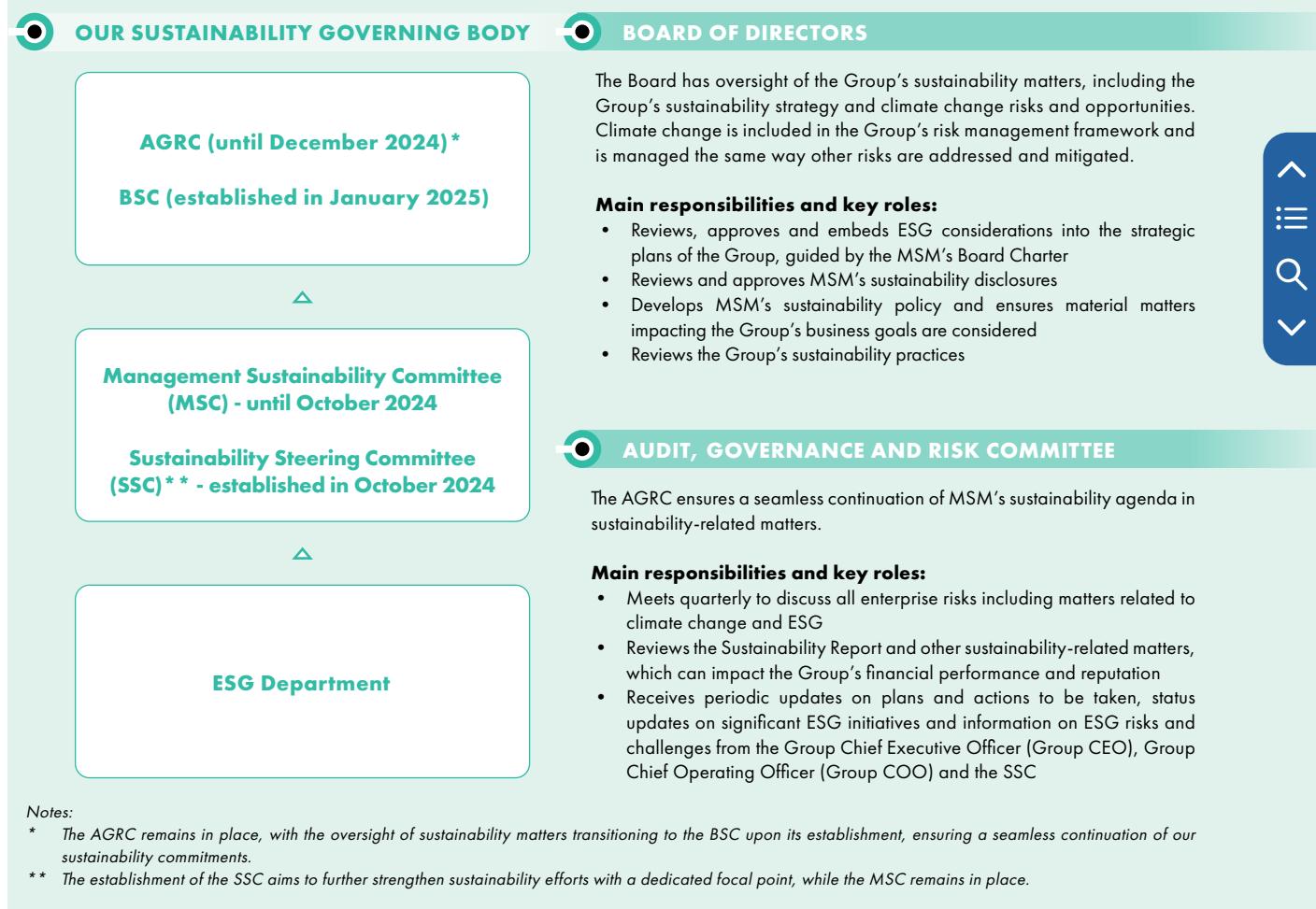


OUR GROUP SUSTAINABILITY REVIEW

SUSTAINABILITY GOVERNANCE

MSM is committed to upholding strong governance to ensure sustainability is embedded into its business operations and activities. This is reflected in its robust policies and decision-making processes, with oversight from the Group's Board of Directors.

We adopt a tone-from-the-top in sustainability governance, whereby MSM's Board of Directors (the Board) has oversight of sustainability-related matters including climate change. It is supported by the Audit, Governance and Risk Committee (AGRC) and MSM's Executive Committee (EXCO) in driving sustainability within the organisation. The Board Sustainability Committee (BSC) was established in January 2025 to undertake responsibility for sustainability matters, a role previously overseen by the AGRC.



OUR GROUP SUSTAINABILITY REVIEW

SUSTAINABILITY GOVERNANCE

This transition ensures a dedicated focus on sustainability governance, with AGRC providing support during the transition period to facilitate a smooth and seamless integration of responsibilities. Additionally, our Board consistently attends training related to sustainability development.

 For more information about sustainability training for the Board, please refer to pages 138 to 144 of this AIR.

GROUP CEO, GROUP COO, CFO AND SUSTAINABILITY STEERING COMMITTEE

The Group CEO, Group COO and CFO serve as the point of contact between the Board, including the AGRC and BSC, and MSM's operational units on corporate governance and sustainability matters.

Main responsibilities and key roles:

- Members of the SSC are responsible for ESG-related discussions particularly on GHG emissions and reduction, identification of ESG opportunities and mitigation of ESG risks
- Both the Group CEO and Group COO provide leadership and guidance for sustainability projects and initiatives across the Group
- The Group CEO receives reports directly from the ESG Department

Selected personnel have been designated as ESG Catalysts since 2023. These individuals are responsible for driving sustainability initiatives across MSM's key workstreams, which initially comprised Circular Economy, Nature-Based Solutions, Zero Carbon Pathway, Creating Shared Value, Sustainable Sourcing, Water and Sustainable Packaging. In 2024, we strengthened our sustainability governance by making it a key focus for 2025 and establishing the BSC and the SSC. This is to enhance transparency, accountability and ethical business practices by aligning with international reporting standards and managing sustainability risks.

The ESG Catalysts play a pivotal role in integrating sustainability within MSM by:

- Representing ESG within their respective departments, advocating for sustainable initiatives and contributing insights during ESG discussions
- Implementing ESG programmes and partnerships within their assigned workstreams, embedding sustainability into MSM's corporate culture and inspiring employees to make impactful change
- Serving as ESG ambassadors, ensuring effective communication of ESG priorities from the SSC to various departments and facilitating seamless coordination of sustainability efforts across MSM
- Seeking SSC endorsement for ESG initiatives before presenting them for approval and execution by the appropriate authorities

ESG DEPARTMENT

Our ESG Department provides advice from all Heads of Operations and Department Heads at subsidiaries on matters pertaining to the Group's sustainability strategy. The ESG Department also works closely with MSM's Group HSES Department and other departments in charge of implementing the Group's sustainability-led strategies and programmes.



OUR GROUP SUSTAINABILITY REVIEW

E S G

OPTIMISING ENVIRONMENTAL PERFORMANCE



We remain committed to minimising our environmental impact as part of our responsibility to both people and the planet.

As climate challenges continue to grow, we are strengthening our efforts to reduce greenhouse gas (GHG) emissions, improve resource efficiency and finding better ways to manage waste. Moving towards carbon neutrality remains a key focus for us, in line with the nation's transition to a low-carbon economy. To support this, we are exploring alternative energy sources and investing in research that promotes a circular economy, allowing us to use resources more responsibly and reduce waste.

MATERIAL MATTER

APPROACH	KEY INITIATIVES AND ACHIEVEMENTS
M1 Climate Action <p>We continue to strengthen our efforts to address climate change by focusing on reducing GHG emissions, improving energy efficiency and adopting low-carbon technologies. Our approach aligns with global climate goals, including Malaysia's ambition for a low-carbon economy. We assess climate-related risks and opportunities through scenario analysis and implement mitigation strategies to enhance our resilience.</p>	<ul style="list-style-type: none"> Reduced Scopes 1 and 2 GHG emissions intensity by 7.00% Developed a GHG reduction roadmap with the Measure, Reduce, Offset (MRO) strategy Conducted climate scenario analysis to assess risks and adaptation strategies for Climate Risk Management & Advocacy Participated in COP29 parallel event sponsorship to promote climate dialogue Implemented reforestation and nature-based solution by planting 1,350 mangrove-associated trees to support biodiversity



OUR GROUP SUSTAINABILITY REVIEW

OPTIMISING ENVIRONMENTAL PERFORMANCE

APPROACH	KEY INITIATIVES AND ACHIEVEMENTS
M2 Waste Management <p>We are committed to promoting a circular economy by reducing waste, increasing recycling rates and optimising resource use. Our strategy includes responsible disposal, improved segregation of waste streams and the exploration of waste-to-value initiatives. We continuously review our processes to ensure compliance with environmental regulations and drive efficiency in waste management.</p>	<ul style="list-style-type: none">• Circular Economy & Waste Diversion with an achievement of a 95.08% waste recycling rate• Segregated packaging waste for resale, generating RM41,308.74• Implemented Black Soldier Fly (BSF) waste treatment, achieving 100% waste conversion• Explored mudcake repurposing for fertiliser and animal feed applications• Zero compounds issued for scheduled waste management
M3 Water Management <p>Water is a critical resource for our operations, and we aim to optimise its use while minimising waste and pollution. Our water management strategy focuses on reducing consumption, improving efficiency and ensuring compliance with environmental regulations. We have implemented water-saving initiatives across our sites and are investing in infrastructure to further enhance water stewardship.</p>	<ul style="list-style-type: none">• Achieved a 7% reduction in water consumption at MSM Prai• Installed a rainwater harvesting system at MSM Johor, with plans to expand• Introduced the Zero Leaks Programme and established a Leaks Buster Team• Conducted a flood risk assessment at MSM Prai to mitigate extreme weather risks• Upgraded the Industrial Effluent Treatment System (IETS) at MSM Johor to meet higher discharge standards
M4 Renewable Energy and Energy Management <p>We aim to reduce our reliance on fossil fuels by increasing the use of renewable energy and enhancing energy efficiency across our operations. Our energy management strategy includes investing in energy-efficient equipment, adopting alternative fuels and integrating solar and biomass energy.</p>	<ul style="list-style-type: none">• Completed 89% of rooftop repairs at SBW in preparation for solar panel installation• Developed a plan for biomass energy integration at MSM Johor, pending facility utilisation threshold• Transitioned from diesel forklifts to liquified petroleum gas (LPG) forklifts, reducing carbon emissions• Conducted energy audits at MSM Prai and MSM Johor to optimise consumption



OUR GROUP SUSTAINABILITY REVIEW

E S G

PUTTING OUR PEOPLE FIRST



Our people are at the heart of everything we do and we are committed to creating a workplace where they feel safe, valued and supported.

We strive to foster an inclusive environment that empowers our employees to grow and succeed. Upholding human rights and fair labour practices, embracing diversity, equity and inclusion, ensuring workplace safety, investing in talent development and actively supporting the communities we serve are key priorities. By focusing on these areas, we aim to build a resilient and engaged workforce that drives our long-term success and sustainability.

1. **Siva Prakash Singaravelloo** – Lead, People & Culture – MSM Prai Berhad
2. **Asri Ayob** – Assistant, Facility & Pool Driver
3. **Yong May Lee** – Champion, Talent Management & Learning
4. **Mohamad Thanhawi Deraman** – Lead, Group People Happiness & IR
5. **Tan Suet Mei** – Senior Associate, Benefit Delivery
6. **Chai Pei Cher** – Lead, Group People Excellence
7. **Mohd Bakhtiar Pahroraji** – Head, Group People & Culture
8. **Elis Sumarni Tahir** – Lead, Group People Operations & Digital
9. **Isyraq Harraz Mohd Yusri** – Associate, Facility & Convenience
10. **Muhammad Azri Abdul Aziz** – Lead, Community
11. **Mohd Khairil Arif Mohd Zain** – Lead, Group People Management
12. **Eleena Rozman** – Senior Associate, Success & Rewards
13. **Syed Mohamed Moideen** – Lead, People & Culture – MSM Sugar Refinery (Johor) Sdn Bhd

 MATERIAL MATTER

APPROACH	KEY INITIATIVES AND ACHIEVEMENTS
M5 Upholding Human Rights and Labour Standards <p>We align our human rights practices with global frameworks such as the Universal Declaration of Human Rights (UDHR), the UN Guiding Principles on Business and Human Rights (UNGPs) and the International Labour Organisation (ILO) principles. Our commitment includes ensuring fair wages, ethical recruitment and safeguarding employees' rights to union representation.</p>	<ul style="list-style-type: none"> • Incorporated human rights principles into the Company's policies and practices • Ensured compliance with national employment laws on wages, working hours and conditions • Strengthened recruitment screening to prevent forced labour risks • Supported collective bargaining agreements and union representation for employees



OUR GROUP SUSTAINABILITY REVIEW

PUTTING OUR PEOPLE FIRST

APPROACH	KEY INITIATIVES AND ACHIEVEMENTS
M6 Diversity, Equity and Inclusion	<p>We believe a diverse workforce drives innovation and strengthens decision-making. Our DEI Policy, approved by the Board, promotes fair treatment, equal opportunities and a workplace free from discrimination.</p> <ul style="list-style-type: none">Enhanced leadership diversity, with women holding 29% of top and senior management positions whilst Board maintains 33% complianceMonitored workforce demographics to ensure fairness across gender, ethnicity and age groupsMaintained a zero-tolerance approach to discrimination and harassment, supported by whistleblowing channels
M7 Occupational Health and Safety	<p>Ensuring a safe and healthy workplace is our priority. We adhere to Malaysia's Occupational Safety and Health (Amendment) Act 2022 and ISO 45001:2018 standards, with proactive risk management measures.</p> <ul style="list-style-type: none">Conducted 44,622 hours of safety training and awareness programmesMaintained zero workplace fatalities and reduced high-risk incidents by 78%Expanded contractor safety audits and introduced random drug testing for contract workersStrengthened emergency response preparedness and compliance monitoring
M8 Employee Engagement and Talent Management	<p>We prioritise talent development through structured training, career progression and employee well-being programmes. Our engagement efforts foster a motivated workforce aligned with MSM's goals.</p> <ul style="list-style-type: none">Conducted regular town halls, focus groups and engagement activitiesProvided financial assistance, educational support and healthcare benefits for employees and familiesLaunched MSM Virtual Academy to enhance digital learning opportunitiesInvested over RM1 million in training and development, increasing average training hours per employee
M9 Community Engagement and Development	<p>We actively contribute to social and economic development through initiatives that support education, environmental conservation and disaster relief. Our approach focuses on creating meaningful, lasting impact.</p> <ul style="list-style-type: none">Conducted 101 ESG-related community outreach programmes, of which 21 were focused on environmental initiatives, 75 on social initiatives and five on governanceSupported environmental awareness through educational initiatives and underprivileged communities in the bottom 40% (B40) segmentEngaged employees in volunteering efforts, including environmental conservation projects such as tree planting and beach cleaningProvided RM375,279.06 in sponsorships and donations, while RM392,611.55 was allocated for Zakat Wakalah contributions



OUR GROUP SUSTAINABILITY REVIEW

E S G

UPHOLDING GOOD GOVERNANCE & RESPONSIBLE BUSINESS



We believe that trust is built through integrity, transparency and accountability in everything we do.

By upholding strong governance and ethical business practices, we create a solid foundation for sustainable growth. Our focus is on maintaining clear oversight, strengthening supply chain traceability, improving operational efficiency, protecting data security and delivering high-quality products. These efforts keep us resilient, aligned with industry best practices and prepared for long-term success.

1. **Vasanthakumar Nathan** – Executive, Group Procurement
2. **Siti Normizan Abdul Manaf** – Assistant Manager, Group Procurement
3. **Pang Jia Yi** – Senior Executive, Group Procurement
4. **Mohd Syafiq Hanafi Mohamad Razali** – Senior Executive, Group Procurement
5. **Zadatul Akhmar Sharmila Mustaffa** – Acting Head, Group Procurement
6. **Norzanariza Mohd Pauzi** – Senior Executive, Group Procurement
7. **Shahrir AA Shafee Abdullah** – Manager, Group Procurement
8. **Wan Adilah Wan Nazli** – Assistant Manager, Group Procurement
9. **Nashima Bibi Mohd Noor** – Executive, Group Procurement

MATERIAL MATTER

APPROACH	KEY INITIATIVES AND ACHIEVEMENTS
M10 Governance, Ethics and Integrity	<p>We are committed to upholding the highest governance standards by embedding integrity, transparency and accountability across all operations. Our governance framework follows the Malaysian Code on Corporate Governance 2021 (MCCG 2021) and Bursa Malaysia's sustainability disclosure requirements.</p> <ul style="list-style-type: none"> • Achieved 100% Board of Directors training on anti-corruption and corporate governance • Conducted MSM Integrity Symposium 2024, reinforcing ethical business practices • Strengthened Corruption Risk Management (CRM) framework, updating mitigation plans • Expanded whistleblowing awareness programmes, ensuring transparency and stakeholder trust



OUR GROUP SUSTAINABILITY REVIEW

UPHOLDING GOOD GOVERNANCE & RESPONSIBLE BUSINESS

APPROACH	KEY INITIATIVES AND ACHIEVEMENTS
M11 Traceability, Responsible Sourcing and Supply Chain Management	<p>We ensure responsible sourcing and full traceability of raw materials, particularly raw sugar, to maintain a sustainable and ethical supply chain. Our procurement policies align with ESG best practices, fostering accountability, fair competition and long-term supplier partnerships.</p> <ul style="list-style-type: none">Engaged with 14 key service providers to communicate ESG expectationsMaintained 99.47% of local suppliers, demonstrating our support for local economic growth, reinforcing supply chain resilienceStrengthened No Deforestation, No People Exploitation (NDPE) policy, enhancing transparency in sugar sourcingAchieved 96.3% traceability for MSM Prai and 100% traceability for MSM Johor back to sugar mills
M12 Operational Performance	<p>We focus on optimising operational efficiency through process improvements, lean manufacturing practices and enhanced resource management. Our efforts ensure cost-effectiveness, productivity gains and sustainable business growth.</p> <ul style="list-style-type: none">Launched the Kilangku, Syurgaku Programme to improve workplace environment and complianceIncreased manufacturing efficiency at MSM Johor, strengthening local supply chainsImplemented lean manufacturing initiatives, reducing production costs
M13 Data Security and Protection	<p>With digitalisation playing a key role in our operations, we are committed to protecting data privacy and strengthening cybersecurity measures to prevent potential breaches. Our compliance with the Personal Data Protection Act (PDPA) 2010 and adoption of global security standards ensure resilience against cyber threats.</p> <ul style="list-style-type: none">Implemented Next-Generation Firewall (NGFW) with advanced intrusion prevention featuresIntroduced monthly cyberattack awareness programmes, enhancing employee vigilanceDeveloped a cyber drill exercise under IT Business Continuity Management (BCM) to improve response readiness
M14 Business Development and Product Quality	<p>We remain committed to delivering high-quality sugar products while exploring new market opportunities for growth. Our focus is on maintaining regulatory compliance, enhancing customer trust and ensuring operational excellence.</p> <ul style="list-style-type: none">Maintained zero non-compliance notices from the Ministry of Health (MOH), ensuring food safetyConducted 18 customer audits, four internal audits, and 11 certification auditsEnhanced packaging and manufacturing processes, reducing product returns to 0.26% of total salesExpanded digital quality assurance and quality control systems, enabling prompt data-driven decision-making



OUR GROUP SUSTAINABILITY REVIEW

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

At MSM, we remain persistent in integrating climate-related risks and opportunities into our corporate strategy, ensuring resilience in an evolving global landscape. In 2024, we have reinforced our approach by strengthening governance, scenario analysis, risk management and emissions tracking, aligning with the Task Force on Climate-Related Financial Disclosures (TCFD) framework. We aim to gradually transition to the International Financial Reporting Standards (IFRS), released by the International Sustainability Standards Board (ISSB), within the time period required by Bursa Malaysia.

We continue to advance our sustainability strategy by engaging our leaders in driving our sustainability strategy forward and measuring our progress periodically. This includes making the necessary adjustments with the aim of ensuring the metrics we use and the targets we set are appropriate.



We ensure that policies and programmes are in place to support our efforts towards our sustainability goals. We also work closely with stakeholders, including customers and employees, through partnerships and collaborations to advance MSM's sustainability agenda. We are accelerating renewable energy adoption, supply chain engagement and operational efficiency improvements to drive long-term decarbonisation. By enhancing transparency, aligning with global best practices and managing climate risks, we continue to advance our sustainability agenda while creating long-term value for our stakeholders.

GOVERNANCE

Oversight on Climate Risks & Opportunities

The Board has oversight of matters related to sustainability, including sustainability risks and opportunities, and remains responsible for integrating climate considerations into corporate strategy. The Board Sustainability Committee (BSC), established in January 2025 to oversee sustainability-related matters, is supported by the Audit, Governance, and Risk Committee (AGRC), which previously oversaw sustainability until the BSC's formation. The AGRC continues to play an active role in supporting the BSC, ensuring a smooth transition of responsibilities.

Additionally, the BSC is supported by the Sustainability Steering Committee (SSC), established in October 2024. Together, the BSC and SSC reinforce MSM's commitment to sustainability and climate resilience, ensuring these priorities remain central to strategic decision-making.

The SSC, which is an enhancement of the previous Management Steering Committee, plays a pivotal role in embedding climate-related policies and ensuring alignment with MSM's overarching sustainability strategy. Reporting directly to the BSC, the SSC is headed by the Group CEO and composed of senior executives from key business functions, including the Environmental, Social & Governance (ESG) department, Health, Safety, Environment & Security (HSES) department and Operations Management. This structured reporting mechanism ensures that sustainability measures are effectively communicated to the Board and that climate-related risks are embedded into MSM's overall risk management framework. The SSC is responsible for tracking progress against key performance indicators, providing recommendations for sustainability initiatives and ensuring that operational decisions reflect MSM's long-term climate commitments.



OUR GROUP SUSTAINABILITY REVIEW

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

STRATEGY

Climate Scenario Analysis and Business Impact

MSM classifies climate risks into physical risks and transition risks. Physical risks refer to the direct impact of climate change, such as rising sea levels, temperature fluctuation and extreme weather events that cause significant damage to assets, operations and supply chain disruptions, affecting operational continuity. Transition risks arise from the shift towards a low-carbon economy, which may involve policy changes, market shifts, reputational impacts and technology advancements as we adapt to a new regulatory environment, consumer expectation and change of consumer behaviour. While climate change poses significant risks, the transition towards a low-carbon economy also offers substantial opportunities. We have broadened our climate scenario analysis to assess potential risks and opportunities under three distinct climate trajectories. Each scenario enables us to evaluate the financial and operational implications of climate change and adjust our strategy accordingly.

Scenario 1: Business-as-Usual (4.0 to 5.0°C)

If global temperatures exceed 4°C due to insufficient mitigation actions, we anticipate heightened physical risks such as more frequent and severe extreme weather events, prolonged droughts and flooding, which could disrupt operations and supply chains. Regulatory and market pressures would also escalate, increasing operational costs and potential supply shortages. To address these risks, we are investing in climate-resilient infrastructure and diversified sourcing strategies to minimise disruptions.

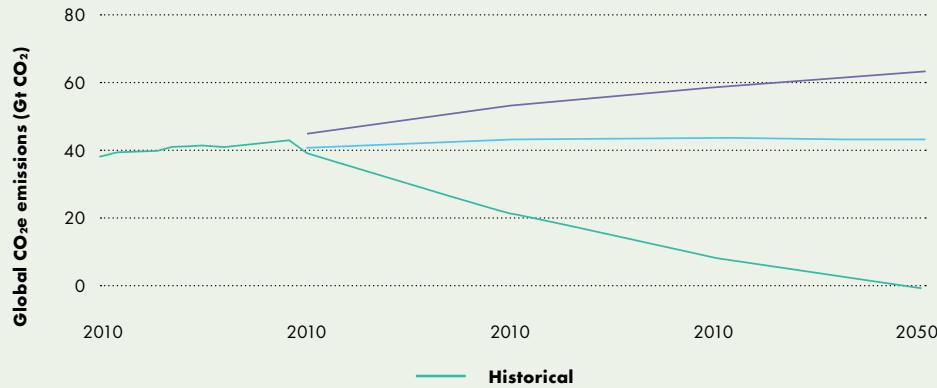
Scenario 2: Moderate Mitigation (2.5°C)

In this scenario, partial climate mitigation measures are implemented, leading to a moderate temperature rise. While physical risks remain significant, regulatory policies such as carbon pricing and emission reduction targets become stricter. We are preparing for this scenario by enhancing energy efficiency measures, adopting renewable energy solutions and integrating carbon pricing into our financial planning.

Scenario 3: Paris Agreement-Aligned (1.5°C)

In this scenario, full climate mitigation measures are implemented, leading to a low temperature rise. While physical risks remain significant, transition risk which includes regulatory policies such as carbon pricing and emission reduction targets become stricter. We are preparing by enhancing energy efficiency measures, adopting renewable energy solutions and integrating carbon pricing into our financial planning.

CO₂e Emission Trajectories and Corresponding Climate Change



With no mitigation approximately 4.0 to 5.0°C

World remains focused on short-term challenges with few or no steps taken to limit emissions.

With stated policy 2.5°C

World relies on existing and planned policies, but no additional measures are undertaken.

Paris ambition 1.5°C

World takes immediate and coordinated action to tackle climate change and curb emissions.



OUR GROUP SUSTAINABILITY REVIEW

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

Building Climate Resilience through Investments

To enhance our climate resilience, we have integrated financial projections into our risk assessment. Investments in flood risk mitigation strategies are planned over the next five years to ensure operational continuity in vulnerable areas. We are also prioritising energy transition initiatives, such as the installation of solar rooftops at MSM Prai and SBW, which will contribute to long-term cost savings and reduced carbon emissions.

Projected Savings from Solar Rooftops

MSM Prai	Electricity cost saved in 20 years: RM20.51 million Scope 2 GHG emissions saved per year: 2,001 tCO₂e/MWh	SBW	Electricity cost saved in 20 years: RM4.97 million Scope 2 GHG emissions saved per year: 499 tCO₂e/MWh
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In 2024, we transitioned from diesel-powered forklifts to LPG and lithium-ion battery forklifts, reducing operational emissions. By integrating financial risk assessments into our strategy, we are strengthening our resilience while leveraging opportunities towards a low-carbon economy.

RISK MANAGEMENT

Processes for Identifying and Assessing Climate Related Risks

We continue to strengthen our approach in identifying and assessing climate-related risks, ensuring both physical and transition risks are evaluated comprehensively. Our climate risk assessment process involves analysing supply chain vulnerabilities, reviewing regulatory landscapes and assessing the financial impact of climate-related events.

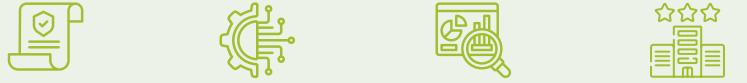
Building on our previous efforts, we remain actively engaged with stakeholders, including regulators and industry partners, to stay informed about emerging risks and opportunities in the evolving climate landscape. The key workstreams identified in 2023 remain in place, reflecting our ongoing commitment to resilience and adaptability.



OUR GROUP SUSTAINABILITY REVIEW

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

Our business is exposed to both Transition Risks and Physical Risks.

		TRANSITION RISKS				PHYSICAL RISKS									
Definition															
	Policy		Technology		Market		Reputation								
	<p>Potential risks associated with changes in policy, technology, social dynamics and economic conditions during the transition to a low carbon economy:</p> 														
Potential Impacts		<p>Depending on the nature and pace of the transition, different levels of financial and reputational risks may arise, including:</p> <ul style="list-style-type: none"> Decreased revenues due to shifts in consumer demands and preferences Higher operational costs Effects on asset values Obsolescence of tangible and intangible assets 													
Timing		<p>The timing and speed of the transition are uncertain, with a higher probability of occurring in the short to medium term. Postponing the transition raises the chances of a disorderly, disruptive and abrupt shift.</p>													
<p>Mitigation Strategies and Supply Chain Resilience</p> <p>To mitigate risks, we have implemented a flood risk management strategy, identified high-risk operational sites and invested in stormwater management systems and elevated storage infrastructure. Recognising the importance of supply chain resilience, we are conducting a GHG footprint assessment for key suppliers, developing a Scope 3 emissions inventory to track and manage supply chain emissions more effectively.</p> <p>To strengthen operational risk monitoring, we have introduced ESG tracking systems, ensuring early identification and mitigation of climate-related financial risks. By integrating climate risk considerations into our</p> <p>enterprise risk framework, we are safeguarding our long-term sustainability. This enables us to monitor and mitigate acute physical risks such as flooding, which may disrupt our refinery operations, damage machinery and inventory as well as disrupt supply chain operations due to flooded routes and third-party logistics or warehouses, leading to increased operation costs and revenue losses. Flooding may also affect the health and safety of our employees, particularly those whose homes are affected by the weather event.</p> <p>We have also determined the time horizon for identified risks, covering the short, medium and long term, ensuring a structured and forward-looking risk management approach to build climate resilience.</p>															

	From (Year)	To (Year)
Short-term		
The short term focuses on immediate and upcoming reporting periods, reflecting near-term changes in performance, regulatory compliance and respective action taken in response to identified risks and opportunities	0	1
Medium-term		
The medium-term horizon allows us to respond to potential risks and opportunities that can be seen at present and may not be experienced until later	1	5
Long-term		
The long-term horizon for MSM is more broadly the future vulnerable state and risks and opportunities can be difficult to predict too far in advance	5	-



OUR GROUP SUSTAINABILITY REVIEW

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

PHYSICAL RISKS				
Category	Description	Time Horizon	Impact Risk/Opportunity	Our Approach
Acute and chronic	Climate-related physical risks encompass acute risks from extreme weather events such as floods and droughts, as well as chronic risks arising from gradual changes in temperature and precipitation patterns	● ● ●	Across the three climate scenarios analysis, flooding was identified as a chronic hazard that could impact the company in the short, medium and long term.	<p>We continue to assess potential physical climate risks to our operations and value chain. This included conducting a flood risk assessment at MSM Prai by engaging an external consultant to analyse the climate scenarios and the impact on the operations, along with adaptation and mitigation plans. We plan to initiate a project to quantify the potential financial impacts associated with flood risk. We will also conduct a study on the feasibility of increasing night shifts and maintaining remote work to reduce reliance on physical infrastructure and GHG emissions from commuting.</p>
TRANSITION RISKS				
Category	Description	Time Horizon	Impact Risk/Opportunity	Our Approach
Policy & legal risks and opportunities	Carbon tax is expected to increase under the 2.5°C and 1.5°C scenarios to support market requirements in meeting national emissions reduction targets	● ● ●	Uncertainty surrounding global carbon pricing and regulations, particularly in relation to trading schemes, makes financial planning challenging.	<p>Efforts to mitigate exposure to pricing-related risks include emission reductions, with short-term and long-term targets to be submitted and approved by the Science-Based Targets initiative (SBTi). Additionally, MSM is exploring potential scenarios for alternative supply sources through joint ventures in plantations or other sustainable alternatives to reduce supply chain emissions. This initiative also aims to address the impact of the proposed sugar tax on downstream industries.</p>



OUR GROUP SUSTAINABILITY REVIEW

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

TRANSITION RISKS				
Category	Description	Time Horizon	Impact Risk/Opportunity	Our Approach
Policy & legal risks and opportunities	Enhanced and increasingly stringent climate-related reporting obligations, along with additional emissions-related reporting requirements, will take effect by 2025	● ●	Rising reporting costs, increased compliance burden and a shortage of skilled human resources.	Amid stringent reporting requirements, we remain resilient in monitoring evolving regulations that necessitate additional disclosures. The growing emphasis on sustainability has led to the adoption of compliance requirements across environmental, social and governance (ESG) topics.
Technology risks and opportunities	Costs associated with transitioning to lower-emission technologies	● ●	Capital investments may be required to decarbonise operations and enhance energy efficiency. Efforts to reduce Scope 2 emissions include exploring opportunities to source solar power as a renewable energy source for MSM Prai and SBW.	We have initiated this process by leveraging energy audit outcomes as a key focus for optimising and enhancing energy efficiency. We remain committed to tripling our energy efficiency initiatives.
Market risks and opportunities	Shifting customer preferences towards more sustainable products	● ● ●	Climate change-related events and the energy transition may influence client behaviour in different ways. As we navigate physical climate risks and the transition to renewable energy, we identify opportunities for process optimisation.	A multi-year plan to migrate our data centre to the cloud will enable a more energy-efficient operational shift. Additionally, we aim to develop an internal carbon strategy for renewable energy procurement by 2026.
				Our five-year plan includes adopting more efficient transportation modes for product distribution, incorporating truck fuel efficiency improvements and the integration of electric vehicles (EVs).
				We have developed a new section dedicated to managing research and development (R&D) innovation, facilitating the development and expansion of low-carbon products.
				We are also planning for long-term packaging recyclability to align with shifting customer preferences.
				Additionally, MSM actively supports and participates in stakeholder questionnaires and surveys—including those from customers, bankers and investors—and takes serious action to address any gaps as necessary.



OUR GROUP SUSTAINABILITY REVIEW

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

TRANSITION RISKS				
Category	Description	Time Horizon	Impact Risk/Opportunity	Our Approach
Reputational risks and opportunities	Stakeholder interest	● ● ●	Failure to meet publicly expected sustainability standards and growing stakeholders' perception. Market stigmatisation of sugar may lead to decline in brand reputation and loss in sales revenue.	We conduct quarterly analyst briefings and collaborate with universities and government sectors, incorporating shareholder feedback into our strategic planning, governance and sustainability programmes. Additionally, we promote awareness of responsible sugar consumption.
	Employee risk	● ●	Reputational risk can affect employee satisfaction through job insecurity, increased stress from upskilling and resistance to organisational changes. However, strong climate leadership and alignment with sustainability values can boost morale, employee pride and overall satisfaction.	We conduct surveys to assess the Staff Happiness Index and gather insights through various feedback channels. We also update employees on key business and sustainability highlights during town halls. Additionally, our listening strategy incorporates onboarding and exit feedback, providing valuable insights to enhance employee engagement opportunities.

● Short-term ● Medium-term ● Long-term

Key assets were assessed for physical risks, providing a basis for evaluating potential impacts on our business activities and supply chain in future assessments.

	Short-term	Medium-term	Long-term
Physical Risk/Opportunity	Limited	Limited	Likely
Transition Risk/Opportunity	Limited	Limited	Limited



OUR GROUP SUSTAINABILITY REVIEW

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

METRICS & TARGETS

Emissions Performance and Reduction Strategies

We remain committed to reducing GHG emissions across Scope 1, 2 and 3 while improving water efficiency, energy optimisation and waste management. In 2024, we achieved a 15% reduction in our total GHG emissions (Scopes 1 and 2) from 2019 and a 17% reduction in GHG emissions intensity (Scopes 1 and 2) compared to 2019. Scope 3 GHG emissions increased from 2019 due to the expansion of its categories, which grew from two categories in 2019 to five categories in 2023 and nine categories in 2024. The significant increase of disclosures in Scope 3 GHG emissions reflects our commitment to reducing our value chain carbon emissions as we strive towards net zero by 2050.

Emission scope		2019	2022	2023	2024	% change
						2019-2024
Scope 1	(total by sites) (tCO ₂ e)	289,520.08	235,935.79	238,497.26	246,560.77	-15%
	(total by sites) (intensity)	0.2696	0.2492	0.2404	0.2233	-17%
Scope 2	(total by sites) (tCO ₂ e)	36,988.36	40,497.27	38,397.78	39,978.74	8%
	(total by sites) (intensity)	0.0344	0.0428	0.0387	0.0362	5%
Scope 1+2	(total by sites) (tCO ₂ e)	326,508.44	276,433.06	276,895.04	286,539.51	-12%
	(total by sites) (Intensity)	0.3040	0.2920	0.2791	0.2595	-15%
Scope 3	(total of 9 categories)					
	(tCO ₂ e)	46.30	7.2	1,496,229.49	2,103,849.37	

Note: The figures for 2019, 2022 and 2023 have been reinstated to align with the latest emission factor (EF) updates.

Scope	Target Type	Target %	Target Year	Achieve/Actual
Scope 1 & 2	Intensity	1.5%	2024	-7.00%
Scope 1 & 2	Intensity	4.5%	2025	

Despite the rise in emissions, we are strengthening our efforts to mitigate carbon footprint through a range of targeted initiatives. We are implementing energy efficiency projects at our Prai and Johor plants, reducing reliance on fossil fuels while expanding solar rooftop installations at MSM Prai and SBW to transition towards cleaner energy sources. In addition, MSM Prai purchased 800 MWh of I-REC-certified electricity generated from renewable sources in 2024, reflecting its commitment to reducing its carbon footprint.

To address Scope 3 emissions, we have engaged with 20% of key suppliers to track and manage emissions within our supply chain, with plans to develop a comprehensive supplier emissions reduction roadmap. We are also assessing the feasibility of on-site solar power generation, with a long-term objective of achieving 30% renewable electricity by 2035.

By enhancing transparency and aligning with global sustainability standards, we are reinforcing our responsibility towards a long-term decarbonisation and ensuring a more sustainable future.



OUR GROUP SUSTAINABILITY REVIEW

BURSA MALAYSIA ESG PERFORMANCE INDICATORS

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				
Top & Senior Management	Percentage	100.00	100.00	83.00
Managerial	Percentage	100.00	100.00	99.00
Executive	Percentage	100.00	100.00	97.00
Non-Executive	Percentage	No Data Provided	67.00	57.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00	100.00
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	134,341.55	256,380.54	375,279.06
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	4,000	10,000	11,148



OUR GROUP SUSTAINABILITY REVIEW

BURSA MALAYSIA ESG PERFORMANCE INDICATORS

Indicator	Measurement Unit	2022	2023	2024
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Top & Senior Management Under 30	Percentage	0.00	0.00	0.00
Top & Senior Management Between 30-50	Percentage	68.00	56.00	52.00
Top & Senior Management Above 51	Percentage	32.00	44.00	48.00
Managerial Under 30	Percentage	0.00	0.79	0.00
Managerial Between 30-50	Percentage	83.49	84.25	85.00
Managerial Above 51	Percentage	16.51	14.96	15.00
Executive Under 30	Percentage	31.31	31.38	31.00
Executive Between 30-50	Percentage	58.41	57.32	57.00
Executive Above 51	Percentage	10.28	11.30	12.00
Non-Executive Under 30	Percentage	32.75	30.77	28.00
Non-Executive Between 30-50	Percentage	59.13	61.13	64.00
Non-Executive Above 51	Percentage	8.12	8.10	8.00



OUR GROUP SUSTAINABILITY REVIEW

BURSA MALAYSIA ESG PERFORMANCE INDICATORS

Indicator	Measurement Unit	2022	2023	2024
Gender Group by Employee Category				
Top & Senior Management Male	Percentage	72.00	64.00	69.00
Top & Senior Management Female	Percentage	28.00	36.00	31.00
Managerial Male	Percentage	73.39	69.29	67.00
Managerial Female	Percentage	26.61	30.71	33.00
Executive Male	Percentage	58.88	61.92	59.00
Executive Female	Percentage	41.12	38.08	41.00
Non-Executive Male	Percentage	93.33	93.25	93.00
Non-Executive Female	Percentage	6.67	6.75	7.00
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	66.67	66.67	66.67
Female	Percentage	33.33	33.33	33.33
Under 30	Percentage	0.00	0.00	0.00
Between 30-50	Percentage	11.11	11.11	11.11
Above 51	Percentage	88.89	88.89	88.89
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	1,270,976.00 *	1,286,701.00 *	1,323,650.00 *



OUR GROUP SUSTAINABILITY REVIEW

BURSA MALAYSIA ESG PERFORMANCE INDICATORS

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	1.55	1.41	0.29
Bursa C5(c) Number of employees trained on health and safety standards	Number	1,038	1,132	1,154
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category	Hours	852	751	942
Top & Senior Management	Hours			
Managerial	Hours	No Data Provided	No Data Provided	6,386
Executive	Hours	4,321	5,669	10,352
Non-executive	Hours	No Data Provided	No Data Provided	11,760
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	1.40	1.90	0.90



OUR GROUP SUSTAINABILITY REVIEW

BURSA MALAYSIA ESG PERFORMANCE INDICATORS

Indicator	Measurement Unit	2022	2023	2024
Bursa C6(c) Total number of employee turnover by employee category				
Top & Senior Management	Number	2	2	3
Managerial	Number	16	18	20
Executive	Number	50	33	39
Non-Executive	Number	54	48	33
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	98.30	98.00	99.47
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	2,272.820000	2,213.040000	2,080.570000



OUR GROUP SUSTAINABILITY REVIEW

BURSA MALAYSIA ESG PERFORMANCE INDICATORS

Indicator	Measurement Unit	2022	2023	2024
Bursa (Waste management)				
Bursa C10(a) Total waste generated	Metric tonnes	19,824.33	23,912.60	26,726.53
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	18,740.74	22,617.25	25,531.06
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	1,083.59	1,295.35	1,195.47
Bursa (Emissions management)				
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	235,935.79	238,497.26	246,560.77 *
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	40,497.27	38,397.78	39,978.74
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	7.20	1,496,229.49	2,103,849.37

Internal assurance

External assurance

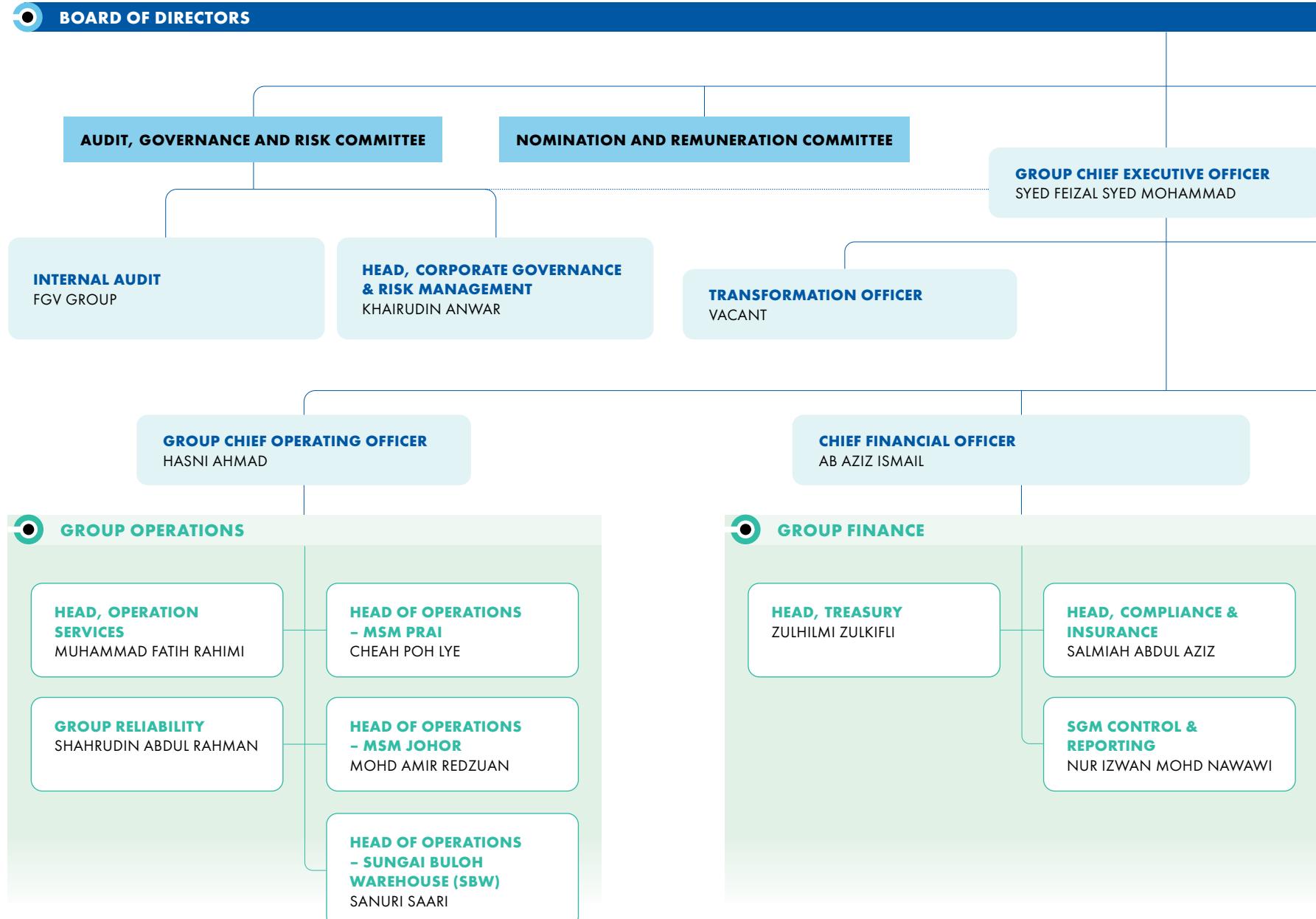
No assurance

(*)Restated

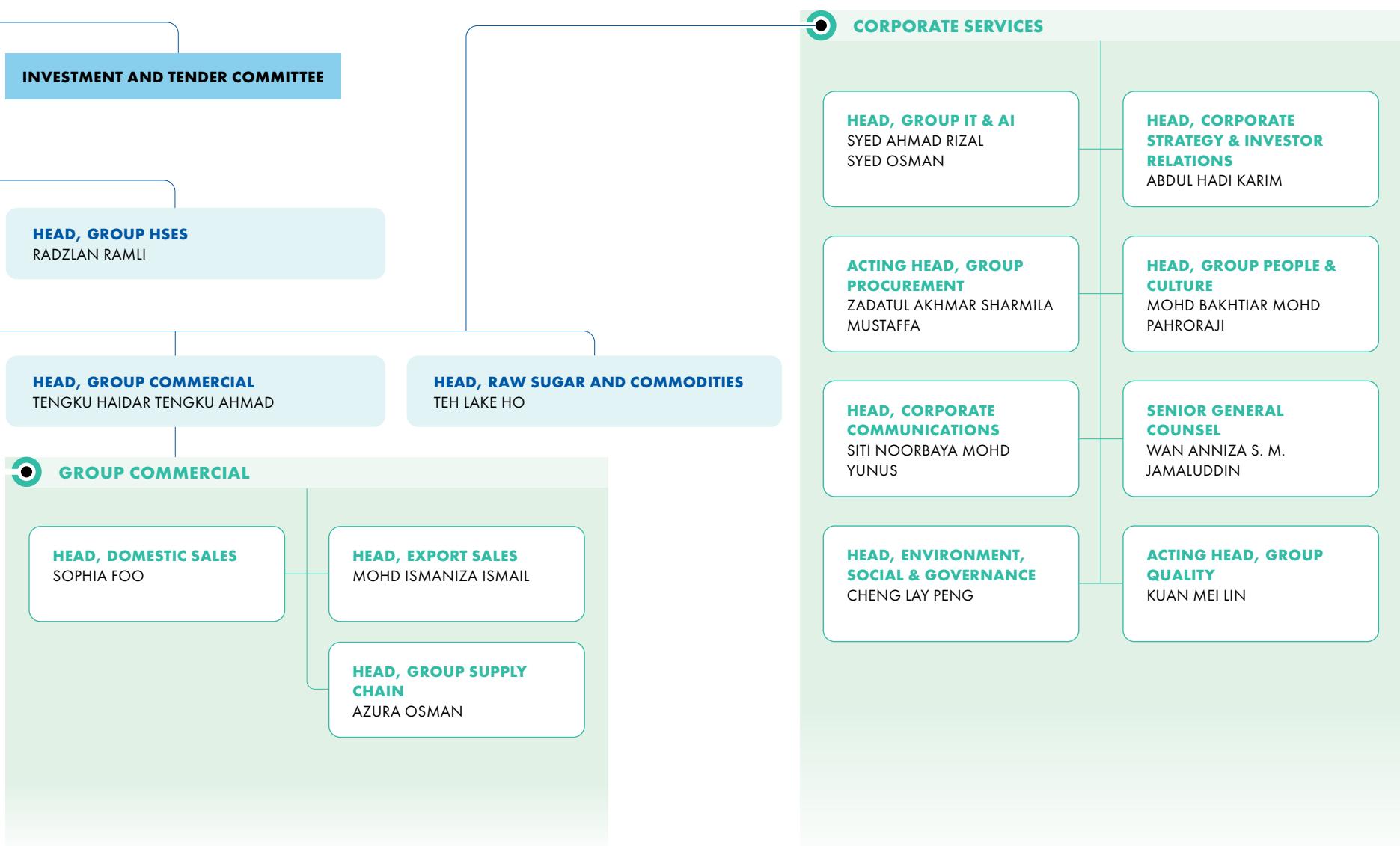


ACCOUNTABILITY & TRANSPARENCY

OUR ORGANISATIONAL STRUCTURE



OUR ORGANISATIONAL STRUCTURE



ACCOUNTABILITY & TRANSPARENCY

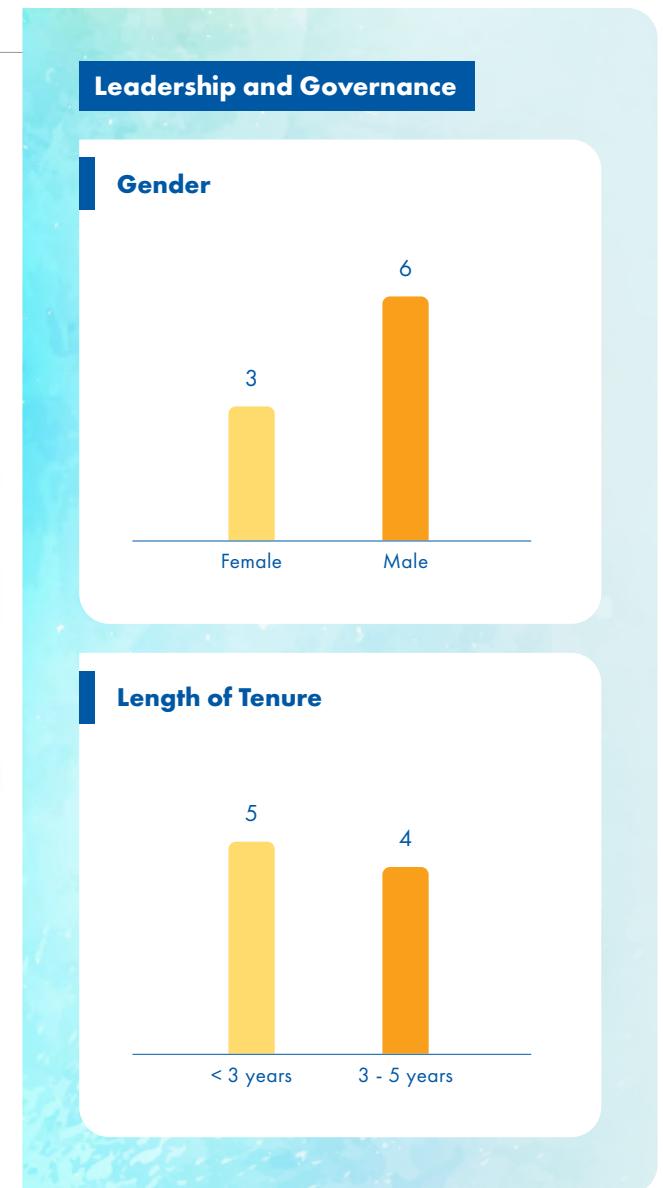
BOARD AT A GLANCE

From left to right

**LOW CHOOI HOON***Independent
Non-Executive Director***DATO' SRI MUTHANNA
ABDULLAH***Independent
Non-Executive Director***DATUK SYED HISHAM
SYED WAZIR***Chairman
Independent
Non-Executive Director***CHOY KHAI CHOON***Independent
Non-Executive Director***DATUK DR ABD HAPIZ
ABDULLAH***Independent
Non-Executive Director*

ACCOUNTABILITY & TRANSPARENCY

BOARD AT A GLANCE



ACCOUNTABILITY & TRANSPARENCY

BOARD OF DIRECTORS

DATUK SYED HISHAM SYED WAZIR
Chairman, Independent Non-Executive Director

Age	70
Nationality	
Gender	

Date of Appointment: 8 May 2020
Length of Tenure as Director: 3 - 5 years
Date of Last Re-election: 6 June 2024

Board Meeting Attendance: 12/12



Board Committee Membership:

- Nil

Qualification(s):

- Master in Business Administration, Ohio State University, United States of America
- Bachelor of Science in Mechanical Engineering, Plymouth University, United Kingdom
- Ordinary National Diploma in Engineering, Hastings College of Further Education, United Kingdom

Working Experience and Occupation:

- Independent Non-Executive Chairman, Progressive Impact Corporation Berhad (May 2023 - present)
- Independent Non-Executive Director, Bermaz Auto Berhad (December 2016 - present)
- Non-Executive Director, SIRIM STS Sdn Bhd (August 2019 - present)
- Non-Executive Director, SIRIM National Precision Tooling Sdn Bhd (November 2017 - present)
- Non-Executive Director, SIRIM QAS International Sdn Bhd (June 2017 - present)
- Non-Executive Chairman, SIRIM National Precision Tooling Sdn Bhd (November 2017 - October 2020)
- Non-Executive Chairman, SIRIM QAS International Sdn Bhd (January 2019 - October 2020)
- Director, SIRIM Berhad (July 2017 - August 2019)
- Group Managing Director, Puncak Niaga Holdings Berhad (November 2015 - July 2017)
- President & Group Chief Executive Officer, UMW Holdings Berhad (October 2010 - October 2015)
- Director, UMW Oil & Gas Corporation Berhad (2010 - September 2015)
- Director, UMW Equipment Sdn Bhd (2010 - September 2015)
- Director, UMW M&E Sdn Bhd (2010 - September 2015)
- Director, UMW Toyota Motor Sdn Bhd (2010 - September 2015)
- Director, KYB-UMW Malaysia Sdn Bhd (2010 - September 2015)
- Director, PERODUA Sales Sdn Bhd (2010 - September 2015)
- Director, PERODUA Manufacturing Sdn Bhd (2010 - September 2015)
- Director, PERODUA Engine Manufacturing Sdn Bhd (2010 - September 2015)
- Director, Toyota Capital Malaysia Sdn Bhd (2011 - September 2015)
- Director, UMW Technology Sdn Bhd (2013 - September 2015)
- Chief Operating Officer, Naza Kia Sdn Bhd & Naza Kia Services Sdn Bhd (November 2009 - August 2010)
- Managing Director, Edaran Otomobil Nasional Berhad (May 2005 - August 2009)
- President/Chief Operating Officer, Honda Malaysia Sdn Bhd (2003 - May 2005)
- General Manager, Marketing Division, Honda Malaysia Sdn Bhd (January 2001 - December 2002)
- General Manager, International Business, DRB-HICOM Export Corporations Sdn Bhd (April 1998 - December 2000)
- Director, Proton Cars (UK) Pre Ltd (1997 - 1998)
- General Manager, Proton Corporations Sdn Bhd (1995 - March 1998)

Directorship of Public Companies/ Listed Issuers:

- Progressive Impact Corporation Berhad
- Bermaz Auto Berhad

BOARD OF DIRECTORS

**DATO' SRI MUTHANNA ABDULLAH***Independent Non-Executive Director***Age****65****Nationality****Gender****Date of Appointment:**

8 May 2020

Length of Tenure as Director:

3 - 5 years

Date of Last Re-election:

8 June 2023

Board Committee Membership:

- Chairman of Nomination and Remuneration Committee
- Member of Audit, Governance and Risk Committee
- Member of Board Sustainability Committee
(appointed with effect from 22 January 2025)

Qualification(s):

- Advocate & Solicitor (High Court of Malaya)
- Barrister-at-Law (Middle Temple, England)

Working Experience and Occupation:

- Independent Non-Executive Director, Apollo Food Holdings Berhad (April 2024 - present)
- Independent Non-Executive Director, IHH Healthcare Berhad (January 2021 - present)
- Independent Non-Executive Director, MSIG Insurance Malaysia Berhad (March 2018 - present)
- Independent Non-Executive Director, Malaysia Life Reinsurance Group Berhad (July 2016 - present)
- Consultant, Abdullah Chan & Co (Advocates & Solicitors) (2019 - present)
- Partner, Abdullah Chan & Co (Advocates & Solicitors) (2012 - 2018)
- Partner, Lee Hishammuddin Allen & Gledhill (Advocates & Solicitors) (2001 - 2012)
- Partner, Abdullah A. Rahman & Co (Advocates & Solicitors) (1985 - 2001)

