

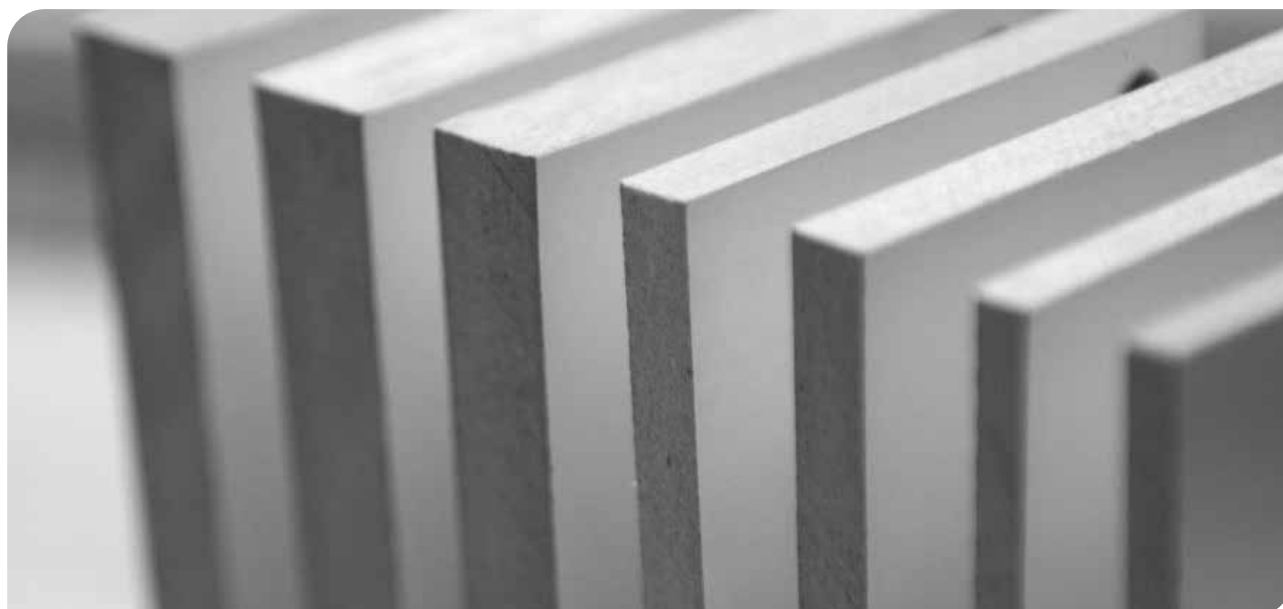


Registration No.199101006810 (217120-W)

Annual Report 2024



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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty-Fourth Annual General Meeting (“AGM”) of Evergreen Fibreboard Berhad will be held on:

Day and Date : **Monday, 26th May 2025**
Time : **9.00 a.m.**
Venue : **Grand Ballroom, Level 1, Forest City Golf Hotel,
Jalan Persiaran Golf 5, Forest City Golf Resort,
81550 Gelang Patah, Johor Bahru, Johor.**

A G E N D A

ORDINARY BUSINESS

1. **Audited Financial Statements for the Financial Year Ended 31 December 2024**
To receive the Audited Financial Statements for the financial year ended 31 December 2024 and the Reports of the Directors and Auditors thereon.
2. **Ordinary Resolution 1 - Re-Appointment of External Auditor**
To re-appoint Messrs. Baker Tilly Monteiro Heng PLT who retire as Auditors of the Company and authorise the Directors to fix their Remuneration.
3. **Ordinary Resolution 2, 3 and 4 - Re-Election of Retiring Directors**
To re-elect the following Directors who retire during the year in accordance to Clauses 109 and 116 of the Company's Constitution: -

Ordinary Resolution 2 – Re-election under Clause 109 for Mr. Kuo Jen Chang
Ordinary Resolution 3 – Re-election under Clause 109 for Ms. Mary Henerietta Lim Kim Neo
Ordinary Resolution 4 – Re-election under Clause 116 for En. Shameer Bin Othman
4. **Ordinary Resolution 5 - Approval of Non-Executive Directors' Fees and Allowance**
To approve the payment of Non-Executive Directors' Fees and Allowances totaling RM450,000 for the financial year ending 31 December 2025.

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following ordinary resolutions: -

5. **ORDINARY RESOLUTION 6 - AUTHORITY TO ALLOT SHARES - SECTIONS 75(1) and 76(1)**

“**THAT** pursuant to Sections 75(1) and 76(1) of the Companies Act, 2016 and subject to the approval of the relevant authorities, the Directors be and are hereby empowered to issue shares in the Company from time to time, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares issued pursuant to this ordinary resolution does not exceed 10% of the total number of issued shares of the Company (excluding treasury shares) (“New Shares”), whichever is applicable, and that the Directors be and also empowered to obtain approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad **AND THAT** such authority conferred by this ordinary resolution shall commence upon passing this ordinary resolution until:

- (a) the conclusion of the annual general meeting held next after the approval was given; or
- (b) the expiry of the period within which the next annual general meeting is required to be held after the approval was given,

whichever occurs first,

and that the Directors are exempted from the obligation to offer such New Shares first to existing shareholders pursuant to Section 85 of the Companies Act, 2016 in respect of the issuances of the New Shares pursuant to this mandate;

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

THAT the New Shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution which may be declared, made or paid before the date of allotment of such New Shares."

6. **ORDINARY RESOLUTION 7 - PROPOSED RENEWAL OF AUTHORISATION FOR THE COMPANY TO PURCHASE ITS OWN SHARES OF UP TO TEN PERCENT (10%) OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY ("Proposed Renewal of Authority for Share Buy-Back")**

"THAT subject to the provisions of the Companies Act, 2016 ("the Act"), the Constitution of the Company, Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and other relevant authorities, the Company be and is hereby authorised to purchase such number of ordinary shares of the Company ("Proposed Share Buy-Back Authority") as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:-

- (i) the maximum aggregate number of ordinary shares purchased and/or held by the Company as treasury shares shall not exceed ten percent (10%) of the total number of issued shares of the Company at any point in time;
- (ii) the funds allocated by the Company for the purpose of purchasing its shares shall not exceed the total retained profits of the Company; and
- (iii) the authority conferred by this resolution shall continue to be in force until: -
 - (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the forthcoming AGM, at which time the said authority will lapse, unless the authority is renewed at that meeting, either unconditionally or subject to conditions; or
 - (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340 (2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340 (4) of the Act); or
 - (c) revoked or varied by resolution passed by the shareholders in a general meeting, whichever occurs first.

THAT the Directors of the Company be and are hereby authorised to deal with the shares purchased at their absolute discretion, either partially or fully, in the following manner:

- (i) cancel all the shares so purchased;
- (ii) retain all the shares so purchased as treasury shares;
- (iii) retain part of the shares so purchased as treasury shares and cancel the remainder of the shares; or
- (iv) deal with the treasury shares in the manners as allowed by the Act from time to time.

AND THAT the Directors of the Company be and are hereby authorised to give effect to the Proposed Share Buy-Back Authority with full power to assent for any modifications, variations and/or amendments (if any) as may be required by the relevant authorities."

7. **ORDINARY RESOLUTION 8 - TO REMAIN AS INDEPENDENT DIRECTOR**

"THAT authority be and is hereby given to continue to designate Mr. Kuan Kai Seng as an Independent Director of the Company in accordance with Malaysian Code on Corporate Governance."

8. **To transact any other business which due notice of which shall have been given in accordance with the Companies Act, 2016 and the Company's Constitution.**

BY ORDER OF THE BOARD

TAI YIT CHAN (SSM PC No.:202008001023) (MAICSA 7009143)

SANTHI A/P SAMINATHAN, (SSM PC No.: 201908002933) (MAICSA 7069709)

Company Secretaries

25 April 2025

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

NOTES: -

1. Only members whose names appear in the Record of Depositors as at 19 May 2025 shall be entitled to attend the meeting. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. The proxy need not be a Member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the meeting of a company shall have the same rights as the member to speak at the meeting.
2. A member shall be entitled to appoint more than one proxy (subject always to a maximum of two (2) proxies at each meeting) to attend and vote at the same meeting.
3. Where a member appoints more than one (1) proxy (subject always to a maximum of two (2) proxies at each meeting) the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
4. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") 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 accounts it holds. Where a member is an authorised nominee as defined under SICDA, it may appoint one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
5. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a corporation under its common seal or the hand of its attorney.
6. The instrument appointing a proxy must be deposited at Boardroom Share Registrars Sdn. Bhd., 11th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof.

EXPLANATORY NOTES ON ORDINARY BUSINESS: -

1. **To receive Audited Financial Statements for the financial year ended 31 December 2024**

The audited financial statements for the financial year ended 31 December 2024 are laid in accordance with Section 340(1)(a) of the Companies Act, 2016 for discussion only under Agenda 1. Shareholders' approval is not required and hence this agenda will not be put for voting.

2. **Ordinary Resolution 1 - Re-appointment of External Auditors**

Pursuant to Section 273(b) of the Act, the term of office of the present Auditors, Messrs. Baker Tilly Monteiro Heng PLT, shall lapse at the conclusion of this AGM unless they are re-appointed by the shareholders to continue in office.

Messrs. Baker Tilly Monteiro Heng PLT, have indicated their willingness to continue their services until the conclusion of the 35th AGM. The Audit Committee and the Board have considered the re-appointment of Messrs. Baker Tilly Monteiro Heng PLT which has met the relevant requirements prescribed under Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This proposed Ordinary Resolution 1, if passed, will also give the Directors of the Company, the authority to determine the remuneration of the Auditors.

3. **Ordinary Resolution 2 to 4 - Re-election of Directors who retire in accordance with Clauses 109 and 116 of the Company's Constitution ("Constitution")**

Clause 109 of the Company's Constitution provides that one-third (1/3) of the Directors of the Company shall retire by rotation at the AGM of the Company. Mr. Kuo Jen Chang and Ms. Mary Henerietta Lim Kim Neo are standing for re-election at the forthcoming 34th AGM pursuant to Clause 109 of the Company's Constitution as per Ordinary Resolutions 2 and 3 respectively. The profile of Mr. Kuo Jen Chang and Ms. Mary Henerietta Lim Kim Neo are disclosed on pages 12 and 14 of Annual Report 2024.

Evaluation on the performance of the retiring Directors seeking for re-election was carried out by Nominating Committee based on the fit and proper criteria, salient criteria of their contribution to the Board's decision making and their individual performance in their roles and responsibilities to the Company as well as to the Group.

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

Amongst the criteria assessed was on their contribution, character in dealing with potential conflict of interest situations, on critically challenging matters, on the right questions asked during meetings and the confidence to stand up for their point of view in any matter in discussion or during meetings. The satisfactory outcome of their assessments was reported to the Board of Directors and the Board as a whole recommended for these Directors be re-elected in the forthcoming AGM.

Regulation 116 of the Company's Constitution expressly states that any Director appointed during the year shall hold office only till the next following AGM and shall be eligible for re-election. Pursuant to Clause 116, Encik Shameer Bin Othman who was appointed on 1st November 2024 is standing for re-election at the forthcoming AGM. The Nominating Committee has assessed the fit and proper criteria of Encik Shameer Bin Othman and based on his satisfactory evaluation results, the Nominating Committee recommended him for re-election at the forthcoming 34th AGM as per Ordinary Resolution 4. The profile of En. Shameer Bin Othman is disclosed on page 18 of Annual Report 2024.

The retiring Directors had abstained from all deliberation and participation of their own agenda in both the Nominating Committee meeting as well as the Board of Directors' meeting pertaining to their re-election.

4. **Ordinary Resolution 5 - Approval of Non-Executive Directors' Fees and Allowance**

Pursuant to Section 230(1) of the Companies Act, 2016, the fees of the non-executive directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. Guidance 7.2 of Malaysian Code on Corporate Governance requires each and every non-executive director's fee and benefit to be tabled individually.

The Fees, Allowances and Benefits payable to the respective Non-Executive Directors are for the period of 1 January to 31 December 2025. The Directors' Fees, Allowance and Benefits which are estimated not to exceed RM450,000 is including the fees and meeting allowances for Board and Board Committee meetings to be held during the financial year 2025 are as follows:-

- a. *RM100,000 to Mr. Jonathan Law Ngee Song;*
- b. *RM90,000 to Mr. Kuan Kai Seng;*
- c. *RM80,000 to Ms. Tan Mui Ping;*
- d. *RM80,000 to Ms. Hong Kim Heong; and*
- e. *RM80,000 to En. Shameer Bin Othman.*

Payment of fee and benefits to the Directors will be made by the Company as and when incurred, after they have discharged their responsibilities and rendered their services to the Company during the financial year 2025, if the proposed Ordinary Resolutions 5 is passed at the forthcoming 34th AGM.

The Board will seek shareholders' approval at the next AGM to be held in year 2026 in the event the estimated directors' fees and benefits is insufficient for any reason. Details of the Directors' fees and benefits paid are stated in the Company's Corporate Governance Report 2024.

EXPLANATORY NOTES ON SPECIAL BUSINESS: -

5. **Ordinary Resolution 6 - Authority to Allot Shares – Pursuant to Sections 75(1) and 76(1) of the Companies Act, 2016**

The proposed Ordinary Resolution 6, if passed, will empower and give flexibility to the Board of Directors to issue and allot shares up to a maximum of ten per centum (10%) of the total number of issued shares (excluding treasury shares) at any time in their absolute discretion without convening a general meeting for such purposes as they consider would be in the best interest of the Company. This authority, unless revoked or varied by the Company in a general meeting will expire at the next Annual General Meeting.

The rationale for this resolution is to eliminate the need to convene general meeting(s) from time to time to seek shareholders' approval as and when the Company issues new ordinary shares for funding future investment(s), acquisition(s) and/or working capital and thereby reducing administrative time and cost associated with the convening of such meeting(s). The Company has not issued and allotted any shares during the year under the mandate granted to the Company at the last AGM of the Company held on 27 May 2024 and this mandate will lapse at the conclusion of the forthcoming AGM of the Company.

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

6. **Ordinary Resolution 7 - Proposed Renewal of Share Buy-Back Authority**

The Proposed Ordinary Resolution 7, if passed, will empower the Directors to purchase the Company's shares of up to 10% of the total number of issued shares of the Company at any point of time, by utilising the funds allocated which shall not exceed the total retained profits of the Company.

The audited retained profits of the Company stood at RM543,044,902 as at 31 December 2024. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next Annual General Meeting.

Please refer to Statement of Share Buy-Back dated 25 April 2025.

7. **Ordinary Resolution 8 - Designation to Remain as Independent Director**

Mr. Kuan Kai Seng is an Independent Director of the Company who has served the Company for a cumulative period of more than 9 (nine) years. In line with the Malaysian Code on Corporate Governance, the Nominating Committee has assessed the independence of Mr. Kuan Kai Seng as defined in Bursa Securities Listing Requirements and based on the assessment, the Nominating Committee is of the view that Mr. Kuan Kai Seng remains independent and his retention as independent director would be tabled for two-tier voting at the forthcoming 34th AGM

During his term, Mr Kuan has exercised his judgment in an independent and unfettered manner, discharge his duties with reasonable care, skill and diligent whilst bringing independent thought and experience to enhance administrative efficiency and ensure compliance with the relevant statutory and regulatory requirements in accordance with the latest development.

PERSONAL DATA PROTECTION MEASURES

Please refer to the Company's Compliance with the Personal Data Protection Act 2010 statement as found on page 81 of the Annual Report 2024.

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company:

- (i) consents to the processing of the member's personal data by the Company (or its agents) for the AGM and matters related thereto, including but not limited to:
 - (a) for processing and administration of proxies and representatives appointed for the AGM;
 - (b) for preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (which includes any adjournments thereto); and
 - (c) for the Company's (or its agents') compliance with any applicable laws, listing rules, regulations, codes and/or guidelines (collectively, the "Purposes").
- (ii) undertakes and warrants that he or she has obtained such proxy(ies)' and/or representative(s)' prior consent for the Company's (or its agents') processing of such proxy(ies)' and/or representative(s)' personal data for the Purposes, and
- (iii) agrees that the member will fully indemnify the Company for any penalties, liabilities, legal suits, claims, demands, losses and damages as a result of the member's failure to provide accurate and correct information of the personal data or breach of the member's undertaking and/or warranty as set out herein.

NOTE: the term "processing" and "personal data" shall have the same meaning as defined in the Personal Data Protection Act 2010.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of Bursa Malaysia Securities Berhad Main Market Listing Requirements)

1. DETAILS OF INDIVIDUALS WHO ARE STANDING FOR ELECTION AS DIRECTOR (EXCLUDING DIRECTORS STANDING FOR RE-ELECTION)

No individual is seeking election as a director at the forthcoming Thirty-Fourth Annual General Meeting ("AGM") of the Company.

The information on Directors who are standing for re-election at the forthcoming AGM as required pursuant to Practice 5.7 of the Malaysian Code on Corporate Governance including their latest interests in the shares of the Company are provided in the Directors' Profile of the Annual Report 2024.

The Nominating and Remuneration Committee of the Company has assessed the performance, contribution and effectiveness of each Director including the fit and proper criteria of the Directors, their relevant skill sets and experience and the valuable insights they bring to the Board. Based on the satisfactory assessment outcome, the Board recommended the retiring Directors to be re-elected according to the resolutions put forth in the forthcoming AGM.

The Directors standing for re-election have abstained from deliberation and participation of their own recommendation for re-election in the relevant Nominating and Remuneration Committee and Board meetings.

2. GENERAL MANDATE FOR ISSUE OF SECURITIES IN ACCORDANCE WITH PARAGRAPH 6.03(3) OF BURSA MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS

Details of the general mandate/authority for Directors to allot and issue shares in the Company pursuant to Sections 75(1) and 76(1) of the Companies Act, 2016 are set out in the Explanatory Notes of the Notice of Annual General Meeting in the Annual Report 2024.

3. DISCLOSURE ON CONFLICT OF INTEREST ("COI") INVOLVING DIRECTORS AND KEY SENIOR MANAGEMENT WITH THE LISTED ISSUER AND ITS SUBSIDIARIES

None of the Directors and Key Senior Management had any COI in any competing business with the Company and its subsidiaries as declared in their profile in the Annual Report 2024. The Directors and the Key Senior Management will continue to declare any COI or potential COI quarterly at Board Meeting.

CORPORATE INFORMATION

Board of Directors

Jonathan Law Ngee Song
Non-Independent Non-Executive
Chairman of the Board

Kuan Kai Seng
Senior Independent
Non-Executive Director

Tan Mui Ping
Independent Non-Executive Director

Shameer Bin Othman
Independent Non-Executive Director
(Appointed wef 01/11/2024)

Hong Kim Heong
Independent Non-Executive Director
(Appointed wef 02/01/2024)

Kuo Jen Chang
Executive Director

Kuo Jen Chiu
Executive Director

Mary Henerietta Lim Kim Neo
Executive Director

Audit Committee

Chairman
Kuan Kai Seng

Members
Tan Mui Ping
Hong Kim Heong
Shameer Bin Othman
(Appointed wef 01/11/2024)

Nominating Committee

Chairman
Hong Kim Heong

Members
Kuan Kai Seng
Shameer Bin Othman
(Appointed wef 01/11/2024)
Tan Mui Ping
(Resigned wef 01/03/2025)

Remuneration Committee

Chairman
Shameer Bin Othman
(Re-designated as Chairman wef
01/03/2025)

Members

Hong Kim Heong
Tan Mui Ping
(Re-designated as Member wef
01/03/2025)
Kuan Kai Seng
(Resigned wef 01/03/2025)

Sustainability Management

Chairman
Jonathan Law Ngee Song

Members
Tan Mui Ping
Mary Henerietta Lim Kim Neo
Shameer Bin Othman
(Appointed wef 01/11/2024)
Hong Kim Heong
(Resigned wef 01/03/2025)

Risk Management Committee

Chairman
Tan Mui Ping

Members
Kuan Kai Seng
Hong Kim Heong
Leong Ting Siong @ Martin Leong
Shameer Bin Othman
(Resigned wef 01/03/2025)

Total Number of Issued Shares and Market Capitalisation

The total number of issued shares of Evergreen Fibreboard Berhad as at 31 December 2024 was 846,423,985 (Including 1,757,200 number of shares purchased and kept by the Company as treasury shares) and the ordinary share price (Stock Code 5101) at the close of business was 27.5 sen giving a market capitalisation of RM232,766,596 on the Main Market of Bursa Malaysia Securities.

Website

Our website @ www.evergreengroup.com.my contains up-to-date information on the Group.

Company Secretaries

Ms. Tan Yit Chan (SSM PC No.: 202008001023) (MAICSA 7009143)
Ms. Santhi A/P Saminathan (SSM PC No.: 201908002933) (MAICSA NO. 7069709)

Registered Address

Boardroom Corporate Services
Sdn. Bhd. (Registration No:
196001000110(3775-X))
Suite 9D, Level 9, Menara Ansar,
65, Jalan Trus, 80888 Ibrahim
International Business District (IIBD),
Johor Darul Takzim, Malaysia.
Tel : +607-2241035/2225616
Fax : +607-2210891

Share Registrar

Boardroom Share Registrars
Sdn. Bhd. (Registration No:
199601006647(378993-D))
11th Floor, Menara Symphony,
No. 5, Jalan Professor Khoo Kay Kim,
Seksyen 13, 46200 Petaling Jaya,
Selangor.
Tel : +603-78904700
Fax : +603-78904670

External Auditors

Baker Tilly Monteiro Heng PLT
(Registration No: 201906000600
(LLP0019411-LCA) & (AF 0117))

Chartered Accountants

Baker Tilly Tower, Level 10,
Tower 1, Avenue 5,
Bangsar South City,
59200 Kuala Lumpur.
Tel : +603-22971000
Fax : +603-22829980

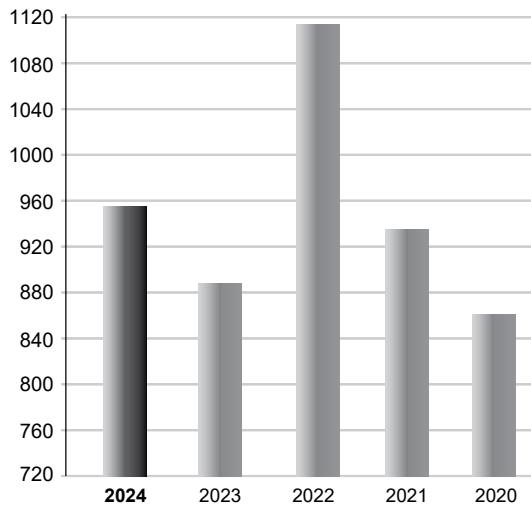
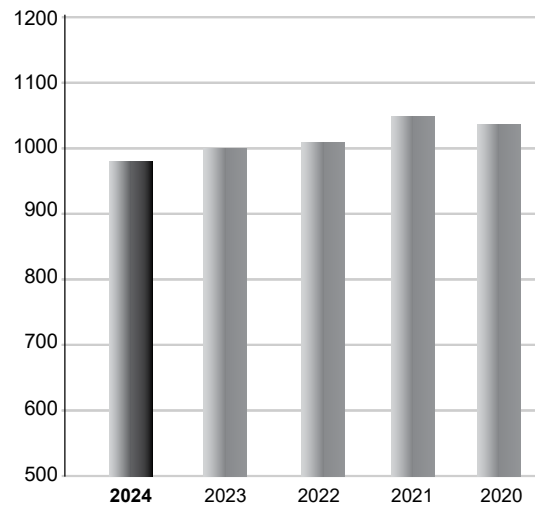
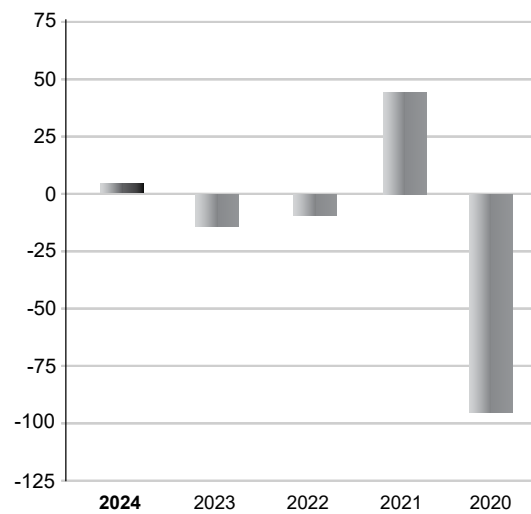
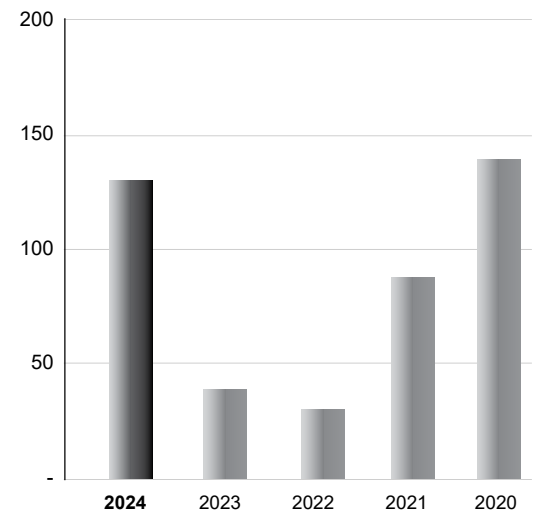
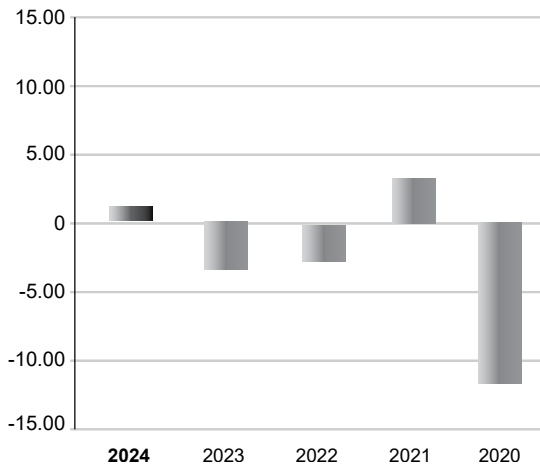
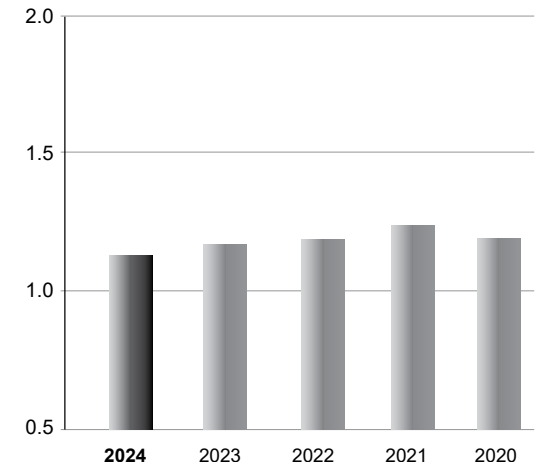
Internal Auditors

BDO Governance Advisory
Sdn. Bhd. (Registration No:
199701018781(434278-K))
Level 8, BDO@ Menara Centara,
360 Jalan Tunku Abdul Rahman,
50100 Kuala Lumpur.
Tel : +603-26162888
Fax : +603-26162829

GROUP'S FINANCIAL HIGHLIGHTS

RM'MILLION	2024	2023	2022	2021	2020
FINANCIAL RESULTS					
Revenue	958	881	1,103	935	860
Gross Profit Margin (%)	18.0%	15.5%	20.1%	20.7%	15.6%
Profit/(Loss) Before Tax	13	(22)	(12)	40	(99)
Profit/(Loss) After Tax	2	(37)	(26)	34	(101)
Profit/(Loss) Attributable to owners of the Company	2	(37)	(26)	34	(103)
Adjusted EBIT	18	(5)	58	43	16
Adjusted EBITDA **	80	58	131	112	92
FINANCIAL POSITION					
Total Assets	1,433	1,456	1,314	1,422	1,452
Total Liabilities	446	460	302	384	430
Total Net Assets	987	996	1,012	1,037	1,022
Share Capital	345	345	345	345	345
Total Equity Attributable to Owners of the Company	987	996	1,012	1,037	1,022
BANK BORROWINGS					
Total Borrowings	267	238	147	176	264
Cash and Bank balances and Investment Securities	140	200	117	102	122
Total Net Borrowings	127	38	30	74	142
SHARE CAPITAL					
Weighted Average No. of Shares (no. of shares '000)	844,667	844,667	844,848	845,802	845,802
Share Capital (no. of shares '000)	846,424	846,424	846,424	846,424	846,424
Treasury Shares (no. of shares'000)	1,757	1,757	1,757	622	622
FINANCIAL RATIOS					
EPS (sen)	0.24	(4.41)	(3.09)	4.06	(12.15)
Return on Shareholders' Funds (%)	0.2%	(3.7%)	(2.6%)	3.3%	(10.1%)
Return on Total Assets (%)	2.1%	(1.4%)	(0.7%)	4.4%	(9.0%)
Share Price at Year End (RM)	0.28	0.31	0.39	0.47	0.46
PE Ratio (X)	114.43	(6.91)	(12.63)	11.4	(3.8)
DPS (sen)	-	-	1.50	-	-
Net Assets per Share (RM)	1.17	1.18	1.20	1.23	1.21
Net Gearing Ratio (%)	13.0%	3.8%	3.0%	7.1%	13.9%
Market Capitalization	232,767	258,159	330,105	393,587	389,355

** Adjusted EBITDA - as per the Statement of Cashflows - Operating profit before changes in working capital

GROUP'S FINANCIAL HIGHLIGHTS (Cont'd)**REVENUE
(RM MILLION)****TOTAL EQUITY ATTRIBUTABLE TO
OWNERS OF THE COMPANY (RM MILLION)****PROFIT/(LOSS) ATTRIBUTABLE TO
OWNERS OF THE COMPANY (RM MILLION)****TOTAL NET BORROWINGS
(RM MILLION)****EARNINGS/(LOSS) PER SHARE
(SEN)****NET ASSETS PER SHARE
(RM)**

DIRECTORS' PROFILE

JONATHAN LAW NGEE SONG,

Malaysian, Male, Age 59.

Group Non-Independent Non-Executive Board Chairman and
Chairman of Sustainability Management Committee.

Qualification

He graduated from Australia National University with a Bachelor of Commerce degree and Bachelor of Laws degree in 1987 and 1989 respectively.

Working Experience

He was admitted as Advocate and Solicitor, High Court of Malaya in 1991. He practiced as a legal assistant in Allen & Gledhill from 1991 to 1995 and was subsequently promoted to partner of the firm in 1995. He then became a Partner at Messrs. Nik Saghir & Ismail in 1996 and on 2 April 2019, he joined Azmi & Associates as a Partner for Merger & Acquisition/ Corporate Practice.

Date Appointed to the Board

He was appointed as an Independent Non-Executive Director on 8 January 2007 and was re-designated as Independent Non-Executive Chairman and Group Independent Non-Executive Chairman on 22 February 2010 and 15 June 2015 respectively. On 17 April 2023, he was re-designated to a Non-Independent Non-Executive Chairman.

Directorship in other Public Listed Companies

He is currently a Non-Independent Non- Executive Chairman of Anglo-Eastern Plantations PLC, a company listed on the London Stock Exchange and was appointed to the Board of Pimpinan Ehsan Berhad on 25 February 2021 where subsequently he was re-designated as an Non-Independent Non- Executive Chairman on 21 April 2021.

Interest in Securities of the Company and its Subsidiaries

He does not hold any shares of the Company.

Family Relationship with any Directors / Major Shareholders

He does not have any family relationship with any directors or major shareholders of the Company.

Conflict of Interest with the Group

He has declared that he has no conflict of interest with the Company / Group.

List of Conviction for Offences within the past 5 years other than traffic offences

None.

Number of Meetings attended in the financial year 2024

He attended 5 out of 5 Board Meetings and 3 out of 3 Sustainability Management Committee Meetings.

DIRECTORS' PROFILE (Cont'd)

KUO JEN CHANG

Singaporean, Male, Age 62.
Group Executive Director,
Group Chief Executive Officer / President.

Qualification

Bachelor Degree in Electronic Engineering from the University of Wisconsin, United States.

Working Experience

His career started in 1987 when he joined Evergreen Timber Products Pte Ltd (ETP) in Singapore as Procurement Manager. In 1989, he was appointed Director of Evergreen Décor Products (M) Sdn. Bhd. (EDP) which became a subsidiary of the Group and was overseeing the entire operations of the Company up until 1992. In the capacity of Group Chief Executive Officer / President, he is responsible for the Group's entire business directions and operations.

Date Appointed to the Board

He became a member of the Board of Directors on 15 May 1991. Thereon, he was appointed as Managing Director on 15 April 2004. Subsequently, he was re-designated as Group Chief Executive Officer / President on 15 June 2015.

Directorship in other Public Listed Companies

He does not hold any directorship in other public listed companies.

Interest in Securities of the Company and its Subsidiaries

Please refer to page 170 of this Annual Report.

Family Relationship with any Directors / Major Shareholders

He is the son of Kuo Wen Chi and brother of Kuo Huei Chen and Kuo Jen Chiu, and uncle to Henry, Justin and Jeffrey Kuo.

Conflict of Interest with the Group

He has declared that he has no conflict of interest with the Company / Group.

List of Conviction for Offences within the past 5 years other than traffic offences

None.

Number of Meetings attended in the financial year 2024

He attended 5 out of 5 Board Meetings.

DIRECTORS' PROFILE (Cont'd)

KUO JEN CHIU

Singaporean, Male, Age 59.
Group Executive Director,
Group Chief Operating Officer / Vice President.

Qualification

Degree in Computer Science from the University of Wisconsin, United States.

Working Experience & Occupation

His career started in 1990 as a Marketing Manager with Evergreen Timber Products Pte Ltd (ETP) in Singapore. In the capacity of Group Chief Operating Officer / Vice President, he oversees the Finance, Marketing and Operations of the Group and his responsibilities includes identifying opportunities and overseeing the development of new markets and products for the Group.

Date Appointed to the Board

He became a member of the Board of Directors on 15 May 1991. Thereon, he was appointed as Executive Director on 15 April 2004 and was re-designated as Group Chief Operating Officer / Vice President on 15 June 2015.

Directorship in other Public Listed Companies

He does not hold any directorship in other public listed companies.

Interest in Securities of the Company and its Subsidiaries

Please refer to page 170 of this Annual Report.

Family Relationship with any Directors / Major Shareholders

He is the son of Kuo Wen Chi and brother of Kuo Jen Chang and Kuo Huei Chen and uncle to Henry, Justin and Jeffrey Kuo.

Conflict of Interest with the Group

He has declared that he has no conflict of interest with the Company / Group.

List of Conviction for Offences within the past 5 years other than traffic offences

None.

Number of Meetings attended in the financial year 2024

He attended 5 out of 5 Board Meetings.

DIRECTORS' PROFILE (Cont'd)

MARY HENERIETTA LIM KIM NEO,

Malaysian, Female, Age 61.

Group Executive Director.

Member of Sustainability Management Committee.

Qualification

Master in Business Administration from the University of Preston, United States.

Working Experience & Occupation

Her career started in 1984 as a Human Resources / Administrative Officer with a local Consulting Firm. In 1992, she left for the manufacturing industry and joined the Company as a Human Resources / Administrative Executive to oversee the Human Resource and Administration Department. Subsequently in 1995, she was promoted to Human Resources and Administration Manager and was also appointed as a Director in the Company. In her current capacity, she is responsible for the Administrative, Corporate Affairs and Compliance matters of the Group.

Date Appointed to the Board

She was appointed as a member of the Board of Directors on 15 December 1995 and was re-designated as Group Executive Director on 15 June 2015.

Directorship in other Public Listed Companies

She does not hold any directorship in other public listed companies.

Interest in Securities of the Company and its Subsidiaries

She holds insignificant shares in the Company.

Family Relationship with any Directors / Major Shareholders

She does not have any family relationship with any directors or major shareholders of the Company.

Conflict of Interest with the Group

She has declared that she has no conflict of interest with the Company / Group.

List of Conviction for Offences within the past 5 years other than traffic Offences

None.

Number of Meetings attended in the financial year 2024

She attended 5 out of 5 Board Meetings and 3 out of 3 Sustainability Management Committee Meetings.

DIRECTORS' PROFILE (Cont'd)

KUAN KAI SENG,

Malaysian, Male, Age 51.

Senior Independent Non-Executive Director,

Chairman of the Audit Committee and Member of the Nominating Committee and Risk Management Committee.

Qualification

Bachelor Degree in Accountancy, New Zealand. Member of Institute of Chartered Accountants of New Zealand and a member of the Malaysian Institute of Accountants (MIA) and Chartered Tax Institute of Malaysia.

Working Experience

He joined Ernst & Young from March 1999 to September 2002, carrying out statutory audit on private and public listed companies. Subsequently, he became the Group Accountant in a local Group of companies. His employment with the Group of Companies included a three-year overseas posting as an Assistant General Manager cum Head of Finance for the Group's subsidiary in China. After that, he was in public practice as a Chartered Accountant in a member firm of MIA. On 3 April 2012, he joined XL Holdings Berhad, a company listed on Bursa Malaysia Securities Berhad as an Executive Director.

Date Appointed to the Board

He was appointed as the Group Independent Non-Executive Director on 5 June 2014.

Directorship in other Public Listed Companies

He was appointed as Executive Director in XL Holdings Berhad on 3 April 2012.

Interest in Securities of the Company and its Subsidiaries

He does not hold any shares of the Company.

Family Relationship with any Directors / Major Shareholders

He does not have any family relationship with any directors or major shareholders of the Company.

Conflict of Interest with the Group

He has declared that he has no conflict of interest with the Company / Group.

List of Conviction for Offences within the past 5 years other than traffic offences

None.

Number of Meeting attended in the financial year 2024

He attended 5 out of 5 Board Meetings, 5 out of 5 Audit Committee Meetings, 3 out of 3 Nominating Committee Meetings, 2 out of 2 Remuneration Committee Meetings and 3 out of 3 Risk Management Committee Meetings.

DIRECTORS' PROFILE (Cont'd)

TAN MUI PING,

Malaysian, Female, Age 49.

Independent Non-Executive Director,

Chairman of Risk Committee and Member of Audit and Remuneration Committee and Sustainability Management Committee.

Qualification

Fellow Member of Association of Chartered Certified Accountants, Member of the Malaysian Institute of Accountants, a registered company secretary with the Companies Commission of Malaysia, as well as a member of the Institute of Corporate Directors Malaysia.

Working Experience

She has more than 20 years of experience in senior finance roles which covers the areas of corporate finance, investment analysis, business development partnering and investment feasibility study, and group finance matters, treasury and tax planning.

She began her career in 1998 as Audit Assistant with Shamsir Jasani Grant Thornton (now known as Grant Thornton Malaysia PLT). In 2001, she joined Wah Seong Corporation Berhad as an Accountant where she was responsible for the group reporting and corporate finance functions. In 2003, she joined Edaran Otomobil Nasional Berhad as a Manager - Group Finance where she was responsible for the group finance matters, corporate finance and tax planning. In 2007, she joined Advance Synergy Berhad ("ASB") as the Head of Finance. During her tenure in ASB, she was involved in various corporate exercises.

In 2012, she joined Weida (M) Bhd. ("Weida") as a Senior Manager of the Corporate Development Department. She was promoted to the position of General Manager in the Group Managing Director's Office in 2014 and subsequently in 2023, she was re-designated as the Financial Advisor to the Group Executive Chairman, a position she assumes to present date.

