













GROWTH TRAJECTORY WITH SUSTAINABILITY

ANNUAL REPORT 2024

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Duli Yang Teramat Mulia Tengku Sarafudin Badlishah Ibni Sultan Sallehuddin

(Chairman) Independent Non- Executive Director

Dato' Ang Poon Chuan Managing Director

Data/ Ann Daan Khi

Dato' Ang Poon Khim Executive Director

Excedive Director

Datuk Ang Poon Seong

Executive Director

Ang See Ming

Executive Director

Tengku Muzzammil Bin Tengku Makram

Independent Non-Executive Director

Lee Kean Teong

Independent Non- Executive Director

Teoh Mei Shean

Independent Non-Executive Director

AUDIT COMMITTEE

Lee Kean Teong

(Chairman)

Teoh Mei Shean

Tengku Muzzammil Bin Tengku Makram

NOMINATING COMMITTEE

Teoh Mei Shean

(Chairman)

Tengku Muzzammil Bin Tengku Makram Lee Kean Teong

REMUNERATION COMMITTEE

Tengku Muzzammil Bin Tengku Makram (Chairman)

Teoh Mei Shean Lee Kean Teong

PRINCIPAL PLACE OF BUSINESS

Lot 52, Jalan PKNK 1/6, Kawasan Perusahaan Sungai Petani, 08000 Sungai Petani, Kedah Darul Aman. T: 604 441 7888 F: 604 441 9888

REGISTERED OFFICE

170-09-01 Livingston Tower, Jalan Argyll, 10050 George Town, Penang T: 604 229 4390 F: 604 226 5860 E: boardroom-kl@boardroomlimited.com

JOINT COMPANY SECRETARIES

Ong Tze-En

(MAICSA 7026537) (SSM PC No. 202008003397)

Lau Yoke Leng

(MAICSA 7034778) (SSM PC No. 202008003368)

AUDITORS

KPMG PLT

LLP0010081-LCA & AF 0758 Chartered Accountants Level 18, Hunza Tower, 163E Jalan Kelawei, 10250 Penang.

SHARE REGISTRAR

Shareworks Sdn. Bhd.

No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas 50480, Kuala Lumpur T: 603 6201 1120 F: 603 6201 3121 E: sharereg@shareworks.com.my

PRINCIPAL BANKERS

HSBC Bank Malaysia Berhad Hong Leong Bank Berhad Malayan Banking Berhad OCBC Bank (Malaysia) Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

Sector: Industrial Products Stock Name: TGUAN Stock Code: 7034 (Listing since 19 December 1997)







GROUP STRUCTURE & PRINCIPAL ACTIVITIES



THONG GUAN INDUSTRIES BERHAD

199401038519 (324203-K)

Investment holding activities as well as trading of plastic and petroleum products.