Directorship of Public Companies/ Listed Issuers:

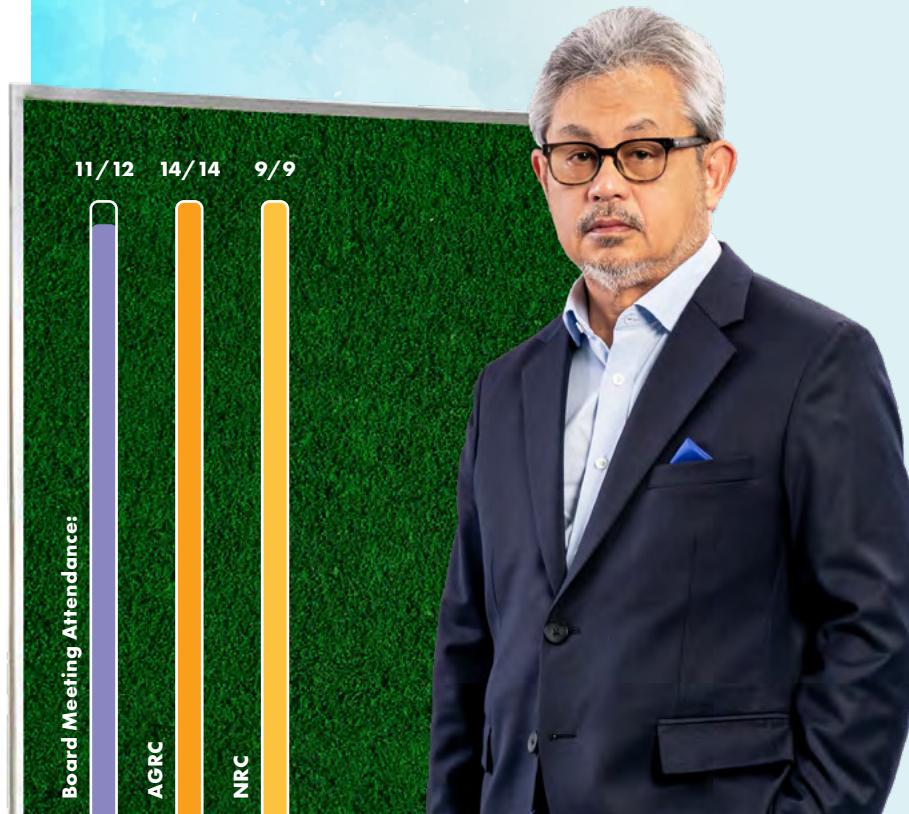
- IHH Healthcare Berhad
- MSIG Insurance Malaysia Berhad (MSIG)
- Malaysia Life Reinsurance Group Berhad (MLRe)
- Apollo Food Holdings Berhad

Societies:

- President, Bukit Tunku Residents Association

Others:

- Honorary Consul, Republic of San Marino in Kuala Lumpur
- Avocat Au Confiance, Embassy of Switzerland Malaysia



ACCOUNTABILITY & TRANSPARENCY

BOARD OF DIRECTORS

**CHOY KHAI CHOON**

Independent Non-Executive Director

Age**67****Nationality****Gender****Date of Appointment:**

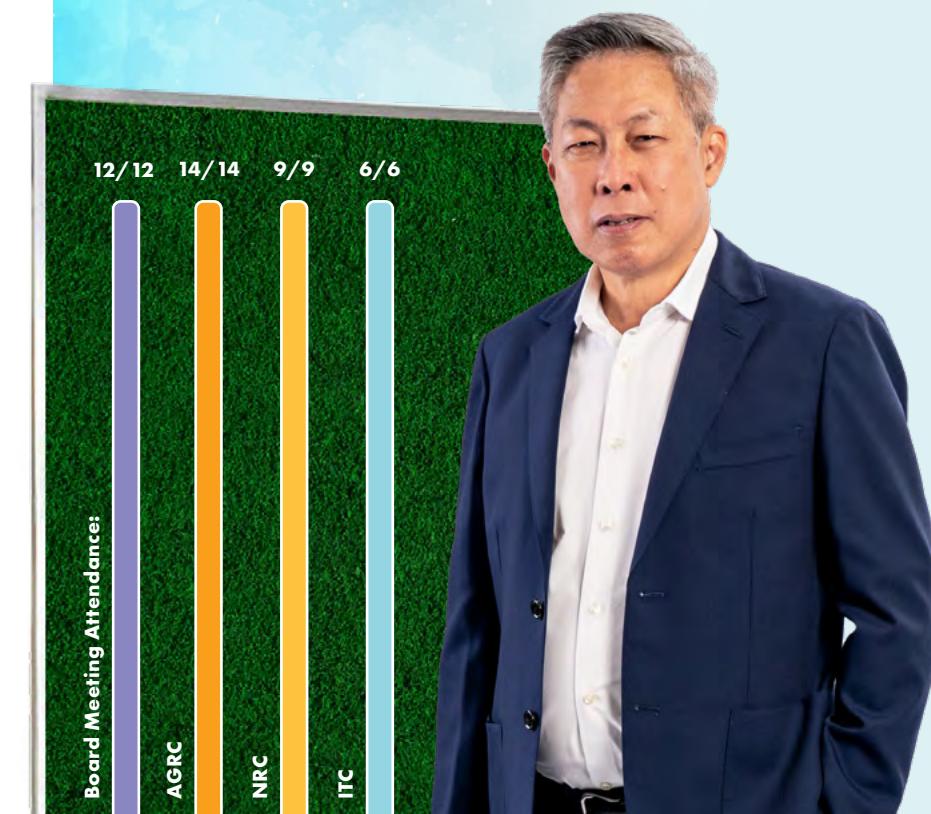
8 May 2020

Length of Tenure as Director:

3 - 5 years

Date of Last Re-election:

8 June 2023

**Board Committee Membership:**

- Chairman of Audit, Governance and Risk Committee
- Member of Nomination and Remuneration Committee
- Member of Investment and Tender Committee

Qualification(s):

- Fellow of CPA Australia (FCPA)
- Member of The Malaysian Institute of Accountants
- Attended General Management Programme, INSEAD Europe Campus, France
- Master in Business Administration, Oklahoma University, United States of America
- Bachelor Degree in Commerce, University of New South Wales, Australia

Working Experience and Occupation:

- Non-Independent Non-Executive Chairman, Kenanga Investors Berhad (April 2023 - present)
- Non-Independent Non-Executive Director, Kenanga Investment Bank Berhad (December 2021 - present)
- Non-Independent Non-Executive Chairman, Zurich General Insurance Malaysia Berhad (August 2022 - present)
- Independent Non-Executive Chairman, Zurich General Insurance Malaysia Berhad (January 2021 - August 2022)
- Member of Labuan Financial Services Authority (Labuan FSA) (November 2020 - present)
- Independent Director, Hap Seng Plantations Holdings Berhad (November 2017 - present)
- Independent Director, Bond & Sukuk Information Platform Sendirian Berhad (November 2017 - present)
- Independent Director, Asian Banking School Sendirian Berhad (December 2015 - present)
- Non-Independent Non-Executive Chairman, Zurich Life Insurance Malaysia Berhad (September 2022 - present)
- Independent Non-Executive Chairman, Zurich Life Insurance Malaysia Berhad (October 2018 - September 2022)
- Independent Non-Executive Director, Zurich General Insurance Malaysia Berhad (August 2019 - January 2021)
- Independent Non-Executive Director, Zurich Life Insurance Malaysia Berhad (September 2013 - October 2018)
- Public Interest Director, Federation of Investment Managers Malaysia (September 2019 - June 2022)
- Senior Independent Director and Board Audit Committee Chairman, Malaysia Marine and Heavy Engineering Berhad (February 2013 - April 2022)
- Deputy Chairman of the Board, Chairman of Audit Committee and Nomination & Remuneration Committee, Deutsche Bank Malaysia Berhad (June 2012 - June 2021)
- Nomination & Remuneration Committee Chairman, Zurich General Insurance Malaysia Berhad (August 2019 - December 2020)
- Independent Non-Executive Director of RAM Rating Services (M) Berhad (August 2013 - June 2020)
- President/Chief Executive Officer, Cagamas Berhad (April 2006 - March 2012)
- Senior General Manager, Group Head, RHB Banking Group (2003 - 2006)
- Chief Executive Officer, Morley Fund Management Ltd, Singapore (2001 - 2002)
- Regional Finance & Planning Director, Asia, Aviva Insurance Asia (1998 - 2001)
- Commercial Union Assurance Berhad (1995 - 1998)
- Credit Corporation Malaysia Berhad (CCMB) (1984 - 1995)

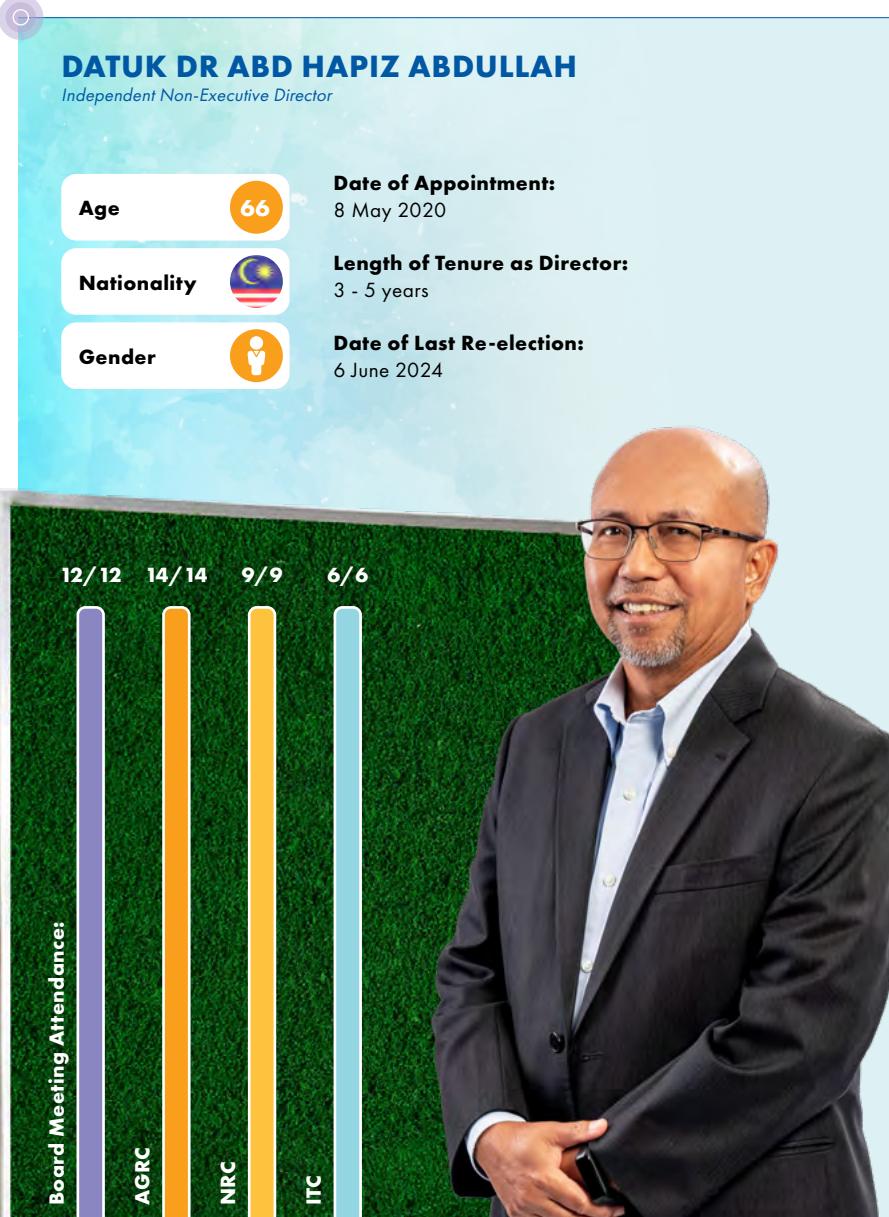
Directorship of Public Companies/Listed Issuers:

- Zurich Life Insurance Malaysia Berhad
- Zurich General Insurance Malaysia Berhad
- Hap Seng Plantations Holdings Berhad
- Kenanga Investment Bank Berhad
- Kenanga Investors Berhad



ACCOUNTABILITY & TRANSPARENCY

BOARD OF DIRECTORS



DATUK DR ABD HAPIZ ABDULLAH
Independent Non-Executive Director

Age 66

Date of Appointment: 8 May 2020

Nationality 

Length of Tenure as Director: 3 - 5 years

Gender 

Date of Last Re-election: 6 June 2024

Board Meeting Attendance:

AGRC	NRC	IFC
12/12	14/14	9/9
6/6		

Board Committee Membership:

- Chairman of Investment and Tender Committee
- Member of Audit, Governance and Risk Committee
- Member of Nomination and Remuneration Committee

Qualification(s):

- Doctor of Philosophy (PhD) in Organic Chemistry, Utah State University, Logan, Utah, United States of America
- Bachelor of Science (BSc) in Chemistry, University of Nevada, Reno, Nevada, United States of America

Working Experience and Occupation:

- Independent Non-Executive Director (INED), Perdana Petroleum Berhad (April 2015 - present)
- INED, Ancom Nylex Berhad (May 2020 - present)
- INED, P2 Science Inc, USA (February 2016 - present)
- Chairman, Chemical Industry Council of Malaysia (CICM) (June 2010 - present)
- Venture Partner, Xeraya Capital (February 2015 - present)
- President/Chief Executive Officer, Petronas Chemicals Group Berhad (May 2011 - May 2014)
- Managing Director, Dupont Malaysia Sdn Bhd & Asia Pacific Regional Director Dupont Glass Laminated Solutions Asia Pacific (April 1995 - May 2011)
- Regional Marketing Manager, Dow Chemical Polyolefins Asia Pacific (January 1985 - April 1995)
- Chemistry Lecturer, University Malaya (1984)

Directorship of Public Companies/ Listed Issuers:

- Perdana Petroleum Berhad
- Ancom Nylex Berhad

ACCOUNTABILITY & TRANSPARENCY

BOARD OF DIRECTORS

**FAKHRUNNIAH OTHMAN***Non-Independent Non-Executive Director***Age****57****Nationality****Gender****Date of Appointment:**

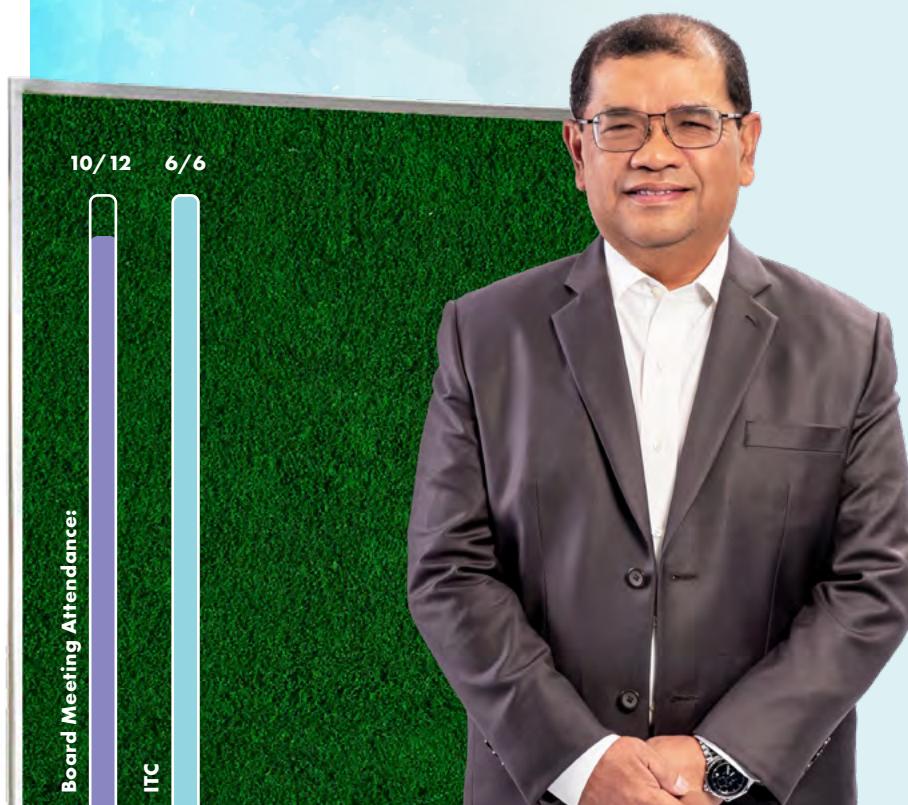
23 February 2023

Length of Tenure as Director:

< 3 years

Date of Last Re-election:

8 June 2023

**Board Committee Membership:**

- Member of Investment and Tender Committee

Qualification(s):

- Master in Business Administration (General Management), Royal Melbourne Institute of Technology (RMIT)
- Chartered Accountant with Malaysian Institute of Accountants (MIA)
- Association of Chartered Certified Accountants (ACCA), United Kingdom

Working Experience and Occupation:

- Group Chief Executive Officer, FGV Holdings Berhad (FGV) (November 2024 - present)
- Group Divisional Director, Logistics & Support Division, FGV (January 2023 - October 2024)
- Deputy Group Divisional Director (Logistics), FGV (July 2022 - December 2022)
- Chief Investment Officer/Senior Vice President, FGV (June 2018 - June 2022)
- Acting Group Chief Executive Officer, MSM Malaysia Holdings Berhad (on secondment: September 2020 - January 2021)
- Chief Strategy Officer/Senior Vice President, FGV (May 2016 - March 2018)
- Chief Executive Officer/Vice President, FGV Transport Services Sdn Bhd (May 2015 - April 2016)
- Chief Executive Officer/Vice President, FGV Trading Sdn Bhd (January 2014 - April 2015)
- Chief Executive Officer/Vice President, FGV Marketing Services Sdn Bhd (January 2013 - December 2013)
- Vice President/Head Corporate Finance, FGV (January 2012 - December 2012)
- Deputy Chief Financial Officer & Co Secretary, TRT Holdings, Massachusetts, USA (2007 - June 2010)
- General Manager/Senior General Manager, Group Finance, Felda Holdings Bhd (2004 - 2006)
- Manager, Finance and Budgeting, Felda Holdings Bhd (2000 - 2003)
- Group Accountant, MTD Capital Bhd/Alloy Consolidated Sdn Bhd (July 1997 - December 1999)
- Accountant, Sapura Telecommunication Bhd (February 1994 - June 1997)
- Management Trainee, Caltex Oil Malaysia Limited (January 1993 - January 1994)

Directorship of Public Companies/ Listed Issuers:

- Nil



ACCOUNTABILITY & TRANSPARENCY

BOARD OF DIRECTORS



LOW CHOOI HOON

Independent Non-Executive Director

Age

53

Date of Appointment:

1 July 2024

Nationality



Length of Tenure as Director:

< 3 years

Gender



Date of Last Re-election:

-



Board Committee Membership:

- Chairman of Board Sustainability Committee
(appointed with effect from 22 January 2025)

Qualification(s):

- Bachelor of Business Administration (Finance and Investment), Universiti Utara Malaysia
- Certified Master Coach, Corporate Coach Academy
- HRDF Accredited Trainer
- Attended Leadership Programme, IMD Lausanne, Switzerland
- Attended General Management Programme, L'Oréal International, Fontainbleau, France
- Fellow Member of Institute of Corporate Directors Malaysia
- Director Member of LeadWomen
- Member of Malaysian Association of Certified Coaches

Working Experience and Occupation:

- Independent Non-Executive Director & Chairman of Nomination and Remuneration Committee and member of Audit & Risk Management Committee, Loob Berhad (February 2025 - present)
- Independent Non-Executive Director & Chairman of Nomination and Remuneration Committee and member of Audit Committee & Risk Management and Sustainability, Eco-Shop Marketing Sdn Bhd (October 2023 - October 2024)
- Chief Executive Officer & Executive Director, MyNews Retail Sdn Bhd and MyCU Retail Sdn Bhd (November 2020 - March 2022)
- Executive Director and Board Member, MyNews Kinea Sdn Bhd and MyNews Ryoyupan Sdn Bhd (November 2020 - March 2022)
- Chief Operating Officer & Executive Director, Etika Sdn Bhd, Etika Fresh Milk Sdn Bhd, Etika Vending Sdn Bhd, Etika Singapore PTE (February 2017 - June 2019)
- Country Head & General Manager & Executive Director, Disposable Soft Goods Sdn Bhd and Disposable Soft Goods (S) Pte (July 2014 - August 2016)
- General Manager, Consumer Product Division, L'Oréal Malaysia Sdn Bhd (April 2012 - May 2014)
- Marketing Director and Executive Director, Sara Lee Malaysia Sdn Bhd (July 2003 - September 2011)
- Executive Director, Sara Lee South East Asia Sdn Bhd (January 2005 - September 2011)
- Marketing Manager, Sara Lee Malaysia Sdn Bhd (August 2000 - June 2003)
- Brand Manager, Unilever Malaysia Sdn Bhd (July 1998 - July 2000)

Directorship of Public Companies/ Listed Issuers:

- Loob Berhad



ACCOUNTABILITY & TRANSPARENCY

BOARD OF DIRECTORS

**DATO' DR SUZANA IDAYU WATI OSMAN***Non-Independent Non-Executive Director***Age****56****Nationality****Gender****Date of Appointment:**

16 August 2024

Length of Tenure as Director:

< 3 years

Date of Last Re-election:

-

**Board Committee Membership:**

- Member of Nomination and Remuneration Committee

Qualification(s):

- Doctorate in Finance, Universiti Putra Malaysia
- Advanced Management Program (AMP 177), Harvard Business School, Harvard University, USA
- Masters in Finance, Universiti Putra Malaysia
- Degree BA (Hons), Business Studies, University of Huddersfield, UK

Working Experience and Occupation:

- Timbalan Pesuruhjaya Kehormat (Pertahanan Awam), Angkatan Pertahanan Awam (March 2025 - present)
- Director General, Federal Land Development Authority (FELDA) (November 2024 - present)
- Board of Trustees, Yayasan Felda (November 2024 - present)
- Director, Felda Investment Corporation Sdn Bhd (December 2024 - present)
- Non-Independent Non-Executive Director, FGV Holdings Berhad (April 2024 - present)
- Non-Independent Non-Executive Director, Encorp Berhad (November 2022 - present)
- Chairperson, IIUM Holdings Sdn Bhd (May 2022 - present)
- Public Interest Director, Private Pension Administrator Malaysia (March 2022 - present)
- Chief Investment Officer, Social Security Organisation of Malaysia (January 2016 - September 2021)
- EVP/Head of Special Projects, Felda Global Ventures Holdings Berhad (April 2015 - December 2015)
- EVP/Global Head of Sugar, Felda Global Ventures Holdings Berhad (February 2014 - March 2015)
- EVP/Chief Strategy Officer, Felda Global Ventures Holdings Berhad (January 2010 - January 2014)
- Deputy Group Chief Executive Officer, Felda Global Ventures Holdings Sdn Bhd (January 2008 - January 2010)
- Administrative Officer (Investment Analyst/Head of Investment), FELDA (June 1998 - December 2007)
- Forex Dealer, International Business Division, Sime Bank (1997)
- Assistant Vice President, Forex & Fund Management Department, Bank of Tokyo Mitsubishi Berhad (July 1994 - December 1996)

Directorship of Public Companies/ Listed Issuers:

- FGV Holdings Berhad
- Encorp Berhad
- Private Pension Administrator Malaysia

Trusteeships of Foundations:

- Yayasan FELDA



ACCOUNTABILITY & TRANSPARENCY

BOARD OF DIRECTORS

**NURUL MUHANIZA HANAFI***Non-Independent Non-Executive Director***Age****48****Date of Appointment:**

1 December 2024

Nationality**Length of Tenure as Director:**

< 3 years

Gender**Date of Last Re-election:**

-

**Board Committee Membership:**

- Member of Board Sustainability Committee
(appointed with effect from 22 January 2025)

Qualification(s):

- Advocate & Solicitor (High Court of Malaya)
- Bachelor's Degree in Laws, International Islamic University Malaysia

Working Experience and Occupation:

- Honorary Secretary, Selangor Bar Committee (March 2025 - present)
- Independent Non-Executive Director, FGV Holdings Berhad (April 2024 - present)
- Managing Partner, Messrs Abu Zahar Syed Mohd Fuad & Partners (Kelana Jaya) (present)
- Selangor State Bar Committee Member (2012 - present)
- Chairperson, Conveyancing Practice Committee and Syariah (2012 - present)
- Chairperson, Bahasa Melayu Committee (2012 - present)
- President, Strata Management Tribunal under the Ministry of Housing and Local Government (2016 - 2018)
- Committee Member of the Joint Management Body (Effective from early 2013)
- Kuala Lumpur Bar Committee Member (for 2009/2010 and 2010/2011)
- Committee Member, Jawatankuasa Lembaga Hakmilik Strata Wilayah Persekutuan Kuala Lumpur
- Special Committee Member, Jawatankuasa Wakaf Kolej Islam Malaya dan Lembaga Amanah Kolej Islam Malaya (LAKIM)

Directorship of Public Companies/ Listed Issuers:

- FGV Holdings Berhad



ACCOUNTABILITY & TRANSPARENCY

BOARD OF DIRECTORS

**DATO' MOHD BANURI ARIS***Non-Independent Non-Executive Director***Age****59****Nationality****Gender****Date of Appointment:**

1 December 2024

Length of Tenure as Director:

< 3 years

Date of Last Re-election:

-

**Board Committee Membership:**

- Nil

Qualification(s):

- Bachelor in Mass Communication, Universiti Putra Malaysia
- Diploma TVET Malaysian Skills, TVET
- Diploma in Counselling, Institut Pengajian Islam

Working Experience and Occupation:

- Professor Adjung, Fakulti Sains Sosial Gunaan, Universiti Sultan Zainal Abidin (April 2025 - present)
- Chairman, Koperasi Permodalan FELDA Malaysia Berhad (KPF) (present)
- Deputy Director General Community Development, FELDA (present)
- Director, FIC UK Properties Sdn Bhd (present)
- Director, Pusat Hemodialisis FELDA (2018 - present)
- Director, FIC Resources Sdn Bhd (June 2024 - March 2025)
- Chairman, FIC Integrated Properties Management Sdn Bhd (June 2024 - March 2025)
- Director, FELDA Investment Corporation Sdn Bhd (June 2024 - December 2024)
- Director, Koperasi Angkatan Pertahanan Awam (November 2024)
- Setiausaha Lembaga, Yayasan FELDA (2011 - 2024)
- International Welfare Affairs Consultant, Ministry of Foreign Affairs (2022 - 2023)
- Deputy Director, Yayasan FELDA (2007 - 2011)
- Administrative Manager, Yayasan FELDA (2005 - 2007)
- Head of Personal Services, Land General Bhd (1996 - 2005)
- Liaison Officer, PPPTH/Embassy of the Kingdom of Saudi Arabia (1987 - 1995)

Directorship of Public Companies/ Listed Issuers:

- Nil

Additional Information:

- None of the Directors has any family relationships with any Director and/or major shareholder of MSM Malaysia Holdings Berhad.
- None of the Directors has any conflict of interest or potential conflict of interest, including interest in any competing business with MSM Malaysia Holdings Berhad or its subsidiaries.
- None of the Directors has:
 - been convicted of any offence (other than traffic offences) within the past 5 years; and
 - been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2024.
- None of the Directors holds more than five directorships in listed issuers.
- The details of the Directors' attendance at Board Meetings held in the financial year ended 31 December 2024 are detailed in the Corporate Governance Overview Statement on pages 134 and 135 of this AIR.



ACCOUNTABILITY & TRANSPARENCY

COMPANY SECRETARY



AZNI ARIFFIN
Company Secretary

Age 54

Date of Appointment: 18 July 2022

Nationality 

Gender 

Qualification(s):

- Licensed Secretary, Companies Commission of Malaysia
- Graduate of Institute of Chartered Secretaries and Administrators
- Advocate & Solicitor (High Court of Malaya)
- First Class, LLB (Hons), International Islamic University Malaysia

Working Experience and Occupation:

- Company Secretary, MSM Malaysia Holdings Berhad and its Group of Companies (July 2022 - present)
- Company Secretary, FGV Holdings Berhad and its Group of Companies (July 2022 - present)
- Group Company Secretary, Sapura Energy Berhad (June 2019 - March 2022)
- General Manager & Company Secretary, Secretarial & Legal Division, Malaysia Airports Holdings Berhad (January 2018 - June 2019)
- Chief Legal Counsel & Company Secretary, Proton Group of Companies (April 2014 - January 2018)
- Head, Group Corporate Secretarial Department, Malayan Banking Berhad (November 2011 - April 2014)
- General Manager & Company Secretary, Group Corporate Secretarial and Legal Services, Pernec Corporation Berhad (November 2009 - November 2011)
- Senior Manager, Legal and Secretarial, Mardec Berhad (May 2000 - October 2009)
- Legal Manager, Abrar Group International (December 1997 - May 2000)
- Assistant Manager, Legal Affairs, Damansara Realty Berhad (December 1996 - November 1997)
- Senior Assistant Registrar, Shah Alam High Court (March 1995 - December 1996)
- Magistrate, Johor Bahru Magistrate Court (May 1994 - March 1995)

Directorship of Public Companies/ Listed Issuers:

- Nil

Additional Information:

1. The Company Secretary does not have any conflict of interest (COI) or potential COI and any family relationship with any Director and/or major shareholder of MSM Malaysia Holdings Berhad.
2. The Company Secretary has not:
 - (i) been convicted of any offence (other than traffic offences); and
 - (ii) been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year.

ACCOUNTABILITY & TRANSPARENCY

EXECUTIVE COMMITTEE OVERVIEW

From left to right



KHAIRUDIN ANWAR
Head, Corporate Governance &
Risk Management



AB AZIZ ISMAIL
Chief Financial Officer



**SYED FEIZAL
SYED MOHAMMAD**
Group Chief Executive Officer



HASNI AHMAD
Group Chief Operating Officer

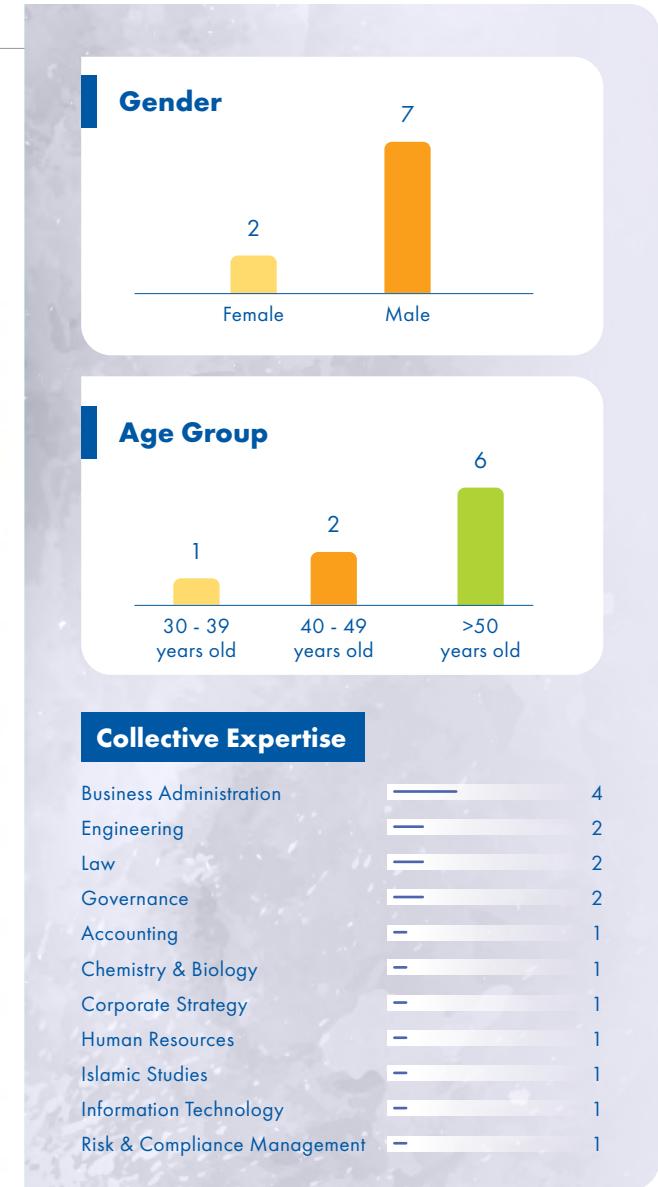


CHENG LAY PENG
Head, Environmental, Social &
Governance



ACCOUNTABILITY & TRANSPARENCY

EXECUTIVE COMMITTEE OVERVIEW



ACCOUNTABILITY & TRANSPARENCY

EXECUTIVE COMMITTEE

Executive Committee (EXCO)

The EXCO serves as the primary executive leadership body of MSM Malaysia Holdings Berhad (MSM) and its Group of Companies, supporting the Group Chief Executive Officer (Group CEO) in overseeing the Group's performance, aligning management with business operations and ensuring the achievement of strategic objectives. EXCO functions as a collective forum for Senior Management to deliberate, review and coordinate business and operational activities in adherence to MSM's established Policies and Procedures, including the Limit of Authorities.

The EXCO does not serve as a policy or strategy-making body but operates as a decision-support platform, facilitating effective deliberation on key business matters while incorporating professional and subject-matter expertise into discussions. Its dedication to sound corporate governance and best practices strengthens MSM's industry leadership, ensuring alignment between business operations, strategic direction, and sustainable growth objectives.

EXCO's Role in Governance, Strategy & ESG

The EXCO plays a pivotal role in enhancing MSM's corporate governance, operational oversight and strategic direction. It ensures that business decisions are data-driven, transparent and aligned with MSM's long-term sustainability goals. Environmental, Social, and Governance (ESG) considerations are seamlessly integrated into decision-making, underscoring MSM's commitment to responsible business practices. The key ESG elements embedded in EXCO's deliberations include:

- Sustainability & ESG Risk Management
- Social Impact & Stakeholder Engagement
- Business Alignment with ESG Goals

The EXCO conducts regular reviews of ESG risks and opportunities to ensure proactive management, including climate-related risks, resource efficiency and social responsibility initiatives. A strong emphasis is placed on stakeholder engagement, ensuring that MSM's business operations contribute positively to society while maintaining regulatory compliance. ESG is not merely a reporting obligation but a fundamental business driver. Each division is accountable for embedding ESG principles within their respective functions, ensuring alignment with MSM's sustainability blueprint. By integrating sustainability into its business strategy, the EXCO reaffirms its commitment to long-term value creation for shareholders, employees, customers and the broader community.

For more details on the Executive Committee's Corporate Sustainability Initiatives, please refer to pages 25 to 27 of our SR 2024.

**Secretariat of EXCO**

Muhammad Faritz Roslan has been appointed as the Secretariat, playing a vital role in ensuring the efficient functioning and governance of the EXCO. As the backbone of the EXCO, he is responsible for maintaining comprehensive documentation of discussions and decisions, ensuring transparency and upholding MSM's corporate governance standards.

SYED FEIZAL SYED MOHAMMAD

Group Chief Executive Officer



Age

61

Nationality



Gender

**Appointment to the Position**

1 February 2021

Academic/Professional Qualification(s):

- Masters in Business Administration (Executive), Charles Sturt University, Australia
- Bachelor of Science in Electrical Engineering, University of Nebraska, Lincoln, United States of America
- Member of Institute of Corporate Directors Malaysia

Relevant Experience:

Syed Feizal has over 36 years of experience with multinational and local public listed organisations. He has served in various business sectors across the food industry, engineering and construction of oil and gas, petrochemicals and industrial plants, exploration & production, infrastructure (water, transport and power) and trading of agro and industrial commodities (palm oil, rice and sugar) and hydrocarbons. His experience in various large to mega capital project conceptualisation and development span across the Asia Pacific (China, Southeast Asia), South Asia (India and Bangladesh), Middle East (Iran, Saudi Arabia, Qatar), Turkey and CIS (Turkmenistan).

Previously, Syed Feizal held several senior leadership positions as Chief Executive Officer, Executive Project Sponsor and Board roles, managing large organisations of over 3,000 people in Malaysia. He was also a senior member of the Executive Committee overseeing more than 7,000 people in Asia Pacific with over 15 subsidiaries and affiliates across China, Southeast Asia and Australia.

Roles and Responsibilities:

Steers the strategic and operational leadership of MSM Malaysia Holdings Berhad (MSM). As the Group CEO of MSM, Syed Feizal oversees the financial management, market positioning, innovation, and risk management. He cultivates team development and upholds stringent corporate governance standards. In his leadership capacity, he champions the integration of Environmental, Social, and Governance (ESG) practices together with digitalisation initiatives. Through these efforts, he aims to secure a future for the Sugar Division that is not only sustainable and responsible but also marked by enhanced operational excellence.

Directorship of Public Companies/ Listed Issuers:

- None

Directorship in MSM Group of Companies:

- MSM Prai Berhad
- MSM Sugar Refinery (Johor) Sdn Bhd
- MSM Logistics Sdn Bhd
- MSM Trading & Distribution Sdn Bhd

Other Relevant Appointment(s) or Membership(s):

- Member of the CEO Action Network
- Adjunct Professor and Industry Advisory Panel, Azman Hashim International Business School, Universiti Teknologi Malaysia
- Adjunct Professor, Faculty of Industry Technology, Universiti Sains Malaysia



For information on Group CEO's shareholdings, refer to page 281 of this AIR.



ACCOUNTABILITY & TRANSPARENCY

EXECUTIVE COMMITTEE

HASNI AHMAD
Group Chief Operating Officer



Age 57

Nationality 

Gender 

Appointment to the Position
1 February 2021

Academic/Professional Qualification(s):

- Bachelor in Chemical Engineering (with distinction) Clarkson University, New York, United States of America

Relevant Experience:

Hasni has close to 30 years of experience in managing oleochemical manufacturing as well as overall plant management. He began his career with FPG Oleochemicals, Kuantan and served in various capacities for 18 years. In 2010, he joined FELDA Holdings Berhad and was seconded as General Manager to Twin Rivers Technologies (TRD US Inc, in Quincy Massachusetts, emerging in 2013 as Vice President of the Downstream Cluster, managing overall operations of the manufacturing plant.

He then served in multiple roles within the FGV Group as CEO of FGV Biotechnology, Interim Caretaker, Palm Downstream Cluster, Head of Downstream Cluster, and most recently, Head of Operations Downstream cum CEO of Delima Oil Products Sdn Bhd and CEO of FGV Refinery Sdn Bhd.

Roles and Responsibilities:

As the Group Chief Operating Officer (Group COO) of MSM, Hasni steers the operation leadership of the Group and leads operational strategy, ensuring efficiency, supply chain optimisation, and alignment with business objectives. He oversees production processes, financial planning, and risk mitigation to maintain seamless operations while ensuring regulatory compliance.

Financial management is a key aspect of his role, where he controls operational budgets, ensures cost efficiency, and collaborates with the finance team to monitor financial performance and forecast future needs.

Quality assurance is also a core focus, as he enforces stringent quality control standards to meet industry and regulatory requirements. He ensures compliance with health, safety, and environmental standards, overseeing audits and addressing any discrepancies to maintain certifications and regulatory approvals.

He drives continuous improvement through lean manufacturing, Six Sigma, and automation, benchmarking MSM against industry best practices to enhance productivity and cost efficiency. A strong advocate for leadership development, he fosters a high-performance culture, talent acquisition, and succession planning.

By integrating innovation, financial discipline, and operational excellence, he ensures MSM remains competitive, resilient, and strategically positioned in the manufacturing industry.

Directorship of Public Companies/Listed Issuers:

- None

Directorship in MSM Group of Companies:

- MSM Prai Berhad
- MSM Sugar Refinery (Johor) Sdn Bhd
- MSM Logistics Sdn Bhd
- MSM Trading & Distribution Sdn Bhd

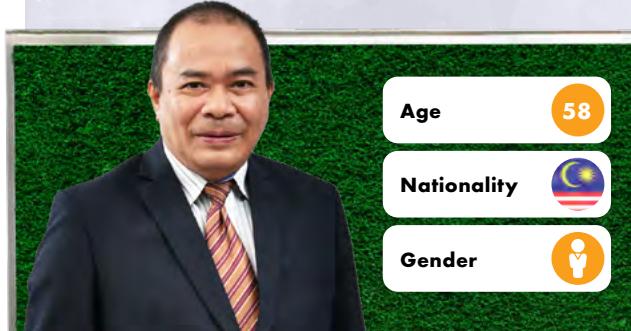
Other Relevant Appointment(s) or Membership(s):

- None

Information on Shareholdings in MSM:

- Direct: Nil
- Indirect (Deemed): Nil

AB AZIZ ISMAIL
Chief Financial Officer



Age 58

Nationality 

Gender 

Appointment to the Position
1 April 2025

Academic/Professional Qualification(s):

- Fellow Member of the Association of Chartered Certified Accountants (ACCA), United Kingdom
- Chartered Accountant with Malaysian Institute of Accountants (MIA)

Relevant Experience:

Ab Aziz Ismail is an experienced finance professional with over 30 years of experience in accounting and financial management across various sectors. He began his career as an auditor at a Chartered Accountant Firm in London, United Kingdom, before joining Felda Holdings Bhd as Senior Audit Manager in the Internal Audit Department. His expertise in financial oversight led him to become the General Manager at Felda Trading Bhd, followed by his role as Chief Financial Officer (CFO) at Felda Ifcco Sdn Bhd. Ab Aziz then joined FGV Trading Sdn Bhd as Senior General Manager for Support Services, before advancing to Group Financial Controller (Plantation Sector) at FGV Holdings Berhad. His leadership in the financial sector continued as he served as Deputy CFO at MSM Malaysia Holdings Berhad before stepping into the role of CFO, a position he held for several years. In his most recent role, he served as Sector Accountant in the Oil and Fats division of FGV Holdings Berhad.

Roles and Responsibilities:

As the Chief Financial Officer (CFO), Ab Aziz Ismail is responsible for overseeing the financial operations of the Group. His duties include ensuring effective financial planning, budgeting, forecasting, reporting and control to support strategic business decisions. He provides leadership in developing and implementing financial policies and strategies, ensuring compliance with regulatory and corporate governance requirements. He also plays a key role in financial risk management and supports the Group's overall financial health, sustainability and growth initiatives.

Directorship of Public Companies/Listed Issuers:

- None

Directorship in MSM Group of Companies:

- None

Other Relevant Appointment(s) or Membership(s):

- None

Information on Shareholdings in MSM:

- Direct: Nil
- Indirect (Deemed): Nil



ACCOUNTABILITY & TRANSPARENCY

EXECUTIVE COMMITTEE

**TENGKU HAIDAR TENGKU AHMAD***Head, Group Commercial***Age****52****Nationality****Gender****Appointment to the Position**

16 January 2016

Academic/Professional Qualification(s):

- Bachelor of Science in Business Administration (Marketing), Oklahoma State University, United States of America

Relevant Experience:

Tengku Haidar has over 26 years of sales, business development, marketing and government liaison experience throughout his career which spans from private conglomerate to government linked companies (GLC). He started his career with Telekom Malaysia Berhad and served in various positions throughout his nine years within the TM Group of companies in which his final position was the Head of Corporate & Business Planning in Meganet Communications (a joint-venture company between Telekom Malaysia & Nippon Telephone & Telegraph (NTT) Corporation of Japan).

His sugar career began in 2006 when he joined Tradewinds (M) Berhad as the Sugar Marketing Manager and served for 9 years across different functions and later he assumed the Head of Business and Stakeholder Relations role for Central Sugars Refinery and Gula Padang Terap until 2015. In MSM, he had served multiple roles from the Head of Sales, Marketing and Business Development to the Head of Business, Product Development and Government Relations and most recently as the Head of Group Commercial since 2021.

A familiar name within the international sugar fraternity, he has frequently been invited to various international sugar conferences including as a guest speaker at the Asia International Sugar Conference in Bali, Indonesia in 2016, a guest speaker and panelist at the F.O. Licht Sugar & Ethanol

Conference in Bangkok, Thailand in 2018, a guest speaker at the Malaysian Competition Commission (MYCC) Conference in Kuala Lumpur, Malaysia in 2018 and also as a guest speaker and panelist at the Asia International Sugar Conference at Ho Chin Minh City, Vietnam in 2018. He was also the first external guest speaker at the Ministry of Domestic Trade Enforcement Division online podcast in March 2024.

Roles and Responsibilities:

Tengku Haidar heads the Group Commercial Division of MSM which comprises of Domestic Sales, Export Sales and Group Supply Chain Departments. He steers the division that strives for improved sales and revenue for the group at the same time optimising the selling and distribution to both the domestic and export customers. He instils integrity and teamwork across function and promotes increased productivity. A proponent of ESG, he promotes inclusivity whereby everyone has a role to play in contributing to the Group's performance. He maintains constant government engagements and relations ensuring that MSM's interests are well protected.

Directorship of Public Companies/ Listed Issuers:

- None

Other Relevant Appointment(s) or Membership(s):

- None

Information on Shareholdings in MSM:

- Direct: Nil
- Indirect (Deemed): Nil

**MOHD BAKHTIAR MOHD PAHRORAJI***Head, Group People & Culture***Age****56****Nationality****Gender****Appointment to the Position**

15 September 2020

Academic/Professional Qualification(s):

- LLB (Honours), International Islamic University Malaysia
- Diploma in HR Management, Malaysia Institute of Human Resource Management

Relevant Experience:

Mohd Bakhtiar has over 29 years of people practitioner experience, beginning his managerial career as Country HR Manager Malaysia/Singapore in Electrolux. Since then, he has climbed up the hierarchy and served as Head of Human Resource & Communication at Total E&P Malaysia in 2009, Director of Human Resource at SapuraKencana Petroleum Group in 2011, Chief Human Resource Officer at Omesti Group in 2015 and most recently as Head of People & Organisation at Sabah International Petroleum in 2018 before his current role.

Roles and Responsibilities:

Senior People Architect in strategising, developing and leading the transformation of People and Organisation in MSM. Enhancing the value of the organisation's people asset in achieving sustainable high-performance people and organisation culture to win the business.

Directorship of Public Companies/ Listed Issuers:

- None

Other Relevant Appointment(s) or Membership(s):

- None

Information on Shareholdings in MSM:

- Direct: Nil
- Indirect (Deemed): Nil



ACCOUNTABILITY & TRANSPARENCY

EXECUTIVE COMMITTEE

WAN ANNIZA S.M. JAMALUDDIN

Senior General Counsel



Appointment to the Position

12 July 2018

ABDUL HADI KARIM

Head, Corporate Strategy & Investor Relations



Appointment to the Position

1 March 2021

Academic/Professional Qualification(s):

- Bachelor of Laws (Honours), National University of Malaysia
- Diploma in Islamic Judicial and Legal Administration, National University of Malaysia

Relevant Experience:

Anniza is an experienced senior executive and legal counsel with over 20 years of post-qualification experience. Following several years in private practice where she specialised in all aspects of Intellectual Property law, Anniza then moved on to the corporate world and served in various industries including collective licensing of music recordings, retail and telecommunications where she honed her skills and knowledge in a variety of practice areas including corporate and commercial law with special emphasis on mergers and acquisitions. Prior to her appointment as Head of Legal Affairs with MSM, she was the Senior Legal Manager for FGV Holdings Berhad, a position she took on in 2015.

Roles and Responsibilities:

Overseeing all legal aspects of the business, including providing strategic legal advice to the Executive Team, managing legal risks, ensuring regulatory compliance (e.g., sanctions, environmental, labour, safety), and handling contract negotiations. Incumbent leads the in-house legal team, oversees litigation, and manages intellectual property protection, in addition to supporting corporate governance, guide mergers and acquisitions, and ensures that the Group adheres to ethical standards. Additionally, the incumbent ensures the Group's compliance with local and international laws, manages external lawyers, and advises on crisis management, all while safeguarding the Group's legal and operational interests.

Directorship of Public Companies/Listed Issuers:

- None

Other Relevant Appointment(s) or Membership(s):

- None

Information on Shareholdings in MSM:

- Direct: Nil
- Indirect (Deemed): Nil

Academic/Professional Qualification(s):

- Master of Business Administration (Islamic Finance), Open University Malaysia
- Bachelor of Business Administration (International Business), Multimedia University

Relevant Experience:

Hadi brings over 14 years of experience across diverse sectors including food, construction, and banking, with expertise in strategic planning, corporate finance, investor relations, business development, performance delivery, and investment monitoring. His career began in the banking industry, where he held various positions at both local and international banks. His last role was as a Relationship Manager in the Corporate & Investment Banking division of Al-Rajhi Banking Group. He then transitioned to the construction sector, taking on the role of Manager, Corporate Finance, where he was responsible for raising project financing, driving business development, and leading corporate initiatives.

In July 2018, Hadi joined MSM as Manager of Corporate Strategy, and in March 2021, he advanced to his current position as Head of Corporate Strategy and Investor Relations.

Roles and Responsibilities:

Hadi leads strategic business development and drives the formulation and refinement of the Group's strategic blueprint. His key responsibilities encompass overseeing investment and divestment activities, including mergers and acquisitions (M&A), equity partnerships, and corporate finance. He also conducts market research and business intelligence analysis, provides financial oversight, and manages budgeting processes. Beyond his strategic role, Hadi spearheads Investor Relations, ensuring effective analyst engagement, shareholder communications, and integrated reporting. Additionally, he is involved in the Group's digital transformation initiatives.

Directorship of Public Companies/Listed Issuers:

- None

Other Relevant Appointment(s) or Membership(s):

- None

Information on Shareholdings in MSM:

- Direct: Nil
- Indirect (Deemed): Nil



ACCOUNTABILITY & TRANSPARENCY

EXECUTIVE COMMITTEE

**CHENG LAY PENG***Head, Environmental, Social & Governance***Age**

53

Nationality**Gender****Appointment to the Position**

3 January 2023

**KHAIRUDIN ANWAR***Head, Corporate Governance & Risk Management***Age**

48

Nationality**Gender****Appointment to the Position**

4 March 2025

Additional Information:

- None of the EXCO members has any family relationships with any Director and/or major shareholder of MSM Malaysia Holdings Berhad.
- None of the EXCO members has any conflict of interest or potential conflict of interest, including interest in any competing business with MSM Malaysia Holdings Berhad or its subsidiaries.

Academic/Professional Qualification(s):

- Master in Business Administration (General Management), Atlantic International University, United States of America
- Bachelor of Science (Chemistry & Biology), Campbell University, United States of America

Relevant Experience:

Lay Peng has over 25 years of experience working in multinational and large Malaysian corporations. She brings with her diverse experience in research and development and global product portfolio transfer programme as the Asia-Pacific (APAC) lead in performance chemical company.

She possesses a career portfolio in government-linked and public listed companies as part of the plant operations management, providing accurate financial statements, creating strategic financial and budget projections, operation efficiency and upholding environment, health and safety (EHS) and compliance requirements. She was also a project lead in multiple green and brown field projects.

Prior to her current role, she held a role in setting corporate social responsibility (CSR) and sustainability strategy, in alignment with the Group's overall direction.

Roles and Responsibilities:

Lay Peng is responsible for leading the Group's sustainability vision, ensuring that environmental, social and governance (ESG) principles are embedded into the business strategy and operations to foster long-term value creation while mitigating climate-related and sustainability risks to achieve the Group's net-zero commitment. She spearheads the development and execution of the Group's sustainability strategy, ensuring alignment with ESG best practices, regulatory requirements and stakeholder inclusivity. She drives sustainable growth while balancing financial performance with corporate responsibility and regulatory compliance.

Directorship in Public Companies/ Listed Issuers:

- None

Information on Shareholdings in MSM:

- Direct: Nil
- Indirect (Deemed): Nil

Roles and Responsibilities:

Khairudin heads the Corporate Governance & Risk Management (CGRM) Division at MSM, driving strategic and operational leadership while upholding the highest standards of corporate governance. He leads the integration of ESG practices and digitalisation initiatives, ensuring a sustainable and responsible future for the Group while enhancing operational excellence. Committed to fostering a strong governance culture, Khairudin spearheads MSM's risk management initiatives, positioning the Company as an industry benchmark in governance and risk oversight. He promotes integrity, sound risk management practices and corporate transparency, ensuring MSM operates with accountability and resilience. Through his leadership, he cultivates a culture of ethical decision-making and governance excellence, reinforcing MSM's reputation as a trusted industry leader.

Directorship of Public Companies/ Listed Issuers:

- None

Other Relevant Appointment(s) or Membership(s):

- None

Information on Shareholdings in MSM:

- Direct: Nil
- Indirect (Deemed): Nil



ACCOUNTABILITY & TRANSPARENCY

HEADS OF OPERATIONS

CHEAH POH LYE*Head of Operations, MSM Prai Berhad***Age****56****Nationality****Gender****Appointment to the Position:**

January 2019

Academic/Professional Qualification(s):

- Energy Manager from Energy Commission Malaysia (2017)
- Steam Engineer Grade 2 (1998)
- Degree in Mechanical Engineering (1992)

Directorship of Public Companies/ Listed Issuers:

- None

Relevant Experience:

Cheah Poh Lye began his career as a mechanical production engineer with Sony Electric Malaysia in 1992 and joined MSM Prai as mechanical engineer in 1993. Since then, he has risen up the ranks within MSM Prai serving as the Mechanical Manager in 2004, General Manager of Engineering in 2009 and Acting Head of Operations in 2018, before his present appointment. He brings with him close to three decades of experience, involvement and understanding of MSM Prai operations.

Information on Shareholdings in MSM:

- Direct: Nil
- Indirect (Deemed): Nil

Additional Information:

- None of the Heads of Operations (HOO) has any family relationships with any Director and/or major shareholder of MSM Malaysia Holdings Berhad.
- None of the HOO has any conflict of interest or potential conflict of interest, including interest in any competing business with MSM Malaysia Holdings or its subsidiaries.
- None of the HOO holds directorships in any public companies or listed issuers.
- None of the HOO has:
 - been convicted of any offence (other than traffic offences) within the past 5 years; and
 - been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year of 2024.

MOHD AMIR REDZUAN*Head of Operations, MSM Sugar Refinery (Johor) Sdn Bhd***Age****47****Nationality****Gender****Appointment to the Position:**

14 January 2023

Academic/Professional Qualification(s):

- 2nd Grade Steam Engineer, Certified by Department of Occupational Safety and Health (DOSH)
- Degree in Mechanical Engineering, University Science of Malaysia (USM)

Directorship of Public Companies/ Listed Issuers:

- None

Relevant Experience:

Mohd Amir started his career with FGV Palm Industries in 2000 and continued working for the next 10 years as a Maintenance and Production Engineer. Graduating from USM in 2000 and with a Grade 2 Steam Certification under his belt, he brings with him expertise and understanding towards delivery set business objectives. He then joined TRT USA as Project Engineer Expatriate for two years. From 2013 until 2020, he returned as Plant Manager for FGV Refinery. In 2021, he joined MSM Johor as the Head of Engineering, progressing as Acting Deputy Head of Operations in 2022 and was further promoted as Head of Operations in January 2023. He has strong leadership and organisational skills with the ability to foresee potential issues and proactively address them to maintain smooth daily operations.

Information on Shareholdings in MSM:

- Direct: Nil
- Indirect (Deemed): Nil

SANURI SAARI*Head of Operations, Sungai Buloh Warehouse (SBW)***Age****56****Nationality****Gender****Appointment to the Position:**

1 December 2021

Academic/Professional Qualification(s):

- Master of Business Administration (MBA), Northern University of Malaysia
- Diploma in Logistics Management, FMM Institute

Directorship of Public Companies/ Listed Issuers:

- None

Relevant Experience:

Sanuri has over 25 years of working experience with multinational corporations such as Matsushita Electric Industrial Co. Ltd. (Panasonic), Shin-Etsu Chemical Co. Ltd., Mewah Group and third-party logistics (3PL) companies such as Linfox Logistics, and most recently with DKSH Malaysia Sdn Bhd, where he served as Senior Manager of its Distribution Centre Operations for over three years. Throughout his career, over his career he has gained valuable knowledge and insights in logistics management, warehousing, shipping, transportation, customs compliance and related value-added services (VAS).