Date Appointed to the Board

She was appointed as an Independent Non-Executive Director on 1 October 2022.

Directorship in other Public Listed Companies

She was appointed as an Independent Non-Executive Director of Infoline Tec Group Bhd. on 1 November 2021. Life Water Berhad on 27 November 2023.

Interest in Securities of the Company and its Subsidiaries

She does not hold any shares of the Company.

Family Relationship with any Directors / Major Shareholders

She has no family relationship with any Director or Major Shareholder of the Company.

Conflict of Interest with the Group

She has declared that she has no conflict of interest with the Company / Group.

List of Conviction for Offences within the past 5 years other than traffic offences

None.

Number of Meeting attended in the financial year 2024

She attended 5 out of 5 Board Meetings, 5 out of 5 Audit Committee Meetings, 3 out of 3 Nominating Committee Meetings, 2 out of 2 Remuneration Committee Meetings, 3 out of 3 Risk Committee Meetings and 3 out of 3 Sustainability Management Committee Meetings.

DIRECTORS' PROFILE (Cont'd)

HONG KIM HEONG,

Malaysian, Female, Age 54.

Independent Non-Executive Director,

Chairman of Nominating Committee and Member of Audit and Remuneration Committee and Risk Management Committee

Qualification

Associate Member of The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA), and also holds a Certificate in Accounting from London Chamber of Commerce Industry (LCCI Higher Accounting).

She has over 29 years of experience in corporate sector with attachment via a reputable management consulting firm and some listed companies in various industries, specializing in corporate secretarial, and corporate exercises advisory.

Date Appointed to the Board

She was appointed as an Independent Non-Executive Director on 2 January 2024.

Directorship in other Public Listed Companies

She does not hold any directorship in other public listed companies.

Interest in Securities of the Company and its Subsidiaries

She does not hold any shares of the Company and its subsidiaries.

Family Relationship with any Directors / Major Shareholders

She has no family relationship with any Director or Major Shareholder of the Company.

Conflict of Interest with the Group

She has declared that she has no conflict of interest with the Company / Group.

List of Conviction for Offences within the past 5 years other than traffic offences

None.

Number of Meeting attended in the financial year 2024

She attended 5 out of 5 Board Meetings, 5 out of 5 Audit Committee Meetings, 3 out of 3 Nominating Committee Meetings, 2 out of 2 Remuneration Committee Meetings, 3 out of 3 Risk Management Committee Meetings and 3 out of 3 Sustainability Management Committee Meetings.

DIRECTORS' PROFILE (Cont'd)

SHAMEER BIN OTHMAN

Malaysian, Male, Age 55.

Independent Non-Executive Director,

Chairman of Remuneration Committee and Member of Audit and Nominating Committee and Sustainability Management Committee

Qualification

LLB from International Islamic University Malaysia (IIUM).

LLM from University Kebangsaan Malaysia (UKM).

A member of the Malaysian Bar and the Institute of Corporate Directors Malaysia.

Working Experience

He was admitted as Advocate & Solicitor, High Court of Malaya in 1993. He practiced as a legal assistant in Messrs Nik Saghir & Ismail, Kuala Lumpur from 1994 to June, 1997. In July 1997, he was promoted to become a partner of the Firm and he remained with the Firm until 31st January 2017. He was attached to Messrs Ainul Azam & Partners before joining Messrs Azmi & Associates as a partner in October, 2017. In 2022, he joined Bank Pertanian Malaysia Berhad (Agro Bank) as a senior vice president/head of legal department. In April 2024, he rejoined Messrs Nik Saghir & Ismail.

Date Appointed to the Board

He was appointed as Independent Non-Executive Director effective from 1st of November 2024.

Directorship in other Public Listed Companies

He does not hold any directorship in other public listed company.

Interest in Securities of the Company and its Subsidiaries

He does not hold any shares of the Company.

Family Relationship with any Directors / Major Shareholders

He does not have any family relationship with any of the Directors or major shareholders of the Company.

Conflict of Interest with the Group

He has declared that he has no conflict of interest with the Company/Group

List of Conviction for Offences within the past 5 years other than traffic offences.

None.

Number of Meeting attended in the financial year 2024

He attended 1 out of 1 Board Meeting, 1 out of 1 Audit Committee Meeting, 1 out of 1 Nominating Committee Meeting, 1 out of 1 Remuneration Committee Meeting, 1 out of 1 Risk Committee Meeting and 1 out of 1 Sustainability Management Committee Meeting.

KEY OFFICERS' PROFILE

LEONG TING SIONG @ MARTIN LEONG,
Malaysian, Male, Age 48.
Group Chief Financial Officer & Investor Relation.
Member of Risk Management Committee

Qualification & Membership

Degree with double major in Accounting and Management from the University of Technology Sydney, Australia.

Working Experience & Occupation

His career started in 1999 as an Auditor with KPMG where he completed his CPA Australia examinations and joined MIA as a qualified accountant in 2002. Subsequently, he was appointed the Group Accountant of a local group of companies where he successfully led them to their listing on Bursa Malaysia Securities Berhad in 2004. He joined the Company as a Finance Manager in 2009 before being promoted to his current position in 2021. In his present capacity, he analyses the performance of the Group, develops the Group's finance capabilities and implementation of special projects. His responsibilities include identifying business development and strategic financing opportunities, develop relationships with the investment community and working with operations. He has with him, an accumulated 23 years of working experience in the field of accounts and finance. Of the 23 years, 19 years were at senior management level. He has much experience in accounts preparation, tax planning and accounting standards, treasury and fund raising, Bursa Malaysia Listing Requirements, budgeting and analysis, tax and insurance planning, engaging with the finance and investment communities to develop a successful long-term relationship with bankers and stakeholders.

Date of Employment

16 October 2009.

Directorship in other Public Listed Companies

He does not hold any directorship in other public listed companies.

Interest in Securities of the Company and its Subsidiaries

He does not hold any shares in the Company / Subsidiaries.

Family Relationship with any Directors / Major Shareholders

He does not have any family relationship with any directors or major shareholder of the Company.

Conflict of Interest with the Group

He has declared that he has no conflict of interest with the Company / Group.

List of Conviction for Offences within the past 5 years other than traffic offences

None.

Number of Meeting attended in the financial year 2024

He attended 3 out of 3 Risk Committee Meetings.

KEY OFFICERS' PROFILE (Cont'd)

TEE KIM FOOM

Malaysian, Female, Age 58.

Group Financial Controller & Head of Internal Compliance.

Qualification & Memberships

Master of Business Administration major in Finance from Multimedia University, Malaysia. Fellow of Association of Chartered Certified Accountants, United Kingdom and member of the Malaysian Institute of Accountants (MIA).

Working Experience

She has over 30 years of experience holding various positions in a number of companies whose business activities spanned over professional services, manufacturing, panelboard, trading and agriculture. She started her career in an audit firm from 1991 and thereafter held various management positions as Accountant, Cost Accountant and Finance & Administration Manager before joining Evergreen Group in 1997. She was promoted in 2005 and served as Financial Controller (re-designated as Group Financial Controller) to oversee the finance and accounting functions in the Group.

In year 2021, she was also tasked to head the Group's in-house Compliance Team to oversee the compliance matters in all Companies within the Group.

Date of Employment

1 October 1997.

Directorship in other Public Listed Companies

She does not hold any directorship in any public listed companies.

Interest in Securities of the Company and its Subsidiaries

She holds insignificant shares in the Company.

Family Relationship with any Directors / Major Shareholders

She does not have any family relationship with any directors or major shareholder of the Company.

Conflict of interest with the Group

She has declared that she has no conflict of interest with the Company / Group.

List of Conviction for Offences within the past 5 years other than traffic offence

None.

KEY OFFICERS' PROFILE (Cont'd)

PHILIP WONG HWEE LIH,
Malaysian, Male, Age 57.
Group General Manager.

Qualification

Bachelor of Laws from the University of East London, United Kingdom.

Working Experience

His career started in 1994 as Sales Officer with Mieco Chipboard Sdn. Bhd. He then joined Mitsui Co Ltd. as a Sales Executive in 1995 and was promoted to Sales Assistant Manager in 1999. He joined the Company on 16 June 2000 as Sales and Marketing Manager and subsequently in January 2005 he was promoted to General Manager. Thereafter in January 2014, he was promoted to Group General Manager.

Date of Employment

16 June 2000.

Directorship in other Public Listed Companies

He does not hold any directorship in any public listed companies.

Interest in Securities of the Company and its Subsidiaries

He does not hold any shares in the Company / Subsidiaries.

Family Relationship with any Directors / Major Shareholders

He does not have any family relationship with any directors or major shareholder of the Company.

Conflict of Interest with the Group

He has declared that he has no conflict of interest with the Company / Group.

List of Conviction for Offences within the past 5 years other than traffic offences

None.

KEY OFFICERS' PROFILE (Cont'd)

JEREMY TAN KIAN MING,

Malaysian, Male, Age 54.

Group Cost Controller & Group Risk Manager.

Qualification & Memberships

Bachelor Degree in Accountancy.

Working Experience

He has over 27 years of experience holding various positions in a number of manufacturing companies whose business activities spanned over audit and manufacturing. He started his career in an audit firm from 1994 and thereafter venturing into various manufacturing companies from ceramic, mechatronic and polymer industry before joining Evergreen Group in 2017.

In 2023, he was tasked to head the Group's Risk Management Team to oversee the risk management matters in all Companies within the Group.

Date of Employment

1 March 2017.

Directorship in other Public Listed Companies

He does not hold any directorship in other public listed companies.

Interest in Securities of the Company and its Subsidiaries

He does not hold any shares in the Company / Subsidiaries.

Family Relationship with any Directors / Major Shareholders

He does not have any family relationship with any directors or major shareholder of the Company.

Conflict of interest with the Group

He has declared that he has no conflict of interest with the Company / Group.

List of Conviction for Offences within the past 5 years other than traffic offence

None.

KEY OFFICERS' PROFILE (Cont'd)

LEE TAK HIN,
Malaysian, Male, Age 42.
Group Accounts Manager.

Qualification

Bachelor of Accountancy degree from the University Putra Malaysia and member of the Malaysian Institute of Accountants (MIA).

Working Experience

He is responsible for the accounting functions of the Company. He was Finance Manager of Abundance International Limited, a listed company in Singapore before he joined the Company. He started in the Company as Accounts Manager in 2017 and was subsequently promoted to Group Accounts Manager in 2021.

Date of Employment

2 May 2017.

Directorship in other Public Listed Companies

He does not hold any directorship in other public listed companies.

Interest in Securities of the Company and its Subsidiaries

He does not hold any shares in the Company / Subsidiaries.

Family Relationship with any Directors / Major Shareholders

He does not have any family relationship with any directors or major shareholder of the Company.

Conflict of Interest with the Group

He has declared that he has no conflict of interest with the Company / Group.

List of Conviction for Offences within the past 5 years other than traffic offences

None.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Group's Business and Operations

Established in 1991, Evergreen Fibreboard Berhad (EFB) started its first Panel Board manufacturing plant in Parit Raja, Johor in July 1993. Since then, the Group has expanded its operations from a single operation site to 8 (eight) operation sites located in Johor, Negeri Sembilan, Kedah, Thailand, and Indonesia. EFB and its subsidiaries was listed on the main board of Bursa Malaysia on March 11, 2004.

As at the end of the financial year 2024, the Group has a total workforce of 1,949 employees, with 1,122 in Malaysia, 737 in Thailand, and 90 in Indonesia. Foreign labor consists of 25.32% of the workforce in Malaysia, 23.88% in Thailand and 16% in Indonesia.

Throughout the financial year, the Group's core activities remained in the manufacturing of Panel Boards consisting of Medium Density Fibreboard (MDF), Particleboard (PB) and Value-Added Panel Boards made out of various laminated MDF and PB. The non-core products of the Group are Ready-to-Assemble Furniture (RTA), Solid Wood Products (Furniture/Parts), Resin/Adhesive, Wood Pellets, Green Energy, and Rubber Tree Plantation.

The Group's total revenue for the reporting financial year 2024 was RM958 million an increase of 8.7% from the previous financial year ended 2023 of RM881million. Malaysia subsidiaries accounted for approximately 42.7% of the Group's total revenue, while Thailand and Indonesia contributing 45.8% and 11.5% respectively. These revenues were primarily derived from Panel Boards, RTA, and Wood Pellet products. Revenue from Resin/Adhesive products and Biomass Energy were exclusively produced for supply within the Group. The Group's plantation business segment did not contribute any revenue for the reporting financial year as there were no harvesting works carried out.

In the business segments, Panel Boards, Biomass Wood Pellets and RTA Furniture contributed 97.8% of the Group's revenue while Urea Formaldehyde Concentrate and Adhesive products and other Wood Products made up the remaining 2.2%.

The Group's market presence remains across 5 (five) continents (Europe, America, Africa, Australia and Asia) serving the Panel Board customers where majority of users are furniture manufacturers and building material suppliers.

Group's Market Distribution by Region

Middle East	-	38.7%
South East Asia	-	35.6%
Far East Asia	-	9.4%
Africa	-	6.6%
United States	-	8.8%
Others	-	0.9%

Group's Business Objectives

As the overall market remained weak, main objective of the Group for the reporting financial year was to address the high cost of production in Malaysia operations and continue to look into the areas of sustainability to maintain the Group vision to be a sustainable one-stop panel producer with diverse range of products.

Group's Business Strategies

The Group's strategy was to continue maximizing productivity of Panel Boards manufacturing facilities in order to bring down the production cost by leveraging on higher productivity. Unfortunately, our strategy was not able to be realized for our operations due to the constant insufficient of raw materials (rubber wood) that resulted in reduction in low productivity due to stoppage of operations during the month and extended closure during festive season and this had resulted in higher costs of production for most of our Malaysia operations.

Group's Financial Review

The Financial Statements of the Group for the year ended 31 December 2024 was prepared in accordance with the Malaysian Financial Reporting Standards and the requirements set forth by the Companies Act, 2016.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Cont'd)

Group's Revenue

Despite the circumstance experience in our Malaysia operations during the current financial year 2024, there was a 29.6% revenue increase from RM316 million in the previous financial year ended 2023 to RM409 million. The increase in revenue was mainly due to higher average selling price and sales volume from Panel Boards as well as downstream products.

Our Thailand segment saw a drop in revenue of 2.6% from RM451 million to RM439 million in current financial 2024. This was mainly due to the revenue which could not be realised as a result from the roll over shipments to early of the year 2025.

Our Indonesia segment's revenue saw a decrease of 4.2% for the financial year 2024 to RM110 million compared to RM115 million in the previous financial year and was mainly due to lower average selling prices of Panel Boards in the domestic market.

Overall, the Group's revenue for the financial year ended 2024 increased by 8.7% or RM77 million to RM958 million from RM881 million in the previous financial year 2023. This increase was mainly due to a higher average selling prices coupled with the increase in sales volume of Panel Boards and downstream products.

Group's Profit before Tax

For the financial year ended 2024, our Malaysia segment reduced its losses before tax to RM40 million, compared to losses of RM62 million in the previous financial year ended 2023. Losses before tax was due to higher cost of raw material (wood and resin) coupled with higher cost of production due to the inefficiency of production caused by shortage of raw materials.

Our Thailand segment reported a profit before tax of RM41million, which represents a significant increase from the profit before tax of RM25 million reported in the previous financial year ended 2023. The increase in profit was mainly due to higher sales margin.

Meanwhile, for our Indonesia segment, profit before tax for the current year was RM12 million, down by RM4 million compared RM15 million in the previous financial year ended 2023. The decrease in profit was mainly due to lower sales income during the financial year.

The Group reported a profit before tax of RM13 million for the current financial year ended 2024, an increase compared to the losses before tax of RM22 million in the previous financial year ended 2023. The increase in profit before tax were mainly due to foreign exchange loss, higher sales volume and higher average selling price.

Group's Consolidated Profit After Tax

The Group recorded a consolidate profit after tax of RM2 million for the financial year ended 2024 compared to a consolidated loss after tax of RM37 million in the previous financial year ended 2023. The profit after tax were mainly from our Thailand and Indonesia operations which had remained profitable and profits were derived from higher average selling price.

Shareholders' Equity

As at the end of the current financial year 2024, the Group's total equity decreased to RM987 million from RM996 million in the previous financial year 2023 due to the reduction in our other reserves in the Group.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Cont'd)

Total Assets

The Group's total assets decreased by 1.6% from RM1,456 million in the previous financial year 2023 to RM1,433 million in the current financial year ended 2024. This decrease was mainly due to the reduction of our cash which was utilized for the relocation expenses to Indonesia during the current financial year 2024.

Trade and other receivables for the Group decreased by 8.6% to RM80 million in the current financial year ended 2024 compared to RM87 million in the previous financial year 2023. The decrease is due to the complete payment received from customers during the current financial year.

The Group's inventories increased by 14.2% from RM188 million in the previous financial year 2023 to RM214 million in the current financial year ended 2024. The increase of inventory was a result of delayed shipments which resulted in roll-over of export shipments at beginning of the year brought to the current financial year.

There was an increase of RM29 million in our bank borrowings and this was mainly for the final purchases and refurbishment of assets for the relocated production line to Indonesia. The Group's bank balances have reduced by 29.9% to RM140 million for the financial year ended 2024 compared to a balance of RM200 million in the previous financial year ended 2023. The decrease in the Group's bank balances was also due to lesser cash generated from the Group's operations in the current financial year 2024.

Total Liabilities

The Group's total liabilities for the current financial year ended 2024 decreased by 3.2% to RM446 million from RM460 million in the previous financial year 2023 due to majority of the vendors of the relocation project were paid off during the current financial year.

Additionally, the Group's trade and other payables increased by 0.9% to RM108 million in the current financial year ended 2024 compared to RM108 million in the previous financial year ended 2023. This was mainly due to a slight increase on accruals made during the financial year.

Borrowings

Borrowings in the Group has increased by approximately 12.4% from RM238 million in the previous financial year ended 2023 to RM267 million in the current financial year ended 2024. The increase in borrowings was a result of the final stage of additional assets and refurbishment of assets in Indonesia.

Gearing Ratios (Net and Gross %)

The Group's gross gearing ratio for current financial year ended 2024 recorded at 0.26 showing an increase of 0.02% compared to 0.24 in the previous financial year ended 2023. The net gearing ratio for current financial year 2024 was 0.11 showing an increase of 175% compared to 0.04 in the previous financial year ended 2023 mainly due to the increase in borrowings as a result of the additional assets purchased and final refurbishment of assets including moving cost to Indonesia.

Earnings per share

The Group's net earnings per share for the current financial year ended 2024 was 0.24 sen, an increase from loss per share of 4.41 sen in the previous financial year 2023. The earnings were mainly from the Group's reduced losses after tax in the current financial year ended 2024.

Group's Net Assets Per Share

The Group's net assets per share for the current financial year ended 2024 was RM1.17, which is lower compared to RM1.18 in the previous financial year 2023 due to the negative financial results of the Group in the current financial year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Cont'd)

Financial Position

As at the financial year ended 31 December 2024, the Group's balance sheet remained stable with a total net worth of RM987 million. The Group's borrowings of RM267 million exceeded its cash and cash equivalents of RM140 million, resulting in a net debt of RM127 million. The increase borrowings was to finance the relocation cost of the production line from Malaysia to Indonesia and also purchase of additional assets for the plant in Indonesia.

The Group is optimistic on sustaining a stable financial standing, and the Board is confident that the Group will be able to maintain its operations and fulfil its obligations in the foreseeable future.

Key Result Areas (KRAs)

The Key Result Areas (KRAs) for financial performance were established in tiers for each business unit/company, and only our overseas business units/companies and 2 of our Malaysia business units achieved the established tiers. Majority of our Malaysia operations failed to meet their KRAs as they were challenged by the increase in the cost of production, shortage of raw material and the weak market demand of our Malaysia products which has become less competitive in the international market.

On KRAs for non-financial performance, Key Performance Indicators (KPIs) were established for Economic, Environmental, Social, and Governance initiatives to be implemented by each business unit/company. These KPIs were also linked to financial performance rewards, and all business units/companies has seen their efforts paid off with the start of decrease in the Group's negative impact.

Review of our Operating Activities

Our Operations in Malaysia were unable to pass down the additional cost incurred from the previous year on Electricity ICPT and also on the labor cost due to the changes in the Employment Act for the overtime ceiling level. Furthermore, continued disruption in the supply of our raw materials (rubber /mixed tropical wood) due to reduced harvesting caused by a lack of foreign manpower in plantations and also extended rainy weather, had affected our production operations resulting in higher productions cost, lower efficiency and less competitiveness in the international market for Panel Boards and RTA furnitures in particular.

Management managed to put some measures in place to minimize the losses in our Malaysia Operations by reducing hours of operation when raw materials are limited or not available, control overtime hours including refraining from operating during public holidays whenever possible. This can be seen from comparing the previous year performance against the current financial performance.

For the financial year 2024, the Group's focus was mainly on the completion of the relocated MDF production line to Indonesia and cost control / reduction in our Malaysia operations as the increase in Electricity ICPT tariff and labor cost due to the changes in Employment Act were still not able to pass on to customers.

Our operational cost in Thailand had minimal increase from the raw material cost during the rainy season and no supply interruption and therefore had better productions efficiency except for some unexpected breakdowns of our biomass energy plant which caused higher energy cost when buying from the grid. Therefore, Thailand Operations was able to compete in the overseas market and achieved better performance compared to our Malaysia operations.

As for our Indonesian operations, there was also minimum cost increase for the raw material supply during rainy seasons and the raw material supply chain was not interrupted. As at the end of financial year 2024, the installation of the relocated MDF line from Malaysia was close to completion and was targeted for trial run by the end of January 2025 with commercial run targeted for March 2025.

Our capital expenditures in the Group increased from RM96 million in the previous financial year 2023 to RM112 million in the current financial year 2024, mainly for the relocation of the MDF Line to Indonesia, replacement of parts due to wear and tear of machineries for the entire Group. With the commissioning of the newly installed line, the Group's capital expenditure is expected to be back to normal for the financial ending year 2025.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Cont'd)

Group's Risks

Disruption in Raw Material- Supply Chain

Our Group's material operational risk is mainly in our raw material supply chain, which is wood (branches), wood waste and mixed tropical wood that are the main raw materials for the Group. Rainy season and/or any changes in government policies on logging due to the nation's commitment to international bodies on climate change may increase the possibility of supply disruption in our main raw material supply chain. These disruptions will then lead to shortage of wood supply to our operations, resulting in higher raw material costs and lower production output due to insufficient material supply. This is an inherent risk to the Group which is faced by all wood industries.

Partial mitigation of this risk is by increasing the intake of wood supply at each mill before the rainy season and can be done where supply is not limited during normal season but if the monsoon season is prolonged and supply is limited, the risk may not be able to be mitigated at all.

However, there may not be any mitigation for situation that the Group experienced again during the current financial year 2024 where majority of panel board manufacturers including the Group, had frequent disruption of supply chain that initially started back in year 2023. The lack of foreign manpower in plantation sector which has still not been resolved by the government had resulted in reduced harvesting in Peninsular Malaysia since Covid-19.

Cost of Energy

Increase in energy cost is one of our operation risks that will disrupt our profit margin and cost of production be it in Malaysia, Thailand or Indonesia as the Group's operation has high dependency on energy. This risk can only be mitigated by having an alternative source of energy. The Group has partially mitigated this risk by having installed solar panels which is able to generate 8MWh energy in Malaysia plant and a 18MWh biomass energy plant in Thailand.

Therefore, any increase in cost or major breakdown in supply of electricity from the grid will cause a down time in operations as well as increase in cost of production which eventually can decrease the Group's profit margin.

Foreign Exchange

The Group is exposed to foreign exchange risk caused by the fluctuation of the Malaysian Ringgit, Thai Baht, and Indonesian Rupiah against the US and Euro Dollar. Even though the Group's export sales are mainly in US dollars, any strengthening or weakening of the US dollar against Malaysian Ringgit, Thai Baht and Indonesian Rupiah may have positive or negative impact to the Group's financial performance.

The Group also has foreign currency borrowings in US dollars and Euros, so any fluctuations in these currencies can lead to foreign exchange impacts. If the US dollar weakens or the Euro strengthens, currency translation losses may be realized, which can negatively affect the Group's financial performance.

To mitigate this risk, the Group continuously monitors currency fluctuations. The Group currently does not practice any hedging, but it aims to maintain a natural hedge between foreseeable payments and collections. However, the Management will consider any form of hedging when necessary. In the current financial year 2024, the Group had a foreign exchange gain of RM0.9 million, compared to foreign exchange gain of RM7 million in the previous financial year 2023.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Cont'd)

Forward Looking Statement – Prospect

During the current financial year ended 2024, the Group's losses continued from the weak performance of our Malaysia operations while our Thailand and Indonesian operations remained profitable.

Looking ahead to the financial year 2025 and as we have progress into the first quarter, the market demand for the Group's products, particularly Panel Boards and RTA furniture, is displaying some minor improvements with the sales orders but the supply of raw material remains unchanged which may cause an issue to the Malaysia operations.

In view of the increased production costs, particularly in the Malaysian business segment, the Board expects a continuous challenging year ahead for the Group. With the Management's implementation of strategic plans and measures, the Board remains optimistic about achieving improved financial performance in the upcoming financial year 2025, despite the challenges ahead.

Dividend Policy

With the Group's minor financial results improvement for the financial year ended December 2024 and with the unexpected challenging economic climate ahead, the Board of Directors will not be recommending any dividends distribution during the upcoming Annual General Meeting.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board or BOD") of Evergreen Fibreboard Berhad ("EFB") takes this opportunity to provide an insight into the Group's Corporate Governance ("CG") practices during the financial year ended 31 December 2024 ("FY2024").

This Corporate Governance Overview Statement ("Statement") sets out the principles and features of EFB's corporate governance framework and the main areas of focus and priorities. The Board hereby presents the Group's CG Overview Statement below: -

ON BOARD LEADERSHIP AND EFFECTIVENESS

Practice 1.1

The Board recognises the key roles it plays in setting the strategic direction of the Group. In achieving this, the following activities amongst others were carried out during the current financial year: -

- a) reviewed the Group's Businesses performance through regular updates (other than Board meetings) directly by Management on the financial and non-financial performance of individual company/ business units and thereon advised management on the course of action accordingly;
- b) reviewed the ethical standards in the Code of Conduct on appropriate behaviors and obtain Management's assurance for any non-adherence, reviewed framework on Risk and Sustainability Management including Policies on Whistle Blowing, Anti Bribery and Stakeholders' Communication for changes to be made in view of the current business environment and changes in the Corporate Governance and Listing Requirements; and
- c) together with Management, set the Group's strategies and policies that oversees risk, sustainability and corporate governance including monitoring the progress towards the Group meeting its set objectives and annual budget plans.

Practice 1.2

Mr. Jonathan Law Ngee Song is our Non-Independent Non-Executive Chairman and his main role and responsibilities are strictly on matters of the Board. He provides the Board with the needed directions and strategic insights. He is able to foster good corporate governance practices by ensuring the Company adopts the policies and practices in line with Malaysian Code on Corporate Governance ("MCCG"). Together with the guidance from Company's Secretaries and Management, the Chairman through the Board reviews the Corporate Governance Report and Corporate Governance Overview Statement to ensure the compliance level of Corporate Governance practices.

Practice 1.3

The position of our Chairman and the Chief Executive Officer are held by two different individuals, i.e., Mr. Jonathan Law Ngee Song and Mr. Kuo Jen Chang.

Practice 1.4

Our Chairman of the Board is not a member of any Board Committees except being the Chairman of our Sustainability Management Committee.

Practice 1.5

The Board of Evergreen is supported by 2 (two) qualified and competent Company Secretaries namely Ms. Tan Yit Chan (MAICSA 7009143) and Ms. Santhi A/P Saminathan (MAICSA NO. 7069709). They are capable of providing the required advice for a sound corporate governance, adherence to rules and procedures by the Company including advise the Chairman of the Board on the adoption of corporate governance best practices.

Practice 1.6

All Directors receive meeting materials containing minutes of previous meeting, agenda of the coming meeting together with all relevant papers for the agenda in advance of 6 (six) days prior to actual meeting date.

Upon conclusion of each meeting, Minutes of Meeting are prepared and circulated via electronic mail to all members for their review and comments. The amended draft minutes are re-circulated via electronic mail for final confirmation in readiness for signing at the next scheduled meeting.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

ON BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Practice 2.1

EFB's Board Charter is reviewed periodically and is made available on the Company's website at www.evergreengroup.com.my. The Board Charter was reviewed and adopted on 24 February 2025. The Board Charter clearly specifies the respective roles and responsibilities of Board and Committee Members including issues and decisions that are strictly reserved for the Board's discussion and approval.

Practice 3.1

The Board established and reviewed EFB's Code of Conduct and Business Ethics ("the Code") and together with Management implemented policies and procedures to manage conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct is made available on the Company's website at www.evergreengroup.com.my.

Practice 3.2

The Board is committed in promoting a healthy corporate culture that engenders integrity, transparency and fairness in all its dealings. Together with Management, Board of Directors establish, review and implement policies and procedures on Whistleblowing. The Company have adopted Whistleblowing Policy and it is published and available at the Company's website at www.evergreengroup.com.my.

Practice 4.1

The Board together with Management takes responsibilities for the governance of sustainability in the company including setting and reviewing the Company's sustainability strategies and targets together with Management through the development and implementation of sustainability strategies, business plans, action plans including risk management on material matters.

Strategic Management of material sustainability matters are driven by Senior Management who is the Head of Operations and his/her Sustainability Management Working Group which consist of Head of Departments.

Practice 4.2

The Board through the Sustainability Management Committee and together with Management sets the Company's sustainability strategies and targets and reviewed the performance against the targets set for the year. The targets and performance are stated in our Sustainability Statement. The Company have published its Sustainability Statement and its available on Company's website at www.evergreengroup.com.my.

Practice 4.3

The Board keeps themselves abreast and understands the sustainability issues relevant to the Company and its business which includes climate-related risk and opportunities through seminars and trainings.

Trainings attended by Directors during the FYE2024 is as follows: -

Director	Trainings/Fairs Attended
JONATHAN LAW NGEE SONG	Mandatory Accreditation Programme Part II: Leading for Impact (LIP); Directors' Duties & ESG - The Latest Case Law & Developments - Learn Live; Duties & ESG - The Latest Case Law & Developments; and AON - Climate and Nature Training Session.
KUO JEN CHANG	Prevention & Elimination of Forced Labour & Workplace Harassment; and Mandatory Accreditation Programme Part II: Leading for Impact (LIP).
KUO JEN CHIU	Prevention & Elimination of Forced Labour & Workplace Harassment; and Mandatory Accreditation Programme Part II: Leading for Impact (LIP).
KUAN KAI SENG	Mandatory Accreditation Programme Part II: Leading for Impact (LIP); and Prevention & Elimination of Forced Labour & Workplace Harassment.
MARY HENERIETTA LIM KIM NEO	Prevention & Elimination of Forced Labour & Workplace Harassment; Mandatory Accreditation Programme Part II: Leading for Impact (LIP); Sustainable Success - Innovating Corporate Strategy & Operations; Impact of EU's Carbon Border Adjustment Mechanism (CBAM) on Malaysian Businesses; and MEF Tax Seminar 2024: Strengthen National Economy, Accelerate Business Sector.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

ON BOARD LEADERSHIP & EFFECTIVENESS (Cont'd)

Director	Trainings/Fairs Attended
TAN MUI PING	Mandatory Accreditation Programme Part II: Leading for Impact (LIP); Anti Corruption -MACC Act Sec 17A; Are You Measuring Your Sustainability Performance Right: Targets & Metrics?; Conflict of Interest ("COI") and Governance of COI; Enterprise Risk Management; ACCA Technical Symposium 2024; Dialogue & Networking Session Board's Role in Whistleblowing Oversight; and Boardroom Insights 2025: Navigating Governance, Risk and Strategic Foresight.
HONG KIM HEONG	Mandatory Accreditation Programme Part II: Leading for Impact (LIP); MAICSA Annual Conference; and MBRS 2.0 -Annual Return.

Practice 4.4

In addressing EFB's Material Sustainability Risk and Opportunities, Annual Evaluation on Performance of the Board and Senior Management has included elements of sustainability matters and this includes the KRAs/KPIs of Senior Management and Executive Directors.

Practice 4.5 – Step Up

The Board has identified and designated a person within Management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the Group.

Practice 5.1

Composition of the Board is reviewed by the Nominating Committee periodically where additional Independent Director has been recruited during the FY2024. The tenure of Independent Director has been limited and re-election of Directors are only recommended by the Nominating Committee upon satisfactory outcome of their annual performance evaluation and fit and proper criteria assessment.

Practice 5.2

EFB's Board consist of 8 (eight) Members whereby 4 (four) are Independent and 4 (four) are non-independent.

Practice 5.3

The Company have set the tenure of our Independent Director to not exceed a cumulative term limit of nine years and it is stated in the Board Charter.

Upon completion of the nine years and up to 12 years, if the board intends to retain an independent director beyond nine years, justification to be provided and seek annual shareholders' approval through a two-tier voting process.

If Independent Director is retain beyond 12 years, he/she shall be re-designated as Non-Independent Director from the 13th year onwards.

Practice 5.4 – Step Up

The Board does not have a policy which limits the tenure of its independent directors to nine years without further extension.

Practice 5.5

The Nominating Committee plays a pivotal role in the process of the Board's appointment, developing and deliberating on selection criteria based on the competencies and attributes required for effective Board membership. The Nominating Committee conducts screening, initial selection and present the findings on candidates to the Board for consideration. Prior to making recommendations, potential candidates shortlisted by Nominating Committee undergo comprehensive background checks, including assessment of financial and character integrity and fit and proper criteria assessment. The Directors demonstrate commitment by attending meetings and effectively discharging their responsibilities. The Board is satisfied that each Director allocates sufficient time to fulfill their duties, reflecting dedication and diligence.

The Appointment of Senior Management are based on criteria such as required skills, relevant experience, age, background, culture and gender that have been set to ensure a mixture of skills.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

ON BOARD LEADERSHIP & EFFECTIVENESS (Cont'd)

Practice 5.6

When necessary, the Nominating Committee may leverage independent sources to identify candidates with the appropriate qualifications for potential appointments. The independent sources include seeking recommendation of potential candidates from Lead Women Directors Registry for potential female candidates and the Institute of Corporate Directors Malaysia (ICDM).

During the year under review, there was one new Independent Director appointed to the Board which was sourced from ICDM.

Practice 5.7

Through the Board Annual Assessment 2024, the Nominating Committee had assessed the Directors' eligibility for re-election and appointment by considering their competencies, commitment, contribution, and their ability to act in the best interest of the Company.

The Board at its meeting held on 24 February 2025 endorsed the recommendation of the Nominating Committee for the following Directors to be considered for re-election pursuant to Clause 109 and 116 of the Company's Constitution at its forthcoming AGM:

- (i) Mr. Kuo Jen Chang
- (ii) Ms. Mary Henerietta Lim Kim Neo
- (iii) Encik Shameer Bin Othman

The details of the above mentioned Directors are disclosed in the Directors' Profile in the Annual Report.

Practice 5.8

EFB's Nominating Committee is Chaired by our Independent Director, Ms. Hong Kim Heong. The profile of Ms Hong Kim Heong is available on page 17 of the Annual Report 2024.

Practice 5.9

As of the report date, the Board composition consist of eight (8) members whereby three are female Directors which constitutes 37.5%.

Practice 5.10

The Group's Policy on Diversity: -

- a) For gender diversity, the Board shall strive to achieve female composition of 30% on the overall Board and Senior Management's composition;
- b) To ensure independence of Independent Directors on Board, any Independent Director remaining on Board beyond the 12th year shall be re-designated as a non-independent director;
- c) To have an active and dynamic board, the minimum and maximum age for a Director to be appointed shall be considered; and
- d) To ensure a mix of skills in Board Members, the sourcing and recruitment of directors shall be source from a diverse pool of candidates and not just recommendation by other directors or shareholders.

As of the report date, the Board composition consists of three female Directors representing 37.5% of the total Board composition.

Practice 6.1

Our Nominating Committee carries out annual performance evaluation in the following manner: -

- 1. Early December 2024, Nominating Committee carried out Annual Assessment to review and evaluate the effectiveness of the Board as a whole, the Committees, performance of Individual Directors (including Independent Directors), Key Officers and the Company Secretary. Elements of annual evaluation were on skills, experience, diversity, core competencies and risk and sustainability management.
- 2. The evaluation process was carried out through forms established by Nominating Committee based on the recommendation in the corporate governance guide. Forms were sent to all Members on the instructions of the Nominating Committee Chairman who led the annual assessment process.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

ON BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Practice 6.1 (cont'd)

3. Annual Evaluation Forms were sent via email to all concern to carry out their review on Individual Directors, Key Officer, Company Secretary, the Chairman of the Board, the Board as a whole and Board Committee(s). A timeframe was also given for review to be completed and email back to the Company Secretary for tabulation of scores.
4. The results of the evaluation were then emailed informed to the Nominating Committee Chairman and further discussed with the Board Chairman where it was tabled at the 4Q2024 Nominating Committee meeting held in February 2025.
5. The Chairman of the Nominating Committee reported to the Board the necessary matters and findings on the evaluation at the subsequent Board meeting.
6. Upon receiving the report, the Board will comment should there be any improvements or adjustment needed by the Board, Board Committee or members.

Practice 7.1

1. EFB maintains a Remuneration policy on fees and allowances structure for Non-Executive Directors ("NED") which was reviewed and approved by the Board. The framework on fees structure and allowances takes into consideration the responsibilities of each individual director their roles and their contribution to the Board as well as the Board Committees they sit in.
2. EFB maintains a formal remuneration framework and salary structure for Executive Directors, Senior Management and Key Officer which was reviewed and approved by the Board. The framework on remuneration and allowances takes into consideration the responsibilities of each individual their roles and their contribution to the Company /Group.
3. The Remuneration Policy for NEDs, Key Officers as well as Senior Management are made available on the Company's website at www.evergreengroup.com.my.

Practice 7.2

The Remuneration Committee's has written Terms of Reference that deals with its authority and duties and these are made available on our Company's website at www.evergreengroup.com.my.

Practice 8.1

The fees, allowances and benefits of RM420,000 was formally approved by shareholders at annual general meeting held on 27 May 2024. The total amount paid to non-executive directors for FYE2024 was RM362,237 and the details to these payments is stated in the Company's Corporate Governance Report 2024.

Practice 8.2

Company noted on the departure from Practice 8.2 of MCCG 2021 as the components of the remuneration of Senior Management, which include their salary, bonus, benefits-in-kind and other emoluments are subject to the Personal Data Protection Act ("PDPA") 2010 and the Company have opt not to disclose the personal data of their Senior Management personnel to the public at large. Currently, the Company does not have an alternative plan to meet the intended outcome.

Nevertheless, detailed remuneration of the Company's CEO, COO and GED have been disclosed in Practice 8.1 in the Company's Corporate Governance Report 2024.

Practice 8.3 - Step Up

The Company has departed from this practice recommended due to sensitivity reasons in the Group as well as to safeguard the confidentiality of information.

Practice 9.1

Our Audit Committee Chairman is Mr. Kuan Kai Seng and he is not the Chairman of our Board.

Practice 9.2

The Audit Committee Terms of Reference have indicated that the Company require a former audit partner of the external audit firm to observe a cooling off period of three years before being appointed as a Director of the Company. The Audit Committee's terms of reference is accessible via the Company's website at www.evergreengroup.com.my.

Additionally, any offer of employment to a former employee of the audit firm in respect of a senior management position must be pre-approved by the Audit Committee.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

ON BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Practice 9.3

Policies and Procedures for evaluating the external auditors are in place and being practiced by the Audit Committee together with the Nominating Committee in terms of accessing the suitability and the independence of external auditors.