100%	(1981010078 Manufacturin 100% 51% 49%		100%	SYARIKAT THONG GUAN TRADING SDN. BHD. (197601003548)(29442-K) Manufacturing and trading of food and beverages products, trading of plastic products and wholesale of rice. 60% EVERPROSPER FOOD INDUSTRIES SDN. BHD. (199601012190) (384539-H) Manufacturing and trading of noodle products. 100% EVERPROSPER MARKETING (M) SDN. BHD. (200001021686) (524293-A) Dormant. 79% THONG GUAN TRADING (THAILAND) COMPANY LIMITED*** Manufacturing and trading of food and beverages products and plastic products.
		TG EUROPE A/S***** Trading of plastic products. TECHPAC SOLUTIONs ApS ******	100%	JAYA UNI'ANG SDN. BHD. (198301000881) (96114-P) Trading in film blown plastic products, food and consumable products.
		Trading of plastic products. TG PACKAGING SOLUTION LLC ****** Trading of plastic products.	100%	TGP MARKETING SDN. BHD. (200001028901)(531508-T) Dormant.
100%	(1980010032 Manufacturir	ASTIC INDUSTRIES SDN. BHD. (55) (57039-H) ng and sale of film blown plastic products plastic packaging products.		TG PLASPACK (VIETNAM) CO., LTD.** Dormant. TG PLASPACK MYANMAR CO., LTD**** Dormant.
85%	(2010010429	WRAP SDN. BHD. 129) (926857-K) ng and marketing of polyvinyl chloride pood wrap.	100% 	888 FOOD INDUSTRIES SDN. BHD. (201301031367) (1061196-H) Dormant.
70%	(2005010022	TIC INDUSTRIES SDN. BHD. (59) (679305-X) ng and marketing of plastic packaging products.	80%	888 CAFE SDN. BHD. (200301033357) (635778-D) Dormant.
100%	SDN. BHD. (2014010477	ESEARCH & DEVELOPMENT CENTRE 54) (1123943-X) d development centre for plastic packaging	100%	TG DEVELOPMENT SDN. BHD. (202201038927)(1484624-W) Property development.
100%	CO., LTD.*	AN PLASTIC INDUSTRIES (SUZHOU) ng and trading of plastic packaging	Note: * **	Incorporated in the People's Republic of China Incorporated in the Socialist Republic of Vietnam
100%	Manufacturir	ACK (SUZHOU) CO., LTD.* ng and trading of plastic packaging products.	*** ****	Incorporated in Kingdom of Thailand Incorporated in Hong Kong SAR of the People's Republic of China
	— 100%	CARGOSAFE R&D (SUZHOU) CO., LTD.* Dormant.	*****	Incorporated in Republic of the Union of Myanmar Incorporated in Denmark

******* Incorporated in United States of America

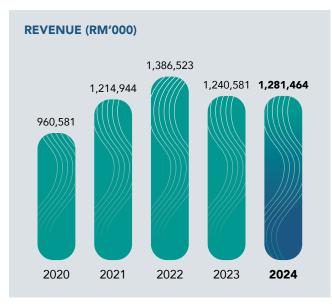
FINANCIAL HIGHLIGHTS AND INDICATORS

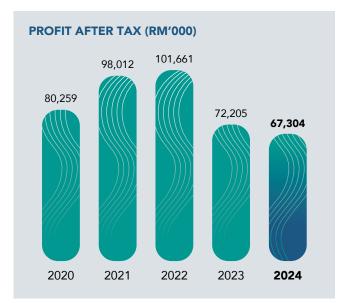
In RM '000	2020	2021	2022	2023	2024
Revenue	960,581	1,214,944	1,386,523	1,240,581	1,281,464
EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization)	125,978	154,398	159,519	133,997	130,923
Profit Before Taxation	99,912	125,218	124,435	91,666	87,706
Profit After Tax	80,259	98,012	101,661	72,205	67,304
Net Profit Attributable to Equity Holders	75,302	92,876	99,948	71,315	67,175
Total Assets	1,010,558	1,217,758	1,304,406	1,399,917	1,483,006
Total Borrowings	149,285	186,261	223,409	198,079	210,492
Shareholders' Equity	645,342	733,800	821,060	923,959	956,679
	2020	2021	2022	2023	2024

	2020	2021	2022	2023	2024
Determine Facility (9/1)	11.77	12 //	10.17	7.01	7.04
Return on Equity (%)	11.67	12.66	12.17	7.81	7.04
Return on Total Assets (%)	7.94	8.05	7.79	5.16	4.54
Gearing Ratio (Times)	0.23	0.25	0.27	0.21	0.22
Interest Cover (Times)	40.34	67.46	25.10	13.40	12.53
Earnings Per Share (Sen)	20.02	24.42	25.86	18.16	16.79
Net Assets Per Share (Sen)	169.48	189.55	210.27	233.66	238.19
Gross Dividend Per Share (Sen)	4.50	5.50	6.00	4.24	2.50
Price Earning (PE) Multiple (Times)	12.72	11.42	9.13	10.35	8.93
Gross Dividend Yield (%)	1.77	1.99	2.54	2.26	1.67
Share Price as at financial year end (RM)	2.54	2.77	2.36	1.88	1.50