Information on Shareholdings in MSM:

- Direct: Nil
- Indirect (Deemed): Nil

For more details on the Heads of Operations' Corporate Sustainability Initiatives, please refer to pages 25 to 27 of our SR 2024.



ACCOUNTABILITY & TRANSPARENCY

CORPORATE GOVERNANCE OVERVIEW STATEMENT

DEAR STAKEHOLDERS,

We are committed to upholding the highest standards of corporate governance and work closely with our stakeholders to maintain the corporate governance principles. Acknowledging our role in promoting healthy and sustainable societies, we take our responsibility seriously and consistently operate our business in a way that reflects exemplary governance practices.

**DATUK SYED HISHAM
SYED WAZIR**

Chairman,
Independent Non-Executive Director

Corporate governance is fundamental to building a successful and sustainable business, serving as a key driver of our long-term success. Our adherence to the Malaysian Code on Corporate Governance 2021 (MCCG 2021 or the Code) goes beyond obligation. It serves as a framework that guides the development of effective processes, controls, culture, values, engagement and trust. By setting a strong example, we remain firmly dedicated to maintaining the highest standards of corporate governance.

The Board is entrusted with the responsibility of ensuring the Group's adherence to the requirements of the Code through the establishment of a robust Governance Framework. Corporate governance is embedded at the core of our decision-making processes, supporting the fulfilment of our purpose and values. The principles outlined in the Code highlight the critical role of sound governance in sustaining the long-term success of

listed companies. These principles, which encompass Board Leadership and Effectiveness, Effective Audit and Risk Management and Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders, form the foundation of our steadfast commitment to excellence in corporate governance.

Application of MCCG 2021

The Board affirms its commitment to upholding the highest standards of corporate governance. In alignment with this commitment, we have sought to implement all provisions and principles of the MCCG 2021, save that which have been detailed out in our Corporate Governance Report 2024 (CG Report 2024).

 This Corporate Governance Overview Statement should be read in conjunction with the CG Report 2024, which can be accessed via our corporate website at <https://www.msmsugar.com/investor-relations/reports>.



The framework complies with regulatory requirements and ensures consistency with best practices and guidelines.

Companies Act 2016

MCCG 2021 published by the Securities Commission

Corporate Governance Guide - 4th Edition 2021 (4th CG Guide) published by Bursa Malaysia

Main Market Listing Requirements (Listing Requirements) of Bursa Malaysia Securities Berhad (Bursa Malaysia)



ACCOUNTABILITY & TRANSPARENCY

CORPORATE GOVERNANCE OVERVIEW STATEMENT

DEPARTED PRACTICES	SUMMARY OF EXPLANATION FOR DEPARTURE
Practice 8.2	<p>The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.</p> <ul style="list-style-type: none"> The Board believes that providing disclosure in such detail of the Company's top five (5) Senior Management's remuneration could be detrimental to the Group's recruitment and talent retention, as it may expose the Senior Management to external competition and talent poaching. Nevertheless, the Group Chief Executive Officer's remuneration for the financial year ended 31 December 2024 is disclosed on page 147 of this Corporate Governance Overview Statement, in line with Paragraph 11, Part A of Appendix 9C of the Listing Requirements.
Practice 13.1	<p>Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.</p> <ul style="list-style-type: none"> The notice of the 13th AGM held on 6 June 2024, was issued to the shareholders on 15 May 2024, which is less than 28 days prior to the AGM date. The delay was due to unforeseen changes in the AGM arrangements of the Company requiring additional time to finalise the notice. However, the Company still complied with the 21-days requirement for the issuance of the AGM notice under the Listing Requirements and Companies Act 2016. The Notice of the 13th AGM was also advertised in an English Malaysian newspaper in accordance with Clause 60 of the Company's Constitution.
Practice 13.2	<p>All Directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.</p> <ul style="list-style-type: none"> In 2024, all Directors (except Fakhrunniam Othman who was undertaking his Hajj pilgrimage), including the Chairmen of the Audit, Governance and Risk Committee, Nomination and Remuneration Committee and Investment and Tender Committee, attended the 13th AGM held on 6 June 2024. All pertinent questions raised by the shareholders, proxies and corporate representatives were addressed by the Board and Senior Management during the 13th AGM.

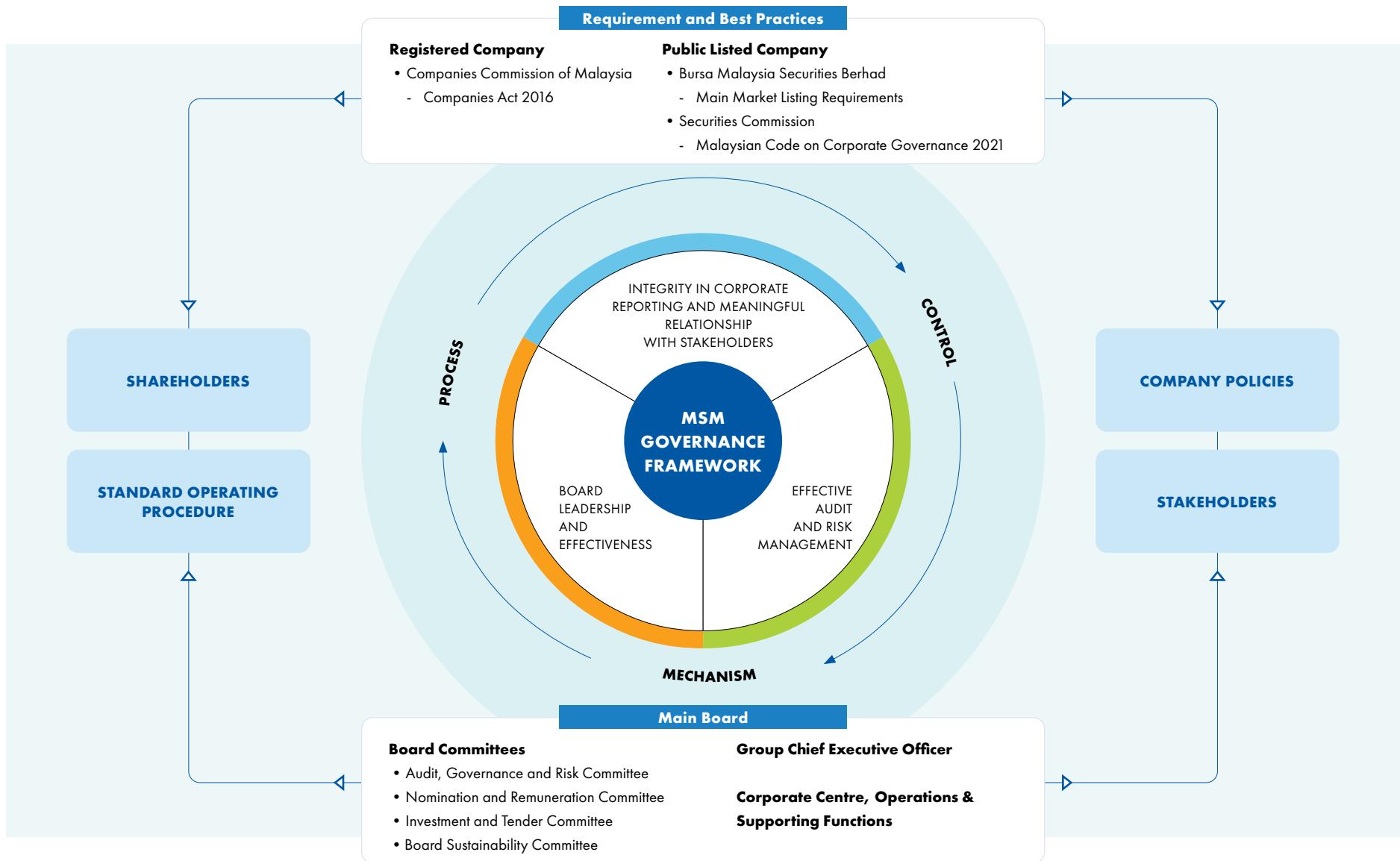
Our Governance Framework is guided by the following key corporate governance principles under MCGC 2021:

A	BOARD LEADERSHIP AND EFFECTIVENESS	B	EFFECTIVE AUDIT AND RISK MANAGEMENT	C	INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS
	<p>As the Board of Directors, we are committed to ensuring the Company's long-term success and delivering sustainable value to our stakeholders. This commitment is grounded in our collective responsibility to provide clear strategic oversight and governance, guiding the Company's direction while championing ethical leadership and maintaining the highest standards of corporate conduct.</p> <p>In an environment of increasing complexity, the role of the Board has evolved, requiring enhanced vigilance and professional skepticism to navigate challenges and opportunities effectively. This heightened responsibility reflects our dedication to shaping the Company's trajectory with a forward-looking and informed approach.</p> <p>A core aspect of our role is integrating sustainability into the Company's corporate strategy, governance, and decision-making processes. By addressing material Environmental, Social and Governance (ESG) risks and opportunities with proactive diligence, we enhance the Company's resilience, drive sustainable growth, and maintain stakeholder confidence in an ever-changing global landscape.</p>		<p>We recognise the critical importance of an effective Audit, Governance and Risk Committee (AGRC) in upholding the integrity of financial reporting and ensuring robust governance. While this committee plays a central role in oversight, the ultimate responsibility for financial reporting remains with the full Board. By leveraging the diverse perspectives and deep expertise of its members, the committee rigorously challenges financial processes, enhancing the quality of our deliberations and reinforcing confidence in our governance framework.</p> <p>This focus on rigorous oversight extends to our approach to risk management and internal control. We prioritise the identification of threats and opportunities, integrating governance with a performance-driven approach to risk management and control. Through the establishment of clear policies and continuous assurance of their effectiveness, we aim to strengthen our risk management framework and internal control systems, ensuring resilience and maintaining stakeholder trust.</p>		<p>Ongoing engagement and transparent communication with stakeholders are essential to fostering trust and understanding, forming the basis for meaningful relationships between the Company and its stakeholders. These interactions provide stakeholders with clearer insight into the Company's objectives, strategic direction, and management quality. As a result, stakeholders are better equipped to evaluate the Company's performance, enabling shareholders to make well-informed decisions.</p> <p>From the Company's perspective, such dialogue serves as a critical avenue for gathering feedback and gaining a deeper understanding of stakeholder expectations. By aligning strategies with these insights, the Company strengthens its relationships and ensures its business direction supports long-term value creation while addressing stakeholder priorities.</p>
	<p> For more information, refer to pages 134 to 147.</p>		<p> For more information, refer to page 148.</p>		<p> For more information, refer to pages 149 to 151.</p>

ACCOUNTABILITY & TRANSPARENCY

OUR GOVERNANCE FRAMEWORK

MSM Governance Framework



ACCOUNTABILITY & TRANSPARENCY

OUR GOVERNANCE FRAMEWORK

GOVERNING SUSTAINABILITY

The Board of Directors holds ultimate responsibility for overseeing the organisation's sustainability direction, ensuring alignment with strategic business objectives. MSM's Board Charter outlines the Board's comprehensive role in sustainability oversight, including the formulation of sustainability policies that address material matters impacting the Company's goals. Additionally, the Board is accountable for approving MSM's sustainability disclosures, demonstrating its commitment to transparency and accountability.

Supporting the Board in this capacity, the AGRC plays a critical role in overseeing the development of sustainability policies and strategies. The AGRC also reviews the Sustainability Report and other disclosures that could have significant financial or reputational implications for the Group.

 For further information on the Board's role and responsibilities, the Board Charter is available on MSM's corporate website at <https://www.msmsugar.com/our-company/corporate-governance>.

DRIVING TRUST

Adequate Procedures (T.R.U.S.T.)

Corporate liability, particularly in relation to corruption offences, necessitates a robust framework to ensure compliance and accountability. Implementing adequate procedures is not merely a regulatory requirement but a critical defence mechanism in safeguarding the integrity of the organisation.

MSM has adopted a comprehensive approach to addressing these obligations by embedding the T.R.U.S.T. principles at the core of its adequate procedures. These principles serve as the foundation for MSM's commitment to ethical conduct and its proactive stance in mitigating corruption risks, reinforcing its reputation for transparency and governance excellence.

T	TOP LEVEL COMMITMENT	► Board, Executive Leadership & Management
R	RISK MANAGEMENT	► Corruption Risk Management
U	UNDERTAKE CONTROL MEASURES	► Establishment and review of policies and procedures
S	SYSTEMATIC REVIEW, MONITORING AND ENFORCEMENT	► Regular review on performances, efficiency and effectiveness of the anti-corruption programme and ensure the enforcement
T	TRAINING AND COMMUNICATION	► Governance, Integrity & Risk education, awareness and periodic communication

Anti-Bribery Policy Statement

MSM has incorporated the principles of adequate procedures into its Anti-Bribery Policy Statement, reflecting its commitment to maintaining the highest standards of ethical conduct. This approach aligns with Paragraphs 15.29(1) and (2) of the Bursa Malaysia Listing Requirements as well as the Guidelines on Adequate Procedures and Section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018).

The Anti-Bribery Policy Statement is structured to address three critical areas: Corruption, Fraud, and Abuse of Power. By embedding these principles, MSM establishes a clear and systematic approach to mitigate risks and fostering transparency across its operations.

 The Anti-Bribery Policy Statement is available on the Company's corporate website at <https://www.msmsugar.com/our-company/corporate-governance>.

Whistleblowing Policy**Asset/Personal Interest Declaration (APID)****External Gift, Entertainment and Hospitality Policy (External GEH Policy)****Sponsorship and Donation Policy****Code of Business Conduct Ethics for Employees (COBCE)****Referral Policy****Conflict of Interest Policy****KEY FOCUS IN 2024**

- Implemented the Integrity Assessment Tool (IAT) at MSM to evaluate and strengthen ethical standards in organisational governance.
- Conducted the Corruption Risk Management for 2024, updating the corruption risk profile to mitigate organisational corruption risks effectively.
- Organised initiatives such as the MSM Integrity Symposium, MSM Integrity Talk, and MSM Corporate Governance & Risk Management Roadshows, aligning with Adequate Procedures to safeguard the Company's business practices.
- Ensured policies and procedures comply with MSM's Governance of Policies & Procedures and adhere to relevant laws and regulations.

FUTURE PRIORITIES FOR 2025

- Prepare for the Organisational Anti-Corruption Plan (OACP), adopting a proactive approach to address potential challenges and uphold organisational integrity.
- Strengthened good governance by enhancing and reviewing existing policies and procedures.
- Foster awareness and education through regular communication, roadshows, and training sessions.



ACCOUNTABILITY & TRANSPARENCY

MSM'S COMMITMENT TO INTEGRITY

MSM Group is firmly committed to upholding the highest standards of ethical conduct and integrity across its operations. This commitment is reflected in the establishment of robust policies and procedures, including the implementation of the Anti-Bribery Policy Statement, to prevent corruption and bribery effectively. To reinforce this commitment, MSM has established the Corporate Governance & Risk Management (CGRM) Division. This dedicated division is tasked with overseeing Governance and Integrity as well as Compliance and Enforcement matters. Through the CGRM Division, MSM ensures a structured approach in promoting transparency, accountability, and adherence to ethical practices across the organisation.

INTEGRITY INITIATIVES

In observance of **National Integrity Day (5 November)** and **International Anti-Corruption Day (9 December)**, MSM hosted impactful events to promote integrity and transparency. The events served as a crucial step in our efforts to engage with experts from various sectors. These initiatives underscore our commitment to ethical excellence and aligned with the Adequate Procedures (T.R.U.S.T.) requirements.



MSM Integrity Symposium 2024

MSM conducted an Integrity Symposium on 14 November 2024, bringing together a moderator from GIC Pro Network and four respected speakers from PenMas (MACC), Institut Integriti Malaysia (IIM), Transparency International (TI) Malaysia, and Institut Kefahaman Islam Malaysia (IKIM). The theme of the session, "Teguh Integriti, Kukuh Periwi", served as a platform to promote and discuss the importance of ethical practices, transparency, and accountability. The symposium featured impactful presentations on integrity as a core value in everyday practices and was attended by vendors, agencies, and government-linked organisations, including FELDA, FGV, Koperasi Kakitangan FELDA Malaysia Berhad (FELKOP), BIMB Securities Sdn Bhd, Malaysian Institute of Integrity (IIM), Retirement Fund (Incorporated) (KWAP), KPF, Waqaf FELDA and Pengurusan Aset Air Berhad (PAAB). Aligned with Principle 5 of the Adequate Procedures (T.R.U.S.T.) framework – Training & Communication, the symposium enhanced understanding of the importance of integrity in personal, professional, and organisational settings.

MSM Integrity Talk 2024: "Harta Saya Halal atau Haram 2"

Building on the success of last year's Integrity Talk, MSM hosted the sequel, "Harta Saya Halal atau Haram 2", featuring the return of Ustaz Muhammat Faizal from Waqaf FELDA. The session, held on 10 December 2024, was organised in conjunction with International Anti-Corruption Day (9 December). Ustaz Faizal delved into the profound implications of acquiring income from unlawful sources and its impact on individuals, families, and organisations. He provided practical guidance on recognising and avoiding illegal activities, encouraging ethical conduct and financial integrity. The session served as a powerful reminder of the importance of integrity and transparency in all aspects of life, resonating strongly with participants and reinforcing MSM's commitment to ethical business practices.



Integrity Contest 2024

The Integrity Contest 2024 was designed to encourage MSM employees to express their ideas on integrity through creative expression and knowledge-sharing. This initiative fosters a collective sense of unity and commitment, embedding integrity as a fundamental principle in both business practices and daily lives.

Title:
CGRM Contest

Topics:
Integrity, Governance & Corruption

Coverage:
MSM Group

Duration:
Quarter 4

The winners were announced at the MSM Integrity Symposium 2024, with activities including the Short Story, Poster, and Crossword Puzzle competitions.

Engagement with Malaysian Anti-Corruption Commission (MACC) Pulau Pinang

On 6 September 2024, MSM's CGRM Division, as part of the FGV Group, was invited to participate in a direct engagement with the MACC in Pulau Pinang. This initiative underscores MSM's commitment to upholding the highest standards of integrity and governance within its operations. This engagement strengthens local partnerships and supports MSM's ongoing governance initiatives. MSM looks forward to working closely with MACC Pulau Pinang in fostering good governance and ethical business practices.



ACCOUNTABILITY & TRANSPARENCY

MSM'S COMMITMENT TO INTEGRITY

INTEGRITY INITIATIVES

Integrity Talks at Subsidiaries

Throughout 2024, MSM organised Integrity Talks across all subsidiaries with expert speakers from MACC. These sessions raised awareness about corruption, fraud, and bribery and reinforced MSM's commitment to ethical conduct.

- **MSM Johor:** 3 December 2024
- **MSM Prai:** 19 December 2024
- **SBW:** 20 December 2024

These events reinforced MSM's commitment to fostering a culture of integrity and ethical conduct throughout the organisation.



CGRM ROADSHOW

This year's CGRM Roadshow expanded its scope to cover a wide range of governance topics aimed at strengthening MSM's internal controls. The sessions addressed:

- Integrity Assessment Tool (IAT)
- Adequate Procedures (T.R.U.S.T.)
- Whistleblowing Mechanisms
- Conflict of Interest Management
- Anti-Corruption Practices
- Corruption Risk Management (CRM)

The roadshow was conducted across subsidiaries, including:

1. **MSM Prai:** 12 & 13 December 2024
2. **MSM Johor:** 16 & 17 December 2024
3. **SBW:** 24 December 2024

These interactive sessions provided guidance on best practices and practical strategies to prevent corruption and promote ethical decision-making.

Note:

The employees who are unable to attend the session will be covered by the MSM Governance Champion at the subsidiaries.



CORRUPTION RISK MANAGEMENT (CRM)

MSM's CRM framework is a key component of corruption prevention efforts, aimed at identifying structural weaknesses that could facilitate corruption. This risk-based approach allows MSM to proactively address risk factors while embedding corruption prevention within a well-established governance framework.

Continuing from the Review Session 2023, the revised framework was acknowledged by the Executive Committee (EXCO), and in 2024, the Owners' Risk Review was conducted to ensure all mitigation plans remain relevant.

The updated CRM framework was reviewed by the CGRM team and was set to be presented to EXCO in 2Q 2024.

MSM GOVERNANCE CHAMPION

In 2024, MSM appointed Governance Champions (GCs) across all subsidiaries to strengthen governance initiatives throughout MSM Group. These champions play a pivotal role in assisting their respective Heads of Company/Division in implementing MSM's Governance and Integrity strategic initiatives, including managing projects or tasks and promoting a culture of continuous improvement by identifying areas where governance practices can be enhanced at the subsidiary level.

This initiative enhances accountability at all levels, ensuring MSM's governance efforts are effectively carried out across the organisation.

INTEGRITY ASSESSMENT TOOL (IAT)

The IAT is a pioneering initiative that helps organisations evaluate and measure their progress in embedding ethics and integrity into workplace culture. Launched in July 2024, the project is led by a dedicated working committee comprising representatives from Group People & Culture, Group IT, and CGRM.

Key Outcomes of the IAT Assessment:

Average IAT Score: MSM Group achieved 80.16, reflecting a high level of integrity, transparency, and accountability.

Participation: 1,085 respondents from across MSM Group contributed to the evaluation.

To sustain and improve this performance, MSM will continue fostering a strong ethical culture to uphold the trust of stakeholders and ensure long-term organisational resilience.



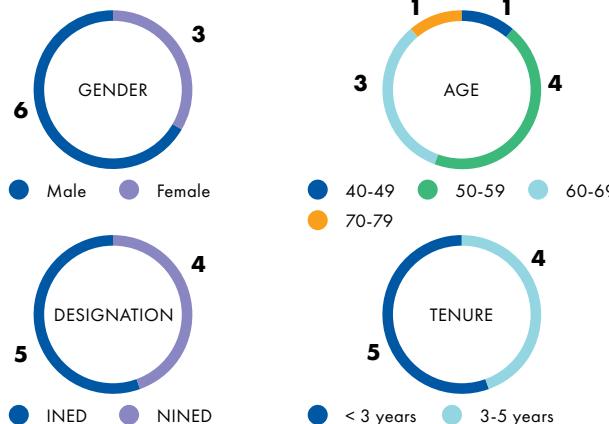
ACCOUNTABILITY & TRANSPARENCY

BOARD AND BOARD COMMITTEES, COMPOSITION AND ATTENDANCE

A BOARD LEADERSHIP AND EFFECTIVENESS

(AS AT 31 DECEMBER 2024)

The details of the Board's composition as at 31 December 2024 are as follows:



Board Skills Matrix

Industry Experience	4.00/5.00	Corporate Governance, Risk Management and Internal Controls	4.33/5.00
Consumer Products	4.17/5.00	Legal and Regulatory	4.33/5.00
Restructuring/Mergers and Acquisition	4.50/5.00	Human Capital or Talent Management	4.00/5.00
International or Regional Business Experience	3.83/5.00	Information Technology or Digital Strategy	4.20/5.00
Macroeconomy	4.17/5.00	ESG or Sustainability	4.17/5.00
Corporate Chief Executive Officer/Managing Director	4.17/5.00	Public Sector or Governmental Body Experience	4.33/5.00
Accounting and Financial Reporting	4.17/5.00		

Legend: 1 Ineffective, 2 Somewhat effective, 3 Moderate effective, 4 Effective, 5 Very effective.

Audit, Governance and Risk Committee (AGRC)

CHAIRMAN

CHOY KHAI CHOON

Independent Non-Executive Director

Attendance (14/14)

100%

MEMBERS

DATO' SRI MUTHANNA ABDULLAH

Independent Non-Executive Director

Attendance (14/14)

100%

DATUK DR ABD HAPIZ ABDULLAH

Independent Non-Executive Director

Attendance (14/14)

100%

The Committee is responsible for:

- Overseeing financial reporting
- Evaluating the internal and external audit process and outcome
- Managing risks and assessing the risk management framework and internal control environment
- Reviewing conflict of interest situations and Related Party Transactions (including Recurrent Related Party Transactions)
- Enhancing governance, ethics and integrity
- Overseeing sustainable practices
- Undertake such other functions as may be determined by the Board from time to time

Notes:

- The disclosed meeting attendance for AGRC is for 2024.
- Further information on the activities of the AGRC during 2024 can be found in the AGRC Report on pages 152 to 154.

Investment and Tender Committee (ITC)

CHAIRMAN

DATUK DR ABD HAPIZ ABDULLAH

Independent Non-Executive Director

Attendance (6/6)

100%

MEMBERS

CHOY KHAI CHOON

Independent Non-Executive Director

Attendance (6/6)

100%

FAKHRUNNIAH OTMAN

Non-Independent Non-Executive Director

Attendance (6/6)

100%

Nomination and Remuneration Committee (NRC)

CHAIRMAN

DATO' SRI MUTHANNA ABDULLAH

Independent Non-Executive Director

Attendance (9/9)

100%

MEMBERS

DATUK DR ABD HAPIZ ABDULLAH

Independent Non-Executive Director

Attendance (9/9)

100%

CHOY KHAI CHOON

Independent Non-Executive Director

Attendance (9/9)

100%

DATO' DR SUZANA IDAYU WATI OSMAN

Non-Independent Non-Executive Director
(Appointed with effect from 16 August 2024)

Attendance (3/3)

100%

The Committee is responsible for:

- Reviewing:
 - The composition of the Board, Board Committees and directorship of the Group
 - The processes for nomination and election, appointment, reappointment and re-election of Directors
 - The performance and effectiveness of the Board
 - Succession planning
- The Remuneration Policy, all remuneration matters and other general remuneration matters across MSM Group
- Remuneration of the Non-Executive Directors, Group CEO and Top Management

Notes:

- The disclosed meeting attendance for NRC is for 2024.
- Further information on the activities of the NRC during 2024 can be found in the NRC Report on pages 155 to 159.

ACCOUNTABILITY & TRANSPARENCY

BOARD AND BOARD COMMITTEES, COMPOSITION AND ATTENDANCE

The Committee is responsible for:

- Ensuring that MSM has in place optimum frameworks, mechanisms, policies and procedures for effective investment and procurement undertakings and activities
- Reviewing proposals related to investments, divestments and procurements of the Group in line with MSM's prevailing related policies and procedures

Notes:

- The disclosed meeting attendance for ITC is for 2024.
- Further information on the activities of the ITC during 2024 can be found in the ITC Report on page 160.

Board Sustainability Committee (BSC)

CHAIRMAN

LOW CHOOI HOON

Independent Non-Executive Director

Attendance (-/-)

MEMBERS

DATO' SRI MUTHANNA ABDULLAH

Independent Non-Executive Director

Attendance (-/-)

NURUL MUHANIZA HANAFI

Non-Independent Non-Executive Director

Attendance (-/-)

The BSC was established by the Board on 21 November 2024. Following the establishment, the Board approved the composition of BSC members on 22 January 2025. The first meeting of BSC was held in February 2025.

The Committee is responsible for:

- Overseeing the formulation of the Group's Sustainability Policy, and sustainability strategies, sustainability framework, initiatives, priorities and targets
- Overseeing the Group Health, Safety, Environment, and Security (HSES) performance
- Ensuring the Group's strategic plan supports long-term value creation and includes strategies on economic, environmental and social considerations
- Overseeing and monitoring the strategic management of material sustainability matters, risks as well as opportunities driven by Top Management
- Reviewing issues relating to sustainability arising from grievances, independent audits and assurance reports

Advisory Council

The Advisory Council was established by the Board in November 2024, as an ad-hoc committee and an interim measure to assist the Board in ensuring effective monitoring in a more granular manner and successful transformation of the MSM Group. The Advisory Council consists of three (3) members, two (2) of whom are Independent Non-Executive Directors and one (1) is a Non-Independent Non-Executive Director.

The Advisory Council members are only remunerated with a meeting allowance with no fees. The payment of meeting allowance is made in accordance with the Non-Executive Directors' Remuneration structure as approved by the shareholders at the 13th AGM on 6 June 2024.

Board Meeting Attendance For 2024

The Board Meetings conducted in 2024 were scheduled ahead and approved by the Board in December 2023. The agenda and board papers were distributed prior to Board Meetings to allow sufficient time for review to facilitate discussion at the meetings. The access by the Directors to board papers is carried out online, through a dedicated software which allows Directors to securely access, read and review the board papers at any time or location.

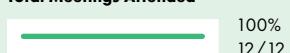
The Board Meetings attendance for financial year ended 2024 are set out below:

Board of Directors

DATUK SYED HISHAM SYED WAZIR

Chairman/Independent Non-Executive Director

Total Meetings Attended



DATO' SRI MUTHANNA ABDULLAH

Independent Non-Executive Director

Total Meetings Attended



CHOY KHAI CHOON

Independent Non-Executive Director

Total Meetings Attended



DATUK DR ABD HAPIZ ABDULLAH

Independent Non-Executive Director

Total Meetings Attended



FAKHRUNNIAH OTHMAN

Non-Independent Non-Executive Director

Total Meetings Attended

LOW CHOOI HOON¹

Independent Non-Executive Director

Total Meetings Attended

DATO' DR SUZANA IDAYU WATI OSMAN²

Non-Independent Non-Executive Director

Total Meetings Attended

NURUL MUHANIZA HANAFI³

Non-Independent Non-Executive Director

Total Meetings Attended

DATO' MOHD BANURI ARIS⁴

Non-Independent Non-Executive Director

Total Meetings Attended

RAJA FARIDAH RAJA AHMAD⁵

Non-Independent Non-Executive Director

Total Meetings Attended

DATO' MOHD NAZRUL IZAM MANSOR⁶

Non-Independent Non-Executive Director

Total Meetings Attended

NIK FAZILA NIK MOHAMED SHIHABUDDIN⁷

Non-Independent Non-Executive Director

Total Meetings Attended



Notes:

- ¹ Low Chooi Choon was appointed as Board member on 1 July 2024.
- ² Dato' Dr Suzana Idayu Osman was appointed as Board and NRC member on 16 August 2024.
- ³ Nurul Muhaniza Hanafi was appointed as Board member on 1 December 2024.
- ⁴ Dato' Mohd Banuri Aris was appointed as Board member on 1 December 2024.
- ⁵ Raja Faridah Raja Ahmad resigned as Board and NRC member on 21 November 2024.
- ⁶ Dato' Mohd Nazrul Izam Mansor resigned as Board member on 1 September 2024.
- ⁷ Nik Fazila Nik Mohamed Shihabuddin retired as Board member and ceased as NRC member on 6 June 2024.



ACCOUNTABILITY & TRANSPARENCY

OUR BOARD PROCESSES

A BOARD LEADERSHIP AND EFFECTIVENESS

Role of the Board

The Board holds ultimate responsibility to shareholders and broader stakeholders for the overall performance and governance of the Group. Its role is to provide clear and effective leadership, drive the long-term sustainable success of the Company, and create value for shareholders while contributing positively to wider society. This is achieved within a robust framework of prudent and effective controls that enable risks to be identified, assessed, and managed appropriately.

In line with best governance practices, the positions of Chairman and Group Chief Executive Officer are held by separate individuals, ensuring a clear division of responsibilities and promoting an effective balance of power and accountability within the leadership structure. MSM Group operates without Executive Directors and adheres to a stringent Code of Business Conduct and Ethics. Under this policy, employees are expressly prohibited from holding appointments to external board directorships.

CHAIRMAN	NON-EXECUTIVE DIRECTORS
<ul style="list-style-type: none"> • Responsible for the operation, leadership and governance of the Board • Ensures all Directors are fully informed of matters and receives precise, timely and clear information sufficient to make informed judgements • Sets Board agenda and ensures sufficient time is allocated to ensure effective debate to support sound decision making • Ensures the effectiveness of the Board • Engages in discussions with the shareholders 	<ul style="list-style-type: none"> • Constructively challenge the Management • Review proposals on strategy • Scrutinise the performance of Management • Satisfy themselves on the integrity of the financial information, controls and systems of risk management • Set the levels of remuneration for Directors and Top Management
GROUP CHIEF EXECUTIVE OFFICER	COMPANY SECRETARY
<ul style="list-style-type: none"> • Develops the Group's strategic direction for consideration and approval by the Board • Implements the strategy agreed by the Board • Leads the Executive Committee • Manages the Company and the Group • Supported in his role by the Executive Committee 	<ul style="list-style-type: none"> • Ensures information is made available to Board members in timely fashion • Supports the Chairman in setting Board agenda, designing and delivering Board inductions and Board evaluations and co-ordinates post-evaluation action plans, including risk review and training requirements for the Board

None of the Directors have served as the Chief Executive Officer of the Company within the past two (2) years.

The MSM Governance Framework aligns with the principles of T.R.U.S.T., reflecting the Company's commitment to strong and effective governance. The Board is responsible for overseeing the Group's direction, defining its purpose and strategy, ensuring adequate resources, and establishing robust controls through a comprehensive risk management framework. It holds management accountable and remains focused on promoting the long-term sustainable success of the Group.

Responsibilities are delegated to four Board Committees in compliance with the Listing Requirements and the MCCG 2021. These Board Committees operate within defined roles and responsibilities as outlined in their approved Terms of Reference, available on the Company's corporate website at <https://www.msmsugar.com/our-company/corporate-governance>. Tasks outside the scope of the Board, its Board Committees, or shareholders at general meetings are delegated to executive management under an approved schedule of authorities.

A notice period of five (5) business days shall be given to all Directors and their alternate Directors for Board meetings, unless otherwise determined by the Directors. In cases of emergency, reasonable notice will suffice. The Chairman of the Board, in collaboration with the Company Secretary, is responsible for ensuring the preparation of a comprehensive agenda and determining the type and content of information to be provided to the Board. To allow sufficient time for Directors to review and consider the relevant materials, the agenda and accompanying documents must be distributed at least five (5) business days before each Board meeting.

Throughout the year under review, the Board has upheld high standards of corporate governance, diligently monitoring the Group's business performance. A culture of continuous improvement has been central to the Group's approach, reinforcing its commitment to elevating governance practices. This dedication serves as a cornerstone for achieving long-term success, delivering value to stakeholders, and contributing positively to society.

Company Secretary

The Board is supported by a highly qualified and experienced Company Secretary, who is responsible for advising the Board on all governance matters, ensuring adherence to Board procedures, and maintaining compliance with applicable rules and regulations. This support enables the Board to discharge its duties and responsibilities effectively.

Puan Azni Ariffin has served as the Company Secretary of MSM Group since 18 July 2022, bringing in over 30 years of experience in corporate governance, corporate secretarial, commercial and corporate laws as well as consulting work relating to cross-border legal issues and agreements. Further details regarding the roles and responsibilities of the Company Secretary are outlined in the CG Report 2024 and the Board Charter, accessible on the Company's corporate website at <https://www.msmsugar.com/our-company/corporate-governance>.

The list of training programmes attended by the Company Secretary in 2024 is detailed on page 145 of this AIR 2024. This information is also available in the CG Report 2024, which can be accessed on the Company's corporate website at <https://www.msmsugar.com/investor-relations/reports>.



ACCOUNTABILITY & TRANSPARENCY

OUR BOARD PROCESSES

**Board Activities in 2024**

Below are among the key matters considered by the Board during the twelve (12) meetings held in 2024:

Strategy, Risk and Sustainability**Reviewed and approved:**

- MSM Group Corporate Scorecard 2024
- 3-Year Business Plan 2025 - 2027 and Budget 2025 for MSM Group
- Production of MSM Malaysia Holdings Berhad Sustainability Report 2023

Governance**Reviewed and approved:**

- MSM Conflict of Interest Policy
- MSM Referral Policy
- MSM Whistleblowing Policy
- Revision of MSM Group Trading Policy
- Revision of MSM Cash Management Policy
- Revision of MSM Risk Management Policy
- Revision of MSM Business Continuity Management Policy
- Revision of MSM Domestic Sales Policy
- Corporate Governance Overview Statement for the inclusion in MSM Malaysia Holdings Berhad Annual Integrated Report 2023
- Corporate Governance Report for financial year ended 31 December 2023
- Statement on Risk Management and Internal Control for the inclusion in MSM Malaysia Holdings Berhad Annual Integrated Report 2023
- Production of MSM Malaysia Holdings Berhad Annual Integrated Report 2023

Group Operation**Reviewed:**

- Updates on MSM Sugar Refinery (Johor) Sdn Bhd Ramp Up Plan

Reviewed and approved:

- Award and contract/tender for year 2024

Succession Planning, Appointments, Remuneration and Others**Reviewed and endorsed:**

- Board Effectiveness Assessment for Financial Year (FY) 2023
- Board Annual Assessment on the Independence of the Independent Directors

Reviewed and approved:

- Recommendation from Nomination and Remuneration Committee on Performance Assessment of the Audit, Governance and Risk Committee and its Members
- FY2023 Performance Appraisal Rating of Group Chief Executive Officer, Group Chief Operating Officer and Chief Financial Officer
- Appointment of Directors in MSM Malaysia Holdings Berhad
- Revision of MSM Malaysia Holdings Berhad Organisational Structure - Head, Group Quality Portfolio

Financial**Reviewed and approved:**

- Quarterly Financial Results
- Zakat Payment for FY2024 by MSM Prai Berhad
- Write off of bad debts
- Audited Financial Statements for the financial year ended 31 December 2023 together with the Directors' and Auditors' Reports



ACCOUNTABILITY & TRANSPARENCY

OUR BOARD PROCESSES

A BOARD LEADERSHIP AND EFFECTIVENESS**Diversity**

We are committed to recognising and harnessing the benefits of a diverse Board, acknowledging that varied perspectives and experiences strengthen the quality of deliberations and decision-making. Diversity enhances the Board's ability to navigate complex challenges, identify opportunities, and drive sustainable growth.

While merit remains the cornerstone of our Board appointment process, we also take a holistic approach in our Board Composition reviews. Key considerations include background, experience, competencies, character, integrity, diversity, and the ability to dedicate sufficient time to Board responsibilities. This balanced approach ensures a robust and effective governance structure, aligned with the long-term interests of the Company and its stakeholders.

MSM Group has adopted the Diversity, Equity and Inclusion Policy (DEI Policy) which was developed by taking into consideration the relevant requirements of the MCGC 2021 and the United Nations' Sustainable Development Goals.

For 2024, the Company has three (3) women Directors on the Board and two (2) women in Senior Management.

List of Trainings Attended by Directors in 2024

List of Training & Organiser	
MAR 11	Navigating Climate Change and Opportunities (Climate Governance Malaysia/MSM)
MAY 29-30	Mandatory Accreditation Programme Part II: Leading for Impact (Institute of Corporate Directors Malaysia)
SEP 24	Building Sustainable Credibility: Assurance, Greenwashing and the Rise of Green-Hushing (Bursa Malaysia)
OCT 7	Aligning Risk Management to Strategy and Purpose (Institute of Corporate Directors of Malaysia)
OCT 24	ICDM BARMC Dialogue & Networking Session: Board's Role in Whistleblowing Oversight (Institute of Corporate Directors Malaysia)

**Datuk Syed Hisham
Syed Wazir**



ACCOUNTABILITY & TRANSPARENCY

OUR BOARD PROCESSES



		List of Training & Organiser	
Dato' Sri Muthanna Abdullah		FEB 6 Sustainability E-Training for Directors (Institute of Singapore Chartered Accountants)	JUN 27-28 The 21 st Century Corporate Board – Your Complete Roadmap to Modern Governance Practices (Kexxel Group)
		MAR 26 Essential Course for Directors of REIT Managers (REIT Association of Singapore)	OCT 7-8 Khazanah Megatrends Forum 2024 (Khazanah Nasional Berhad)
Choy Khai Choon		MAR 15 Board Briefing on ESG (PricewaterhouseCoopers PLT)	SEP 30 ESG Briefing (Ernst & Young)
		APR 24 Responsibility Mapping Engagement with Directors of Financial Institutions (Bank Negara Malaysia and FIDE Forum)	OCT 1 Cyber Threat Landscape (Ensign InfoSecurity Pte Ltd)
		JUN 12 Cybersecurity Awareness – Zurich Life Insurance Malaysia Berhad (LGMS Berhad – Gatsby Lee)	OCT 1-2 SC X SC - Fintech Summit 2024 (Securities Commission Malaysia)
		JUL 3 AML - Countering the Financing of Terrorism & Countering Proliferation Financing (Jagdeep Singh – Nature of Life)	NOV 6-8 Singapore Fintech Festival (Monetary Authority of Singapore, Elevandi, and Constellar, and The Association of Banks in Singapore)
		AUG 6 ESG – Financed Emission (Kenanga Investors Berhad Training)	
Datuk Dr Abd Hapiz Abdullah		JAN 18 Transparency Matters: A Director's Approach to Handling Conflicts of Interest (Institute of Corporate Directors Malaysia)	SEP 26-27 Petrochemical Sustainability Conference (Malaysian Petrochemicals Association)
		MAR 1 Supply Chain Synergy Towards Decarbonization (Climate Governance Malaysia/MSM)	OCT 7-8 Khazanah Megatrends Forum 2024 (Khazanah Nasional Berhad)
		JUL 23 Seminar on Foresight and Science, Technology and Innovation (Ministry of Science, Technology and Innovation)	OCT 16 Board Ethics: Growing Concerns from New Technology, Stakeholder Interest & Conflict of Interest (Bursa Malaysia)
		SEP 11 Cybersecurity Oversight: Board Responsibilities in Light of the Cybersecurity Act 2024 (KPMG)	



ACCOUNTABILITY & TRANSPARENCY

OUR BOARD PROCESSES

A BOARD LEADERSHIP AND EFFECTIVENESS

List of Training & Organiser	
JAN 23-24	Mandatory Accreditation Programme Part II: Leading for Impact (Institute of Corporate Directors Malaysia)
MAR 5-6	35 th Palm & Lauric Oils Price Outlook Conference & Exhibition (Bursa Malaysia Derivatives Berhad)
MAR 11	Navigating Climate Change and Opportunities (Climate Governance Malaysia/MSM)
MAY 27-28	Logistics & Support Division Conference (FGV Logistics & Support Division)
SEP 3	Legal Educational Series Navigating the Competition Law Landscape from Regulatory Perspective (FGV Group Legal Division)
SEP 5	Audit Committee Conference 2024 – Embracing Strategic Oversight: The Future of Audit Committees (Malaysian Institute of Accountants and The Institute of Internal Auditors)
OCT 14-15	Coaching & Mentoring Workshop Enrolment Confirmation (FGV Group Human Capital Division)
FEB 22	2024 ASEAN Board Trends (Institute of Corporate Directors Malaysia)
FEB 23	Corporate Innovation Through Venture Building: A Capital Efficient & Risk Mitigated Approach (Institute of Corporate Directors Malaysia)
FEB 27	Geopolitical Risks: Board Essentials for International Business (LeadWomen)
MAR 1	Climate Governance Malaysia Post COP28 (Climate Governance Malaysia)
MAR 11	Future-Proofing Malaysian Business: Navigating Cyber Threats in the Age of AI & Thriving in High Risk Landscape (Institute of Corporate Directors Malaysia)
MAR 12	Inspire Inclusion: Building a Sustainable Workforce (LeadWomen)
MAR 21	Climate Governance 101: A Board's Guide to Effective Oversight (Institute of Corporate Directors Malaysia)
MAY 7	Board's Role in Organisational Wellbeing & Corporate Culture (Institute of Corporate Directors Malaysia)

Fakhrunniam Othman

Low Chooi Hoon



ACCOUNTABILITY & TRANSPARENCY

OUR BOARD PROCESSES



Low Chooi Hoon

List of Training & Organiser

MAY 10	Being Sued as an INED (Institute of Corporate Directors Malaysia)	OCT 1-3	Certified Mastery Coaching Module 3 (Corporate Coach Academy Sdn Bhd)
MAY 14	ICDM BNRC Dialogue and Round Table (Institute of Corporate Directors Malaysia)	OCT 7	KPMG Symposium: Beyond ESG (KPMG Management & Risk Consulting Sdn Bhd)
MAY 15	Recent Development in Climate Science (Climate Governance Malaysia)	OCT 15-16	APAC Board Leadership Forum 2024: Advancing Regional Governance – A Collective Value Proposition (Russell Reynolds Associates)
JUN 5	Board Interview Techniques for Independent Directors (LeadWomen)	OCT 16	Board Ethics: Growing Concerns from New Technology, Stakeholder Interest & Conflict of Interest (Bursa Malaysia)
JUN 25	Ethics in Organisation (LeadWomen)	OCT 22-24	Certified Mastery Coaching Module 4 (Corporate Coach Academy Sdn Bhd)
JUL 17	Masterclass Session 4 on Latest Developments in Climate: Aligned Executive Compensation (Climate Governance Malaysia)	OCT 29	Coaching C-Suites (Biztech Asia & Corporate Coach Academy Sdn Bhd)
JUL 30	The Impact of Board Dynamics on Decision Making (LeadWomen)	NOV 6	Post Budget 2025 Key Highlights & A Conversation with the Ministry of Finance (Institute of Corporate Directors Malaysia)
AUG 14-15	Mandatory Accreditation Programme (Institute of Corporate Directors Malaysia)	NOV 16	Economic and Market Outlook Q42024 (Hong Leong Investment Bank Workshop@Bursa)
SEP 2-4	Certified Mastery Coaching Module 1 and 2 (Corporate Coach Academy Sdn Bhd)	DEC 17	Strategic Fraud Risk Management for Board and Senior Management (Malaysian Institute of Corporate Governance)
SEP 5	Audit Committee Conference 2024 - Embracing Strategic Oversight: The Future of Audit Committees (Malaysian Institute of Accountants and The Institute of Internal Auditors)		



ACCOUNTABILITY & TRANSPARENCY

OUR BOARD PROCESSES

A BOARD LEADERSHIP AND EFFECTIVENESS

List of Training & Organiser	
JAN 18	Beyond Anti-Corruption: Strengthening Corporate Integrity (Building an Ethical Culture)
JAN 30	Affin Bank Market Outlook 2024: Propelling Malaysia Forward (Affin Bank Group)
MAR 4-6	35 th Palm & Lauric Oils Price Outlook Conference & Exhibition (Bursa Malaysia Derivatives Berhad)
JUN 27-28	The 21 st Century Corporate Board – Your Complete Roadmap to Modern Governance Practices (Kexxel Group)
JUL 10-11	Mandatory Accreditation Programme Part II: Leading for Impact (Institute of Corporate Directors Malaysia)
SEP 20	Dinner Talk by Prof. Richard Vietor – "The World Economy" (Harvard Business School Alumni Club of Malaysia)
OCT 2	Cyber Security Awareness Talk (Private Pension Administrator Malaysia)
OCT 7-8	Khazanah Megatrends Forum 2024 (Khazanah Nasional Berhad)
OCT 23-24	FGV Board of Directors Strategic Retreat Roundtable Discussion - Proposed Business Plan & Budget FY2025-2027 ("BP27") (FGV Group Strategy Division)
NOV 29	Sustainability Session for FGV's BOD and Senior Management (FGV Group Sustainability Division)
JAN 24	Bicara Santai - Sudah selesaikah Pindahmilik Tanah Anda? (Jawantakuasa Kecil Conveyancing, Jawantakuasa Peguam Selangor dan Pegawai dari Pejabat Pengarah Tanah & Galian Selangor)
FEB 20	Ownership Mechanism for State Controlled Property in Selangor (Lembaga Perumahan dan Hartanah Selangor)
APR 30	Syariah Compliant Financing Instrument & Securities Documentation Process (Selangor Bar Committee, Professional Development Sub-Committee)
JUN 10-11	Mandatory Accreditation Programme (Institute of Corporate Directors Malaysia)
JUN 27-28	The 21 st Century Corporate Board – Your Complete Roadmap to Modern Governance Practices (Kexxel Group)
AUG 22	East Malaysia Palm Oil Forum (Malaysian Palm Oil Council)
SEP 6-7	Selangor Bar Law Conference 2024 (Selangor Bar)
OCT 23-24	FGV Board of Directors Strategic Retreat Roundtable Discussion - Proposed Business Plan & Budget FY2025-2027 ("BP27") (FGV Group Strategy Division)
NOV 29	Sustainability Session for FGV's BOD and Senior Management (FGV Group Sustainability Division)
NOV 30	Employment Law Conference 2024 (Selangor Bar)

Dato' Dr Suzana Idayu Wati Osman

Nurul Muhaniza Hanafi



ACCOUNTABILITY & TRANSPARENCY

OUR BOARD PROCESSES



List of Training & Organiser

MAR
5-7

Bengkel Petugas Komuniti 2024 (FELDA)

OCT
24

Bengkel Teknologi Felda dan U Mobile (UMobile)

JUN
4-6Global Sustainability Forum 2024: A Roadmap to NetZero
(Corporate World Intelligence)NOV
13-15Sesi Pembentangan Pelan Strategik, Bajet, Polisi dan UUK
(Koperasi Permodalan FELDA Malaysia Berhad)JUN
25

Pelan Halatuju Ekonomi Lestari FELDA 2024 (FELDA)

DEC
5Bengkel Penetapan Dasar Felda bagi Tujuan Pindaan dan
Semakan Akta GSA (Akta 530) (FELDA)SEP
5-7Bengkel Pemerkasaan Program FELDA Digital Maker
Hub-Coding & Robotic 2.0 (FDMH) Felda Wilayah Terengganu
(FELDA)OCT
10-11

Bengkel Pelan Strategik FELDA 2025 - 2029 (FELDA)

Dato' Mohd Banuri Aris**Raja Faridah
Raja Ahmad**

(resigned on 21 November 2024)

MAR
1

Supply Chain Synergy Towards Decarbonization (Climate Governance Malaysia/MSM)

MAR
11

Navigating Climate Change and Opportunities (Climate Governance Malaysia/MSM)

JUN
11-12

MIA Conference 2024: Navigating New Frontiers, Embracing Sustainability (Malaysian Institute of Accountants)

OCT
14-15

A Technical Update on MFRS/IFRS – 2024 (Chartered Institute of Management Accountants Malaysia)



ACCOUNTABILITY & TRANSPARENCY

OUR BOARD PROCESSES

A BOARD LEADERSHIP AND EFFECTIVENESS

Dato' Mohd Nazrul**Izam Mansor**

(resigned on 1 September 2024)

List of Training & Organiser

MAR
5-635th Palm & Lauric Oils Price Outlook Conference & Exhibition (Bursa Malaysia Derivatives Berhad)APR
24

Plantation Division Managers' Seminar 2024 (FGV Plantation Division)

JUN
23- JUL
3

Advanced Management Program (Melbourne Business School)

**Nik Fazila Nik
Mohamed Shihabuddin**

(retired on 6 June 2024)

List of Training & Organiser

FEB
27

Geopolitical Risks: Board Essentials for International Business (LeadWomen)

MAR
1

Supply Chain Synergy Towards Decarbonization (Climate Governance Malaysia/MSM)

MAR
15

ISSB Executive Workshop - Task Force on Climate Related Financial Disclosure (TCFD) (South Pole & FGV Holdings Berhad)

MAR
18

Post Listing Obligations – Director's Duties and Responsibilities (Boardroom Corporate Services Sdn Bhd)

JUN
5

The Changing Societal Expectations of Business: The Role of the Board (Deloitte Global Boardroom Program)



ACCOUNTABILITY & TRANSPARENCY

OUR BOARD PROCESSES



List of Trainings Attended by Company Secretary in 2024

This section outlines the trainings attended by the Company Secretary, Puan Azni Ariffin, in FY2024 to enhance governance practices and professional development.

FEB 29	Conflict Resolution in the Boardroom (Malaysian Institute of Chartered Secretaries and Administrators (MAICSA))	JUL 4	Recent Developments with the Listing Requirements, Including COI Amendments (CKM Advisory Sdn Bhd)
MAR 4	Violations of the Companies Act 2016: Oversight by Directors and Secretaries (MAICSA)	SEP 23	Managing Whistleblowing (Minority Shareholders Watch Group (MSWG))
MAR 11	Role of Company Secretary in Corporate ESG Strategy (MAICSA)	SEP 24	What Can Seriously Go Wrong with RPTs? - Understand the Legal Requirements and Gain Insights from Recent Case (MSWG)
APR 25	Preference Shares - Steps to Issue, Redeem and Convert (Suruhanjaya Syarikat Malaysia (SSM))	DEC 9	Prevent Corruption and Promote Good Governance in Your Business (SSM)
JUN 27-28	The 21 st Century Corporate Board – Your Complete Roadmap to Modern Governance Practices (Kexxel Group)		

Board Effectiveness Assessment

A formal performance evaluation of the Board and Board Committee is completed annually to assess the Board's performance. The exercise of Board Effectiveness Assessment for year 2024 (BEA 2024) was carried out internally and facilitated by the Company Secretary. The sets of questionnaires were sent to Directors for their evaluation. The assessment was then analysed and the findings presented to NRC for deliberation and the summary of the results tabled to the Board for endorsement.

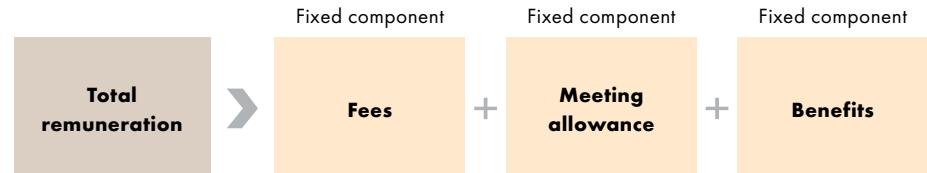
 Further details on the BEA 2024 carried out is disclosed in the NRC Report on pages 158 and 159 of this AIR.

Summary of the Non-Executive Directors' Remuneration

The Board is committed to setting competitive remuneration levels for Directors to attract and retain individuals with the skills, experience, and expertise necessary to effectively oversee and guide the Group. Remuneration is designed to reflect the complexity of the Company's activities and the responsibilities of the Board, ensuring alignment with the Company's long-term strategic objectives.

To support this approach, the Non-Executive Directors' Remuneration Policy (NEDRP) has been established. This policy provides a clear framework for determining the remuneration of MSM Directors, ensuring fairness, transparency, and alignment with the Group's governance principles and stakeholder expectations.

The remuneration structure for the Non-Executive Directors is illustrated below:



ACCOUNTABILITY & TRANSPARENCY

OUR BOARD PROCESSES

A BOARD LEADERSHIP AND EFFECTIVENESS

Details of the Non-Executive Directors' remuneration as members of the Board and Board Committees in the form of fees as approved by the shareholders at the 13th Annual General Meeting held on 6 June 2024 are as follows:

Fees

Board/Board Committees	Fees per Annum (RM)	
	Chairman	Member
Board of Directors	315,000 (RM26,250/month)	120,000 (RM10,000/month)
Board Committees		
- Audit, Governance and Risk Committee	64,000	32,000
- Nomination and Remuneration Committee	35,000	20,000
- Investment and Tender Committee	32,000	16,000
- Other Board Committee	32,000	16,000

Meeting Allowance and Benefits

Meeting Allowance

Board and Board Committee meeting: RM2,000 per attendance

Benefits

- Company car (Chairman only):
 - one (1) Company car of up to 2,000cc with a maximum of RM180,000 per annum for utility of the car (car maintenance, petrol, etc. which is not convertible to cash)
- Driver allowance (Chairman only):
 - RM30,000 per annum
- Medical insurance coverage, group personal accident insurance coverage, travelling expenses and other claimable benefits

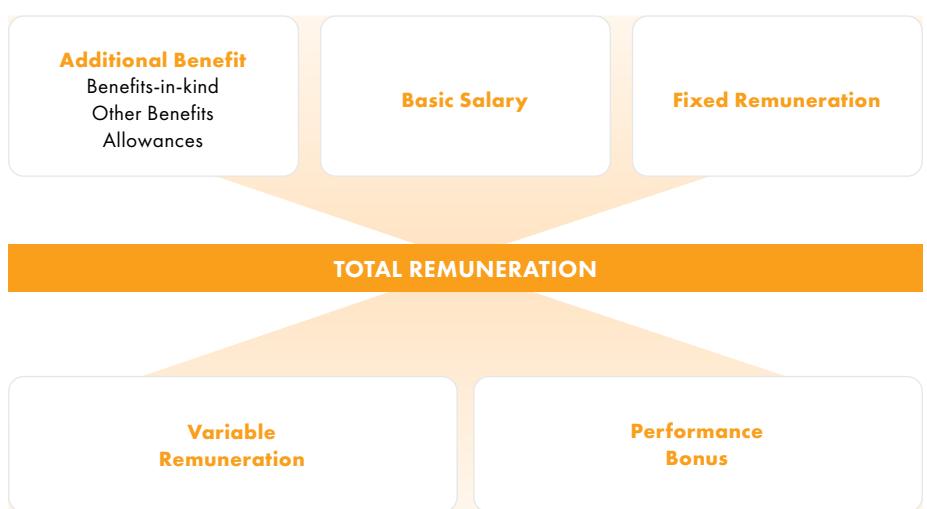
The remuneration of Directors is set at a competitive level to attract and retain individuals of the highest calibre, ensuring the Board is equipped with the necessary skills and experience to fulfill its responsibilities effectively. Remuneration is aligned with the complexity of the Company's activities and the expertise required to oversee the management and operations of the Group successfully.