Practice 9.4 - Step Up

Our Audit Committee comprises solely of Independent Directors and this is in line with the requirements under Bursa Malaysia Securities Berhad Main Market Listing Requirements ("MMLR"); Paragraph 15.09(1) (a) and (b).

Practice 9.5

Members of the Audit Committee possess a wide range of skills from accounting, finance, audit, law, regulations, corporate practices and similar business experience. All members are financially literate and understands their roles, responsibilities and functions as a Member of the Audit Committee. They continuously keep themselves abreast on all relevant developments and changes in the accounting and audit standards. The list of trainings attended by the Audit Committee Members during the FY2024 is disclosed on page 31 of the Annual Report 2024.

Practice 10.1

The Board affirms its overall responsibility for establishing a sound risk management and internal control system, as well as for reviewing adequacy and effectiveness in identifying, assessing and responding to risk which may hinder the Group from achieving its objectives. The Board establishes Risk Committee to oversee matters relating to risk, compliance and controls. The Risk Committee updates the Board periodically of their work, key deliberations and decisions on delegated matters.

Further information on risk management framework and internal controls are disclosed in the Statement on Risk Management and Internal Control on page 37 of the Annual Report 2024.

Practice 10.2

Features of our Risk Management and Internal Control System: -

1. Our Enterprise Risk Management System is guided by the Principles of ISO 31000 Standards, an objective-centric based approach that ties and links the risk of the Group's Business Strategies and Objectives;
2. Our Risk Appetite and Tolerance Level reviewed and approved by the Board, keeps risk level within the appetite and breaches of each limit level are to be made known to the Board level based on the urgency set;
3. Our reporting structure clearly sets out the reporting line of the Risk Management Functions from the Subsidiary to the Group Level and this ensures a clear understanding of the reporting line for Risk Registers to be escalated;
4. Our set Risk Reporting Timeline prompts personnels responsible for risk, to conduct review and monitor their risk reporting responsibilities; and
5. Our Risk Management Governance is based on a "Three Lines of Defense" at the Subsidiary as well as at the Group level which provides a simple and effective way of enhancing communications on risk management by clarifying essential roles.

Practice 10.3 - Step Up

Our current Risk Management Committee comprised of three (3) Independent Non-Executive Directors and one (1) Senior Management to oversee the risk management framework and policies.

Practice 11.1

The Audit Committee is supported by an external internal audit function provided by BDO Governance Advisory Sdn. Bhd. and they report directly to the Audit Committee who approves their audit plan annually.

Internal Auditors performs Internal Control Reviews on areas suggested by the Audit Committee and the Internal Auditors report the findings of their audit to the Audit Committee. The Internal Auditor takes instructions only from the Audit Committee Chairman.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

ON BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Practice 11.2

The Internal Auditors and their Personnel(s) have confirmed in writing that they are free from any relationships or conflict of interest with the Group's Directors and Senior Management Staffs and therefore there is no impairment to their independence.

BDO's function team is headed by its Executive Director who possess the required relevant qualification and experience and is assisted by 3 (three) other staff including a manager. The Internal Audit Functions carried out by BDO are in accordance with the International Professional Practice Framework ("IPPF") of the Institute of Internal Auditors.

Practice 12.1

1. Policy on communication with our Stakeholders has been established and is put in practice. Our Investor Relation (Mr Martin Leong) reports to the Board on any feedback from Stakeholders during his discussion or meeting with them for the Board's action.
2. As to ensure that information is fairly communicated to all shareholders, the Company maintains its corporate website at www.evergreengroup.com.my containing information on the Group as well as its financial and nonfinancial announcements made to the Stock Exchange. Any presentation slides given or communicated to shareholders in general meetings, investors meeting and road shows are being posted on to our website to be accessed by all stakeholders and the general public at any point in time.

Practice 12.2

This practice is not applicable as we are not a large company.

Practice 13.1

The Notice of Agenda of the forthcoming AGM together with Forms of Proxy are dispatched to the shareholders at least 28 days prior to the AGM, which gives shareholders sufficient time to prepare themselves to attend, speak and vote.

Practice 13.2

As Annual General Meeting is the principal forum for dialogue with our shareholders/stakeholders, therefore our directors demonstrate their accountability by attending the AGM and respond to shareholders' queries by providing sufficient explanation and clarification on issues and concerns raised.

Practice 13.3

Our past Annual General Meeting was carried out virtually with electronic polling process carried out online by Boardroom Share Registrars Sdn. Bhd. For the forthcoming annual general meeting, it will be conducted physically with electronic polling process.

Practice 13.4

During our Annual General Meeting, our Group Chief Financial Officer presents the Company's financial performance and nonfinancial performance including the Company's strategies, Shareholders are allowed to pose their question. We also encourage shareholders to write in their questions earlier should they have any.

Practice 13.5

During our virtual annual general meetings, all question raised by shareholders are firstly flashed out and then read out by our Group Chief Financial Officer and thereon responded accordingly with the answers.

Practice 13.6

Minutes of our annual general meeting was uploaded onto our website within 30 (thirty) business days after the annual general meeting being conducted.

The Board of Directors has approved this statement on 10 April 2025.

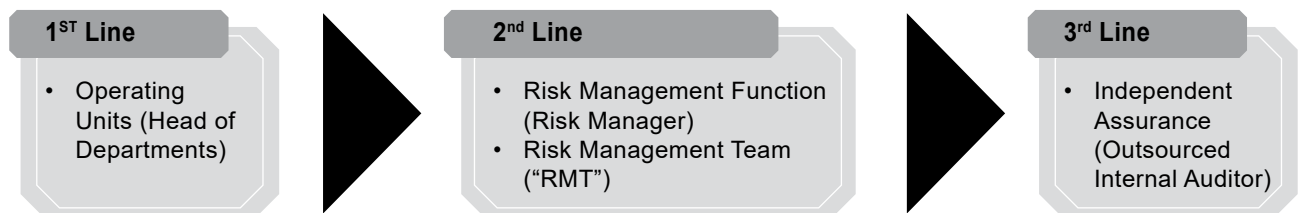
STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Pursuant to Paragraph 15.26(b) of the Listing Requirements of Bursa Malaysia, sufficient and meaningful information needed by shareholders to make an informed assessment of the main features and adequacy of the Company's risk management and internal control system have been included in this statement by the Board as follows: -

Features of our Risk Management and Internal Control System

1. Our Enterprise Risk Management System is guided by the Principles of ISO 31000 Standards, an objective-centric based approach that ties and links the risk to the Group's Business Strategies and Objectives.
2. Our Risk Appetite and Tolerance Level reviewed and approved by the Board, keeps risk level within the appetite of the Group whereby breaches of any limit level are made known to the Board based on the urgency set.
3. Our reporting structure clearly sets out the reporting line of the Risk Management Functions from the Subsidiary to the Group Level and this ensures a clear understanding of the reporting line for Risk to be escalated.
4. Our set Risk Reporting Timeline prompts personnels responsible for risk, to conduct review and monitor their risk reporting responsibilities.
5. Our Risk Management Governance is based on a "Three Lines of Defense" at the Subsidiary level and also at the Group level which provides a simple and effective way of enhancing communications on risk management by clarified essential roles as follows: -

At the Group Level



The 1st Line of Defense is the Operating Units where the Head of Departments ("HOD") are responsible for managing risks and internal controls systems within their respective functions on a day-to-day basis. *(To assist the HODs, personnel within their departments are identified and appointed as Risk Officers to identify, assess and manage the departments' risk register).*

The 2nd Line of Defense is the Management Oversight where the risk management function assumes overall responsibility for the implementation of the Framework and its continued application in respective entity (s). The Chief Executive Officer ("CEO") provides leadership and direction to Management via Risk Management Team ("RMT"), and ensures alignment of the Group's practices based on the risk management policy. The Board maintains its oversight via the Risk Management Committee ("RMC") whom the RMT reports to on a quarterly basis or when needed.

The 3rd Line of Defense is our Independent Assurance (currently BDO). Our Internal Audit Function which is outsourced provides the RMC with reasonable independent assurance on the effectiveness and efficiency of the Risk Management Framework that is part of the Group's internal control system to manage risks to achieve the Group's business objectives. The Board, through the RMC provides governance, guidance and oversight to Management's risk activities in managing key risk areas and to ensure that risk management processes are in place and functioning effectively.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)

Features of our Risk Management and Internal Control System (Cont'd)

At Company/Subsidiary Level



The 1st Line of Defense is the Operating Units where the HODs of the Subsidiaries are responsible for managing risks and internal controls systems within their respective functions on a day-to-day basis. To assist the HODs, personnel within their departments are identified and appointed as Risk Officers to identify, assess and manage all departments' risk register.

The 2nd Line of Defense is the Management Oversight where the Operations Manager of each subsidiary assumes overall responsibility for the implementation of the Risk Management Framework and internal control system together with all the related policies and plans at the subsidiary level. Head of Operations reports to RMT on a quarterly basis or when needed.

The 3rd Line of Defense is at Group Level where the Risk Management Team and the Risk Manager assumes overall responsibility to ensure alignment of the Group's practices based on the risk management policy amongst the companies within the Group.

6. Subsequent to the Risk Management Training & Workshop conducted for the Group which started in August 2023, the Consultant, Q3 Management Solutions Sdn. Bhd. (Q3Solutions) had, on 1st May 2024, been appointed as the Group's Enterprise Risk Management (ERM) advisor for a period of one year.

This engagement was to enhanced the Group's risk management practices by streamlining processes, benchmarking policies against standardized best practices, and fostering sustainability through structured approaches.

7. The Advisory Engagement consist of the following: -
 - a) Physical site visit to the companies involved for discussion or to meet up with the respective Risk Management Teams;
 - b) Streamlining of Reporting of Risk Register for business / operations units and subsidiaries to the Group's Risk Management Function;
 - c) Online meetings or discussion on Risk Management matters, and
 - d) Unlimited inquiries or assistance via Telephone Call or WhatsApp for Risk Management Team of the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)

Internal Compliance Audit Activities

Our Internal Compliance Team assist in coordinating with Internal Auditors during audit activities and during the financial year 2024 our In- house Compliance Audit Team carried out compliance audit within the Group on a planned basis as follow: -

- a) Governance - On Validity of Permits / Licenses / Certificates in online monitoring system;
- b) Compliance - On Verification and Confirmation of Sustainability carbon emission figures for 2023 Annual Report;
- c) Risk Audit - On Fire Mitigation Plans for critical areas in production;
- d) Social Audit on Vendors compliance to Force Labor;
- e) Internal Controls for Sales and Shipping: -
 - Sales inquiry, Quotation and Sales order processing;
 - Production planning procedure;
 - Shipping Control;
 - Customer registration, assessment, handling complaint and measuring customer satisfaction; and
 - Compliance to competition law.
- f) Internal Control System on Management of Warehouse:-
 - Delivery, handling and storage of Finish Goods including handling slow moving and obsolete finish goods; and
 - Procedure on Stock take and inventory count.

Based on the compliance audit carried out in these areas, findings were presented to Head of Operations for review and enhancement to the relevant Policies and Procedure. Corrective actions were proposed to be carried out in these areas to close the gaps with a timeframe for completion.

Internal Audit Activities

Based on the internal audit plans for financial year 2024, there were 3 (three) internal audits performed in the Group by our Internal Auditors, BDO Governance Advisory Sdn. Bhd. (BDO).

The first cycle of the internal control review for the financial year commenced during the 1Q2024 and was presented to the Board via the Risk Management Committee in May 2024. The internal control was to: -

1. Review on the Information Technology General Controls with the following objectives:
 - To assess the adequacy and test the integrity of the system of internal controls;
 - To assess compliance with policies and procedures and recommended best practices; and
 - To identify any potential areas for improvement in the effectiveness and efficiency of the processes.

The Scope of review included:

- Compliance with IT Standard Operating Procedures;
- IT security and access controls over critical systems/data;
- Database backup and recovery;
- System changes management (including user acceptance test); and
- IT disaster recovery and business continuity planning.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)

Internal Audits Activities (Cont'd)

2. The second cycle of the internal control review commenced in the 2Q2024 and was presented to the Board via the Risk Management Committee in November 2024.

The Internal Control Review was on the Foreign Workers Management of the Group with the following objectives:

- To assess the adequacy and test the integrity of the system of internal controls;
- To assess compliance with policies and procedures and recommended best practices; and
- To identify any potential areas for improvement in the effectiveness and efficiency of the processes.

The Scope of review included: -

- Adequacy of SOP in line with regulatory requirements;
- Recruitment and onboarding due diligence procedures for foreign workers;
- Foreign workers salary and compensation including working hours;
- Communication of Whistleblowing Policy and/or grievance reporting to foreign workers;
- Foreign workers agency/subcontractors' management; and
- Selected interview sessions with foreign workers.

3. The third cycle of the internal control review commenced in the 3Q2024 and was presented to the Board via the Risk Management Committee in February 2025. The internal control review was specifically carried out to obtain an Independent Review Report for the Directors of Evergreen Fibreboard Berhad for selected sustainability information for the year ended 31 December 2024 to be published in the Sustainability Statement 2024 of the Company.

Material Matters which were reviewed for disclosures are as follows: -

Energy Consumption – Solar and Electricity Consumption;
 Diesel Consumption - Stationary and Mobile Combustion;
 Petrol - Mobile Combustion;
 Biomass - Purchased and Self-Generated;
 Water Consumption - Local Supply;
 Water Consumption – River;
 Water Consumption - Ground (Well or Underground);
 Water Consumption- Water Treatment Plant;
 Water Consumption - Rainwater Catchment;
 Waste Management - Disposal (Hazardous);
 Waste Management – Disposal (Non-Hazardous);
 Waste Management – Recycle; and
 Occupational Health and Safety -Major and Minor accidents, Number and Fatalities.

4. After each review carried out, BDO compiles its findings with recommendations of improvements to be put in place with timeline given for its completion and presented to the Audit Committee of the Board.
5. The Audit Committee noted the gaps that was reported including the recommendations made by BDO on the weaknesses that was identified in the areas reviewed including advising Management of immediate action that required to be taken to rectify those weaknesses on all reviews carried out and completed during the financial year ended 2024.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)

Review by the Board

The Board reviewed the Audit Committee's report for each audit cycle's findings by the Internal Auditors and is aware of the additional controls that was recommended to be put in place including the assurance given by Management that the necessary actions recommended will be carried out within the timeline given.

The Board have received assurance from the Group Chief Executive Officer/President and the Group Chief Financial Officer in the board meeting, noting that the Group's Risk Management and Internal Control System is in line with the Group's policies and practices in all material aspects.

The Board also reviewed the Group's Risk Management Framework and Internal Control System through the Audit Committee and the internal audit report from the out-sourced internal auditors (BDO). Together with the assurance from the Group Chief Executive Officer/President and the Group Chief Financial Officer, the Board is assured on the adequacy and integrity of the Group's Internal Control System.

Weaknesses in the Internal Controls that resulted in Material Losses

During the financial year 2024, there were no major non-compliance issues in the Group except for some minor weaknesses which have been fully addressed by enhancement to some policies and procedures.

There was no failure in our System of Internal Control that had resulted in any material losses or omission within the Group. Nevertheless, the BOD together with Management will continuously take necessary measures to further enhance the Group's Internal Control System.

Review by External Auditors

Our External Auditors has reviewed this Statement on Risk Management and Internal Control. The review was performed in accordance with the Audit and Assurance Practice Guide 3 ("AAPG 3") issued by the Malaysian Institute of Accountants where the AAPG 3 does not require the external auditor to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system.

The Board of Directors approved this Statement on 10 April 2025.

AUDIT COMMITTEE'S REPORT

The Board hereby presents the Audit Committee Report which provides insights into the manner in which the Audit Committee (AC) has discharged its functions for the financial year ended 2024.

ROLE OF THE AUDIT COMMITTEE

The Audit Committee's official role is defined in its Terms of Reference ("TOR") which is accessible on the Company's website at https://evergreengroup.com.my/en/board_matters.

COMPOSITION AND ATTENDANCE

1. The AC has four (4) members, all of whom are independent NEDs, which is in compliance with Bursa Malaysia Securities Berhad's Main Market Listing Requirements (MMLR) and Malaysian Corporate Governance Guideline (MCGG).
2. Mr. Kuan Kai Seng being our AC Chairman is a member of Chartered Accountants Australia, New Zealand and the Malaysian Institute of Accountants is in compliance with MMLR under Paragraph 15.09. Current Members of the AC are Ms. Tan Mui Ping, Ms. Hong Kim Heong and En. Shameer Bin Othman who was appointed in November 2024. Their profiles are stated in the Directors' profile section of this Annual Report.
3. The Board through the Nominating Committee evaluates the AC members' terms of office and performance through an annual Board/Committee Evaluation/Assessment headed by the Chairman of the Nominating Committee. The Board is satisfied with the performance of the AC and its members, as they have fulfilled their roles according to the AC's Terms of Reference and have supported the Board in maintaining the required Corporate Governance (CG) standards.

MEETINGS

1. The AC conducted five (5) meetings in the financial year 2024, with the Group Executive Director and Group Chief Finance Officer being invited to facilitate direct communication and provide clarification on Group's audit issues, financial and operational matters.
2. Details of attendance of each audit committee member as below:

Director Name	Resignation	Meetings Attended
Mr. Kuan Kai Seng (Chairman)	Independent Non-Executive Director	5/5
Ms. Tan Mui Ping	Independent Non-Executive Director	5/5
Ms. Hong Kim Heong	Independent Non-Executive Director	5/5
En. Shameer Bin Othman	Independent Non-Executive Director	1/1

3. The Group's External Auditor, Baker Tilly Monteiro Heng (BT), attended three (3) of the five (5) AC meetings conducted.
4. Representative of BDO Governance Advisory Sdn. Bhd. (BDO) who carry out the Group's Internal Audit functions, attended two (2) AC meetings to present their Internal Audit (IA) reports.
5. Minutes of each AC meeting recorded and presented for confirmation at subsequent AC meetings by the Company Secretary.
6. The AC Chairman presented recommendations for approval of financial statements and conveyed significant concerns and financial changes to the Board.

AUDIT COMMITTEE'S REPORT (Cont'd)

EXTERNAL AUDIT

1. During the current financial year, the AC examined BT's audit committee memorandum for the year ended December 31, 2023, assessed the final draft account for the 2023 financial year alongside BT and management, evaluated BT's limited reviews of the Q4 2023 and Q3 2024 Condensed Consolidated Financial Statements. Assessment of the external auditor following MCGG guidelines was carried out by AC and reviewed BT's 2024 audit strategy including considering the external auditor's effectiveness and efficiency.
2. The Audit Committee also put forth for any decision to open the External Auditor's services for tender, with no contractual obligations limiting the Company's current choice of external auditor.
3. To ensure the reliability and compliance of the Group's quarterly Condensed Consolidated Financial Statements for 2023 and 2024 with relevant Financial Reporting Standards and to keep BT updated on the Group's financial performance, BT conducted limited review of the Group's Q4 2023 and Q3 2024 Condensed Consolidated Financial Statements before their presentation to the AC for review and recommendation for the Board's approval.
4. The AC discussed the external auditor's evaluation as prescribed by the MCGG. In addition to the evaluation, AC assessed the ongoing effectiveness and quality of the external auditor and the audit process based on meetings and internal discussions with the Group's finance personnel, senior management, and other Board members.
5. On November 22, 2024, BT sought the AC's approval for the proposed audit and non-audit fee for year 2024 as part of their Annual Audit Plan. AC reviewed BT's proposed audit, audit-related, and other services fees for 2024, considering the nature and level of all services provided by BT when annually reviewing the external auditor's independence. Fees paid to the auditor for audit, audit-related, and other services are detailed in the financial statement notes. After BT confirmed their independence in conducting the audit engagement per relevant professional and regulatory requirements, including the Malaysia Institute of Accountants' By-laws, the AC recommended BT's fee to the Board for approval.
6. On the same date, the Group Chief Financial Officer sought the AC's approval for the proposed audit, audit-related, and other services fees to be provided by the external auditors for the Group's subsidiary companies in Indonesia (JMMR, a member firm of BT) and Thailand (ICPOCL) not audited by the Group's External Auditors, BT, for 2024. The AC reviewed the proposed audit, audit-related, and services fees for 2024 from JMMR and ICPOCL, taking into account the nature and level of all services provided when reviewing the external auditor's independence annually. Fees paid for audit, audit-related, and other services are detailed in the financial statement notes. With written confirmation by JMMR and ICPOCL of their independence in conducting the audit engagement per the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants, the AC recommended their audit fees to the Board for approval.

FINANCIAL STATEMENTS AND REPORTING

1. The AC reviewed the Q4 2023 and Q1, Q2, and Q3 2024 quarterly Condensed Consolidated Financial Statements, prepared in compliance with Malaysian Financial Reporting Standard (MFRS) 134 "Interim Financial Reporting," International Accounting Standards 34 "Interim Financial Reporting," and Paragraph 9.22, including Appendix 9B of the MMLR, during meetings held on February 26, 2024, April 8, 2024, May 27, 2024, August 23, 2024, and November 22, 2024, and subsequently recommended them to the Board for approval.
2. To ensure the integrity of the information, the Group Chief Finance Officer presented the 2023 and 2024 quarterly Condensed Consolidated Financial Statements to the AC on February 26, 2024, May 27, 2024, August 23, 2024, and November 22, 2024, and provided assurances that: -
 - i) Appropriate accounting policies were consistently adopted and applied;
 - ii) The going concern basis applied in the Annual Financial Statements and the quarterly Condensed Consolidated Financial Statements was appropriate;
 - iii) Prudent judgment and reasonable estimates were made following MFRS requirements;
 - iv) Adequate processes and controls were in place for effective and efficient financial reporting and disclosures under MFRSs and MMLR; and
 - v) The quarterly Condensed Consolidated Financial Statements contained no material misstatements and provided a true and fair view of the Group's and individual companies' financial positions within the Group.

AUDIT COMMITTEE'S REPORT (Cont'd)

FINANCIAL STATEMENTS AND REPORTING (CONT'D)

3. On February 26, 2024, BT presented their interim audit findings to the AC regarding the audit of the Financial Statement ended December 31, 2023, primarily to ensure that the Q4 Condensed Consolidated Financial Statements ended December 31, 2023, did not significantly differ from the final published Financial Statement ended December 31, 2023, and to resolve any outstanding audit-related issues.
4. On November 22, 2024, BT presented the 2024 Audit Planning Memorandum for Group for the financial year ended December 31, 2024. The AC reviewed the 2024 Audit Plan and highlighted specific areas of concern for BT to address during their audit. The AC then recommended the audit plan to the Board for approval.
5. The AC went on to meet with BT without the presence of any Group Executive Directors and management on February 26, 2024, and November 22, 2024. No material issues were brought to the AC's attention during these meetings.

INTERNAL AUDIT

1. As a company listed on Bursa Malaysia Securities Berhad, EFB must ensure that it maintains a robust and effective risk management and internal control system. To fulfil this obligation, EFB has outsourced its internal audit function to BDO to evaluate and ensure the adequacy and integrity of EFB Group's internal control system. The fee for each audit cycle is RM25,000 (excluding sale tax and out-of-pocket expenses).
2. On May 27, 2024, BDO presented to the Board the findings on the Internal Control Review carried out on the Information Technology General Controls of EFB with the following objectives: -
 - To assess the adequacy and test the integrity of the system of internal controls;
 - To assess compliance with policies and procedures and recommended best practices; and
 - To identify any potential areas for improvement in the effectiveness and efficiency of the processes.
3. On November 22, 2024, BDO presented to the Board the findings on Internal Control Review on the Foreign Workers Management of the Group with the following objectives: -
 - To assess the adequacy and test the integrity of the system of internal controls;
 - To assess compliance with policies and procedures and recommended best practices; and
 - To identify any potential areas for improvement in the effectiveness and efficiency of the processes.
4. On February 24, 2025, BDO presented to the Board the report on the internal control review which was specifically carried out to obtain an Independent Review Report for the Directors of Evergreen Fibreboard Berhad for selected sustainability information for the year ended 31 December 2024 to be published in the Sustainability Statement 2024 of the Company.
5. The AC reviewed all findings and recommendations made by BDO on the Internal Control review carried out on the identified weaknesses and management actions taken to address according to the timeframe.

COMMUNICATION PLATFORM FOR INTERNAL AUDITOR (IA) AND EXTERNAL AUDITOR (EA)

As required by MCGG for a communication platform between the IA and EA, the AC agreed with the IA and EA that a formal copy of all IA reports would be forwarded to the EA upon the AC's approval of the report. If necessary, the EA will address any issues in the report with the IA. The IA has also consented to the release of the IA reports to the EA.

RELATED PARTY TRANSACTIONS

The AC noted that there were no related party transactions reported or declared during the five AC meetings held in the financial year 2024, except for inter- company transactions within the Group, compensation for key management personnel and independent NEDs, and non-independent NED directors' fee calculations, is reported in the 2024 Financial Statements.

Conflict of Interest ("COI") or potential COI situations and the measures to be taken

During the year 2024, the AC reviewed quarterly on disclosure on any conflict of interest COI or potential COI situation (excluding a Related Party Transaction) of the Directors and Senior Management within the Group. Upon review, the AC reported the same to the Board at meeting held subsequently.

NOMINATING COMMITTEE'S REPORT

The Board hereby presents the Report of the Nominating Committee ("NC") that provides insights on the manner in which the NC has discharged its functions for the financial year ended 2024.

ROLE OF THE NOMINATING COMMITTEE

The formal role of the Nominating Committee is set out in its Terms of Reference which is made available on the Company's website at https://evergreengroup.com.my/en/board_matters.

COMPOSITION AND ATTENDANCE

Our NC comprises of 4 (four) members, all are Independent Non-Executive Directors which is in compliance with Paragraph 15.08A of the Listing Requirements of Bursa Malaysia and the Malaysian Code on Corporate Governance ("MCCG").

Our NC Chairman is held by Ms. Hong Kim Heong and other members of the NC are Mr. Kuan Kai Seng, Ms. Tan Mui Ping and En. Shameer Bin Othman. As at 1 March 2025, Ms. Tan Mui Ping has resigned as a member. Detailed information on their profiles can be found in the Directors' profile section of this Annual Report.

MEETINGS

1. There were two (2) NC meetings held in the financial year 2024, on 26 February and the other on 22 November respectively. During these meetings, the Executive Directors were invited to promote open communication and to address any concerns and present the Group's succession plan for approval.

Details of attendance of each Nominating committee member as below:

Director Name	Resignation	Meetings Attended
Ms. Hong Kim Heong (Chairperson)	Independent Non-Executive Director	2/2
Mr. Kuan Kai Seng	Independent Non-Executive Director	2/2
Ms. Tan Mui Ping	Independent Non-Executive Director	2/2
En. Shameer Bin Othman ^(a)	Independent Non-Executive Director	1/1

Note:

^(a) En Shameer Bin Othman was appointed as Independent Non-Executive Director w.e.f. 1/11/2024.

2. The Company Secretary documented the minutes of each NC meeting and presented them for confirmation at the following NC meeting. All matters discussed in NC meetings were presented to the Board for notation.

SUMMARY OF ACTIVITIES

In compliance with Paragraph 15.08A(3) of Bursa Malaysia Listing Requirements, the Board conducted a review of the NC's terms of office and through the NC evaluated the performance of NC members during the financial year 2024. The annual evaluation concluded that all NC members have fulfilled their duties and responsibilities in accordance with the NC's Terms of Reference and have supported the Board in upholding the required Corporate Governance ("CG") standards for the Group. The NC carried out various activities in fulfilling their obligations and responsibilities as follows: -

NOMINATING COMMITTEE'S REPORT (Cont'd)

SUCCESSION PLANNING (BOARD AND SENIOR MANAGEMENT)

The Executive Directors presented the Succession Plans for the current financial year to the NC and thereon plans were then assessed and recommended as follows:

1. The Succession Plans for Members of the Board, Chief Executive Officer, Chief Operating Officer, Group Executives Director, and Key Officers of the Company were presented to the NC at each meeting, and the changes made to the previous year's plans were noted by the NC and subsequently approved by the Board.
2. Training plans for the identified candidates in the succession line, which included on-the-job training, were also presented, and the Committee was informed that all the identified candidates are groomed and capable of performing their proposed job duties when needed.
3. The NC acknowledged the changes made to the proposed Succession Plans and advised Management to ensure that candidates receive the necessary training to prepare themselves for their future role.

ANNUAL PERFORMANCE ASSESSMENT / EVALUATION

In line with MCCG Practice 5.1, the NC carried out annual performance evaluation in the following manner: -

1. In December 2024, NC carried out Annual Assessment to review and evaluate the effectiveness of the Board as a whole, the Board Committees, performance of individual Directors, Key Officers and the Company Secretary. Elements of annual evaluation were on skills, experience, diversity, core competencies and risk and sustainability management.
2. The evaluation process was carried out through forms established by NC based on the recommendation in the corporate governance guide. Forms were distributed online as instructed by NC Chairman; Ms. Hong Kim Heong who led the annual assessment process.
3. Annual Evaluation Forms were sent via email to all concern to carry out their review on individual Directors, Key Officer, Company Secretary, the Chairman of the Board, the Board as a whole and Board Committee(s). A timeframe was also given for review to be completed and forms were to be emailed back directly to the Company Secretary for tabulation of scores.
4. The results of the evaluation were then given to the NC Chairman and further discussed with the Board Chairman when it was tabled at the 4Q2024 during NC meeting held on February 26, 2024.
5. The Chairman of the Nominating Committee reported to the Board the necessary matters and findings on the evaluation at the subsequent Board meeting.
6. Upon receiving the report, the Board will comment should there be any improvements or adjustment needed by the Board, Board Committee or members, which includes training needs and preference disclosed in the evaluation.
7. Evaluation forms and results from evaluation carried out by the NC was recorded and all documents are treated confidential, filed and kept by the Company Secretary.
8. Training needs for the subsequent year to be attended by Directors and key officers were tabled for discussion and Human Resource Department were tasked to arrange the relevant trainings for Directors and key officers as discussed.

NOMINATING COMMITTEE'S REPORT (Cont'd)

APPOINTMENT OF DIRECTOR

1. During the financial year 2024, NC had been actively sourcing for additional candidates for appointment to achieve compliance to the Corporate Governance Practice 5.2 where at least half of the board comprises of independent directors.
2. Profiles of candidates were obtained from Institute of Corporate Directors Malaysia (ICDM) where 3 (three) candidates were selected for interview.
3. Interviews were carried out online in September by NC to evaluate them based on the criteria set in the Fit and Proper Policy for appointment of Board members and En. Shameer Bin Othman was the candidate that was found to have met most of the criteria set.
4. NC unanimously agreed the appointment of En. Shameer Bin Othman and proposed his appointment to the Board effective November 2024 subject to a clean finding on his financial, integrity, litigation, criminal and bankruptcy screening carried out prior to his appointment.

RETIREMENT /RE-EMPLOYMENT

1. NC noted and acknowledged that in accordance with the Group Policy, the Executive Directors, Mr. Kuo Jen Chang and Ms. Mary Henerietta Lim Kim Neo were due for retirement with effect on 31 December 2024, upon attaining the age of 60 years. In view of their retirement, the NC have reviewed and recommended extension of their employment by yearly contract as from 1st January 2025.

RE-ELECTION OF DIRECTORS

1. Evaluation on the performance of the retiring Directors seeking for re-election of Mr. Kuo Jen Chang and Ms Mary Henerietta Lim Kim Neo were carried out by NC based on the fit and proper criteria, salient criteria of their contribution to the Board's decision making and their individual performance in their roles and responsibilities to the Company/Group.
2. Amongst the criteria assessed was on their contribution, character and integrity, dealing with potential conflict of interest situations, on critically challenging matters, on the right questions asked and the confidence to stand up for their point of view in any matter during meetings and time commitment.
3. Based on the annual evaluation and fit and proper criteria assessment carried out by NC, key strengths noted on retiring directors were mainly on their area of expertise which they were able to provide valuable opinion to the Board during meetings while the weaknesses were on limited trainings attended to keep themselves updated with latest development.
4. Board was made known by the NC Chairman on retiring director's strength and weakness and the Board advised Directors to keep themselves updated with the necessary training to address their weaknesses.
5. The satisfactory outcome of their assessments was reported to the Board and the Board recommended that these Directors be re-elected according to the respective resolutions put forth in the forthcoming AGM.

The retiring Directors had abstained from all deliberation and participation of their own agenda in both the Nominating Committee meeting as well as the Board of Directors' meeting

REMUNERATION COMMITTEE'S REPORT

The Board presents the Remuneration Committee Report, offering an overview of the ways in which the Remuneration Committee ("RC") has fulfilled its responsibilities during the financial year 2024.

ROLE OF THE REMUNERATION COMMITTEE

The official role of the Remuneration Committee is outlined in its Terms of Reference, which can be accessed on the company's website at https://evergreengroup.com.my/en/board_matters.

COMPOSITION AND ATTENDANCE

The RC consist of three (3) Independent Non-Executive Directors which is in compliance with Practice 6.2 of the Malaysian Code on Corporate Governance (MCCG). Our current Chairman, Encik Shameer Bin Othman was appointed on the 1st March 2025 to replace our previous RC Chairman Ms. Tan Mui Ping which had been re-designated as member of the RC on the same date. Other members of the RC are Ms. Tan Mui Ping and Ms. Hong Kim Heong. The profiles and attendance records of each member can be found in the Directors' profile section of this Annual Report.

MEETINGS

- The RC convened two (2) meetings during the financial year, on February 26 and November 22, 2024. Executive Directors were invited to attend these meetings to facilitate direct communication and provide clarification on remuneration matters.

Details of attendance of each Remuneration Committee Member is as below:

Director Name	Resignation	Meetings Attended
Ms. Tan Mui Ping (Chairperson)	Independent Non-Executive Director	2/2
Mr. Kuan Kai Seng	Independent Non-Executive Director	2/2
Ms. Hong Kim Heong	Independent Non-Executive Director	2/2
En. Shameer Bin Othman ^(a)	Independent Non-Executive Director	1/1

Note:

^(a) En. Shameer Bin Othman was appointed as Independent Non-Executive Director w.e.f. 1/11/2024.

- The Company Secretary documented the minutes of each RC meeting and presented them for confirmation at the following RC meeting. All matters discussed in RC meetings are then presented to the Board for notation.

SUMMARY OF ACTIVITIES

During the financial year 2024, the Board assessed the performance of RC Members through an annual evaluation conducted by the Nominating Committee. The Board determined that RC members had effectively executed their functions, duties, and responsibilities in line with the RC's Terms of Reference by supporting the Board in ensuring the Group maintains appropriate Corporate Governance (CG) standards. The Remuneration Committee's activities for the financial year 2024 in fulfilling its duties are as follows: -

REMUNERATION COMMITTEE'S REPORT (Cont'd)

REVIEW THE REMUNERATION OF BOARD, COMMITTEES, AND KEY OFFICERS

1. During the 4Q2023 RC Meeting on February 26, 2024, Management provided the RC with the final results of the financial and non-financial performance of all subsidiaries and business units for financial year ended 2023. The RC was then informed of the bonus quantum and increment rate entitlement as per the remuneration policy for each subsidiary/business unit based on their financial key performance indicator ("KPI") achievement for the year.
2. Management also presented the Group's overall financial and non-financial performance, for business units and supporting units that fell below their KPIs targets set and, a minimal bonus and increment were proposed.
3. At the Board meeting, on February 26, 2024, the RC Chairman recommended to the Board for approval of the increment and bonus package for subsidiaries together with the Senior Management and Executive Directors.
4. The RC discussed the fees and allowance for Non-Executive Directors for the year 2024 and any revisions to the existing framework. The members agreed that no revision would be made due to weak financial performance by the Group.

All Directors abstained from participating in and deliberating of their own remuneration.

5. During the meeting in November 22, 2024, Executive Directors presented the draft financial performance of each subsidiary/business unit that achieved their financial performance targets and made known the increments and bonus to be paid in January 2025.

Management also seek approval from the Board through the RC for a minimum Bonus (ex-gratia) and increment for Senior Management and Executive Directors which is to be paid in January 2025.

RC reviewed and recommended to the Board for the above payments and Management will provide the final quantum involved during the next RC meeting in February 2025.

6. In the meeting, the RC also reviewed the remuneration benefits for the 2 (two) executive directors (Kuo Jen Chang and Mary Henerietta Lim Kim Neo) which were due for retirement based on the Company's retirement policy. As recommended by the Nominating Committee for their re-employment on a yearly basis, RC therefore recommended that their remuneration benefits remained unchanged and the payment of their Retirement Benefits equivalent to 5.1 months' salary be made in accordance with the Company's retirement policy.
7. RC thereon recommended to the Board on the remuneration benefits and the retirement benefits payout for the 2 (two) Executive Directors and the Board acknowledged the recommendation made by the RC.

STATEMENT ON SUSTAINABILITY

ABOUT EVERGREEN FIBREBOARD BERHAD

Evergreen Fibreboard Berhad (“EFB”) is an integrated wood base manufacturer domiciled in Malaysia and has its footprints in three (3) countries that is Malaysia, Indonesia and Thailand. Our business operations are focused on Manufacturing and Marketing of Panel Boards with and without overlays (Medium Density Fibreboard (MDF) & Particleboard (PB)).

We are dedicated to increase our efforts in offering sustainable green products to our customers to enable the Group to progress steadily for a sustainable growth whilst upholding our commitment towards our responsibility on economic, environmental and social.

Listed on 11 March 2004 on the Main Market, EFB is within the mid -tier of the listed companies on Bursa Malaysia.



OUR CORE BUSINESSES

Our core business is in the Panel Boards segment which is manufacturing of the Medium Density Fibreboard (“MDF”) and Particleboard (“PB”). It is either sold as raw boards or process further with overlays of Veneer sheets, decorative paper or UV Coatings. These Panel Boards with Overlay is processed further into furniture or just sold as Laminated Panel Boards to furniture manufacturers or building contractors. Our revenues are as follows: -

Product	Year 2022 (RM)	Year 2023 (RM)	Year 2024 (RM)
Panel Boards	982,716,911	777,869,346	825,414,999
RTA Furniture	67,108,009	17,336,389	39,350,711
Wood Pellets	39,564,818	70,067,544	72,407,789
Resin	12,582,682	14,987,947	18,166,900
Others	713,801	822,729	2,746,182

EFB Group of Companies is engaged in all aspects of its value chain, starting from plantation, resin manufacturing, panelboard manufacturing, overlay processing, design and development of furniture production including sales and marketing of products. Our products consist of various specifications for Panel Boards while our RTA Furniture consist of various models and designs that are made to order. Our production of resins is mainly for our own consumption for the production of Panel Boards and furniture while our Wood Pellets are produced partially from our production/ sawmill waste and mixed with tropical wood off cuts.

STATEMENT ON SUSTAINABILITY (Cont'd)

WHERE IS EFB'S OPERATIONS

Evergreen operates in Malaysia, Thailand and Indonesia at the following location: -

Malaysia

Revenue : RM409 million
Employees : 1122
Key location : Johor, Negeri Sembilan and Kedah, Malaysia.

Thailand

Revenue : RM439 million
Employees : 737
Key location : Hat Yai, Thailand.

Indonesia

Revenue : RM110 million
Employees : 90
Key location : Palembang, Indonesia.