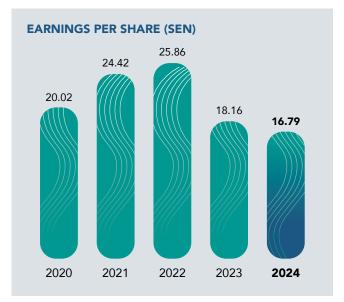


FINANCIAL HIGHLIGHTS AND INDICATORS

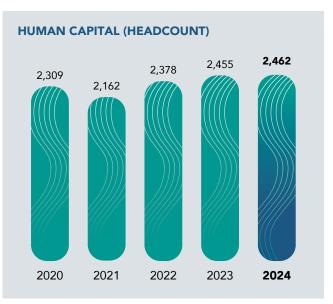












BUSINESS OVERVIEW

Thong Guan Industries Berhad ("the Group" or "Thong Guan" or "TGI") carry a manufacturing and trading business which involve in plastic products and packaged food, beverages and other consumable products. The Group major activities as below: -

- a) Manufacturing and trading the plastic products which included Japan garbage bags, Industrial used bags, stretch films & courier bags;
- b) Manufacturing and trading of coffee and tea products; and
- c) Distribution and trading of fast-moving consumer goods (FMCG).

BUSINESS STRATEGIES

Thong Guan's business strategy is based on the principle of creating value for our customers that safeguards not only their goods and returns but also the environment. During the Financial Year Ended 31 December 2024 ("FY2024"), the Group business dealt with higher prices for goods and services, along with changing interest rates and ongoing global tensions, managing cost while handling economic uncertainties was tough, demanding smart planning and flexible strategies to stay competitive in a volatile world market. Despite these challenges, the Group remained focused on developing more high-quality products to protect its revenue and profitability. Furthermore, the Group also prioritised sustainability issues and aimed to help its customers build a green and sustainable business environment. (Refer to sustainability report page).

FINANCIAL REVIEW

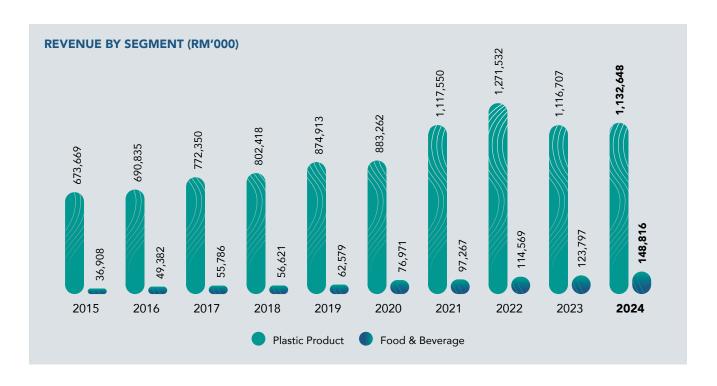
	31.12.2024 RM′000	31.12.2023 RM′000	Variance RM'000	Variance %
Revenue				
Plastic products	1,132,648	1,116,707	15,941	1.4
Food, beverages and other consumable product	148,816	123,797	25,019	20.2
Others		77	(77)	(100.0)
Group	1,281,464	1,240,581	40,883	3.3
Profit before tax				
Plastic products	90,540	92,792	(2,252)	(2.4)
Food, beverages and other consumable product	12,605	9,195	3,410	37.1
Others	(15,439)	(10,321)	(5,118)	(49.6)
Group	87,706	91,666	(3,960)	(4.3)

a) Revenue

The Group reported good performance compared to the previous financial year despite facing some unprecedented challenge during the year.