To formalise this approach, the Board has established the NEDRP, which defines the policy and framework for determining the remuneration of MSM Directors. This policy ensures transparency, fairness, and alignment with the Group's strategic objectives and governance principles.

Summary of Group Chief Executive Officer Remuneration

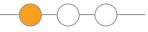
The remuneration package for the Group Chief Executive Officer (Group CEO) is determined through a rigorous process, involving recommendation by the NRC and subsequent approval by the Board. This package is structured to reflect the individual performance of the Group CEO, aligned with the Company's strategic targets, and benchmarked against prevailing market rates for benefits-in-kind, annual increments, and bonuses.

In line with the Company's commitment to long-term value creation, the remuneration policy extends beyond short-term financial measures, incorporating broader performance metrics to ensure alignment with the Company's sustainable growth objectives. Notably, the Group CEO does not receive annual fees or meeting allowances for attending Board or Board Committee meetings, including those of MSM's subsidiaries, reflecting the governance standards upheld by the Company.



ACCOUNTABILITY & TRANSPARENCY

OUR BOARD PROCESSES



DETAILS OF THE DIRECTORS' AND GROUP CEO'S REMUNERATION PAID IN 2024

	Directors' Annual Fees						Total (RM)	
	MSM Board (RM)	MSM Board Committees (RM)		MSM Subsidiaries (RM)	Meeting Allowance (RM)	Benefits ⁽¹⁾ (RM)		
		Board	Committees					
Non-Executive Directors								
Datuk Syed Hisham Syed Wazir	315,000.00	-	-	36,000.00 [#]	53,654.44	404,654.44		
Dato' Sri Muthanna Abdullah	120,000.00	67,000.00	-	68,000.00	2,756.60	257,756.60		
Choy Khai Choon	120,000.00	99,672.13	-	82,000.00	2,756.60	304,428.73		
Datuk Dr Abd Hapiz Abdullah	120,000.00	84,000.00	-	82,000.00	2,756.60	288,756.60		
Fakhrunniam Othman	120,000.00*	16,000.00*	-	44,000.00** [#]	-	180,000.00*		
Low Chooi Hoon (appointed on 1 July 2024)	60,000.00	-	-	12,000.00	1,385.83	73,385.83		
Dato' Dr Suzana Idayu Wati Osman (appointed on 16 August 2024)	45,161.29	7,540.98	-	16,000.00	1,039.38	69,741.65		
Nurul Muhaniza Hanafi (appointed on 1 December 2024)	10,000.00	-	-	4,000.00	233.48	14,233.48		
Dato' Mohd Banuri Aris (appointed on 1 December 2024)	10,000.00	-	-	4,000.00	233.48	14,233.48		
Raja Faridah Raja Ahmad (resigned on 21 November 2024)	107,000.00	17,836.90	-	46,000.00 [#]	2,455.34	173,292.24		
Dato' Mohd Nazrul Izam Mansor (resigned on 1 September 2024)	80,000.00*	-	-	12,000.00*	-	92,000.00*		
Nik Fazila Nik Mohamed Shihabuddin (retired on 6 June 2024)	52,000.00	8,668.40	-	32,000.00 [#]	1,190.01	93,858.41		
Dato' Rosini Abd Samad (cessation of office on 7 January 2024)	1,935.48	852.46	-	-	45.19	2,833.13		
TOTAL	1,161,096.77	301,570.87	-	438,000.00	68,506.95	1,969,174.59		

Figures exclude SST

* Directors' Remuneration paid to FGV Holdings Berhad

Amount includes meeting allowance as member of Joint Task Force as approved by the shareholders at the 13th AGM on 6 June 2024

(1) Benefits comprised of:

a. benefits-in-kind (Non-Executive Chairman only): (i) driver allowance (ii) company car with utility of the car e.g. petrol

b. other benefits (all Non-Executive Directors including Non-Executive Chairman): (i) medical insurance coverage, (ii) group personal accident insurance coverage, (iii) travelling and (iv) other claimable benefits

	Company						Total (RM)
	Salary (RM)	Allowance (RM)	Appreciation (RM)	Benefits (RM)	Emoluments (RM)		
Group Chief Executive Officer							
Syed Feizal Syed Mohammad	892,680.00	113,361.60	5,000.00	20,000.00	171,936.60	1,202,978.20	

The remuneration received by the Group CEO in the financial year ended 2024, as disclosed above, was from the Company. No remuneration was received from the Group during the financial year ended 2024.



ACCOUNTABILITY & TRANSPARENCY

OUR BOARD PROCESSES

B EFFECTIVE AUDIT AND RISK MANAGEMENT

AUDIT, GOVERNANCE AND RISK COMMITTEE

To ensure effective oversight of financial reporting, internal and external audit processes, and related party transactions, the Board has delegated authority to the Audit, Governance and Risk Committee (AGRC or the Committee). The AGRC is comprised of members with the requisite financial literacy and business acumen to comprehensively address the matters within its remit.

The Committee is afforded unrestricted access to both internal and external auditors, who report directly and functionally to the AGRC. To uphold a transparent and professional relationship with the Company's external auditor, the Committee has established clear and robust arrangements. The external auditor has provided assurance that their personnel remain independent throughout the audit process, in full compliance with applicable professional and regulatory standards. This ensures the integrity and objectivity of the audit, reinforcing stakeholder confidence in the Company's governance practices.

The AGRC ensures that the internal audit function operates effectively and maintains its independence. It reviews the adequacy of the internal audit function's scope, responsibilities, competency, resources, and budget allocation to confirm that it has the necessary authority to perform its duties and provides relevant recommendations to the Board. The AGRC approves the internal audit plan, reviews its findings and the outcomes of investigations, ensures appropriate actions are taken on recommendations, and reports to the Board as needed. Additionally, the AGRC assesses the effectiveness of the internal audit function, including its compliance with the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing, and makes recommendations for improvement where necessary. It also reviews the appraisal and performance evaluation of the internal audit function and evaluates the performance of the Chief Internal Auditor.

 Further information on the activities of the Committee during the financial year ended 31 December 2024 can be found in the AGRC Report on pages 152 to 154 of this AIR.

OVERSIGHT OF FINANCIAL REPORTING

The Board is dedicated to ensuring that shareholders receive a clear, balanced, and comprehensive view of the Group's financial performance and future prospects. This commitment is fulfilled through a range of communications, including the Audited Financial Statements, Quarterly Announcements of Financial Results, the Chairman's Address, and the Management Discussion and Analysis (MD&A).

In addition, corporate announcements are made to keep shareholders informed of significant developments affecting the Company, in full compliance with the Listing Requirements. The Board also ensures adherence to all applicable financial reporting standards, the provisions of the Companies Act 2016, and other relevant laws and regulations in Malaysia.

CORPORATE GOVERNANCE MATTERS

We place the highest importance on upholding exemplary standards of corporate governance, transparency, and accountability. These principles are deeply embedded in our approach to conducting business and are integral to supporting our strategy. By adhering to these values, we aim to foster sustainable growth and create enduring value for our shareholders over the long term.

ETHICS AND INTEGRITY

MSM has implemented several key initiatives to reinforce its commitment to being an ethical and professional organisation, firmly grounded in the principles of ethics, integrity, and accountability. These initiatives include:

- Corruption Risk Management Review
- Governance, Integrity & Risk Periodic Communication
- Establishment of New & Revised Policies
- Vendor Integrity Attestation
- Corporate Governance & Risk Management Update to EXCO and Board
- MSM Integrity Symposium 2024
- MSM Integrity Talk 2024: Harta Saya Halal atau Haram (2)
- MSM Integrity Talk at Subsidiaries 2024
- CGRM Roadshow
- Governance & Integrity Activities (Short Story, Poster & Crossword Puzzle)
- Integrity Assessment Tool (IAT)

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board remains committed to maintaining and continually enhancing MSM Group's and its subsidiaries' risk management and internal control systems, with the support of the AGRC. The Group's control environment incorporates several critical components, including the AGRC, organisational structure, Code of Business Practice, Business Continuity Management, Group Internal Audit, Legal, Company Secretary, Limit of Authorities, Policies and Procedures, Financial and Operational Information, and Systems and Information Security.

The Group operates within a well-defined organisational structure with established responsibilities, authorities, and reporting lines to the Board. This structure is designed to support the development, planning, execution, monitoring, and achievement of the Group's objectives, ensuring that robust internal controls are embedded throughout its operations.

For further details on the Group's risk management and internal control framework, please refer to the Statement on Risk Management and Internal Control on pages 161 to 172 of this AIR.



ACCOUNTABILITY & TRANSPARENCY

COMMUNICATIONS WITH STAKEHOLDERS

C INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS



Building and maintaining trust with stakeholders is fundamental to the success and reputation of MSM. By fostering strong stakeholder relationships and collaboration, we aim to drive the sustainable development of the Company, minimise our environmental impact, make meaningful contributions to society, and uphold the highest standards of governance. MSM communicates transparently with stakeholders, including shareholders, through a variety of established communication channels, ensuring open dialogue and ongoing engagement.

 For further details of our stakeholder engagement programmes, refer to pages 48 to 51 of this AIR.

ENGAGEMENT WITH STAKEHOLDERS

The Company upholds a strong commitment to clear, consistent, and transparent communication with its stakeholders. Transparency, accountability, and fairness in the dissemination of information are central to its approach, ensuring stakeholders are well-informed about the Group's operations and future outlook.

The Investor Relations (IR) team supports this objective by facilitating seamless communication between the Board, Management, and stakeholders through various channels, including:

- The Annual Integrated Report (AIR), Sustainability Report (SR), and other shareholder communications, all of which are also available on the Company's corporate website;
- Disclosures and announcements, such as quarterly financial results, submitted to Bursa Malaysia;
- Investor engagement initiatives, including analyst briefings; and
- The Annual General Meeting (AGM).

The Company's corporate website (www.msmsugar.com) serves as a dynamic platform for disseminating up-to-date corporate information and receiving stakeholder feedback. The integrated Investor Relations portal provides

easy access to corporate announcements, financial results, presentations, stock performance, and annual reports, ensuring stakeholders have the tools needed to make informed decisions.

To ensure robust engagement and effective communication with stakeholders, the IR team has implemented a range of initiatives, including:

- Delivering presentations and conducting briefings, including one-on-one sessions, with the investment community, comprising analysts, fund managers, potential investors, strategic shareholders, and minority shareholders during the AGM;
- Participating in non-deal roadshows facilitated by research houses to broaden investor outreach;
- Hosting plant visits for analysts and fund managers at the MSM refineries located in Johor and Prai to provide insights into operational capabilities; and
- Coordinating media engagements through centralised strategic communication channels to ensure consistent and transparent dissemination of information.

CONDUCT OF GENERAL MEETINGS

Notice of Annual General Meeting

The AGM provides a vital platform for direct engagement between shareholders and the Board, supported by Management. It enables the Company to present updates on its business progress while addressing questions and concerns raised by shareholders, proxies, and corporate representatives.

In 2024, the Notice of the 13th AGM was issued 21 days prior to the meeting, in compliance with Section 316(2)(a) of the Companies Act 2016 and the timeline prescribed in the Company's Constitution.

The notice for the upcoming 14th AGM scheduled for 19 June 2025 (Notice) will be issued 28 days in advance, exceeding statutory requirements to provide shareholders with additional time for review. The Notice will include explanatory notes for all proposed resolutions, offering clarity on their significance and implications. It will also be published in The Star newspaper and made available on the MSM Malaysia Holdings Berhad corporate website at www.msmsugar.com.



ACCOUNTABILITY & TRANSPARENCY

COMMUNICATIONS WITH STAKEHOLDERS

C INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

CONDUCT OF GENERAL MEETINGS

Annual General Meeting

On 6 June 2024, MSM convened its 13th AGM through a fully virtual format, with live streaming from the Kuala Lumpur Golf & Country Club in Kuala Lumpur serving as the broadcast venue. The meeting was conducted in alignment with the Securities Commission's Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers.

All Directors were physically present at the broadcast venue, with the exception of Fakhrunniam Othman, who was undertaking his Hajj pilgrimage. The external auditors of the Company also attended in person, providing responses to shareholder inquiries concerning the audit process, financial statement preparation, and the auditors' report.

The Chairman of the Board presided over the proceedings, and shareholders were able to actively participate by viewing the live stream and submitting questions or seeking clarifications on business matters in real time.

For the upcoming 14th AGM scheduled for 19 June 2025, the meeting will be conducted physically. This aligns with the announcement made on 30 August 2024 by the Securities Commission, which mandated that all public listed companies (PLCs) on Bursa Malaysia must hold hybrid or physical general meetings from 1 March 2025.

Leveraging on Technologies for AGM

MSM Malaysia Holdings Berhad held its 13th AGM fully virtually, with live streaming from the Kuala Lumpur Golf & Country Club (KLGCC) serving as the broadcast venue. Shareholders participated remotely using the Remote Participation and Electronic Voting (RPEV) facility on the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>, in accordance with Section 327(1) of the Companies Act 2016.

Demonstrating its commitment to leveraging technology for greater efficiency and accessibility, the Company provided shareholders with a seamless platform for remote online voting during the live broadcast. Shareholders were also able to actively participate by submitting questions in real time via the Messaging Box, ensuring a fully interactive and inclusive AGM experience.

In compliance with Paragraph 8.29A of the Bursa Malaysia Listing Requirements, all resolutions presented at the AGM were decided through poll voting. To facilitate this process, Boardroom was appointed as Poll Administrator, while Tricor Business Intelligence & Solutions Sdn Bhd independently verified the poll results as Scrutineer. The outcomes were announced by the Chairman at the conclusion of the meeting and promptly submitted to Bursa Malaysia on the same day, ensuring timely and transparent communication with shareholders.

Meaningful Engagement with Stakeholders

At MSM Malaysia Holdings Berhad's AGM, the Chairman fully supports meaningful engagement between the Board of Directors, Senior Management, and shareholders. During the 13th AGM, the proceedings included a management presentation by the Group CEO covering the Company's financial and non-financial highlights including its sales performance, strategic initiatives and progress, as well as all other relevant matters throughout 2023.

At the 13th AGM, questions from shareholders were answered and documented in the minutes of the meeting. Answers to questions that were not addressed during the live broadcast due to time constraints have been uploaded on MSM Malaysia Holdings Berhad's corporate website for shareholders' reference. To further promote meaningful engagement with its shareholders, the Company has provided a dedicated IR portal on the MSM corporate website where shareholders can continue to pose any queries outside the AGM and share feedback with the Company.

Minutes of AGM

The minutes of the 13th AGM, held on 6 June 2024, were made available on the MSM Malaysia Holdings Berhad corporate website on 22 July 2024, in accordance with Practice 13.6 of the Malaysian Code on Corporate Governance (MCCG), which requires circulation to shareholders no later than 30 business days after the general meeting.

Statement by the Board

The Board acknowledges the importance of sound Corporate Governance practices and believes that this improves long-term success and performance. We are committed to set the appropriate tone at Board-level and achieving high standards of Corporate Governance practices, values and business conduct across MSM Group.

The Board is satisfied that MSM has complied with the provisions and applications of the MCCG 2021 principles for the FY2024 except for Practices 8.2, 13.1 and 13.2, as summarised on page 129 of this Corporate Governance Overview Statement. Detailed explanations on the application and departure of the Practices including the related measures and time frame to apply the departed practice are provided in the CG Report 2024 which is accessible on our corporate website at <https://www.msmsugar.com/investor-relations/reports>.

This Corporate Governance Overview Statement was made in accordance with a resolution of the Board of Directors approved on 24 March 2025.

On behalf of the Board

DATUK SYED HISHAM SYED WAZIR

Chairman



COMMUNICATIONS WITH STAKEHOLDERS



Financial Calendar

Announcement on unaudited consolidated results	
2024	
• 4 th quarter ended 31 December 2023:	22 February 2024
• 1 st quarter ended 31 March 2024:	23 May 2024
• 2 nd quarter ended 30 June 2024:	22 August 2024
• 3 rd quarter ended 30 September 2024:	21 November 2024
2025	
• 4 th quarter ended 31 December 2024:	24 February 2025

Annual General Meeting	
13th Annual General Meeting	
• Notice of Meeting:	15 May 2024
• Issuance of Annual Integrated Report 2023:	30 April 2024
• Date of Meeting:	6 June 2024
14th Annual General Meeting	
• Notice of Meeting:	30 April 2025
• Issuance of Annual Integrated Report 2024:	30 April 2025
• Date of Meeting:	19 June 2025

Dividends	
Dividend Policy	The Group is guided by the MSM Dividend Policy with a payout ratio of at least 50% Profit after Tax and Minority Interest (PATAMI) while considering certain factors. However, any distribution will depend on the Group's earnings and approval by the Board.
2023	• No dividend was declared and paid for the financial year ended 31 December 2023
2024	• No dividend was declared and paid for the financial year ended 31 December 2024



ACCOUNTABILITY & TRANSPARENCY

AUDIT, GOVERNANCE AND RISK COMMITTEE REPORT

The Audit, Governance and Risk Committee (AGRC or the Committee) plays a critical role in supporting the Board in fulfilling its responsibilities. The Committee is tasked with overseeing the integrity of the financial reporting and audit process, ensuring the maintenance of robust internal control and risk management systems, and providing assurance on governance, ethics, and compliance matters.

Additionally, the AGRC reviews conflict of interest situations and related party transactions, including recurrent related party transactions, to ensure transparency and accountability. The Committee is also responsible for evaluating the principal risks identified by Management and overseeing the implementation of effective risk management systems across the Group. This comprehensive mandate ensures that the AGRC remains a cornerstone of the Group's governance framework, safeguarding the interests of stakeholders.

Composition of the Committee

The AGRC is chaired by Choy Khai Choon, an Independent Director who brings extensive expertise to his role. As a member of the Malaysian Institute of Accountants (MIA) and an Honorary Fellow of CPA Australia, Choy Khai Choon meets the requisite qualifications outlined in Paragraph 15.09(1)(c)(i) of the Listing Requirements, ensuring compliance with regulatory standards and enhancing the Committee's effectiveness.

The current membership of the AGRC, along with their meeting attendance records for 2024, are detailed below:

Members	Type of Membership	Meeting Attendance	
Choy Khai Choon	Chairman/Independent Non-Executive Director	100%	14/14
Dato' Sri Muthanna Abdullah	Independent Non-Executive Director	100%	14/14
Datuk Dr Abd Hapiz Abdullah	Independent Non-Executive Director	100%	14/14

The profiles of the AGRC members are detailed in the Board of Directors' Profiles section on pages 111 to 113 of this AIR.



How the Committee Operates

The Terms of Reference of the AGRC stipulates that all members must be Independent Directors, ensuring impartiality and objectivity in fulfilling its duties. A quorum for the AGRC requires the presence of at least two (2) members, and the Committee's proceedings are conducted based on meeting papers addressing its responsibilities. All deliberations are documented in meeting minutes, which are subsequently circulated to members for confirmation. Reports on the AGRC's activities are presented to the Board on a quarterly basis, ensuring alignment and transparency in governance.

The AGRC's remit encompasses a wide range of responsibilities, including oversight of financial reporting and performance, internal and external audit functions, Related Party Transactions (RPTs), Recurrent RPTs, governance, ethics and integrity, risk management, internal control, sustainability frameworks, and anti-bribery measures.

 Further details on the AGRC's roles and responsibilities can be found in its Terms of Reference, available on the Company's corporate website at <https://www.msmsugar.com/our-company/corporate-governance>.

ACCOUNTABILITY & TRANSPARENCY

AUDIT, GOVERNANCE AND RISK COMMITTEE REPORT

Summary of Activities

Financial Reporting and Performance Oversight

- Reviewed and recommended:
 - Quarterly Financial Results
 - MSM Group's Goodwill and MSM Johor's Asset Impairment Assessment
 - Position on Financial Covenants
 - Group's Consolidated Cashflow Projections
 - Capital Expenditure (CAPEX)
 - Recurring Related Party Transactions (RRPT)
 - Report on Recoverability of Trade Receivables and Past Due Accounts
 - Disposal and write off of assets and inventories
 - Hedging of gas prices with Brent Crude Oil options
 - Non-audit fees
 - Finished Goods Variance
 - Status updates on MSM Prai Berhad and MSM Sugar Refinery (Johor) Sdn Bhd raw sugar management
 - Audited Financial Statements for financial year ended 31 December 2023
 - Update on Environmental, Social and Governance
- Reviewed Quarterly AGRC Report by Messrs PricewaterhouseCoopers PLT (PwC)

Internal Audit Process

- Reviewed Group Internal Audit Report issued by Group Internal Audit
- Assessed the performance of the Chief Internal Auditor for year 2023
- Revision of the Group Internal Audit Charter

Related Party Transactions

- Reviewed and recommended:
 - Circular to Shareholders in relation to:
 - Proposed Renewal of Shareholders' Mandate for the Existing Recurrent Related Party Transactions of Revenue or Trading Nature for MSM Malaysia Holdings Berhad and its Group of Companies (MSM Holdings Group); and
 - Proposed Shareholders' Mandate for the New Recurrent Related Party Transactions of Revenue and Trading Nature for MSM Holdings Group

Risk Management

- Reviewed MSM Corruption Risk Management (CRM) Assessment
- Reviewed the quarterly progress Report on Group Risk Register Report and Business Continuity Management (BCM)
- MSM Risk Appetite Statement Development

External Audit Process

- Private Discussion between AGRC and PwC (2 sessions)
- Reviewed and recommended the Reappointment of PwC as the External Auditor for MSM Group for FY2024
- Reviewed PwC's Audit Plan and scope of work for the statutory audit of the Financial Statements for the financial year ended 31 December 2024 and declaration of PwC's independence as external auditor
- Reviewed and recommended the Audit Fees for MSM Malaysia Holdings Berhad and its Group of Companies for FY2023
- Reviewed PwC Malaysia Transparency Report 2023

Governance and Integrity

Reviewed and recommended:

- Corporate Governance Report for financial year ended 31 December 2023 for announcement to Bursa Malaysia Securities Berhad and publication on MSM's Corporate Website
- MSM Conflict of Interest Policy
- MSM Referral Policy
- MSM Whistleblowing Policy
- Revision of MSM Group Trading Policy
- Revision of MSM Cash Management Policy
- Revision of MSM Risk Management Policy
- Revision of MSM Business Continuity Management (BCM) Policy
- Revision of MSM Domestic Sales Policy

Others

- Annual Integrated Report 2023 Matters:
 - Corporate Governance Overview Statement
 - Report on Audit, Governance and Risk Committee
 - Statement on Risk Management and Internal Control
 - Production of MSM Malaysia Holdings Berhad's Annual Integrated Report for the financial year ended 31 December 2023
- Sustainability Report 2023
- Approved schedule of AGRC Meetings for year 2025



ACCOUNTABILITY & TRANSPARENCY

AUDIT, GOVERNANCE AND RISK COMMITTEE REPORT

Conflict of Interest/Potential Conflict of Interest

- For the financial year 2024, the AGRC conducted a review of all conflict of interest (COI) or potential COI declarations received by the Directors and key senior management of the Company. Based on the review, no COI or potential COI including interest in competing business was identified.

Relationship with External Auditor

- The External Auditor Policy was developed to provide guidance on matters related to dealing with the firm of professional accountants which is or will be appointed as the External Auditor for the statutory audit of MSM Group.
- During the financial year ended 31 December 2024, other than the assurance service for review of Quarterly Bursa Announcement, there was no non-audit engagement rendered by the external auditor.
- There were private sessions held between the AGRC and the external auditor, without the presence of Management. The private sessions focused on areas where the external auditor provided additional, candid and confidential comments to the AGRC. The private sessions allowed the AGRC to explore matters in a frank and open forum. Overall, private sessions played an important role in the development of a trusting and respectful relationship between the AGRC and the external auditor.
- In the financial year 2024, the private sessions were held twice in February and August 2024.

Continuous Learning and Development

- Further details on the training attended by the Committee members during the financial year 2024 are detailed out under Directors' Training on pages 138 to 144 of this AIR.

Committee Evaluation

- For year of assessment 2024, Board Effectiveness Assessment was carried out in 2025 which encompassed the performance of the Committee and its Chairman as well as the Independence of the Independent Directors. The assessment focused on how effective the Committee had conducted its activities in 2024.

Internal Audit Function

- The internal audit function for MSM Group is outsourced to the holding company, FGV Holdings Berhad (FGV) Group Internal Audit (GIA) Division.
- The Chief Internal Auditor reports functionally directly to the AGRC of MSM.
- The conduct of GIA is based on a GIA Charter and Standard Operating Procedure (SOP).

- The Chief Internal Auditor, Zalily Mohamed Zaman Khan, is a Certified Internal Auditor of the Institute of Internal Auditors (IIA), Certified Fraud Examiner of the Association of Certified Fraud Examiners, both from USA, is a fellow member of CPA Australia, a professional member of the Institute of Internal Auditors Malaysia and holds an accounting degree from University of South Australia. She also holds a Certification in Control Self-Assessment and a Certification in Risk Management Assurance by IIA, USA.
- Five (5) internal auditors comprising a Senior General Manager, a General Manager, a manager and one (1) team of two (2) persons are specifically assigned for audits of MSM Group throughout the financial year.
- The total cost incurred for the financial year ended 31 December 2024 was RM2,175,163 (2023: RM2,075,727).

Summary of Activities of the Internal Audit Function

During the financial year under review, the internal audit function had undertaken the following main activities:

- Performed internal audits according to the Annual Internal Audit Plan approved by the AGRC. The scope of work focused on the following key areas:
 - Production management
 - Repair and maintenance
 - Sales management
 - Governance, risk management & sustainability operation
 - Cybersecurity readiness
- Performed investigative audits and presented to the AGRC the conclusions and subsequently sought the recommendation and direction from AGRC on action to be taken.
- Presented to the AGRC at its quarterly meetings, the summary observations and recommendations and the status of management's corrective actions implementation from the internal audit reports issued.
- Undertook Recurrent Related Party Transactions review for the purpose of supporting the Committee's statement in the Circular to the shareholders to seek mandate on new and existing Recurrent Related Party Transactions of the Group.

In 2024, the internal audit function performed 8 internal audit assignments (i.e. 5 assurance audits and 3 investigations) which consumed 750 mandays during the year in comparison to 540 budgeted mandays.

Statement by the Board

This Audit, Governance and Risk Committee Report was made in accordance with a resolution of the Board of Directors duly passed on 24 March 2025.



ACCOUNTABILITY & TRANSPARENCY

NOMINATION AND REMUNERATION COMMITTEE REPORT

The Nomination and Remuneration Committee (NRC or the Committee) plays a pivotal role in overseeing key areas related to Board composition, executive leadership, and remuneration practices. Entrusted with identifying and recommending candidates for Board appointments, the NRC ensures that the Board is comprised of individuals with the requisite skills, experience, and diversity to align with the Company's strategic objectives.

The Committee also oversees executive remuneration, ensuring that compensation structures are performance-driven, aligned with industry benchmarks, and adhere to principles of transparency and fairness. Additionally, through its focus on corporate governance, the NRC promotes ethical standards and accountability, underpinning the Company's commitment to long-term sustainability and fostering trust among stakeholders.

Composition of NRC

As of the date of this report, the NRC is composed exclusively of Non-Executive Directors (NED), with a majority being Independent Directors, ensuring objectivity and impartiality in its deliberations. The Committee is chaired by Dato' Sri Muthanna Abdullah, an Independent Director who brings extensive expertise and leadership to the role.

Members	Type of membership
Dato' Sri Muthanna Abdullah	Chairman/Independent Non-Executive Director
Datuk Dr Abd Hapiz Abdullah	Independent Non-Executive Director
Choy Khai Choon	Independent Non-Executive Director
(Appointed with effect from 7 January 2024)	
Dato' Dr Suzana Idayu Wati Osman	Non-Independent Non-Executive Director
(Appointed with effect from 16 August 2024)	
Raja Faridah Raja Ahmad	Non-Independent Non-Executive Director
(Resigned with effect from 21 November 2024)	
Nik Fazila Nik Mohamed Shihabuddin	Non-Independent Non-Executive Director
(Cessation of office with effect from 6 June 2024)	

The profiles of the NRC members are detailed in the Board of Directors' Profiles section on pages 111 to 113 and 116 of this AIR.

The current composition of the NRC complies with Paragraph 15.08A(1) of the Bursa Malaysia Listing Requirements. It also aligns with Practice 5.8 of the Malaysian Code on Corporate Governance 2021 (MCCG 2021), which recommends that the NRC be chaired by an Independent Director or the Senior Independent Director.

The Board is confident that the current composition of the NRC provides a well-balanced mix of skills, knowledge, and experience to safeguard the interests of all shareholders and effectively support the needs of the Group.

Meetings in 2024 and Attendance

13 February 2024	20 March 2024	17 April 2024	9 May 2024
5 July 2024	9 August 2024	11 October 2024	7 November 2024
11 November 2024	9 Total Meetings		

Members	Meeting Attendance	
Dato' Sri Muthanna Abdullah	100%	9/9
Datuk Dr Abd Hapiz Abdullah	100%	9/9
Choy Khai Choon	100%	9/9
(Appointed with effect from 7 January 2024)		
Dato' Dr Suzana Idayu Wati Osman	100%	3/3
(Appointed with effect from 16 August 2024)		
Raja Faridah Raja Ahmad	100%	9/9
(Resigned with effect from 21 November 2024)		
Nik Fazila Nik Mohamed Shihabuddin	100%	4/4
(Cessation of office with effect from 6 June 2024)		

ACCOUNTABILITY & TRANSPARENCY

NOMINATION AND REMUNERATION COMMITTEE REPORT

In accordance with its Terms of Reference (TOR), the NRC is required to convene a minimum of three (3) meetings annually. During 2024, the NRC exceeded this requirement by holding a total of nine (9) meetings. All meetings were chaired by the Committee's Chairman, an Independent Non-Executive Director, who ensured the effective conduct of each session. Attendance at all meetings satisfied the requisite quorum as outlined in the NRC's TOR.

To facilitate time planning for NRC members, the meeting schedule for 2024 was approved in January 2024. In addition to these scheduled meetings, the Chairman convened additional meetings as necessary to address pressing matters.

The Company Secretary serves as the NRC's Secretary, ensuring proper documentation and coordination. By invitation, the Group Chief Executive Officer and the Head of Group People & Culture attended meetings to present proposals and provide further explanations and clarifications on matters discussed. Other members of the Management team were invited on an as-needed basis, ensuring the confidentiality of the information presented. All recommendations made by the NRC during 2024 were submitted to the Board for consideration and approval.

Responsibilities of the Committee

In accordance with its TOR, the primary responsibilities of the NRC are as follows:

- Reviewing the composition of the Board and evaluating the balance of skills, knowledge, experience, and diversity among its members;
- Assessing the performance and effectiveness of the Board;
- Reviewing the contracts of Executive Directors, Top Management, and Senior Management;
- Evaluating the performance of Executive Directors, Top Management, and Senior Management;
- Setting the remuneration policy for Directors and employees across MSM Group; and
- Leading the process for the appointment of new Directors to the Board and providing appropriate recommendations to the Board.

Comprehensive details of the Committee's responsibilities and duties are outlined in the TOR, which is accessible on the Company's corporate website at <https://www.msmsugar.com/our-company/corporate-governance>.

Terms of Reference

The NRC operates under its own TOR, which has been established in accordance with the Listing Requirements and approved by the Board. The TOR is reviewed periodically to ensure it remains up-to-date, particularly in response to changes in the Listing Requirements and the MCGC 2021.

The latest version of the NRC TOR is available on the Company's corporate website at <https://www.msmsugar.com/our-company/corporate-governance>.

Summary of Activities in 2024

All NRC meetings for year 2024 were held virtually. The meetings were attended by the Group Chief Executive Officer together with Head of Group People & Culture. The Group Chief Operating Officer and Chief Financial Officer attended the meetings upon invitation.

The summary of matters discussed and deliberated by NRC were as follows:

Nomination and Election Process

- Reviewed, evaluated and recommended the candidate of an Independent Non-Executive Director in MSM Malaysia Holdings Berhad
- Reviewed and recommended the organisational structure revision for MSM Malaysia Holdings Berhad
- Reviewed and recommended the contract renewal for Group Chief Executive Officer and Group Chief Operating Officer
- Reviewed and recommended the re-election of retiring Directors at the 13th Annual General Meeting
- Reviewed, evaluated and recommended the Performance Appraisal Rating of Group Chief Executive Officer and Group Chief Operating Officer for financial year 2023
- Reviewed, assessed and recommended the Board Annual Assessment on the Independence of the Independent Directors
- Reviewed, evaluated and recommended the candidate of Nominee Directors of FGV Holdings Berhad and Koperasi Permodalan FELDA Malaysia Berhad in MSM Malaysia Holdings Berhad as Non-Independent Non-Executive Directors

Remuneration Matters

- Reviewed and recommended the proposed payment of Directors' Remuneration for the financial year ended 2023 to Non-Executive Directors of MSM Malaysia Holdings Berhad

Other Matters

- Reviewed, assessed and recommended the Board Effectiveness Assessment for year 2023
- Reviewed and recommended the Proposed 18th Collective Agreement between MSM Prai Berhad and Kesatuan Pekerja-Pekerja MSM Prai Berhad
- Approved the schedule of NRC Meetings for year 2025
- Reviewed and recommended the report on the NRC for the inclusion in MSM's 2023 Annual Integrated Report



ACCOUNTABILITY & TRANSPARENCY

NOMINATION AND REMUNERATION COMMITTEE REPORT

Board Appointment Process

MSM has implemented a fit and proper policy for the appointment and re-election of its directors, known as the MSM Board Nomination and Election Policy and Procedures (BNEP). The BNEP formalises key policies related to Board Composition, including considerations of Diversity (gender, age, ethnicity, and cultural background), Independence, Conflict of Interest, and Board Assessments, ensuring alignment with the needs of the Group.

In line with the NRC TOR and the BNEP, the NRC is responsible for reviewing the structure, size, and composition of the Board, Board Committees, and directorships within the Group. This includes assessing the skills, knowledge, experience, and diversity of Board members to ensure the Board remains effective and aligned with the Group's strategic goals.

The Company Secretary ensures that all appointments are conducted properly and that all required information is obtained from Directors to meet statutory obligations, including compliance with Listing Requirements and other regulatory standards.

During the financial year 2024, up to the date of this report, the following changes have occurred:

Director	Changes	
	Type	Effective Date
Nik Fazila Nik Mohamed Shihabuddin Non-Independent Non-Executive Director	Retirement	6 June 2024
Low Chooi Hoon Independent Non-Executive Director	Appointment	1 July 2024
Dato' Dr Suzana Idayu Wati Osman Non-Independent Non-Executive Director	Appointment	16 August 2024
Dato' Mohd Nazrul Izam Mansor Non-Independent Non-Executive Director	Resignation	1 September 2024
Raja Faridah Raja Ahmad Non-Independent Non-Executive Director	Resignation	21 November 2024
Nurul Muhaniza Hanafi Non-Independent Non-Executive Director	Appointment	1 December 2024
Dato' Mohd Banuri Aris Non-Independent Non-Executive Director	Appointment	1 December 2024

The NRC is responsible for assessing and evaluating candidates for directorship before making recommendations to the Board. In carrying out this responsibility, the NRC ensures that the selection process maintains a balance of skills, experience, and diversity, including gender diversity, to support the Board's effectiveness.

Upon appointment to the Board, Non-Executive Directors undertake a comprehensive induction programme designed to familiarise them with the Company's operations, assets, policies, and procedures. The programme also facilitates introductions to employees and key advisers, enabling new Directors to quickly contribute effectively in their roles.

As part of this induction, the Company Secretary provides detailed information on the Group, including its policies and governance framework. Additionally, new Directors meet with Top Management and Heads of Functions, offering insights into all aspects of the Company's businesses.

The newly appointed Director is furnished with a Director's Kit which consists of, among others, the Board Charter and Board Committees TOR which give guidance on good corporate governance and outline the roles and responsibilities of the Board and Board Committees as well as their authority limits.

Appointment, Re-Appointment and Re-Election of Directors

Clause 99 of the MSM Constitution provides that one-third (1/3) of the Directors for the time being, or if their number is not a multiple of three (3), the number nearest to one-third (1/3) with a minimum of one (1), shall retire from office at the ordinary general meeting in every year provided always that each Director shall retire at least once in every three (3) years.

Clause 105 of the MSM Constitution provides that any Director so appointed to fill a casual vacancy or as an additional Director shall hold office only until the next Annual General Meeting (AGM) and shall be eligible for re-election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

Clause 108 states that the term of office for an Independent Director is limited to three (3) years, with eligibility for re-appointment up to a maximum of nine (9) years. This ensures the regular renewal of the Board's composition.

The NRC assesses Directors seeking re-appointment or re-election at the AGM. The NRC evaluates each Director's performance and contributions before making recommendations to the Board, which decides whether to propose the Director for re-election to shareholders at the AGM.

In conducting its evaluation, the NRC considers:

- **Individual Performance:** Focusing on qualitative aspects such as personality traits, leadership, and interpersonal skills.
- **Special Skills and Expertise:** Including professional networks, subject matter knowledge, and unique contributions to the Board.

Following these assessments, the NRC submits its recommendations to the Board for approval regarding the Directors to be proposed for re-election at the AGM.

Further details on the process of appointment, re-appointment and re-election are disclosed in the Company's Corporate Governance Report for the financial year ended 2024.

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NOMINATION AND REMUNERATION COMMITTEE REPORT

The current Board comprises nine (9) Directors. Out of these nine (9) Directors, four (4) are newly appointed Directors who shall retire at the forthcoming 14th AGM in accordance with Clause 105 of the Company's Constitution. These newly appointed Directors shall not be taken into account in determining the number of Directors to retire by rotation under Clause 99 of the Company's Constitution. Accordingly, the number of Directors considered for retirement by rotation shall be five (5). In accordance with Clause 99 of the Company's Constitution, two (2) Directors, representing 1/3 or the nearest to 1/3 of five (5), shall retire.

Based on the Individual Director assessment results of the Board Effectiveness Assessment 2024 and the Directors' contribution to the Board, the NRC concluded that each of the Directors has met the performance and fit and proper criteria required for an effective and high performance Board and has the ability to continuously discharge their duties diligently as Directors of the Company.

The Independent Non-Executive Directors concerned have also provided their annual declaration/confirmation of independence in February 2025.

The Directors who are eligible for re-election at the forthcoming 14th AGM are as follows:

Director	Designation	Provision
Choy Khai Choon	Independent Non-Executive Director	Re-election pursuant to Clause 99
Fakhrunniam Othman	Non-Independent Non-Executive Director	Re-election pursuant to Clause 99
Low Chooi Hoon	Independent Non-Executive Director	Re-election pursuant to Clause 105
Dato' Dr Suzana Idayu Wati Osman	Non-Independent Non-Executive Director	Re-election pursuant to Clause 105
Nurul Muhaniza Hanafi	Non-Independent Non-Executive Director	Re-election pursuant to Clause 105
Dato' Mohd Banuri Aris	Non-Independent Non-Executive Director	Re-election pursuant to Clause 105

Choy Khai Choon and Low Chooi Hoon have expressed their intention not to seek for re-election at the forthcoming 14th AGM. Hence, they will retain office until the conclusion of the AGM.

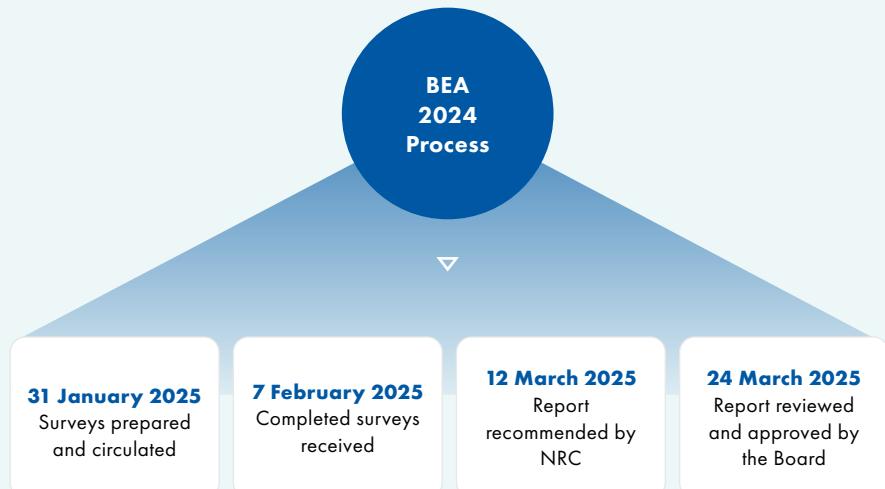
The above Directors had abstained from deliberations and decisions on their eligibility to stand for re-election at the relevant Board and Board Committee meetings.

The re-election of each Director will be conducted separately. All Directors who are standing for re-election have met the performance and fit and proper criteria required for an effective and high-performance Board as assessed through Board Effectiveness Assessment 2024.

To support shareholders in making informed decisions, this AIR provides sufficient information on the Directors standing for re-election. The information includes their personal profiles, attendance at Board and Board Committee meetings, shareholdings in the Company, and disclosures of conflict of interest or potential conflict of interest, including any interest in any competing business with the Company or its subsidiaries. Additionally, the AIR includes confirmations that the Directors have not been convicted of any offence (other than traffic offences) within the past five (5) years and have not been imposed with any public sanction or penalty by the relevant regulatory bodies during the FY2024.

Board Effectiveness Assessment (BEA)

The Board conducts an annual review of the effectiveness of the performance of the Board and its Committees. In 2024, the Board continued the BEA exercise, which was carried out internally. The Board recognises that a continuous and constructive review of its performance is an important factor in achieving its objectives and realising its full potential. The cycle of the Board's assessment is summarised as follows:



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NOMINATION AND REMUNERATION COMMITTEE REPORT

Four (4) sets of assessment forms were circulated to nine (9) Directors to assess the effectiveness of the following:

- Board as a Whole
- Board Committees
- Directors' Self and Peer Evaluation
- Board Skills Matrix Assessment

The scope of the assessment for Board as a Whole covers the core drivers or ten (10) domains influencing the effective functioning of the Board as below:

- a) Board Roles and Responsibilities (oversight of strategy, risks and performance monitoring)
- b) Board Leadership
- c) Board Dynamics
- d) Board Management Relationships
- e) Board Composition and Diversity
- f) Board Information
- g) Board Processes
- h) Board Committees
- i) Board Agenda and Meeting
- j) Board and Stakeholders Engagement

The assessment of the Directors was based on the relevant performance criteria in line with Practice 6.1 of the MCGC 2021.

Two (2) sets of assessment forms were circulated to Audit, Governance and Risk Committee to assess the effectiveness of the following:

- Audit, Governance and Risk Committee Evaluation
- Audit, Governance and Risk Committee Members' Self and Peer Evaluation

The scope of the assessment for Audit, Governance and Risk Committee covers the core drivers influencing the effective functioning of the Committee as below:

- Committee Quality and Composition
- Committee Skills and Competencies
- Committee Meeting Administration and Conduct

Results of the BEA

The evaluation as a whole has covered the ten (10) core drivers of Board effectiveness and the overall rating core drivers are as detailed below:

**Statement by the Board**

This Report on Nomination and Remuneration Committee is made in accordance with a resolution of the Board of Directors duly passed on 24 March 2025.



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INVESTMENT AND TENDER COMMITTEE REPORT

The Investment and Tender Committee (ITC or the Committee) is responsible for reviewing, monitoring, and making recommendations to the Board on significant matters related to the Group's existing and potential investments and procurements. These responsibilities are carried out in accordance with the ITC's Terms of Reference, MSM's Limit of Authorities, Group Procurement Policy, and Investment Policy.

The Committee also oversees the Group's procurement operations to ensure that processes are conducted fairly, transparently, effectively, and comprehensively.

Composition of the Committee

The ITC is composed exclusively of Non-Executive Directors, with a majority being Independent Directors. The Committee is chaired by Datuk Dr Abd Hapiz Abdullah, an Independent Director who provides leadership and oversight in his role as Chairman.

Members	Type of Membership
Datuk Dr Abd Hapiz Abdullah	Chairman/Independent Non-Executive Director
Choy Khai Choon	Independent Non-Executive Director
Fakhrunniam Othman	Non-Independent Non-Executive Director

The profiles of the ITC members are detailed in the Board of Directors' Profiles section on pages 112 to 114 of this AIR.

The membership and composition of the ITC adhere to the requirements outlined in the Committee's Terms of Reference, ensuring compliance with standards relating to size, independence, and requisite skills.

The Board is confident that the current membership and composition of the ITC provide an appropriate balance of skills, knowledge, and experience to safeguard the interests of all shareholders and effectively support the Group's objective and strategic business plan.

Meetings in 2024			
7 February 2024	25 March 2024	10 May 2024	8 August 2024
7 November 2024	11 December 2024		
6	Total Meetings		

During the financial year 2024, the ITC convened a total of six (6) meetings. The Company Secretary served as Secretary to the ITC, ensuring the efficient administration of all meetings. By invitation, the Group Chief Executive Officer, Group Chief Operating Officer, Chief Financial Officer, and relevant members of the Management team attended the meetings, presenting their proposals and providing further explanations and clarifications on matters discussed.

The ITC reviewed and recommended proposals related to investments, divestments, contracts, tenders, and variation orders within the thresholds specified in MSM Group's Limit of Authorities. All recommendations were subsequently presented to the Board for consideration and approval.

Responsibilities of the Committee

The main responsibilities of the ITC are as follows:

- To ensure that MSM has in place optimal frameworks, mechanisms, policies, and procedures to support effective investment and procurement undertakings and activities.
- To review proposals related to investments, divestments, and procurements within the Group, ensuring alignment with MSM's prevailing policies and procedures.

 Further details on the Committee's responsibilities and duties are outlined in its Terms of Reference, which is accessible on the Company's corporate website at <https://www.msmsugar.com/our-company/corporate-governance>.

Summary of Activities

Summary of Activities in 2024

The key activities carried out by the Committee during the financial year 2024 were as follows:

- reviewed and recommended the capital expenditure (CAPEX) projects;
- reviewed and recommended the award of contract/tender;
- reviewed the implementation of CAPEX projects and utilisation of CAPEX at MSM Prai Berhad and MSM Sugar Refinery (Johor) Sdn Bhd; and
- reviewed and monitored the ramping-up plans of MSM Sugar Refinery (Johor) Sdn Bhd

Statement by the Board

This Investment and Tender Committee Report was made in accordance with a resolution of the Board of Directors duly passed on 24 March 2025.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

This statement is made in accordance with Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Malaysian Code on Corporate Governance 2021, and the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

MSM Group remains steadfast in its commitment to strengthening risk management and internal control systems across the Group and its subsidiaries. During the year under review, a comprehensive assessment was conducted to evaluate the adequacy and effectiveness of these systems, focusing on safeguarding shareholders' investments and protecting the Group's assets. This review ensures compliance with applicable laws and regulations while reinforcing the importance of sound corporate governance.

Recognising the inherent limitations of any internal control system, MSM's framework is designed to manage risks to an acceptable level, aligned with the Group's corporate objectives. While the system provides reasonable assurance regarding the effectiveness of internal controls, it acknowledges its limitations and remains committed to continuous improvement to address emerging challenges.

THE BOARD

The Board affirms its overall responsibility for establishing and maintaining an effective risk management and internal control system, ensuring the identification, assessment, and mitigation of risks that may hinder the Group's ability to achieve its objectives. A key aspect of this role is defining the Group's risk appetite, which outlines the levels and types of risk the Group is willing to accept in pursuit of its business and strategic goals. The Board actively engages in strategic planning to ensure risks are effectively managed within the approved risk appetite.

Recognising the inherent limitations of any risk management system, the Board acknowledges that such systems can provide only reasonable, not absolute, assurance against significant financial misstatements, fraud, or losses. It plays a pivotal role in fostering a strong risk management and internal control governance structure, setting the tone and culture for effective risk practices across the Group.

To support its risk and control oversight responsibilities, the Board has established the Audit, Governance and Risk Committee (AGRC). The AGRC oversees risk, governance, and controls, providing periodic updates to the Board on key deliberations and decisions regarding these matters.

AUDIT, GOVERNANCE AND RISK COMMITTEE

The AGRC assists the Board in fulfilling its responsibilities with regard to audit, governance, and internal control. The AGRC is responsible for overseeing the establishment of the Group's overall enterprise risk management framework and policies. It also reviews the adequacy and effectiveness of the Group's enterprise risk management and internal control frameworks, which include governance, strategies, policies, and systems. Additionally, the AGRC provides the Board with an annual report on the effectiveness and results of its review of the Group's risk management and internal control frameworks.

MSM RISK COMMITTEE

The Risk Committee (RC) supports the AGRC by overseeing and regularly assessing the adequacy and effectiveness of MSM's risk management and business continuity management systems, as outlined in the MSM Risk Management Policy and MSM Business Continuity Management Policy.

ENTERPRISE RISK MANAGEMENT (ERM)

The RC reviews and recommends to the AGRC the approval of amendments to the Group's ERM framework, policies, and processes addressing key risks and mitigation measures. It periodically evaluates the effectiveness of the Group's risk management systems, including the Enterprise Risk Management System (ERMS), to ensure proper controls and risk structures are in place. The RC assesses and recommends to the AGRC updates on key business risks, risk strategies, the effectiveness of mitigation plans, and emerging risks, while reviewing the Group's risk appetite and tolerance. It also evaluates and recommends the Statement of Risk Management & Internal Control (SORMIC) for inclusion in the Annual Report.

BUSINESS CONTINUITY MANAGEMENT (BCM)

In normal operations, the RC reviews and recommends the approval of amendments to the Group's BCM framework, policies, and best practices, ensuring compliance with relevant standards and regulations. The RC oversees the development and testing of business continuity plans to ensure preparedness for potential disruptions, such as natural disasters, cyber incidents, and pandemics. During a crisis, the RC functions as the Corporate Crisis Management Committee (CCMC), managing crisis situations, overseeing crisis communication, making strategic decisions in response to emergencies, and effectively managing regulatory expectations to aid recovery and restore confidence.



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STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT

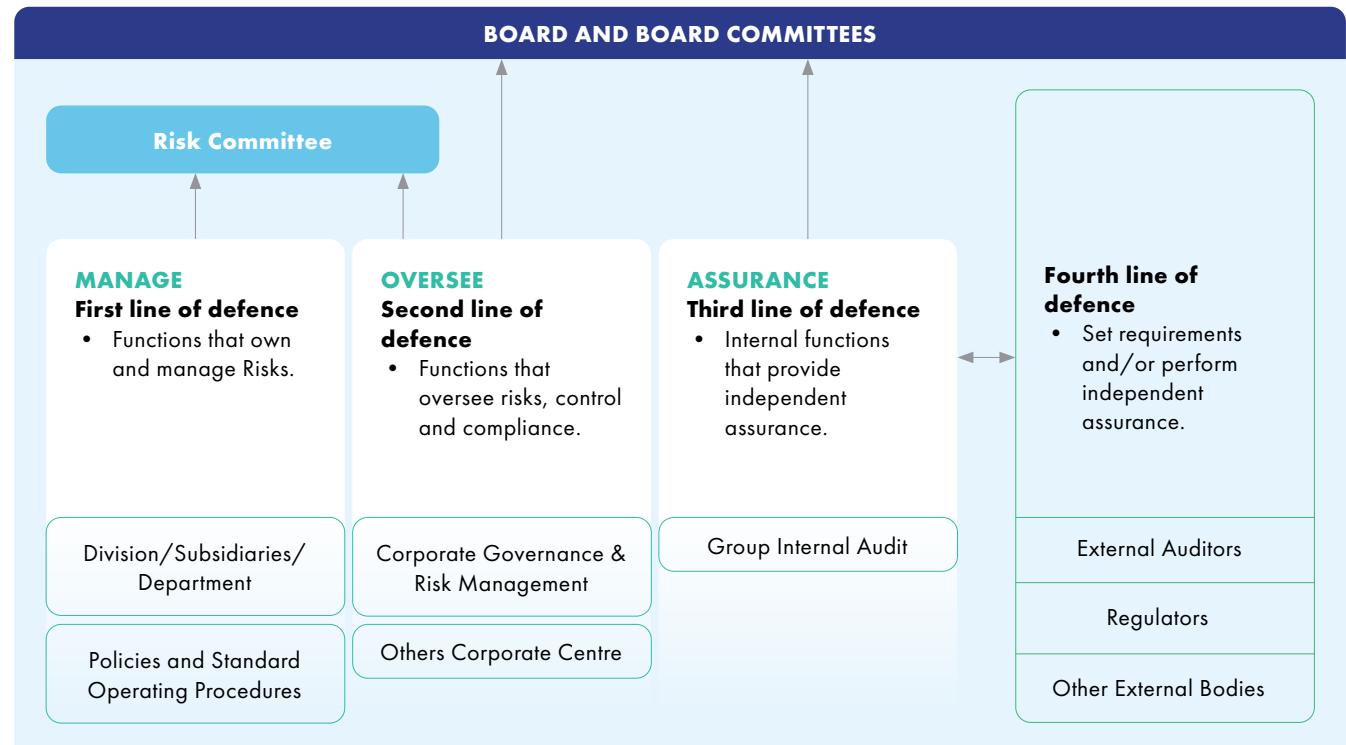
Risk Management is integral to the Group's organisational processes, serving the overarching goal of maintaining a robust system with continuous emphasis on its adequacy and integrity. This commitment is embedded in the Group's Risk Management Framework.

Within this framework, the Management plays a key role in identifying significant risks, evaluating the risk profile, and consistently implementing strategies for risk mitigation. Furthermore, the management team holds the responsibility for integrating risk management into their respective functional areas and ensuring its seamless incorporation into day-to-day business processes.

The Group's Risk Management function, overseen by Corporate Governance & Risk Management Division (CGRM), employs an effective and progressive Enterprise Risk Management System (ERMS). This system is geared towards identifying, assessing, and monitoring the risks faced by the Group. In response, Management takes specific measures to mitigate these risks.

RISK MANAGEMENT FRAMEWORK AND PROCESS

In ensuring effective oversight of risks enterprise-wide level, we have embedded risk management in all our key processes and activities. These are guided by our Enterprise Risk Management and Framework, which was designed in accordance with ISO 31000 Risk Management - Guidelines. An overview of the Group's Risk Management Framework is depicted below:

***The Risk Management Framework***

MSM has adopted the 4 lines of defence model as the fundamental approach to ensure the effectiveness of risk management.