STATEMENT ON SUSTAINABILITY (Cont'd)

GROUP'S BUSINESS STRUCTURE

Medium Density Fibreboard

- Evergreen Fibreboard (Nilai) Sdn. Bhd. - Nilai, N.Sembilan
- Siam Fibreboard Co. Ltd. - Hat Yai, Thailand
- PT Hijau Lestari Raya Fibreboard - Palembang, Indonesia

Resin/Adhesive

- Evergreen Adhesive & Chemicals Sdn.Bhd. - Parit Raja, Johor
- Evergreen Adhesive & Chemicals (Gurun) Sdn. Bhd. - Gurun, Kedah

Particleboard

- AllGreen Timber Products Sdn. Bhd. - Segamat, Johor

Green Energy - Biomass & Solar

- AllGreen Timber Products Sdn. Bhd. - Segamat, Johor
- Craft Master Timber Products Sdn. Bhd. - Parit Raja, Johor
- Evergreen Fibreboard (JB) Sdn. Bhd. - Segamat, Johor
- ECO Generation Co. Ltd. - Hat Yai, Thailand
- GRE Energy Co. Ltd. - Hat Yai, Thailand
- Evergreen Fibreboard Berhad - Parit Raja, Johor

Wooden Furniture & Wood Products

- Evergreen Fibreboard Berhad - Parit Raja, Johor
- Siam Fibreboard Co. Ltd. - Hat Yai, Thailand

Property Holding

- Dawa Timber Industries (M) Sdn. Bhd. - Pasir Gudang, Johor
- Evergreen Agro Sdn. Bhd. - Parit Raja, Johor
- Evergreen Plantation Resources Sdn. Bhd.
- Evergreen Fibreboard Berhad.

Logistics/Warehousing

- Locomotion Services Sdn. Bhd. - Gurun, Kedah.

Marketing

- Everlatt Sourcing Sdn. Bhd. - Parit Raja, Johor
- Evergreen Furniture Co Pte. Ltd. - Singapore

Plantation (Rubber)

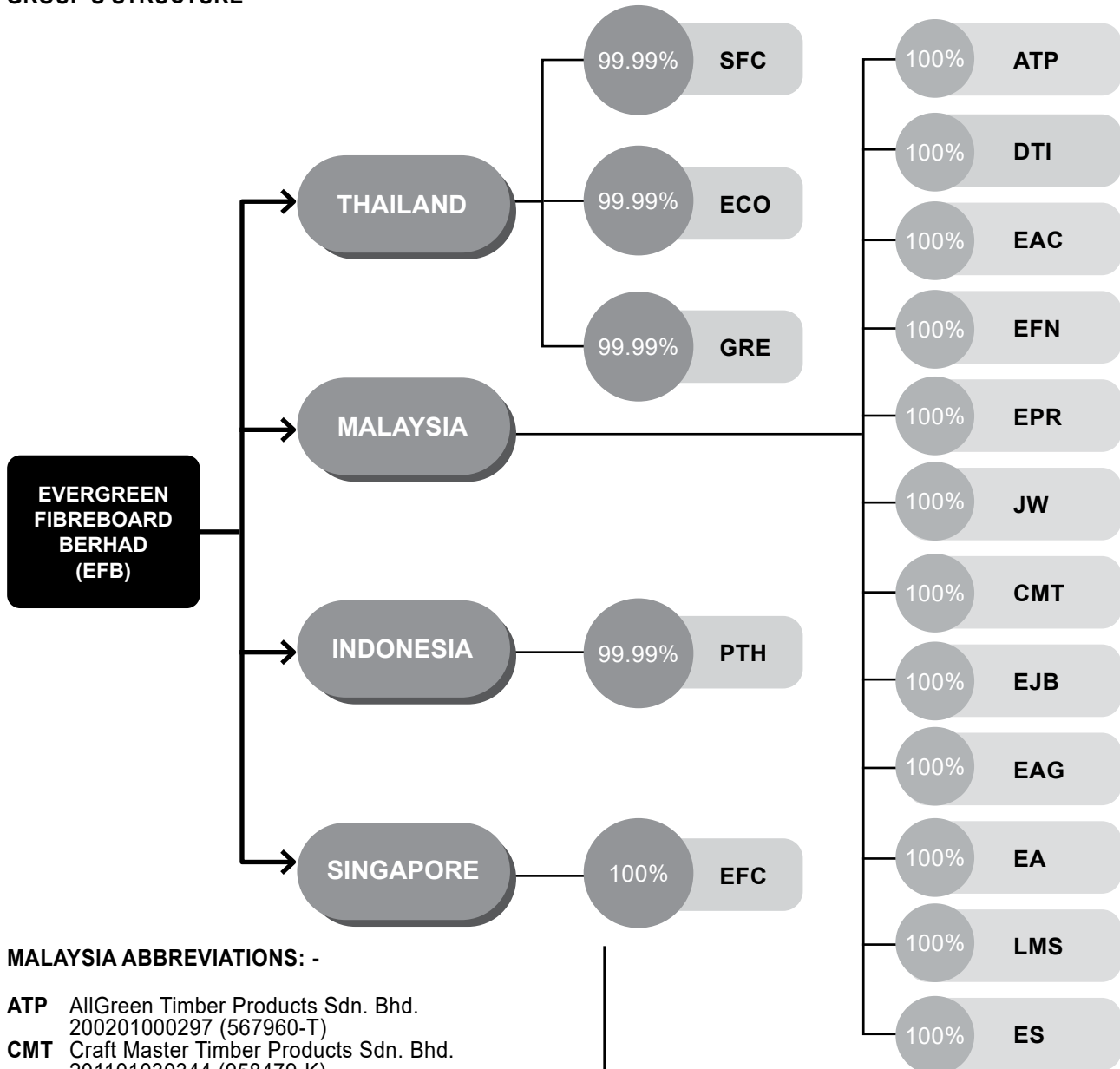
- Jasa Wibawa Sdn. Bhd. - Kahang, Johor

Added Value Products - Panel Board

- Evergreen Fibreboard (JB) Sdn. Bhd. - Pasir Gudang, Johor
- Evergreen Fibreboard Berhad - Parit Raja, Johor

STATEMENT ON SUSTAINABILITY (Cont'd)

GROUP'S STRUCTURE



MALAYSIA ABBREVIATIONS: -

ATP	AllGreen Timber Products Sdn. Bhd. 200201000297 (567960-T)
CMT	Craft Master Timber Products Sdn. Bhd. 201101030344 (958479-K)
DTI	Dawa Timber Industries (M) Sdn. Bhd. 197701001829 (32799-M)
EFB	Evergreen Fibreboard Berhad 199101006810 (217120-W)
EJB	Evergreen Fibreboard (JB) Sdn. Bhd. 200601031905 (751664-M)
EAC	Evergreen Adhesive & Chemicals Sdn. Bhd. 200601037899 (757659-T)
EAG	Evergreen Adhesive & Chemicals (Gurun) Sdn. Bhd. 201001024885 (908762-W)
EFN	Evergreen Fibreboard (Nilai) Sdn. Bhd. 200801020800 (822113-U)
EA	Evergreen Agro Sdn. Bhd. 201101013873 (942013-D)
EPR	Evergreen Plantation Resources Sdn. Bhd. 201001042861 (926789-W)
LMS	Locomotion Services Sdn. Bhd. 201101024229 (952365-P)
JW	Jasa Wibawa Sdn. Bhd. 199801005018 (461145-D)
ELS	Everlatt Sourcing Sdn. Bhd. 201501006212 (1131544-K)

THAILAND ABBREVIATIONS:-

ECO	ECO Generation Co., Ltd. (0905549001332)
GRE	GRE Energy Co., Ltd. (0905549001341)
SFC	Siam Fibreboard Co., Ltd. (0105547007195)

INDONESIA ABBREVIATIONS:-

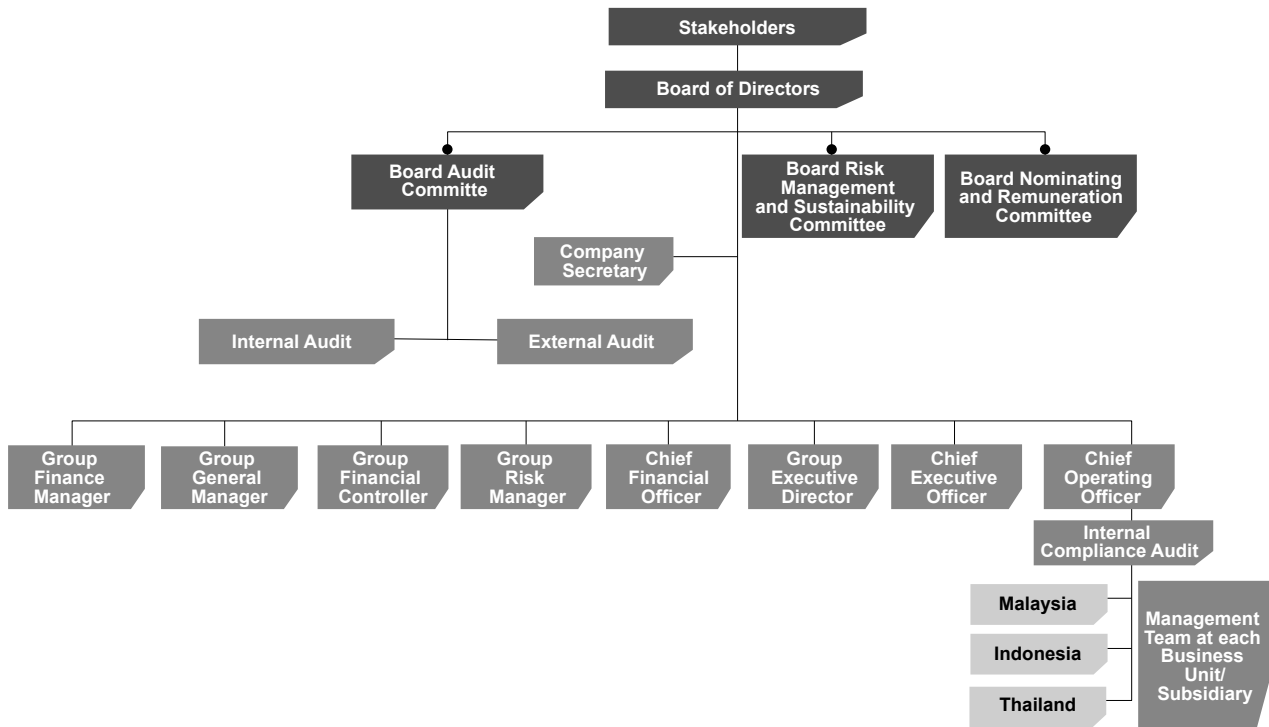
PTH	PT Hijau Lestari Raya Fibreboard. (8120015061789)
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SINGAPORE ABBREVIATIONS:-

EFC	Evergreen Furniture Co. Pte. Ltd. (202015969N)
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STATEMENT ON SUSTAINABILITY (Cont'd)

GROUP'S GOVERNANCE STRUCTURE



MANAGEMENT TEAM

Kuo Jen Chang

Group Chief Executive officer

Kuo Jen Chiu

Group Chief Operating Officer

Mary Henerietta Lim Kim Neo

Group Executive Director

Martin Leong Ting Siong

Group Chief Financial Officer and Investor Relation

Tee Kim Foom

Group Financial Controller and Head of Internal Compliance

Philip Wong Hwee Lih

Group General Manager

Jeremy Tan Kian Ming

Group Cost Controller and Group Risk Manager

Lee Tak Hin

Group Accounts Manager

George Mavrogenis

Head of Malaysia Operations

Chieng Heng Nam

Head of Thailand Operations

Zuhairi Bin Ozir

Head of Indonesian Operations

ABOUT THIS STATEMENT

Evergreen Fibreboard Berhad ("EFB") or ("the Group") is honored to present our Annual Sustainability Statement ("SS") or ("the Statement") for 2024. This Statement provides an overview of the Group's Sustainability Performance during the period from 1 January 2024 to 31 December 2024 ("2024").

RESTATEMENTS OF INFORMATION

There is no substantial information regarding restatements from the previous year's reporting period.

STATEMENT ON SUSTAINABILITY (Cont'd)

SCOPE AND BASIS OF SCOPE

This Statement covers the Group's sustainability performance and all geographical locations that EFB operates in, which is Malaysia, Thailand and Indonesia. The reporting scope of this Statement covers all operations in Malaysia, Indonesia and Thailand of the Group.

REPORTING FRAMEWORKS AND STANDARDS

This Statement has been developed according to Bursa Malaysia's Listing Requirements, with reference to Bursa Malaysia's Sustainability Reporting Guide (3rd Edition) and the Illustrative Sustainability Report ("ISR") by Bursa Malaysia.

FEEDBACK

EFB welcomes and encourage stakeholders to provide feedback pertaining to this Statement and the issues covered by our Sustainability report at enquiry@efb.com.my.

For any inquiries related to the Group's Financial Performance, our Group Chief Financial Officer, who also serves as the Group's Investor Relations, can be reached via his email at martin@efb.com.my.

SUSTAINABILITY GOVERNANCE

The Group's sustainability governance structure is in place to manage the economic, environmental and social risks and opportunities ("sustainability matters"). As the Group looks to ensure sustainability is embedded across all aspects of the organisation, the responsibilities of our Board and the Committees have been broadened to encompass sustainability elements, as reflected in their respective terms of reference.

Our Group Executive Director is tasked to assist the Board Committee with strategic management of the organisation's material sustainability matters and is assisted by the Sustainability Management Team ("SMT") that are represented by Senior Management at the Group level and supported by Heads of Business Units/Subsidiary from each location.

SMT oversees the Sustainability Working Group ("SWG") made up of Department Heads from across all operating business units/subsidiary. Head of Operations in each Business Unit/Subsidiary is responsible for the day-to-day implementation of sustainability strategies and plans.

Separately, SWG of each Business Unit/Subsidiary acts both as subject matter experts and coordinates the Group's sustainability efforts performance (including undertaking the materiality assessment process).

EFB has subscribed to the use of the Centralised Sustainability Intelligence (CSI Solution) in the 4Q2024 for its group of companies data collection, measurement, management and reporting. This will ensure that the Group data collection is current and up to date with Bursa Malaysia requirements.

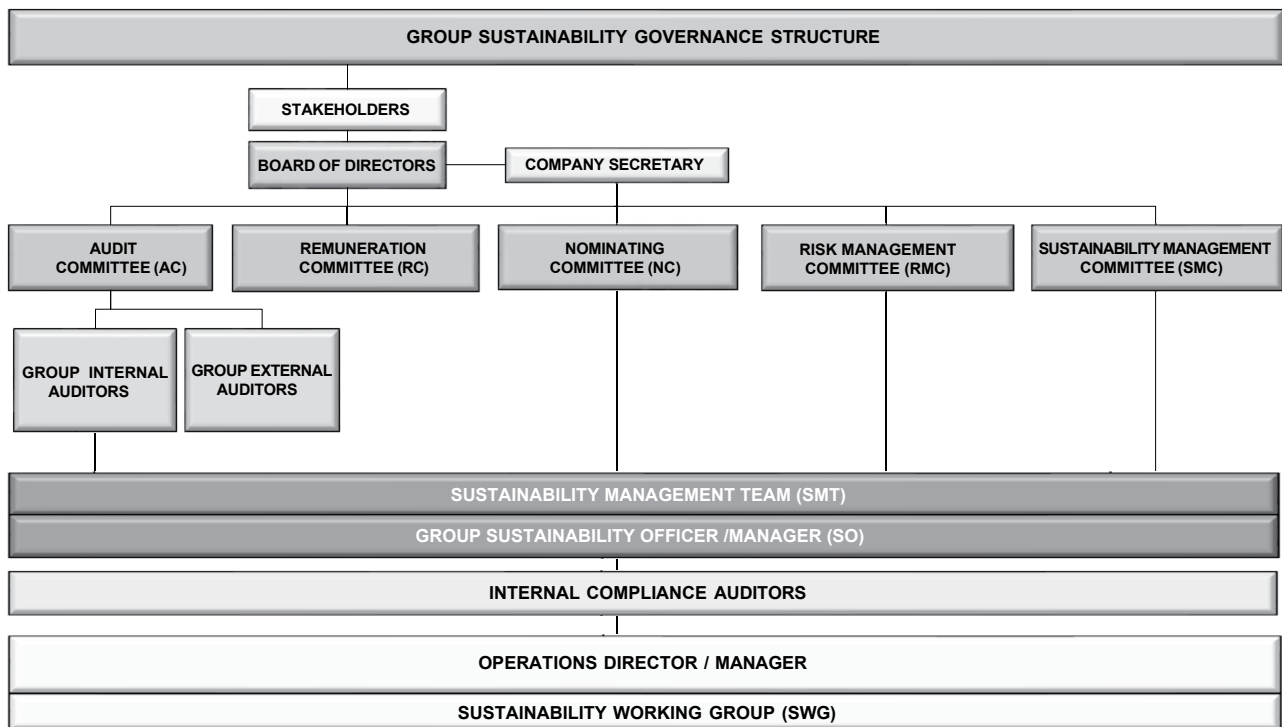
Our Board of Directors is continuously being equipped with the necessary knowledge regarding the management of sustainability (including climate-related risks and opportunities) to drive informed decision making by attending periodic related training programmes to manage sustainability.

The Board is aware of its responsibilities of ensuring that the required competencies in relation to sustainability is periodically assessed to strengthen the Board's leadership and oversight of sustainability matters.

Sustainability-linked key performance indicators ("KPIs") have been established and embedded within the Board's and Senior Management's performance evaluation to drive group-wide accountability in steering the Group's sustainability performance.

STATEMENT ON SUSTAINABILITY (Cont'd)

SUSTAINABILITY GOVERNANCE STRUCTURE



Our Sustainability Governance Structure is explained below: -

Level 1 - The Sustainability Working Groups ("SWG") of each Business Unit/Subsidiary

Identifies baselines, establish efforts, drives, data gathering, track and report on the Sustainability matters, progress and carry out risk assessment on material matters for implementation of controls. Reports to the SMT on a quarterly basis on the progress.

Level 2 – The Internal Compliance Team and Internal Auditors

Verifies the Sustainability Activities with the Group including checking on the evidence of the reports on Sustainability which is forwarded to the Head of Sustainability for compilation. Assist the Internal Auditors during their review of Sustainability reporting figures.

Level 3 - The Sustainability Management Team ("SMT") together with the Group Sustainability Officer ("GSO")

Ensure the rollout of Sustainability matters within the Group and implementation of Strategies set by the Board through SMC and oversee sustainability initiatives and efforts performance by each SWG. Reports to the SMC at least twice a year on the status.

Level 4 - Sustainability Management Committee ("SMC") of the Board

The Board together with Management is responsible for the governance of sustainability in the Group including setting the sustainability strategies, priorities and targets. The Board gives directive on Sustainability Matters for implementation by the SMT and the Board oversee SMT's function by regular reporting by SMT.

STATEMENT ON SUSTAINABILITY (Cont'd)

SUSTAINABILITY GOVERNANCE STRUCTURE (CONT'D)

The Roles and Responsibilities are as follows: -

Level 1 – Sustainability Working Group (“SWG”)

Head of Operations (Operation Director/Manager) responsible to: -

- a) establish Sustainability Working Group (headed by him/herself) and supported by Heads of all Department in each business unit/subsidiary;
- b) SWG reports to SMT through GSO on all matters pertaining to Sustainability;
- c) Sustainability Officer in business unit/subsidiary, creates awareness on sustainability by communicating across stakeholders especially on the approach to sustainability;
- d) Based on the area of focus for sustainability and risk, establish the materiality matters /identify risk to the subsidiary/business unit, thereon communicate with stakeholders and address the risk related to material matters;
- e) implement sustainability strategies laid out by the SMT/GSO and ensure sustainability are embedded into daily practices;
- f) ensure data on monthly achievement towards the set goals and targets are collected and key into the group reporting system accurately and on a timely manner;
- g) on a quarterly basis report to the SMT through the GSO on the progress of sustainability efforts in practice in his/her operation unit and present the same report to the SMT during the February, July and November monthly management meetings;
- h) make known to SMT on the Targets, Goals and plans for the year in March monthly meeting (These are taken as Key Performance Indicators for each business units/subsidiary for the year);
- i) update SMT in July meeting, on the implementation of the plans made known in February and the status / progress to all the set targets/goals; and
- j) make known to SMT In November meeting, the possible achievement for the financial year.

Level 2 – Internal Compliance Audit Team (“ICAT”) and Internal Auditors (“IA”)

- a) review the Group’s sustainability policies and plans to ensure subsidiaries / business units are in compliance and Strategies are being followed through;
- b) feedback to Head of Operations and GSO on the status and the need for special attention if needed or action plans to the matters/issues raised;
- c) assist Internal Auditors and communicate with SWG of each subsidiaries/business units for the required information or supporting documents for review being carried out; and
- d) report on the Group sustainability compliance to SMT after each compliance review completed including action to be taken by subsidiary/business unit.

Level 3 – Sustainability Management Team (“SMT”) and Group Sustainability Officer – (“GSO”)

GSO to: -

- a) communicate the Group’s sustainability matters and strategies to the SWG. Feedback from SWG is brought to the attention of the SMT by GSO for their decision or action plans to the matters/issues raised;
- b) communicate with Human Resource Training Department to carry out necessary trainings as and when needed within the Group;
- c) report the progress of sustainability efforts of each business unit/company to the SMT for their advice and on-going strategies; and
- d) ensure all data and information needed for reporting on the group’s sustainability matters are compiled and made known to the SMT at least twice a year in order for Executive Directors to report upwards to the SMC.

SMT to: -

- a) be Chaired by the Chief Executive Officer/Chief Operating Officer. (In his absence the Group Executive Director shall be the Chairperson);
- b) ensure the implementation of Sustainability Strategies and Efforts by SWG of each business unit/subsidiary in the Group;
- c) communicate with GSO to set the goals and targets on sustainability matters for the Group on a yearly basis;
- d) ensure that Head of Operations of each business unit/company reports on a quarterly basis and provide advise as needed; and
- e) report at least twice a year to the Board of Directors via the SMC particularly in regards to the approach to sustainability matters set by the Board including achievements on the goals and targets set.

STATEMENT ON SUSTAINABILITY (Cont'd)

SUSTAINABILITY GOVERNANCE STRUCTURE (CONT'D)

The Roles and Responsibilities are as follows: - (Cont'd)

Level 4 – Sustainability Management Committee (“SMC”)

SMC established by the Board and chaired by Non- Executive Director to: -

- approve the goals and targets set including setting the Sustainability Strategies for the Group;
- ensure regular updates on the progress of sustainability efforts in the Group is being received and provide needed advice to SMT where necessary;
- ensure sustainability targets and goals set are considered as part of remuneration for awarding management in the Group;
- request Internal Compliance Team / outsourced Internal Auditors to carry out periodic audits on Material Matters to ascertain management of risk on material matters are being addressed to as what has been presented by Senior Management; and
- review and approve Sustainability Statement provided by Senior Management for publication in annual report.

STAKEHOLDER ENGAGEMENT

EFB has a broad range of stakeholder groups that have an effect on, or are affected by the Group's activities. Our key stakeholder groups include shareholders, financiers, investors, government agencies, regulators, customers, employees, community and suppliers. They were identified based on their different levels of influence over and the dependency on of our business. Engagements are held through both formal and informal channels at each business or subsidiary level.

As a Group, we aim to have regular communication with all our key stakeholder or when it may be necessary and are held through both formal and informal methods. Such communications have helped us identify relevant material issues or concerns of our stakeholders which enable responding to their needs more effectively.

Key Stakeholders	Mode of Engagement	Areas of Concern or concerns	Our Response
Shareholders	Online / One to one on a Quarterly basis / general meeting / website.	Business Strategies, Market and dividend payout.	Timely updates on the Group's strategy and financial performance via announcement / investor briefings.
Investors	Online / One to one group meetings/quarterly / general meetings / website.	Financial Performance and Plans moving ahead.	Timely updates on the Group's Plans and financial performance via investor briefings.
Bankers	Online / Emails / One to one, group meeting on a quarterly basis / annual report.	Future plans/ Overall performance/Mitigation plans.	Financial performance updates and meeting / monitor sustainability performance/targets.
Government/Agencies/ Regulators	Ongoing / As needed.	Regulatory /Governance.	Regular review and monitoring of changes and risk.
Customers	Ongoing / Customer Support / website / Customer's Survey.	Improved products /New Products.	Provide Customer services and Update on Products/ Certification on Products
Employees	Ongoing engagement.	Work-life balance / health and safety/upskilling/ career development path.	Promote transparent communication with all employees.
Suppliers/ Contractors	Meetings / Survey / Assessment / Engagement.	On Sustainability Matters for Scope 3 / Health and Safety Matters.	Give awareness to Supplier /contractor.

STATEMENT ON SUSTAINABILITY (Cont'd)

MATERIAL MATTERS

EFB is aware of the fact that certain of our material issues can directly and indirectly impact our ability to create long-term value for our stakeholders. Full review on our materiality assessment was conducted in year 2023 involving both our key internal and external stakeholders to ensure that their interests and concerns are addressed as our material matters can influence our business strategy and decision on allocation of resources to material sustainability issues.

During the financial year, we carried out a limited review on previous material matters identified for the Group and the changes in the material matters is as stated below. The Group will conduct a full-scale material assessment and will establish an illustration of its prioritised sustainable material matters based on the country via a materiality matrix.

Economic Performance	Anti- Bribery/ Anti-Corruption	Health and Safety
Cybersecurity Data Protection	Climate Change	Employee Management
Human Rights	Supply Chain Management	Waste Management
Community Investment	Water Management	Raw Material Supply (Wood)

RISK MANAGEMENT

EFB aligns its risk management process with the ISO 31000:2018 Risk Management Guidelines to build readiness and resilience through the identification and management of potential risks encountered by the organisation. Our Enterprise Risk Management ("ERM") framework has integrated sustainability related risks in addition to our corporate, financial and operational risks. We ensure all identified risks stay within our approved risk appetite and tolerance level through monthly monitoring of risk and declaration of any risk occurrence by designated risk owners and Head of Operations.

Material Matters	Risk	Opportunities
Economic Performance	Poor financial performance threatens business continuity and loss of opportunity.	Sustainable financial performance attract investors and delivers long-term value to all stakeholders.
Anti- Bribery/Anti-Corruption	Poor corporate governance practices can tarnish reputation and image and possible financial losses.	Effective corporate governance practice enhances EFB's reputation as a trustworthy company amongst shareholders and safeguard Company's assets.
Health and Safety	Accidents and injuries in workplace lead to productivity loss, legal repercussions such as penalties and reputation damage decrease employees' moral.	Strong Safety culture with conducive working environment improves employee's wellbeing and maintains productivity by having high employees' confidence and moral.
Cybersecurity and Data Protection	Cyber threats including breach of customers data may lead to loss of customer's trust and reputational harm.	A robust cybersecurity and data management system protects critical customer data.
Climate Change	Non-compliance with existing and emerging climate-related regulations leads to financial penalties.	Secure positioning in low-carbon market to capitalise on the rising demand for low-carbon products.

STATEMENT ON SUSTAINABILITY (Cont'd)

RISK MANAGEMENT (CONT'D)

Material Matters	Risk	Opportunities
Employee Management	Disengaged and underdeveloped employees contribute to lower productivity and performance. Unattractive benefits and remuneration affects employee's motivation.	Effective talent development and upskilling programmes with attractive benefit packages enable us to retain and attract top-quality industry talent and contribute to a high-performance culture.
Human Rights	Breaches in human rights practices lead to regulatory penalties, impact employee retention, culture and damage reputation.	Strong human rights practices reinforce EFB reputation as a responsible employer.
Supply Chain Management	Supplier and Contractor non-compliant to EFB's ethical principles, and safety culture exposes the business to operational disruptions.	Sound procurement governance attracts and retains credible and suppliers and skilled contractors.
Waste Management	Non-compliance with environmental regulations results in consequences from authorities and activists.	Waste reduction and increased resources efficiency can result in cost savings.
Community Investment	Business activities that negatively impact communities affect EFB's social license to operate.	Regular engagements through community impact programme can strengthens our realationship with local communities.
Water Management	Poor water management lead to higher cost and potential scarcity of water resources.	Efficient water management can reduce operational cost and promote water conservation behavior.
Raw Material Supply (Wood)	Failure to meet customer's demand for sustainable supply will result in loss of market share.	Opting for sustainable and alternative sustainable material may enhance EFB's brand an image and attract sustainable minded customers and investors.

SUSTAINABILITY FRAMEWORK

EFB's Sustainability Framework is aligned with our business strategy and is guided by the Group's vision and mission. Through our framework, we aspire to meet the needs of our stakeholders, reduce our environmental impact as well as contribute positively to the local communities where we operate. We aim to deliver the objectives under each focus area by addressing the concerns related to each of our material matters.

STATEMENT ON SUSTAINABILITY (Cont'd)

MANAGEMENT APPROACH ON MATERIAL MATTERS

ECONOMIC PERFORMANCE

Why is this important?

EFB's stable financial performance is important as it creates and able to maintain long-term value for decent employment opportunities and promote economic development within the local communities. To ensure financial sustainability we must have the ability to adapt, withstand, and recover from challenges and setbacks over an extended period, maintaining well-being and functionality despite ongoing adversity by leveraging our strategies, employees, assets and then sharing the generated wealth with our stakeholders.

Our approach

EFB's approach in achieving and sustaining decent economic performance is by executing our business strategies and staying abreast with market trends whilst striving to maintaining a healthy balance sheet and strong cash flow. By pursuing technological advancement where possible, mitigating identified risks relevant to our business and losses from non-profitable business as well as pursuing diversification where and when possible.

Our performance

The Group recorded a total revenue of RM958,087 million for the reporting financial year 2024 whereby our Malaysia subsidiaries accounted for approximately 42.7% of the Group's total revenue, while Thailand and Indonesia contributing 45.8% and 11.5% respectively. These revenues were primarily derived from Panel Boards, RTA, and Wood Pellet products. Revenue from Resin/Adhesive products and Biomass Energy were exclusively produced for supply within the Group.

In the business segments, Panel Boards, Biomass Wood Pellets and RTA Furniture contributed 97.8% of the Group's revenue while Urea Formaldehyde Concentrate and Adhesive products and other Wood Products made up the remaining 2.2%.

Economic value generated:	2024 RM
Revenue (Income)	958,087
Economic value distributed:	RM
Operating costs	949,152
Employee wages and benefits	97,970
Payment to providers of capital Dividends	NIL
Financing Cost	7,801
Taxes	10,770
Community investment	203,517
Retain Profits	543,045

Note: The financial results presented in the table are derived from the audited financial statement and our Management Discussion and Analysis, which are available for reference in our Annual Report 2024.

STATEMENT ON SUSTAINABILITY (Cont'd)

ANTI-BRIBERY AND ANTI-CORRUPTION

Why is this important?

The Group upholds high standards of business ethics and compliance across the businesses as a reflection of our core values of Integrity. It is crucial for us to protect the interests of both the business and stakeholders while building trust and reinforcing confidence of our stakeholders in the Company as well as externally.

Our approach

The Board and Senior Management is committed in conducting business with integrity, guided by our established Code of Conduct ("CoC"). The CoC communicates EFB's fundamental principles and guidelines to all employees, vendors and customers, including Directors in addressing ethical issues and carrying out their responsibilities. The Group's zero-tolerance stance against corruption is outlined in our Anti-Bribery and Corruption ("ABC") Policy which is reviewed to ensure alignment with the Malaysian Anti-Corruption Commission ("MACC") Act 2009 and its updates.

All new employees of executive level and above, undergo induction programme where they are required to familiarise themselves with the Group's CoC, ABC Policy, and other relevant policies and procedures. Upon completion of the induction session, employees are required to complete a mandatory annual training module and an examination to attest that they have thoroughly understood the policies and procedures, with a minimum passing score of 90%.

All of our Vendors are also subjected to our policy on ethical conduct, and anti-bribery and corruption guidelines as entailed within the CoC for all third parties. Vendors are required to sign off a declaration indicating their understanding and agreement to abide by our guidelines and policies set forth by the Company when dealing with anyone in the Group.

A dedicated whistleblowing channel under the Whistleblowing Policy has been established and is being review by the Board as and when required. Any reports received through this email address will go directly to Baker Tilly MH Governance and they will handle it confidentially and all reports received will be directed to the Audit Committee for immediate attention and action.

The Audit Committee/BOD attends to all reports received of possible Improper Conduct/Malpractice seriously and investigates the reported matter confidentially depending on the validity of the information provided.

This Whistleblowing channel including policies on ABC and our CoC are made available on the Company's website at www.evergreengroup.com.my and Company's intranet to ensure accessibility by all stakeholders.

Our performance

The Group have undertaken corruption risk assessment that covers our operations in Malaysia, Thailand and Indonesia.

Corruption Risk Assessment	2022	2023	2024
Percentage of operations that underwent corruption risk assessment	100%	100%	100%

All employees have completed the necessary annual training and completed the mandatory annual training module with examination to indicate compliance to the Group's ABC Policy.

Corruption-Related Training	Completion Rate		
	2022	2023	2024
Management	100%	100%	100%
Executive	100%	100%	100%
Non-executive/ Technical Staff	100%	100%	100%

Note: Operators and General Workers received classroom training and are not required to complete the examination.

As at 31st December 2024, the Group recorded zero incidents of corruption across its operations and businesses.

STATEMENT ON SUSTAINABILITY (Cont'd)

HEALTH AND SAFETY

Why is this important?

The Group needs to prioritise the Safety and Health of all employees at their workplace and contractors working within the Company's premises. By ensuring a safe and conducive workplace, we strive to prevent any kind of injuries or illnesses among our employees and those working within our premises as these ultimately contributes to compliance to Safety and Health Act as well as the OSHA Act and any violation of these Acts or Law will cause penalty or law suit against the company concern.

Our approach

Our Group's Health and Safety Policies and Standard Operating Procedures are in line with the Act and Laws of Safety and Health and is also to ensure our business operations are conducted in a safe manner. Health, Safety and Environment ("HSE") Working Committees are present in all business units/subsidiaries and meetings are conducted with representatives from Management and Employees to ensure that safety and health performance and directions are discussed at all levels.

Hazard Identification, Risk Assessment, and Risk Control ("HIRARC") process is reviewed and assessed to ensure that it remains relevant in identifying all potential hazards and providing effective mitigation measures. We foster a reporting culture where workers can report incidents without fear of reprisal. A standard incident reporting procedure has been established to communicate such information for management's attention. Any major incidents are being brought to the attention of the Board for their review and advise if needed.

Medical care is provided to all of our employees at the nearest private Clinics and for serious cases they are provided with government medical attention. For any emergency cases such as industrial accidents/mishaps, we provide private medical treatment initially for fastest treatment to the injured.

On Safety Trainings, safety induction training is provided at the point of recruitment thereon an on-the-job, and thereon regular refresher training to all employees and contractors. Training programmes covers both knowledge-based and skills- based training on topics such as emergency response, hazard and safety at the work place, as well as safety and health awareness.

Our performance

Various Health and safety trainings are carried out for all employees including all contractor at the start of any work within the Company's premises.

Number of Employees and Contractors Trained on Health and Safety Standards	2022	2023	2024
Employees	NA	82%	86%
Contractors (Upon start of work only)	100%	100%	100%

Our ultimate goal is to ensure that employee(s) comes for work and return home safely at the end of the day, which is why we always emphasize and strive to maintain zero accidents/fatalities by preventing and minimizing workplace incidents.

With the improvised measures taken, the Group encountered 4168 manhours loss in year 2024 compared to 4695 manhours loss in year 2023 involving minor accidents. Investigations to identify the cause and any systemic failures to be taken as corrective measures were carried out. Improvised measures include stricter safety measures for safety nets, retraining employees and contractors on working safely at heights whilst ensuring full adherence to the Safety Standard Operating Procedures including stricter controls and supervision. The Group remains committed to continuously strengthen its preventive measures to avoid accidents in the future.

Work-related injuries	2022		2023		2024	
	Employee	Contractor	Employee	Contractor	Employee	Contractor
Number of Accidents	80	0	48	0	39	0
Number of Fatalities	1	0	0	0	0	0
Number of Lost Time Injuries (Manhours)	NA	0	4,695	0	4168	0

STATEMENT ON SUSTAINABILITY (Cont'd)

CYBERSECURITY AND DATA PROTECTION

Why is this important?

The acceleration of various trends revolving around remote working, e-commerce and automation has propelled the adoption of digital technologies and infrastructure. However, it has also made data more susceptible to cybersecurity risks. Consequently, we have the responsibility to manage the growing threat of cyber- attacks on the Group's information system to protect our customers' sensitive information, to prevent any leaks, threats or loss of our customer's information.

Our approach

We continue to strengthen our cybersecurity measures through strict adherence to our Data Privacy Policy developed in accordance with the Personal Data Protection Act ("PDPA") 2010. We maintain a robust cybersecurity framework that is embedded within our operations and processes, adhering to all regulatory requirements in the 3 (three) different regions where we operate.

Managing data and security has always been an integral part of our risk management framework and we conduct regular Internal Control Review by our Internal Auditors to review the Information Technology General Controls of the Group. The review assesses the adequacy and test the integrity of the system of internal controls while assessing compliance with policies and procedures and recommended best practices.

The Group has implemented a range of cybersecurity measures and has in place an upgraded reputable firewall product as our 1st level of defense against any external threats to our organization network, ensuring that we also have anti-virus protection software installed in all our local workstations. Furthermore, we continue to educate our employees on data protection and privacy. Additionally, we regularly educate our employees on how to identify phishing emails, malicious links and best practices and how to respond to such incidents.

Cyber threats are dynamic and ever-evolving that requires constant vigilance and adaptability. EFB is committed for continuous improvement in our cybersecurity posture, regularly reviewing and enhancing our policies, procedures, and technologies to address emerging threats and evolving regulatory requirements.

Our performance

As of 31st December 2024, there have been zero substantiated complaints concerning breaches in customer privacy or data loss.

CLIMATE CHANGE

Why is this important?

The Group acknowledges that energy consumption and GHG emissions contribute to climate change impacts. We realise that as a corporate citizen, it is our responsibility to reduce our carbon footprint while embracing opportunities that unfold while making the transition to a low-carbon economy.

Our approach

1. The Group aims to reduce its environmental footprints by establishing operational resilience to deliver long-term value to our business, stakeholders and surrounding communities. We are guided by our Environmental Policy, which outlines the Group's objective to effectively manage and minimise the impacts arising from our business operations.
2. As part of our efforts to mitigate climate change, the Group aims to reduce its absolute GHG emissions for Scope 1, 2 and 3 by 2030. We have started tracking and monitoring our Scope 3 emissions, specifically for business travel and employee commuting.

STATEMENT ON SUSTAINABILITY (Cont'd)

CLIMATE CHANGE (CONT'D)

Our approach (Cont'd)

3. Based on our Green House Gas Emission assessment conducted for the Group, source of emission has been identified and measures to the reduction of our GHG has been defined below. We have set our targets and thereon, we will monitor our sustainability performance and track our progress to ensure that we are making continuous improvements to achieve targets and goals set as below: -.

For Scope 1 Emissions (Direct Emissions)

These are direct emissions from owned or controlled sources and we aim to reduce these emissions through: -

- > **Efficiency Improvements** - Upgrading machinery and equipment to more energy-efficient models; and
- > **Process Emissions Reduction**- Implementing new technologies or practices that reduce the emissions intensity of our production processes.

For Scope 2 Emissions (Indirect Emissions from Purchased Energy)

These are emissions the purchased of electricity, steam, heating, and cooling consumed by the operations and we aim to reduce these emissions through: -

- > **Renewable Energy**- Invest in renewable energy sources, such as solar or wind power, either by installing onsite renewable energy systems or purchasing renewable energy credits; and
- > **Energy Efficiency** - Continue to focus on reducing energy consumption across its operations through energy efficiency measures and conservation practices.