Our two major business segments, plastic segment's revenue increased compare to previous financial year whereas food, beverages and other consumable product recorded growth during FY2024. The increased revenue in plastic segment is due to increased sales volume on industrial bag and garbage bag division compared to previous financial year. In addition, the food, beverage and other consumable products revenue increased due to the growth sales in tea, coffee and instant beverage products division.

The chart below shows the revenue by segments for the past 10 years.



b) Profit Before Taxation ("PBT")

For FY2024, the PBT recorded RM87.7 million, which represents a decrease of 4.3% compared to RM91.7 million in FY2023. The worldwide inflation and tension had an impact on the operational costs, including resin cost, labour cost, and finance cost.

The following chart illustrates the Group's PBT and PBT margin for the past 10 years.



FINANCIAL POSITION

Assets

As of December 31, 2024, total assets had grown 5.9% to RM1.5 billion, up from RM1.4 billion in the previous year. The increase in total assets was mainly due to an increase in inventories amounting to RM61.2 million and an increase in cash and cash equivalents amounting to RM22.1 million. The Group has a total of RM313.3 million in cash and cash equivalents. This strong cash reserve will enable the Group to carry out its strategic expansion plans in a timely manner and navigate any unpredicted economic downturns with ease.

Liabilities

As of December 31, 2024, total liabilities had increased by 11.3% to RM496.6 million, up from RM446.1 million in the previous year.

Equity

As of December 31, 2024, total equity had increased from RM953.8 million in FY2023 to RM986.4 million, representing an increase of 3.4%. The increased in total equity was mainly due to profits generated in FY2024, after offsetting dividends paid to shareholders, as well as RM7.0 million in proceeds from the issuance of shares from the ESOS exercise.

SHARE CAPITAL AND EARNING PER SHARE ("EPS")

Share Capital

The number of issued shares increased to 404.4 million as at 31 December 2024 contributed from the exercise of ESOS during the financial year.

EPS

FY2024 basic EPS is 16.79 sen.

CASH FLOWS

Cash from operating activities

Net cash generated from operating activities was RM60.9 million in FY2024, compared to RM154.0 million in FY2023. This decrease was mainly due to higher raw material purchase compared to the preceding year.

Cash used in investing activities

Cash used in investing activities was RM27.8 million in FY2024, compared to RM90.5 million in FY2023. The net cash outflow was mainly due to the acquisition of property, plant and equipment amounting to RM33.7 million, compared to the previous financial year's RM57.9 million.

Cash from financing activities

Net cash used in financing activities was RM9.7 million in FY2024, compared to RM53.9 million in FY2023. In FY2024, the dividend paid and interest paid were RM22.0 million and RM10.4 million respectively, compared to the previous financial year's RM18.6 million in dividend payments and RM10.0 million in interest payments. In FY2024, there is net drawdown of loan and borrowing amounting RM17.4 million compared to net repayment of loan and borrowing amounting RM29.3 million in FY2023.

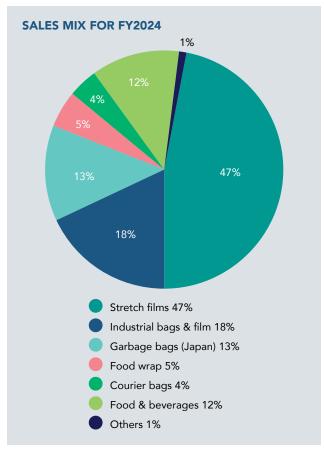


Figure 1: Sales Mix for FY2024

Plastic Division

The Group's plastic products comprise five main categories: stretch films, industrial bags, garbage bags, PVC food wraps, and courier bags. The revenue contribution from each category is 47%, 18%, 13%, 5%, and 4%, respectively.

During the financial year 2024, one stretch film line and one unit blown films line installed and fully commissioned.