The framework seeks to minimise risk incidents and maximise business outcomes by allowing us to:

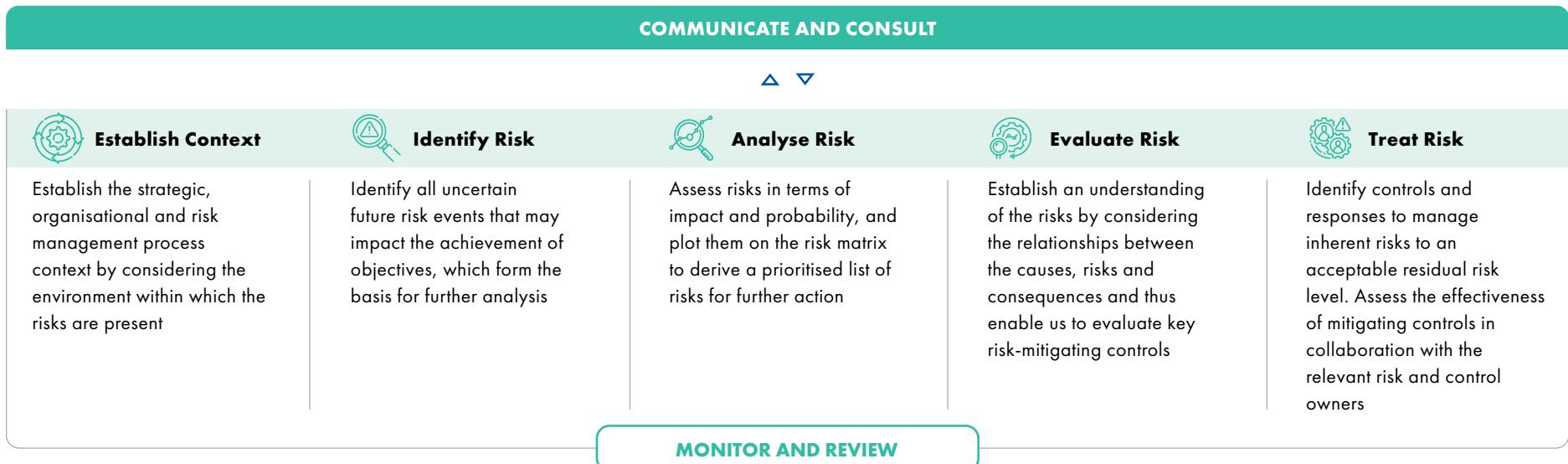


STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Risk Reporting Architecture



Risk Management Process



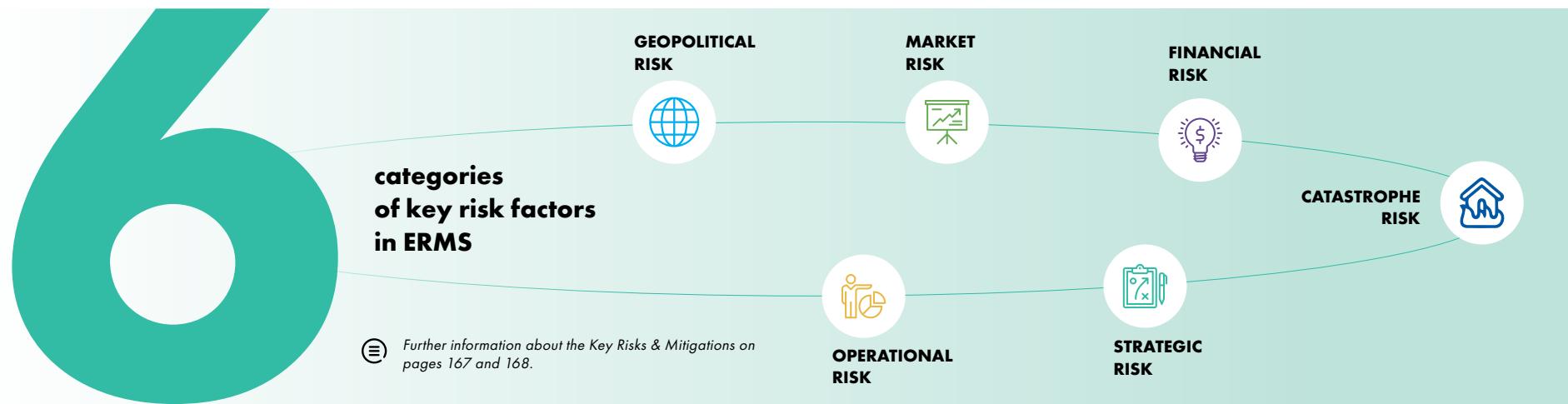
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ENTERPRISE RISK MANAGEMENT SYSTEM (ERMS)

The ERMS is a tool that enables the subsidiaries, operating units and support functions to exercise a consistent approach for risk identification and institutes a common platform to deliberate and manage risks.

The Group has put in place a continuous and systematic control structure and process for identifying, evaluating and managing significant risks pertinent to the achievement of the Group's overall corporate objectives. The control structure and process which have been established throughout the Group are updated and reviewed from time to time to suit the changes in the business environment.



EMERGING RISKS AND THREATS

MSM actively monitors and assesses emerging risks across various dimensions, including geopolitical, market, financial, strategic, operational, and catastrophic factors that could impact MSM and its group of companies. In the 2024 reporting year, the Company identified several key emerging risks requiring ongoing attention:

Expansion into new markets (exports) in Sub-Saharan Africa	The Red Sea crisis	Cybersecurity threats	Emerging risks in the global and local sugar industry	2024 Mpox outbreaks—a global trend	Threats in the maritime industry	Rising tensions in the Middle East	MSM Flood Impact Assessment
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The Corporate Governance & Risk Management (CGRM) team conducted the assessment of these risks and communicated the findings to management through the Risk Committee. During these discussions, the potential implications of each risk were thoroughly examined, and appropriate mitigation strategies were deliberated. The Risk Committee played a pivotal role in ensuring MSM remains well-prepared to manage and address these challenges.

ACCOUNTABILITY & TRANSPARENCY

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Management remains committed to continuously enhancing the Company's risk management framework, adapting it to evolving challenges. This proactive approach strengthens MSM's resilience, ensuring the protection of its operations, strategic objectives, and long-term success.

RISK MANAGEMENT ACTIVITIES

Continuous integration between strategies and risk management was carried out to ensure risk management approach is embedded into business decision.

Listed below are the key risk management activities undertaken by CGRM to reinforce the risk management culture within the Group:

Risk Management Committee	Risk Committee was established on February 2022 and consists of 11 members. As of year end 2024, the Risk Committee had four meetings.
Quarterly Risk Reporting for MSM Group	CGRM published its Quarterly Risk Report as a reporting tool to inform the Management, Board Committees and the Board of the key risks horizon associated with the Group's business and operations covering the Top 10 and other key risks.
Review of Risk Registers	Existing risk registers were reviewed jointly with the respective risk owners at Operation Site via Microsoft Teams approach, Risk Committee meeting to ensure the analysis and corresponding mitigation measures and action plans were effective and adequately documented.
Business Continuity Management Certification	27 May 2024 - 31 May 2024
Risk Workshop with FGV Group	1) Risk Management Awareness and ERMS Training 2) Risk Champion Appreciation Day 3) BCM System 4) UAT Round 1 Walkthrough - UAT Team (BCM Module) 5) BCM System - Project Kick-Off
ERMS Training	ERMS Training: 06 March 2024 - MSM Holdings & MSM Johor (Finance Compliance & QA) 27 June 2024 - MSM Holdings (Group Supply Chain) 19 September 2024 - MSM Holdings (CGRM) 24 September 2024 - MSM Johor 04 December 2024 - MSM Holdings (ESG)
Preliminary/ Emerging Risk Assessment	1) Entering A New Market (Export) in Sub-Saharan Africa 2) Red Sea Crisis 3) Cyber Security Threats 4) Emerging Threats: Global & Local Sugar Industry 5) Emerging Risks: 2024 Mpox Outbreaks – Global Trend 6) Emerging Threats in Maritime Industry 7) Emerging Threats: Rising Tensions in Middle East 8) Flood Impact Assessment
Corruption Risk Management (CRM) Review	Conducted CRM Review to reassess corruption risk for Corporate Centre and Companies.  For further details, refer to page 133 of this AIR.



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Risk Communication/Blast	<p>The Risk Communication/Blast are:</p> <ul style="list-style-type: none"> 1) Global Risk Report 2) Risk Appetite 3) Key Risk Indicator 4) MSM Risk Appetite Statement Workshop 5) MSM 2023 Key Risks 6) Key Global Risk (2024) 7) Case: Francis Scott Key Bridge Baltimore 8) Business Continuity Management (BCM) 9) Emerging Risks: 2024 Mpox Outbreaks – Global Trend 10) Emerging Threats in Maritime Industry 11) Emerging Threats: Rising Tensions in Middle East 12) Emerging Threats: Global & Local Sugar Industry 		
Risk Appetite Development	MSM Risk Appetite Statement Workshop on 26 April 2024.		
Insurance Risk Survey 2024	MSM Johor: 20 May 2024 – 21 May 2024 MSM Prai: 27 May 2024 – 28 May 2024		
TNB Risk Management Knowledge Exchange Session with FGV Holdings	26 September 2024		
Reviewed Policies	<ul style="list-style-type: none"> 1) Risk Management Policy - Approved on 28 October 2024 2) Business Continuity Management Policy - Approved on 28 October 2024 		
MARIM International Conference 2024	16 – 17 July 2024 at Pulau Pinang		
FGV Group Risk site visit at MSM Prai	18 July 2024		
Issuance of Appointment Letter for Risk Champion	Appointment letter issued to all Risk Champion on 24 May 2024 & 20 September 2024 by GPC.		



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STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

KEY RISKS & MITIGATIONS

Amid a challenging global environment—marked by geopolitical tensions (such as the Red Sea crisis and Middle East instability), economic fluctuations (e.g., between the dollar and ringgit), extreme weather and climate change, evolving policies, volatile markets, and emerging disease outbreaks—we have identified key risks affecting our operations. Management has implemented targeted measures in place to manage them and ensure business continuity. The following summarises these critical risk areas and the actions taken to achieve our strategic goals, enhance profitability, and support long-term growth.

Risk	Context	Impact	Mitigation Plan
Market 	<ul style="list-style-type: none"> Volatility in raw sugar prices movement Freight Charges (CIF) Rising energy prices (Natural Gas) Volatility in foreign currency exchange (FOREX) movements Competitive Average Selling Price (ASP) in the Domestic and Export segment Controlled selling price for retail refined sugar lower than total cost 	<ul style="list-style-type: none"> Fluctuations in global sugar prices lead to unpredictable raw material costs Higher shipping costs raise the overall cost of imported raw sugar Escalating energy costs increase production expenses Fluctuations in currency exchange rates affect procurement costs and profit margins Tight competition in both domestic and export segments puts pressure on margins Retail refined sugar is sold at prices lower than total production costs, further squeezing profitability 	<ul style="list-style-type: none"> Monitor and update currency market, global freight charges and raw sugar to decide on next the course of action in the best interest of MSM Introduction of Premium Sugar with higher ASP Engagement with the Government on the proposal for a pricing mechanism and issuance of sugar AP Operational efficiency to reduce refining costs
Strategic 	<ul style="list-style-type: none"> Utilisation Factor 	<ul style="list-style-type: none"> Low utilisation of MSM's refinery plants increases production costs, reduces economies of scale, squeezes profit margins, and puts MSM at a competitive disadvantage in domestic and international markets 	<ul style="list-style-type: none"> Improve Operational Efficiency through the engagement of technical consultants and OEM technical advice Strengthen marketing and sales initiatives, both domestically and internationally, to boost demand for refined sugar and related products
Financial 	<ul style="list-style-type: none"> Liquidity Challenges 	<ul style="list-style-type: none"> A high net current liability position signals liquidity challenges, potentially increasing borrowing costs, reducing investor confidence and impacting credit ratings. Additionally, impairment losses may further limit MSM's ability to secure funding for operations and future growth 	<ul style="list-style-type: none"> Strengthen marketing and sales initiatives, both domestically and internationally, to boost demand for refined sugar and related products Engagement with the Government on the proposal of pricing mechanism and issuance of sugar AP Improve Operational Efficiency Strategic capital expansion



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Risk	Context	Impact	Mitigation Plan
Operational 	<ul style="list-style-type: none"> Production Yield Failure of Critical equipment/ machineries Operation Facilities Fitness Cyber Security 	<ul style="list-style-type: none"> A low yield rate during the conversion of raw sugar to refined sugar reduces overall output. It increases production costs, mainly due to the additional remelting required Operation downtime that could lead to business interruption Penalty or forced shutdown by regulators lead to business disruption and reputational damages Exposure to threats classified under Cyber Security Risk due to IT resources, communications and network systems not adequately protected 	<ul style="list-style-type: none"> Adjust and fine-tune the filtration management and strengthen quality checks for the incoming raw sugar to ensure consistency and suitability for refining Enhance our maintenance strategy by reviewing preventive maintenance procedures, establishing time-based maintenance contracts with selected vendors, implementing a min-max spare part management system for critical components, revising and communicating relevant SOPs, and planning regular inspections and maintenance work Ensure adherence to standards, requirements or regulations (by DOE, BOMBA, and etc.) Negotiate and secure long-term contracts with renewal or purchase options Continuously monitor our systems with advanced threat intelligence, secure comprehensive cybersecurity insurance, implement robust security measures, enhance employee awareness through regular training, establish a strong Incident Response Plan, and roll out periodic cybersecurity assessments to safeguard our operations
Geopolitical 	<ul style="list-style-type: none"> Change in regulatory requirement/laws 	<ul style="list-style-type: none"> Changes in regulatory requirements and laws in Malaysia and other key sugar-trading countries can significantly affect MSM's operations. These changes may result in increased compliance costs, trade barriers, and operational disruptions 	<ul style="list-style-type: none"> Continuous Regulatory Monitoring to track changes in laws and regulations in Malaysia and key sugar-exporting/ importing countries
Catastrophe 	<ul style="list-style-type: none"> Exposure to pandemic or new disease outbreaks 	<ul style="list-style-type: none"> The emergence of pandemics or new disease outbreaks poses a significant risk to MSM's operations by potentially disrupting supply chains, reducing workforce availability, and impacting overall business continuity 	<ul style="list-style-type: none"> Robust Health & Safety Protocols in Implementing stringent hygiene measures and regular health screenings to protect employees Continuous Monitoring & Collaboration by staying informed on global health trends and collaborating with government agencies and industry partners for coordinated responses



ACCOUNTABILITY & TRANSPARENCY

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL CONTROL

The Group manages its risks by implementing various internal control mechanisms. The mechanisms apply to all subsidiaries within the Group.

The key elements of our internal control structure are as follows:

- 1 Ethics & Integrity
- 2 Authority & Responsibility
- 3 Policies & Procedures
- 4 Monitoring
- 5 Competency

ETHICS AND INTEGRITY

The Group is dedicated in upholding the highest standards of ethical conduct and integrity in the execution of its business activities. This commitment is fortified by the establishment of comprehensive Policies & Procedures, serving as fundamental pillars for internal control. Furthermore, this approach aligns seamlessly with the Guidelines on Adequate Procedures for Corporate Liability, rooted in the five guiding principles of T.R.U.S.T.

INTEGRITY ACTIVITIES

MSM Malaysia Holdings Berhad has undertaken the following key activities to show our commitment to be an ethical and professional organisation, anchored on ethics, integrity and accountability:

- 1 Corruption Risk Management Review
- 2 Governance, Integrity & Risk Periodic Communication
- 3 Establishment of New & Revised Policies
- 4 Corporate Governance & Risk Management Update to EXCO and Board
- 5 MSM Integrity Symposium 2024
- 6 MSM Integrity Talk 2024: Harta Saya Halal atau Haram (2)

- 7 MSM Integrity Talk at Subsidiaries 2024
- 8 CGRM Roadshow
- 9 Governance & Integrity Activities (Short Story, Poster & Crossword Puzzle)
- 10 Integrity Assessment Tool (IAT)

For further information on the Integrity activities, refer to pages 132 and 133 of this AIR.

AUTHORITY AND RESPONSIBILITY

Organisation Structure

The Group maintains a robust organisational structure that efficiently arranges its business operations. This structure delineates clear lines of reporting, authority, and segregation of duties, fostering a culture of ownership, accountability, and judiciously delegated authority.

Limits of Authority

A well-documented Limits of Authority (LOA), outlining lines of accountability and responsibility, stands as a reference tool. This document aids in identifying the appropriate approving authority at different levels of management, encompassing matters that necessitate approval from the Board.

Job Description

Within the organisational structure, every role is underpinned by a precise description of job responsibilities, linked to the Group's vision and goals. These well-crafted and effective job descriptions provide clarity in understanding responsibilities and the interplay between functions. This not only fosters collaboration across the Group, enhancing operational efficiency but also bolsters succession planning. Moreover, it acts as a mechanism to retain and motivate top talents, ensuring employee engagement and fostering a culture of high performance. The Job Description (JD) Bank project was completed in September 2024, involving MSMH, MSM Prai KL, MSM Prai, SBW, MSM Johor, and MSM Logistics.



ACCOUNTABILITY & TRANSPARENCY

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

POLICIES AND PROCEDURES

The process of development and revision of policies and procedures in MSM is governed by the MSM Governance of Policies and Procedures Policy to ensure documents are thoroughly reviewed by the relevant stakeholders, in compliance with the Malaysian laws and regulations and appropriately approved by the authorised authority. The monitoring mechanism is also embedded in the Governance of Policies and Procedures Policy to ensure the documents are still relevant and reflect the current business environment.

Policies

Policies are designed to manage risks and ensure compliance with related requirements of the Group's operations, aligned to the FGV Holdings Berhad's requirement. New policies are developed to uphold proper governance of MSM Group as business needs or risks arise.

The followings are the new and revised policies that were endorsed by AGRC and approved by the Board in 2024:

5 April 2024 MSM Group Trading Policy	22 August 2024 MSM Cash Management Policy	MSM Conflict of Interest Policy	MSM Referral Policy	MSM Whistleblowing Policy	28 October 2024 MSM Risk Management Policy	MSM Business Continuity Management (BCM) Policy	MSM Domestic Sales Policy
							

Anti-Bribery Policy Statement

The Group is dedicated in promoting transparency and fostering ethical conduct, maintaining a positive image of integrity, transparency, and accountability across all facets of its business. The anti-bribery policy statement, a testament to this commitment, was last updated and approved on 4 October 2021, and it is readily available for reference on the Company's website.

 <https://www.msmsugar.com/our-company/corporate-governance>

MSM Whistleblowing Channel (System) & Committee**Channel**

Facilitating the reporting of any allegations of misconduct within the Group serves as a proactive measure against unethical conduct.

This reporting channel plays a pivotal role in supporting MSM to uphold the highest standards of ethical and legal conduct within the Group.

 <https://www.msmsugar.com/our-company/corporate-governance>

Committee

The MSM Whistleblowing Committee comprises of the seven (7) members from the management.

MSM External Gift Entertainment and Hospitality Policy

The Group acknowledges that exchanging gifts, entertainment, and hospitality can be inherent in cultivating ordinary business relationships. The Policy's objective is to uphold the highest standards of integrity, ensuring that there is never a suggestion of improper motives behind the offer or acceptance of gifts, entertainment, and hospitality that could unduly influence the recipient.

MSM Conflict of Interest Policy

This policy mandates that all employees associated with the Group consistently act in the best interest of the Group, prioritising collective well-being over personal interests. Employees are expressly prohibited from engaging in activities that could lead to personal gain, either for themselves, their 'relative,' 'associate,' or third parties, or any activities conflicting with the overarching interests of the Group.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Policies

MSM Business Continuity Management (BCM) Policy

MSM's Business Continuity Management (BCM) Policy establishes a structured framework to enhance organisational resilience and ensure the continuity of operations across its Group of Companies. Preparedness is fundamental to long-term sustainability, and MSM is committed to maintaining a robust BCM system through continuous training, governance, and strategic resource allocation. The policy integrates key continuity components, including emergency response, disaster recovery, crisis communication, and business continuity planning, while ensuring alignment with evolving regulatory standards and industry best practices. MSM's Business Continuity Management System (BCMS) is structured in accordance with ISO 22301 and follows the Plan-Do-Check-Act (PDCA) model, supporting continuous improvement and operational resilience.

MSM Whistleblowing Policy

This policy aims to encourage members of the MSM community to report any corruption, fraud, or improper conduct without fear of punishment. It provides guidelines to protect whistleblowers' identities from victimisation and harassment. Employees or the public with knowledge of any misconduct within MSM Group are strongly encouraged to disclose it to safeguard the Group's interests and reputation.

MSM Referral Policy

This policy is designed to set forth the rules and principles governing referrals on criminal cases, encompassing, but not limited to, fraud, bribery, and abuse of power, to Enforcement Agencies. With a focus on maintaining adherence to prescribed protocols, this policy delineates guided parameters for the initiation of referrals, considerations during investigations, and any other matters pertinent to the process.

MSM Code of Business Conduct and Ethics (CoBCE)

Policy for Employees

The CoBCE Policy serves as a compass for our employees, steering them towards embracing the core values of the Group and adhering to applicable laws and regulations through practices characterised by honesty, transparency, and ethical conduct. Encompassing crucial domains including compliance, integrity, workplace conduct, business practices, safeguarding the Group's assets, confidentiality, and conflict of interest, the CoBCE Policy is a comprehensive guide shaping responsible and ethical behaviour within the organisation.

Corruption Risk Management Review

The report on the Corruption Risk Management assessment was presented to the EXCO Members on 14 February 2024.

 For further information on the Corruption Risk Management Review, refer to page 133 of this AIR.

Monitoring

Financial and Operational Review

Financial and Operational Review is a mechanism adopted to measure MSM Group's actual performance against its business plan, previous year's performance and the annual budget.

This review is undertaken on a monthly and quarterly basis by an Executive Committee comprising senior management of the Group. The Group Chief Executive Officer, Group Chief Operating Officer and Chief Financial Officer present MSM Group's Quarterly Financial Information and Operational Performance analysis to the AGRC prior to Board's approval and subsequent release to Bursa Malaysia.

Annual Business Plan and Budget

Business Planning, which is coordinated and aligned to specific objectives, is essential to direct the activities and initiatives of each Head of subsidiaries and departments towards meeting the Group's short-term and long-term objectives. With this view, the Group emphasises on a comprehensive annual budgeting process to ensure that the Group's Business Plan are in line with Strategic Plans approved by the Board.

Competency

MSM views its employees as invaluable assets. The Group is committed to its employees and professional development at all levels.

In achieving the next level of productivity, excellent service, and performance, MSM has developed SWIIT Values (S for Sense of belonging, W for winning attitude, I for Integrity, I for Innovation and T for Teamwork) which bring meaningful purpose, practical strategies and goals together to make the organisation aspirations more credible and achievable.

S
SENSE OF BELONGING

W
WINNING ATTITUDE

I
INTEGRITY

I
INNOVATION

T
TEAMWORK



ACCOUNTABILITY & TRANSPARENCY

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL AUDIT FUNCTION

The Board acknowledges the importance of the internal audit function. The internal audit function provides internal audit services to assist the AGRC and Board in reviewing the effectiveness and adequacy of the Group's systems of internal control in managing risks.

 For further details on Internal Audit activities, refer to page 154 of this AIR.

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed this Statement of Risk Management and Internal Control as per Paragraph 15.23 of the Bursa Malaysia Listing Requirements. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guideline (APPG) 3 issued by Malaysian Institute of Accountants. AAPG3 does not require external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

STATEMENT BY THE BOARD

Based on the processes and measures undertaken by the Board and its Committees during the financial year and assurance provided by the Group Chief Executive Officer and Chief Financial Officer, the Board is of the view that the risk management framework and internal control system as described in this Statement is sound and effective to safeguard the shareholders' investment and MSM Group's assets. This Statement is made in accordance to the resolution of the Board dated 24 March 2025.



ACCOUNTABILITY & TRANSPARENCY

ADDITIONAL COMPLIANCE INFORMATION

In compliance with the Main Market Listing Requirements (MMLR) of Bursa Malaysia, the following information is provided:

Corporate Proposals

There were no corporate proposals during the financial year ended 31 December 2024.

Audit and Non-Audit Fees

During the financial year ended 31 December 2024, total fees for statutory audit and non-audit services (including other assurance services) paid or payable to the external auditors, PricewaterhouseCoopers PLT (PwC) are shown below:

Fees paid/payable	Group	Company
	RM'000	RM'000
Statutory audit	517	209
Other assurance	284	284
Total	801	493

Material Contracts

Neither the Company nor any of its subsidiaries have entered into any contracts which are or may be material (not being contracts entered into in the ordinary course of business) within two (2) years immediately preceding the date of this Annual Integrated Report.

Disclosure of Recurrent Related Party Transactions (RRPT)

At the 13th Annual General Meeting (AGM) held on 6 June 2024, the Company had obtained a Shareholders' mandate from its Shareholders for the existing RRPT of a revenue or trading nature for MSM and its Group of Companies (MSM Group) and Shareholders' mandate for the new RRPT of a revenue or trading nature for MSM Group (RRPT Shareholders' Mandate). The RRPT Shareholders' Mandate is valid until the conclusion of the forthcoming 14th AGM of the Company.

The Company proposes to seek the following at its forthcoming 14th AGM:

- a) renewal of Shareholders' mandate for the existing RRPT; and
- b) Shareholders' mandate for the new RRPT.

If approved by the Shareholders, the above proposed Shareholders' mandate will be valid until the conclusion of the Company's next AGM to be held in 2026.

The details of the proposed renewal of the RRPT Shareholders' Mandate will be disclosed in the Circular to Shareholders which will be published together with the Notice of the forthcoming 14th AGM.

ACCOUNTABILITY & TRANSPARENCY

ADDITIONAL COMPLIANCE INFORMATION

In accordance with Paragraph 10.09 (2) (b) of the MMLR of Bursa Malaysia, details of the RRPT conducted during the financial year ended 31 December 2024 pursuant to the Shareholders' Mandate are as follows:

Transacting Parties	Nature of Relationship		Nature of Transaction	Transaction Value for the year ended 31 December 2024 (actual) RM'000
MSM Malaysia Holdings Berhad Group (MSM) and FGV Group	Interested Major Shareholders <ul style="list-style-type: none"> • FGV Sugar Sdn Bhd (FGV Sugar) • Koperasi Permodalan Felda Malaysia Berhad (KPF) • FGV Holdings Berhad (FGV) • Federal Land Development Authority (FELDA) 	Interested Directors <ul style="list-style-type: none"> • Nik Fazila Nik Mohamed Shihabuddin (Nik Fazila) • Dato' Mohd Nazrul Izam Mansor (Dato' Nazrul) • Raja Faridah Raja Ahmad (Raja Faridah) • Fakhrunniam Othman (Fakhrunniam) 	Interested Person Connected <ul style="list-style-type: none"> • Felda Asset Holdings Company Sdn Bhd (FAHC) 	Provision of management services 3,401
MSM Malaysia Holdings Berhad Group (MSM) and FGV Prodata	Interested Major Shareholders <ul style="list-style-type: none"> • FGV Sugar • KPF • FGV • FELDA 	Interested Directors <ul style="list-style-type: none"> • Nik Fazila • Dato' Nazrul • Raja Faridah • Fakhrunniam 	Interested Person Connected <ul style="list-style-type: none"> • FAHC 	Provision of information technology (IT) services 161
MSM Malaysia Holdings Berhad Group (MSM) and FGV Security	Interested Major Shareholders <ul style="list-style-type: none"> • FGV Sugar • KPF • FGV • FELDA 	Interested Directors <ul style="list-style-type: none"> • Nik Fazila • Dato' Nazrul • Raja Faridah • Fakhrunniam 	Interested Person Connected <ul style="list-style-type: none"> • FAHC 	Provision of security services 4,068
MSM Malaysia Holdings Berhad Group (MSM) and FELDA	Interested Major Shareholders <ul style="list-style-type: none"> • FGV Sugar • KPF • FGV • FELDA 	Interested Directors <ul style="list-style-type: none"> • Nik Fazila • Dato' Nazrul • Raja Faridah • Fakhrunniam 	Interested Person Connected <ul style="list-style-type: none"> • FAHC <p>Address Level 44, Menara FELDA, Platinum Park No. 11, Persiaran KLCC 50088 Kuala Lumpur, Malaysia</p> <p>Area 15,631 sq ft</p> <p>Duration 23 November 2022 to 22 November 2025</p> <p>Rental Payment Monthly</p>	Office rental 781
KPF Trading and MSM Malaysia Holdings Berhad Group (MSM)	Interested Major Shareholders <ul style="list-style-type: none"> • FGV Sugar • KPF • FGV • FELDA 	Interested Directors <ul style="list-style-type: none"> • Nik Fazila • Dato' Nazrul • Raja Faridah • Fakhrunniam 	Interested Person Connected <ul style="list-style-type: none"> • FAHC 	Sale of refined sugar (nil)



ACCOUNTABILITY & TRANSPARENCY

ADDITIONAL COMPLIANCE INFORMATION

Transacting Parties	Nature of Relationship		Nature of Transaction	Transaction Value for the year ended 31 December 2024 (actual) RM'000
MSM Malaysia Holdings Berhad Group (MSM) and KPF Niaga	Interested Major Shareholders <ul style="list-style-type: none">FGV SugarKPFFGVFELDA	Interested Directors <ul style="list-style-type: none">Nik FazilaDato' NazrulRaja FaridahFakhrunniam	Interested Person Connected <ul style="list-style-type: none">FAHC	Provision of motor vehicle insurance (nil)
MSM Malaysia Holdings Berhad Group (MSM) and Felda Travel	Interested Major Shareholders <ul style="list-style-type: none">FGV SugarKPFFGVFELDA	Interested Directors <ul style="list-style-type: none">Nik FazilaDato' NazrulRaja FaridahFakhrunniam	Interested Person Connected <ul style="list-style-type: none">FAHC	Provision of travel and accommodation services 241
MSM Malaysia Holdings Berhad Group (MSM) and Felda D'Saji	Interested Major Shareholders <ul style="list-style-type: none">FGV SugarKPFFGVFELDA	Interested Directors <ul style="list-style-type: none">Nik FazilaDato' NazrulRaja FaridahFakhrunniam	Interested Person Connected <ul style="list-style-type: none">FAHC	Provision of refreshments 113
FGV Group and MSM Malaysia Holdings Berhad Group (MSM)	Interested Major Shareholders <ul style="list-style-type: none">FGV SugarKPFFGVFELDA	Interested Directors <ul style="list-style-type: none">Nik FazilaDato' NazrulRaja FaridahFakhrunniam	Interested Person Connected <ul style="list-style-type: none">FAHC	Sale of refined sugar, molasses, mud cake and other sugar products 369
MSM Malaysia Holdings Berhad Group (MSM) and FGV Transport	Interested Major Shareholders <ul style="list-style-type: none">FGV SugarKPFFGVFELDA	Interested Directors <ul style="list-style-type: none">Nik FazilaDato' NazrulRaja FaridahFakhrunniam	Interested Person Connected <ul style="list-style-type: none">FAHC	Provision of freight forwarder, handling and transportation services 15,530
MSM Malaysia Holdings Berhad Group (MSM) and FGV Integrated Farming Sdn Bhd	Interested Major Shareholders <ul style="list-style-type: none">FGV SugarKPFFGVFELDA	Interested Directors <ul style="list-style-type: none">Nik FazilaDato' NazrulRaja FaridahFakhrunniam	Interested Person Connected <ul style="list-style-type: none">FAHC	Supply and delivery of fast moving consumer goods 102
MSM Malaysia Holdings Berhad Group (MSM) and FGV R&D Sdn Bhd	Interested Major Shareholders <ul style="list-style-type: none">FGV SugarKPFFGVFELDA	Interested Directors <ul style="list-style-type: none">Nik FazilaDato' NazrulRaja FaridahFakhrunniam	Interested Person Connected <ul style="list-style-type: none">FAHC	Provision of research services and technical advice for new product development 518



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Click on the links  to further information within the document.

STATEMENT ON DIRECTORS' RESPONSIBILITIES

The Companies Act 2016 requires the Directors to prepare financial statements (which include the consolidated statements of financial position, consolidated statements of comprehensive income and statements of cash flows of the Group and the Company) for each financial year in accordance with Malaysian Accounting Standards Board (MASB) approved accounting standards in Malaysia for entities other than private entities, the provisions of the Companies Act 2016 and the Main Market Listing Requirements (Listing Requirements) of Bursa Malaysia Securities Berhad (Bursa Malaysia), and to lay these before the Company at its Annual General Meeting.

Incorporated on pages 189 to 280 of this Annual Integrated Report, are the financial statements of the Group and the Company for the financial year ended 31 December 2024. The Directors are required by the Companies Act 2016 to prepare Financial Statements for each financial year which give a true and fair view of the financial position of the Group and the Company at the end of the financial year and of the financial performance and cash flows of the Group and the Company for the financial year.

In undertaking the responsibility placed upon them by law, the Directors have relied upon the Group's system of internal control to provide them with reasonable grounds to believe that the Group's accounting records, as well as other relevant records, have been maintained in a manner that enables them to sufficiently explain the transactions and financial position of the Group and the Company. This also enables the Directors to ensure that a true and fair consolidated financial position, statement of comprehensive income and cash flow statements are prepared for the financial year to which these financial statements relate.

The Companies Act 2016 also requires the Directors to cause the Company to keep such accounting and other records in such manner that enables the Directors to sufficiently explain the transactions, financial position and performance of the Group and the Company, as well as to enable such accounting records to be audited conveniently and properly.

The Directors also have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group and the Company and to prevent and detect fraud and other irregularities. This Statement was made in accordance with a resolution of the Board of Directors dated 24 March 2025.



FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors hereby submit the annual report to the members together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are set out in Note 19 to the financial statements.

There has been no significant change in the nature of these activities of the Group and of the Company during the financial year.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit/(Loss) for the financial year	31,254	(175,722)

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year.

The Board of Directors do not recommend the payment of any dividend in respect of the financial year ended 31 December 2024.

RESERVES AND PROVISIONS

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

DIRECTORS

The Directors in office during the financial year and during the previous period from the end of the financial year to the date of the report are as follows:

Datuk Syed Hisham Syed Wazir	
Datuk Dr. Abd Hapiz Abdullah	
Dato' Sri Muthanna Abdullah	
Choy Khai Choon	
Fakhrunniam Othman	
Low Chooi Hoon	(Appointed on 01.07.2024)
Dato' Dr. Suzana Idayu Wati Osman	(Appointed on 16.08.2024)
Nurul Muhaniza Hanafi	(Appointed on 01.12.2024)
Dato' Mohd Banuri Aris	(Appointed on 01.12.2024)
Dato' Rosini Abd Samad	(Cessation of Office on 07.01.2024)
Nik Fazila Nik Mohamed Shihabuddin	(Retired on 06.06.2024)
Dato' Mohd Nazrul Izam Mansor	(Resigned on 01.09.2024)
Raja Faridah Raja Ahmad	(Resigned on 21.11.2024)

The names of Directors of subsidiaries are set out in the respective subsidiary's statutory accounts and the said information is deemed incorporated herein by such reference and made part thereof.



FINANCIAL STATEMENTS

DIRECTORS' REPORT

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than the benefits shown under Directors' Remuneration as disclosed in Note 12 to the financial statements) by reason of a contract made by the Company or a related corporation with the Directors or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than those arising from holding company's long term incentive plan ("LTIP") as disclosed in Directors' Interest in Shares and Debentures.

DIRECTORS' INTEREST IN SHARES AND DEBENTURES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, none of the Directors who held office at the end of the financial year held any shares or debentures in the Company or its related corporations during the financial year.

AUDITORS' REMUNERATION

The amount paid or payable as remuneration of the auditors of the Group and the Company for the financial year ended 31 December 2024 are as follows:

	Group RM' 000	Company RM' 000
Principal auditors' remuneration:		
- Audit fee – current year	517	209
- Other assurances services	284	284
	801	493

Details of auditors' remuneration are set out in Note 11 to the financial statements.

DIRECTORS' REMUNERATION

The details of the Directors' remuneration for the financial year ended 31 December 2024 are set out below:

	RM' 000
Directors' remuneration:	
- Fees	1,463
- Meeting allowances	438
- Benefits in kind	3
- Other benefits	65
	1,969

Details of Directors' remuneration are set out in Note 12 to the financial statements.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Company maintains a corporate liability insurance for the Directors and officers of the Group throughout the financial year, which provides appropriate insurance cover for the Directors and officers of the Group. The total amount of insurance premium paid by the Group during the financial year amounted to RM74,530 (2023: RM81,100).

There was no indemnity given to or insurance cover for the auditors of the Group and of the Company during the year.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

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

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

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

- (a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen and render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve (12) months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group or the Company to meet their obligations when they fall due.

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

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

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

In the opinion of the Directors:

- (a) the results of the Group's and of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or the Company for the financial year in which this report is made.





DIRECTORS' REPORT

IMMEDIATE HOLDING COMPANY

The Directors regard FGV Holdings Berhad, a company incorporated in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad, as the immediate holding company.

ULTIMATE HOLDING BODY

The Directors regard Federal Land Development Authority ("FELDA"), a body set up under the Land Development Act 1956, as the ultimate holding body of the Company.

AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401 - LCA & AF 1146), have expressed their willingness to continue in office.

This report was approved by the Board of Directors on 24 March 2025.

Signed on behalf of the Board of Directors:

DATUK SYED HISHAM SYED WAZIR
CHAIRMAN

CHOY KHAI CHOON
DIRECTOR

Kuala Lumpur



FINANCIAL STATEMENTS

STATEMENT BY DIRECTORS

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

We, Datuk Syed Hisham Syed Wazir and Choy Khai Choon, two of the Directors of MSM Malaysia Holdings Berhad, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 189 to 280 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of the financial performance and cash flows of the Group and of the Company for the financial year ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with a resolution dated 24 March 2025.



DATUK SYED HISHAM SYED WAZIR
CHAIRMAN



CHOY KHAI CHOON
DIRECTOR

Kuala Lumpur

STATUTORY DECLARATION

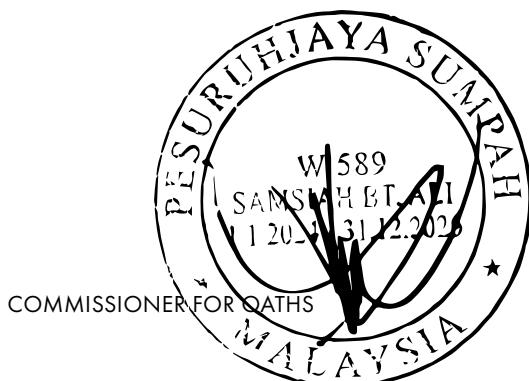
PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016

I, Nur Izwan Bin Mohd Nawawi, the Officer primarily responsible for the financial management of MSM Malaysia Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 189 to 280 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 provisions of the Statutory Declarations Act, 1960.



NUR IZWAN BIN MOHD NAWAWI
MIA membership no. 31424

Subscribed and solemnly declared by the abovenamed Nur Izwan Bin Mohd Nawawi in Kuala Lumpur on 24 March 2025, before me.



SAMSIAH BINTI ALI (No W 589)
PESURUHJAYA SUMPAH
NO 142B, TKT BAWAH
BGN UMNO SELANGOR
JALAN IPOH, 51200
KUALA LUMPUR WP



FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Members of MSM Malaysia Holdings Berhad
(Incorporated in Malaysia) Registration No. 201101007583 (935722-K)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of MSM Malaysia Holdings Berhad ("the Company") and its subsidiaries ("the Group") 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.

What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of 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 policies, as set out on pages 189 to 280.

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.

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Group and of the Company. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Company, the accounting processes and controls, and the industry in which the Group and the Company operate.

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.



FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Members of MSM Malaysia Holdings Berhad
(Incorporated in Malaysia) Registration No. 201101007583 (935722-K)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
<p>Impairment assessment of goodwill</p> <p>As at 31 December 2024, the Group has goodwill of RM576.2 million. We focused on this area as the recoverable amount of the cash generating unit ("CGU") is based on value-in-use ("VIU") calculations, which require management's judgment on the assumptions used in the calculations, in particular selling price, raw sugar price, sales volume, freight charges, natural gas price, lease term, terminal value growth rate and discount rate.</p> <p>Refer to Note 3(d) in the significant accounting policies, Note 5 in the critical accounting estimates and judgment and Note 18 to the financial statements.</p>	<p>We performed the following procedures on the cash flow projections to support the impairment assessment of goodwill prepared by the management and approved by the Board of Directors of the Company:</p> <ul style="list-style-type: none"> • We assessed the reasonableness of the key assumptions used by management in the VIU calculations, in particular selling price, raw sugar price, sales volume, freight charges, natural gas price, terminal value growth rate and discount rate by comparing with business plans, historical results and market trends; • We have ensured the reasonableness of the lease term based on the extension option stipulated in the rental contracts and legal opinion, as applicable; • We assessed the reliability of management's forecast through the review of past trends of actual financial performance against previous forecasted results; • We examined the sensitivity analysis prepared by the management on selling prices of product subject to price control to evaluate the impact on the impairment assessment; and • We assessed the adequacy of the disclosures in relation to goodwill in the financial statements. <p>Based on our procedures, we noted no significant exceptions.</p>
<p>Impairment assessment of non-financial assets and cost of investment with indicator</p> <p>(a) Property, plant and equipment, right-of-use assets and intangible assets other than goodwill</p> <p>The carrying values of property, plant and equipment, right-of-use assets and intangible assets other than goodwill of the Group as at 31 December 2024 is RM1,180.2 million, RM135.9 million and RM38.0 million respectively ("non-financial assets").</p> <p>As at 31 December 2024, the Group's market capitalisation of RM829.5 million was below the carrying value of its net assets of RM1,496.4 million and one of the refineries, MSM Johor has recorded continuous losses due to its low utilisation capacity since previous financial years. These have been identified as indicators for impairment for the non-financial assets of the Group.</p> <p>Consequently, management performed an impairment assessment on the non-financial assets of the Group. Management concluded that the non-financial assets were not impaired as at 31 December 2024.</p>	<p>(a) We performed the following procedures on the cash flow projections to support the impairment assessment of property, plant and equipment, right-of-use assets and intangible assets other than goodwill prepared by the management and approved by the Board of Directors of the Company:</p> <ul style="list-style-type: none"> • We assessed the reasonableness of the key assumptions used by management in the VIU calculations, in particular selling price, raw sugar price, utilisation factor, sales volume, freight charges, natural gas price, long term growth rate and discount rate by comparing with business plans, historical results and market trends; • We have ensured the reasonableness of the lease term based on the extension option stipulated in the rental contracts and legal opinion, as applicable; • We assessed the reliability of management's forecast through the review of past trends of actual financial performance against previous forecasted results;



INDEPENDENT AUDITORS' REPORT

To the Members of MSM Malaysia Holdings Berhad
(Incorporated in Malaysia) Registration No. 201101007583 (935722-K)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
<p>Impairment assessment of non-financial assets and cost of investment with indicator (continued)</p> <p>We focused on this area as the recoverable amount of the assets based on VIU calculations require management's judgment on the assumptions used in the calculations, in particular selling price, raw sugar price, utilisation factor, sales volume, freight charges, natural gas price, long term growth rate and discount rate.</p> <p>Refer to Note 3(k) in the significant accounting policies, Note 5 in the critical accounting estimates and judgment and Notes 16, 17 and 18 to the financial statements.</p> <p>(b) Cost of investments in subsidiaries (Company financial statements)</p> <p>The net carrying value of cost of investment of the Company as at 31 December 2024 is RM2,016 million.</p> <p>During the year, management performed an impairment assessment of investments in subsidiaries, which had impairment indicator.</p> <p>As a result, an impairment loss of RM292.8million was recognised in respect of the Company's cost of investment in a subsidiary, MSM Sugar Refinery (Johor) Sdn Bhd as at 31 December 2024.</p> <p>The recoverable amounts of investments in subsidiaries were determined based on equity value of subsidiaries which are available for distribution as dividends.</p> <p>Refer to Note 3(k) in the material accounting policies, Note 5 in the critical accounting estimates and judgement and Note 19 to the financial statements</p>	<ul style="list-style-type: none"> • We examined the sensitivity analysis prepared by the management on selling prices of product subject to price control to evaluate the impact on the impairment assessment; and • We assessed the adequacy of the disclosures in the financial statements. <p>(b) In addition to the procedures performed on the cash flows from the property, plant and equipment, right-of-use assets and intangible assets other than goodwill as described above, we performed the following audit procedures for the impairment assessment on the cost of investments in subsidiaries:</p> <ul style="list-style-type: none"> • Agreed the cash flows used to determine the recoverable amount of the investments in subsidiaries to cash flows used to determine the recoverable amount of goodwill which we have assessed above; • We checked the equity value used to determine the recoverable amount of the investments in subsidiaries had been appropriately adjusted for financing and tax cash flows of the subsidiaries; • We checked the reasonableness of the cost of equity applicable to the equity value; • We examined the sensitivity analysis performed by management on the relevant key assumptions to evaluate the impact on the impairment assessment; and • We assessed the adequacy of the disclosures in the financial statements. <p>Based on our procedures, we noted no significant exceptions.</p>



FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Members of MSM Malaysia Holdings Berhad
(Incorporated in Malaysia) Registration No. 201101007583 (935722-K)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
<p>Assessment of Funding Requirements and Ability to Meet the Short-Term Obligations</p> <p>As at 31 December 2024, the Group had short-term borrowings of RM742 million and payables of RM683 million. This resulted in the current liabilities of the Group exceeding the current assets by RM193 million at that date.</p> <p>As a result, we focused on the Group's funding and ability to meet their short-term obligations due to the net current liabilities position mentioned above.</p> <p>In assessing the liquidity position of the Group, the Directors have considered availability of cash flows from operations and existing facilities to meet the investing and financing obligations of the Group for the next 12 months from the date of approval of the financial statements. We focused on this area as significant judgement and estimates are made in arriving at the cashflow forecast for the next 12 months from the date of approval of the financial statements in assessing the ability of the Group to meet its obligations as and when they arise.</p> <p>Refer to Note 4(a) - Financial Risk Management - Liquidity Risk to the financial statements.</p>	<p>We performed the following procedures:</p> <ul style="list-style-type: none"> • We checked management's cash flow forecasts for the Group over the next 12 months from the date of the approval of the financial statements to the cash flows approved by the Directors; • We assessed the reasonableness of the key assumptions used in the cash flow forecasts comprising selling price, raw sugar price, sales volume, refining costs by comparing with business plans, historical results and market trends; • We checked the borrowing repayment terms of the Group against the loan agreements; • In assessing the sources of funding, we have checked to available loan correspondences, loan agreements and financial support from the immediate holding company, FGV Holdings Berhad; • We checked management's sensitivity analysis on the assumptions used in cash flow forecast to assess the possible changes to key assumptions that would cause a deficit in the cash and bank balances; and • We checked the adequacy of the disclosures in the financial statements. <p>Based on our procedures, we noted no significant exceptions.</p>

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report, Statements by the Chairman and Group Chief Executive Officer, Corporate Governance Reports (including Audit, Governance and Risk Committee Report and Statement of Risk Management and Internal Control) and other sections of the Annual Integrated Report 2024, 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.



INDEPENDENT AUDITORS' REPORT

To the Members of MSM Malaysia Holdings Berhad
(Incorporated in Malaysia) Registration No. 201101007583 (935722-K)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the 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:

- (a) 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.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) 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 on 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.
- (e) 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.
- (f) 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.

FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Members of MSM Malaysia Holdings Berhad
(Incorporated in Malaysia) Registration No. 201101007583 (935722-K)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

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.

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.



PRICEWATERHOUSECOOPERS PLT

LLP0014401-LCA & AF 1146

Chartered Accountants

Kuala Lumpur
24 March 2025



TAN ENG HONG

03424/03/2027 J

Chartered Accountant



FINANCIAL STATEMENTS

STATEMENTS OF COMPREHENSIVE INCOME

For the Financial Year Ended 31 December 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	6	3,544,733	3,091,223	165,940	133,554
Cost of sales		(3,328,595)	(3,011,960)	-	-
Gross profit		216,138	79,263	165,940	133,554
Other operating income	7	4,254	23,441	6	332
Selling and distribution expenses		(23,449)	(25,676)	-	-
Administrative expenses		(81,442)	(75,031)	(33,349)	(27,896)
Impairment of investment in a subsidiary	19	-	-	(292,828)	-
Reversal of impairment/(impairment) of financial assets, net	8	745	693	-	(28)
Other operating expenses		(3,654)	(1,854)	-	-
Other (losses)/gains, net	9	(384)	10,979	-	-
Profit/(Loss) from operations		112,208	11,815	(160,231)	105,962
Finance income	10	7,068	7,932	-	-
Finance costs	10	(44,312)	(47,760)	(14,239)	(20,534)
Profit/(Loss) before zakat and taxation	11	74,964	(28,013)	(174,470)	85,428
Zakat	13	(1,000)	(1,000)	-	-
Taxation	14	(42,710)	(20,871)	(1,252)	(1,117)
Profit/(Loss) for the financial year		31,254	(49,884)	(175,722)	84,311
Other comprehensive income:					
<u>Items that may be subsequently reclassified to profit or loss</u>					
Cash flow hedges		28	213	28	213
Total comprehensive income/(loss) for the financial year		31,282	(49,671)	(175,694)	84,524
Total profit/(loss) for the financial year attributable to owners of the Company		31,254	(49,884)	(175,722)	84,311
Total other comprehensive Income/(loss) for the financial year attributable to owners of the Company		31,282	(49,671)	(175,694)	84,524
Basic and diluted earnings/(loss) per share attributable to equity holders of the Company (sen)	15	4.45	(7.10)		



FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION

As At 31 December 2024

	Note	Group		Company		
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	
ASSETS						
Non-current assets						
Property, plant and equipment	16	1,180,241	1,189,747	1,175	1,403	
Right-of-use assets	17	135,918	95,065	2,829	3,564	
Intangible assets	18	614,161	616,678	2,580	2,057	
Investments in subsidiaries	19	-	-	2,016,024	2,308,852	
Lease receivables	20	-	-	79,269	80,437	
Deferred tax assets	30	-	-	99	251	
		1,930,320	1,901,490	2,101,976	2,396,564	
Current assets						
Inventories	22	762,768	311,931	-	-	
Receivables	21	317,955	393,090	527	957	
Tax recoverable		-	5,591	460	1,918	
Amounts due from subsidiaries	23	-	-	59,937	5,438	
Amounts due from other related companies	23	145	331	-	-	
Lease receivables	20	-	-	2,167	2,167	
Derivatives financial assets	25	1,697	-	-	-	
Deposits, cash and bank balances	26	173,629	278,320	28,360	66,663	
		1,256,194	989,263	91,451	77,143	
Total assets		3,186,514	2,890,753	2,193,427	2,473,707	



FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION

As At 31 December 2024 (Continued)

	Note	Group		Company		
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	
EQUITY AND LIABILITIES						
Capital and reserves						
Share capital	28	718,255	718,255	718,255	718,255	
Reorganisation deficit	29	(1,039,632)	(1,039,632)	-	-	
Merger relief reserve	29	1,733,939	1,733,939	1,733,939	1,733,939	
Cash flow hedge reserve	29	-	(28)	-	(28)	
Retained earnings/(accumulated losses)		83,796	52,542	(536,257)	(360,535)	
Equity attributable to owners of the Company		1,496,358	1,465,076	1,915,937	2,091,631	
Non-current liabilities						
Deferred tax liabilities	30	32,497	32,326	-	-	
Borrowings	32	151,938	229,972	151,938	229,972	
Loans due to a subsidiary	24	-	-	36,170	74,395	
Lease liabilities	35	56,960	19,281	2,180	2,818	
Derivative financial liabilities	25	-	11	-	11	
		241,395	281,590	190,288	307,196	
Current liabilities						
Payables	31	683,129	232,890	6,704	3,825	
Provision for taxation		6,286	-	-	-	
Amounts due to subsidiaries	23	-	-	11	15	
Amounts due to other related companies	23	8,437	5,006	132	196	
Amount due to ultimate holding body	23	71	76	70	76	
Amount due to immediate holding company	23	1,961	1,301	933	908	
Loans due to a subsidiary	24	-	-	2,295	-	
Borrowings	32	742,057	903,194	76,418	69,263	
Lease liabilities	35	6,820	1,277	639	597	
Derivative financial liabilities	25	-	343	-	-	
		1,448,761	1,144,087	87,202	74,880	
Total liabilities		1,690,156	1,425,677	277,490	382,076	
Total equity and liabilities		3,186,514	2,890,753	2,193,427	2,473,707	



FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 31 December 2024

Group	Attributable to owners of the Company					
	Share capital (Note 28) RM'000	Reorgan- isation deficit (Note 29) RM'000	Merger relief reserve (Note 29) RM'000	Cash flow hedge reserve (Note 29) RM'000	Retained earnings RM'000	Total RM'000
2024						
At 1 January 2024	718,255	(1,039,632)	1,733,939	(28)	52,542	1,465,076
Profit for the financial year	-	-	-	-	31,254	31,254
Other comprehensive income for the financial year, net of tax:						
<u>Items that may be subsequently reclassified to profit or loss</u>						
- cash flow hedges	-	-	-	28	-	28
Total comprehensive income for the financial year	-	-	-	28	31,254	31,282
At 31 December 2024	718,255	(1,039,632)	1,733,939	-	83,796	1,496,358
2023						
At 1 January 2023	718,255	(1,039,632)	1,733,939	(241)	102,426	1,514,747
Loss for the financial year	-	-	-	-	(49,884)	(49,884)
Other comprehensive income for the financial year, net of tax:						
<u>Items that may be subsequently reclassified to profit or loss</u>						
- cash flow hedges	-	-	-	213	-	213
Total comprehensive income for the financial year	-	-	-	213	(49,884)	(49,671)
At 31 December 2023	718,255	(1,039,632)	1,733,939	(28)	52,542	1,465,076



FINANCIAL STATEMENTS

COMPANY STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 31 December 2024

Company	Non-distributable					Total RM'000
	Share capital (Note 28) RM'000	Merger relief reserve (Note 29) RM'000	Cash flow hedge reserve (Note 29) RM'000	Accumulated losses RM'000		
2024						
At 1 January 2024	718,255	1,733,939	(28)	(360,535)	2,091,631	
Loss for the financial year	-	-	-	(175,722)	(175,722)	
Other comprehensive income for the financial year, net of tax:						
<u>Item that may be subsequently reclassified to profit or loss</u>						
- cash flow hedges	-	-	28	-	28	
Total comprehensive income/(loss) for the financial year	-	-	28	(175,722)	(175,694)	
At 31 December 2024	718,255	1,733,939	-	(536,257)	1,915,937	
2023						
At 1 January 2023	718,255	1,733,939	(241)	(444,846)	2,007,107	
Profit for the financial year	-	-	-	84,311	84,311	
Other comprehensive income for the financial year, net of tax:						
<u>Item that may be subsequently reclassified to profit or loss</u>						
- cash flow hedges	-	-	213	-	213	
Total comprehensive income for the financial year	-	-	213	84,311	84,524	
At 31 December 2023	718,255	1,733,939	(28)	(360,535)	2,091,631	



FINANCIAL STATEMENTS

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 December 2024

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(Loss) for the financial year	31,254	(49,884)	(175,722)	84,311
Adjustments for:				
Taxation	42,710	20,871	1,252	1,117
Depreciation of property, plant and equipment	71,649	75,459	671	708
Depreciation of right-of-use asset	7,931	3,591	735	735
Property, plant and equipment written off	918	587	-	210
Amortisation of intangible assets	3,678	3,603	450	375
Unrealised gain on sugar future contracts	(1,042)	-	-	-
Unrealised gain on Brent crude oil forward option	-	(853)	-	-
Unrealised (gain)/loss on foreign currency exchange translation	(1,077)	137	-	-
Unrealised gain on foreign currency exchange forward contracts	(998)	(16,548)	-	-
Dividend income	-	-	(100,354)	(116,360)
Interest income	(7,068)	(7,932)	(2,285)	(1,914)
Interest expense	44,291	47,693	14,218	20,467
Impairment loss of investment in a subsidiary (Note 19)	-	-	292,828	-
(Reversal of impairment)/Impairment of trade and other receivables	(400)	(1,659)	-	20
(Reversal of impairment)/Impairment loss of amount due from related company	(345)	966	-	-
Impairment loss of amounts due from subsidiaries	-	-	-	8
Provision for onerous sales contracts	1,119	3,906	-	-
Impairment of intangible assets	-	13	-	13
Gain on disposal of asset held for sale	-	(8,381)	-	-
Inventories written off	944	152	-	-
Allowance for inventory obsolescence	(1,444)	2,970	-	-
Zakat	1,000	1,000	-	-
Ineffective portion of cash flow hedge	21	67	21	67
Non-Cash item from operations	161,887	125,642	207,536	(94,554)
Operating profit/(loss) before changes in working capital	193,141	75,758	31,814	(10,243)



FINANCIAL STATEMENTS

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 December 2024 (Continued)

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)				
Changes in working capital:				
Inventories	(450,337)	45,469	-	-
Receivables	76,673	(108,387)	219	(265)
Payables	433,415	(107,318)	2,879	(567)
Intercompany	4,617	(1,275)	(54,550)	12,048
	64,368	(171,511)	(51,452)	11,216
Cash generated from/(used in) operations	257,509	(95,753)	(19,638)	973
Zakat paid	(1,000)	(1,000)	-	-
Tax paid	(33,266)	(14,211)	(120)	(1,016)
Tax refunded	2,604	-	479	-
Net cash generated from/(used in) operating activities	225,847	(110,964)	(19,279)	(43)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment (Note 34)	(45,115)	(56,402)	(232)	(562)
Purchase of intangible assets	(1,161)	(629)	(973)	(629)
Proceeds from disposal of asset held for sale (Note 27)	-	15,519	-	-
Interest received	7,068	7,932	1,287	902
Dividend received	-	-	100,354	116,360
Proceeds from lease receivables	-	-	2,167	2,167
Net cash (used in)/generated from investing activities	(39,208)	(33,580)	102,603	118,238



FINANCIAL STATEMENTS

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 December 2024 (Continued)

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of loan due to a subsidiary	-	-	(19,465)	(20,992)
Interest paid on loan due to a subsidiary	-	-	(18,760)	(3,208)
Drawdown of borrowings	2,365,763	1,967,980	-	-
Repayment of borrowings	(2,597,050)	(1,717,890)	(67,500)	(61,500)
Principal payment of lease liabilities	(5,562)	(1,273)	(596)	(568)
Interest payment of lease liabilities	(1,468)	(1,073)	(154)	(182)
Interest paid on borrowings	(52,912)	(44,925)	(15,112)	(18,342)
Interest paid on Islamic profit rate swap	(40)	(348)	(40)	(348)
Net cash used in financing activities	(291,269)	202,471	(121,627)	(105,140)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENT	(104,630)	57,927	(38,303)	13,055
Effect of foreign exchange rate changes	(61)	(571)	-	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR				
	278,320	220,964	66,663	53,608
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR (NOTE 26)				
	173,629	278,320	28,360	66,663



FINANCIAL STATEMENTS

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 December 2024 (Continued)

Cash flows and non-cash changes in liabilities arising from financing activities are as follows:

Group	At 1 January RM'000	Cash drawdown RM'000	Cash repayment RM'000	Non-cash interest RM'000	Non-cash remeasurement RM'000	At 31 December RM'000
2024						
Islamic term loan	299,235	-	(82,612)	11,733	-	228,356
Bankers' acceptance	833,931	2,365,763	(2,567,350)	33,295	-	665,639
Borrowings	1,133,166	2,365,763	(2,649,962)	45,028	-	893,995
Lease liabilities	20,558	-	(7,030)	1,468	48,784	63,780
	1,153,724	2,365,763	(2,656,992)	46,496	48,784	957,775

Group	At 1 January RM'000	Cash drawdown RM'000	Cash repayment RM'000	Non-cash interest RM'000	Non-cash remeasurement RM'000	At 31 December RM'000
2023						
Islamic term loan	362,311	-	(79,842)	16,766	-	299,235
Bankers' acceptance	517,156	1,967,980	(1,682,973)	31,768	-	833,931
Borrowings	879,467	1,967,980	(1,762,815)	48,534	-	1,133,166
Lease liabilities	21,831	-	(2,346)	1,073	-	20,558
	901,298	1,967,980	(1,765,161)	49,607	-	1,153,724

Company	At 1 January RM'000	Cash repayment RM'000	Non-cash interest RM'000	At 31 December RM'000
2024				
Borrowings - Islamic term loan	299,235	(82,612)	11,733	228,356
Loan due to a subsidiary	74,395	(38,225)	2,295	38,465
Lease liabilities	3,415	(750)	154	2,819
	377,045	(121,587)	14,182	269,640

Company	At 1 January RM'000	Cash repayment RM'000	Non-cash interest RM'000	At 31 December RM'000
2023				
Borrowings - Islamic term loan	362,311	(79,842)	16,766	299,235
Loan due to a subsidiary	95,387	(24,200)	3,208	74,395
Lease liabilities	3,983	(750)	182	3,415
	461,681	(104,792)	20,156	377,045

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024

1 GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Level 21, Wisma FGV, Jalan Raja Laut, 50350 Kuala Lumpur. The principal place of business of the Company is located at Level 44, Menara Felda, Platinum Park, No.11, Persiaran KLCC, 50088 Kuala Lumpur.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are set out in Note 19 of the financial statements. There have been no significant changes in the nature of these activities during the financial year.