For Scope 3 Emissions (All Other Indirect Emissions)

These are emissions from our Company's value chain including upstream and downstream emissions. Our strategy shall involve: -

- > **Supply Chain Management** - Working with suppliers to reduce their GHG emissions by encouraging and requiring them to adopt sustainable practices; and
- > **Employee and Business Travel** - Reducing travel-related emissions using virtual meeting technology and incentivizing public transport or low-emission vehicles for commuting.

Evergreen's Commitment

The Group aims to achieve a 50% reduction in its emissions by year 2030 and Net Zero by year 2050. To align with our commitment an expanded plan with specific commitments to reduce our GHG Emission under Scope 1, 2, and 3 is as follows:-

Yearly Reduction Targets: -

1. For Year 2025 – We target to achieve a 5% reduction in Scope 1, 2, and 3 emissions compared to our defined base year 2024 through the following immediate actions: -
 - > Increase more energy efficiency measures at the production level;
 - > Initiating another renewable energy project to further reduce dependency on grid power; and
 - > On-boarding or collaborating with 3-5 carbon neutral certified suppliers.
2. For Year 2026- We target to achieve GHG reduction percentage of 10%, focusing on deeper integration of renewable energy, further efficiency improvements, and beginning to see the impact of supply chain management changes. Being part of the initial ramp-up period, the following actions to be enhanced by: -
 - > Reduce dependency on grid power across at least 30-40% of the Group's facilities;
 - > Introduction of alternative raw material options into the production facilities that are certified carbon neutral or has a reduced emissions impact; and
 - > Accumulation of carbon credit inventory from own plantation.
3. For Year 2027 to 2028 – We target a 15% GHG reduction, with significant contributions from mature renewable energy projects, comprehensive supply chain transformations, and advanced product life-cycle management strategies.
4. For Year 2029 to 2030 – We target pushing towards a 20% reduction in emissions with over 60% adoption of sustainable green manufacturing processes to be adopted across all key facilities. Significant adoption of certified carbon neutral products and optimization of current production processes.

STATEMENT ON SUSTAINABILITY (Cont'd)

CLIMATE CHANGE (CONT'D)

Assessment on our Green House Gas Emission

Year 2024	Scope 1 (tCO ₂ e)	Scope 2 (tCO ₂ e)	Scope 3 (tCO ₂ e)	Total (tCO ₂ e)
GHG Emission	30,033.09	167,242.49	440,676.23	637,951.80

ENERGY CONSUMPTION

Why is this important?

The Group acknowledges high energy consumption in its production operations which translates to Green House Gas (GHG) emissions that contributes to the impact of climate change. As an organization, we acknowledge that it is our responsibility to play our part by continuously reducing our carbon footprint whilst embracing opportunities that unfold in making the transition to a low-carbon economy.

Our approach

We aim to reduce our environmental footprints by investing in Renewable Energy such as solar or wind power, either by installing onsite renewable energy systems or purchasing renewable energy credits and focusing on reducing energy consumption across all operations through energy efficiency measures and conservation practices.

Our performance

During the financial year 2024, the total energy consumption (excluding mobile combustion) recorded a reduction of 35.32% in consumption compared to year 2023. The reduction is mainly from the reduction of operations in Malaysia due to disruption in raw materials and the relocation of our MDF plant to Indonesia. This production line is due for commercial run in March 2025 and the consumption in the coming year will increase accordingly.

Energy Consumed	Year 2022	Year 2023	Year 2024
Electricity Consumed from National Grid	289,459 MWh	292,380MWh	189,129MWh
Solar Energy Consumed	6,562 MWh	6,278MWh	3,682MWh
Biomass Energy Consumed	126,591 MWh	134,857MWh	123,357MWh
Total Consumption	422,612 MWh	433,515MWh	316,168MWh
Diesel Consumed	NA	NA	3,326,518 Ltr
Petrol Consumed	NA	NA	25,216 Ltr
Others	NA	NA	48,344 Ltr
Total Consumption	422,612 MWh	433,515MWh	3,400,078 Ltrs

EMPLOYEE MANAGEMENT

Why is this important?

EFB believes that our employees are our most valuable assets and they are the driving force for our success and growth. We are committed to recruiting, developing, and retaining high-performing employees while providing work environment that is both conducive and empowering. On top of that, we invest significantly in development programmes to ensure our employees remain competitive, progressive and future ready.

Our approach

The Group adheres to local labour and employment-related laws in all our human resources practices and management. Our Group Human Resources department is guided by our 5 (five) core values of integrity, Customer Service, Consistency, Cost Efficient and Team Work.

STATEMENT ON SUSTAINABILITY (Cont'd)

EMPLOYEE MANAGEMENT (CONT'D)

Our Performance

Our Manpower Strength

DESCRIPTION	YEAR 2022		YEAR 2023		YEAR 2024	
BY COUNTRY	TTL WORKFORCE	PERCENTAGE	TTL WORKFORCE	PERCENTAGE	TTL WORKFORCE	PERCENTAGE
MALAYSIA	1215	59.1%	1154	59%	1122	57.6%
THAILAND	619	30.1%	720	36.8%	737	37.8%
INDONESIA	222	10.8%	82	4.2%	90	4.6%
TTL	2056	100.0%	1956	100%	1949	100.0%
BY EMPLOYMENT	FOREIGN LABOUR	PERCENTAGE	FOREIGN LABOUR	PERCENTAGE	FOREIGN LABOUR	PERCENTAGE
MALAYSIA	253	74.0%	302	67.7%	284	59.9%
THAILAND	89	26.0%	144	32.3%	176	37.1%
INDONESIA	0	0%	0	0%	14	3.0%
TTL	342	100%	446	100%	474	100%
BY EMPLOYMENT	PERMANENT %	TEMPORARY %	PERMANENT %	TEMPORARY %	PERMANENT %	TEMPORARY %
MALAYSIA	100%	0%	98.6%	1.4%	100%	0%
THAILAND	100%	0%	89.1%	10.9%	100%	0%
INDONESIA	57%	43%	100%	0%	100%	0%

Upskilling and reskilling

We foster a skilled, resilient, and agile workforce that can thrive in an ever-changing market landscape, amidst technological advances and emerging trends. We continue to adopt the 70- 20-10 learning model which sees 70% of talent development occur through the on-the-job training, 20% through developmental experiences such as coaching and mentoring, and the remainder 10% through formal development activities.

To address skill gaps and help our employees achieve their career development goals, we regularly assess employees' training needs, through a training needs analysis for each employee and review our existing training initiatives for continued relevance.

During the financial year, we remained committed to investing in training and development programmes, utilising both physical and online channels. Our training and development programmes include the following: -

1. Corporate induction for management, (executives and non-executives);
2. Hand Holding Risk Management In-house Programme;
3. Hand Holding Sustainability In-house Programme;
4. Leadership development programmes for middle and senior management levels;
5. Upskilling programmes on technical courses related to job functions;
6. Webinars from subject-matter experts and industry leaders;
7. Safety and Health In-house Programme;
8. Capacity building via professional certification; and
9. Continuous learning programmes through e-learning platform.

STATEMENT ON SUSTAINABILITY (Cont'd)

EMPLOYEE MANAGEMENT (CONT'D)

Performance Management and Compensation

We firmly hold onto our principles of being result-driven, accountable, collaborative, and shared success to drive individual and team performance. In promoting a high-performance culture, we have implemented a systematic performance review process and measurement system which includes employees' Key Performance Indicators (KPIs). At the beginning of each year, we ensure expectations setting conversations are initiated. We conduct a year-end performance review for all employees, providing them with the opportunity to self-assess, provide feedback, engage in competency discussions, and receive necessary coaching and support.

We recognise and celebrate achievements when one has demonstrated exceptional performance within their peer group, deliver high quality results and display outstanding behavior, through increment, bonuses and promotions.

We aim to create a motivating and encouraging environment by offering competitive benefits and compensation packages that attract and retain top talents.

Further into the year 2025, we will be revising our Malaysian salary and benefits packages to ensure they reflect prevailing market rates including compliance to the Minimum Wage and Employment Act 1955.

The following are amongst the benefits provided to our employees: -

Leaves
<ul style="list-style-type: none"> Annual leaves, sick or hospitalisation leave, marriage leave, maternity and paternity leave, compassionate leave, unpaid leave, examination leave.
Medical
<ul style="list-style-type: none"> Insurance coverage, dental care, health screening, medical coverage, postnatal expenses.
Flexi-work arrangement
<ul style="list-style-type: none"> Flexi-time of work and Work from home when needed.

Remuneration Policies

Our Remuneration Policy for the Board and Senior Management has been established as in Remuneration Committee Terms of Reference which is available on the Company's website.

Annual Total Compensation

The increase in employee's compensation is mainly from the change in the ceiling rate for overtime calculations.

ANNUAL COMPENSATION						
Compensation Category	Year 2022 (RM)	%	Year 2023 (RM)	%	Year 2024 (RM)	%
Employee's Compensation	93,367,279	95.8	89,220,550	95.6	92,823,338	95.1
Executive Director's Compensation	3,765,728	3.8	3,778,917	4.0	4,465,432	4.6
Non-Executive Director's Compensation	348,409	0.4	327,570	0.4	362,237	0.4
Total	97,481,416	100.0	93,327,037	100.0	97,651,007	100.0

STATEMENT ON SUSTAINABILITY (Cont'd)

EMPLOYEE MANAGEMENT (CONT'D)

Succession planning

We intensify our talent management efforts by identifying individuals who are capable of taking on critical roles for succession planning. We keep a record of identified high-performing employees from all levels as potential leaders to participate in our talent development programme, which aims to equip our talent pool with the relevant leadership skills and competencies as and when needed.

Employee engagement initiatives

We highly value employee feedback and thus, in 2024 we conducted an annual Employee Engagement Survey to gain insights into our employee's experiences and expectations, as well as to understand their needs and concerns. Based on their feedback, we have identified top 3 areas of improvement which are rewards, better working environment and better facilities.

A focus group discussion will be organised with the relevant groups of employees to discuss ideas towards improving our current practices.

We also undertake various employee engagement initiatives to improve communication and address employee concerns. Amongst employee engagements conducted in 2024 are as follows: -

1. Sport Tournaments such as Futsal and Badminton game;
2. Aero-Dance Fitness Program;
3. Festive celebrations throughout the year; and
4. Thanksgiving prayers in all religion.

Employee training hours

For the financial year 2024, the Group spent 11,687 hours compared to 10,570 hours in Year 2023 on training for internal and external learning and development programmes.

Employee Category	Total hours of training		
	2022	2023	2024
Management	NA	2,595	2959
Executive/Supervisory	NA	2,163	2427
Non- Exec /General Workers / Technical	NA	5,812	6301
Total	NA	10,570	11,687
Overall average training hours per employee (hours)	NA	5.34	5.35
Employee retention and attrition	2022	2023	2024
Turnover rates (%)	NA	3.6	12%

STATEMENT ON SUSTAINABILITY (Cont'd)

EMPLOYEE MANAGEMENT (CONT'D)

Diversity, Equity and Inclusion

We strongly advocate for equitable gender representation on our Board, and to that end, have established a dedicated Board Diversity Policy to ensure a minimum of 30% women representation at the Board level. This is also cascaded to the management level, as EFB strives to increase women participation in leadership roles to 30% by 2030.

On Employees	YEAR 2022		YEAR 2023		YEAR 2024	
BY GENDER	TTL WORKFORCE	PERCENTAGE	TTL WORKFORCE	PERCENTAGE	TTL WORKFORCE	PERCENTAGE
MALE EMPLOYEES	1,681	81.8%	1,574	80.5%	1311	67.29%
FEMALE EMPLOYEES	375	18.2%	382	19.5%	638	32.71%
TTL	2,056	100.0%	1,956	100%	1949	100%
BY AGE GROUP	TTL WORKFORCE	PERCENTAGE	TTL WORKFORCE	PERCENTAGE	TTL WORKFORCE	PERCENTAGE
< 30 YEARS	457	22.2%	509	26.0%	403	20.66%
30-50 YEARS	1,335	65.0%	1,151	58.8%	1305	66.96%
> 50 YEARS	264	12.8%	296	15.2%	241	12.38%
TTL	2,056	100%	1,956	100%	1949	100%
On Directors	YEAR 2022		YEAR 2023		YEAR 2024	
MALE	5	62.5%	4	57.1%	5	62.5%
FEMALE	3	37.5%	3	42.9%	3	37.5%
TTL	8	100%	7	100%	8	100%
< 30 YEARS	0	0%	0	0%	0	0%
30-50 YEARS	3	37.5%	2	28.6%	2	25%
> 50 YEARS	5	62.5%	5	71.4%	6	75%

HUMAN RIGHTS

Why is this important?

As a responsible organisation, EFB is committed in protecting and respecting human rights across all our business operations. We believe that strong human rights practices coupled with fair and ethical treatment, improves productivity and promotes a healthy working culture and environment.

Our approach

We support the United Nations Global Compact (“UNGC”) Ten Principles, and the Universal Declaration of Human Rights. We also adhere to applicable laws and regulations in all our operating countries.

Our commitment is reflected in our Human Rights Policy. This policy which was is consistently reviewed by the Management to ensure that our approaches to human rights always meet, or at best, go beyond regulatory requirements. We constantly aligned our Human Rights Policy with the Minimum Wage Order and the Employment Act 1955, resulting in a minimum wage of RM1,700 per month in February 2025.

Our Code of Conduct (“CoC”) and CoC for Third Parties also outlines our expectations to all our employees and external stakeholders in approaching human rights matters while conducting business with Evergreen. This code discloses fair labor practices, zero-tolerance for child labor and any form of forced labor, protection against discrimination and harassment, freedom of association and collective bargaining, and grievance mechanisms, among others. Our CoC is made available on our website.

STATEMENT ON SUSTAINABILITY (Cont'd)

HUMAN RIGHTS (CONT'D)

We have communicated to all our employees and workers about our grievance handling process and whistleblowing policy. Our whistleblowing channels offer employees a safe and confidential way to report anonymously any violation of labor practices, disputes, and inappropriate behavior. We guarantee the protection of the whistleblower's identity throughout investigation and all reports will be taken seriously.

Our foreign workers, are provided with fair wages (same as local employee's wages) and compensation, decent living quarters, and adequate training to perform their jobs safely and effectively.

The Group has embarked on conducting human rights due diligence in most of our operations in Malaysia and will subsequently expand our effort to cover all our business operations overseas.

Our performance

EFB has embarked in Ethical Recruitment of migrant employees from Nepal and introduced the usage of Just Good Work mobile app in disseminating information about working in Malaysia. Just Good Work mobile app also acts as workers voice where migrant employees have the option to contact 3rd party to channel their grievances. As part of our efforts to prevent future recurrences, the Group has improved the procedures for the management of workers' centralized accommodation aligned with the Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2019. The procedures include introducing regular inspections and engagement sessions with the workers to improve their accommodations and living conditions.

We will intensify our efforts to manage human rights in order to maintain the target of zero substantiated complaints regarding human rights violations.

Complaints	2022	2023	2024
Number of substantiated complaints concerning human rights violations	0	0	0

SUPPLY CHAIN MANAGEMENT

Why is this important?

EFB is dedicated to promoting responsible procurement practices and enhancing our supply chain resilience by starting to incorporate sustainability elements throughout our procurement supply chain. We firmly believe in supporting local businesses and driving economic growth in the communities where we operate. To achieve this, we priorities sourcing from local suppliers and providing business opportunities to small and medium enterprises (SMEs) contractors, improving their livelihoods. We ensure that our sustainability expectations pertaining to procurement practices are extended to our suppliers, which include contractors, service providers, and consultants.

Our approach

All of our suppliers are required to adhere to EFB's Responsible Sourcing policy which encompasses our principles and guidance for sustainable procurement practices. This policy entails suppliers' adherence to EFB's ethical business practices, including zero corruption, minimising environmental impacts and safeguarding employees' and workers' rights. This policy should be read together in conjunction with our Code of Conduct for Third Parties, of which can be accessed through our website.

Our procurement processes embed sustainability elements throughout, starting from the registration stage up to the annual supplier performance assessment. We will be introducing sustainability assessment as part of our pre-qualification process to drive sustainability awareness across our supply chain. All new and existing suppliers are expected to address our set of sustainability requirements, which focuses on suppliers' practices relating to ethical dealings, health and safety, environmental management and human rights principles.

STATEMENT ON SUSTAINABILITY (Cont'd)

SUPPLY CHAIN MANAGEMENT(CONT'D)

Our performance

We are aware of our operational needs and we prioritise procuring products and services from local suppliers to the best extent possible, as we believe that we are not only contributing positively to the local economy but also reducing our carbon footprint. The reduction seen in our local procurement is due to the relocation of our plant from Malaysia to Indonesia and a big quantity of raw material (panel boards) are being procured from our subsidiaries in Thailand.

Suppliers	2022	2023	2024
Proportion of spending on local suppliers	NA	65%	48%

Waste Management

Why is this important?

Our Group prioritise proper waste management to ensure no or the least environmental impact towards the surrounding communities, in relation to all of our businesses. In our operations, we generate different types of waste, including hazardous waste categorised as scheduled waste, as well as non-hazardous such as domestic waste, panelboard waste and recyclable waste. Improper waste management can have far-reaching consequences, including detrimental effects on air and water quality, soil contamination, and heightened risks of hazardous material exposure for both our employees and the surrounding communities in the areas where we operate. Recognising the severity of these potential impacts, it is imperative that we implement proactive measures to ensure responsible waste management practices across all our operations.

Our approach

Our actions are guided by the Group's Environmental Policy that outlines how to minimise waste by reducing the number of materials used in our operations, adopting the 3R approach – reduce, reuse, and recycle, and raising employees' awareness on the significance of sustainable waste management. We target to reduce 20% of our waste sent to landfill compared to our current by year 2030.

In adhering to environmental regulations in relation to panelboard waste management including scheduled waste, we are guided by local regulatory laws and jurisdictional guidance. Our Malaysian entities refer to guidelines set under the Environment Quality (Scheduled Wastes) (Amendment) Regulations 2007 and the Electronic Scheduled Waste Information System by the Department of Environment. For our Indonesian and Thailand entities, we abide by the local regulations stipulated by Indonesia's Ministry of Environment and Forestry and Thailand Law on Environmental Protection respectively. We ensure that our panelboard waste is separated at the respective operation sites for ease of reuse and disposal. Our scheduled waste is managed on site through periodic monitoring disposals with data recording. Additionally, we make sure that all of our scheduled waste is properly stored and managed from its collection point to its final disposal by appointed licensed contractors.

We promote waste reduction and recycling among employees by encouraging them to reuse items such as paper, plastics, and aluminum, and providing bins for the segregation of different types of waste. Recyclable waste is processed at recycling centers, while non-recyclable waste is sent to landfills. Moving forward, Evergreen aims to reduce the amount of waste sent to landfills by exploring circular economy principles and implementing innovating solutions for waste management.

Our performance

During the financial year 2024, EFB generated hazardous waste which is categorised as scheduled waste and non-hazardous waste includes domestic waste which are recyclable waste. Below is our waste managed from our processes which are segregated and being sent for recycle or disposal according to the requirements of the law.

STATEMENT ON SUSTAINABILITY (Cont'd)

SUPPLY CHAIN MANAGEMENT(CONT'D)

Our performance (Cont'd)

Waste Generated			
		2023	2024
Plastic Materials	UOM	Quantity	Quantity
For Re-cycle	m/ton	188.6	457.31
To Landfill	m/ton	0.0	0.0
Paper Materials			
For Re-cycle	m/ton	197.7	9.50
To Landfill	m/ton	28.0	0.0
Scrap Metals (including steel strappings)			
For Re-cycle	m/ton	879.6	1,053.03
Fabric (Bags)			
For Re-cycle	m/ton	62.8	37.24
To Landfill	m/ton	4.1	64.34

Schedule Waste			
		2023	2024
Disposal based on Environment Law Requirements	UOM	Quantity	Quantity
Electric & Electronic Waste (Monitors/ Printers/Computers)	m/ton	2.5	166.6
Waste Glue & Sludge (include washing of equipment)	m/ton	762.7	10,064
Empty Containers	units	-	9,967
Waste Paint/Chemicals	liters	44.7	331.18
Spent Oil	liters	18.1	9,081

COMMUNITY INVESTMENT

Why is this important?

We firmly believe that fostering a positive relationship between businesses and communities promotes better social inclusion, and creates tangible and favorable outcomes in the long run. As a Group, we strive to be a responsible corporate citizen by giving back to the surrounding communities in which we operate, through our community engagement and impact programmes, with a focus on education and social welfare.

Our approach

Our Group's commitment in supporting local communities is reflected in our Community Investment policy, which outlines EFB's principles and practices in managing our community-related investment decisions. This guideline describes our objective to align our community programmes towards generating mutually beneficial outcomes for both the Group and the community.

We believe that the spirit of volunteerism among employees is vital in contributing to the success of the Group's community impact programmes. We started monitoring and tracking employees' participation in community impact programmes and provide them with token of appreciation. Furthermore, as a form of encouragement, we actively support employee participation in these activities by allowing them to take approved leave of absence, separate from their annual leaves.

Our performance

The Group contribution for the current financial year 2024 was mainly to Charity Organisation, special needs schools, medical associations, local community programmes, flood victims and disaster events amounting to RM203,517 with 62 beneficiaries to it.

STATEMENT ON SUSTAINABILITY (Cont'd)

WATER MANAGEMENT

Why is this important?

The issue of water scarcity is becoming increasingly alarming due to several factors, such as climate change, poor water management, and contamination. As water cuts and scarcity are becoming more frequent, the Group is committed to mitigating the risk of water shortages through efficient water management across our operations.

Our approach

The Group is guided by our Environmental Policy and adopt a practical approach to water management, aiming to improve water efficiency and promote water conservation. This aligns with our target of reducing water consumption by at least 10%-20% from our current baseline by 2030.

Our water consumption primarily stems from production activities such as dust suppression, equipment and machinery cooling, site cleaning, compaction, irrigation as well as from our site office, worker facilities, owned office buildings and properties. We are committed to implementing water conservation initiatives and raising employees' awareness on proper water management at all our premises.

We annually review our water management plans across all our operations to continually increase efficiency and ensure we are able to achieve our water consumption reduction targets. In view of our current performance, the Group, upon deliberation, has revised its target to increase recycle of water and rain catchment to achieve a 20% reduction in water supply from others for consumption by 2030.

Our performance

The Group total water consumption and the source of water supply is as below: -

SOURCE OF WATER CONSUMPTION (Megaliters)			
Water Supply Source	2022	2023	2024
From Government Supply	183,793	328,270	370,675
From Nearby Stream / River	881,955	1,008,741	1,216,179
From Underground	132,731	29,435	38,607
From Water Treatment (Re-cycle Water)	128,847	73,427	41,823
From Rain Catchment	0	0	2,687
Total	1,327,326	1,439,873	1,669,971

RAW MATERIALS (WOOD)

Why is this important?

The natural resources which rubber wood / mix wood waste which is our Group's main raw material is sensitive topic to the environment. Therefore, any changes in government policies on logging due to the nation's commitment to international bodies on climate change may increase the possibility of supply disruption of our raw material supply chain. Additionally, the availability of natural resources for production is depleting.

STATEMENT ON SUSTAINABILITY (Cont'd)

RAW MATERIALS (WOOD) (CONT'D)

Our approach

To try and mitigate this matter, we closely monitor the supply trends while taking action to implement mass planting of fast-growing wood species. Our aim is to establish our own supply from our plantation, fulfilling at least 30% - 40% of our requirements. This strategy will help reduce our dependency on our wood suppliers and may provide us with greater bargaining power over prices. We have undertaken initiatives to reduce our consumption of virgin materials by using recycled materials and also ensure to source to our supply from legal sources as indicated below.

Our Performance

DESCRIPTION OF WOOD	YEAR	TOTAL	SOURCE (M/Tons)			
			PLANTATION	PEFC AREA	FSC AREA	OTHERS
Rubber / Mix Tropical Wood	2022	1,449,892	1,300,992	58,384	1,996	88,520
	2023	1,168,359	1,025,053	24,675	75,042	43,589
	2024	1,250,736	1,177,081	44,402	8,773	20,480

Note: The reduction of FSC materials purchase is due to unavailability of FSC materials in Malaysia.

ON THE ENVIRONMENT MATTERS

On incidents of Smoke and Dust emission including Water discharge from the Group's production processes.

As a wood base industry, emissions from our processes primarily consist of smoke and dust, and each country has its own emission standards. In Malaysia, all companies are subjected to the Environment Quality Act (Clean Air) Regulation 2014, which stipulates that emission levels should not exceed 20% for more than five (5) continuous minutes and the total emission for 24 hours should not exceed 15 accumulated minutes. If dust or smoke emission surpass these allowable limits, a fine of RM100,000 can be imposed on the premises owner.

Compound and Fines

For Emission /Discharge (above the allowable limit)	2022	2023	2024
On Environment Matters	1	2	2
On Water	1	1	3
On other Matters	1	1	2

The Group had incurred compound for water discharge and Industrial Accident cases which occurred in year 2022 ~ 2024 amounting to RM63,859 for 7 (seven) minor environment and safety incidents. Corrective action to remedy the issue has been taken promptly upon the mishap occurring by the management in-charge.

Significant Spills

The Group has no notable instances of spillage causing environmental harm. Through diligent monitoring and management practices, the Group has successfully maintained a clean and safe operating environment. Any minor spills that occurred were promptly addressed and properly contained to prevent any potential negative impacts on the environment.

STATEMENT ON SUSTAINABILITY (Cont'd)

EXTERNAL ASSURANCE

Conclusion

We have conducted an independent review of the selected sustainability information (the “Subject Matters”) listed below for the year ended 31 December 2024 published in the Sustainability Statement 2024 (the “Report”) of Evergreen Fibreboard Berhad (the “Company” or “Evergreen”).

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matters are not prepared, in all material respects, in accordance with the Reporting Criteria as detailed below.

Reporting Criteria

In preparing the Subject Matters mentioned above, the Company applied its approach and methodology, which draws reference from commonly established industry practices.

Scope of Work

BDO Governance Advisory Sdn. Bhd. (“BDO” or “we”) was engaged by the Board of Directors of Evergreen Fibreboard Berhad to provide a review on the Subject Matters for the year ended 31 December 2024 as published in the Report.

Subject Matters

The Subject Matters on which we have reviewed, consist of:

Material Matters	Selected Disclosures	
Energy Consumption	Total Electricity Consumption: Grid Sourced and Solar, MWh	199,980.75
	Diesel: Stationary and Mobile Combustion, Litres	3,333,985.44
	Petrol: Mobile Combustion, Litres	25,216.65
	Biomass: Purchased and Self-Generated, MWh	123,357.15
	Other source of energy: Turmoil, Litres	48,344.00
Water Consumption	Water Consumption from Local Supply, m3	156,471.99
	Water Consumption from River, m3	1,216,179.52
	Water Consumption from Ground (Well or Underground), m3	38,607.00
	Water Consumption from Water Treatment Plant, m3	41,823.68
	Water Consumption from Rainwater Catchment, m3	2687.22
Waste Management and Recycling	Waste Directed to Disposal: Hazardous, Tonnes	11,705.59
	Waste Directed to Disposal: Non-Hazardous, Tonnes	11,518.00
	Waste Diverted from Disposal, Tonnes	229,320.48
Occupational Health and Safety	Total Major and Minor accidents, Number	39
	Fatalities, Number	Nil

The scope of our work was limited to the Subject Matters presented in the Report and did not include coverage of data sets or information unrelated to the data and information underlying the Subject Matters; nor did it include information reported outside of the Report, comparisons against historical data, or management's forward-looking statements.

STATEMENT ON SUSTAINABILITY (Cont'd)

EXTERNAL ASSURANCE (CONT'D)

Inherent Limitation

Inherent limitations of independent review engagements include the use of judgement and selective testing of data, which means that it is possible that fraud, error or non-compliance may occur and not be detected in the course of performing the engagement. Accordingly, there is some risk that a material misstatement may remain undetected. Further, our engagement is not designed to detect fraud or error that is immaterial.

The absence of a significant body of established practice in the industry on which to measure and evaluate certain Subject Matters allows for different, but acceptable, measurement basis and can affect comparability between entities over time.

The Subject Matters are subject to more inherent limitations than financial information, given the characteristics and methods used for determining underlying information. The precision of different measurement techniques may also vary.

Management's Responsibilities

Management of the Company is responsible for:

- The preparation of the Subject Matters in accordance with the Reporting Criteria;
- Selection and application of appropriate methods to prepare the Subject Matters reported in the Report, which includes but not limited to the use of assumptions and estimates for disclosure which are reasonable; and
- Designing, implementing and maintaining internal control relevant to the preparation of the Subject Matters, in accordance with the Reporting Criteria, to enable the preparation of such information that is free from material misstatement, whether due to fraud or error.

Our Responsibilities

Our responsibility is to express our conclusion on whether anything has come to our attention that causes us to believe that the Subject Matters and related disclosures as presented in the Report are not prepared, in all material respects, in accordance with the Reporting Criteria.

An independent review engagement undertaken involves assessing the suitability in the circumstances of Evergreen use of the Reporting Criteria specified as the basis of preparation used for the selected Subject Matters presented in the Report, assessing the risks of material misstatement thereof, whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Subject Matters in the Report.

Procedures Performed

Procedures performed in an independent review vary in nature and timing and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in an independent review is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and did not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our engagement was not designed to provide any assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

Our review engagement on the Subject Matters consists of making enquiries, primarily of persons responsible for the preparation of the Subject Matters presented in the Report and evidence-gathering procedures as appropriate.

STATEMENT ON SUSTAINABILITY (Cont'd)

EXTERNAL ASSURANCE (CONT'D)

Our procedures included:

- Gaining an understanding of the business, internal processes and approach to sustainability;
- Conducting interviews with key personnel and collating evidence to understand Evergreen process for reporting performance indicators and disclosures, including inquiring regarding risks of misstatement and quality controls to address risks;
- Conducting review procedures over the selected Subject Matters, including:
 - i. Testing, on a sample basis, underlying source information to check the accuracy of the data provided based on management's assumption and approach;
 - ii. Obtaining appropriate representations from management, in the form of a management representation letter addressed to us to confirm that the management believes that it has fulfilled its responsibilities.

We also performed such other procedures as we considered necessary in the circumstances.

Other Matters

Information relating to prior reporting periods has not been subject to review procedures. Our report does not extend to any disclosures or assertions relating to future performance plans or strategies disclosed in the Report. Our procedures did not involve consideration of these matters and, accordingly, we accept no responsibility for any changes to the Subject Matters and related disclosures, the Report or to our independent review report that may have occurred since the presentation of the draft to us.

Restriction on distribution and use and disclaimer of liability to third parties and for any other purpose

This report, including the conclusion, has been prepared solely for the Board of Directors of Evergreen, in accordance with the agreement between us, in connection with the performance of an independent review on the Subject Matters, as reported by Evergreen in the Report and should not be used or relied upon for any other purposes.

As a result, we will not accept any liability or responsibility to any other party to whom our report is shown or into whose hands it may come. Any reliance on this report by any third party is entirely at its own risk.

Karthigayan Supramaniam

Executive Director, BDO Governance Advisory
Kuala Lumpur
17 February 2025

The Board has reviewed the sustainability efforts process of the Group and has approved this Statement on 10 April 2025.

STATEMENT ON SUSTAINABILITY (Cont'd)

Sustainability Performance Table

Indicator	Measurement Unit	2024
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	100.00
Executive	Percentage	100.00
Non-executive/Technical Staff	Percentage	100.00
General Workers	Percentage	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	203,517.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	62
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	5.39
Management Above 50	Percentage	2.50
Executive Under 30	Percentage	1.41
Executive Between 30-50	Percentage	13.04
Executive Above 50	Percentage	3.05
Non-executive/Technical Staff Under 30	Percentage	5.98
Non-executive/Technical Staff Between 30-50	Percentage	29.03
Non-executive/Technical Staff Above 50	Percentage	3.50
General Workers Under 30	Percentage	13.27
General Workers Between 30-50	Percentage	19.50
General Workers Above 50	Percentage	3.33
Gender Group by Employee Category		
Management Male	Percentage	5.85
Management Female	Percentage	2.04
Executive Male	Percentage	12.12
Executive Female	Percentage	4.83
Non-executive/Technical Staff Male	Percentage	20.65
Non-executive/Technical Staff Female	Percentage	17.25
General Workers Male	Percentage	28.67
General Workers Female	Percentage	8.59
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	62.50
Female	Percentage	37.50
Under 30	Percentage	0.00
Between 30-50	Percentage	25.00
Above 50	Percentage	75.00
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	316,168.00
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	4,168.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	1,676
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	2,959
Executive	Hours	2,427
Non-executive/Technical Staff	Hours	2,520
General Workers	Hours	3,781
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	5.00

STATEMENT ON SUSTAINABILITY (Cont'd)

Sustainability Performance Table (Cont'd)

Indicator	Measurement Unit	2024
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	9
Executive	Number	9
Non-executive/Technical Staff	Number	78
General Workers	Number	139
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	48.00
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	1,667.000000

Internal assurance

External assurance

No assurance

(*)Restated

ADDITIONAL COMPLIANCE INFORMATION

1. MATERIAL CONTRACTS

None of the Directors or Major Shareholders of the Company has had any material contract with the Company and/or its subsidiaries during the financial year ended 2024.

2. UTILISATION OF PROCEEDS

There was no corporate proposal in the financial year ended 2024.

3. AUDIT AND NON-AUDIT FEES

The amount of audit fees and non-audit fees paid or payable to the Company's external auditors and a firm affiliated to the external auditors' firm by the Group and the Company for the financial year ended 31 December 2024 are as follows:

	Group (RM)	Company (RM)
Audit Fees	403,800	155,000
Non-audit Fees	157,521	77,367
Total	561,321	232,367

4. CONTRACTS RELATING TO LOAN

Other than from financial institutions, there were no contracts relating to loan by the Company or its subsidiaries during the financial year ended 2024.

5. RECURRENT RELATED PARTY TRANSACTIONS

There were no recurrent related party transactions in the Group during the financial year ended 2024 except for inter-company transactions which are carried out on an arm-length basis.

6. COMPLIANCE WITH THE PERSONAL DATA PROTECTION ACT

The Company recognises the importance of protecting and securing shareholders' and customers' personal data, and has taken steps to be fully compliant with the Personal Data Protection Act 2010 ("PDPA 2010").

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS FOR 2024

In compliance to the requirements under Paragraph 15.26(a) of the Main Market Listing Requirement of Bursa Malaysia, the Directors are to ensure that the financial statements prepared for each financial year give a true and fair view on the state of affairs of the Company and of the Group including the income statement and cash flows of the Group and the Company.

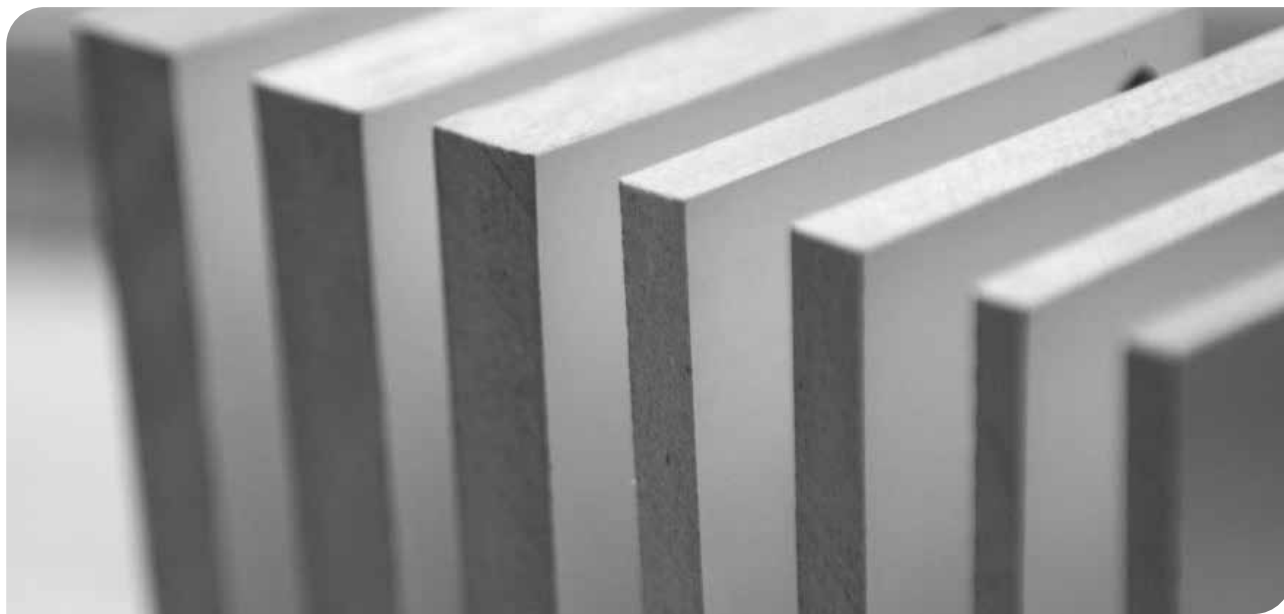
The Board of Directors ("the Board") of the Company is of the view that, in preparing the financial statements of the Group and of the Company for the year ended 31 December 2024, the Group and the Company have adopted the recommended accounting policies that are consistently applied and supported by reasonable, prudent judgments and estimates. The Board have also ensured that all applicable accounting standards have been complied during the preparation of the audited financial statements of the Group and of the Company.

The Board is also aware of their responsibilities and they are confident that the Group and the Company keeps adequate accounting records which disclose reasonable accuracy of the financial position of the Group and of the Company. Hence, this has enabled them to ensure that the financial statements comply to the requirements of the Companies Act, 2016 and the Malaysian Financial Reporting Standards.

The Board have also ensured timely release of the quarterly and annual financial results of the Group for the financial year ended 31 December 2024 to Bursa Malaysia and the Securities Commission that enable the public and investors to be well informed of the Group's financial position.

The Board is also fully aware of their general responsibilities in taking steps which are reasonably open to them to safeguard the assets of the Group and to detect and prevent any fraud and other irregularities within the Group.

FINANCIAL STATEMENTS



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DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The principal activity of the Company is the manufacture of medium density fibreboard and wooden furniture (knock-down). The principal activities of its subsidiaries include manufacture of medium density fibreboard with & without lamination, particleboard, glue, resin, fancy plywood, wood pellets, wooden furniture and parts, urea formaldehyde concentrate and adhesive products, cogeneration of electricity, sales of wood pellets, wholesale and trading of furniture, trading of wood related products, sawn timber, panelboard products and furniture, managing of plantation, planters, cultivators and buyers of rubber and every kind of produce of the soil and cultivation of rubber trees and trading in timber logs harvested from its plantation land clearing activities.

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

RESULTS

	Group RM	Company RM
Profit for the financial year, net of tax	2,039,088	11,166,922
Attributable to:		
Owners of the Company	2,039,088	11,166,922

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year.

The directors do not recommend the payment of any dividends in respect of the financial year ended 31 December 2024.

RESERVES OR PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that there were no known bad debts and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render it necessary to write off any bad debts or render the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

DIRECTORS' REPORT (Cont'd)

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and
- (ii) any contingent liabilities in respect of the Group or of the Company which has arisen since the end of the financial year.

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

CHANGE OF CIRCUMSTANCES

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 of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

- (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

AUDITORS' REMUNERATION AND INDEMNITY

The auditors' remuneration of the Group and of the Company during the financial year were RM594,665 and RM155,000 respectively.