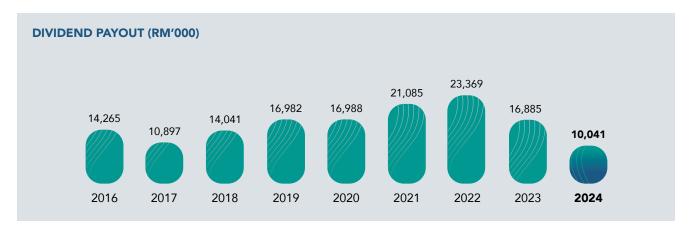
Food, Beverage and other Consumable Products (F&B)

During the financial year, the F&B division has delivered an annual contribution of 12% to the Group's total revenue. This is due to increase sales of tea, coffee and instant beverage products.

Dividend

The Group does not have an official dividend policy, it has consistently declared dividends to shareholders each year. On 18 October 2024, the Group paid a first single-tier interim ordinary dividend of 2.50 sen per ordinary share, with a total dividend payout of RM10.04 million for FY2024.

In total, Thong Guan has returned around RM144.6 million to shareholders over a period of 9 years. The following chart illustrates the Group's dividend payout since FY2016.



Key Risk relating to the Business and Mitigation

a) Foreign Currency Risk

Thong Guan is an export-oriented company with 70% of its revenue derived from abroad. As major part of the business transactions is transacted in US dollars (USD), hence foreign currency exchange losses or gains may arise during currency receipt or settlement. To mitigate this risk, we rely on natural hedge on foreign exchange to reduce the exchange difference. Additionally, the Group has banking facilities for foreign exchange forward contracts with several financial institutions. Should the need arise, forward contracts could be utilised to lock in the exchange rates between Ringgit and USD, after taking into consideration the exposure period and the related transaction costs.

b) High Business Concentration risk

90% of Thong Guan's revenue is generated from the plastic products segment, with the stretch film division contributing almost 50% to the total group revenue. A significant drop in sales of the stretch film division would have a deep impact on the Group's business income. As part of our risk mitigation strategy, we put a lot of effort into research and development to create more valuable products that can help us sustain and expand our current market share worldwide. We have set up Newton Research and Development Centre Sdn. Bhd. to provide services to our customers in training on cargo safety and load stability, reducing costs, and using plastic products in an environmentally friendly way.

Although we are highly dependent on the Stretch film division, in the next 10 years, the demand for stretch film will still be increasing.

Business Outlook

The world's economic conditions are expected to continue to be challenging. The management will continue to take precautionary measures amidst these global changes. The Group will take precautions to build on its market position and capture new growth areas, both locally and internationally, for all its product lines. Barring any unforeseen circumstances, we expect that all of the Group's business divisions will continue to be on an upward trajectory.

Appreciation

We would like to express our sincerest appreciation to all our valued customers, vendors, bankers, relevant authorities, and respective stakeholders for their continued support of Thong Guan, enabling us to advance with our strategic plans. The Group also takes this opportunity to acknowledge the contributions of our management team and staff members who have given their best commitment and hard work to propel the Group forward. Finally, we extend our heartfelt gratitude to the Board of Directors for their invaluable insights and guidance. Together, we will strive to ensure that Thong Guan achieves even stronger financial years ahead.



Duli Yang Teramat Mulia Tengku Sarafudin Badlishah Ibni Sultan Sallehuddin

Aged 58 | Male | Malaysian

DYTM Tengku Sarafudin was appointed as the Independent Non-Executive Director and Chairman on 25 August 2016.