The immediate holding company is FGV Holdings Berhad ("FGVH"), a company incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad.

The ultimate holding body is Federal Land Development Authority ("FELDA"), a body set up under the Land Development Act 1956.

2 BASIS OF PREPARATION

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

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise indicated in the individual policy statements in Note 3 to the financial statements.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial period.

It also requires Directors to exercise their judgement in the process of applying the Group's and Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

As at 31 December 2024, the Group was in a net current liabilities position of RM193 million (2023: net current liabilities position of RM155 million). The immediate holding company, FGV Holdings Berhad, has confirmed its intention to provide continuing financial support as and when necessary to enable the Group to meet its liabilities as they fall due. Therefore, the Directors consider that it is appropriate to prepare the financial statements of the Group on the going concern basis based on the financial support provided by the immediate holding company as disclosed in Note 4 to the financial statements.



NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024 (Continued)

2 BASIS OF PREPARATION (CONTINUED)

(i) Accounting pronouncements that are effective and have been adopted by the Group and Company:

The Group and Company have applied the following accounting pronouncements for the first time for the financial year on 1 January 2024:

- Amendments to MFRS 101 'Classification of liabilities as current or non-current' ('2020 amendments') and 'Non-current Liabilities with Covenants' ('2022 amendments')
- Amendments to MFRS 16 'Lease Liability in a Sale and Leaseback'
- Amendments to MFRS 107 and MFRS 7 'Supplier Finance Arrangements'

The accounting pronouncements listed above did not have significant impact on the amounts recognised in prior periods and did not significantly affect the current or expected to affect future periods.

(ii) Accounting pronouncements that are effective after 1 January 2025 and have not been early adopted by the Group and Company:

A number of new standards and amendments to standards and interpretations are effective for the financial year beginning after 1 January 2025. The Group and Company has not early adopted these new standards and amendments. None of these is expected to have a significant effect on the financial statements of the Group and Company, except for the following set out below:

Effective annual periods beginning on or after 1 January 2027

- MFRS 18 'Presentation and Disclosure in Financial Statements' which aims to enhance the financial reporting quality and replaces MFRS 101 'Presentation of Financial Statements'. The new standard introduces a new structure of profit or loss statement whereby income and expenses are classified into 3 new main categories:
 - i. Operating category which typically includes results from the main business activities
 - ii. Investing category that presents the results of investments in associates and joint ventures and other assets that generate a return largely independently of other resources; and
 - iii. Financing category that presents income and expenses from financing liabilities (such as bank borrowings and lease liabilities)

The standard also requires the entity to present specific totals and subtotals in the statement of profit or loss, specifies the disclosure of management-defined performance measures as well as the aggregation and disaggregation of information in the financial statements and accompanying notes.

MFRS 18 will be applied retrospectively. The Group and Company is currently assessing the financial impact that may arise from the adoption of the above amendments to published standards.



FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024 (Continued)

2 BASIS OF PREPARATION (CONTINUED)

(ii) Accounting pronouncements that are effective after 1 January 2025 and have not been early adopted by the Group and Company: (continued)

The following accounting pronouncements are currently being assessed by the Group and the Company and are not expected to have any significant impact on the financial statements of the Group and Company.

Effective annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121 on 'Lack of Exchangeability'

Effective annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9 & 7 on Amendments to Classification and Measurement of Financial Instruments

Effective annual periods beginning on or after 1 January 2027

- MFRS 19 'Subsidiary without Public Accountability: Disclosures' (effective 1 January 2027)

3 MATERIAL ACCOUNTING POLICIES

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

(a) Basis of consolidation and investment in subsidiaries

The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to the end of financial year. Subsidiaries are all entities, including structured entities, controlled by the Company. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

All intercompany transactions are eliminated on consolidation and revenue and profits relate to external transactions only. Unrealised losses resulting from intercompany transactions are also eliminated unless cost cannot be recovered.



NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024 (Continued)

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation and investment in subsidiaries (continued)

Acquisition accounting

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group when the acquired set of activities and asset meet the definition of a business. The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of the non-controlling interests. The Group recognises any non-current controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. At the end of reporting period, non-controlling interests consists of amount calculated on the date of combinations and its share of changes in the subsidiary's equity since the date of combination.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 9 in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss (Note 3(d)).

Predecessor accounting

Acquisitions of subsidiaries and businesses under common control that meet the conditions of a merger are accounted for using the predecessor basis of accounting.

Under the predecessor basis of accounting, the results of subsidiaries and businesses under common control are presented as if the business combination had been effected throughout the current and previous years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. On consolidation, the cost of the business combination is cancelled with the values of the shares received. Any resulting credit or debit difference is classified as reorganisation reserve. Any share premium, capital redemption reserve and any other reserves which are attributable to share capital of the combined entities, to the extent that they have not been capitalised by a debit difference, are reclassified and presented as movement in other capital reserves.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated, unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency with the policies adopted by the Group.



FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024 (Continued)

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation and investment in subsidiaries (continued)

Predecessor accounting (continued)

Non-controlling interests is the equity in a subsidiary not attributable, directly or indirectly, to a parent. On an acquisition-by-acquisition basis, the Group measures any non-controlling interests in the acquiree at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. At the end of reporting period, non-controlling interests consists of amount calculated on the date of combinations and its share of changes in the subsidiary's equity since the date of combination.

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group's share of its net assets as of the date of disposal including the cumulative amount of any exchange differences or other reserves that relate to the subsidiary and is recognised in profit or loss.

All earnings and losses of the subsidiary are attributed to the parent and the non-controlling interests, even if the attribution of losses to the non-controlling interests results in a debit balance in the non-controlling interests.

In the Company's financial statements, investments in subsidiaries are shown at cost less accumulated impairment losses.

Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount (Note 3(f)).

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in equity attributable to owners of the Group.

(c) Loss of control

When the Group ceases to consolidate because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Gains or losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the subsidiaries sold.

(d) Goodwill

Goodwill represents the excess of the cost of acquisition of subsidiaries over the Group's share of the fair value of their identifiable net assets including contingent liabilities at the date of acquisition. Goodwill on acquisition in respect of a subsidiary is included in the consolidated statement of financial position as intangible assets.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed. See material accounting policies Note 3(k) on impairment of non-financial assets.



NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024 (Continued)

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(e) Intangible assets

Intangible assets other than goodwill are measured on initial recognition at cost. The costs of intangible assets acquired in a business combination are their fair values as at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation for intangible assets with finite useful lives is recognised in the profit or loss on a straight-line basis over the estimated economic useful lives.

Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired. If such an indication exists, an asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. See material accounting policies Note 3(k) on impairment of non-financial assets.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each statement of financial position date.

Intangible assets with indefinite useful lives and intangible assets under development are not amortised but tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. The useful life of an intangible asset with an indefinite life is also reviewed annually to determine whether the useful life assessment continues to be supportable.

Intangible assets are amortised using the straight line basis over their estimated useful lives as follows:

<u>Intangible assets</u>	<u>Estimated useful lives</u>
Brand	25 years
Software	3 - 5 years

Amortisation on intangible assets under development commences when the assets are ready for their intended use.

The nature of the intangible assets are as follows:

- (i) Brand is related to a sugar brand 'Prai' acquired as part of the acquisition of the sugar business.
- (ii) Software relates to information technology ("IT") used within the Group.



FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024 (Continued)

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Financial assets

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

Classification

Financial assets are classified as measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"), as appropriate.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

(a) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

(i) Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss, together with foreign exchange gains and losses. Impairment losses are presented as separate line item in profit or loss.



NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024 (Continued)

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Financial assets (continued)

Measurement (continued)

(a) Debt instruments (continued)

(ii) FVOCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are recognised in profit or loss and impairment expenses are presented as separate line item in profit or loss.

(iii) FVPL

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

(b) Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment

(a) Impairment for debt instruments

The Group and Company assess on a forward-looking basis the expected credit loss ("ECL") associated with its debt instruments carried at amortised cost and at FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group and Company's financial instruments that are subject to the ECL model are as follows:

- Receivables (excluding advance payments, prepayments and GST receivables)
- Lease receivable
- Loans and amounts due from subsidiaries/other related companies/holding company
- Financial assets at fair value through other comprehensive income

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024 (Continued)

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Financial assets (continued)

Impairment (continued)

(a) Impairment for debt instruments (continued)

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.

ECL represent a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group and the Company expect to receive, over the remaining life of the financial instrument.

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

(i) General 3-stage approach for other receivables, loans and amount due from subsidiaries and related companies that are non-trade related

At each reporting date, the Group and Company measure ECL through loss allowance at an amount equal to 12 month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required.

The Company applies MFRS 9 general 3 stage approach to measure ECL which uses a lifetime expected loss allowance for lease receivables carried at amortised cost. The ECL rates is based on the probability of recovery of the receivable within one year or more than a year. Based on management assessment, there is no additional loss allowance identified for lease receivables.

The measurement details of ECL are disclosed in the relevant notes to the financial assets.

(ii) Simplified approach for trade receivables and amounts due from subsidiaries and related companies that are trade related

The Group and Company apply the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables and amounts due from subsidiaries and related companies that are trade related.

The measurement details of ECL are disclosed in the relevant notes to the financial assets.



NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024 (Continued)

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Financial assets (continued)

Impairment (continued)

(b) Significant increase in credit risk

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

The following indicators are incorporated:

- External credit rating (as far as available).
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations.
- Actual or expected significant changes in the operating results of the debtor.
- Significant increases in credit risk on other financial instruments of the same debtor.
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor in the group and changes in the operating results of the debtor.

Macroeconomic information (such as commodity prices, market interest rates or growth rates) is incorporated as part of the internal rating model as applicable.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

(c) Definition of default and credit-impaired financial assets

The Group defines a financial instrument as default, which is fully aligned with the definition of credit-impaired when it meets one or more of the following criteria:

Quantitative criteria:

The Group defines a financial instrument as default, when the counterparty fails to make contractual payment within 180 days of when they fall due.

The debtor meets unlikelihood to pay criteria, which indicates the debtor is in significant financial difficulty. The Group considers the following instances:

- the debtor is in breach of financial covenants.
- concessions have been made by the lender relating to the debtor's financial difficulty.
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation.
- the debtor is insolvent.

Financial instruments that are credit-impaired are assessed on an individual basis.



FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024 (Continued)

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Financial assets (continued)

Impairment (continued)

(d) Groupings of instruments for ECL measurement

(i) Collective assessment

To measure ECL, trade receivables arising from the Group have been grouped based on the days past due and shared credit risk characteristics as follows:

- (i) Geographical region of customers
- (ii) Customer division
- (iii) Related company and external customers
- (iv) Other shared credit risks

The contract assets relate to amounts due from customers on contracts and unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

(ii) Individual assessment

Trade receivables which are in default or credit-impaired are assessed individually.

Other receivables, loans and amount due from intercompany, are assessed on individual basis for ECL measurement, as credit risk information is obtained and monitored separately.

(e) Write-off

(i) Trade receivables

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

Impairment losses on trade receivables are presented as net impairment losses on the face of profit or loss. Subsequent recoveries of amounts previously written off are credited against the same line item.

(ii) Other debt instruments

The Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on the unavailability of the debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Group may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.

(f) Subsidiaries

An impairment loss is recognised for the amount by which the carrying amount of the subsidiary exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less costs of disposal and value-in-use. Any subsequent increase in recoverable amount is recognised in profit or loss.



NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024 (Continued)

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(g) Financial liabilities

Financial liabilities are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs.

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method except for derivatives in a loss position, if any, which are measured through profit or loss.

For financial liabilities other than derivatives, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Gains or losses arising from changes in the fair value of derivatives are recognised in profit or loss within other gains/losses, net. Net gains or losses on derivatives include exchange differences.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Foreign exchange differences are capitalised to the extent of the capitalisation of the related borrowing costs.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

When the basis to determine the future contractual cash flows of the borrowings is modified entirely as a result of IBOR reform, the Group applied the reliefs provided in the Phase 2 amendments of IBOR reform with no modification gain or loss is recognised.

In situations where some or all of a change in the basis for determining the contractual cash flows of a borrowing does not meet the criteria of the Phase 2 amendments, the Group first applies the practical expedient to the changes required by IBOR reform, including updating the effective interest rate of the borrowings. Any additional changes are accounted for as modification of borrowings in accordance with the requirement in MFRS 9 (that is, assessed for modification or derecognition, with the resulting modification gain/loss recognised immediately in profit or loss where the borrowings is not derecognised).

The Group's Islamic term loan is based on 1-month Kuala Lumpur Interbank Offered Rate ("KLIBOR"). The Group will closely monitor the regulators' announcement on the alternative benchmark rate or discontinuation of publication of the KLIBOR for the relevant tenor; and engage the counterparties to discuss necessary changes to the related contracts, including the Islamic profit rate swap the Group has entered into. There are no updates at 31 December 2024.



FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024 (Continued)

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(h) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

(i) Property, plant and equipment

Property, plant and equipment are initially stated at cost. All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset.

To the extent a legal or constructive obligation to a third party exists, the acquisition cost includes estimated cost of dismantling and removing the assets are restoring the site.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Major spare parts, stand-by equipment and servicing equipment are classified as property, plant and equipment rather than inventory when they are expected to be used during more than one period.

Freehold land is not depreciated as it has an infinite useful life and assets under construction are not depreciated until when the assets are ready for their intended use.

All property, plant and equipment are depreciated on a straight line basis to write off the cost of each asset to their residual values over their estimated useful lives as follows:

Principal annual rates used are summarised as follows:

<u>Property, plant and equipment</u>	<u>Estimated useful lives</u>
Buildings	20 - 25 years
Plant and machinery	3 - 20 years
Furniture, fittings, equipment and motor vehicles	3 - 11 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date. The effects of any revision of the residual values and useful lives are included in profit or loss for the financial year in which the changes arise.

Depreciation on property, plant and equipment ceases at the earlier of derecognition and classification as held for sale. Depreciation on assets under construction commences when the assets are ready for their intended use.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in "other operating income" in profit or loss.

At each statement of financial position date, the Group assess whether there is any indication of impairment. If such an indication exists, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.



NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024 (Continued)

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(j) Inventories

Inventories which consist of raw materials, work-in-progress, finished goods, molasses and consumables are stated at lower of cost and net realisable value.

Cost is determined on the weighted average cost basis. Raw material cost comprises the landed cost of goods purchased and in the case of work-in-progress and finished goods, includes materials, direct labour, other direct charges and an appropriate proportion of factory overheads. Consumables comprise the actual purchase costs.

Net realisable value is the estimated selling price in the ordinary course of business, less selling and distribution costs and all other estimated cost to completion.

(k) Impairment of non-financial assets

Assets that have an indefinite useful life for example goodwill or intangible asset not ready to use, are not subject to amortisation and are tested annually for impairment, or when events or circumstances occur indicating that impairment may exist. Property, plant and equipment and other non-current non-financial assets, including intangible assets with definite useful lives, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The impairment loss is charged to profit or loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Impaired assets, except goodwill, are reviewed for possible reversal of impairment at each reporting date and is recognised in profit or loss.

The reversal is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised.

(l) Current and deferred income taxes

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current and deferred tax is measured using the tax rates that have been enacted or substantively enacted at the statement of financial position date in the countries where the Group's subsidiaries operate generate taxable income.

Deferred tax is provided for on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilised.

Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.



FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024 (Continued)

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(m) Zakat

The Group recognises its obligations towards the payment of zakat on business. Zakat for the current period is recognised as and when the Group has a current zakat obligation as a result of zakat assessment. The amount of zakat expense shall be assessed when a company within the Group has been in operation for at least 12 months, i.e. for the period known as "haul (eligible period)".

Zakat expense is determined based on the Group's financial results for the year. The amount of zakat paid is recognised as an expense in the financial year in which it is incurred.

(n) Foreign currencies

In preparing the financial statements of individual entities in the Group, transactions in currencies other than the Group and Company's functional currency ("foreign currency") are translated to the functional currencies at rates of exchange ruling on the transaction dates.

Monetary assets and liabilities denominated in foreign currencies at the reporting date have been retranslated to the functional currency at rates ruling on the reporting date.

The Group and Company's functional and presentation currency is Ringgit Malaysia ("RM").

Functional and presentation currency

Items included in the financial statements of the each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is the Group and Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when deferred in equity as qualifying cash flow hedges ad qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss. Foreign exchange gains and losses related to foreign currency forward contracts are presented in profit or loss within "other (losses)/gains – net".

Group companies

The results and financial position of all Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- (ii) income and expenses for each statement of comprehensive income are translated at average rate (unless this average is not reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognised in the foreign exchange reserve as a separate component of equity.



NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024 (Continued)

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(o) Revenue recognition

(i) Revenue from contracts with customers

- Sales of goods

The Group's revenue which represents income arising in the course of the Group's and the Company's ordinary activities is recognised by reference to each distinct performance obligation promised in the contract with customer when or as the Group and the Company transfer the control of the goods and services promised in a contract and the customer obtains control of the goods or services. Depending on the substance of the respective contract with customer, the control of the promised goods or services may transfer over time or at point in time.

A contract with customer exists when the contract has commercial substance, the Group, the Company and their customers have approved the contract and intend to perform their respective obligations, the Group's, the Company's and the customer's rights regarding the goods or services to be transferred and the payment terms can be identified, and it is probable that the Group and the Company will collect the consideration to which it will be entitled to in exchange of those goods or services.

Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties such as sales and service taxes or goods and service tax. If the amount of consideration varies due to discounts, rebates, penalties or other similar items, the Group and the Company estimate the amount of consideration that it expects to be entitled based on the expected value method or the most likely outcome but the estimation is constrained up to the amount that is highly probable of no significant reversal in the future. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or service promised in the contract.

The Group sells refined sugar, liquid sugar, sugar premix, raw sugar and molasses in connection to the sugar operation.

Revenue from sales of goods from the sugar operation and plantation are recognised net of discount and taxes at the point in time when control of the goods has transferred to the customer. Depending on the terms of the contract with the customer, control transfers either upon delivery or shipment of goods to the specific location agreed with the customer, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the goods in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.



FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024 (Continued)

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(o) Revenue recognition (continued)

(i) Revenue from contracts with customers (continued)

- Sales with a right of return

When the customer has a right to return the goods within a given period, the Group is obliged to refund the purchase price. Revenue is adjusted for the expected value of the returns and cost of sales are adjusted for the value of the corresponding goods expected to be returned.

A refund liability for the expected refunds to customers is recognised as adjustment to revenue and correspondingly in trade and other payables. At the same time, the Group has a right to recover the goods from the customer where the customer exercises his right of return and recognises a refund asset and a corresponding adjustment to cost of sales the refund asset is measured by reference to the former carrying amount of the product.

Accumulated experience is used to estimate such returns at the time of sale at a portfolio level using the expected value method. Because the number of goods returned has been steady for years, management assessed that it is highly probable that a significant reversal in the cumulative revenue recognised will not occur. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

- Revenue from rendering services

Revenue from rendering services including management fees are recognised when the services are performed by reference to completion of the specific services.

Transportation services performed after the transfer of control of sales of goods from the sugar operation to customers are regarded as a separate performance obligation and recognised over time depending on the terms of the contract.

- Receivables, contract asset and contract liabilities

A receivable is recognised when the goods are delivered or services are rendered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

- Contract cost

During the previous financial year, the Group has elected the practical expedient to recognise incremental contract cost of obtaining contract with period of less than one year as an expense when incurred.



NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024 (Continued)

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(o) Revenue recognition (continued)

(ii) Revenue from other sources

- Specific revenue recognition criteria for other revenue and income earned by the Group are as follows:

(a) Incentive from Government

Incentive received from the Government of Malaysia for certain products sold relates to the difference between estimated market price and the controlled price determined by the Government for sale of packed sugar in the domestic market, limited to the amount agreed with the Government on a monthly basis. This subsidy is credited to the profit or loss and recognised as part of revenue from other sources in the accounting period in which the corresponding sales of goods are recognised.

- Specific revenue recognition criteria for other revenue and income earned by the Company are as follows:

(a) Rental income - recognised on a straight-line basis over the lease terms.

(b) Finance income - recognised using effective interest method.

Finance income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

(c) Dividend income

Dividend income from investments are recognised in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits.

Dividends that clearly represents a recovery of part of the cost of an investment is recognised in other comprehensive income if it relates to an investment in equity instruments measured at FVOCI.

(p) Dividend distribution

Dividends on ordinary shares are recognised as liabilities when proposed or declared before the statement of financial position date. A dividend proposed or declared after the statement of financial position date, but before the financial statements are authorised for issue, is not recognised as a liability at the reporting date.

(q) Cash and cash equivalents

For the purpose of the statement of cash flows, cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.



FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024 (Continued)

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(r) Leases

The Group and Company as a lessee

Leases are recognised as a right-of-use ("ROU") asset and a corresponding liability at the date at which the leased asset is available for use by the Group and Company.

(a) ROU assets

ROU assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- decommissioning or restoration costs.

The ROU asset is depreciated over the shorter of the right-of-use asset's useful life and the lease term on a straight-line basis, as follows:

<u>ROU assets</u>	<u>Estimated useful lives</u>
Leasehold land	66 to 99 years
Buildings	3 to 60 years

The ROU assets are adjusted for certain re-measurement of the lease liability.

At each statement of financial position date, the Group assesses whether there is any indication of impairment. If such an indication exists, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. See material accounting policies Note 3(k) on impairment of non-financial assets.

(b) Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date, if any;
- Amounts expected to be payable by the Group under residual value guarantees;
- The exercise price of a purchase and extension options if the Group is reasonably certain to exercise that option, if any; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option, if any.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.



NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024 (Continued)

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(r) Leases (continued)

The Group and Company as a lessee (continued)

(b) Lease liabilities (continued)

Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

The Group presents the lease liabilities as a separate line item in the statement of financial position. Interest expense on the lease liability is presented within the finance cost in the statement of profit or loss.

(c) Lease term

In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The Group reassesses the lease term upon the occurrence of a significant event or change in circumstances that are within the control of the Group and affects whether the Group is reasonably certain to exercise an option not previously included in the determination of the lease term, or not to exercise an option previously included in the determination of lease term. A revision in the lease term results in the re-measurement of the lease liabilities (refer to (d) below).

(d) Reassessment of lease liabilities

The Group initially estimates and recognises amounts expected to be payable under residual value guarantees as part of the lease liability. The amounts are reviewed and adjusted if appropriate, at the end of each reporting period.

A change in lease payments (including rent concession, except for COVID-19-related rent concessions), other than those arising from a change in amounts expected to be payable under residual value guarantees or in an index or rate used to determine lease payments, is accounted for as a lease modification if it is not part of the original terms and conditions of the lease. The lease modification is accounted for as either a new lease or as a re-measurement of an existing lease liability, depending on the criteria set in MFRS 16.

(e) Short-term leases and leases of low value assets

Short-term leases are leases with a lease term of 12 months or less, which cost less than RM20,000 each if purchased new. Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

The Group and Company do not separate any non-lease components from lease components and instead account for each lease component and any associated non-lease components as a single lease component.



FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024 (Continued)

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(r) Leases (continued)

The Group and Company as a lessor

As a lessor, the Company determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to the lessee. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

(a) Finance leases

The Company classifies a lease as a finance lease if the lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Company derecognises the underlying asset and recognises a receivable at an amount equal to the net investment in a finance lease. Net investment in a finance lease is measured at an amount equal to the sum of the present value of lease payments from the lessee and the unguaranteed residual value of the underlying asset. Initial direct costs are also included in the initial measurement of the net investment. The net investments are subject to MFRS 9 impairment. In addition, the Company reviews regularly the estimated unguaranteed residual value.

Lease income is recognised over the term of the lease using the net investment method to reflect a constant periodic rate of return. The Company revises the lease income allocation if there is a reduction in the estimated unguaranteed residual value.

(b) Sublease classification

When the Company is an intermediate lessor, it assesses the lease classification of a sublease with reference to the ROU asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease, then it classifies the sublease as an operating lease.

(s) Contingent liabilities

The Group does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence and non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably. However contingent liabilities do not include financial guarantee contracts.



NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024 (Continued)

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(t) Provisions

Provisions are recognised when:

- the Group has a present legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources will be required to settle the obligation; and
- a reliable estimate of the amount can be made.

Where the Group expects a provision to be reimbursed (for example, under an insurance contract), the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as finance cost.

(u) Onerous contracts

The Group recognises a provision for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract.

(v) Non-current assets held for sale

Non-current assets are classified as assets held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for sale in its immediate condition. Management must be committed to the sale, which should be expected within one year from the date of classification as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group) are re-measured in accordance with the Group's accounting policies. Thereafter, the assets (or disposal group) are recognised at the lower of their carrying amount and fair value less cost to sell. Assets classified as held for sale, or included within a disposal group that is classified as held for sale, are not depreciated. Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurement are included in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. A disposal group that is to be abandoned may also qualify.

Results from operations qualifying as discontinued operations are presented separately as a single amount on profit or loss. Results from operations qualifying as discontinued operations as of the balance sheet date for the latest period presented, that have previously been presented as results from continuing operations, are represented as results from discontinued operations for all periods presented.

In case conditions for classification of non-current assets and disposal groups as held for sale are no longer met, classification as held for sale ceases. Accordingly, results of operations, previously presented in discontinued operations, are reclassified and included in results from continuing operations for all periods presented. Non-current assets that cease to be classified as held for sale are re-measured at the lower of their carrying amount before classification as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset or disposal group not been classified as held for sale, and its recoverable amount at the date of the subsequent decision to sell.



FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024 (Continued)

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(w) Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated based on the consolidated profit after taxation attributable to equity shareholders of the Company and divided by the weighted number of ordinary shares in issue.

(x) Fair value measurement

The fair value measurement prescribes that the fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

(y) Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and the nature of the item being hedged. The Group designates certain derivatives as hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items.

The fair values of various derivative instruments used for hedging purposes are disclosed in Note 25 to the financial statements. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within 'finance income/(costs)' and 'foreign exchange losses'.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in profit or loss and presented separately after net operating profit.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to profit or loss within 'finance income/(costs)' (Note 10).



NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024 (Continued)

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(y) Derivative financial instruments and hedging activities (continued)

Cash flow hedge (continued)

The Group will apply the following Phase 1 reliefs provided by the Amendments to MFRS 9 and MFRS 7 'Interest Rate Benchmark Reform' until the uncertainty arising from IBOR reform no longer being present:

- When considering the 'highly probable' requirement, the Group has assumed that the IBOR interest rate on which the Group's hedged borrowings is based does not change as a result of IBOR reform.
- In assessing whether the hedge is expected to be highly effective on a forward-looking basis the Group has assumed that the IBOR interest rate on which the cash flows of the hedged borrowings and the interest rate swap that hedges it are based is not altered by IBOR reform.
- The Group has not recycled the cash flow hedge reserve for designated hedges that are subject to the IBOR reform.

The Group will apply the following reliefs provided by the Amendments to MFRS 9 and MFRS 7 'Interest Rate Benchmark Reform—Phase 2':

- Hedge designation: When the Phase 1 amendments cease to apply, the Group will amend its hedge designation to reflect changes which are required by IBOR reform, but only to make one or more of the following changes:
 - a) designating an alternative benchmark rate (contractually or non-contractually specified) as a hedged risk;
 - b) amending the description of the hedged item, including the description of the designated portion of the cash flows or fair value being hedged; or
 - c) amending the description of the hedging instrument.

The Group amends its hedge documentation to reflect this change in designation by the end of the reporting period in which the changes are made. These amendments to the hedge documentation do not require the Group to discontinue its hedge relationships.

- Amounts accumulated in the cash flow hedge reserve: When the Group amends its hedge designation as described above, the accumulated amount outstanding in the cash flow hedge reserve is deemed to be based on the alternative benchmark rate. For discontinued hedging relationships, when the interest rate benchmark on which the hedged future cash flows were based has changed as required by IBOR reform, the amount accumulated in the cash flow hedge reserve is also deemed to be based on the alternative benchmark rate for the purpose of assessing whether the hedged future cash flows are still expected to occur.

(z) Segment reporting

The Group has identified the sugar business as its sole operating segment.

Segment information is not presented as the Group is primarily engaged in the sugar business whereby the measurement of profit or loss used by the chief operating decision maker is on a Group basis.



FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024 (Continued)

4 FINANCIAL RISK MANAGEMENT

(a) Financial risk management policies

The Group is exposed to market risk (including foreign currency exchange risk, commodity price risk and finance rate risk), credit risk and liquidity risk arising from its business activities. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group uses relevant derivative financial instruments to hedge the risk of such commercial exposure and ensure the implementation risk action plans to effectively mitigate the risks. Such derivatives financial instruments are generally not held for trading as speculative purposes.

The Board of Directors has overall responsibility for the oversight of financial risk management which includes risk identification, operational or strategic, and the subsequent action plans to manage these risks. Management is responsible for identifying, monitoring and managing the Group's risk exposures.

Market risk

(i) Foreign currency exchange risk

The Group operates internationally and is exposed to foreign currency exchange risk arising from various currency exposures, primarily with respect to the United States Dollar ("USD").

The Group manages its currency exposure through foreign currency forward contracts.

As at 31.12.2024, a 20% strengthening/weakening of the USD against Malaysia Ringgit ("RM") at the date of statement of financial position would decrease/increase the Group's profit after tax of approximately RM96,809,000 (2023: RM22,121,000).

The above exposure mainly as a result of foreign exchange gains/losses on translation of receivables, payables and bank balances. The analysis assumes that all other variables remain constant.

(ii) Commodity price risk

The Group is exposed to raw sugar prices which are subject to fluctuations due to unpredictable factors such as weather, change of global demand and global production.

Management is responsible for managing the Group's exposure to raw sugar input cost against selling prices of refined sugar set by the Government. Management meets regularly to review their raw sugar requirements and price trends and then decides when to buy and price raw sugar consignments so that a refining margin is locked to ensure budgeted profits are met. In addition, the Group enters into New York 11 raw sugar future contracts to manage its raw sugar purchase cost.

A sensitivity analysis has been performed based on the Group's exposure to sugar futures as at year end. If price of raw sugar increases or decreases by 10% with all other variables held constant, the Group's profit after tax and equity would decrease or increase by RM13,475,000 (2023: loss after tax and equity would increase or decrease by RM5,088,000).



FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024 (Continued)

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk management policies (continued)

Market risk (continued)

(iii) Finance rate risk

The Group's finance rate risk mainly arises from term loans. Term loans issued at variable rates expose the Group to cash flow finance rate risk.

The Company has been in constant engagement with its lender to manage its finance rate risk and has been advised that the current KLIBOR is still being referenced for its borrowings. The Company has also been informed that currently, the lender shall be guided by further announcement by Bank Negara Malaysia (BNM) on the timeline for the migration to the alternative reference rate (ARR) upon the cessation of the current KLIBOR rate. Upon the issuance of the guidelines, the lenders will engage the Company on the transition plan.

The finance rate profile of the Group's and the Company's finance bearing financial assets, based on carrying amounts as at the end of the financial year was:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<u>Financial assets</u>				
At fixed rate:				
Fixed deposits	164,207	254,969	28,249	66,575

The finance rate profile of the Group's and the Company's finance bearing financial liabilities, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<u>Financial liabilities</u>				
At fixed rate:				
Borrowings	665,639	833,931	-	-

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NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024 (Continued)

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk management policies (continued)

Market risk (continued)

(iii) Finance rate risk (continued)

The finance rate profile of the Group's and the Company's finance bearing financial liabilities, based on carrying amounts as at the end of the reporting period was: (continued)

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<u>Financial liabilities (continued)</u>				
At floating rate (exposed to cash flow finance rate risk):				
Borrowings	228,356	299,235	228,356	299,235
Loan due to a subsidiary	-	-	36,170	74,395
	228,356	299,235	264,526	373,630
	893,995	1,133,166	264,526	373,630

If finance rates on its floating rate financial liabilities increased/decreased by 10 basis points with all other variables held constant, the profit after tax of the Group will decrease/increase by RM174,000 (2023: loss after tax of the Group will increase/decrease by RM227,000).

If finance rates on its floating rate financial liabilities increased/decreased by 10 basis points with all other variables held constant, the profit after tax of the Company will decrease/increase by RM201,000 (2023: profit after tax of the Company will decrease/increase by RM284,000).

Other financial assets and financial liabilities are non-finance bearing, and therefore are not affected by changes in finance rates.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures from outstanding receivables.

The Group adopts the policy of dealing with customers with an appropriate credit history, and obtaining sufficient security where appropriate, including payments in advance, security in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024 (Continued)

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk management policies (continued)

Credit risk (continued)

Receivables, amounts due from subsidiaries and other related companies' exposure are closely monitored and continuously followed up.

The Group's deposits, cash and bank balances were largely placed with major financial institutions in Malaysia. The Directors are of the view that the possibility of non-performance by these financial institutions, including those non-rated financial institutions, is remote on the basis of their financial strength.

(a) Impairment of financial assets

The Group's financial assets that are subject to the expected credit loss (ECL) model include trade and other receivables. While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the impairment loss is expected to be immaterial.

(i) Trade receivables, lease receivable, amounts due from subsidiaries and related companies that are trade related using simplified approach

The Group applies the MFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

The expected loss rates are based on the payment profiles of sales over a period of 24 months before 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 to settle the receivables. No significant changes to estimation techniques or assumptions were made during the reporting period.

(ii) Other receivables, loans and amounts due from immediate holding company, subsidiaries and other related companies that are non-trade related using general 3-stage approach

The Group uses three categories for other receivables which reflect their credit risk and how the loss allowance is determined for each of those categories (3 stage approach). These financial assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 365 days past due.



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NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024 (Continued)

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk management policies (continued)

Credit risk (continued)

(a) Impairment of financial assets (continued)

(ii) Other receivables, loans and amounts due from immediate holding company, subsidiaries and other related companies that are non-trade related using general 3-stage approach (continued)

A summary of the assumptions underpinning the Group's ECL model is as follows:

Category	Group's definition of category	Basis for recognising ECL
Performing	Debtors have a low risk of default and a strong capacity to meet contractual cash flows	12 month ECL
Underperforming	Debtors for which there is a significant increase in credit risk or significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due	Lifetime ECL
Non-performing	Interest and/or principal repayments are 180 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL (credit-impaired)
Write-off	There is evidence indicating that there is no reasonable expectation of recovery based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount	Asset is written off

Inter-company balances

The Company provided unsecured loans to subsidiaries. The Company monitors the results of the subsidiaries regularly.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position and there was no indication that the loans to the subsidiaries are not recoverable.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting obligations due to shortage of funds. The Group maintains a sufficient level of cash and cash equivalents to meet the Group's working capital requirements by closely monitoring its cash flows.

Cash flow forecasting is performed in the operating entities of the Group and then aggregated by management. Management monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.

As disclosed in Note 32 to the financial statements, the Company would have not complied with one of the financial covenants for its Islamic term loan. The Company had received a Supplemental Letter dated 18 December 2024 from the lender granting the waiver on one out of three financial covenants i.e. Consolidated Net Debt and Financing to EBITDA Ratio for the financial year ended 31 December 2024. The Company will continue to monitor the compliance of the financial covenants and will engage the lenders as and when required.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024 (Continued)

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk management policies (continued)

Liquidity risk (continued)

The Directors are of the view that, based on the assumptions presented by management of the Company, there are reasonable grounds that the Group will have sufficient cash flows for the next twelve months from the financial statements approval date to meet their cash flow requirements, and there is no material uncertainty on its ability to continue as a going concern despite the net current liabilities position of the Group as at 31 December 2024. The Group's cash requirements for at least the next twelve months from the financial statements approval date primarily include operational requirements, capital expenditure for the Group's refineries and repayment of loan facilities and tax liabilities. In preparing the cash flow forecast, the Group expects to fund its obligations via cash inflows from sale of sugar products and revolving facilities. If required, the Group may continue to draw upon the availability of unutilised trade lines from its lenders and trade lines under subsidiaries of FGV Holdings Berhad. In addition, FGV Holdings Berhad has also confirmed its intention to provide continuing financial support to the Group as and when necessary to enable the Group to meet its liabilities as they fall due including the Company's Islamic Term Loan obligations. The financial support given by FGV Holdings Berhad covers a period of twelve months from the date of the support letter, 24 March 2025.

The Company plans to manage its liquidity risk by receiving income in the form of dividends and management fees from its subsidiaries and to restructure the repayment of loan due to a subsidiary to meet its obligations over the next twelve months.

Surplus cash is invested in profit bearing current accounts, time deposits, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the above-mentioned forecasts. At the reporting date, the Group held cash investments of RM164,207,000 (2023: RM254,969,000) and other liquid assets of RM9,422,000 (2023: RM23,351,000) that are expected to readily generate cash inflows for managing liquidity risk. At the reporting date, the Company held cash investments of RM28,249,000 (2023: RM66,575,000) and other liquid assets of RM111,000 (2023: RM88,000) that are expected to readily generate cash inflows for managing liquidity risk.



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NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024 (Continued)

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk management policies (continued)

Liquidity risk (continued)

The table below analyses the Group's and the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining maturity periods at the reporting date to the contractual maturity dates. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of the timing of the cash flows. The table below summaries the maturity profile of the Group's and Company's financial liabilities based on the remaining maturity periods at the statement of financial position date. The amounts disclosed in the table are based on contractual undiscounted cash flows.

Group	Less than 1 year RM'000	Between 1 and 2 years RM'000	Between 2 and 5 years RM'000	Over 5 years RM'000	Total RM'000
<u>At 31 December 2024</u>					
Payables	677,165	-	-	-	677,165
Amounts due to other related companies	8,437	-	-	-	8,437
Amount due to immediate holding company	1,961	-	-	-	1,961
Amount due to ultimate holding body	71	-	-	-	71
Borrowings	751,836	103,508	52,511	-	907,855
Lease liabilities	10,099	7,815	21,332	127,366	166,612
Total undiscounted financial liabilities	1,449,569	111,323	73,843	127,366	1,762,101
<u>At 31 December 2023</u>					
Payables	232,890	-	-	-	232,890
Amounts due to other related companies	5,006	-	-	-	5,006
Amount due to immediate holding company	1,301	-	-	-	1,301
Amount due to ultimate holding body	76	-	-	-	76
Borrowings	913,676	82,416	241,349	-	1,237,441
Lease liabilities	2,304	2,145	5,392	26,162	36,003
Total undiscounted financial liabilities	1,155,253	84,561	246,741	26,162	1,512,717



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NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024 (Continued)

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk management policies (continued)

Liquidity risk (continued)

Company	Less than 1 year RM'000	Between 1 and 2 years RM'000	Between 2 and 5 years RM'000	Over 5 years RM'000	Total RM'000
<u>At 31 December 2024</u>					
Payables	5,449	-	-	-	5,449
Amounts due to subsidiaries	11	-	-	-	11
Amounts due to other related companies	132	-	-	-	132
Amount due to immediate holding company	933	-	-	-	933
Amount due to ultimate holding body	70	-	-	-	70
Loan due to a subsidiary	4,013	7,562	27,480	6,178	45,233
Borrowings	86,197	103,508	52,511	-	242,216
Lease liabilities	763	825	1,513	-	3,101
Total undiscounted financial liabilities	97,568	111,895	81,504	6,178	297,145
<u>At 31 December 2023</u>					
Payables	3,825	-	-	-	3,825
Amounts due to subsidiaries	15	-	-	-	15
Amounts due to other related companies	196	-	-	-	196
Amount due to immediate holding company	908	-	-	-	908
Amount due to ultimate holding body	76	-	-	-	76
Loan due to a subsidiary	-	85,615	-	-	85,615
Borrowings	79,745	82,416	241,349	-	403,510
Lease liabilities	750	763	2,338	-	3,851
Total undiscounted financial liabilities	85,515	168,794	243,687	-	497,996

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NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024 (Continued)

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Capital risk management policies

The Group's and Company's primary objectives on capital management policies are to safeguard the Group's and Company's ability to maintain healthy capital ratios to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group and Company manage its capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial year ended 31 December 2024 and 31 December 2023.

The Group considers its debts and equity attributable to owners of the Company as capital and monitor capital using gearing ratio. This ratio is calculated as net debt divided by total capital of the Group and of the Company. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated statement of financial position), lease liabilities and loan due to a subsidiary less deposits, cash and bank balances. Total capital is calculated as 'equity attributable to owners of the Company as shown in the consolidated statement of financial position plus the net debt of the Group and of the Company.

The gearing ratio analysis for the Group and the Company are as disclosed below:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Net debt	784,146	875,404	241,280	310,382
Equity attributable to owners of the Company	1,496,358	1,465,076	1,915,937	2,091,631
Total capital	2,280,504	2,340,480	2,157,217	2,402,013
Gearing ratio	34%	37%	11%	13%

The decrease in the Group's gearing ratio in 2024 is due to decrease in borrowing and increase in retained earnings.

(c) Fair value estimation

Financial instruments that are measured in the statement of financial position at fair value are disclosed by the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).



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NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024 (Continued)

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Fair value estimation (continued)

The following table presents the Group's financial assets and liabilities that are measured at fair value at 31 December 2024 and 31 December 2023:

	Carrying amount RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
Group - Assets				
<u>As at 31 December 2024</u>				
Financial assets at fair value through profit or loss:				
Derivatives				
- Sugar future contracts	1,042	1,042	-	-
- Foreign exchange forward contracts	655	-	655	-
Group - Liabilities				
<u>As at 31 December 2023</u>				
Financial liabilities at fair value through profit or loss:				
Derivatives				
- Foreign exchange forward contracts	(343)	-	(343)	-
Derivatives used for hedging:				
- Islamic profit rate swap	(11)	-	(11)	-
Company - Liabilities				
<u>As at 31 December 2023</u>				
Derivatives used for hedging:				
- Islamic profit rate swap	(11)	-	(11)	-

There were no transfers between levels 1 and 2 during the financial year.

(i) Financial instruments in Level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise of sugar commodity futures contracts and brent crude oil option contracts.

(ii) Financial instruments in Level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. Instruments included in Level 2 comprise Islamic profit rate swap and foreign exchange forward contract.

There are no offsetting financial assets and financial liabilities during the financial year.

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024 (Continued)

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by Directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumption that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash generating units ("CGU") to which the goodwill is allocated. Estimating the recoverable amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

The recoverable amounts of CGUs were determined based on the higher of fair value less cost to sell and value-in-use ("VIU") calculations. The VIU is the net present value of the projected future cash flows derived from the CGU discounted at an appropriate discount rate. Projected future cash flows are estimates made based on historical, industry trends, general market and economic condition and other available information. Projected future cash flows are based on Group's judgement in terms of assessing future uncertain parameters such as selling price, raw sugar price, sales volume and terminal value growth rate. These judgements are based on the historical track record and expectations of future events that are believed to be reasonable under current circumstances.

As a result of these impairment assessments, the Group did not recognise any impairment. A forecast period of 5 years together with a terminal value growth rate was used to derive the recoverable amount. The key assumptions and sensitivity analysis are as disclosed in Note 18 to the financial statements.

(ii) Impairment of non-financial assetsGroup

The Group assesses whether there is any indication that non-financial assets are impaired at the end of each reporting period and tests non-financial assets for impairment if such indication exists. The carrying amount of the Group's non-financial assets was assessed for impairment as the Group's market capitalisation was below the carrying value of its net assets as at 31 December 2024 and MSM Johor has recorded continuous losses due to its low utilisation capacity since previous financial years.

Impairment is measured by comparing the carrying amount of a cash generating unit with its recoverable amount. The recoverable amount is measured at the higher of the fair value less costs to sell for that asset and its value in use. The value in use is the net present value of the projected future cash flows derived from that asset discounted at an appropriate discount rate. Projected future cash flows are calculated based on historical and industry trends, general market and economic conditions and other available information. Changes to any of these assumptions would affect the determination of value in use.

Refer to Note 16 to the financial statements for the details of the impairment assessment carried out by management on MSM Johor's CGU, which comprise property, plant and equipment, right-of-use assets and working capital.



NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024 (Continued)

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(ii) Impairment of non-financial assets (continued)

Company

The Company assessed the impairment of its investments in subsidiaries arising from the shortfall of the net tangible assets when compared against the respective carrying amount of the investment cost. The recoverable amounts were determined based on value-in-use ("VIU") which is determined based on the equity value of the subsidiary, computed based on net present value of the projected future cashflows, which are adjusted for financing and tax cash flows.

As a result of the assessment, the recoverable amount of a subsidiary, MSM Sugar Refinery (Johor) Sdn Bhd ("MSM Johor") was RM785 million, which resulted in an impairment loss of RM293 million in the carrying value of the Company's investment in MSM Johor. The key assumptions and the sensitivity analysis are disclosed in Notes 16, 18 and 19 to the financial statements.

(iii) Deferred tax assets

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. This involves judgment regarding the future financial performance of the particular entity in which the deferred tax asset has been recognised.

As of 31 December 2024, the Group has not recognised deferred tax assets of RM 173,516,000 (2023: RM 159,317,000) in respect of unused tax losses and unabsorbed capital allowances of a loss making subsidiary of the Group.

In evaluating whether it is probable that future taxable profits will be available in future periods, all available evidence was considered, including approved budgets and business plans, continuous effective cost management plans and analysis of historical operating results. These forecasts are consistent with those prepared and used internally for business planning and impairment testing purposes.

(iv) Lease term of contracts with extension options

The Group applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. In determining the lease term, the Group considers all relevant factors and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods of termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

During the financial year 2024, the Group has exercised its legal and contractual rights to extend the lease term for one of its leasehold lands in Prai by another 30 years.

Refer to Note 17 to the financial statements for the details of the remeasurement of lease liability after taking into consideration the extended lease term.



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NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024 (Continued)

6 REVENUE

The Group and Company derive the following types of revenue:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue from contract with customers	3,256,733	3,043,223	15,787	15,035
Revenue from other sources	288,000	48,000	150,153	118,519
	3,544,733	3,091,223	165,940	133,554

Disaggregation of revenue from contracts with customers:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<u>Revenue from contract with customers</u>				
Management fee income	-	-	15,787	15,035
Sales of goods (refined sugar and molasses)	3,255,134	3,040,887	-	-
Rendering of services (transportation services)	1,599	2,336	-	-
	3,256,733	3,043,223	15,787	15,035
<u>Revenue from other sources</u>				
Incentive from Kementerian Perdagangan Dalam Negeri dan Kos Sara Hidup (KPDN) for sales of packed sugar	288,000	48,000	-	-
Interest income	-	-	2,285	1,914
Dividend income	-	-	147,622	116,360
Others	-	-	246	245
	288,000	48,000	150,153	118,519
	3,544,733	3,091,223	165,940	133,554
<u>Timing of revenue recognition</u>				
- at a point in time	3,255,134	3,040,887	-	-
- over time	1,599	2,336	15,787	15,035
	3,256,733	3,043,223	15,787	15,035

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For the Financial Year Ended 31 December 2024 (Continued)

6 REVENUE (CONTINUED)

The analysis of revenue by geographical locations is as follows:

	Group	
	2024 RM'000	2023 RM'000
Malaysia	2,540,915	2,391,023
Asia	670,805	558,172
Oceania	44,640	82,342
Europe	-	836
Africa	-	5,868
North America	373	411
South America	-	4,571
	3,256,733	3,043,223

7 OTHER OPERATING INCOME

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Income from sale of scrap	883	642	-	-
Gain on disposal of asset held for sale (Note 27)	-	8,381	-	-
Unrealised gains on foreign currency exchange translation	1,077	57	-	-
Realised gains on foreign currency exchange translation	857	7,792	-	-
Insurance claims	1,002	6,416	-	305
Others	435	153	6	27
	4,254	23,441	6	332

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For the Financial Year Ended 31 December 2024 (Continued)

8 (REVERSAL OF IMPAIRMENT)/IMPAIRMENT OF FINANCIAL ASSETS, NET

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
(Reversal)/Impairment loss of trade and other receivables (Note 21)	(400)	(1,659)	-	20
(Reversal)/Impairment loss of amount due from a related company (Note 23)	(345)	966	-	-
Impairment loss of amount due from subsidiaries (Note 23)	-	-	-	8
	(745)	(693)	-	28

9 OTHER (LOSSES)/GAINS, NET

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Unrealised fair value gains/(losses)-net				
- Sugar futures contract	1,042	-	-	-
- Brent crude oil forward option	-	853	-	-
- Foreign currency exchange forward contracts	998	16,548	-	-
	2,040	17,401	-	-
Realised fair value gains/(losses)-net				
- Sugar futures contract	936	-	-	-
- Brent crude oil forward option	(758)	(2,347)	-	-
- Foreign currency exchange forward contracts	(2,602)	(4,075)	-	-
	(2,424)	(6,422)	-	-
	(384)	10,979	-	-



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For the Financial Year Ended 31 December 2024 (Continued)

10 FINANCE INCOME AND COSTS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Finance income:				
Interest income	7,068	7,932	-	-
Finance costs:				
Interest on:				
- bankers' acceptances	(33,295)	(31,768)	-	-
- term loans	(11,733)	(16,766)	(11,733)	(16,766)
- interest on Islamic profit rate swap	(36)	(311)	(36)	(311)
- loan due to a subsidiary	-	-	(2,295)	(3,208)
- lease liabilities	(1,468)	(1,073)	(154)	(182)
- ineffective cash flow hedge	(21)	(67)	(21)	(67)
	(46,553)	(49,985)	(14,239)	(20,534)
Amount capitalised on qualifying assets				
- property, plant and equipment (Notes 16, 34)	2,241	2,225	-	-
	(44,312)	(47,760)	(14,239)	(20,534)



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For the Financial Year Ended 31 December 2024 (Continued)

11 PROFIT/(LOSS) BEFORE ZAKAT AND TAXATION

Profit/(Loss) before zakat and taxation is stated after charging/(crediting):

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cost of raw sugar consumed	2,763,376	2,477,840	-	-
Changes in inventories of work in progress, refined sugar and molasses	(91,434)	(48,592)	-	-
Inventories written off	944	152	-	-
Allowance for inventory obsolescence	(1,444)	2,970	-	-
Change in provision for onerous sales contracts	1,119	3,906	-	-
Impact of inventories carried at net realisable value (Note 22)	561	2,205	-	-
Distribution and transport expenses	19,128	25,637	-	-
Natural gas and fuel consumed	205,630	213,366	-	-
Property, plant and equipment:				
- Depreciation (Note 16)	71,649	75,459	671	708
- Write-offs (Note 16)	918	587	-	210
Right-of-use assets:				
- Depreciation (Note 17)	7,931	3,591	735	735
Intangible assets:				
- Amortisation (Note 18)	3,678	3,603	450	375
- Impairment (Note 18)	-	13	-	13
Impairment loss of investment in a subsidiary (Note 19)	-	-	292,828	-
Gain on disposal of asset held for sale (Note 7)	-	(8,381)	-	-
Insurance claim (Note 7)	(1,002)	(6,416)	-	(305)
Principal auditors' remuneration:				
- Audit fee – current year	517	474	209	175
- Other assurance services	284	284	284	284
Repair and maintenance	83,444	77,679	990	1,503
Staff costs*	115,521	103,594	17,899	16,017
Rental expenses for short-term leases and low value assets	4,720	7,024	-	-
Unrealised foreign exchange (gain)/loss	(1,077)	137	-	-



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For the Financial Year Ended 31 December 2024 (Continued)

11 PROFIT/(LOSS) BEFORE ZAKAT AND TAXATION (CONTINUED)

Profit/(Loss) before zakat and taxation is stated after charging/(crediting): (continued)

* Staff costs (excluding Directors' remuneration) are analysed as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Wages, salaries and bonuses	80,998	72,073	13,851	12,310
Defined contribution plan	11,246	10,440	2,226	2,066
Other employee benefits	23,277	21,081	1,822	1,641
	115,521	103,594	17,899	16,017

12 DIRECTORS' REMUNERATION

	Receivable from the Company RM'000	Receivable from subsidiaries RM'000	Group RM'000
2024			
Fees:			
- Independent Non-Executive	989	-	989
- Non-Independent Non-Executive	474	-	474
	1,463	-	1,463
Meeting allowances:			
- Independent Non-Executive	280	-	280
- Non-Independent Non-Executive	158	-	158
	438	-	438
Benefits in kind:			
- Independent Non-Executive Director	3	-	3
Other benefits:			
- Independent Non-Executive	60	-	60
- Non-Independent Non-Executive	5	-	5
	65	-	65
	1,969	-	1,969

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For the Financial Year Ended 31 December 2024 (Continued)

12 DIRECTORS' REMUNERATION (CONTINUED)

	Receivable from the Company RM'000	Receivable from subsidiaries RM'000	Group RM'000
2023			
Fees:			
- Independent Non-Executive	1,073	-	1,073
- Non-Independent Non-Executive	516	-	516
	1,589	-	1,589
Meeting allowances:			
- Independent Non-Executive	336	-	336
- Non-Independent Non-Executive	150	-	150
	486	-	486
Benefits in kind:			
- Independent Non-Executive Director	44	-	44
Other benefits:			
- Independent Non-Executive	13	-	13
- Non-Independent Non-Executive	5	-	5
	18	-	18
	2,137	-	2,137

13 ZAKAT

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Movement in zakat liability:				
At beginning of financial year	-	-	-	-
Current financial year's zakat expense	1,000	1,000	-	-
Zakat paid	(1,000)	(1,000)	-	-
At the end of financial year	-	-	-	-



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For the Financial Year Ended 31 December 2024 (Continued)

14 TAXATION

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current tax	42,681	24,063	1,160	1,152
Over accrual in prior financial year	(142)	(172)	(60)	-
Real property gains tax	-	594	-	-
	42,539	24,485	1,100	1,152
Deferred tax (Note 30)	171	(3,614)	152	(35)
	42,710	20,871	1,252	1,117

The numerical reconciliation of the relationship between taxation and (loss)/profit before taxation after zakat is as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
(Loss)/Profit before taxation after zakat	73,964	(29,013)	(174,470)	85,428
Tax at Malaysian tax rate of 24% (2023: 24%)	17,751	(6,963)	(41,873)	20,503
Tax effects of:				
- expenses not deductible for tax purposes	10,858	11,043	78,614	8,540
- income not subject to tax	(168)	(2,410)	(35,429)	(27,926)
- over accrual in prior financial year	(142)	(172)	(60)	-
- real property gains tax	-	594	-	-
- double deduction	(4)	-	-	-
- temporary differences not recognised as deferred tax	14,199	21,688	-	-
- temporary differences in respect of prior years	216	(2,909)	-	-
	42,710	20,871	1,252	1,117

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For the Financial Year Ended 31 December 2024 (Continued)

15 PROFIT/(LOSS) PER SHARE

	Group	
	2024 RM'000	2023 RM'000
Profit/(Loss) for the financial year attributable to owners of the Company	31,254	(49,884)
Weighted average number of ordinary shares in issue ('000)	702,980	702,980
Basic and diluted earnings/(loss) per share (sen)	4.45	(7.10)

16 PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Furniture, fittings, equipment and motor vehicles RM'000	Assets under construction RM'000	Total RM'000
2024						
<u>Cost</u>						
At 1 January 2024	6,486	482,863	1,406,216	78,005	22,005	1,995,575
Additions (Note 34)	-	146	2,299	5,117	55,499	63,061
Write-offs	-	(264)	(2,098)	(4,706)	-	(7,068)
Reclassifications	-	9,316	40,761	9,806	(59,883)	-
At 31 December 2024	6,486	492,061	1,447,178	88,222	17,621	2,051,568
<u>Accumulated depreciation</u>						
At 1 January 2024	-	118,367	635,348	52,113	-	805,828
Charge for the financial year	-	10,734	52,201	8,714	-	71,649
Write-offs	-	(2)	(1,984)	(4,164)	-	(6,150)
At 31 December 2024	-	129,099	685,565	56,663	-	871,327
<u>Net book value</u>						
At 31 December 2024	6,486	362,962	761,613	31,559	17,621	1,180,241



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For the Financial Year Ended 31 December 2024 (Continued)

16 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Furniture, fittings, equipment and motor vehicles RM'000	Assets under construction RM'000	Total RM'000
2023						
<u>Cost</u>						
At 1 January 2023	6,486	439,458	1,383,924	72,462	40,116	1,942,446
Additions (Note 34)	-	127	2,617	1,871	55,724	60,339
Write-offs	-	(28)	(3,007)	(4,175)	-	(7,210)
Reclassifications	-	43,306	22,682	7,847	(73,835)	-
At 31 December 2023	6,486	482,863	1,406,216	78,005	22,005	1,995,575
<u>Accumulated depreciation</u>						
At 1 January 2023	-	108,389	580,244	48,359	-	736,992
Charge for the financial year	-	9,987	57,988	7,484	-	75,459
Write-offs	-	(9)	(2,884)	(3,730)	-	(6,623)
At 31 December 2023	-	118,367	635,348	52,113	-	805,828
<u>Net book value</u>						
At 31 December 2023	6,486	364,496	770,868	25,892	22,005	1,189,747

Included in the Group's assets under construction during the financial year are finance costs capitalised amounting to RM2,241,000 (2023: RM2,225,000) (Note 10) applying a capitalisation rate of 4.46% (2023: 4.41%).