The Company has agreed to indemnify the auditors of the Company as permitted under Section 289 of the Companies Act 2016 in Malaysia.

DIRECTORS' REPORT (Cont'd)

ISSUE OF SHARES AND DEBENTURES

During the financial year, no new issue of shares or debentures were made by the Company.

TREASURY SHARES

Treasury shares relate to ordinary shares of the Company that are repurchased and held by the Company in accordance with the requirement of Section 127 of the Companies Act 2016 in Malaysia.

There was no repurchase of the Company's issued ordinary shares, nor any resale, cancellation or distribution of treasury shares during the financial year.

As at 31 December 2024, the Company held 1,757,200 treasury shares out of its 846,423,985 issued and paid-up ordinary shares. Such treasury shares are held at a carrying amount of RM1,086,893.

DIRECTORS

The directors in office during the financial year and during the period from the end of the financial year to the date of this report are:

Kuan Kai Seng

Kuo Jen Chang*

Kuo Jen Chiu*

Law Ngee Song

Mary Henerietta Lim Kim Neo*

Tan Mui Ping

Hong Kim Heong

Shameer Bin Othman

(Appointed on 2 January 2024)

(Appointed on 1 November 2024)

* Directors of the Company and certain subsidiaries

Other than as stated above, the names of the directors of the subsidiaries of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Chieng Heng Nang

Jeffrey S Kuo

Justin S Kuo

Kuo Huei Chen

Zuhairi Bin Ozir

DIRECTORS' REPORT (Cont'd)

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	At 1.1.2024	Number of ordinary shares		At 31.12.2024
		Bought	Sold	
Interests in the Company				
Direct interests:				
Kuo Jen Chang	142,355,865	-	-	142,355,865
Kuo Jen Chiu	124,120,141	-	-	124,120,141
Mary Henerietta Lim Kim Neo	6	-	-	6
Indirect interests:				
Kuo Jen Chang	* 159,173,720	-	-	159,173,720
Kuo Jen Chiu	* 177,409,444	-	-	177,409,444

* Deemed interested by virtue of the interest of siblings.

By virtue of their interests in the ordinary shares of the Company and pursuant to Section 8 of the Companies Act 2016 in Malaysia, Kuo Jen Chang and Kuo Jen Chiu are deemed to have an interest in the ordinary shares of the subsidiaries to the extent that the Company has an interest.

Other than as stated above, none of the other directors in office at the end of the financial year had any interest in ordinary shares or debentures of the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable, by the directors as shown below) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

The directors' benefits of the Group and of the Company were as follows:

	Group and Company RM
Directors of the Company	
Executive directors	
Salaries, bonus and emoluments	4,388,546
Defined contribution plan	55,084
Benefits-in-kind	21,802
	<hr/> 4,465,432
Non-executive directors	
Fees	242,375
Allowances	116,025
Benefits-in-kind	3,837
	<hr/> 362,237
	<hr/> 4,827,669

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

DIRECTORS' REPORT (Cont'd)

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial year, the total amount of indemnity insurance coverage and insurance premium paid for the directors and officers of the Company and its subsidiaries were RM10,000,000 and RM25,000 respectively.

SUBSIDIARIES

The details of the Company's subsidiaries are follows:

Name of company	Principal place of business/ country of incorporation	Principal activities	Ownership interest	
			2024	2023
Allgreen Timber Products Sdn. Bhd.	Malaysia	Manufacture of particleboard	100%	100%
Siam Fibreboard Co., Ltd.	Thailand	Manufacture of medium density fibreboard	99.99%	99.99%
GRE Energy Co., Ltd.	Thailand	Cogeneration of electricity	99.99%	99.99%
ECO Generation Co., Ltd.	Thailand	Cogeneration of electricity	99.99%	99.99%
PT Hijau Lestari Raya Fibreboard	Indonesia	Manufacture of medium density fibreboard, glue and resin	99.99%	99.99%
Evergreen Fibreboard (JB) Sdn. Bhd.	Malaysia	Manufacture of medium density fibreboard with & without lamination and manufacturing and sales of wood pellets	100%	100%
Evergreen Adhesive & Chemicals Sdn. Bhd.	Malaysia	Manufacture of urea formaldehyde concentrate and adhesive products	100%	100%
Evergreen Fibreboard (Nilai) Sdn. Bhd.	Malaysia	Manufacture of medium density fibreboard	100%	100%
Evergreen Adhesive & Chemicals (Gurun) Sdn. Bhd.	Malaysia	Manufacture of urea formaldehyde concentrate and adhesive products	100%	100%
Dawa Timber Industries Sdn. Bhd.	Malaysia	Manufacturing of fancy plywood	100%	100%
Evergreen Agro Sdn. Bhd.	Malaysia	Planters, cultivators and buyers of rubber and every kind of produce of the soil	100%	100%
Locomotion Services Sdn. Bhd.	Malaysia	Trading of wood related products, sawn timber, panelboard products and furniture	100%	100%
Evergreen Plantation Resources Sdn. Bhd.	Malaysia	Managing of plantation	100%	100%
Craft Master Timber Products Sdn. Bhd.	Malaysia	Manufacture of wooden furniture & parts	100%	100%
Everlatt Sourcing Sdn. Bhd.	Malaysia	Wholesale and trading of furniture	100%	100%
Evergreen Furniture Co Pte. Ltd.	Singapore	Dormant	100%	100%

Subsidiary of Evergreen Plantation Resources Sdn. Bhd.

Jasa Wibawa Sdn. Bhd.	Malaysia	Cultivation of rubber trees and trading in timber logs harvested from its plantation land clearing activities	100%	100%
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DIRECTORS' REPORT (Cont'd)

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng PLT, have expressed their willingness to continue in office.

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the directors:

.....
KUO JEN CHIU
Director

.....
MARY HENERIETTA LIM KIM NEO
Director

Date: 10 April 2025

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	886,293,513	851,465,727	92,068,200	65,318,352
Right-of-use assets	6	33,251,635	34,279,680	8,951,096	8,027,744
Biological assets	7	44,200,000	40,500,000	-	-
Goodwill on consolidation	8	4,893,264	4,893,264	-	-
Other intangible assets	9	244,717	70,214	-	-
Investment properties	10	-	-	3,235,299	3,389,832
Investment in subsidiaries	11	-	-	523,610,544	526,431,306
Deferred tax assets	12	2,266,530	2,266,530	2,266,530	2,266,530
Other receivable	13	536,329	-	-	1,804,894
Total non-current assets		971,685,988	933,475,415	630,131,669	607,238,658
Current assets					
Inventories	14	214,333,254	187,632,990	41,866,053	39,272,228
Trade and other receivables	13	79,909,993	87,391,845	161,781,445	151,750,783
Other current assets	15	22,245,208	43,961,112	7,773,114	6,438,392
Tax assets		4,460,985	4,291,418	988,921	-
Deposits, cash and bank balances	16	139,992,085	199,568,670	42,762,469	54,762,640
Total current assets		460,941,525	522,846,035	255,172,002	252,224,043
TOTAL ASSETS		1,432,627,513	1,456,321,450	885,303,671	859,462,701
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	17	344,749,212	344,749,212	344,749,212	344,749,212
Treasury shares	18	(1,086,893)	(1,086,893)	(1,086,893)	(1,086,893)
Other reserves	19	100,376,474	111,967,399	-	-
Retained earnings		543,044,902	540,495,616	450,787,573	439,620,651
TOTAL EQUITY		987,083,695	996,125,334	794,449,892	783,282,970

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024 (Cont'd)

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Non-current liabilities					
Loans and borrowings	20	96,320,885	88,537,774	-	2,037,813
Lease liabilities	21	1,209,376	1,182,533	1,061,043	222,439
Deferred tax liabilities	12	22,588,382	23,465,931	-	-
Retirement benefits obligation	22	15,114,377	16,768,918	5,560,727	5,892,116
Total non-current liabilities		135,233,020	129,955,156	6,621,770	8,152,368
Current liabilities					
Loans and borrowings	20	170,824,255	149,197,751	55,439,750	44,748,433
Lease liabilities	21	870,367	1,007,300	688,410	371,490
Trade and other payables	23	108,472,352	107,527,364	27,747,530	21,869,567
Contract liabilities	24	23,911,665	68,868,466	356,319	868,014
Tax liabilities		6,232,159	3,640,079	-	169,859
Total current liabilities		310,310,798	330,240,960	84,232,009	68,027,363
TOTAL LIABILITIES		445,543,818	460,196,116	90,853,779	76,179,731
TOTAL EQUITY AND LIABILITIES		1,432,627,513	1,456,321,450	885,303,671	859,462,701

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

STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Revenue	25	958,086,581	881,083,955	124,658,373	111,571,208
Cost of sales	26	(785,244,236)	(744,484,041)	(125,438,385)	(111,600,499)
Gross profit/(loss)		172,842,345	136,599,914	(780,012)	(29,291)
Other income	27	11,812,445	17,164,788	30,439,169	56,708,587
Selling and administrative expenses		(159,166,533)	(157,340,371)	(12,048,225)	(12,603,774)
Net impairment losses on financial assets		(1,056,974)	(1,316,908)	-	-
Other operating expenses	28	(3,820,933)	(9,506,383)	(4,881,457)	(9,361,456)
		(164,044,440)	(168,163,662)	(16,929,682)	(21,965,230)
Profit/(Loss) from operations		20,610,350	(14,398,960)	12,729,475	34,714,066
Finance costs		(7,800,914)	(7,471,685)	(2,101,189)	(2,201,507)
Profit/(Loss) before tax	29	12,809,436	(21,870,645)	10,628,286	32,512,559
Tax (expense)/credit	31	(10,770,348)	(15,404,610)	538,636	(1,186,478)
Profit/(Loss) for the financial year		2,039,088	(37,275,255)	11,166,922	31,326,081
Other comprehensive (loss)/ income, net of tax					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Exchange differences on translation of foreign operations		(11,590,925)	20,437,948	-	-
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Remeasurement of defined benefits obligation, net of deferred tax liabilities		510,198	845,577	-	560,322
Other comprehensive (loss)/income for the financial year		(11,080,727)	21,283,525	-	560,322
Total comprehensive (loss)/income for the financial year		(9,041,639)	(15,991,730)	11,166,922	31,886,403

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (Cont'd)

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Profit/(Loss) attributable to:					
Owners of the Company		2,039,088	(37,275,255)	11,166,922	31,326,081
Total comprehensive (loss)/income attributable to:					
Owners of the Company		(9,041,639)	(15,991,730)	11,166,922	31,886,403
Profit/(Loss) per share attributable to ordinary shareholders of the Company					
Basic and diluted earnings/(loss) per share (sen)	32	0.24	(4.41)	-	-

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Group	Attributable to owners of the Company					
	Share capital RM	Equity transaction reserve RM	Foreign exchange reserve RM	Treasury shares RM	Retained earnings RM	Total equity RM
At 1 January 2024	344,749,212	(1,892,270)	113,859,669	(1,086,893)	540,495,616	996,125,334
Total comprehensive loss for the financial year						
Profit for the financial year	-	-	-	-	2,039,088	2,039,088
Other comprehensive (loss)/income for the financial year	-	-	(11,590,925)	-	510,198	(11,080,727)
Total comprehensive loss	-	-	(11,590,925)	-	2,549,286	(9,041,639)
At 31 December 2024	344,749,212	(1,892,270)	102,268,744	(1,086,893)	543,044,902	987,083,695

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (Cont'd)

Group	Attributable to owners of the Company					
	Share capital	Equity transaction reserve	Foreign exchange reserve	Treasury shares	Retained earnings	Total equity
	RM	RM	RM	RM	RM	RM
At 1 January 2023	344,749,212	(1,892,270)	93,421,721	(1,086,893)	576,925,294	1,012,117,064
Total comprehensive loss for the financial year						
Loss for the financial year	-	-	-	-	(37,275,255)	(37,275,255)
Other comprehensive income for the financial year	-	-	20,437,948	-	845,577	21,283,525
Total comprehensive loss	-	-	20,437,948	-	(36,429,678)	(15,991,730)
At 31 December 2023	344,749,212	(1,892,270)	113,859,669	(1,086,893)	540,495,616	996,125,334

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (Cont'd)

Company	Attributable to owners of the Company			
	Share capital RM	Treasury shares RM	Retained earnings RM	Total equity RM
At 1 January 2023	3 344,749,212	(1,086,893)	407,734,248	751,396,567
Total comprehensive income for the financial year				
Profit for the financial year	-	-	31,326,081	31,326,081
Other comprehensive income for the financial year	-	-	560,322	560,322
Total comprehensive income	-	-	31,886,403	31,886,403
At 31 December 2023	344,749,212	(1,086,893)	439,620,651	783,282,970
Total comprehensive income for the financial year				
Profit for the financial year, representing total comprehensive income	-	-	11,166,922	11,166,922
At 31 December 2024	344,749,212	(1,086,893)	450,787,573	794,449,892

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

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR 31 DECEMBER 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Cash flows from operating activities					
Profit/(Loss) before tax		12,809,436	(21,870,645)	10,628,286	32,512,559
Adjustments for:					
Amortisation of intangible assets	9	18,015	8,613	-	-
Bad debts recovered		-	(198)	-	-
Depreciation of:					
- property, plant and equipment	5	58,593,143	60,352,489	3,933,042	3,776,577
- right-of-use assets	6	1,877,242	2,246,758	615,691	492,030
- investment properties	10	-	-	154,533	154,533
Dividend income received from subsidiaries		-	-	(24,049,356)	(48,000,000)
Gain arising from fair value adjustment on biological assets	7	(3,700,000)	(500,000)	-	-
(Gain)/Loss on disposal of property, plant and equipment		(153,381)	197,147	(16,790)	(140,303)
Gain on lease modification		(59,922)	(795)	-	-
Impairment losses on:					
- property, plant and equipment	5	2,695,330	-	-	-
- investment in subsidiaries	11	-	-	2,820,762	5,409,004
- other receivables	13	888,153	1,083,573	-	-
- trade receivables	13	169,609	240,000	-	-
Interest expense		7,800,914	7,471,685	2,101,189	2,201,507
Interest income		(2,900,079)	(2,905,329)	(3,987,287)	(5,515,937)
Inventories written down	14	-	1,178,155	-	-
Property, plant and equipment written off	5	240,534	1,176,993	-	-
Provision for retirement benefits obligation	22	1,741,159	1,721,428	579,066	580,087
Reversal of impairment losses on trade receivables	13	(788)	(6,665)	-	-
Reversal of inventories written down	14	(380,187)	(175,288)	-	-
Unrealised loss on foreign exchange, net		785,392	7,833,999	906,179	3,952,452
Waiver of debt		(239,064)	-	-	-
		67,376,070	79,922,565	(16,942,971)	(37,090,050)
Operating profit/(loss) before changes in working capital, carried forward		80,185,506	58,051,920	(6,314,685)	(4,577,491)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR 31 DECEMBER 2024 (Cont'd)

	Note	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
Cash flows from operating activities (cont'd)					
Operating profit/(loss) before changes in working capital, brought forward		80,185,506	58,051,920	(6,314,685)	(4,577,491)
Changes in working capital:					
Inventories		(28,349,130)	34,154,494	(2,593,825)	(159,607)
Trade and other receivables		23,984,584	(42,596,227)	1,528,310	(18,442,696)
Trade and other payables		(37,863,729)	68,380,813	5,308,803	6,072,803
		(42,228,275)	59,939,080	4,243,288	(12,529,500)
Net cash generated from/(used in) operations		37,957,231	117,991,000	(2,071,397)	(17,106,991)
Payment of retirement benefits obligation		(2,451,277)	(835,911)	(910,455)	(377,192)
Interest paid		(7,800,914)	(7,471,685)	(2,101,189)	(2,201,507)
Tax paid		(9,269,769)	(24,721,282)	(620,144)	(498,433)
Net cash from/(used in) operating activities		18,435,271	84,962,122	(5,703,185)	(20,184,123)
Cash flows from investing activities					
Advances to subsidiaries		-	-	(13,193,170)	(23,557,070)
Dividend income received from subsidiaries		-	-	24,049,356	48,000,000
Interest received		2,900,079	2,905,329	3,987,287	5,515,937
Purchase of property, plant and equipment	(c)	(87,178,477)	(16,479,614)	(30,682,890)	(22,224,472)
Purchase of other intangible assets	9	(192,966)	-	-	-
Proceeds from disposal of property, plant and equipment		1,024,605	635,495	16,790	-
Withdrawal/(Placement) of time deposit	16	3,042,194	(2,883,949)	3,057,497	(3,072,802)
Net cash(used in)/from investing activities		(80,404,565)	(15,822,739)	(12,765,130)	4,661,593

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR 31 DECEMBER 2024 (Cont'd)

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Cash flows from financing activities	(b)				
Drawdown of trade facilities		153,797,951	125,785,811	53,464,137	38,242,045
Drawdown of term loans		4,000,640	-	-	-
Payments of lease liabilities		(942,697)	(1,461,277)	(383,519)	(249,955)
Repayments of hire purchase		(72,973)	(69,613)	(72,973)	(69,613)
Repayments of term loans		(17,137,587)	(20,352,077)	(5,733,066)	(6,161,435)
Repayments of trade facilities		(125,785,811)	(99,549,632)	(38,242,045)	(19,324,000)
Net cash from financing activities		13,859,523	4,353,212	9,032,534	12,437,042
Net (decrease)/increase in cash and cash equivalents		(48,109,771)	73,492,595	(9,435,781)	(3,085,488)
Cash and cash equivalents at the beginning of the financial year		191,280,577	115,697,644	51,466,835	54,974,453
Effects of exchange rate changes on cash and cash equivalents		(3,963,393)	2,090,338	493,107	(422,130)
Cash and cash equivalents at the end of the financial year	16	139,207,413	191,280,577	42,524,161	51,466,835

(a) Total cash outflows for leases as a lessee:

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Included in net cash from/(used in) operating activities:					
Payments relating to short-term leases and low-value assets	29	9,037,202	8,391,428	938,908	968,901
Interest paid in relation to lease liabilities	29	100,487	145,183	32,191	30,550
Included in net cash from financing activities:					
Payments of lease liabilities		942,697	1,461,277	383,519	249,955
Total cash outflows for leases		10,080,386	9,997,888	1,354,618	1,249,406

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR 31 DECEMBER 2024 (Cont'd)

(b) Reconciliations of liabilities arising from financing activities:

	Note	1.1.2024 RM	Cash flows RM	Acquisition RM	Non-cash Foreign exchange movement		Others RM	31.12.2024 RM
					RM	RM		
Group								
Trade facilities	20	125,785,811	28,012,140	-	(12,370)	-	-	153,785,581
Term loans	20	107,403,080	(13,136,947)	22,887,705	(3,806,713)	-	-	113,347,125
Hire purchase payable	20	85,407	(72,973)	-	-	-	-	12,434
Lease liabilities	21	2,189,833	(942,697)	1,922,479	-	(1,089,872)	-	2,079,743
		235,464,131	13,859,523	24,810,184	(3,819,083)	(1,089,872)	-	269,224,883
Company								
Trade facilities	20	38,242,045	15,222,092	-	(12,370)	-	-	53,451,767
Term loans	20	8,458,794	(5,733,066)	-	(750,179)	-	-	1,975,549
Hire purchase payable	20	85,407	(72,973)	-	-	-	-	12,434
Lease liabilities	21	593,929	(383,519)	1,539,043	-	-	-	1,749,453
		47,380,175	9,032,534	1,539,043	(762,549)	-	-	57,189,203

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR 31 DECEMBER 2024 (Cont'd)

(b) Reconciliations of liabilities arising from financing activities: (cont'd)

	Note	1.1.2023 RM	Cash flows RM	Acquisition RM	Non-cash Foreign exchange movement RM	Others RM	31.12.2023 RM
Group							
Trade facilities	20	99,549,632	26,236,179	-	-	-	125,785,811
Term loans	20	47,566,044	(20,352,077)	78,524,078	1,665,035	-	107,403,080
Hire purchase payable	20	155,020	(69,613)	-	-	-	85,407
Lease liabilities	21	2,786,743	(1,461,277)	890,121	-	(25,754)	2,189,833
		150,057,439	4,353,212	79,414,199	1,665,035	(25,754)	235,464,131
Company							
Trade facilities	20	19,324,000	18,918,045	-	-	-	38,242,045
Term loans	20	14,766,432	(6,161,435)	-	(146,203)	-	8,458,794
Hire purchase payable	20	155,020	(69,613)	-	-	-	85,407
Lease liabilities	21	130,575	(249,955)	713,309	-	-	593,929
		34,376,027	12,437,042	713,309	(146,203)	-	47,380,175

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR 31 DECEMBER 2024 (Cont'd)

- (c) During the financial year, the Group and the Company acquired property, plant and equipment which are satisfied by the following:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Purchase of property, plant and equipment	110,066,182	95,003,692	30,682,890	22,224,472
Financed by way of term loans	(22,887,705)	(78,524,078)	-	-
Cash payments on purchase of property, plant and equipment	87,178,477	16,479,614	30,682,890	22,224,472

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

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Evergreen Fibreboard Berhad ("the Company") is a public limited 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 Suite 9D, Level 9, Menara Ansar, 65 Jalan Trus, 80000 Johor Bahru, Johor Darul Ta'zim.

The principal place of business is located at PLO 22, Parit Raja Industrial Estate, 86400 Batu Pahat, Johor Darul Ta'zim.

The principal activity of the Company is of manufacture of medium density fibreboard and wooden furniture (knock-down). The principal activities of its subsidiaries are disclosed in Note 11. There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 10 April 2025.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Adoption of amendments to MFRSs

The Group and the Company have adopted the following applicable amendments to MFRSs for the current financial year:

Amendments to MFRSs

MFRS 7	Financial Instruments: Disclosures
MFRS 16	Leases
MFRS 101	Presentation of Financial Statements
MFRS 107	Statement of Cash Flows

The adoption of the above amendments to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group's and the Company's existing accounting policies.

2.3 New MFRSs and amendments to MFRSs that have been issued, but yet to be effective

The Group and the Company have not adopted the following new MFRSs and amendments to MFRSs that have been issued, but yet to be effective:

		Effective for financial periods beginning on or after
<u>Amendments to MFRSs</u>		
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

2. BASIS OF PREPARATION (cont'd)

2.3 New MFRSs and amendments to MFRSs that have been issued, but yet to be effective (cont'd)

		Effective for financial periods beginning on or after
<u>Amendments to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2026
MFRS 7	Financial Instruments: Disclosures	1 January 2026
MFRS 9	Financial Instruments	1 January 2026
MFRS 10	Consolidated Financial Statements	1 January 2026/ Deferred
MFRS 107	Statement of Cash Flows	1 January 2026
MFRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2025
MFRS 128	Investments in Associates and Joint Ventures	Deferred

2.3.1 The Group and the Company plan to adopt the above applicable new MFRSs and amendments to MFRSs when they become effective. The initial application of the applicable new MFRSs and amendments to MFRSs is not expected to have material impact to the current and prior periods financial statements.

2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

2.5 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Unless otherwise stated, the following material accounting policy information have been applied consistently to all the financial years presented in the financial statements of the Group and of the Company.

3.1 Basis of consolidation

Subsidiaries and business combination

The Group applies the acquisition method to account for business combinations from the acquisition date when the acquired set of activities meets the definition of a business and control is transferred to the Group.

3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries is measured at cost less any accumulated impairment losses.

Contributions to subsidiaries are amounts for which the settlement is neither planned nor likely to occur in the foreseeable future is, in substance, considered as part of the Company's investment in the subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

3.3 Financial instruments

Financial assets – subsequent measurement and gains and losses

Debt instruments at amortised cost

The Group and the Company subsequently measure these assets at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities – subsequent measurement and gains and losses

The Group and the Company classify the financial liabilities at amortised cost.

The Group and the Company subsequently measure other financial liabilities at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3.4 Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated. Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

All other property, plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

	Useful lives (years)
Freehold land improvement and buildings	20 - 60
Plant and machinery	5 - 25
Factory and office equipment, furniture and fittings	8
Motor vehicles	5
Computers and communication system	8

Spare parts which are held for use in the production or supply of goods or services and are expected to be used for more than one period, and thus are classified under property, plant and equipment. The cost will be charged out to profit or loss when the spare parts are utilised.

3.5 Leases

(a) Lessee accounting

The Group and the Company present right-of-use assets and lease liabilities as separate lines in the statements of financial position.

Short-term leases and leases of low value assets

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. Accordingly, the Group and the Company recognise the lease payments as an operating expense on a straight-line basis over the term of the lease.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

3.5 Leases (cont'd)

(a) Lessee accounting (cont'd)

Right-of-use assets

The right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate.

(b) Lessor accounting

The Company recognises lease payments received from investment properties under operating leases as income on a straight-line basis over the lease term as part of revenue. Rental income from sublease properties which recognise as other income.

3.6 Investment properties

Investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

All investment properties are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

	Useful lives (years)
Terrace house	50
Leasehold land and factory building	50 - 60

3.7 Inventories

Inventories are measured at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- raw materials: purchase costs on a weighted average cost basis.
- finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a weighted average cost basis.
- consumables and spare parts: purchase costs on a weighted average cost basis.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

3.8 Revenue and other income

(a) Sale of goods – manufacturing

The Group and the Company manufacture and sell a range of medium density fibreboards, particleboards and ready to assemble furniture to local and foreign customers. Revenue from sale of manufactured goods are recognised at a point in time when control of the products has been transferred, being when the goods are delivered to the customer based on the agreed term.

Sales are made with a credit term of 15 to 90 days, which is consistent with market practice, therefore, no element of financing is deemed present. Revenue is recognised based on the price specified in the contract, net of the discounts where applicable.

Where consideration is collected from customer in advance for sale of manufactured good, a contract liability is recognised for the customer deposits. Contract liability would be recognised as revenue upon sale of manufactured goods to the customer.

(b) Interest income

Interest income is recognised using the effective interest method.

(c) Dividend income

Dividend income is recognised when the right to receive payment is established.

(d) Rental income

Rental income from investment property is recognised on a straight-line basis over the term of the lease. Lease incentives granted is recognised as an integral part of the total rental income, over the term of the lease.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with MFRSs 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 the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the 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 that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

(a) Impairment of property, plant and equipment

The Group and the Company assess the impairment of property, plant and equipment whenever the events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Where such indications exist, the Group and the Company determine the recoverable amount using fair value less cost of disposal determined by external independent valuer and also based on present value of the estimated future cash flows expected to be derived from the assets. Any resulting impairment loss could have material adverse impact on the Group's financial position and results of operations. In estimating the present value of the estimated cash flows, the Group and the Company apply a suitable discount rate and make assumption underlying the cash flow projections, including forecast growth rates, inflation rates and gross profit margin. Cash flows that are projected based on those inputs or assumptions may have a significant effect on the Group's and the Company's financial positions and results if the actual cash flows are less than expected.

The carrying amounts of the property, plant and equipment are disclosed in Note 5.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (cont'd)

(b) Write-down of obsolete or slow-moving inventories

The Group and the Company write down their obsolete or slow-moving inventories based on the assessment of their estimated net selling price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recoverable. The management specifically analyses sales trend when making a judgement to evaluate the adequacy of the write-down of obsolete or slow-moving inventories. Where expectations differ from the original estimates, the differences will impact the carrying amounts of inventories.

The carrying amounts of the Group's and the Company's inventories are disclosed in Note 14.

(c) Fair value of biological assets

Judgement is required in determining the value on remaining lifespan and after lifespan of rubber trees and estimated remaining acres of forest land. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists. The fair value of the tropical wood trees and rubber trees have been determined based on valuations by an independent professional valuer.

The carrying amount of the Group's biological assets and the key assumptions used to determine the fair value less costs to sell are disclosed in Note 7.

(d) Impairment of investment in subsidiaries

The Company assesses impairment of investment in subsidiaries whenever the events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Recoverable amount is measured at the higher of the fair value less cost of disposal 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 based on the Company's estimates, taking into consideration factors such as historical trends and other available information. Cash flows that are projected based on those inputs or assumptions and the discount rate applied in the measurement of value-in-use may have a significant effect on the Company's financial position and results if the actual cash flows are less than the expected.

The carrying amount of the Company's investment in subsidiaries are disclosed in Note 11.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

5. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM	Freehold improvement and buildings RM	Plant and machinery RM	Factory and office equipment, furniture and fittings RM	Motor vehicles RM	Computers and communication system RM	Construction in progress RM	Total RM
2024								
Cost								
At 1 January 2024	30,058,417	234,477,507	1,364,191,837	28,389,217	25,065,833	5,016,457	168,800,907	1,856,000,175
Additions	-	29,052	5,826,279	109,108	1,300,107	149,008	102,652,628	110,066,182
Disposals	-	(663,437)	(2,431,822)	-	(3,031,748)	-	-	(6,127,007)
Written off	-	-	(245,488)	(2,200)	-	-	(1,470)	(249,158)
Reclassification	-	-	10,601,806	-	-	-	(10,601,806)	-
Exchange differences	(660,738)	(2,841,319)	(18,523,312)	(302,101)	(498,139)	(5,957)	(5,436,930)	(28,268,496)
At 31 December 2024	29,397,679	231,001,803	1,359,419,300	28,194,024	22,836,053	5,159,508	255,413,329	1,931,421,696
Accumulated depreciation								
At 1 January 2024	-	112,893,884	816,656,288	20,584,527	24,474,776	4,550,903	-	979,160,378
Depreciation charge for the financial year (Note 29)	-	5,896,143	51,815,800	363,243	327,922	190,035	-	58,593,143
Disposals	-	(370,442)	(1,853,595)	-	(3,031,746)	-	-	(5,255,783)
Written off	-	-	(6,424)	(2,200)	-	-	-	(8,624)
Exchange differences	-	(1,846,601)	(12,819,646)	(283,897)	(497,107)	(5,957)	-	(15,453,208)
At 31 December 2024	-	116,572,984	853,792,423	20,661,673	21,273,845	4,734,981	-	1,017,035,906

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group (cont'd)	Freehold land RM	Freehold improvement and buildings RM	Plant and machinery RM	Factory and office equipment, furniture and fittings RM	Motor vehicles RM	Computers and communication system RM	Construction in progress RM	Total RM
2024								
Accumulated impairment loss								
At 1 January 2024	-	2,920,569	20,088,214	1,067,034	11,760	-	1,286,493	25,374,070
Impairment loss during the financial year (Note 28)	-	-	2,695,330	-	-	-	-	2,695,330
Exchange differences	-	-	22,877	-	-	-	-	22,877
At 31 December 2024	-	2,920,569	22,806,421	1,067,034	11,760	-	1,286,493	28,092,277
Carrying amount								
At 31 December 2024	29,397,679	111,508,250	482,820,456	6,465,317	1,550,448	424,527	254,126,836	886,293,513

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group (cont'd)	Freehold land RM	Freehold improvement and buildings RM	Freehold land RM	Plant and machinery RM	Factory and office equipment, furniture and fittings RM	Motor vehicles RM	Computers and communication system RM	Construction in progress RM	Total RM
2023									
Cost									
At 1 January 2023	28,861,946	231,417,072	1,398,862,020	28,589,960	25,044,705	4,977,284	7,957,678	1,725,710,665	
Additions	-	230,975	19,033,824	162,350	-	28,387	75,548,156	95,003,692	
Disposals	-	(2,267,662)	(1,306,725)	(907,163)	(875,725)	-	-	(5,357,275)	
Written off	-	(9,850)	(1,146,471)	(26,132)	-	-	(17,458)	(1,199,911)	
Reclassification	-	-	(84,085,676)	-	-	-	84,085,676	-	
Exchange differences	1,196,471	5,106,972	32,834,865	570,202	896,853	10,786	1,226,855	41,843,004	
At 31 December 2023	30,058,417	234,477,507	1,364,191,837	28,389,217	25,065,833	5,016,457	168,800,907	1,856,000,175	
Accumulated depreciation									
At 1 January 2023	-	105,284,598	742,429,426	20,604,176	24,167,091	4,127,608	-	896,612,899	
Depreciation charge for the financial year (Note 29)	-	6,221,513	53,038,693	368,802	310,972	412,509	-	60,352,489	
Disposals	-	(1,868,517)	(817,234)	(906,063)	(875,725)	-	-	(4,467,539)	
Written off	-	(2,066)	-	(20,852)	-	-	-	(22,918)	
Exchange differences	-	3,258,356	22,005,403	538,464	872,438	10,786	-	26,685,447	
At 31 December 2023	-	112,893,884	816,656,288	20,584,527	24,474,776	4,550,903	-	979,160,378	

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group (cont'd)	Freehold land RM	Freehold improvement and buildings RM	Plant and machinery RM	Factory and office equipment, furniture and fittings RM	Motor vehicles RM	Computers and communication system RM	Construction in progress RM	Total RM
2023								
Accumulated impairment loss								
At 1 January 2023	-	2,920,569	20,145,308	1,067,034	11,760	-	1,286,493	25,431,164
Disposals	-	-	(57,094)	-	-	-	-	(57,094)
At 31 December 2023	-	2,920,569	20,088,214	1,067,034	11,760	-	1,286,493	25,374,070
Carrying amount								
At 31 December 2023	30,058,417	118,663,054	527,447,335	6,737,656	579,297	465,554	167,514,414	851,465,727

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Company	Freehold land RM	Buildings RM	Plant and machinery RM	Factory and office equipment, furniture and fittings RM	Motor vehicles RM	Computers and communication system RM	Construction in progress RM	Total RM
2024								
Cost								
At 1 January 2024	4,883,644	35,673,337	69,628,091	1,821,116	3,475,288	3,798,294	4,902,775	124,182,545
Additions	-	-	27,787,199	-	-	144,156	2,751,535	30,682,890
Disposals	-	-	(122,900)	-	-	-	-	(122,900)
At 31 December 2024	4,883,644	35,673,337	97,292,390	1,821,116	3,475,288	3,942,450	7,654,310	154,742,535
Accumulated depreciation								
At 1 January 2024	-	13,139,918	37,184,977	1,781,809	3,410,429	3,347,060	-	58,864,193
Depreciation charge for the financial year (Note 29)	-	627,170	3,103,571	16,403	20,482	165,416	-	3,933,042
Disposals	-	-	(122,900)	-	-	-	-	(122,900)
At 31 December 2024	-	13,767,088	40,165,648	1,798,212	3,430,911	3,512,476	-	62,674,335
Carrying amount								
At 31 December 2024	4,883,644	21,906,249	57,126,742	22,904	44,377	429,974	7,654,310	92,068,200

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Company (cont'd)	Freehold land RM	Buildings RM	Plant and machinery RM	Factory and office equipment, furniture and fittings RM	Motor vehicles RM	Computers and communication system RM	Construction in progress RM	Total RM
2023								
Cost								
At 1 January 2023	4,883,644	35,673,337	184,639,585	1,821,116	3,508,746	3,785,783	3,304,176	237,616,387
Additions	-	-	8,670,788	-	-	12,511	13,541,173	22,224,472
Disposals	-	-	(123,682,282)	-	(33,458)	-	(11,942,574)	(135,658,314)
At 31 December 2023	4,883,644	35,673,337	69,628,091	1,821,116	3,475,288	3,798,294	4,902,775	124,182,545
Accumulated depreciation								
At 1 January 2023	-	12,512,748	77,210,539	1,765,406	3,342,869	2,949,892	-	97,781,454
Depreciation charge for the financial year (Note 29)	-	627,170	2,634,818	16,403	101,018	397,168	-	3,776,577
Disposals	-	-	(42,660,380)	-	(33,458)	-	-	(42,693,838)
At 31 December 2023	-	13,139,918	37,184,977	1,781,809	3,410,429	3,347,060	-	58,864,193
Carrying amount								
At 31 December 2023	4,883,644	22,533,419	32,443,114	39,307	64,859	451,234	4,902,775	65,318,352

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

- (a) The carrying amount of property, plant and equipment pledged as security for banking facilities as disclosed in Note 20 are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Freehold land	23,991,323	24,591,011	-	-
Freehold buildings	21,637,891	25,334,993	-	-
Plant and machinery and other assets	404,090,570	373,381,470	18,526,516	19,849,839
	449,719,784	423,307,474	18,526,516	19,849,839

6. RIGHT-OF-USE ASSETS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cost				
At 1 January	49,027,434	50,544,031	12,791,108	12,077,799
Additions	1,922,479	890,121	1,539,043	713,309
Derecognition*	(2,262,044)	(2,480,737)	(141,189)	-
Exchange differences	(46,066)	74,019	-	-
At 31 December	48,641,803	49,027,434	14,188,962	12,791,108
Accumulated depreciation				
At 1 January	14,747,754	14,955,198	4,763,364	4,271,334
Depreciation charge for the financial year (Note 29)	1,877,242	2,246,758	615,691	492,030
Derecognition*	(1,232,094)	(2,455,778)	(141,189)	-
Exchange differences	(2,734)	1,576	-	-
At 31 December	15,390,168	14,747,754	5,237,866	4,763,364
Carrying amount				
At 31 December	33,251,635	34,279,680	8,951,096	8,027,744

* Derecognition of the right-of-use assets during the financial year was a result of termination of certain leases.

The Group and the Company lease several assets including leasehold land, warehouses, equipment, hostels and site.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

6. RIGHT-OF-USE ASSETS (cont'd)

Information about leases for which the Group and the Company are lessees is presented below:

	Group			
	Leasehold land RM	Warehouses/ Equipment RM	Hostels RM	Total RM
Carrying amount				
At 1 January 2023	32,752,350	2,391,502	444,981	35,588,833
Additions	78,576	-	811,545	890,121
Depreciation	(855,565)	(944,587)	(446,606)	(2,246,758)
Derecognition	-	-	(24,959)	(24,959)
Exchange differences	68,058	-	4,385	72,443
At 31 December 2023	32,043,419	1,446,915	789,346	34,279,680
Additions	-	308,526	1,613,953	1,922,479
Depreciation	(855,564)	(528,369)	(493,309)	(1,877,242)
Derecognition	-	(962,668)	(67,282)	(1,029,950)
Exchange differences	(41,502)	-	(1,830)	(43,332)
At 31 December 2024	31,146,353	264,404	1,840,878	33,251,635

	Company			
	Leasehold land RM	Hostels RM	Site RM	Total RM
Carrying amount				
At 1 January 2023	7,677,707	128,758	-	7,806,465
Additions	-	554,926	158,383	713,309
Depreciation	(224,534)	(217,480)	(50,016)	(492,030)
At 31 December 2023	7,453,173	466,204	108,367	8,027,744
Additions	-	1,539,043	-	1,539,043
Depreciation	(224,534)	(341,141)	(50,016)	(615,691)
At 31 December 2024	7,228,639	1,664,106	58,351	8,951,096

- (a) The Group and the Company lease land, warehouses and site for their office space and operation sites over a few plots of stated-owned land in Malaysia and Indonesia. The leases for office space and operation sites generally have lease terms between 4 to 99 years. The Group also lease equipment with lease terms of 2 years.

The Group and the Company also lease hostels for their worker welfare. The leases for worker welfare generally have lease terms between 2 to 4 years.

- (b) The carrying amount of right-of-use assets of the Group pledged as security for banking facilities as disclosed in Note 20 are as follows:

	Group	
	2024 RM	2023 RM
Leasehold land	1,645,383	1,686,885

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

7. BIOLOGICAL ASSETS

The Group has two categories of biological assets, namely rubber trees and tropical wood trees of various species. The tropical wood trees will be felled as and when the Group clears the land for planting of rubber trees. The matured rubber trees will subsequently be used for the manufacturing of panel boards.