DYTM Tengku Sarafudin graduated with a Bachelor of Laws Degree from Brunel University, London, United Kingdom and is a Barrister at Law from the Inner Temple, United Kingdom. He started his Career at Sime Darby Berhad in 1992 and was attached to the Corporate Planning and Legal Department and then to Industrial Relations Department. In late 1994, upon completion of his pupillage at Messrs Shearn Delamore & Co, he was admitted as an Advocate and Solicitor of High Court of Malaya. In 1997, he joined Pesaka Jardine Felming Sdn. Bhd., a financial advisory company where he was involved in compliance, secretarial and legal matters. In late 1999, he joined the Malaysian Communications and Multimedia Commission's Legal Department and he left in 2010 as the Head of Legal and Secretarial Department. He is currently a partner in the legal firm, Messrs Kamil Hashim Raj & Lim. DYTM Tengku Sarafudin was proclaimed as the Crown Prince of Kedah on 26 November 2017. He was proclaimed as the Pro Chancellor 1 of Universiti Utara Malaysia in November 2018, as Pro Chancellor of Universiti Islam Antarabangsa Sultan Abdul Halim Mu'adzam Shah and as Chancellor of Management & Science University, both in February 2019.

He attended all the five Board meetings held for the financial year. He does not have any family relationship with any director and/or major shareholders of the Company. He is the cousin of Tengku Muzzammil Bin Tengku Makram, Independent Non-Executive Director. He has no conflict of interest with the Company and does not hold any other directorship in public companies. He has not been convicted for any offences (other than traffic offence, if any) over the past 5 years and has not been imposed of any public sanction or penalty by relevant regulatory bodies during the financial year.

Dato' Ang was appointed as the Managing Director on 18 September 1997.

He completed his MCE prior to joining Thong Guan Industries Berhad ("TGI") as a Marketing Executive in 1965. He rose through the ranks to the position of Managing Directors of Syarikat Thong Guan Trading Sdn. Bhd. and Thong Guan Plastic & Paper Industries Sdn. Bhd. (both wholly-owned subsidiaries of TGI) in 1983. During his 60 years of service, he has gained extensive knowledge of the plastic, paper, food, beverages and trading business. His invaluable business acumen and foresight has shaped and build TGI to its present stature. He is a well-respected figure in the plastic industry and was the former President of the Malaysian Plastic Manufacturers Association (Northern Branch).

He attended all of the four Board meetings held for the financial year. He is the brother of Dato' Ang Poon Khim and Datuk Ang Poon Seong and the father of Ang See Ming. He is a shareholder of Foremost Equals Sdn. Bhd. which is a major shareholder of TGI. He has no conflict of interest with the Company other than as disclosed in Audit Committee Report in the Annual Report and Circular to shareholders dated 30 April 2025 on recurrent related party transactions and does not hold any other directorship in public companies. He has not been convicted for any offences (other than traffic offence, if any) over the past 5 years and has not been imposed of any public sanction or penalty by relevant regulatory bodies during the financial year.



Dato' Ang Poon Chuan

Aged 80 $\,$ I Male $\,$ I Malaysian



Dato' Ang Poon Khim

Aged 70 I Male I Malaysian

Dato' Ang was appointed as the Executive Director on 18 September 1997.

He obtained a Bachelor of Science (Hons) in Mechanical Engineering from Teeside University, U.K and joined Thong Guan in 1980. During his early career with the TGI, he demonstrated in-depth involvement in operations and international market expansion. He also spearheaded product development initiatives for stretch film products, driving innovation in the sector.

Recognising the critical importance of load and cargo safety, he established the Newton R&D Centre, a dedicated research and development division within TGI to ensure that packaging products deliver optimal safety and reliability during use.

In recent years, his contributions to TGI have included overseeing group operations and serving as a catalyst for advancing the group's ESG (Environmental, Social and Governance) and sustainability initiatives.

Currently serving as Executive Director of the Group, he also holds the position of Chairman of KISMEC (Kedah Industrial Skills and Management Development Centre), where he continues to champion workforce development and industrial excellence.

He attended all of the four Board meetings held for the financial year. He is the brother of Dato' Ang Poon Chuan and Datuk Ang Poon Seong. He is a shareholder of Foremost Equals Sdn. Bhd., which is a major shareholder of TGI. He has no conflict of interest with the Company other than as disclosed in Audit Committee Report in the Annual Report and Circular to shareholders dated 30 April 2025 on recurrent related party transactions and does not hold any other directorship in public companies. He has not been convicted for any offences (other than traffic offence, if any) over the past 5 years and has not been imposed of any public sanction or penalty by relevant regulatory bodies during the financial year.