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For the Financial Year Ended 31 December 2024 (Continued)

16 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)(a) Impairment assessmentFinancial year ended 31 December 2024

MSM Sugar Refinery (Johor) Sdn Bhd ("MSM Johor")

MSM Johor has recorded continuous losses due to its low utilisation capacity since previous financial years, and this has been identified as indicator for impairment for the assets.

The recoverable amount was determined using value-in-use ("VIU") calculation based on cash flow projection which is approved by the Board of Directors. The key assumptions of the projection are based on the 2025 to 2027 approved financial budget by the Directors and it covers a finite projection period of 23 years (2023: 25 years), based on the weighted average remaining useful life of property, plant and equipment.

The recoverable amount of MSM Johor's assets calculated based on a value-in-use calculation was RM1,388 million, which exceeds the carrying value by RM207 million (2023: recoverable amount was RM1,340 million, which exceeds the carrying value by RM159 million). The calculation was based on single scenario assessment (2023: probability weighted average assessment based on three scenarios).

The carrying amount of MSM Johor Cash Generating Unit ("CGU") includes property, plant and equipment, right-of-use assets and working capital.

The key assumptions used for the value-in-use calculation are:

Key assumptions	2024	2023
Selling price, RM/MT *	2,685 – 4,470	2,967 – 4,564
Selling price of products subject to price control, RM/MT #	3,690	3,690 – 4,190
Raw sugar price, RM/lb	0.84 – 0.91	0.96 – 1.04
Utilisation factor	28.6% - 60.4%	26.6% – 59.0%
Sales volume, MT'000	286 – 604	266 – 587
Freight charges, RM/MT	206 – 217	157.5 – 180.0
Natural gas price, RM/MMBtu	44.5 – 46.4	44.5 – 48.4
Long term growth rate %	2.0%	2.0%
Discount rate % (pre-tax)	12.4%	12.4%

* Excluding products subject to price control.

In deriving the key assumption of selling price of products subject to price control, the Directors have applied three probability weighted scenario for prior year on the assumptions surrounding the selling prices based on the management's ongoing discussion with relevant authorities. In 2024, the Directors have applied a single scenario assessment to the selling price assumption for products subject to price control, which is fixed at RM3,690/MT. This is based on the Directors' assessment of the latest development in the pricing mechanism of the products subject to price control.



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For the Financial Year Ended 31 December 2024 (Continued)

16 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)(a) Impairment assessment (continued)Financial year ended 31 December 2024 (continued)

MSM Sugar Refinery (Johor) Sdn Bhd ("MSM Johor") (continued)

The sensitivity on the MSM Johor's assets VIU recoverable amount to key assumptions are as follows:

2024

Key assumptions	Sensitivity	VIU lower by RM'000
Selling price of product subject to price control	Selling price remain at RM2,690 /MT *	(1,143,737)

* Represents existing ceiling price for products subject to price control

2023

Key assumptions	Sensitivity	VIU lower by RM'000
Selling price of product subject to price control	Selling price remain at RM2,690/MT *	(1,267,012)

* Represents existing ceiling price for products subject to price control



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For the Financial Year Ended 31 December 2024 (Continued)

16 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Furniture, fittings, equipment, and motor vehicles RM'000
2024	
<u>Cost</u>	
At 1 January 2024	5,983
Addition	443
Write-offs	(2)
At 31 December 2024	6,424
<u>Accumulated depreciation</u>	
At 1 January 2024	4,580
Charge for the financial year	671
Write-offs	(2)
At 31 December 2024	5,249
<u>Net book value</u>	
At 31 December 2024	1,175
2023	
<u>Cost</u>	
At 1 January 2023	6,368
Addition	594
Write-offs	(979)
At 31 December 2023	5,983
<u>Accumulated depreciation</u>	
At 1 January 2023	4,641
Charge for the financial year	708
Write-offs	(769)
At 31 December 2023	4,580
<u>Net book value</u>	
At 31 December 2023	1,403



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NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024 (Continued)

17 RIGHT-OF-USE ASSETS

Group	Leasehold land RM' 000	Building RM' 000	Total RM' 000
2024			
<u>Cost</u>			
At 1 January 2024	89,046	24,418	113,464
Reclassification	19,112	(19,112)	-
Addition	1,058	6,891	7,949
Remeasurement of lease liability	40,835	-	40,835
Termination of lease contract	-	(855)	(855)
At 31 December 2024	150,051	11,342	161,393
<u>Accumulated depreciation</u>			
At 1 January 2024	13,171	5,228	18,399
Reclassification	3,810	(3,810)	-
Charge for the financial year	2,618	5,313	7,931
Termination of lease contract	-	(855)	(855)
At 31 December 2024	19,599	5,876	25,475
<u>Net book value</u>			
At 31 December 2024	130,452	5,466	135,918
2023			
<u>Cost</u>			
At 1 January 2023	90,416	26,126	116,542
Termination of lease contract	(1,370)	(1,708)	(3,078)
At 31 December 2023	89,046	24,418	113,464
<u>Accumulated depreciation</u>			
At 1 January 2023	12,989	4,897	17,886
Charge for the financial year	1,552	2,039	3,591
Termination of lease contract	(1,370)	(1,708)	(3,078)
At 31 December 2023	13,171	5,228	18,399
<u>Net book value</u>			
At 31 December 2023	75,875	19,190	95,065



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NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024 (Continued)

17 RIGHT-OF-USE ASSETS (CONTINUED)

Total cash outflow for leases of the Group is as follows:

	Group	
	2024 RM'000	2023 RM'000
Rental of short-term assets and low value assets	4,720	7,024
Principal payments of lease liabilities	5,562	1,273
Interest payment of lease liabilities	1,468	1,073
	11,750	9,370

The Group has leased two pieces of leasehold land for 59 to 60 years, which are used as sites for sugar refineries. The Group also leases office premise, warehouse and railway track where the rental contracts are entered into fixed periods of lease terms. The extension option included in these lease agreements have been considered in determining the lease term upon lease inception.

During the financial year 2024, the Group has exercised its legal and contractual rights to extend the lease term for one of the leasehold land in Prai by another 30 years. As at the reporting date, the Group is in discussion with the landlord to negotiate and finalise the lease arrangement terms which include the lease rental rate and lease term as the landlord has not agreed to the lease term extension notification issued by the Group and the proposed rental rate. The Directors are of the view that the negotiations will be concluded in accordance with the Group's legal and contractual rights of the lease agreement as supported by external legal advice.

Accordingly, the Group has remeasured the lease liability by making a corresponding adjustment to the right-of-use assets, after taking into consideration the extended lease term by another 30 years using the increase in rental rate of other comparable leases entered into by the Group.

Short-term lease commitment of the Group is as follows:

	Group	
	2024 RM'000	2023 RM'000
Short-term lease commitment	4,670	5,619



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For the Financial Year Ended 31 December 2024 (Continued)

17 RIGHT-OF-USE ASSETS (CONTINUED)

Company	Building RM'000
2024	
<u>Cost</u>	
At 1 January/31 December 2024	4,452
<u>Accumulated depreciation</u>	
At 1 January 2024	888
Charge for the financial year	735
At 31 December 2024	1,623
<u>Net book value</u>	
At 31 December 2024	2,829
2023	
<u>Cost</u>	
At 1 January 2023	6,160
Termination of lease contract	(1,708)
At 31 December 2023	4,452
<u>Accumulated depreciation</u>	
At 1 January 2023	1,861
Charge for the financial year	735
Termination of lease contract	(1,708)
At 31 December 2023	888
<u>Net book value</u>	
At 31 December 2023	3,564

Total cash outflow for leases of the Company is as follows:

Company	2024	2023
	RM'000	RM'000
Principal payments of lease liabilities	596	568
Interest payment of lease liabilities	154	182
	750	750

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For the Financial Year Ended 31 December 2024 (Continued)

18 INTANGIBLE ASSETS

	Group			Company	
	Goodwill RM'000	Brand RM'000	Software RM'000	Total RM'000	Software RM'000
2024					
<u>Cost</u>					
As at 1 January 2024	576,240	86,033	17,108	679,381	10,496
Additions	-	-	1,161	1,161	973
As at 31 December 2024	576,240	86,033	18,269	680,542	11,469
<u>Accumulated amortisation</u>					
As at 1 January 2024	-	47,655	15,048	62,703	8,439
Charge for the financial year	-	3,226	452	3,678	450
As at 31 December 2024	-	50,881	15,500	66,381	8,889
<u>Net book value</u>					
As at 31 December 2024	576,240	35,152	2,769	614,161	2,580
2023					
<u>Cost</u>					
As at 1 January 2023	576,240	86,033	16,492	678,765	9,880
Additions	-	-	629	629	629
Impairment	-	-	(13)	(13)	(13)
As at 31 December 2023	576,240	86,033	17,108	679,381	10,496
<u>Accumulated amortisation</u>					
As at 1 January 2023	-	44,429	14,671	59,100	8,064
Charge for the financial year	-	3,226	377	3,603	375
As at 31 December 2023	-	47,655	15,048	62,703	8,439
<u>Net book value</u>					
As at 31 December 2023	576,240	38,378	2,060	616,678	2,057



NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024 (Continued)

18 INTANGIBLE ASSETS (CONTINUED)

Goodwill

The goodwill relates to the acquisition of the sugar business and is allocated to the sugar segment. This represents the lowest level at which goodwill is monitored for internal management purposes.

The recoverable amount of the Cash Generating Unit ("CGU") is determined based on value-in-use ("VIU") calculations using cash flows projections which is approved by the Board of Directors. The key assumptions of the projection are based on 2025 to 2029 cash flow forecasts approved by the Directors and applying a terminal value multiple using a long term sustainable growth rate.

The recoverable amount calculated based on VIU of RM1,900.4 million exceeded the carrying value by RM404 million (2023: RM868 million).

The key assumptions used for the CGU's value-in-use calculation are:

Key assumptions	2024	2023
Selling price, RM/MT *	2,685 – 4,470	2,967 – 4,564
Selling price of products subject to price control, RM/MT **	3,690	3,690 – 4,190
Selling price of product Premium Grain Sugar	3,550 – 4,470	4,200 – 4,564
Raw sugar price, RM/lb	0.84 – 0.91	0.96 – 1.04
Sales volume, MT'000	1,066 – 1,210	922 – 1,162
Sales volume of products Premium Grain Sugar, MT'000	23 – 45	21 – 45
Freight charges, RM/MT	206 – 217	157.5 – 188.5
Natural gas price, RM/MMBtu	44.5 – 46.4	44.5 – 48.8
Terminal value growth rate, %	2%	2%
Discount rate, % (pre-tax)	11.4% - 12.4%	11.4% - 12.4%

* Excluding products subject to price control.

** In deriving the key assumption of selling price of products subject to price control, the Directors have applied three probability weighted scenario for the prior year on the assumptions surrounding the selling prices based on the management's ongoing discussion with relevant authorities. In 2024, the Directors have applied a single scenario assessment to the selling price assumption for products subject to price control, which is fixed at RM3,690/MT. This is based on the Directors' assessment of the latest development in the pricing mechanism of the products subject to price control.

Included in the key assumptions is the lease term related to a sugar refinery in Prai, which was determined to be 30 years. This is consistent with Director's assessment on the Group's legal and contractual rights of the lease agreement set out in Note 17.

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For the Financial Year Ended 31 December 2024 (Continued)

18 INTANGIBLE ASSETS (CONTINUED)

Goodwill (continued)

The sensitivity on the goodwill arising from the sugar business operations in Malaysia VIU recoverable amount to key assumptions are as follows:

2024

Key assumptions	Sensitivity	VIU lower by RM'000
Selling price of products subject to price control	Selling price remain at RM2,690/MT *	(1,900,430)

* Represents existing ceiling price for products subject to price control

All changes taken in isolation, a reduction in selling price of products subject to price control by RM137/MT, decrease in raw sugar price by USD0.39 cents/lb, increase in discount rate by 1.32%, decrease in domestic sales volume by 20,000MT, increase in freight charges by USD6.74/MT, or increase in natural gas prices by RM8.00/MMBtu would result in the recoverable amount being equal to the carrying amount.

2023

Key assumptions	Sensitivity	VIU lower by RM'000
Selling price of products subject to price control	Selling price remain at RM2,690/MT *	(2,311,900)

* Represents existing ceiling price for products subject to price control

All changes taken in isolation, a reduction in selling price by 17.2%, increase in raw sugar price by USD2.2 cents/lb, increase in terminal value growth rate by 6.9%, increase in discount rate by 3.6%, decrease in sales volume by 17.1%, increase in freight charges by RM23/MT, increase in landed cost by RM96/MT or increase in natural gas prices by 15.7% would result in the recoverable amount being equal to the carrying amount.

The above sensitivity analysis is based on the movement of individual key assumptions while holding all other assumptions constant.



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For the Financial Year Ended 31 December 2024 (Continued)

19 INVESTMENTS IN SUBSIDIARIES

	Company	
	2024 RM'000	2023 RM'000
<u>Unquoted investments, at cost</u>		
At 1 January/31 December	2,401,598	2,401,598
<u>Accumulated impairment</u>		
At 1 January	92,746	92,746
Charged during the year	292,828	-
At 31 December	385,574	92,746
Net investment in subsidiaries	2,016,024	2,308,852

Investments in subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. During the year, the Company assessed the investments in subsidiaries for impairment, arising from the shortfall of the net tangible assets when compared against the respective carrying amount of the investment cost. The recoverable amounts of these investments, have been determined based on the value-in-use ("VIU") calculation which is determined based on the equity value of the subsidiary, computed based on net present value of the projected future cash flows discounted using a cost of equity of 12.7%, which are adjusted for financing and tax cash flows. These calculations require the use of estimates and key assumptions which are consistent with those used and disclosed in Note 16 and Note 18 of the financial statements.

Based on the net equity value recoverable amount of MSM Johor of RM785 million, this has resulted in an additional impairment of RM293 million to the Company's investment in MSM Johor. The Directors have considered the recoverable amount of the fair value less cost to sell ("FVLCTS") calculations of MSM Johor to approximate the VIU calculations at the reporting date.

The sensitivity on the MSM Johor's equity value to key assumption is as follows:

2024		Equity value lower by RM'000
Key assumption	Sensitivity	
Selling price of product subject to price control	Selling price remain at RM2,690/MT *	(1,388,883)

* Represents existing ceiling price for products subject to price control

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For the Financial Year Ended 31 December 2024 (Continued)

19 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of subsidiaries, are as follows:

Name of subsidiaries	Place of business/ country of incorporation	Nature of business	Proportion of ordinary shares directly held by parent		Proportion of ordinary shares held by the Group	
			2024 %	2023 %	2024 %	2023 %
<u>Direct subsidiaries</u>						
MSM Prai Berhad	Malaysia	Sugar refining, sales and marketing of sugar products and investment holding	100	100	100	100
MSM Trading & Distribution Sdn Bhd	Malaysia	The intended principal activities are to buy and sell commodities products either through physical or paper transaction. The Company was dormant during the financial year	100	100	100	100
MSM Sugar Refinery (Johor) Sdn Bhd	Malaysia	Sugar refining, sales and marketing of sugar products	100	100	100	100
<u>Indirect subsidiary through MSM Prai Berhad</u>						
MSM Logistics Sdn Bhd	Malaysia	Transport services, warehousing, freight forwarding and others value added services	-	-	100	100



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For the Financial Year Ended 31 December 2024 (Continued)

20 LEASE RECEIVABLES

	Company	
	2024 RM'000	2023 RM'000
Not later than 1 year	2,167	2,167
Later than 1 year	79,269	80,437
	81,436	82,604

The leased asset is in respect of a piece of leasehold land acquired for the construction of a sugar refinery which the Company leases to a subsidiary of the Company. The Company and its subsidiary had agreed that the total investment recovery cost of RM87,346,451 as at 30 April 2016, which is the commencement date of the lease agreement for the said land, will be recovered by the subsidiary over a period of 59 years. Accordingly, the Company has transferred the net book value of the leasehold land amounting to RM87,346,451 as at 30 April 2016 from property, plant and equipment to lease receivables in 2019.

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

	Company	
	2024 RM'000	2023 RM'000
Within 1 year	2,167	2,167
In the second year	2,167	2,167
In the third year	2,167	2,167
In the fourth year	2,167	2,167
In the fifth year	2,167	2,167
After the fifth year	98,041	100,207
Total undiscounted lease payments receivable	108,876	111,042
Unearned finance income	(27,440)	(28,438)
Net investment in the lease	81,436	82,604

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For the Financial Year Ended 31 December 2024 (Continued)

21 RECEIVABLES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current assets:				
Trade receivables	259,274	334,962	-	-
Other receivables (Note a)	47,240	44,507	11	218
Deposits	3,096	2,974	10	12
Prepayments	9,769	13,333	506	747
	319,379	395,776	527	977
Loss allowance – Trade receivables	(1,379)	(2,619)	-	-
Loss allowance – Other receivables	(45)	(67)	-	(20)
Total receivables	317,955	393,090	527	957

The receivables are denominated as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Ringgit Malaysia	256,328	301,307	527	957
US Dollar	61,359	91,559	-	-
Others	268	224	-	-
	317,955	393,090	527	957

Credit term of trade receivables range between 30 to 60 days (2023: 30 to 60 days).

(a) Included in other receivables are:-

- i) Cash placed for sugar futures trading facilities of RM19,577,000 (2023: RM16,774,000).
- ii) Incentive receivable from Ministry of Domestic Trade and Cost of Living (Kementerian Perdagangan Dalam Negeri dan Kos Sarawak) of RM24,000,000 (2023: RM24,000,000).

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For the Financial Year Ended 31 December 2024 (Continued)

21 RECEIVABLES (CONTINUED)

(b) Reconciliation of loss allowance

(i) Trade receivables using simplified approach

The Group and the Company apply MFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of revenue earned over a period of 24 months before 31 December 2024 or 31 December 2023 respectively and the corresponding historical credit losses experienced within this period.

The Group do not solely rely on historical loss rates, but also consider forward-looking information on macroeconomic factors such as expected changes in commodity prices which affect the ability of the customers to settle the receivables.

The movement of loss allowance for trade receivables is as follows:

	Trade receivables	
	2024 RM'000	2023 RM'000
At 1 January	(2,619)	(4,127)
Decrease in loss allowance recognised in profit or loss during the year (Note 8)	398	1,508
Written off as bad debts	842	-
At 31 December	(1,379)	(2,619)

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For the Financial Year Ended 31 December 2024 (Continued)

21 RECEIVABLES (CONTINUED)

(b) Reconciliation of loss allowance (continued)

(i) Trade receivables using simplified approach (continued)

31 December 2024

The following table contains an analysis of the credit risk exposure of trade receivables for which an ECL allowance is recognised, based on collective impairment assessment:

	Current RM'000	Less than 30 days past due RM'000	More than 30 days past due RM'000	More than 60 days past due RM'000	More than 90 days past due RM'000	Total RM'000
31 December 2024						
Gross carrying amount –						
trade receivables	245,304	11,759	482	89	1,640	259,274
Expected loss rate	0.01%	0.20%	3.94%	7.87%	80.12%	
Collective loss allowance	(16)	(23)	(19)	(7)	(1,314)	(1,379)
Carrying amount (net of loss allowance)	245,288	11,736	463	82	326	257,895

Decrease in loss allowance since prior year mainly due to the write-off of long outstanding customer balances as bad debts during the financial year.

31 December 2023

The following table contains an analysis of the credit risk exposure of trade receivables for which an ECL allowance is recognised, based on collective impairment assessment:

	Current RM'000	Less than 30 days past due RM'000	More than 30 days past due RM'000	More than 60 days past due RM'000	More than 90 days past due RM'000	Total RM'000
31 December 2023						
Gross carrying amount –						
trade receivables	319,320	12,924	42	19	2,657	334,962
Individual assessment –						
credit impaired	-	-	-	-	(815)	(815)
	319,320	12,924	42	19	1,842	334,147
Expected loss rate	0.01%	0.22%	7.14%	0.00%	93.97%	
Collective loss allowance	(42)	(28)	(3)	-	(1,731)	(1,804)
Carrying amount (net of loss allowance)	319,278	12,896	39	19	111	332,343

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For the Financial Year Ended 31 December 2024 (Continued)

21 RECEIVABLES (CONTINUED)

(b) Reconciliation of loss allowance (continued)

(i) Trade receivables using simplified approach (continued)

31 December 2023 (continued)

The following table contains an analysis of the credit risk exposure of trade receivables for which an ECL allowance is recognised, based on individual impairment assessment:

	Non-credit impaired RM'000	Credit-impaired RM'000	Total RM'000
31 December 2023			
Gross carrying amount	-	815	815
Loss allowance	-	(815)	(815)
Carrying amount (net of loss allowance)	-	-	-

(ii) Other receivables using general 3 stage approach

The loss allowance for other receivables for the Group and Company as at 31 December 2024 reconciles to the opening loss allowances for that provision as follows:

Group	Performing RM'000	Under-performing RM'000	Non-performing RM'000	Total RM'000
Opening loss allowance as at 1 January 2023	-	(243)	-	(243)
Decrease in loss allowance (Note 8)	-	151	-	151
Written off as bad debts	-	25	-	25
Closing loss allowance as at 31 December 2023	-	(67)	-	(67)
Decrease in loss allowance (Note 8)	-	2	-	2
Written off as bad debts	-	20	-	20
Closing loss allowance as at 31 December 2024	-	(45)	-	(45)

Company	Performing RM'000	Under-performing RM'000	Non-performing RM'000	Total RM'000
Opening loss allowance as at 1 January 2023	-	-	-	-
Individual financial assets transferred to under-performing (credit-impaired financial assets) (Note 8)	-	(20)	-	(20)
Closing loss allowance as at 31 December 2023	-	(20)	-	(20)
Written off as bad debts	-	20	-	20
Closing loss allowance as at 31 December 2024	-	-	-	-

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For the Financial Year Ended 31 December 2024 (Continued)

22 INVENTORIES

	Group	
	2024 RM'000	2023 RM'000
At cost:		
- Raw materials	497,264	125,803
- Work-in-progress	55,427	31,019
- Finished goods	168,886	58,692
- Consumable stores	36,317	24,769
- Molasses	452	398
At net realisable value:		
- Raw materials	-	23,606
- Work-in-progress	1,085	11,595
- Finished goods	3,337	36,049
	762,768	311,931

Impact of write downs of inventories to net realisable value amounted to RM561,000 (2023: RM2,205,000). The amount recognised is included in cost of sales in the statement of profit or loss (Note 11).



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For the Financial Year Ended 31 December 2024 (Continued)

23 AMOUNTS DUE FROM/(TO) SUBSIDIARIES, OTHER RELATED COMPANIES, IMMEDIATE HOLDING COMPANY AND ULTIMATE HOLDING BODY

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<u>Current assets</u>				
Amounts due from:				
Subsidiaries	-	-	59,951	5,452
Other related companies	1,180	1,711	-	-
	1,180	1,711	59,951	5,452
Loss allowances – subsidiaries	-	-	(14)	(14)
Loss allowances – related companies	(1,035)	(1,380)	-	-
	145	331	59,937	5,438
<u>Current liabilities</u>				
Amounts due to:				
Subsidiaries	-	-	11	15
Other related companies	8,437	5,006	132	196
Immediate holding company	1,961	1,301	933	908
Ultimate holding body	71	76	70	76
	10,469	6,383	1,146	1,195

- (a) Amounts due from/(to) subsidiaries includes dividend receivable, are unsecured, interest free, denominated in Ringgit Malaysia and have credit terms of 30 to 180 days (2023: 30 to 180 days).
- (b) Amounts due from/(to) other related companies are unsecured, interest free, denominated in Ringgit Malaysia and have credit terms of 30 to 60 days (2023: 30 to 60 days).
- (c) The amount due from/(to) the immediate holding company represents non-trade balance, which is expected to be settled within the normal credit period of 90 days (2023: 90 days) and is denominated in Ringgit Malaysia, unsecured and interest free.
- (d) Amount due to ultimate holding body relates to office rental charges which is denominated in Ringgit Malaysia, unsecured and interest free and repayable within 60 days.
- (e) The fair value of amount due from/(to) subsidiaries, other related companies, immediate holding company and ultimate holding body approximates its carrying value, as the impact of discounting is not significant.

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For the Financial Year Ended 31 December 2024 (Continued)

23 AMOUNTS DUE FROM/(TO) SUBSIDIARIES, OTHER RELATED COMPANIES, IMMEDIATE HOLDING COMPANY AND ULTIMATE HOLDING BODY (CONTINUED)Reconciliation of loss allowance

The following table contains an analysis of the credit exposure trade amount due from other related companies for which an ECL allowance is recognised, based on individual impairment assessment:

	2024 RM'000	2023 RM'000
At 1 January	(1,380)	(414)
Reversal loss allowance/(Loss allowance recognised) in profit or loss during the year (Note 8)	345	(966)
At 31 December	(1,035)	(1,380)

Loss allowance decrease due to collection of uncollectible amount from previous years.

24 LOANS DUE TO A SUBSIDIARY

	Company	
	2024 RM'000	2023 RM'000
Non-current liability		
<u>Loans due to a subsidiary</u>		
<u>Unsecured:</u>		
- Financing in nature	36,170	74,395
Current liability		
<u>Loans due to a subsidiary</u>		
<u>Unsecured:</u>		
- Financing in nature	2,295	-

Loans due to a subsidiary relates to funding facility from a subsidiary. The funding is revolving credit in nature and is repayable in 6 months from the drawdown date.

As of 31 December 2024, the Company has the discretion to roll over this obligation for at least twelve months after the reporting period, hence the obligation is classified as non-current liability.

The loan is unsecured, denominated in Ringgit Malaysia and the average interest rate of the loan ranges from 4.46% - 4.63% (2023: 3.64% - 4.63% per annum).



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NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024 (Continued)

25 DERIVATIVE FINANCIAL INSTRUMENTS

Group	2024		2023	
	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000
Non-current:				
Islamic profit rate swap	-	-	-	(11)
Current:				
Sugar futures contracts	1,042	-	-	-
Foreign exchange forward contract	655	-	-	(343)
	1,697	-	-	(354)

	2024		2023	
	Notional amount RM'000	Derivative assets RM'000	Notional amount RM'000	Derivative liabilities RM'000
Islamic profit rate swap	-	-	41,667	(11)
Sugar futures contracts	8,765	1,042	-	-
Foreign exchange forward contracts	266,753	655	20,946	(343)
	275,518	1,697	62,613	(354)

Company	2024		2023	
	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000
Non-current:				
Islamic profit rate swap	-	-	-	(11)

	2024		2023	
	Notional amount RM'000	Derivative liabilities RM'000	Notional amount RM'000	Derivative liabilities RM'000
Islamic profit rate swap	-	-	41,667	(11)

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For the Financial Year Ended 31 December 2024 (Continued)

26 DEPOSITS, CASH AND BANK BALANCES

Deposits, cash and bank balances comprise of the following:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Fixed deposits with licensed investment bank in Malaysia	142,158	233,594	6,200	45,200
Restricted deposit	22,049	21,375	22,049	21,375
Cash and bank balances	9,422	23,351	111	88
Deposits, cash and bank balances	173,629	278,320	28,360	66,663

The effective interest rates of the fixed deposits range from 2.95% - 5.27% (2023: 2.65% - 5.44%) per annum for the Group and range from 3.02% - 3.10% (2023: 2.65% - 3.10%) per annum for the Company respectively. All fixed deposits have original maturity terms of 1 months or less (2023: 1 months or less).

Bank balances are deposits held at call with banks and earn no interest.

Restricted deposit relates to bank balance pledged in order to obtain certain bank facilities. The withdrawal of this deposit from the designated account requires approval from the bank. This deposit can be utilised to meet short-term cash requirements, i.e. principal and interest payments for the loan facility for the next 3 months.

The fixed deposits, cash and bank balances are denominated as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Ringgit Malaysia	120,187	117,340	28,360	66,663
US Dollar	53,442	160,980	-	-
	173,629	278,320	28,360	66,663

Credit rating profiles of banks in which the fixed deposits have been placed are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
AAA	164,207	254,969	28,249	66,575



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For the Financial Year Ended 31 December 2024 (Continued)

26 DEPOSITS, CASH AND BANK BALANCES (CONTINUED)

AAA - A financial institution rated AAA has a superior capacity to meet its financial obligations. This is the highest long-term financial institution rated assigned by RAM Ratings.

AA - A financial institution rated AA has a strong capacity to meet its financial obligations. The financial institution is resilient against adverse changes in circumstances, economic conditions and/or operating environments.

A - A financial institution rated A has an adequate capacity to meet its financial obligations. The financial institution is more susceptible to adverse changes in circumstances, economic conditions and/or operating environments than those in higher-rated categories.

For long-term ratings, RAM Ratings applies subscripts 1, 2 or 3 in each rating category from AA to C. The subscripts 1 indicates that the financial institution ranks at the higher end of its generic rating category; the subscript 2 indicates a mid-ranking; and the subscripts 3 indicates that the financial institution ranks at the lower end of its generic rating category.

27 ASSETS HELD FOR SALE

Group	Leasehold land RM'000	Plant and machinery RM'000	Total RM'000
2024			
As at 31 December 2024	-	-	-
2023			
As at 1 January 2023	7,682	-	7,682
Disposal	(7,682)	-	(7,682)
As at 31 December 2023	-	-	-

On 26 May 2023, the Group completed the disposal of Pulau Indah land, the effect of disposal is shown below:

	RM'000
Net book value of assets disposed	7,682
Cost to sell	50
Gain on disposal of asset held for sale	8,381
Proceeds from disposal	16,113
Real property gains tax	(594)
Net proceeds from disposal	15,519

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For the Financial Year Ended 31 December 2024 (Continued)

28 SHARE CAPITAL

	Group and Company			
	2024 Number of shares	2023 Number of shares	2024 RM'000	2023 RM'000
Issued and fully paid up:				
Ordinary shares				
At 1 January/31 December	702,980,000	702,980,000	718,255	718,255

29 RESERVES

(i) Reorganisation deficit (non-distributable)

Reorganisation deficit comprises the difference between the fair value of 577,979,800 new ordinary shares issued at RM3.50 per share on 20 May 2011 and the carrying amounts of the sugar business as at January 2010. It is recognised as reorganisation deficit in accordance with the predecessor method of accounting.

(ii) Merger relief reserve (non-distributable)

Merger relief reserve comprises the 577,979,800 new ordinary shares with a par value of RM0.50 each issued at a fair value of RM3.50 per share for the acquisition of entire equity interests in MSM Prai Berhad and MSM Perlis Sdn Bhd on 20 May 2011. The difference between par value and fair value is recognised as merger relief reserve in accordance with section 60(4) of the Companies Act 1965.

(iii) Cash flow hedge reserve

The Group manages its cash flow interest rate risk with floating-to-fixed interest rate swaps which are designated in cash flow hedge relationships.

To the extent this hedge is effective, the change in fair value of the hedge instrument is recognised in the cash flow hedge reserve. The gain or loss relating to the ineffective portion of the interest rate swaps is reclassified to profit or loss and recognised within 'finance cost'.



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For the Financial Year Ended 31 December 2024 (Continued)

30 DEFERRED TAX (ASSETS)/LIABILITIES

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statement of financial position:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Deferred tax liabilities/(assets)				
- Subject to income tax	32,497	32,326	(99)	(251)

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At 1 January	32,326	35,940	(251)	(216)
(Credited)/Charged to profit or loss (Notes 14 and 16):				
- property, plant and equipment	(440)	(3,634)	213	(2)
- payables and accruals	1,469	(927)	(29)	7
- intangible assets	(774)	(2,420)	-	-
- unabsorbed business losses	128	-	-	-
- right-of-use assets	10,161	(506)	(176)	(176)
- derivatives financial (assets)/liabilities	-	3,567	-	-
- lease liabilities	(10,373)	306	144	136
Charged/(credited) to profit and loss	171	(3,614)	152	(35)
At 31 December	32,497	32,326	(99)	(251)

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For the Financial Year Ended 31 December 2024 (Continued)

30 DEFERRED TAX (ASSETS)/LIABILITIES (CONTINUED)

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Deferred tax liabilities (before offsetting)				
- property, plant and equipment	19,879	134,833	251	38
- right-of-use assets	14,757	4,596	679	855
- intangible assets	14,842	15,616	-	-
	49,478	155,045	930	893
Offsetting	(16,981)	(122,719)	(930)	(893)
Deferred tax liabilities (after offsetting)	32,497	32,326	-	-
Deferred tax assets (before offsetting)				
- unabsorbed capital allowances	-	114,514	-	-
- payables and accruals	1,674	3,143	353	324
- lease liabilities	15,307	4,934	676	820
- unabsorbed business loss	-	128	-	-
	16,981	122,719	1,029	1,144
Offsetting	(16,981)	(122,719)	(930)	(893)
Deferred tax assets (after offsetting)	-	-	99	251

The amount of unused tax losses and deductible temporary differences (subject to approval by the Inland Revenue) for which no deferred tax assets are recognised in the statement of financial position of the Group as the Directors are of the view it is not probable that sufficient taxable profits will be available to allow the deferred tax assets to be utilised is as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Unused tax losses	535,244	505,233	-	-
Unabsorbed capital allowances	187,739	158,588	-	-
	722,983	663,821	-	-



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For the Financial Year Ended 31 December 2024 (Continued)

30 DEFERRED TAX (ASSETS)/LIABILITIES (CONTINUED)

Under the Malaysia Finance Act 2018 which was gazetted on 27 December 2018, unutilised tax losses will be imposed with a limit of utilisation for 7 consecutive years. In Budget 2022, the existing time limit to carry forward unutilised business losses to be extended to 10 consecutive YAs. The existing transitional provision for unutilised business losses from YA 2018 be allowed to be carried forward for 10 consecutive YAs, until YA 2028.

The Group's unused tax losses as of 31 December 2024 for which no deferred tax assets were recognised based on the year of assessment ("YA") expiry are as follows:

	Group	
	2024 RM'000	2023 RM'000
Expiring in 2028	85,010	85,010
Expiring in 2029	178,813	178,813
Expiring in 2030	27,446	27,446
Expiring in 2031	13,138	13,138
Expiring in 2032	114,194	114,194
Expiring in 2033	86,632	86,632
Expiring in 2034	30,011	-
	535,244	505,233

31 PAYABLES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current liabilities:				
Trade payables	45,248	27,502	-	-
Other payables	78,442	34,822	2,658	1,276
Accruals	532,298	157,233	3,739	2,453
Unpaid balance for acquisition of property, plant and equipment				
- Current year addition (Note 34)	24,791	13,333	307	96
- Prior year addition	2,350	-	-	-
Total payables	683,129	232,890	6,704	3,825

Trade payables carry credit periods between 30 to 60 days (2023: 30 to 60 days).

Included in accruals is RM468,000,000 (2023: RM86,000,000) which relates to purchase of raw material.

The fair value of the payables approximates their carrying value, as the impact of discounting is not significant.

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NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024 (Continued)

31 PAYABLES (CONTINUED)

The payables are denominated as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
- Ringgit Malaysia	197,607	146,655	6,704	3,825
- United States Dollar	484,947	86,062	-	-
- Others	575	173	-	-
	683,129	232,890	6,704	3,825

32 BORROWINGS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-current liabilities:				
Islamic term loans				
- Secured	151,938	229,972	151,938	229,972
Current liabilities:				
Islamic term loans				
- Secured	76,418	69,263	76,418	69,263
Bankers' acceptances				
- Unsecured	665,639	833,931	-	-
	742,057	903,194	76,418	69,263
	893,995	1,133,166	228,356	299,235

All borrowings are denominated in Ringgit Malaysia.

Bankers' acceptances

The average interest rates of the borrowings range approximately 4.00% to 4.78% (2023: 3.62% to 4.75%) per annum.

Islamic term loans

The average interest rates of the borrowings range approximately 5.78% to 5.87% (2023: 5.48% to 5.85%) per annum.

The Islamic term loans which have a tenure of 12 years (2023: 12 years) are secured against a leasehold land, debenture and certain bank balances of the Group.



NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024 (Continued)

32 BORROWINGS (CONTINUED)

Islamic term loans (continued)

The Group and the Company are required to comply with certain financial covenants i.e. (i) Consolidated Net Debt and Financing to Equity Ratio, (ii) Consolidated Net Debt and Financing to Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") Ratio and (iii) Consolidated Finance Payment Cover Ratio (collectively known as "financial covenants"). The financial covenants are to be complied with annually (2023: annually).

On 18 December 2024, CIMB has issued a Supplemental Letter, informing MSM Malaysia Holdings Berhad that the Bank has agreed to waive one of the three financial covenants i.e. Consolidated Net Debt and Financing to EBITDA Ratio for the financial year ended 31 December 2024. Therefore the Group was not required to meet this covenant. The Group has complied with the other covenants for the year ended 31 December 2024.

33 SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances.

Federal Land Development Authority ("FELDA"), the Group and Company's ultimate holding body effective from 24 December 2020, is a statutory body corporate set up under the Land Development Act 1956, and controlled by the Malaysian Government. The Group considers that, for the purpose of MFRS 124 – "Related Party Disclosures", the Malaysian Government is in the position to exercise significant influence over it. As a result, the Malaysian Government and Malaysian Government controlled bodies (collectively referred to as "government-related entities") are related parties of the Group and the Company.

Apart from the individually significant transactions as disclosed in the financial statements, the Group and the Company have collectively, but not individually, significant transactions with other government-related entities which include but not limited to the following:

- Deposit placing with and deposit taking from government-related entities
- Utilities services provided by the government-related entities

These transactions are conducted in the ordinary course of the Group's business on terms consistently applied in accordance with the Group's internal policies and processes. These terms do not depend on whether the counterparties are government-related entities or not.



FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024 (Continued)

33 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

Related parties and their relationship with the Group are as follows:

Related parties	Relationship
Federal Land Development Authority ("FELDA")	Ultimate holding body
FGV Holdings Berhad ("FGVH")	Immediate holding company
Koperasi Permodalan FELDA Malaysia Berhad ("KPF")	Related company
Felda Holdings Berhad ("FHB")	Subsidiary of FGVH
FGV Chuping Agro Valley Sdn Bhd formerly known as MSM Perlis Sdn Bhd	Subsidiary of FGVH
FGV Integrated Farming Holdings Sdn Bhd ("FGVIF")	Subsidiary of FGVH
FGV R&D Sdn Bhd ("FGV R&D")	Subsidiary of FGVH
FGV Applied Technologies Sdn Bhd ("FGVAT")	Subsidiary of FGVH
KPF Trading Sdn Bhd (Felda Trading Sdn Bhd) ("KPF Trading")	Subsidiary of KPF
KPF Niaga Sdn Bhd ("KPF Niaga")	Subsidiary of KPF
Felda D'Saji Sdn Bhd ("D'Saji")	Subsidiary of KPF
FGV Prodata Systems Sdn Bhd ("FPSB")	Subsidiary of FHB
FGV Security Services Sdn Bhd ("FSS")	Subsidiary of FHB
FGV Transport Sdn Bhd ("FGVT")	Subsidiary of FHB
Felda Travel Sdn Bhd ("Felda Travel")	Subsidiary of FHB
Delima Oil Products Sdn Bhd ("D.O.P")	Subsidiary of FHB
FGV Kernel Products Sdn Bhd ("FKPSB")	Subsidiary of FHB
FGV Johor Bulkers Sdn Bhd ("FGVJB")	Subsidiary of FHB
Langsat Bulkers Sdn Bhd ("Langsat Bulkers")	Subsidiary of FHB
MSM Sugar Refinery (Johor) Sdn Bhd ("MSM Johor")	Subsidiary company
MSM Logistics Sdn Bhd ("MSM Logistics")	Subsidiary company
MSM Prai Berhad ("MSM Prai")	Subsidiary company
MSM Trading & Distribution Sdn Bhd ("MSM Trading")	Subsidiary company

(a) Significant transactions with related parties

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
(i) Transactions with FGVH and subsidiaries of FGVH:				
- management fees:				
- current year	3,401	3,239	1,964	1,871
- other services	620	193	102	52
- sales of refined sugar	(353)	(78)	-	-
	3,668	3,354	2,066	1,923



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NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024 (Continued)

33 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Significant transactions with related parties (continued)

		Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
(ii)	Transactions with FHB and subsidiaries of FHB:				
	- sales of refined sugar	(16)	(4)	-	-
	- security services (FSS)	4,068	2,964	-	-
	- IT Services	151	7	101	7
	- transportation services	15,530	13,322	-	-
	- rental of tanker	90	791	-	-
	- other services	129	280	241	235
(iii)	Transactions with subsidiaries of KPF:				
	- insurance service	-	45	-	-
	- provision of refreshment	113	50	109	50
(iv)	Transaction with FELDA				
	- rental	781	773	780	773
	- other services	12	-	12	-
(v)	Transactions with subsidiaries:				
	Dividends received from:				
	- MSM Prai			(147,622)	(116,360)
	Interest paid/payable to:				
	- MSM Prai			2,295	3,208
	Management fees from:				
	- MSM Prai			(10,514)	(10,013)
	- MSM Logistics			(347)	(331)
	- MSM Johor			(4,925)	(4,691)
	Office rental from:				
	- MSM Johor			(15)	(16)
	- MSM Prai			(232)	(229)
	Land rental from:				
	- MSM Johor			(2,167)	(2,167)

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024 (Continued)

33 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Significant transactions with related parties (continued)

	Company	
	2024 RM'000	2023 RM'000
(v) Transactions with subsidiaries (continued):		
Lease interest recharge receivable from MSM Johor	(998)	(1,012)

	Group	
	2024 RM'000	2023 RM'000
(vi) Transactions between subsidiaries and government related financial institutions:		
Joint Industry incentive received/receivable from Ministry of Domestic Trade and Cost of Living (Kementerian Perdagangan Dalam Negeri dan Kos Sarawak Hidup)	(288,000)	(48,000)

These transactions were undertaken on agreed terms between the related parties.

(b) Significant financial year end balances are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Amount due to immediate holding company, FGVH	(1,961)	(1,301)	(933)	(908)
Amounts due from/(to) other related companies				
<u>Due from</u>				
- Other related companies	145	331	-	-
<u>Due to</u>				
- Ultimate holding body, FELDA	(71)	(76)	(70)	(76)
- Other related companies	(8,437)	(5,006)	(132)	(196)
	(8,508)	(5,082)	(202)	(272)

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024 (Continued)

33 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Significant financial year end balances are as follows: (continued)

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Amounts due from subsidiaries:				
- MSM Prai	-	-	49,685	898
- MSM Logistics	-	-	80	29
- MSM Johor	-	-	10,172	4,511
	-	-	59,937	5,438
Amounts due to subsidiaries:				
- MSM Johor	-	-	(11)	(15)
Lease receivable:				
- MSM Johor	-	-	81,436	82,604
Loans due to a subsidiary, net of repayments:				
- MSM Prai	-	-	(38,465)	(74,395)



FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024 (Continued)

33 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Key management personnel remuneration

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include Directors of the Company, and certain members of senior management of the Group.

The aggregate amount of emoluments received/receivable by Directors of the Group during the year is disclosed in Note 12 to the financial statements.

The aggregate amount of emoluments received/receivable by other key management personnel of the Group and Company during the year is as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Salary, allowances and bonuses	10,094	8,927	6,528	6,038
Defined contribution plan	1,585	1,439	995	961
Other employee benefits	151	86	126	79
Total	11,830	10,452	7,649	7,078

Benefits-in-kind provided to other key management personnel of the Group and of the Company amounted to RM18,807 (2023: RM21,600) and RM18,807 (2023: RM21,600), respectively.

34 PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Aggregate cost of property, plant and equipment	63,061	60,339	443	594
Capitalisation of borrowing cost	(2,241)	(2,225)	-	-
Unpaid balances included in other payables and accruals (Note 31)	(24,791)	(13,333)	(307)	(96)
Cash paid in respect of previous financial years acquisition	9,086	11,621	96	64
	45,115	56,402	232	562

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024 (Continued)

35 LEASE LIABILITIES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At 1 January	20,558	21,831	3,415	3,983
Addition	7,949	-	-	-
Remeasurement of lease liabilities	40,835	-	-	-
Payment of lease liabilities	(7,030)	(2,346)	(750)	(750)
Interest expense on lease liabilities	1,468	1,073	154	182
At 31 December	63,780	20,558	2,819	3,415
Classified as:				
Current	6,820	1,277	639	597
Non-Current	56,960	19,281	2,180	2,818
	63,780	20,558	2,819	3,415

36 CAPITAL COMMITMENTS

Capital expenditure not provided for in the financial statements are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Property, plant and equipment:				
- contracted and not provided for	79,162	72,584	-	834

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024 (Continued)

37 FINANCIAL INSTRUMENTS

The analysis of classification of financial instruments are as follows:

Group	Amortised cost		Fair value through profit or loss	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
As at 31 December				
Financial assets				
<u>Current assets</u>				
Receivables	284,186	379,757	-	-
Amounts due from other related companies	145	331	-	-
Derivatives financial assets	-	-	1,697	-
Deposits, cash and bank balances	173,629	278,320	-	-
Total financial assets	457,960	658,408	1,697	-
Financial liabilities				
<u>Non-current liabilities</u>				
Borrowings	151,938	229,972	-	-
Lease liabilities	56,960	19,281	-	-
Derivatives financial liabilities	-	-	-	11
	208,898	249,253	-	11
<u>Current liabilities</u>				
Payables	683,129	232,890	-	-
Amount due to immediate holding company	1,961	1,301	-	-
Amounts due to other related companies	8,437	5,006	-	-
Amount due to ultimate holding body	71	76	-	-
Borrowings	742,057	903,194	-	-
Lease liabilities	6,820	1,277	-	-
Derivative financial liabilities	-	-	-	343
	1,442,475	1,143,744	-	343
Total financial liabilities	1,651,373	1,392,997	-	354



FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024 (Continued)

37 FINANCIAL INSTRUMENTS (CONTINUED)

The analysis of classification of financial instruments are as follows: (continued)

Company	Amortised cost		Fair value through profit or loss	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
As at 31 December				
Financial assets				
<u>Non-current assets</u>				
Lease receivables	79,269	80,437	-	-
<u>Current assets</u>				
Receivables	21	210	-	-
Amount due from subsidiaries	59,937	5,438	-	-
Deposits, cash and bank balances	28,360	66,663	-	-
Lease receivables	2,167	2,167	-	-
	90,485	74,478	-	-
Total financial assets	169,754	154,915	-	-



FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2024 (Continued)

37 FINANCIAL INSTRUMENTS (CONTINUED)

The analysis of classification of financial instruments are as follows: (continued)

Company	Liabilities at amortised cost		Liabilities at fair value through profit or loss	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<u>Financial liabilities</u>				
Non-current liabilities				
Borrowings	151,938	229,972	-	-
Lease liabilities	2,180	2,818	-	-
Loan due to subsidiary	36,170	74,395	-	-
Derivatives financial liabilities	-	-	-	11
	190,288	307,185	-	11
Current liabilities				
Payables	6,704	3,825	-	-
Amounts due to subsidiaries	11	15	-	-
Amounts due to other related companies	132	196	-	-
Amount due to ultimate holding body	70	76	-	-
Loan due to a subsidiary	2,295	-	-	-
Amount due to immediate holding company	933	908	-	-
Borrowings	76,418	69,263	-	-
Lease liabilities	639	597	-	-
	87,202	74,880	-	-
Total financial liabilities	277,490	382,065	-	11

38 FINANCIAL SUPPORT

The immediate holding company, FGV Holdings Berhad ("FGVH") has confirmed its intention to continue to provide support so as to enable the Group to meet its obligation as and when they fall due.

39 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 24 March 2025.



ADDITIONAL INFORMATION

ANALYSIS OF SHAREHOLDINGS

As at 28 March 2025

Issued and Paid Up Share Capital : 702,980,000
 Class of Shares : Ordinary share
 Voting Right : One (1) vote per ordinary share

INFORMATION ON SUBSTANTIAL SHAREHOLDERS (5% AND ABOVE)

No. Name of Shareholders	Direct Interest		Deemed Interest	
	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares
1. FGV Sugar Sdn Bhd	281,369,800	40.03	-	-
2. Koperasi Permodalan Felda Malaysia Berhad	107,393,952	15.27	-	-
3. FGV Holdings Berhad	77,150,248	10.97	281,369,800*	40.03
4. Amanahraya Trustees Berhad	50,637,700	7.20	-	-

Note:

Deemed interested by virtue of its interest in FGV Sugar Sdn Bhd, its wholly-owned subsidiary

INFORMATION ON DIRECTORS' SHAREHOLDINGS

No. Name of Directors	Direct Interest		Deemed Interest	
	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares
1. Datuk Syed Hisham Syed Wazir	-	-	-	-
2. Dato' Sri Muthanna Abdullah	-	-	-	-
3. Choy Khai Choon	-	-	-	-
4. Datuk Dr. Abd Hapiz Abdullah	-	-	-	-
5. Fakhrunniam Othman	-	-	-	-
6. Low Chooi Hoon	-	-	-	-
7. Dato' Dr. Suzana Idayu Wati Osman	-	-	-	-
8. Nurul Muhaniza Hanafi	-	-	-	-
9. Dato' Mohd Banuri Aris	-	-	-	-

INFORMATION ON GROUP CHIEF EXECUTIVE OFFICER'S SHAREHOLDINGS

No. Name of Group Chief Executive Officer	Direct Interest		Deemed Interest	
	No. of Shares Held	% of Issued Shares	No. of Shares Held	% of Issued Shares
1. Syed Feizal Syed Mohammad	-	-	5,000*	0.00

Notes:

- * Deemed interested by virtue of direct interest held by his spouse.
- None of the other Senior Management holds direct or indirect (deemed) shares in MSM. This disclosure can be found in the profiles of the Executive Committee and Heads of Operations on pages 123 to 127 of this AIR.