	Group	
	2024 RM	2023 RM
At fair value:		
Rubber trees	38,000,000	34,500,000
Tropical wood trees	6,200,000	6,000,000
At 31 December	44,200,000	40,500,000

Fair value information

The fair value measurements for the produce growing on bearer plants have been categorised as Level 3 fair value based on the inputs to the valuation techniques used.

Level 3 fair value

The following table shows a reconciliation of Level 3 fair value:

	Group	
	2024 RM	2023 RM
Rubber trees		
At 1 January	34,500,000	34,000,000
Gain recognised in profit or loss (Note 27)	3,500,000	500,000
At 31 December	38,000,000	34,500,000
Tropical wood trees		
At 1 January	6,000,000	6,000,000
Gain recognised in profit or loss (Note 27)	200,000	-
At 31 December	6,200,000	6,000,000

- (a) The biological assets of the Group consist of rubber trees and tropical wood trees of various species. Rubber trees and tropical wood trees are measured using the discounted cash flows of the trees.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

7. BIOLOGICAL ASSETS (cont'd)

Fair value information (cont'd)

Level 3 fair value (cont'd)

- (b) The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Description	Valuation technique	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Tropical wood trees	Discounted cash flows	Estimate of future cash flows (20 hoppus tons of tropical wood of various species with an average sale value of RM1,109 (2023: RM1,090) per hoppus ton)	The higher the average sale value, the higher the fair value
Rubber plantations and rubber seedlings	Discounted cash flows	Estimated yield of rubber latex per acre (2024: 800-1,350kg; 2023: 800-1,350kg); and Estimated latex selling price (2024: RM5.65/kg; 2023: RM5.17/kg)	The higher the estimated yield of rubber latex per acre, the higher the fair value The higher the latex selling price, the higher the fair value

- (c) The Group had planted on 2,758 acres (2023: 2,758 acres) of land with rubber trees as at the end of financial year. The rubber trees planted on 2,758 acres (2023: 2,758 acres) of land had matured at the end of the financial year.

Valuation processes applied by the Group

The fair value of biological assets is determined by external independent valuers, Messrs Raine & Horne International Zaki + Partners Sdn. Bhd., a member of the Board of Valuers, Appraisers and Estate Agents Malaysia with appropriate recognised professional qualifications. The valuation company provides the fair value of the Group's biological assets on a yearly basis. Changes in Level 3 fair values are analysed by the management every year after obtaining the valuation report from the valuation company. There has been no change to the valuation technique during the financial year.

Highest and best use

In estimating the fair value of the biological assets, the highest and best use of the biological assets is their current use.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

8. GOODWILL ON CONSOLIDATION

	2024 RM	Group 2023 RM
Cost		
At 1 January/31 December	19,590,250	19,590,250
Accumulated impairment loss		
At 1 January/31 December	(14,696,986)	(14,696,986)
Carrying amount		
At 31 December	4,893,264	4,893,264

Impairment of goodwill

Goodwill arising from business combination has been allocated to the Group's cash generating units ("CGUs") identified according to the country of operation for impairment testing as follows:

	2024 RM	Group 2023 RM
Thailand operations - CGU 1	4,893,264	4,893,264

CGU 1

Based on the sensitivity analysis performed, management believes that there is no reasonably possible change in key assumptions that would cause the carrying values of the CGU to exceed its recoverable amounts. The estimated recoverable amount of the CGU 1 significantly exceeds the carrying amount of the CGU 1. As a result of the analysis, management did not identify an impairment for this CGU.

Key assumptions used in value-in-use calculations

The recoverable amount of CGU of Thailand operations as at 31 December 2024 and 31 December 2023 are determined based on value-in-use calculations using cash flow projections based on financial budgets. The key assumptions used for value-in-use calculations are as follows:

Group	Thailand operations
2024	
Key assumptions used in value-in-use calculations	
Growth rate	3.00%
Gross margin	25.00%
Discount rate	13.00%
2023	
Key assumptions used in value-in-use calculations	
Growth rate	1.00%
Gross margin	27.00%
Discount rate	15.00%

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

8. GOODWILL ON CONSOLIDATION (cont'd)

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

(a) Budgeted gross margin

The basis used to determine the value assigned to the budgeted gross margin is the gross margin achieved in years preceding the start of the budget period, adjusted for projected market conditions and machine capability.

(b) Discount rate

The discount rate used is based on the pre-tax weighted average cost of capital and an appropriate risk premium.

(c) Growth rate

Growth rate is the forecasted annual growth rate over the projection period. It is based on the average growth levels experienced over the past years.

9. OTHER INTANGIBLE ASSETS

	2024 RM	Group 2023 RM
Computer software		
Cost		
At 1 January	440,654	418,687
Additions	192,966	-
Exchange differences	(10,493)	21,967
At 31 December	623,127	440,654
Accumulated amortisation		
At 1 January	370,440	343,584
Amortisation charge for the financial year (Note 29)	18,015	8,613
Exchange differences	(10,045)	18,243
At 31 December	378,410	370,440
Carrying amount	244,717	70,214

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

10. INVESTMENT PROPERTIES

	Company	
	2024 RM	2023 RM
At cost		
At 1 January/31 December	5,636,660	5,636,660
Accumulated depreciation		
At 1 January	(2,246,828)	(2,092,295)
Depreciation charge for the financial year (Note 29)	(154,533)	(154,533)
At 31 December	(2,401,361)	(2,246,828)
Carrying amount		
At 31 December	3,235,299	3,389,832

- (a) The Company's investment properties comprise a number of commercial properties that are leased to its subsidiaries.
- (b) The following are recognised in the profit or loss in respect of investment properties:

	2024 RM	2023 RM
Rental income	799,704	799,704
Direct operating expenses	107,742	95,792

Fair value information

The fair value of investment properties of the Company is categorised as follows:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2024				
Terrace house	-	-	377,000	377,000
Leasehold land and factory building	-	-	11,732,000	11,732,000
	-	-	12,109,000	12,109,000
2023				
Terrace house	-	-	660,000	660,000
Leasehold land and factory building	-	-	13,000,000	13,000,000
	-	-	13,660,000	13,660,000

The valuation of Level 3 investment properties as at 31 December 2024 and 31 December 2023 were determined by directors' estimation based on the indicative market price of similar properties in the vicinity.

There were no transfers between Level 1 and Level 2 during the financial years ended 31 December 2024 and 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

11. INVESTMENT IN SUBSIDIARIES

	Company	
	2024 RM	2023 RM
At cost		
Unquoted shares, at cost		
At 1 January	574,161,242	536,161,242
Additions during the financial year	-	38,000,000
At 31 December	574,161,242	574,161,242
Accumulated impairment loss		
At 1 January	(47,729,936)	(42,320,932)
Impairment loss during the financial year (Note 28)	(2,820,762)	(5,409,004)
At 31 December	(50,550,698)	(47,729,936)
	523,610,544	526,431,306

Details of the subsidiaries are as follows:

Name of company	Principal place of business/ country of incorporation	Principal activities	Ownership interest	
			2024	2023
Allgreen Timber Products Sdn. Bhd.	Malaysia	Manufacture of particleboard	100%	100%
Siam Fibreboard Co., Ltd.*	Thailand	Manufacture of medium density fibreboard	99.99%	99.99%
GRE Energy Co., Ltd.*	Thailand	Cogeneration of electricity	99.99%	99.99%
ECO Generation Co., Ltd.*	Thailand	Cogeneration of electricity	99.99%	99.99%
PT Hijau Lestari Raya Fibreboard [#]	Indonesia	Manufacture of medium density fibreboard, glue and resin	99.99%	99.99%
Evergreen Fibreboard (JB) Sdn. Bhd.	Malaysia	Manufacture of medium density fibreboard with and without lamination and manufacturing and sales of wood pellets	100%	100%
Evergreen Adhesive & Chemicals Sdn. Bhd.	Malaysia	Manufacture of urea formaldehyde concentrate and adhesive products	100%	100%
Evergreen Fibreboard (Nilai) Sdn. Bhd.	Malaysia	Manufacture of medium density fibreboard	100%	100%
Evergreen Adhesive & Chemicals (Gurun) Sdn. Bhd.	Malaysia	Manufacture of urea formaldehyde concentrate and adhesive products	100%	100%
Dawa Timber Industries Sdn. Bhd.	Malaysia	Manufacturing of fancy plywood	100%	100%
Evergreen Agro Sdn. Bhd.	Malaysia	Planters, cultivators and buyers of rubber and every kind of produce of the soil	100%	100%
Locomotion Services Sdn. Bhd.	Malaysia	Trading of wood related products, sawn timber, panelboard products and furniture	100%	100%
Evergreen Plantation Resources Sdn. Bhd.	Malaysia	Managing of plantation	100%	100%
Craft Master Timber Products Sdn. Bhd.	Malaysia	Manufacture of wood furniture and parts	100%	100%

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

11. INVESTMENT IN SUBSIDIARIES (cont'd)

Details of the subsidiaries are as follows: (cont'd)

Name of company	Principal place of business/ country of incorporation	Principal activities	Ownership interest	
			2024	2023
Everlatt Sourcing Sdn. Bhd.	Malaysia	Wholesale and trading of furniture	100%	100%
Evergreen Furniture Co Pte. Ltd.*	Singapore	Dormant	100%	100%
Subsidiary of Evergreen Plantation Resources Sdn. Bhd.				
Jasa Wibawa Sdn. Bhd.	Malaysia	Cultivation of rubber trees and trading in timber logs harvested from its plantation land clearing activities	100%	100%

* Audited by auditors other than Baker Tilly Monteiro Heng PLT.

Audited by an independent member firm of Baker Tilly International.

+ Consolidated using unaudited management financial statements, auditors' report is not available.

(a) Subscription for additional interests in a subsidiary

2023

On 8 November 2023, the Company had further subscribed for 38,000,000 ordinary shares of Allgreen Timber Products Sdn. Bhd. for a total cash consideration of RM38,000,000 by way of capitalising the amount owing to the Company of RM38,000,000.

(b) Impairment loss

During the financial year, an impairment loss of RM2,820,762 (2023: RM5,409,004) was recognised in profit or loss under other operating expenses, as a result of the inactive operations and continuous losses of certain subsidiaries.

12. DEFERRED TAX ASSETS/(LIABILITIES)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Deferred tax assets/(liabilities)				
At 1 January	(21,199,401)	(21,432,036)	2,266,530	2,808,482
Recognised in:				
- profit or loss (Note 31)	911,430	472,040	-	(541,952)
- other comprehensive income	(143,902)	4,459	-	-
Exchange differences	110,021	(243,864)	-	-
At 31 December	(20,321,852)	(21,199,401)	2,266,530	2,266,530

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

12. DEFERRED TAX ASSETS/(LIABILITIES) (cont'd)

(a) Presented after appropriate offsetting as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Deferred tax assets	2,266,530	2,266,530	2,266,530	2,266,530
Deferred tax liabilities	(22,588,382)	(23,465,931)	-	-
	(20,321,852)	(21,199,401)	2,266,530	2,266,530

(b) The components of deferred tax assets/(liabilities) prior to offsetting are as follows:

	Group	
	2024 RM	2023 RM
Deferred tax assets		
Provisions	1,120,127	1,359,419
Unabsorbed capital allowances	13,295,172	11,824,050
Unutilised tax losses	1,978,013	2,359,982
Unrealised loss on foreign exchange	11,697	-
	16,405,009	15,543,451
Deferred tax liabilities		
Differences between the carrying amount of property, plant and equipment and its tax bases	(26,118,861)	(27,005,863)
Changes in fair value of biological assets	(10,608,000)	(9,720,000)
Unrealised gain on foreign exchange	-	(16,989)
	(36,726,861)	(36,742,852)
	(20,321,852)	(21,199,401)
	Company	
	2024 RM	2023 RM
Deferred tax assets		
Unabsorbed capital allowances	11,437,264	9,863,460
Deferred tax liabilities		
Differences between the carrying amount of property, plant and equipment and its tax base	(9,170,734)	(7,596,930)
	2,266,530	2,266,530

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

12. DEFERRED TAX ASSETS/(LIABILITIES) (cont'd)

- (c) The estimated amounts of temporary differences for which no deferred tax assets are recognised in the financial statements are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Provisions	11,123,314	11,309,886	5,978,665	6,524,116
Unabsorbed capital allowances	133,961,438	108,484,780	3,039,504	438,259
Unutilised tax losses	145,611,990	121,081,501	6,907,599	3,690,043
Unabsorbed increased export allowances	598,667	598,667	-	-
Unabsorbed investment tax allowances	76,051,303	76,051,303	-	-
Unabsorbed reinvestment allowances	159,104,749	159,104,749	49,310,619	49,310,619
Unrealised loss on foreign exchange	8,801,101	9,496,387	5,669,609	4,763,430
Others	34,040	52,779	26,996	19,358
	535,286,602	486,180,052	70,932,992	64,745,825
Potential deferred tax assets not recognised at 24% (2023: 24%)	128,468,784	116,683,212	17,023,918	15,538,998

The availability of unutilised tax losses for offsetting against future taxable profits of the Company and respective subsidiaries in Malaysia are subject to requirements under Income tax Act, 1967 and guidelines issued by the tax authority.

The unutilised tax losses and unabsorbed reinvestment allowances are available for offset against future taxable profits of the Group and the Company up to the following financial years:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
2025	153,501,230	153,501,230	45,414,364	45,414,364
2026	3,896,255	3,896,255	3,896,255	3,896,255
2027	1,707,264	1,707,264	-	-
2028	58,378,218	58,378,218	-	-
2029	464,414	464,414	-	-
2030	9,136,726	9,136,726	3,690,043	3,690,043
2031	630,843	630,843	-	-
2032	17,353,588	17,353,588	-	-
2033	35,117,712	35,117,712	-	-
2034	24,530,489	-	3,217,556	-
	304,716,739	280,186,250	56,218,218	53,000,662

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

13. TRADE AND OTHER RECEIVABLES

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Non-current:					
Non-trade					
Amounts owing by subsidiaries	(a)	-	-	-	1,804,894
External party	(b)	536,329	-	-	-
		536,329	-	-	1,804,894
Current:					
Trade					
External parties	(c)	72,169,183	80,688,413	2,176,815	3,338,291
Subsidiaries		-	-	6,387,872	13,665,315
		72,169,183	80,688,413	8,564,687	17,003,606
Less: Impairment losses trade receivables	(c)	(3,173,976)	(3,062,007)	-	-
		68,995,207	77,626,406	8,564,687	17,003,606
Non-trade					
Amounts owing by subsidiaries	(d)	-	-	147,063,448	128,683,968
Other receivables		3,827,037	3,000,865	1,800	24,800
Deposits	(e)	3,321,101	3,889,731	6,151,510	6,038,409
Goods and services/value added tax refundable		5,742,575	3,985,659	-	-
		12,890,713	10,876,255	153,216,758	134,747,177
Less: Impairment losses on other receivables	(f)	(1,975,927)	(1,110,816)	-	-
		10,914,786	9,765,439	153,216,758	134,747,177
Total trade and other receivables (current)		79,909,993	87,391,845	161,781,445	151,750,783
Total trade and other receivables (non-current and current)		80,446,322	87,391,845	161,781,445	153,555,677

(a) In the previous financial year, amounts owing by subsidiaries represented advances to subsidiaries which were non-trade in nature, unsecured, interest bearing at rates ranging from 6.44% to 7.40% per annum and was expected to be settled in cash. However, this amount was not expected to be settled within the 12 months after the reporting date.

(b) During the financial year, long-term other receivable was measured at amortised cost at imputed interest rate at 6% per annum and repayable within 36 months after the reporting date.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

13. TRADE AND OTHER RECEIVABLES (cont'd)

(c) Trade receivables

The Group's and the Company's trading terms with their customers are mainly on credit for local customers and payment in advance for overseas customers. The normal credit terms granted ranging from 15 to 90 days (2023: 15 to 90 days) from date of invoices. Other credit terms are assessed and approved on a case-by-case basis.

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of trade receivables are as follows:

		Group	
	Note	2024 RM	2023 RM
At 1 January		3,062,007	2,764,610
Charge for financial year			
- Individually assessed	29	169,609	240,000
Reversal of impairment loss	29	(788)	(6,665)
Written off		-	(34,272)
Exchange differences		(56,852)	98,334
At 31 December		3,173,976	3,062,007

The information about the credit exposures are disclosed in Note 35(b)(iv).

- (d) Amounts owing by subsidiaries are non-trade in nature, unsecured, interest bearing at rates ranging from 3.99% to 7.41% (2023: 3.68% to 7.80%) per annum and is expected to be settled in cash within the 12 months after the reporting date, except for a non-interest bearing amount owing by a subsidiary of RM90,050,917 (2023: RM92,317,480).
- (e) Included in deposits of the Company is a non-refundable deposit of RM5,600,000 (2023: RM5,600,000) paid to a subsidiary for purchase of logs.
- (f) Other receivables

Receivables that are impaired

The Group's other receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of other receivables are as follows:

		Group	
	Note	2024 RM	2023 RM
At 1 January		1,110,816	-
Charge for financial year			
- Individually assessed	29	888,153	1,083,573
Exchange differences		(23,042)	27,243
At 31 December		1,975,927	1,110,816

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

14. INVENTORIES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Raw materials	51,122,042	52,085,431	20,325,336	17,688,479
Work-in-progress	7,229,433	4,581,613	1,001,985	584,702
Finished goods	66,503,121	48,733,626	9,616,506	11,477,260
Factory supplies	3,250,330	3,015,216	1,710,610	1,327,201
Packing materials	3,964,969	3,968,422	1,332,149	1,180,781
Consumables and spare parts	82,263,359	75,248,682	7,879,467	7,013,805
	214,333,254	187,632,990	41,866,053	39,272,228

- (a) The cost of inventories of the Group and of the Company recognised as an expense in cost of sales during the financial year was RM785,624,423 (2023: RM743,481,174) and RM125,438,385 (2023: RM111,600,499) respectively.
- (b) In the previous financial year, the cost of inventories of the Group recognised as an expense in cost of sales in respect of write-down of inventories was RM1,178,155.
- (c) During the financial year, the Group reversed the previous inventories written down value of RM380,187 (2023: RM175,288). The amount of reversal was included in cost of sales.

15. OTHER CURRENT ASSETS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Current:				
Prepayments	5,946,695	5,765,242	1,813,412	1,668,906
Advance payments to suppliers	16,298,513	38,195,870	5,959,702	4,769,486
	22,245,208	43,961,112	7,773,114	6,438,392

16. DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash and bank balances	116,141,276	176,115,445	20,548,281	33,209,643
Deposits placed with licensed banks (Note (a))	23,066,137	19,626,359	21,975,880	18,257,192
Time deposits (Note (b))	784,672	3,826,866	238,308	3,295,805
Deposits, cash and bank balances as reported in the statements of financial position	139,992,085	199,568,670	42,762,469	54,762,640
Less: Bank overdraft (Note 20)	-	(4,461,227)	-	-
Less: Time deposits	(784,672)	(3,826,866)	(238,308)	(3,295,805)
Cash and cash equivalents as reported in the statements of cash flows	139,207,413	191,280,577	42,524,161	51,466,835

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

16. DEPOSITS, CASH AND BANK BALANCES (cont'd)

- (a) The deposits placed with licensed banks are placements with periods of less than 3 months, interest bearing at rates ranging from 2.30% to 3.60% (2023: 2.45% to 3.60%) per annum and mature within 3 months.
- (b) Time deposits are deposits placed with licensed banks for periods of more than 3 months, interest bearing at rates ranging from 3.40% to 3.70% (2023: 2.20% to 3.70%) per annum and mature within one year.

17. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amounts	
	2024 Unit	2023 Unit	2024 RM	2023 RM
Issued and fully paid up (no par value):				
At 1 January/31 December	846,423,985	846,423,985	344,749,212	344,749,212

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

18. TREASURY SHARES

	Group and Company			
	Number of treasury shares		Amounts	
	2024 Unit	2023 Unit	2024 RM	2023 RM
At 1 January/31 December	1,757,200	1,757,200	1,086,893	1,086,893

Treasury shares relate to ordinary shares of the Company that are repurchased and held by the Company. The Company's share buyback scheme was approved by the Company's shareholders in the Annual General Meeting held on 27 May 2024 for the Company to repurchase up to 10% of its issued ordinary shares. The share repurchases made to date were financed by internally generated funds and are being held as treasury shares in accordance with the requirement of Section 127 of the Companies Act 2016 in Malaysia.

There were no resale, cancellation or distribution of treasury shares during the financial year.

19. OTHER RESERVES

(a) Equity transaction reserve

The equity transaction reserve comprises the differences between the share of non-controlling interests in subsidiaries acquired/disposed and the consideration paid/received.

(b) Foreign exchange reserve

The foreign exchange reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

20. LOANS AND BORROWINGS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Non-current:				
Secured:				
Term loans	95,620,985	81,442,557	-	2,025,379
Hire purchase payable	-	12,434	-	12,434
Unsecured:				
Term loans	699,900	7,082,783	-	-
	96,320,885	88,537,774	-	2,037,813
Current:				
Secured:				
Bank overdraft (Note 16)	-	4,461,227	-	-
Trade facilities	53,451,767	38,242,045	53,451,767	38,242,045
Term loans	10,520,303	11,736,322	1,975,549	6,433,415
Hire purchase payable	12,434	72,973	12,434	72,973
Unsecured:				
Trade facilities	100,333,814	87,543,766	-	-
Term loans	6,505,937	7,141,418	-	-
	170,824,255	149,197,751	55,439,750	44,748,433
Total loans and borrowings				
Bank overdraft (Note 16)	-	4,461,227	-	-
Trade facilities	153,785,581	125,785,811	53,451,767	38,242,045
Term loans	113,347,125	107,403,080	1,975,549	8,458,794
Hire purchase payable	12,434	85,407	12,434	85,407
	267,145,140	237,735,525	55,439,750	46,786,246

- (a) Bank overdraft, term loans and trade facilities of the Group and of the Company are secured by the following:
- Debentures over fixed and floating charges over the present and future assets of the Company and certain subsidiaries;
 - Legal charge over the freehold land, leasehold land, buildings and plant and machinery of certain subsidiaries as disclosed in Note 5(a) and Note 6(b);
 - Priority and security sharing agreement;
 - Negative pledge;
 - Corporate guarantee by the Company; and
 - Corporate guarantee by a subsidiary of the Company.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

20. LOANS AND BORROWINGS (cont'd)

(b) Hire purchase payable

Future minimum lease payments together with the present value of net minimum lease payments are as follows:

	Group and Company	
	2024	2023
	RM	RM
Minimum lease payments:		
Not later than 1 year	12,504	75,353
Later than 1 year and not later than 2 years	-	12,504
	12,504	87,857
Less: Future finance charges	(70)	(2,450)
Present value of minimum lease payments	12,434	85,407
Present value of minimum lease payments:		
Not later than 1 year	12,434	72,973
Later than 1 year and not later than 2 years	-	12,434
	12,434	85,407
Less: Amount due within 12 months	(12,434)	(72,973)
Amount due after 12 months	-	12,434

Hire purchase payable of the Group and of the Company of RM12,434 (2023: RM85,407) are secured by the Group's and the Company's motor vehicles under hire purchase arrangements as disclosed in Note 5(a).

(c) The interest rates of the loans and borrowings at the reporting date are as follows:

	Group		Company	
	2024	2023	2024	2023
	% per annum	% per annum	% per annum	% per annum
Bank overdraft	-	7.75	-	-
Trade facilities	3.77 - 5.82	3.94 - 6.60	4.00 - 5.03	3.94 - 5.87
Term loans	4.93 - 6.60	4.94 - 7.40	6.60	7.40
Hire purchase payables	2.68	2.68	2.68	2.68

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

21. LEASE LIABILITIES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Non-current:				
Unsecured:				
Lease liabilities	1,209,376	1,182,533	1,061,043	222,439
Current:				
Unsecured:				
Lease liabilities	870,367	1,007,300	688,410	371,490
Total lease liabilities	2,079,743	2,189,833	1,749,453	593,929

The incremental borrowing rate applied to lease liabilities ranging from 5.70% to 6.53% (2023: 3.20% to 6.53%).

Future minimum lease payments together with the present value of the net minimum lease payments are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Minimum lease payments:				
Not later than 1 year	958,830	1,106,160	765,930	396,460
Later than 1 year and not later than 2 years	731,500	758,955	580,200	209,055
Later than 2 years and not later than 5 years	537,625	481,000	537,625	19,200
	2,227,955	2,346,115	1,883,755	624,715
Less: Future finance charges	(148,212)	(156,282)	(134,302)	(30,786)
Present value of minimum lease payments	2,079,743	2,189,833	1,749,453	593,929
Present value of minimum lease payments:				
Not later than 1 year	870,367	1,007,300	688,410	371,490
Later than 1 year and not later than 2 years	684,923	712,823	536,590	203,498
Later than 2 years and not later than 5 years	524,453	469,710	524,453	18,941
	2,079,743	2,189,833	1,749,453	593,929
Less: Amount due within 12 months	(870,367)	(1,007,300)	(688,410)	(371,490)
Amount due after 12 months	1,209,376	1,182,533	1,061,043	222,439

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

22. RETIREMENT BENEFITS OBLIGATION

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Non-current:				
Retirement benefits obligation	15,114,377	16,768,918	5,560,727	5,892,116

The movements in the retirement benefits obligation in the statements of financial position are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At 1 January	16,768,918	16,400,912	5,892,116	6,249,543
Current service costs and interest expense (Note 30)	1,741,159	1,721,428	579,066	580,087
Remeasurement of actuarial gain from financial assumption	(654,100)	(841,118)	-	(560,322)
Benefits paid	(2,451,277)	(835,911)	(910,455)	(377,192)
Exchange differences	(290,323)	323,607	-	-
At 31 December	15,114,377	16,768,918	5,560,727	5,892,116

This is in respect of provision for employee's benefits related to retirement, service fee, compensation payments and other benefits recognised.

The Group and the Company operate defined benefit plans with lump sum payment at normal retirement or at an earlier exit through death or ill-health retirement. There is no minimum funding requirement under the current law.

The defined benefit plan exposes the Group and the Company to financial risks such as change in discount rate, future salary increment rates and demographic risk such as turnover rate not being borne out.

The defined benefit obligation is calculated using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related defined benefit obligation. In countries where there is no deep market in such bonds, the market rates on government bonds denominated in that currency are used.

Significant actuarial assumptions

The significant actuarial assumptions applied in the measurement of defined benefits pension plan are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Discount rate	2.57 - 6.90	2.57 - 6.60	4.60	4.60
Salary increase rate	2.64 - 5.00	2.60 - 7.00	3.00 - 5.00	3.00 - 5.00

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

22. RETIREMENT BENEFITS OBLIGATION (cont'd)

Sensitivity analysis

The sensitivity of the defined benefits obligation to the significant actuarial assumptions at the end of reporting period are shown below:

	Reasonably possible change in assumption	Group Effect on defined benefits obligation		Company	
		Increase RM	Decrease RM	Increase RM	Decrease RM
2024					
Discount rate	1%	(1,233,914)	1,428,794	(483,368)	557,920
Salary increase rate	1%	1,669,841	(1,453,174)	647,627	(567,475)
2023					
Discount rate	1%	(1,277,907)	1,478,977	(478,792)	553,450
Salary increase rate	1%	1,580,711	(1,385,486)	579,980	(510,200)

The expected payments or contributions to the defined benefit plan in future years are shown below:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Within the next 12 months (next annual reporting period)	1,411,693	2,311,438	289,031	496,159
Between 2 to 5 years	4,828,423	5,090,480	2,067,451	1,977,591
Beyond 5 years	8,874,261	9,367,000	3,204,245	3,418,366
Total expected payments	15,114,377	16,768,918	5,560,727	5,892,116

The average duration of the defined benefit plan obligation at the end of the reporting period is 7 to 14 years (2023: 7 to 14 years).

23. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Current:					
Trade					
Third parties	(a)	61,495,383	69,290,108	2,192,136	5,621,365
Amounts owing to subsidiaries	(a)	-	-	8,851,473	7,478,923
		61,495,383	69,290,108	11,043,609	13,100,288

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

23. TRADE AND OTHER PAYABLES (cont'd)

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Non-trade					
Amount owing to a subsidiary	(b)	-	-	4,600	4,600
Other payables		9,449,588	5,511,678	6,442,482	3,233,601
Goods and services/value added tax payable		1,176,714	1,228,964	951	446
Deposits		3,373,672	1,052,438	2,377,350	-
Accruals		32,976,995	30,444,176	7,878,538	5,530,632
		46,976,969	38,237,256	16,703,921	8,769,279
Total trade and other payables		108,472,352	107,527,364	27,747,530	21,869,567

(a) Trade payables are non-interest bearing and the normal credit terms granted to the Group and the Company are ranging from 7 to 90 days (2023: 7 to 90 days).

(b) The amount owing to a subsidiary is non-trade in nature, unsecured, interest-free and repayable on demand in cash and cash equivalents.

For explanations on the Group's and the Company's liquidity risk management processes, refer to Note 35(b)(iii).

24. CONTRACT LIABILITIES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Contract liabilities relating to sales of goods	23,911,665	68,868,466	356,319	868,014

(a) Significant changes in contract balances

	Contract liabilities (increase)/decrease	
	2024 RM	2023 RM
Group		
Revenue recognised that was included in contract liability at the beginning of the financial year	68,522,859	11,065,169
Increases due to advances received from customers, but revenue not recognised	(23,566,058)	(68,524,855)
Company		
Revenue recognised that was included in contract liability at the beginning of the financial year	585,120	86,012
Increases due to advances received from customers, but revenue not recognised	(73,425)	(580,990)

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

25. REVENUE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At a point in time:				
Sales of fibreboard	825,414,999	765,249,738	85,921,068	82,740,591
Sales of furniture parts	39,350,711	29,955,997	38,737,305	28,830,617
Sales of urea formaldehyde concentrate and adhesive products	18,166,900	14,987,947	-	-
Sales of wood pellet	72,407,789	70,067,544	-	-
Others	2,746,182	822,729	-	-
	958,086,581	881,083,955	124,658,373	111,571,208

26. COST OF SALES

Cost of sales represents cost of inventories sold.

27. OTHER INCOME

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Bad debts recovered		-	198	-	-
Dividend income received from subsidiaries		-	-	24,049,356	48,000,000
Gain arising from fair value adjustment of biological assets	7	3,700,000	500,000	-	-
Gain on disposal of property, plant and equipment		153,381	-	16,790	140,303
Gain on lease modification		59,922	795	-	-
Interest income		2,900,079	2,905,329	3,987,287	5,515,937
Insurance compensation		-	3,569,763	-	-
Net realised gain on foreign exchange		889,896	7,281,416	-	1,768,569
Rental income		949,413	1,411,757	1,280,086	1,283,778
Waiver of debt		239,064	-	-	-

28. OTHER OPERATING EXPENSES

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Impairment losses on:					
- investment in subsidiaries	11	-	-	2,820,762	5,409,004
- property, plant and equipment	5	2,695,330	-	-	-
Loss on disposal of property, plant and equipment		-	197,147	-	-
Property, plant and equipment written off	5	240,534	1,176,993	-	-
Net realised loss on foreign exchange		-	-	1,154,516	-
Net unrealised loss on foreign exchange		785,392	7,833,999	906,179	3,952,452

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

29. PROFIT/(LOSS) BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving at profit/(loss) before tax:

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Amortisation of intangible assets	9	18,015	8,613	-	-
Auditors' remuneration -					
statutory audit:					
- Baker Tilly Monteiro Heng PLT		403,800	403,800	155,000	155,000
- Member firms of					
Baker Tilly International		69,689	70,105	-	-
- Other auditors		121,176	117,994	-	-
Other services					
- Baker Tilly Monteiro Heng PLT		8,000	8,000	8,000	8,000
- Member firms of					
Baker Tilly International		149,521	97,286	69,367	22,648
Depreciation of:					
- property, plant and equipment	5	58,593,143	60,352,489	3,933,042	3,776,577
- investment properties	10	-	-	154,533	154,533
- right-of-use assets	6	1,877,242	2,246,758	615,691	492,030
Employee benefits expenses	30	97,969,658	93,327,037	17,304,092	16,238,763
Impairment losses on financial assets:					
- Impairment losses on					
trade receivables	13	169,609	240,000	-	-
- Impairment losses on other receivables	13	888,153	1,083,573	-	-
- Reversal of impairment losses on					
trade receivables	13	(788)	(6,665)	-	-
Interest expense:					
- bank overdraft		-	23,145	-	-
- hire purchase payable		2,380	5,741	2,380	5,741
- lease liabilities		100,487	145,183	32,191	30,550
- trade facilities		6,464,505	5,210,915	1,655,161	1,316,994
- term loans		1,233,542	2,086,701	411,457	848,222
Inventories written down	14	-	1,178,155	-	-
Reversal of inventories written down	14	(380,187)	(175,288)	-	-
Expenses relating to short-term leases					
and low value assets		9,037,202	8,391,428	938,908	968,901

30. EMPLOYEE BENEFITS EXPENSES

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Wages and salaries		84,627,190	80,786,704	13,960,982	13,247,171
Defined contribution plan		3,888,967	3,831,282	1,812,493	1,730,691
Social security contribution		1,405,675	1,417,573	296,266	258,941
Other staff related expenses		6,306,667	5,570,050	655,285	421,873
Retirement benefits obligation	22	1,741,159	1,721,428	579,066	580,087
		97,969,658	93,327,037	17,304,092	16,238,763

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30. EMPLOYEE BENEFITS EXPENSES (cont'd)

Included in employee benefits expense are:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Directors of the Company				
Executive directors:				
Salaries, bonus and emoluments	4,388,546	3,702,179	4,388,546	3,702,179
Defined contribution plan	55,084	54,936	55,084	54,936
Benefits-in-kind	21,802	21,802	21,802	21,802
	4,465,432	3,778,917	4,465,432	3,778,917
Non-executive directors:				
Fees	242,375	221,813	242,375	221,813
Allowances	116,025	101,920	116,025	101,920
Benefits-in-kind	3,837	3,837	3,837	3,837
	362,237	327,570	362,237	327,570
Directors of subsidiaries				
Executive directors:				
Salaries, bonus and emoluments	245,189	238,132	122,204	122,002
	5,072,858	4,344,619	4,949,873	4,228,489

31. TAX EXPENSE/(CREDIT)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Statements of comprehensive income				
Current income tax:				
Current income tax charge	12,220,929	10,643,473	-	593,615
Adjustment in respect of prior years	(539,151)	5,233,177	(538,636)	50,911
	11,681,778	15,876,650	(538,636)	644,526
Deferred tax (Note 12):				
Reversal of temporary differences	(1,175,722)	(1,396,773)	-	-
Adjustment in respect of prior years	264,292	924,733	-	541,952
	(911,430)	(472,040)	-	541,952
Tax expense/(credit)	10,770,348	15,404,610	(538,636)	1,186,478

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2023: 24%) of the estimated assessable profit/(loss) for the financial year.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**31. TAX EXPENSE/(CREDIT) (cont'd)**

The reconciliations from the tax amount at the statutory income tax rate to the Group's and the Company's tax expense/(credit) are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit/(Loss) before tax	12,809,436	(21,870,645)	10,628,286	32,512,559
Tax at Malaysian statutory income tax rate of 24%	3,074,265	(5,248,955)	2,550,789	7,803,014
Different tax rates in other countries	(1,886,497)	(1,302,677)	-	-
Income not subject to tax	(3,006,040)	(15,074,363)	(5,775,875)	(26,573,020)
Expenses not deductible for tax purposes	1,077,907	2,857,744	1,740,166	2,789,700
Deferred tax assets not recognised during the financial year	11,785,572	28,014,951	1,484,920	16,573,921
Adjustments in respect of prior years:				
- current income tax	(539,151)	5,233,177	(538,636)	50,911
- deferred tax	264,292	924,733	-	541,952
Tax expense/(credit)	10,770,348	15,404,610	(538,636)	1,186,478

32. EARNINGS/(LOSS) PER SHARE

- (a) Basic earnings/(loss) per share are based on the profit/(loss) for the financial year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year, calculated as follows:

	Group	
	2024 RM	2023 RM
Profit/(Loss) attributable to ordinary shareholders of the Company (RM)	2,039,088	(37,275,255)
Weighted average number of ordinary shares for basic earnings/(loss) per share	844,666,785	844,666,785
Basic earnings/(loss) per ordinary share (sen)	0.24	(4.41)

- (b) The diluted earnings/(loss) per share is equal to the basic earnings/(loss) per share as there were no potential dilutive ordinary shares outstanding at the end of the reporting period.

33. COMMITMENTS

The Group and the Company have made commitments for the following capital expenditures:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
In respect of capital expenditure property, plant and equipment:				
- Contracted but not provided for	6,934,086	7,677,996	2,813,765	6,318,842

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

34. RELATED PARTIES

(a) Identity of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:

- (i) Subsidiaries; and
- (ii) Key management personnel of the Group and the Company, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

(b) Significant related party transactions

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:

	Company	
	2024 RM	2023 RM
Transactions with subsidiaries are as follows:		
- Dividend income	(24,049,356)	(48,000,000)
- Expenses relating to short-term leases	80,200	115,200
- Corporate guarantee income	(1,105,650)	-
- Interest income	(2,758,109)	(4,204,281)
- Management fees	(10,076,651)	(10,452,951)
- Purchase of products	48,140,123	43,281,131
- Purchase of property, plant and equipment	25,660,616	-
- Purchase of spare parts	1,181,193	-
- Rental income	(1,251,486)	(1,283,778)
- Sale of products and rendering of service	(41,141,284)	(31,472,278)
- Sale of spare parts	(316,425)	(677,477)
- Sales of property, plant and equipment	-	(92,964,476)

(c) Compensation of key management personnel

Key management personnel include personnel having authority and responsibility for planning, directing and controlling the activities of the entities, directly or indirectly, including any director of the Group and of the Company.

The remuneration of the key management personnel is as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Short-term employees benefits	4,802,030	4,080,848	4,802,030	4,080,848
Benefits-in-kind	25,639	25,639	25,639	25,639
	4,827,669	4,106,487	4,827,669	4,106,487

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**35. FINANCIAL INSTRUMENTS****(a) Categories of financial instruments**

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

	Carrying amount RM	Amortised cost RM
2024		
Financial assets		
Group		
Trade and other receivables, excluding goods and services/value added tax refundable	74,703,747	74,703,747
Deposits, cash and bank balances	139,992,085	139,992,085
	214,695,832	214,695,832
Company		
Trade and other receivables, excluding non-refundable deposit	156,181,445	156,181,445
Deposits, cash and bank balances	42,762,469	42,762,469
	198,943,914	198,943,914
Financial liabilities		
Group		
Trade and other payables, excluding goods and services/value added tax payable	107,295,638	107,295,638
Loans and borrowings	267,145,140	267,145,140
	374,440,778	374,440,778
Company		
Trade and other payables, excluding goods and services/value added tax payable	27,746,579	27,746,579
Loans and borrowings	55,439,750	55,439,750
	83,186,329	83,186,329

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**35. FINANCIAL INSTRUMENTS (cont'd)****(a) Categories of financial instruments (cont'd)**

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned: (cont'd)

	Carrying amount RM	Amortised cost RM
2023		
Financial assets		
Group		
Trade and other receivables, excluding goods and services/value added tax refundable	83,406,186	83,406,186
Deposits, cash and bank balances	199,568,670	199,568,670
	282,974,856	282,974,856
Company		
Trade and other receivables, excluding non-refundable deposit	147,955,677	147,955,677
Deposits, cash and bank balances	54,762,640	54,762,640
	202,718,317	202,718,317
Financial liabilities		
Group		
Trade and other payables, excluding goods and services/value added tax payable	106,298,400	106,298,400
Loans and borrowings	237,735,525	237,735,525
	344,033,925	344,033,925
Company		
Trade and other payables, excluding goods and services/value added tax payable	21,869,121	21,869,121
Loans and borrowings	46,786,246	46,786,246
	68,655,367	68,655,367

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

35. FINANCIAL INSTRUMENTS (cont'd)

(b) Financial risk management

The Group's and the Company's financial risk management policies seek to ensure that adequate financial resources are available for the development of the Group's and of the Company's businesses whilst managing their interest rate risk, foreign currency risk, liquidity risk and credit risk. The Board of Directors reviews and agrees policies for managing each of these risks and they are summarised below.

(i) Interest rate risk

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's and the Company's financial instruments as a result of changes in market interest rates. As the Group and the Company have no significant interest-bearing financial assets, the Group's and the Company's income and operating cash flows are substantially independent of changes in market interest rates. The Group's and the Company's interest-bearing financial assets are mainly short-term in nature and have been mostly placed in deposits with licensed banks.

The Group's and the Company's interest rate risk arises primarily from interest-bearing borrowings. Borrowings at floating rates expose the Group and the Company to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group and the Company to fair value interest rate risk. The Group and the Company manage their interest rate exposure by maintaining a mix of fixed and floating rate borrowings.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant on the Group's and the Company's total equity and profit/(loss) for the financial year.

	Change in basis points	Effect on profit/(loss) for the financial year RM	Effect on equity RM
Group:			
2024	+ 100	(2,030,209)	(2,030,209)
	- 100	2,030,209	2,030,209
2023	+ 100	(1,806,141)	(1,806,141)
	- 100	1,806,141	1,806,141
Company:			
2024	+ 100	(421,248)	(421,248)
	- 100	421,248	421,248
2023	+ 100	(354,926)	(354,926)
	- 100	354,926	354,926

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

35. FINANCIAL INSTRUMENTS (cont'd)

(b) Financial risk management (cont'd)

(ii) Foreign currency risk

Foreign currency risk is the risk of fluctuation in fair value or future cash flows of a financial instrument as a result of changes in foreign exchange rates. The Group and the Company are exposed to transactional currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate and the Group's net investments in foreign subsidiaries. The currency giving rise to this risk are primarily United States Dollar ("USD") and Euro ("EUR"). Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

The Group and the Company maintain a natural hedge, whenever possible, by borrowing in the currency of the country in which the property or investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

The Group's and the Company's unhedged financial assets and liabilities that are not denominated in their functional currencies are as follows:

	USD RM	EUR RM	Total RM
Functional currency of the Group			
2024			
Ringgit Malaysia	87,079,119	(10,718,113)	76,361,006
Thai Baht	48,020,510	(201,888)	47,818,622
Indonesian Rupiah	(88,314,603)	182,246	(88,132,357)
	46,785,026	(10,737,755)	36,047,271
2023			
Ringgit Malaysia	113,229,262	(27,406,373)	85,822,889
Thai Baht	70,616,388	767,958	71,384,346
Indonesian Rupiah	(46,625,822)	7,064	(46,618,758)
	137,219,828	(26,631,351)	110,588,477
Functional currency of the Company			
2024			
Ringgit Malaysia	78,094,152	1,031,783	79,125,935
2023			
Ringgit Malaysia	101,412,520	(7,524,482)	93,888,038

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**35. FINANCIAL INSTRUMENTS (cont'd)****(b) Financial risk management (cont'd)****(ii) Foreign currency risk (cont'd)**Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the USD and EUR, with all other variables held constant on the Group's and the Company's total equity and profit/(loss) for the financial year.

		Effect on profit/(loss) after tax for the financial year			
		Group		Company	
	Change in rate	2024 RM	2023 RM	2024 RM	2023 RM
- USD	+ 3%	1,066,699	3,128,612	1,780,547	2,312,205
	- 3%	(1,066,699)	(3,128,612)	(1,780,547)	(2,312,205)
- EUR	+ 3%	(244,821)	(607,195)	23,525	(171,558)
	- 3%	244,821	607,195	(23,525)	171,558

(iii) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arise principally from trade and other payables, loans and borrowings.

The Group and the Company manage their debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group and the Company maintain sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group and the Company strive to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group and the Company are committed to funding from both capital markets and financial institutions and balance their portfolios with some short-term funding so as to achieve overall cost effectiveness.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

35. FINANCIAL INSTRUMENTS (cont'd)

(b) Financial risk management (cont'd)

(iii) Liquidity risk (cont'd)

Maturity analysis

The maturity analysis of the Group's and of the Company's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows:

Group	Carrying amount RM	Contractual undiscounted cash flows			Total RM
		On demand or within 1 year RM	Between 1 and 5 years RM	More than 5 years RM	
2024					
Financial liabilities:					
Trade and other payables, excluding goods and services/ value added tax payable	107,295,638	107,295,638	-	-	107,295,638
Loans and borrowings	267,145,140	178,854,859	84,742,372	28,016,753	291,613,984
Lease liabilities	2,079,743	958,830	1,269,125	-	2,227,955
	376,520,521	287,109,327	86,011,497	28,016,753	401,137,577
2023					
Financial liabilities:					
Trade and other payables, excluding goods and services/ value added tax payable	106,298,400	106,298,400	-	-	106,298,400
Loans and borrowings	237,735,525	156,405,810	84,652,877	20,664,654	261,723,341
Lease liabilities	2,189,833	1,106,160	1,239,955	-	2,346,115
	346,223,758	263,810,370	85,892,832	20,664,654	370,367,856

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

35. FINANCIAL INSTRUMENTS (cont'd)

(b) Financial risk management (cont'd)

(iii) Liquidity risk (cont'd)

Maturity analysis (cont'd)

The maturity analysis of the Group's and of the Company's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows: (cont'd)

Company	Carrying amount RM	← Contractual undiscounted cash flows →		
		On demand or within 1 year RM	Between 1 and 5 years RM	Total RM
2024				
Financial liabilities:				
Trade and other payables, excluding goods and services/value added tax payable	27,746,579	27,746,579	-	27,746,579
Loans and borrowings	55,439,750	55,688,775	-	55,688,775
Lease liabilities	1,749,453	765,930	1,117,825	1,883,755
Financial guarantee contracts	-	211,705,390	-	211,705,390
	84,935,782	295,906,674	1,117,825	297,024,499
2023				
Financial liabilities:				
Trade and other payables, excluding goods and services/value added tax payable	21,869,121	21,869,121	-	21,869,121
Loans and borrowings	46,786,246	45,440,243	2,070,041	47,510,284
Lease liabilities	593,929	396,460	228,255	624,715
Financial guarantee contracts	-	190,949,279	-	190,949,279
	69,249,296	258,655,103	2,298,296	260,953,399

(iv) Credit risk

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company are exposed to credit risk from their operating activities (primarily trade receivables) and from their investing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group and the Company have a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures. Credit worthiness of a customer is assessed based on a set of evaluation criteria and individual credit limits are defined in accordance with this assessment.

The Group and the Company consider a financial asset to be in default when:

- the counterparty is unable to pay its credit obligations to the Group and the Company in full, without taking into account any credit enhancements held by the Group and the Company; or
- the contractual payment of the financial asset is more than 15 to 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

35. FINANCIAL INSTRUMENTS (cont'd)

(b) Financial risk management (cont'd)

(iv) Credit risk (cont'd)

At the end of the reporting period, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Those events evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the counterparty;
- a breach of contract, including a default event;
- a concession or restructuring of loans granted by the lender of the counterparty relating to the counterparty's financial difficulty; or
- it is probable that the counterparty will enter bankruptcy or other financial reorganisation.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedure for recovery of amounts due.

Trade receivables

Exposure to credit risk

As at the end of the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the statements of financial position; and
- An amount of RM211,705,390 (2023: RM190,949,279) relating to a corporate guarantee provided by the Company to bank for subsidiaries' bank borrowings.

The financial guarantee has not been recognised as the fair value on initial recognition was immaterial since the financial guarantees provided by the Company did not contribute towards credit enhancement of the subsidiaries' borrowings in view of the security pledged by the subsidiaries and it is unlikely that the subsidiaries will default within the guarantee provided.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

35. FINANCIAL INSTRUMENTS (cont'd)

(b) Financial risk management (cont'd)

(iv) Credit risk (cont'd)

Trade receivables (cont'd)

Exposure to credit risk (cont'd)

The Group and the Company determine concentrations of credit risk by monitoring the country and industry sector profile of their trade receivables on an ongoing basis. The credit risk concentration profile of the Group's and of the Company's trade receivables at the reporting date are as follows:

	Group			
	2024 RM	%	2023 RM	%
By country:				
Malaysia	32,787,706	48%	39,519,264	51%
Thailand	17,975,397	26%	18,069,674	23%
Other countries	18,232,104	26%	20,037,468	26%
	68,995,207	100%	77,626,406	100%

	Company			
	2024 RM	%	2023 RM	%
By country:				
Malaysia	6,667,661	78%	14,084,907	83%
Other countries	1,897,026	22%	2,918,699	17%
	8,564,687	100%	17,003,606	100%

The Group and the Company apply the simplified approach to provide for impairment losses prescribed by MFRS 9, which permits the use of the lifetime expected losses provision for all trade receivables. To measure the impairment losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The impairment losses also incorporate forward looking information.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

35. FINANCIAL INSTRUMENTS (cont'd)

(b) Financial risk management (cont'd)

(iv) Credit risk (cont'd)

Trade receivables (cont'd)

The information about the credit risk exposure on the Group's and the Company's trade receivables are as follows:

	Gross carrying amount at default RM
Group 2024	
Current	45,559,641
1-30 days past due	18,268,024
31-60 days past due	2,768,990
61-90 days past due	602,360
91-120 days past due	1,783,593
>120 days past due	12,599
	<hr/>
Individually impaired	68,995,207
	3,173,976
	<hr/>
	72,169,183
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Company 2024	
Current	7,746,556
1-30 days past due	688,988
31-60 days past due	127,371
61-90 days past due	1,772
	<hr/>
	8,564,687
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Group 2023	
Current	45,224,382
1-30 days past due	24,668,336
31-60 days past due	4,800,852
61-90 days past due	1,190,626
91-120 days past due	1,646,113
>120 days past due	96,097
	<hr/>
Individually impaired	77,626,406
	3,062,007
	<hr/>
	80,688,413
	<hr/>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**35. FINANCIAL INSTRUMENTS (cont'd)****(b) Financial risk management (cont'd)****(iv) Credit risk (cont'd)****Trade receivables (cont'd)**

The information about the credit risk exposure on the Group's and the Company's trade receivables are as follows (cont'd):

	Gross carrying amount at default RM
<hr/>	
Company	
2023	
Current	9,012,781
1-30 days past due	3,630,362
31-60 days past due	1,285,698
61-90 days past due	1,311,014
91-120 days past due	1,292,619
>120 days past due	471,132
	<hr/>
	17,003,606
	<hr/>

Other receivables and other financial assets

For other receivables and other financial assets (including cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider 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 and the Company compare 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 supportive forward-looking information.

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.

Some intercompany loans between entities within the Group comprise loans or advances which are repayable on demand. The Company regularly monitors the financial performance and position of these entities on an individual basis. When these entities' financial performance and position deteriorates significantly, the Company assumes that there is a significant increase in credit risk, and thereby a lifetime expected credit loss assessment is necessary. As the Company is able to determine the timing of repayment of the loans or advances, the Company will consider the loans or advances to be in default when these entities are unable to pay based on the expected manner of recovery and recovery period. The Company determines the probability of default for these loans or advances using internally available information. The Company considers the loans or advances to be credit-impaired when the entities are unlikely to repay their debts.

As at the end of the reporting date, the Group and the Company consider the other receivables and other financial assets as low risk and any loss allowance would be negligible.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**35. FINANCIAL INSTRUMENTS (cont'd)****(b) Financial risk management (cont'd)****(iv) Credit risk (cont'd)****Financial guarantee contracts**

The Company is exposed to credit risk in relation to financial guarantees given to banks in respect of loans granted to certain subsidiaries. The Company monitors the results of the subsidiaries and their repayment on an on-going basis. The maximum exposure to credit risks amounts to RM211,705,390 (2023: RM190,949,279) representing the maximum amount the Company could pay if the guarantee is called on as disclosed in Note 35(b)(iii). As at the reporting date, there was no loss allowance for impairment as determined by the Company for the financial guarantee.

(c) Fair value measurement

The carrying amounts of deposits, cash and bank balances, short-term receivables and payables and short-term borrowings reasonably approximate to their fair values due to the relatively short-term nature of these financial instruments.

The carrying amounts of long-term floating rate term loans is reasonable approximation of fair values as the loans will be re-priced to market interest rate on or near reporting date.

There have been no transfers between Level 1 and Level 2 during the financial year (2023: no transfer in either directions).

The following table provides the fair value measurement hierarchy of the Group's and the Company's financial instruments:

Group and Company	Carrying amount RM	Fair value of financial instruments not carried at fair value			
		Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2024					
Financial liabilities					
Hire purchase payable	12,434	-	-	11,884	11,884
2023					
Financial liabilities					
Hire purchase payable	85,407	-	-	82,224	82,224

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

36. LEASE COMMITMENTS

The Group and the Company had entered into commercial lease for their sites, office premises, equipment and hostels. These leases had tenure 3 to 5 years (2023: 1 to 4 years) with a renewal option included in the contract. There were no restrictions placed upon the Group and the Company by entering into these leases.

Future minimum rental payable under the non-cancellable operating lease at the reporting date is as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Not later than 1 year	1,077,449	1,215,586	37,200	57,600
Later than 1 year but not later than 5 years	1,378,738	2,311,003	-	37,200
	2,456,187	3,526,589	37,200	94,800

37. SEGMENT INFORMATION

The Group prepared the following segment information in accordance with MFRS 8 *Operating Segments* based on the internal reports of the Group's strategic business units which are regularly reviewed by the Group's Chief Executive Officer for the purpose of making decisions about resource allocation and performance assessment.

The primary segment reporting format is determined to be geographical segments as the Group's risks and rates of return are affected predominantly by the local economic environment in which it operates. Segmental reporting by business has not been presented as the Group's operations are within similar activities.

The Group is organised into three major geographical segments:

Malaysia	manufacture of medium density fibreboard, wooden furniture part and furniture, particleboard, glue, resin, wood pellets, as well as trading and managing of plantation.
Thailand	production and distribution of medium density fibreboard and wood products.
Indonesia	manufacture of medium density fibreboard, glue and resin.
Others	distributing the household products made of rubber wood.

The directors are of the opinion that all inter-segment transactions have been entered in the normal course of business and have been established on terms and conditions that are mutually agreed upon.

Segment profit

Segment performance is used to measure performance as Group Chief Executive Officer believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Performance is evaluated based on operating profit or loss which is measured differently from operating profit or loss in the consolidated financial statements.

Segment assets and liabilities

The total of segment assets and liabilities are measured based on all assets and liabilities of a segment, as included in the internal reports that are reviewed by the Group Chief Executive Officer.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

37. SEGMENT INFORMATION (cont'd)

2024	Note	Malaysia RM	Thailand RM	Indonesia RM	Others RM	Adjustments and eliminations RM	Total RM
Revenue							
Revenue from external customers		409,498,717	438,700,847	109,887,017	-	-	958,086,581
Inter-segment revenue	(a)	231,566,532	101,092,857	-	-	(332,659,389)	-
Total revenue	(c)	641,065,249	539,793,704	109,887,017	-	(332,659,389)	958,086,581
Results							
Segment profit/(loss)		(7,084,177)	41,424,391	11,476,264	(68)	(25,206,060)	20,610,350
Finance costs		(10,611,066)	-	-	-	2,810,152	(7,800,914)
Profit/(Loss) before tax		(17,695,243)	41,424,391	11,476,264	(68)	(22,395,908)	12,809,436
Tax expense		(1,336,241)	(8,382,001)	(1,052,083)	-	(23)	(10,770,348)
Profit/(Loss) for the financial year		(19,031,484)	33,042,390	10,424,181	(68)	(22,395,931)	2,039,088
Assets:							
Segment assets		1,514,630,185	381,861,300	348,950,843	3	(812,814,818)	1,432,627,513
Liabilities:							
Segment liabilities		401,426,184	65,284,120	226,541,275	34,226	(247,741,987)	445,543,818

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

37. SEGMENT INFORMATION (cont'd)

2024 (cont'd)	Note	Malaysia RM	Thailand RM	Indonesia RM	Others RM	Adjustments and eliminations RM	Total RM
Other information:	(b)						
Amortisation of intangible assets			18,015	-	-	-	18,015
Capital expenditures	(d)	34,209,707	12,181,691	92,265,154	-	(26,474,925)	112,181,627
Depreciation of:							
- property, plant and equipment		25,156,150	23,288,794	10,135,493	-	12,706	58,593,143
- right-of-use assets		2,589,730	-	60,800	-	(773,288)	1,877,242
Employee benefits expenses		50,576,727	40,617,865	6,775,066	-	-	97,969,658
Gain arising from fair value adjustment of biological assets		(3,700,000)	-	-	-	-	(3,700,000)
Gain on lease modification		(59,922)	-	-	-	-	(59,922)
Interest income		(4,318,720)	(1,085,783)	(253,685)	-	2,758,109	(2,900,079)
Impairment losses on:							
- other receivables		-	888,153	-	-	-	888,153
- trade receivables		169,609	-	-	-	-	169,609
- property, plant and equipment		-	2,695,330	-	-	-	2,695,330
Gain on disposal of property, plant and equipment		(67,690)	(85,691)	-	-	-	(153,381)
Net unrealised (gain)/loss on foreign exchange		(717,691)	1,249,777	253,306	-	-	785,392
Property, plant and equipment written off		240,534	-	-	-	-	240,534
Reversal of impairment losses on trade receivables		(788)	-	-	-	-	(788)
Reversal of inventories written down		-	(380,187)	-	-	-	(380,187)
Waiver of debt		(239,064)	-	-	-	-	(239,064)
Expenses relating to low value assets and short-term leases		7,119,653	1,121,715	1,272,616	-	(476,782)	9,037,202

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

37. SEGMENT INFORMATION (cont'd)

2023	Note	Malaysia RM	Thailand RM	Indonesia RM	Others RM	Adjustments and eliminations RM	Total RM
Revenue							
Revenue from external customers		315,853,928	450,531,261	114,698,766	-	-	881,083,955
Inter-segment revenue	(a)	214,674,396	114,662,485	-	-	(329,336,881)	-
Total revenue	(c)	530,528,324	565,193,746	114,698,766	-	(329,336,881)	881,083,955
Results							
Segment (loss)/profit		(7,545,779)	25,278,575	14,627,920	(8,025)	(46,751,651)	(14,398,960)
Finance costs		(10,454,201)	-	(23,145)	-	3,005,661	(7,471,685)
(Loss)/Profit before tax		(17,999,980)	25,278,575	14,604,775	(8,025)	(43,745,990)	(21,870,645)
Tax expense		(1,932,018)	(9,879,522)	(3,605,622)	-	12,552	(15,404,610)
(Loss)/Profit for the financial year		(19,931,998)	15,399,053	10,999,153	(8,025)	(43,733,438)	(37,275,255)
Assets:							
Segment assets		1,522,691,600	421,468,019	321,254,225	3	(809,092,397)	1,456,321,450
Liabilities:							
Segment liabilities		386,256,115	109,434,195	206,768,739	37,255	(242,300,188)	460,196,116

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

37. SEGMENT INFORMATION (cont'd)

2023 (cont'd)	Note	Malaysia RM	Thailand RM	Indonesia RM	Others RM	Adjustments and eliminations RM	Total RM
Other information:	(b)						
Amortisation of intangible assets		-	8,613	-	-	-	8,613
Bad debts recovered		(198)	-	-	-	-	(198)
Capital expenditures	(d)	29,033,346	8,245,445	152,999,812	-	(94,384,790)	95,893,813
Depreciation of:							
- property, plant and equipment		25,591,920	24,383,213	10,364,625	-	12,731	60,352,489
- right-of-use assets		2,951,403	-	102,583	-	(807,228)	2,246,758
Employee benefits expenses		46,638,239	39,927,047	6,761,751	-	-	93,327,037
Gain arising from fair value adjustment of biological assets		(500,000)	-	-	-	-	(500,000)
Gain on lease modification		(795)	-	-	-	-	(795)
Interest income		(5,820,331)	(1,199,964)	(89,315)	-	4,204,281	(2,905,329)
Inventory written down		1,178,155	-	-	-	-	1,178,155
Impairment losses on:							
- other receivables		-	1,083,573	-	-	-	1,083,573
- trade receivables		240,000	-	-	-	-	240,000
Insurance compensation		-	-	(3,569,763)	-	-	(3,569,763)
Loss/(Gain) on disposal of property, plant and equipment		72,639	(14,704)	-	-	139,212	197,147
Net unrealised loss on foreign exchange		5,973,445	1,024,292	836,262	-	-	7,833,999
Property, plant and equipment written off		1,072,269	17,458	87,266	-	-	1,176,993
Reversal of impairment losses on trade receivables		(6,665)	-	-	-	-	(6,665)
Reversal of inventories written down		-	(175,288)	-	-	-	(175,288)
Expenses relating to low value assets and short-term leases		6,559,795	1,126,716	1,248,991	-	(544,074)	8,391,428

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

37. SEGMENT INFORMATION (cont'd)

- (a) Inter-segment revenue are eliminated on consolidation.
- (b) Inter-segment income and expenses are eliminated on consolidation.
- (c) The following table provides an analysis of the Group's revenue by products:

	Malaysia RM	Thailand RM	Indonesia RM	Total RM
2024				
Sales of fibreboard	276,827,135	438,700,847	109,887,017	825,414,999
Sales of furniture parts	39,350,711	-	-	39,350,711
Sales of urea formaldehyde concentrate and adhesive products	18,166,900	-	-	18,166,900
Sales of wood pellet	72,407,789	-	-	72,407,789
Others	2,746,182	-	-	2,746,182
	409,498,717	438,700,847	109,887,017	958,086,581
2023				
Sales of fibreboard	200,019,711	450,531,261	114,698,766	765,249,738
Sales of furniture parts	29,955,997	-	-	29,955,997
Sales of urea formaldehyde concentrate and adhesive products	14,987,947	-	-	14,987,947
Sales of wood pellet	70,067,544	-	-	70,067,544
Others	822,729	-	-	822,729
	315,853,928	450,531,261	114,698,766	881,083,955

- (d) Additions to non-current assets consist of:

	2024 RM	2023 RM
Intangible assets	192,966	-
Property, plant and equipment	110,066,182	95,003,692
Right-of-use assets	1,922,479	890,121
	112,181,627	95,893,813

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

37. SEGMENT INFORMATION (cont'd)

(e) Geographical information

(i) The following table provides an analysis of the Group's revenue by geographical segment:

	2024 RM	2023 RM
Revenue from sales to external customers by location of the customers		
United States	83,869,124	59,130,916
Africa	63,184,178	66,061,558
Europe	7,683,086	9,976,003
Far East Asia	89,927,265	84,427,221
Middle East	370,775,418	390,587,472
South Asia	1,813,551	4,051,297
South East Asia	340,833,959	266,849,488
	958,086,581	881,083,955

(ii) The following is the analysis of non-current assets other than financial instruments, deferred tax assets and goodwill on consolidation, which is analysed by the Group's geographical location:

	Malaysia RM	Thailand RM	Indonesia RM	Total RM
2024				
Property, plant and equipment	403,322,069	200,676,102	282,295,342	886,293,513
Right-of-use assets	31,550,709	-	1,700,926	33,251,635
Biological assets	44,200,000	-	-	44,200,000
Other intangible assets	-	244,717	-	244,717
Total non-current assets	479,072,778	200,920,819	283,996,268	963,989,865
2023				
Property, plant and equipment	515,175,111	221,787,439	114,503,177	851,465,727
Right-of-use assets	32,474,622	-	1,805,058	34,279,680
Biological assets	40,500,000	-	-	40,500,000
Other intangible assets	-	70,214	-	70,214
Total non-current assets	588,149,733	221,857,653	116,308,235	926,315,621

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

38. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that they maintain a strong credit rating and healthy capital ratio in order to support their business and maximise shareholders' value.

The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payments to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2024 and 31 December 2023.

The Group and the Company monitor capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises loans and borrowings, lease liabilities and trade and other payables, less deposits, cash and bank balances whereas total capital comprises the equity attributable to equity holders of the Group and the Company.

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Loans and borrowings	267,145,140	237,735,525	55,439,750	46,786,246
Lease liabilities	2,079,743	2,189,833	1,749,453	593,929
Trade and other payables	108,472,352	107,527,364	27,747,530	21,869,567
Deposits, cash and bank balances	(139,992,085)	(199,568,670)	(42,762,469)	(54,762,640)
Net debt	237,705,150	147,884,052	42,174,264	14,487,102
Equity attributable to the owners of the Company				
Total equity	987,083,695	996,125,334	794,449,892	783,282,970
Capital and net debt	1,224,788,845	1,144,009,386	836,624,156	797,770,072
Gearing ratio	19%	13%	5%	2%

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, **KUO JEN CHIU** and **MARY HENERIETTA LIM KIM NEO**, being two of the directors of Evergreen Fibreboard Berhad, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 90 to 160 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of their financial performance and cash flows for the financial year then ended.

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

.....
KUO JEN CHIU
Director

.....
MARY HENERIETTA LIM KIM NEO
Director

Batu Pahat

Date: 10 April 2025

STATUTORY DECLARATION

Pursuant to Section 251(1) of the Companies Act 2016

I, **LEONG TING SIONG**, being the officer primarily responsible for the financial management of Evergreen Fibreboard Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 90 to 160 are 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.

.....
LEONG TING SIONG
MIA Membership No.: 20345

Subscribed and solemnly declared by the abovenamed at Batu Pahat in the State of Johor Darul Ta'zim on 10 April 2025.

Before me,

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EVERGREEN FIBREBOARD BERHAD (Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Evergreen Fibreboard Berhad, 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 policy information, as set out on pages 90 to 160.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Group

Property, plant and equipment (Notes 4(a) and 5 to the financial statements)

The Group and the Company have significant balances of property, plant and equipment relating to their manufacturing operations in Malaysia. There is a risk the future performance of the assets may not lead to their carrying values being recoverable in full and the directors are required to determine the recoverable amounts of these assets.

We focused on this area because the Group's determination of recoverable amount requires the exercise of significant judgement to be made by the directors, especially in determining appropriate valuation methods and the key assumptions used in the valuations and the assumptions to be applied in supporting the underlying cash flow projections in the recoverable amount calculation. These judgements and assumptions are inherently uncertain.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EVERGREEN FIBREBOARD BERHAD (Cont'd) (Incorporated in Malaysia)

Key Audit Matters (cont'd)

Group (cont'd)

Property, plant and equipment (Notes 4(a) and 5 to the financial statements) (cont'd)

Our audit response:

Our audit procedures included, among others:

Fair value less costs of disposal

- understanding the competence, capabilities and objectivity of the external valuers which included consideration of their qualifications and experience;
- understanding the scope and purpose of the valuation;
- reading the valuation reports for all significant property, plant and equipment and discussing with external valuers and directors on their valuation approach and the significant judgements made, including the selection of comparable properties and adjustments for differences in key attributes made to the transacted value of comparable properties; and
- understanding the relevance of the key input data used by the external valuers.

Value-in-use

- comparing the actual results with previous budget to understand the performance of the business;
- discussing with the directors on their assessment and consideration of the current economic and business environment in relation to key assumptions made;
- testing the mathematical computation of the impairment assessment; and
- performing the sensitivity analysis of key assumptions and the impacts of these key assumptions and inputs that are expected to be most sensitive to the recoverable amount.

Inventories (Notes 4(b) and 14 to the financial statements)

The Group and the Company have significant inventories as at 31 December 2024 which include certain amounts of inventories that have been kept for more than 1 year. The directors are required to perform an assessment to determine whether these inventories are stated at the lower of cost and net realisable value.

We focused on this area because the review of saleability and valuation of these inventories at lower of cost and net realisable value by the directors are major source of estimation uncertainty.

Our response:

Our audit procedures included, among others:

- observing year end physical inventory count to observe physical existence and condition of the inventories and understanding the design and implementation of controls during the count;
- checking subsequent sales and evaluating directors' assessment on estimated net realisable value on selected inventory items; and
- discussing with directors on whether the inventories have been written down to their net realisable value for inventory items with net realisable value lower than their cost.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EVERGREEN FIBREBOARD BERHAD (Cont'd) (Incorporated in Malaysia)

Key Audit Matters (cont'd)

Group (cont'd)

Biological assets (Notes 4(c) and 7 to the financial statements)

The Group has a significant balance of biological assets as at 31 December 2024. The biological assets comprise tropical wood trees and rubber trees. The biological assets of the Group are required to be measured at fair value less costs to sell. The fair value of the tropical wood trees and rubber trees have been determined based on valuations by an external independent valuer.

We focused on this area because it requires the exercise of significant judgement to be made by the directors, especially in determining the value on remaining lifespan and after lifespan of rubber trees and estimated remaining acres of forest land. In making the judgement, the directors evaluate based on past experience and by relying on the work of specialists. These judgements and assumptions are inherently uncertain.

Our response:

Our audit procedures included, among others:

- understanding the competence, capabilities and objectivity of the external valuers which included consideration of their qualifications and experience;
- comparing the key inputs to the model, including commodity prices and yield against market data;
- testing the mathematical computation of the discounted cash flow calculations; and
- performing the sensitivity analysis of key assumptions and the impacts of these key assumptions and inputs that are expected to be most sensitive to the recoverable amount.

Company

Investment in subsidiaries (Notes 4(d) and 11 to the financial statements)

The Company has a significant balance of investment in subsidiaries. At the end of the financial year, the directors are required to determine if there is any indication of impairment in investment in subsidiaries. If such an indication of impairment exists, the directors are required to determine the recoverable amount of this investment.

We focused on this area because the Company's determination of the recoverable amount requires significant judgement to be made by the directors, especially in determining the assumptions to be applied in supporting the underlying cash flow projections in the recoverable amount calculation. These judgements and assumptions are inherently uncertain.

Our audit response:

Our audit procedures included, among others:

- comparing the actual results with previous budget to understand the performance of the business;
- comparing the directors' key assumptions in cash flow forecast which include the directors' assessment and consideration of the current economic and business environment in relation to key assumptions;
- testing the mathematical computation of the impairment assessment; and
- performing the sensitivity analysis of key assumptions and the impacts of these key assumptions and inputs that are expected to be most sensitive to the recoverable amount.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EVERGREEN FIBREBOARD BERHAD (Cont'd) (Incorporated in Malaysia)

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EVERGREEN FIBREBOARD BERHAD (Cont'd) (Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'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 the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 11 to the financial statements.

Other Matters

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

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Ng Boon Hiang
No. 02916/03/2026 J
Chartered Accountant

Kuala Lumpur

Date: 10 April 2025

STATEMENT OF SHAREHOLDINGS AS AT 28 MARCH 2025

Total Number of Issued Shares : *844,666,785 ordinary shares
Voting rights : One vote per share

ANALYSIS OF SHAREHOLDINGS

Holdings	Number of Holders	Number of Shares	Percentage of Shares
Less than 100	601	5,491	0.00
100 - 1,000	799	379,358	0.04
1,001 - 10,000	3,384	19,286,229	2.28
10,001- 100,000	2,698	95,162,625	11.27
100,001 to less than 5% of issued shares	654	463,357,076	54.86
5% and above of issued shares	2	266,476,006	31.55
	8,338	844,666,785	100.00

** excluding a total of 1,757,200 ordinary shares bought back and retained as treasury shares.*

THIRTY LARGEST SHAREHOLDERS

Shareholders	Number of Shares	Percentage of Shares
1. KUO JEN CHANG	142,355,865	16.85
2. KUO JEN CHIU	124,120,141	14.69
3. KUO HUEI CHEN	32,526,790	3.85
4. LAI CHEE CHONG	18,920,300	2.24
5. KUO JEFFREY S	17,320,865	2.05
6. KUO JUSTIN S	17,320,865	2.05
7. KUO HENRY S	17,320,864	2.05
8. CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR NG PAIK PHENG (PB)	15,916,200	1.88
9. MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG AH CHAI	11,932,900	1.41
10. MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR DANA MAKMUR PHEIM (211901)	10,177,600	1.20
11. HO POH TUCK	9,000,000	1.07
12. CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-R ES)	7,128,950	0.84
13. MAYBANK SECURITIES NOMINEES (ASING) SDN BHD MAYBANK SECURITIES PTE LTD FOR MGF CAPITAL LIMITED	6,000,000	0.71
14. SUSY DING	5,649,950	0.67

STATEMENT OF SHAREHOLDINGS (Cont'd)

AS AT 28 MARCH 2025

THIRTY LARGEST SHAREHOLDERS (Cont'd)

Shareholders	Number of Shares	Percentage of Shares
15. MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN KIAN AIK	5,611,200	0.66
16. PHILIP WONG HWEE LIH	5,423,500	0.64
17. HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR BANK JULIUS BAER & CO. LTD. (SINGAPORE BCH)	4,499,700	0.53
18. MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR JOSEPH LAM WAI	4,400,000	0.52
19. CIMB GROUP NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR DBS BANK LTD (SFS)	4,327,200	0.51
20. CHEE CHEN KAI	3,704,600	0.44
21. CHIAH CHWI HUA	3,661,600	0.43
22. CARTABAN NOMINEES (ASING) SDN BHD THE BANK OF NEW YORK MELLON FOR ACADIAN EMERGING MARKETS MICRO-CAP EQUITY MASTER FUND	3,509,601	0.42
23. CITIGROUP NOMINEES (TEMPATAN) SDN BHD LEMBAGA TABUNG HAJI (PRINCIPAL)	3,450,000	0.41
24. TEO YING YING	3,000,100	0.35
25. WONG YEE HUI	2,900,000	0.34
26. KUO HUEI CHEN	2,526,789	0.30
27. TEO YU HONG	2,500,000	0.30
28. CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR ROYAL BANK OF CANADA HONG KONG BRANCH (CLT A/C-FOREIGN)	2,400,000	0.28
29. DB (MALAYSIA) NOMINEE (ASING) SDN BHD SSBT FUND 0MUA FOR TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS	2,375,800	0.28
30. PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEE SAI MUN (E-KLC)	2,338,100	0.28

STATEMENT OF SHAREHOLDINGS (Cont'd)

AS AT 28 MARCH 2025

SUBSTANTIAL SHAREHOLDERS

According to the Register required to be kept under Section 144 of the Companies Act, 2016, the following are the substantial shareholders of the Company: -

Substantial Shareholders	Direct Interest		Indirect Interest	
	Number of Shares	% of Shares	Number of Shares	% of Shares
1. KUO JEN CHANG	142,355,865	16.85	159,173,720 ⁽¹⁾	18.84
2. KUO JEN CHIU	124,120,141	14.69	177,409,444 ⁽¹⁾	21.00
3. KUO HUEI CHEN	35,053,579	4.15	266,476,006 ⁽¹⁾	31.55

Notes:

⁽¹⁾ Deemed interested by virtue of the interest of his or her siblings.

DIRECTORS' SHAREHOLDINGS

According to the Register required to be kept under Section 59 of the Companies Act 2016, the following are the shareholdings of the Directors of the Company: -

Directors	Direct Interest		Indirect Interest	
	Number of Shares	% of Shares	Number of Shares	% of Shares
1. KUO JEN CHANG	142,355,865	16.85	159,173,720 ⁽¹⁾	18.84
2. KUO JEN CHIU	124,120,141	14.69	177,409,444 ⁽¹⁾	21.00
3. MARY HENERIETTA LIM KIM NEO	6	0.00	0	0.00
4. LAW NGEE SONG	0	0.00	0	0.00
5. KUAN KAI SENG	0	0.00	0	0.00
6. TAN MUI PING	0	0.00	0	0.00
7. HONG KIM HEONG	0	0.00	0	0.00
8. SHAMEER BIN OTHMAN ⁽²⁾	0	0.00	0	0.00

Notes:

⁽¹⁾ Deemed interested by virtue of the interest of his or her siblings.

⁽²⁾ Shameer Bin Othman was appointed wef 1 November 2024.



EVERGREEN FIBREBOARD BERHAD
(Reg. No: 199101006810 (217120-W))

PROXY FORM

CDS ACCOUNT NO.	NO. OF SHARES HELD

I/We _____

being a member/member of Evergreen Fibreboard Berhad, hereby appoint (1) Mr/Ms _____

_____ (NRIC No. _____)

of _____

* (2) Mr./Ms _____ (NRIC No. _____)

of _____

or failing whom, _____ (NRIC No. _____)

of _____

or failing *him/her, the *Chairman of the meeting as my/our proxy to vote for *me/us and on *my/our behalf at the Thirty Fourth **Annual General Meeting** of the Company to be held Grand Ballroom, Level 1, Forest City Golf Hotel, Jalan Persiaran Golf 5, Forest City Golf Resort, 81550 Gelang Patah, Johor Bahru, Johor, on **Monday, 26 May 2025 at 9.00 a.m.** and, at every adjournment thereof *for/ against the resolutions to be proposed thereat.

The proportion of *my/our proxies are as follows:

(This paragraph should be completed only when two proxies are appointed)

First Proxy (1) _____ % Second Proxy (2) _____ %

*My/Our proxy is to vote as indicated below: -

Agenda	Resolution	For*	Against*
Re-appointment of Messrs. Baker Tilly Monteiro Heng PLT as Auditors	1		
Re-election of Mr. Kuo Jen Chang – Clause 109	2		
Re-election of Ms. Mary Henerietta Lim Kim Neo – Clause 109	3		
Re-election of En. Sharmeer Bin Othman– Clause 116	4		
Approval of Non-Executive Directors' fees and allowances up to an amount of RM450,000 for the financial year ending 31 December 2025	5		
Approval of authority to issue shares pursuant to Sections 75(1) and 76(1)	6		
Approval of Proposed Authority for the Company to purchase its own shares of up to 10%	7		
Approval to designate Mr. Kuan Kai Seng as Independent Director	8		

Please indicate with a cross (X) in the space whether you wish your votes to be cast for or against the resolution. In the absence of such specific directions, your proxy will vote or abstain as he thinks fit.

As witness my hand this _____ day of _____ 2025

Signature of Member(s)

NOTES: -

- Only members whose names appear in the Record of Depositors as at 19 May 2025 shall be entitled to attend the meeting. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. The proxy need not be a Member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a meeting of a company shall have the same rights as the member to speak at the meeting.
- A member shall be entitled to appoint more than one proxy (subject always to a maximum of two (2) proxies at each meeting) to attend and vote at the same meeting.
- Where a member appoints more than one (1) proxy (subject always to a maximum of two (2) proxies at each meeting) the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- Where a member of the Company is an exempt authorised nominee as defined under the securities Industry (Central Depositories) Act 1991 ("SICDA") 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 accounts it holds. Where a member is an authorised nominee as defined under SICDA, it may appoint one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a corporation under its common seal or the hand of its attorney.
- The instrument appointing a proxy must be deposited at 11th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof.
- Personal Data Privacy:
By submitting an instrument appointing a proxy(ies) and /or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of the Annual General Meeting dated 25 April 2025.

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Affix Stamp

The Secretary
EVERGREEN FIBREBOARD BERHAD (Reg No: 199101006810) (217120-W)
11th Floor, Menara Symphony,
No: 5, Jalan Professor Khoo Kay Kim,
Seksyen 13, 46200 Petaling Jaya, Selangor.

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Evergreen Fibreboard Berhad
Registration No. 199101006810 (217120-W)

PLO 22 Parit Raja Industrial Estate, 86400 Parit Raja,
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