ADDITIONAL INFORMATION

ANALYSIS OF SHAREHOLDINGS

As at 28 March 2025

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Shares
Less than 100	1,226	13.03	5,648	0.00
100 to 1,000	2,520	26.78	1,395,924	0.20
1,001 to 10,000	3,954	42.03	18,559,167	2.65
10,001 to 100,000	1,486	15.79	45,973,961	6.54
100,001 to less than 5% of issued shares	219	2.33	120,493,600	17.14
5% and above of issued shares	4	0.04	516,551,700	73.47
Total	9,409	100	702,980,000	100

LIST OF TOP 30 SHAREHOLDERS

No.	Name of Shareholders	No. of Shares Held	% of Issued Shares
1	FGV SUGAR SDN BHD	281,369,800	40.03
2	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOPERASI PERMODALAN FELDA MALAYSIA BERHAD (448921)	107,393,952	15.27
3	FGV HOLDINGS BERHAD	77,150,248	10.97
4	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA	50,637,700	7.20
5	AFFIN HWANG NOMINEES (ASING) SDN BHD DBS VICKERS SEC'S (S) PTE LTD FOR WII PTE LTD	13,452,000	1.91
6	DB (MALAYSIA) NOMINEE (TEMPATAN) SDN BHD DEUTSCHE TRUSTEES MALAYSIA BHD FOR EASTSPRING INVESTMENTS SMALL-CAP FUND	5,318,700	0.76
7	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB BANK BERHAD (EDP 2)	4,121,600	0.59
8	HSBC NOMINEES (ASING) SDN BHD J.P. MORGAN SECURITIES PLC	3,786,500	0.54
9	CITIGROUP NOMINEES (TEMPATAN) SDN BHD LEMBAGA TABUNG HAJI (AIIAMAN)	3,713,600	0.53
10	TING CHEK HUA	3,700,000	0.53
11	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR BANK JULIUS BAER & CO. LTD. (SINGAPORE BCH)	3,581,100	0.51
12	TEOH HOOI BIN	3,229,700	0.46
13	CHEN CHIH LIANG	2,336,500	0.33
14	RHB CAPITAL NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GREEN PRISCILLA LEE (1011127)	2,300,000	0.33



ADDITIONAL INFORMATION

ANALYSIS OF SHAREHOLDINGS

As at 28 March 2025

LIST OF TOP 30 SHAREHOLDERS (CONTINUED)

No.	Name of Shareholders	No. of Shares Held	% of Issued Shares
15	TEE KONG PENG	2,225,000	0.32
16	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BHD FOR ASTUTE DANA AL-SOFI-I (ADAS-I) (410325)	1,925,900	0.27
17	CITIGROUP NOMINEES (ASING) SDN BHD UBS AG	1,817,000	0.26
18	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR ASTUTE DANA AL-FAIZ-I (ADAF-I)(410324)	1,618,300	0.23
19	MAYBANK NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR ASTUTE FUND MANAGEMENT BERHAD (EPF SHA NVGTOR)	1,590,300	0.23
20	AMANAHRAYA TRUSTEES BERHAD AMANA SAHAM BUMIPUTERA 3 - DIDIK	1,444,300	0.21
21	RHB INVESTMENT BANK BERHAD IVT (SHQ-SW BOOK 1) EQD TEAM	1,413,200	0.20
22	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR VOON KHIAN JIN	1,270,500	0.18
23	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAM SENG @ TAM SENG SEN (E-PTS)	1,200,000	0.17
24	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ERWIN SELVARAJAH A/L PETER SELVARAJAH	1,186,900	0.17
25	CHEN CHIN PENG	1,100,000	0.16
26	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAY MOY KOH (MY3164)	1,072,400	0.15
27	LEE BEE LIAN	1,069,500	0.15
28	CHONG CHING YEE	1,035,800	0.15
29	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YAP YOON SUN (MY3608)	1,010,000	0.14
30	TEOH KING LONG	1,000,000	0.14



ADDITIONAL INFORMATION

LIST OF TOP 10 MATERIAL PROPERTIES

No.	Location/ Address	Ownership/ Tenure	Year Lease Expiring	Approximate Area	Description/ Functions	Years of Acquisition/ Registration new grant	Age - for buildings	Net Book Value (RM'000)	Rental per annum (RM'000)
1	PLO 46, Jalan Ipil 2, Tanjung Langsat Industrial Complex, Mukim Sungai Tiram, 81700 Pasir Gudang, Johor Darul Takzim	Owned	N/A	66,826.01 sq.m	Building for Sugar Refinery	2018	6	317,634	
2	PLO 46, Jalan Ipil 2, Tanjung Langsat Industrial Complex, Mukim Sungai Tiram, 81700 Pasir Gudang, Johor Darul Takzim	Leased	2075	50.63 acres (Land)	Land for Sugar Refinery	2016	N/A	74,498	
3	798, Main Road, 13600 Prai, Seberang Perai, Penang Malaysia	Owned	N/A	759,071 sq.ft	Building for Sugar refinery	1964	60	23,794	
4	Sebahagian Lot RAC 2003 (Lot A), Sungai Buloh, Mukim Gombak, Daerah Petaling, Selangor	Leased	A lease for 21 years/ Expiring on 31 January 2043	361,831.50 sq.ft	Development of the new siding/ additional siding and other related infrastructures for cranes and unload sugar from the wagon	2022	N/A	11,880	738
5	Lot 61, Jalan BRP 8/1. Perusahaan Bukit Rahman Putra, 47000 Sungai Buloh, Selangor	Owned	N/A	11,166.75 m ²	Facility for sugar distribution and storage	1994	30	9,012	
6	Level 44, Menara FELDA, Platinum Park, No. 11, Persiaran KLCC, 50088 Kuala Lumpur.	Leased	2028	15,631 sq.ft	MSM Headquarters	2012	12	2,604	750
7	H.S. (D) 28162, Lot 286, Bandar Prai, Daerah Seberang Perai Tengah, Pulau Pinang – Plot A & B, 798, Main Road, 13600 Prai, Seberang Perai, Penang Malaysia	Leased	A lease for 30 years, expired on 30 November 2024. Extended for another 30 years expiring on 30 November 2054	97,494 sq.ft	Property erected with molasses tanks, refined sugar warehouse, raw sugar warehouse, container parking area, railway lines and packaging materials warehouse	1969	N/A	2,563	26



ADDITIONAL INFORMATION

LIST OF TOP 10 MATERIAL PROPERTIES

No.	Location/ Address	Ownership/ Tenure	Year Lease Expiring	Approximate Area	Description/ Functions	Years of Acquisition/ Registration new grantw	Age - for buildings	Net Book Value (RM'000)	Rental per annum (RM'000)
7	H.S. (D) 28162, Lot 286, Bandar Prai, Daerah Seberang Perai Tengah, Pulau Pinang – Plot C, 798, Main Road, 13600 Prai, Seberang Perai, Penang Malaysia	Leased	A lease for 30 years, expired on 30 November 2024. Extended for another 30 years expiring on 30 November 2054	60,575 sq.ft	Property erected with raw sugar warehouse and miscellaneous materials warehouse	1970	N/A	16	
	H.S. (D) 28137, Lot 287, Bandar Prai, Daerah Seberang Perai Tengah, Pulau Pinang , 798, Main Road, 13600 Prai, Seberang Perai, Penang Malaysia	Leased	A lease for 30 years, expired on 30 November 2024. Extended for another 30 years expiring on 30 November 2054	605,484 sq.ft	Property erected with raw sugar warehouse and miscellaneous materials warehouse	1965	N/A	163	
8	H.S.(D) : 85062, PT No. PT1113, Pekan Sungai Buloh, Daerah Gombak, Negeri Selangor.	Freehold	N/A	12,140.4764 m ² (land)	Facility for sugar distribution and storage	1993 Register new land title on 24 September 2016	N/A	2,228	
	Lot 60, Jalan BRP 8/1. Perusahaan Bukit Rahman Putra, 47000 Sungai Buloh, Selangor.								
9	H.S.(D) : 85062, PT No. PT1113, Pekan Sungai Buloh, Daerah Gombak, Negeri Selangor.	Freehold	N/A	11,054.7185 m ² (land area)	Facility for sugar distribution and storage	1993 Register new land title on 24 September 2016	N/A	2,029	
	Lot 61, Jalan BRP 8/1. Perusahaan Bukit Rahman Putra, 47000 Sungai Buloh, Selangor.								
10	62345, PT 4606, Mukim 1, Daerah Seberang Perai Tengah, 13600 Perai, Pulau Pinang (NDC)	Leased	August 2025	N/A	Refined sugar warehouse Minimum storage 5,000 MT	September 2023	N/A	1,660	2,678



ADDITIONAL INFORMATION

NOTICE OF THE 14TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fourteenth Annual General Meeting (14th AGM) of MSM Malaysia Holdings Berhad (MSM or the Company) **will be held at Banquet Hall 1, Level B2, Menara Felda, Platinum Park, No. 11, Persiaran KLCC, 50088 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia (Meeting Venue)** on **Thursday, 19 June 2025 at 11:00 a.m.** or any adjournment thereof, for the transaction of the following business:

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon.

Please refer to Explanatory Note 1

2. To approve the payment of Directors' fees to the Non-Executive Chairman and to each of the Non-Executive Directors for the period from the conclusion of the 14th AGM until the conclusion of the next AGM of MSM to be held in 2026.

(Resolution 1)

Please refer to Explanatory Note 2 and Note 3

3. To approve the payment of benefits payable to the Non-Executive Chairman and to each of the Non-Executive Directors for the period from the conclusion of the 14th AGM until the conclusion of the next AGM of MSM to be held in 2026.

(Resolution 2)

Please refer to Explanatory Note 2 and Note 4

4. To re-elect Fakhrunniam Othman, Non-Executive Director, who retires by rotation in accordance with Clause 99 of the Company's Constitution and who, being eligible, offers himself for re-election.

(Resolution 3)

Choy Khai Choon, who also retires by rotation in accordance with Clause 99 of the Company's Constitution, has expressed his intention not to seek for re-election at this 14th AGM. Hence, he will retain office until the conclusion of the 14th AGM.

Please refer to Explanatory Note 5 and Note 6

5. To re-elect the following Non-Executive Directors in accordance with Clause 105 of the Company's Constitution and who, being eligible, offer themselves for re-election:

i) Dato' Dr Suzana Idayu Wati Osman

(Resolution 4)

ii) Nurul Muhaniza Hanafi

(Resolution 5)

iii) Dato' Mohd Banuri Aris

(Resolution 6)

Low Chooi Hoon, who is also eligible for re-election in accordance with Clause 105 of the Company's Constitution, has expressed her intention not to seek for re-election at this 14th AGM. Hence, she will retain office until the conclusion of the 14th AGM.

Please refer to Explanatory Note 5 and Note 7

6. To re-appoint Messrs. PricewaterhouseCoopers 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.

(Resolution 7)

Please refer to Explanatory Note 8



ADDITIONAL INFORMATION

NOTICE OF THE 14TH ANNUAL GENERAL MEETING

As Special Business

To consider and if thought fit, to pass the following as Ordinary Resolution:

7. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR THE EXISTING RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE FOR MSM MALAYSIA HOLDINGS BERHAD ("MSM HOLDINGS") AND ITS GROUP OF COMPANIES ("MSM HOLDINGS GROUP") AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR THE NEW RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE FOR MSM HOLDINGS GROUP**

(Resolution 8)

THAT, subject always to the Companies Act 2016, the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements"), other applicable laws, guidelines, rules and regulations, and the approval of the relevant governmental/regulatory authorities (where applicable), approval be and is hereby given to the Company and its subsidiaries to enter into all arrangements and/or transactions involving the interests of the related parties as specified in Appendix 1 of the Circular to the Shareholders dated 30 April 2025, provided that such arrangements and/or transactions are:

- (i) recurrent transactions of a revenue or trading nature;
- (ii) necessary for the day-to-day operations;
- (iii) carried out in the ordinary course of business on normal commercial terms which are not more favourable to the related parties than those generally available to the public; and
- (iv) not detrimental to the minority shareholders of the Company;

("Proposed Mandates");

AND THAT the Proposed Mandates shall commence immediately upon passing of this ordinary resolution and continue to be in force until:

- (a) the conclusion of the next AGM of the Company following this AGM, at which time the Proposed Mandates will lapse, unless the Proposed Mandates are renewed by a resolution passed at the next AGM of the Company; or
- (b) the expiration of the period within which the next AGM is required by law to be held; or
- (c) the Proposed Mandates are revoked or varied by a resolution passed by the Shareholders of the Company in a general meeting of the Company,

whichever is the earlier;

AND FURTHER THAT authority be and is hereby given to the Directors of the Company and/or its subsidiaries to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to such transactions as authorised by this resolution and the Proposed Mandates."

Please refer to Explanatory Note 9

ADDITIONAL INFORMATION

NOTICE OF THE 14TH ANNUAL GENERAL MEETING

8. To transact any other business of the Company for which due notice shall be given in accordance with the Company's Constitution and the Companies Act 2016.

BY ORDER OF THE BOARD

AZNI BINTI ARIFFIN
Company Secretary
LS0010610
SSM PC NO.: 202008003324

Kuala Lumpur
30 April 2025

NOTES:

1. Proxy

- (a) Shareholders who are unable to participate in the 14th AGM may appoint not more than two (2) proxies to vote on their behalf. Where a member appoints two (2) proxies, each proxy appointed shall represent a minimum of one hundred (100) shares and such appointment shall be invalid unless the member specifies the proportion of his/her shareholding to be represented by each of such proxy.
- (b) Where a member of the Company is an exempt authorised nominee who holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 (SICDA) which is exempted from compliance with provisions of Section 25A(1) of SICDA.
- (c) Where an exempt authorised nominee appoints two (2) or more proxies, each proxy's proportion of shareholdings to be represented must be specified in the instrument appointing the proxies.
- (d) The instrument appointing a proxy shall be in writing under the hands of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation either under its common seal or the hand of its officer or its duly authorised attorney. An instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand or join in demanding a poll on behalf of the appointor.
- (e) There shall be no restriction as to the qualification of the proxy. Hence, a proxy may but need not be a Member. A proxy appointed to attend and vote at the meeting shall have the same rights as a Shareholder/Member to attend, participate, speak and vote at the meeting.
- (f) **The instrument appointing a proxy (Proxy Form) must be received by Boardroom Share Registrars Sdn Bhd latest by 11:00 a.m., Tuesday, 17 June 2025** and in default, the Proxy Form shall not be treated as valid.

The Proxy Form may be deposited with Boardroom Share Registrars Sdn Bhd in the following manner:

(a) In Hard Copy Form

The proxy form must be deposited by hand or post to Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.



ADDITIONAL INFORMATION

NOTICE OF THE 14TH ANNUAL GENERAL MEETING

(b) By Electronic Means

(i) Through the Boardroom Smart Investor Portal ("BSIP") at <https://investor.boardroomlimited.com> by logging in and select '**SUBMIT E-PROXY FORM**'. Please refer to the **Annexure to the Proxy Form** for the procedures on electronics lodgment of Proxy Form;

OR

(ii) By sending the Proxy Form by email to BSR.Helpdesk@boardroomlimited.com.

(g) If you have submitted your Proxy Form and subsequently decide to appoint another person or wish to participate in our 14th AGM by yourself, please write to BSR.Helpdesk@boardroomlimited.com or via BSIP (e-Proxy Form) to revoke the earlier appointed proxy(ies) and appoint another person (if any) no later than **Tuesday, 17 June 2025 at 11:00 a.m.**, being 48 hours before the 14th AGM or proceed to the Helpdesk counter on the AGM day to do proxy revocation. On revocation, your proxy(ies) will not be allowed to participate in the 14th AGM. In such an event, you should advise your proxy(ies) accordingly. Please refer to the **Administrative Guide** for the procedures on Revocation of Proxy.

2. Corporate Shareholders, Authorised Nominees and Exempt Authorised Nominees

For Corporate Shareholders, Authorised Nominees and Exempt Authorised Nominees who wish to participate at the 14th AGM of the Company, please refer to the procedures specified in the Administrative Guide for the 14th AGM.

3. Shareholders entitled to participate and vote

For the purpose of determining a Shareholder who shall be entitled to participate and vote at the 14th AGM of the Company, the Company shall be requesting from Bursa Malaysia Depository Sdn Bhd, in accordance with Clause 63 of the Company's Constitution and Section 34(1) of SICDA, to issue a General Meeting Record of Depositors as at **10 June 2025. Only a depositor whose name appears on the General Meeting Record of Depositors as at 10 June 2025 shall be entitled to participate and vote at the 14th AGM or appoint proxy(ies) to participate and vote on such depositor's behalf.**

4. Voting procedures

The voting procedures at the 14th AGM will be conducted by poll in accordance with Paragraph 8.29A(1) of Main Market Listing Requirements (Listing Requirements) of Bursa Malaysia Securities Berhad (Bursa Securities). The Company has appointed Boardroom Share Registrars Sdn Bhd as Poll Administrator to conduct the poll by way of electronic voting and Deloitte Business Advisory Sdn Bhd as the Independent Scrutineers to verify the poll results.

Shareholders are invited to vote on the resolutions and submit their votes starting from the commencement of the 14th AGM on Thursday, 19 June 2025 at 11:00 a.m. Voting will remain open until the Chairman declares the end of the voting session. Upon completion of the voting session, the Independent Scrutineers will verify and announce the poll results followed by the Chairman's declaration of whether the resolutions are duly passed.

EXPLANATORY NOTES ON ORDINARY BUSINESS

Explanatory Note 1:

Audited Financial Statements for the financial year ended 31 December 2024

1.1 This agenda item is meant for presentation and discussion only as under the provisions of Section 340(1)(a) of the Companies Act 2016 and Clause 137 of the Company's Constitution, the Audited Financial Statements do not require the Shareholders' approval and hence, will not be put forward for voting.

ADDITIONAL INFORMATION

NOTICE OF THE 14TH ANNUAL GENERAL MEETING

Explanatory Note 2:

Non-Executive Directors' Remuneration

2.1 Section 230(1) of the Companies Act 2016 provides amongst others, that the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that the Shareholders' approval shall be sought at the 14th AGM on the Non-Executive Directors' remuneration in two (2) separate resolutions below:

- (a) **Resolution 1:** Payment of Directors' fees to the Non-Executive Chairman and to each of the Non-Executive Directors for the period from the conclusion of the 14th AGM until the conclusion of the next AGM of MSM to be held in 2026; and
- (b) **Resolution 2:** Payment of benefits payable to the Non-Executive Chairman and to each of the Non-Executive Directors for the period from the conclusion of the 14th AGM until the conclusion of the next AGM of MSM to be held in 2026.

Explanatory Note 3:

Resolution 1: Payment of Directors' fees to the Non-Executive Chairman and to each of the Non-Executive Directors for the period from the conclusion of the 14th AGM until the conclusion of the next AGM of MSM to be held in 2026

3.1 The Board approved for the payment of Directors' fees to the Non-Executive Chairman and to each of the Non-Executive Directors for the period from the conclusion of the 14th AGM until the conclusion of the next AGM of MSM to be held in 2026 (Relevant Period) as set out in the table below:

Non-Executive Directors' (NEDS) Annual Fees	Approved at the 13 th AGM held on 6 June 2024		Approval sought at the 14 th AGM	
	CHAIRMAN	MEMBER	CHAIRMAN	MEMBER
Board of Directors	RM315,000	RM120,000	RM315,000	RM120,000
Board Committees' Fees				
- Audit, Governance and Risk Committee	RM64,000	RM32,000	RM64,000	RM32,000
- Nomination and Remuneration Committee	RM35,000	RM20,000	RM35,000	RM20,000
- Investment and Tender Committee	RM32,000	RM16,000	RM32,000	RM16,000
- Board Sustainability Committee	-	-	RM32,000	RM16,000
- Other Board Committee	RM32,000	RM16,000	RM32,000	RM16,000

3.2 The Board Sustainability Committee (BSC or the Committee) of MSM was established by the Board on 21 November 2024. Following the establishment, the Board approved the composition of BSC members on 22 January 2025. The first meeting of BSC was held in February 2025. The details of the BSC are disclosed in the Corporate Governance Overview Statement on page 135 of the Annual Integrated Report 2024.

3.3 The proposed Ordinary Resolution 1, if passed, will allow the Company to pay the Board and Board Committees' fees on monthly basis to the Non-Executive Chairman and to each of the Non-Executive Directors for the Relevant Period in accordance with the Non-Executive Directors' Remuneration structure outlined above.

ADDITIONAL INFORMATION

NOTICE OF THE 14TH ANNUAL GENERAL MEETING

Explanatory Note 4:**Resolution 2: Payment of benefits payable to the Non-Executive Chairman and to each of the Non-Executive Directors for the period from the conclusion of the 14th AGM until the conclusion of the next AGM of MSM to be held in 2026**

4.1 The Directors' benefits payable for the Non-Executive Chairman and for each of the Non-Executive Directors are proposed as set out in the table below:

Description	Approved at the 13 th AGM held on 6 June 2024		Approval sought at the 14 th AGM	
	CHAIRMAN	MEMBER	CHAIRMAN	MEMBER
- Board	RM2,000	RM2,000	RM2,000	RM2,000
- Audit, Governance and Risk Committee	RM2,000	RM2,000	RM2,000	RM2,000
- Nomination and Remuneration Committee	RM2,000	RM2,000	RM2,000	RM2,000
- Investment and Tender Committee	RM2,000	RM2,000	RM2,000	RM2,000
- Board Sustainability Committee	-	-	RM2,000	RM2,000
- Other Board Committee	RM2,000	RM2,000	RM2,000	RM2,000

Description	Approved at the 13 th AGM held on 6 June 2024		Approval sought at the 14 th AGM	
	CHAIRMAN	MEMBER	CHAIRMAN	MEMBER
Company car	1 unit, 2,000 cc with RM180,000 per annum for car utility	-	1 unit, 2,000 cc with RM180,000 per annum for car utility	-
Driver allowance	RM2,500 per month	-	RM2,500 per month	-
Group insurance	Provided	Provided	Provided	Provided
Medical coverage	Provided	Provided	Provided	Provided
Mobile phone bill	Reimbursement for a fixed plan	-	Reimbursement for a fixed plan	-

4.2 The Company is seeking Shareholders' approval on the benefits payable for the Non-Executive Chairman and for each of the Non-Executive Directors for the Relevant Period based on the proposed benefits (excluding Directors' fees) set out above.

4.3 Payment of the benefits payable will be made by the Company on a monthly basis and/or as and when incurred based on the proposed benefits set out above effective from the conclusion of the 14th AGM, if the proposed Ordinary Resolution 2 is passed at the 14th AGM.

4.4 The Board is of the view that it is just and equitable for the Directors to be paid benefits payable on a monthly basis and/or as and when incurred, particularly after they have discharged their responsibilities and rendered their services to the Company throughout the Relevant Period.

ADDITIONAL INFORMATION

NOTICE OF THE 14TH ANNUAL GENERAL MEETING

Explanatory Note 5:

Re-election of Directors in accordance with Clause 99 and Clause 105 of the Company's Constitution

- 5.1 Clause 99 of the MSM Constitution provides that one-third (1/3) of the Directors for the time being, or if their number is not a multiple of three (3), the number nearest to one-third (1/3) with a minimum of one (1), shall retire from office at the ordinary general meeting in every year provided always that each Director shall retire at least once in every three (3) years.
- 5.2 Clause 105 of the MSM Constitution provides that any Director so appointed to fill a casual vacancy or as an additional Director shall hold office only until the next AGM and shall be eligible for re-election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.
- 5.3 Out of the current Board size of nine (9) Directors, there are four (4) newly appointed Directors who are eligible for re-election pursuant to Clause 105 of the MSM Constitution. The newly appointed Directors shall not be taken into account in determining the number of Directors who are to retire by rotation in accordance with Clause 99 of the MSM Constitution. The number of Directors considered for retirement by rotation shall be five (5). In accordance with Clause 99 of the Company's Constitution, two (2) Directors, representing 1/3 or the nearest to 1/3 of five (5), shall retire.
- 5.4 For the purpose of determining the eligibility of the Directors to stand for re-election at the 14th AGM, the NRC has conducted an assessment on each of the retiring Directors in line with Practice 6.1 of the Malaysian Code on Corporate Governance 2021. Apart from the quantitative analysis of the Director's performance and fit and proper criteria, the NRC also considered the other elements, among others, the following:
 - (a) The Individual Director's assessment as part of the Board Effectiveness Assessment 2024 (BEA 2024) carried out internally which focused more on Director's individual contribution, communication with members, their decision-making and traits; and
 - (b) Special skills and knowledge an individual Director brings to the organisation.
- 5.5 Based on the BEA 2024 assessment results and the Directors' contribution to the Board, the NRC determined and the Board agreed that each of the Directors standing for re-election has met the performance and fit and proper criteria required of an effective and high performance Board and has the ability to continuously discharging their duties diligently as Directors of the Company.
- 5.6 In addition, all the Independent Non-Executive Directors have also provided their annual declaration/confirmation of independence in February 2025.

Explanatory Note 6:

Resolution 3: Re-election of Non-Executive Director who retires by rotation in accordance with Clause 99 of the Company's Constitution

- 6.1 Based on the BEA 2024 assessment results, the Board approved that the following Non-Executive Directors who shall retire by rotation in accordance with Clause 99 of the Company's Constitution are eligible to stand for re-election:
 - (a) Fakhrunniam Othman
 - (b) Choy Khai Choon

(referred to as Retiring Directors)

The Retiring Directors had abstained from deliberations and decisions on their eligibility to stand for re-election at the relevant Board and Board Committee meetings. Nevertheless, Choy Khai Choon has expressed his intention not to seek for re-election. Hence, he will retain office until the conclusion of the 14th AGM.



ADDITIONAL INFORMATION

NOTICE OF THE 14TH ANNUAL GENERAL MEETING

Explanatory Note 7:**Resolutions 4, 5 & 6: Re-election of Non-Executive Directors in accordance with Clause 105 of the Company's Constitution**

7.1 Clause 105 of the Company's Constitution stipulates that at any time and from time to time, the Director shall have the power to appoint any person to be a Director either to fill a casual vacancy or as an additional Director by way of ordinary resolution. Any Director so appointed shall hold office only until the next AGM and shall then be eligible for re-election, but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

7.2 In accordance with Clause 105 of the Company's Constitution, the Non-Executive Directors, Low Chooi Hoon, Dato' Dr Suzana Idayu Wati Osman, Nurul Muhaniza Hanafi and Dato' Mohd Banuri Aris, who were appointed during the financial year 2024 and prior to the 14th AGM, shall hold office only until the 14th AGM and are eligible for re-election. These Directors have successfully completed the Mandatory Accreditation Programmes pursuant to the provision of the Listing Requirements.

Nevertheless, Low Chooi Hoon has expressed her intention not to seek for re-election. Hence, she will retain office until the conclusion of the 14th AGM.

7.3 Based on the BEA 2024 assessment results and the Directors' contribution to the Board, the NRC determined and the Board agreed that each of the Non-Executive Directors standing for re-election has met the performance criteria required of an effective and high performance Board and has the ability to continue discharging their duties diligently as Directors of the Company.

7.4 All Directors mentioned above had abstained from deliberations and decisions on their own eligibility to stand for re-election at the relevant Board and Board Committee meetings.

Explanatory Note 8:**Resolution 7: Re-appointment of Auditors**

8.1 The Audit, Governance and Risk Committee (AGRC) had in March 2025 undertaken an annual assessment of the suitability and independence of the external auditors, Messrs. PricewaterhouseCoopers PLT (PwC) in accordance with the revised External Auditor Policy of MSM and its Group of Companies (MSM Group) which was approved by the Board in May 2022. In its assessment, the AGRC considered several factors which include the information in PwC's 2024 Transparency Report and the following with reference to Guidance 9.3 of the Malaysian Code on Corporate Governance 2021:

- (a) Quality of PwC's performance and their communications with the AGRC and MSM Group, based on feedback obtained via assessment questionnaires from MSM personnel who had substantial contact with the external audit team and MSM during the audit;
- (b) Adequacy of experience and resources provided to MSM Group by PwC, in terms of the firm and the professional staff assigned to the audit; and
- (c) Independence and objectivity of PwC.

8.2 The AGRC also considered the transparent communication and interaction with the lead audit engagement partner and the engagement team during private meetings, which highlighted their independence, objectivity, and professionalism.

8.3 The AGRC was satisfied with the suitability of PwC based on the quality of audit, performance, competency and sufficiency of resources that the external audit team provided to MSM Group. The AGRC was also satisfied in its review that the provisions of non-audit services by PwC to the Company for the financial year 2024 did not in any way impair their objectivity and independence as external auditors of MSM. The AGRC was also satisfied that PwC has met the relevant criteria prescribed by Paragraph 15.21 of the Listing Requirements.

8.4 The Board on 24 March 2025 approved the AGRC's recommendation for the Shareholders' approval to be sought at the 14th AGM on the re-appointment of PwC as Auditors of the Company for the financial year ending 31 December 2025, under Resolution 7.



ADDITIONAL INFORMATION

NOTICE OF THE 14TH ANNUAL GENERAL MEETING

Abstention from Voting

1. All the Non-Executive Directors who are Shareholders of the Company will abstain from voting on Ordinary Resolutions 1 and 2 concerning Directors' fees and benefits payable at the 14th AGM.
2. The Directors referred to in Ordinary Resolutions 3, 4, 5 and 6 who are Shareholders of the Company will abstain from voting on the resolution in respect of their re-election at the 14th AGM.

EXPLANATORY NOTES ON SPECIAL BUSINESS

Explanatory Note 9:

Resolution 8: Proposed Mandates

- 9.1 The proposed Ordinary Resolution 8, if passed, will enable the Company and/or its subsidiary companies to enter into recurrent transactions involving the interests of the related parties, which are of a revenue or trading nature and necessary for the Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business on terms not favourable than those generally available to the public and are not detrimental to the minority Shareholders of the Company.
- 9.2 Detailed information on the Proposed Mandates is set out in the Circular to Shareholders dated 30 April 2025.



ADDITIONAL INFORMATION

STATEMENT ACCOMPANYING NOTICE OF THE 14TH ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Listing Requirements)

1) DIRECTORS WHO ARE STANDING FOR RE-ELECTION AT THE 14TH AGM

Non-Executive Director standing for re-election pursuant to Clause 99 of the Company's Constitution and Section 205(3)(b) of the Companies Act 2016:

(a) Fakhrunniam Othman

Choy Khai Choon, who also retires by rotation in accordance with Clause 99 of the Company's Constitution, has expressed his intention not to seek for re-election at this 14th AGM. Hence, he will retain office until the conclusion of the 14th AGM.

Non-Executive Directors standing for re-election pursuant to Clause 105 of the Company's Constitution and Section 208(4)(a) of the Companies Act 2016:

- (a) Dato' Dr Suzana Idayu Wati Osman
- (b) Nurul Muhaniza Hanafi
- (c) Dato' Mohd Banuri Aris

Low Chooi Hoon, who is also eligible for re-election in accordance with Clause 105 of the Company's Constitution, has expressed her intention not to seek for re-election at this 14th AGM. Hence, she will retain office until the conclusion of the 14th AGM.

The Directors standing for re-election have no interest in the securities of the Company or its subsidiaries, have no family relationship with any Director and/or major shareholders 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 of any offence (other than traffic offences) within the past five (5) years and have not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2024.

The details of the Directors' shareholdings in the Company are set out on page 281 of this Annual Integrated Report 2024.

The profiles of the abovementioned Directors seeking re-election as per Resolutions 3, 4, 5 and 6 of the Notice of 14th AGM of the Company are set out on pages 114 and 116 to 118 of the Company's Annual Integrated Report 2024 <https://www.msmsugar.com/investor-relations/reports> and the Company's corporate website <https://www.msmsugar.com/our-company/msm-group/board-directors>.



ADDITIONAL INFORMATION

ADMINISTRATIVE GUIDE

For the Fourteenth Annual General Meeting (14th AGM)

Event	: 14 th AGM
Day and date	: Thursday, 19 June 2025
Time	: 11:00 a.m.
Meeting Venue	: Banquet Hall 1, Level B2, Menara Felda Platinum Park, No. 11, Persiaran KLCC 50088 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia

Dear Valued Shareholders,

MEMBERS ENTITLED TO ATTEND THE 14TH AGM

Only members whose names appear in the Record of Depositors as at 10 June 2025 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at the AGM or appoint proxies to attend, speak and vote on such shareholders' behalf.

REGISTRATION

1. Registration of members/proxies attending the AGM will start at 8.30 a.m. on the day of the AGM and will remain open until such time as may be determined by the Chairman of the Meeting. At the closure thereof, no person will be allowed to register for the AGM nor enter the meeting hall.
2. Please read the signage to ascertain which registration area to register yourself for the Meeting and join the queue accordingly.
3. Please produce your **ORIGINAL** MYKad/Identification Card or Passport (for foreigners) during registration to the registration staff for verification. Only the original MYKad/Identification Card or Passport will be accepted for the purpose of identity verification. Please ensure that you collect your MYKad/Identification Card or Passport thereafter.
4. **No person will be allowed to register on behalf of another person** even with the original MYKad/Identification Card or Passport (for foreigners) of that other person.
5. The registration counter will handle only verification of identity and registration. If you have any clarification or enquiry, please proceed to the Helpdesk.

IDENTIFICATION WRISTBAND

1. Upon verification and registration, you will be given:
 - (a) An identification wristband to enter the meeting hall; and
 - (b) A special QR code will be generated for shareholders to scan and access the e-polling system using your own smartphone or tablet.
2. if you are attending the AGM as a shareholder as well as a proxy, you will be registered once and will only be given one identification wristband.
3. The identification wristband has to be worn during the whole duration of the AGM. There will be no replacement in the event that you lose or misplace the identification wristband.
4. No person will be allowed to enter the meeting hall without wearing the identification wristband.



ADDITIONAL INFORMATION

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For the Fourteenth Annual General Meeting (14th AGM)

PROXY

1. Shareholders who are unable to participate at the 14th AGM may appoint not more than two (2) proxies to vote on their behalf. Where a member appoints two (2) Proxies, each proxy appointed shall represent a minimum of one hundred (100) shares, and such appointment shall be invalid unless the member specifies the proportion of his/her shareholding to be represented by each of such proxies.
2. The instrument appointing a proxy shall be in writing under the hands of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or the hand of its officer or its duly authorised attorney. An instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand or join in demanding a poll on behalf of the appointor.
3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 (SICDA) which is exempted from compliance with provisions of Section 25A(1) of SICDA.
4. Where an exempt authorised nominee appoints two (2) or more proxies, each proxy's proportion of shareholdings to be represented must be specified in the instrument appointing the proxies.
5. There shall be no restriction as to the qualification of the proxy. Hence, a proxy may but need not be a Member. A proxy appointed to attend and vote at the meeting shall have the same rights as a Shareholder/Member to attend, participate, speak and vote at the meeting.

LODGEMENT OF PROXY FORM

1. The instrument appointing a proxy (Proxy Form) must be received by Boardroom Share Registrars Sdn Bhd latest by **11:00 a.m., Tuesday, 17 June 2025** and in default, the Proxy Form shall not be treated as valid.
2. The Proxy Form may be deposited with Boardroom Share Registrars Sdn Bhd in the following manner:
 - (a) **Hard Copy Form**
The proxy form must be deposited by hand or post to Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
 - (b) **By Electronics means**
(i) Through the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> by logging in and selecting "**SUBMIT E-PROXY FORM**". Please refer to the **Annexure to the Proxy Form** for the procedures on electronic lodgement;
3. Please ensure ALL the particulars as required in the Proxy Form are completed, signed and dated accordingly. **Kindly refer to the notes in the Notice and Proxy Form of the 14th AGM for more details.**

CORPORATE REPRESENTATIVES

1. For a Corporate Shareholder who has appointed a representative(s) or attorney(s) to participate in the 14th AGM, please deposit the **ORIGINAL** Certificate of Appointment or Power of Attorney, as the case may be, by hand or post to Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia or via electronic means either through Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> or via email at BSR.Helpdesk@boardroomlimited.com no later than **11:00 a.m., Tuesday, 17 June 2025**. **Kindly refer to the notes in the Notice and Proxy Form of the 14th AGM for more details.**

ADDITIONAL INFORMATION

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For the Fourteenth Annual General Meeting (14th AGM)

2. The Certificate of Appointment should be executed in the following manner:

- (a) If the Corporate Shareholder has a common seal, the Certificate of Appointment should be executed under the common seal in accordance with the Constitution of the Corporate Shareholder.
- (b) If the Corporate Shareholder does not have a common seal, the Certificate of Appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (i) at least two (2) authorised officers, of whom one shall be a Director; or
 - (ii) any Director and/or authorised officers in accordance with the laws of the country under which the Corporate Shareholder is incorporated.

REVOCATION OF PROXY

If you have submitted your Proxy Form and subsequently decide to appoint another person or wish to participate in our 14th AGM by yourself, please write to BSR.Helpdesk@boardroomlimited.com or via BSIP (e-Proxy Form) to revoke the earlier appointed proxy(ies) and appoint another person (if any) no later than **Tuesday, 17 June 2025 at 11:00 a.m.**, being 48 hours before the 14th AGM or proceed to the Helpdesk counter on the AGM day to do proxy revocation.

Please find the steps below for revocation on the eProxy form or physical proxy form:-

eProxy Form	Physical Proxy Form
<ul style="list-style-type: none"> • Go to "Meeting Event" and select "MSM MALAYSIA HOLDINGS BERHAD FOURTEENTH (14TH) ANNUAL GENERAL MEETING" from the list of companies and click "Enter". • Go to "PROXY" and click on "Submit Another eProxy Form". • Go to "Submitted eProxy Form List" and click "View" for the eProxy form. • Click "Cancel/Revoke" at the bottom of the eProxy form. • Click "Proceed" to confirm. 	<ul style="list-style-type: none"> • Please write in to BSR.Helpdesk@boardroomlimited.com to revoke the appointment of proxy/proxies.

On revocation, your proxy(ies) will not be allowed to participate in the 14th AGM. In such an event, you should advise your proxy(ies) accordingly.

HELPDESK

1. Please proceed to the Helpdesk for any clarification or enquiry.
2. The Helpdesk will also handle revocation of the proxy's appointment.

ADDITIONAL INFORMATION

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For the Fourteenth Annual General Meeting (14th AGM)

SUBMISSION OF QUESTIONS

1. Shareholders may submit questions in advance on the 14th AGM resolutions and Annual Integrated Report 2024 commencing Wednesday, 30 April 2025 and in any event no later than 11:00 a.m., Friday, 30 May 2025 via:
 - (a) email to MSM Investor Relations at investor.relations@msmsugar.com; or
 - (b) logging into Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> using the same user ID and password provided by Boardroom, and select "**SUBMIT QUESTION**" to pose questions.
2. Shareholders may also raise questions during the 14th AGM proceedings.
3. The Board and Management will endeavour to respond to pre-AGM questions and questions raised on the day of the 14th AGM. To ensure a smooth and efficient conduct of the 14th AGM, questions that are repetitive and/or have been responded to will not be specifically addressed.
4. All questions and responses will be made available on the Company's website after the conclusion of the 14th AGM.

VOTING AT THE 14TH AGM

1. The voting at the 14th AGM will be conducted by poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
2. The Company has appointed a Poll Administrator to conduct the poll by way of electronic voting (e-Voting) and Independent Scrutineers to verify the poll results.
3. Shareholders are invited to vote on the resolutions and submit their votes starting from the commencement of the 14th AGM on Thursday, 19 June 2025 at 11:00 a.m. Voting will remain open until the Chairman declares the end of the voting session. **Please vote using your smartphone/tablet with the special QR code**, which will be generated during registration.
4. All attendees at the 14th AGM will be briefed and/or guided accordingly by the Poll Administrator before the commencement of and during the voting process.

SEATING ARRANGEMENT FOR THE AGM

1. Free seating. All shareholders/proxies will be allowed to enter the meeting hall starting from 10.15 a.m. onwards.
2. All shareholders/proxies are encouraged to be seated at least five (5) minutes before the commencement of the 14th AGM.

RECORDING OR PHOTOGRAPHY

Strictly **NO recording or photography** of the proceedings of the 14th AGM is allowed.

DOOR GIFTS

No door gift will be provided.

ADDITIONAL INFORMATION

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For the Fourteenth Annual General Meeting (14th AGM)

REFRESHMENTS

Each shareholder or proxy who is present at the AGM will be entitled to one **(1) food voucher only upon registration (per head count)**, irrespective of the number of members he/she represent.

PERSONAL BELONGINGS

Please take care of your personal belongings. The organiser will not be held responsible for any item that has gone missing.

PARKING

1. MSM provides limited free parking on a first come first serve basis at the following parking spaces which will be available from 8.00 a.m. to 3.00 p.m. on 19 June 2025:
 - (a) **Park Rite** (an open parking space located behind Menara Felda and could be accessed via Lorong Stonor); and
 - (b) **Menara Felda parking space** (parking bays for visitors are **limited at level 3 and 4 only**).
2. Parking guide:
 - (a) Enter the carpark (as stated above) using cashless payment method such as Touch 'n Go, credit or debit card, and tap at the parking entrance. No minimum amount is required on the Touch 'n Go card. For credit/debit card, RM3 will be charged and thereafter refunded immediately upon entry when the parking gantry closes.
 - (b) Collect the 'parking identification ticket' upon registration at the **Parking Counter** located at the **AGM registration area, Level B2 of Menara Felda**.
 - (c) When leaving the carpark, you may hand over the parking identification ticket to the car park attendant at the parking exit who will then open the gantry.
 - (d) **Please do not tap your Touch 'n Go, credit or debit card upon exiting.**
 - (e) Please be advised, that the parking ticket will expire by 3 p.m. on 19 June 2025. Any additional costs incurred for parking after 3 p.m. will not be borne by MSM.
 - (f) Should there be any changes on the parking arrangement, the details will be provided on the day of the AGM at the Parking Counter.
3. Please be advised that MSM will not reimburse any parking costs incurred at any other locations nor other types of transportation fees such as fuels, taxi/e-hailing services, LRT/MRT, bus, flight, etc. As such, please observe the abovementioned parking area.

HEALTH AND SAFETY MEASURES

Shareholders or proxies exhibiting symptoms of illness, such as sore throat, flu, fever, cough, or other common symptoms of infectious diseases, are strongly advised to wear a face mask during the 14th AGM, despite the optional use of face masks indoors. The Company reserves the right to deny entry to any attendee who poses a health risk and is not wearing a face mask.

ANNUAL INTEGRATED REPORT 2024 AND THE 14TH ANNUAL GENERAL MEETING DOCUMENTS ("14TH AGM DOCUMENTS")

1. As part of our dedicated commitment to sustainable practices, the following documents can be downloaded from Bursa Securities' website at <https://www.bursamalaysia.com> and the Company's website <https://www.msmsugar.com>:



ADDITIONAL INFORMATION

ADMINISTRATIVE GUIDE
For the Fourteenth Annual General Meeting (14th AGM)

- (a) Annual Integrated Report 2024*: <https://www.msmsugar.com/investor-relations/reports>
- (b) Sustainability Report 2024: <https://www.msmsugar.com/investor-relations/reports>
- (c) Corporate Governance Report 2024: <https://www.msmsugar.com/investor-relations/reports>
- (d) 14th AGM Documents: <https://www.msmsugar.com/investor-relations/reports>
 - (i) Notice of the 14th AGM
 - (ii) Proxy Form
 - (iii) Administrative Guide
 - (iv) Request Form
- (e) Circular to Shareholders**: <https://www.msmsugar.com/investor-relations/reports>

2. Any request for the printed copy of the Annual Integrated Report 2024 (AIR 2024) should be made via the Request Form available at <https://www.msmsugar.com/investor-relations/reports> and email it to Encik Zulkernaen Abdul Samad at zulkernaen.samad@boardroomlimited.com.

3. Shareholders are advised to consider the environment before deciding to print the above reports or request the printed copy of the AIR 2024. Environmental concerns like global warming, deforestation, climate change and many more affect every human, animal and nation on this planet.

Notes:

* The AIR 2024 includes the Audited Financial Statements for the financial year ended 31 December 2024 and the Reports of the Directors and Auditors thereon.

** Circular to Shareholders on the Proposed Renewal of Shareholders' Mandate for the Existing Recurrent Related Party Transactions of a Revenue or Trading Nature for MSM Malaysia Holdings Berhad (MSM Holdings) and its Group of Companies (MSM Holdings Group) and Proposed New Shareholders' Mandate for the New Recurrent Related Party Transactions of a Revenue or Trading Nature for the MSM Holdings Group.

ENQUIRIES RELATING TO THE 14TH AGM

1. If you have any enquiries relating to the 14th AGM Administrative Guide, please contact the following via email during office hours:
 - (a) MSM Investor Relations : investor.relations@msmsugar.com
 - (b) MSM Corporate Communications : corpcomms@msmsugar.com
 - (c) Boardroom Share Registrars Sdn Bhd : zulkernaen.samad@boardroomlimited.com

2. If you have any enquiries relating to the 14th AGM and Proxy Form, please contact the Company's Share Registrar, Boardroom Share Registrars Sdn Bhd, during office hours:

Tel : +603 7890 4730 (Encik Zulkernaen Abdul Samad)
+603 7890 4700 (Helpdesk)
Fax : +603 7890 4670
Email : zulkernaen.samad@boardroomlimited.com
BSR.Helpdesk@boardroomlimited.com

You are encouraged to submit your enquiries via email to avoid any delays in response.

3. In view of uncertainties that may arise, the Company will observe the guidelines or new procedures that may be issued from time to time, which may affect the administration of the 14th AGM as set out in this Administrative Guide. If there is any material change required to the proceedings of the meeting, the Company will issue an announcement on the same accordingly. Hence, please contact the above officers or check the Company's website for announcements on the latest update (if any) in relation to the 14th AGM.

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For the Fourteenth Annual General Meeting (14th AGM)

PERSONAL DATA NOTICE

By registering for the meeting and/or submitting the instrument appointing a proxy(ies) and/or representative(s), to attend, speak and vote at the Meeting and/or any adjournment thereof, a Shareholder:

- (a) consents to the collection, use and disclosure of the Shareholder's personal data by the Company (or its agents or service providers) for the Meeting and matters related thereto, including but not limited to:
 - (i) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the proxies and representatives for the Meeting (including any adjournment thereof);
 - (ii) for preparation, compilation and publication (where relevant) of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof); and
 - (iii) for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes");
- (b) undertakes and warrants that where the Shareholder discloses the personal data of the Shareholder's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the Shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the Company (or its agents or service providers) processing of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and
- (c) agrees that the Shareholder will fully indemnify the Company in respect of any penalties, liabilities, legal suits, claims, demands, losses and damages as a result of the Shareholder's failure to provide accurate and correct information of the personal data or breach of the Shareholder's undertaking and/or warranty as set out herein.

LOCATION MAP FOR AGM & PARKING





MSM MALAYSIA HOLDINGS BERHAD
Registration No. : 201101007583 (935722-K)

FOURTEENTH ANNUAL
GENERAL MEETING (14TH AGM)

19 JUNE 2025

Proxy Form

CDS Account No.	No. of Shares held

I/We _____
(Full name in BLOCK LETTERS as per Identity Card (MYKAD/Passport/Certificate of Incorporation))

MYKAD/Passport No. (for non-Malaysian only)/Company No.: _____ of _____

(Address in full)

Telephone no.: _____ being a member of **MSM MALAYSIA HOLDINGS BERHAD**

(the Company), hereby appoint _____
(Full name in BLOCK LETTERS as per Identity Card (MYKAD/Passport/Certificate of Incorporation))

MYKAD/Passport No. (for non-Malaysian only): _____ of _____

(Address in full)

Telephone no.: _____ Email address: _____

and/or failing him/her _____
(Full name in BLOCK LETTERS as per Identity Card (MYKAD/Passport/Certificate of Incorporation))

MYKAD/Passport No. (for non-Malaysian only): _____ of _____

(Address in full)

Telephone no.: _____ Email address: _____

or failing the abovenamed Proxies, the Chairman of the meeting, as my/our Proxy/Proxies to attend and vote for me/us on my/our behalf at the 14th AGM of the Company **be held at Banquet Hall 1, Level B2, Menara Felda, Platinum Park, No. 11, Persiaran KLCC, 50088 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia (Meeting Venue) on Thursday, 19 June 2025 at 11:00 a.m.** and at any adjournment thereof.

My/our Proxy/Proxies shall vote as indicated below:

NO.	AGENDA	ORDINARY RESOLUTION	FOR	AGAINST	ABSTAIN
1	To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon.				
ORDINARY BUSINESS					
2	To approve the payment of Directors' fees to the Non-Executive Chairman and to each of the Non-Executive Directors for the period from the conclusion of the 14 th AGM until the conclusion of the next AGM of MSM to be held in 2026.	1			
3	To approve the payment of benefits payable to the Non-Executive Chairman and to each of the Non-Executive Directors for the period from the conclusion of the 14 th AGM until the conclusion of the next AGM of MSM to be held in 2026.	2			
4	To re-elect Fakhrunniam Othman, Non-Executive Director, pursuant to Clause 99 of the Company's Constitution who has offered himself for re-election.	3			
5	a) To re-elect Dato' Dr Suzana Idayu Wati Osman, Non-Executive Director, pursuant to Clause 105 of the Company's Constitution who has offered herself for re-election.	4			
	b) To re-elect Nurul Muhaniza Hanafi, Non-Executive Director, pursuant to Clause 105 of the Company's Constitution who has offered herself for re-election.	5			
	c) To re-elect Dato' Mohd Banuri Aris, Non-Executive Director, pursuant to Clause 105 of the Company's Constitution who has offered himself for re-election.	6			
6	To re-appoint Messrs. PricewaterhouseCoopers 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.	7			
SPECIAL BUSINESS					
7	Proposed Mandates.	8			

(Please indicate with an "X" in the space whether you wish your votes to be cast **FOR** or **AGAINST** the resolutions. In the absence of such specific instructions, your proxy will vote or abstain as he thinks fit).

Dated this _____ day of _____ 2025

Signature(s)/Common Seal of Member(s)

The proportions of my/our holding to be represented by my/our proxies are as follows :		
	No. of shares	Percentage
First Proxy		
Second Proxy		
Total		100%

Notes:

1. Proxy

- a. Shareholders who are unable to participate at the 14th AGM may appoint not more than two (2) proxies to vote on their behalf. Where a member appoints two (2) proxies, each proxy appointed shall represent a minimum of one hundred (100) shares and such appointment shall be invalid unless the member specifies the proportion of his/her shareholding to be represented by each of such proxy.
- b. Where a member of the Company is an exempt authorised nominee who holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominees may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 (SICDA) which is exempted from compliance with provisions of Section 25A(1) of SICDA.
- c. Where an exempt authorised nominee appoints two (2) or more proxies, each proxy's proportion of shareholdings to be represented must be specified in the instrument appointing the proxies.
- d. The instrument appointing a proxy shall be in writing under the hands of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation either under its common seal or the hand of its officer or its duly authorised attorney. An instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand or join in demanding a poll on behalf of the appointor.
- e. There shall be no restriction as to the qualification of the proxy. Hence, a proxy may but need not be a Member. A proxy appointed to attend and vote at the meeting shall have the same rights as a Shareholder/Member to attend, participate, speak and vote at the meeting.

f. The instrument appointing a proxy (Proxy Form) must be received by Boardroom Share Registrars Sdn Bhd latest by 11:00 a.m., Tuesday, 17 June 2025 and in default, the Proxy Form shall not be treated as valid.

The Proxy Form may be deposited with Boardroom Share Registrars Sdn Bhd in the following manner:

1) In Hard Copy Form

The Proxy Form must be deposited by hand or post to Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

2) By Electronic Means

(a) Through the Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com> by logging in and select 'SUBMIT E-PROXY FORM'. Please refer to the Annexure to the Proxy Form for the procedures on electronics lodgement;

OR

(b) By sending the Proxy Form by email to BSR.Helpdesk@boardroomlimited.com.

- g. If you have submitted your Proxy Form and subsequently decide to appoint another person or wish to participate in our 14th AGM by yourself, please write to BSR.Helpdesk@boardroomlimited.com or via BSIP (e-Proxy Form) to revoke the earlier appointed proxy(ies) and appoint another person (if any) no later than **Tuesday, 17 June 2025 at 11:00 a.m.**, being 48 hours before the 14th AGM or proceed to Helpdesk counter on the AGM day to do proxy revocation. On revocation, your proxy(ies) will not be allowed to participate in the 14th AGM. In such an event, you should advise your proxy(ies) accordingly. Please refer to the **Administrative Guide** for the procedures on Revocation of Proxy.

2. Corporate Shareholders, Authorised Nominees and Exempt Authorised Nominees

For Corporate Shareholders, Authorised Nominees and Exempt Authorised Nominees who wish to participate and vote at the 14th AGM of the Company, please refer to the procedures specified in the Administrative Guide for the 14th AGM.

3. Entitlements to participate and vote at the 14th AGM

For the purpose of determining a Shareholder who shall be entitled to participate and vote at the 14th AGM of the Company, the Company shall be requesting from Bursa Malaysia Depository Sdn Bhd, in accordance with Clause 63 of the Company's Constitution and Section 34(1) of SICDA, to issue a General Meeting Record of Depositors as at 10 June 2025. Only a depositor whose name appears on the General Meeting Record of Depositors as at **10 June 2025 shall be entitled to participate and vote at the 14th AGM or appoint Proxy(ies) to participate and vote on such depositor's behalf.**

4. Voting procedures

The voting at the 14th AGM will be conducted by poll in accordance with Paragraph 8.29A of Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities). The Company has appointed Boardroom Share Registrars Sdn Bhd as Poll Administrator to conduct the poll by way of electronic voting and Deloitte Business Advisory Sdn Bhd as the Independent Scrutineers to verify the poll results.

Shareholders are invited to vote on the resolutions and submit their votes starting from the commencement of the 14th AGM on Thursday, 19 June 2025 at 11:00 a.m. Voting will remain open until the Chairman declares the end of the voting session. Upon completion of the voting session, the Independent Scrutineers will verify and announce the poll results followed by the Chairman's declaration of whether the resolutions are duly passed.

please fold here to seal



Annual General Meeting
**MSM MALAYSIA
HOLDINGS BERHAD**

19 June 2025

Stamp

SHARE REGISTRAR
Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia

please fold here to seal



ANNEXURE TO THE PROXY FORM

Dear Shareholders,

We are pleased to inform you that as a Shareholder, you have the option to submit your Proxy Form via electronic means (eProxy) in paperless form. Once you have successfully submitted your e-Proxy form, you are no longer required to complete and submit the physical Proxy Form to the office of the Share Registrar of the Company.

The procedures to submit your e-Proxy form electronically via Boardroom Smart Investor Portal are summarised below:-

Step 1 : Register/Sign-up as Online User with Boardroom Smart Investor Portal (for first time registration only)

Note: If you have already signed up with Boardroom Smart Investor Portal, you are not required to register again. You may proceed to Step 2 - eProxy Lodgement.

- a. Access website <https://investor.boardroomlimited.com>.
- b. Click "**Register**" to sign up as a user.
- c. Select "**Account Type**" to "**Sign Up as Shareholder**" or "**Sign Up as Corporate Holder**".
- d. Complete the registration with all required information. Upload and attach a softcopy of your MyKAD/Identification Card (front and back) or Passport and authorisation letter (template available) for Corporate Holder. Click "**Register**".
- e. Enter a valid mobile number and email address.
- f. You will receive an email from Boardroom for email address verification. Click "**Verify Email Address**" from the email received to continue with the registration.
- g. Once your email address is verified, you will be re-directed to Boardroom Smart Investor Portal for verification of your mobile number. Click "**Request OTP Code**" and an OTP code will be sent to the registered mobile number. You will need to enter the OTP Code and click "**Enter**" to complete the process.
- h. Your registration will be verified and approved within one (1) business day and an email notification will be provided to you.

Step 2 : Submit your request

For Individual Shareholders, Corporate Shareholders

- (a) Open an internet browser. Latest versions of Chrome, Firefox, Safari, Edge or Opera are recommended.
- (b) Go to BSIP website at <https://investor.boardroomlimited.com>.
- (c) Login your BSIP account with your registered email address and password.
[Note: If you do not have an account with BSIP, please sign-up/register with BSIP for free - refer to process "Step 1: Register/Sign-up as Online User with Boardroom Smart Investor Portal" above.]
- (d) Click "Meeting Event" and select "**MSM MALAYSIA HOLDINGS BERHAD FOURTEENTH (14TH) ANNUAL GENERAL MEETING**" from the list of companies and click "**Enter**".

By Shareholder and Corporate Holder	By Nominees Company
<ul style="list-style-type: none">• Select the Company that you are representing<ul style="list-style-type: none">- for Corporate Account users only.• Go to "PROXY" and click on "Submit eProxy Form".• Click on "Submit eProxy Form"• Enter your 9-digit CDS account number and number of securities held.• Select your proxy/proxies appointment – either the Chairman of the meeting or individual named proxy/proxies.• Read and accept the Terms and Conditions and click "Next".• Enter the required particulars of your proxy/proxies.• Indicate your voting instructions for each Resolution – FOR, AGAINST, ABSTAIN or DISCRETIONARY. If DISCRETIONARY is selected, and your proxy/proxies will decide on your votes during the poll at the meeting.• Review and confirm your proxy/proxies appointment and click "Submit".• Download or print the eProxy Form as acknowledgement.	<ul style="list-style-type: none">• Select the Nominees Company that you are representing.• Go to "PROXY" and click on "Submit eProxy Form".• Click on "Download Excel Template" to download.• Insert the appointment of proxy/proxies for each CDS account with the necessary data and voting instructions in the downloaded Excel file template. Ensure inserted data is correct and orderly.• Proceed to upload the duly completed Excel file.• Review and confirm your proxy/proxies appointment and click "Submit".• Download or print the eProxy form as acknowledgement.

Please note that the closing date and time to submit your proxy/proxies form is by 11:00 a.m. on Tuesday, 17 June 2025 (48 hours before the 14th AGM).



MSM MALAYSIA HOLDINGS BERHAD

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