Datuk Ang was appointed as the Executive Director on 18 September 1997.

He is an accomplished business leader, currently serving as the Managing Director of Jaya Uni'ang Sdn. Bhd. and Uniang Plastic Industries Sdn. Bhd., both wholly-owned subsidiaries of TGI. He started as a Marketing Executive at Thong Guan after completing his MCE in 1976. Due to his exceptional performance, he quickly rose through the ranks and was soon tasked with spearheading the company's expansion into Sabah in 1980. With his visionary leadership and unwavering commitment, he successfully established the Sabah operations of TGI Group, which grew to become the largest plastic flexible packaging manufacturer in Sabah.

Under his stewardship, the Sabah operations of TGI Group significantly contributed to the state's economy and provided employment opportunities for many locals. Datuk Ang's dedication and expertise have also earned him various positions in industry associations, including Advisor of Small and Medium Enterprise Association of Sabah, Advisor of Malaysia China Chamber of Commerce (Sabah Branch) and Advisor of Sabah Liu Kwee Tang Clansmen Association. Moreover, he has previously served as Chairman of the Malaysian Plastics Manufacturers Association (Sabah Branch) and President of the Federation of Sabah Manufacturers, highlighting his valuable contributions to the growth and development of the plastics manufacturing industry in Sabah.

He attended all of the four Board meetings held for the financial year. He is the brother of Dato' Ang Poon Chuan and Dato' Ang Poon Khim. He is a shareholder of Foremost Equals Sdn. Bhd., which is a major shareholder of TGI. He has no conflict of interest with the Company other than as disclosed in Audit Committee Report in the Annual Report and Circular to shareholders dated 30 April 2025 on recurrent related party transactions and does not hold any other directorship in public companies. He has not been convicted for any offences (other than traffic offence, if any) over the past 5 years and has not been imposed of any public sanction or penalty by relevant regulatory bodies during the financial year.



Datuk Ang Poon Seong

Aged 69 | Male | Malaysian



Mr. Ang See Ming

Aged 55 | Male | Malaysian

Mr. Ang was appointed as the Executive Director on 11 December 2013.

He holds a Bachelor of Business (Accounting) degree from Monash University, Australia. He joined TGI in 1993 as an Account Executive and rose through the ranks to become the General Manager prior to his appointment to the Board. He was instrumental in planning the listing of TGI on the Kuala Lumpur Stock Exchange and has contributed immensely to the growth of TGI.

He attended all of the four Board meetings held for the financial year. He is the son of Dato' Ang Poon Chuan and the nephew of Dato' Ang Poon Khim and Datuk Ang Poon Seong. He has no conflict of interest with the Company other than as disclosed in Audit Committee Report in the Annual Report and Circular to shareholders dated 30 April 2025 on recurrent related party transactions and does not hold any other directorship in public companies. He has not been convicted for any offences (other than traffic offence, if any) over the past 5 years and has not been imposed of any public sanction or penalty by relevant regulatory bodies during the financial year.

Tengku Muzzammil was appointed as the Independent Non-Executive Director on 25 August 2016.

He graduated with a Diploma in Business Studies and Diploma in Marketing from Stamford Group of Colleges. He started his career at Pembinaan Jayabumi (S) Sdn. Bhd. in 1996 as Marketing Executive. Thereafter, in 1997, he assumed the role as Special Project Executive in FACB Berhad. In 1998, he joined R. AT Design Sdn. Bhd. as an Assistant Manager and was promoted to General Manager in 2002. He is the owner of TM Med Sdn. Bhd. which specialised in the provision of medical supplies to government hospital.

He serves as the Chairman of Remuneration Committee and is a member of the Audit Committee and Nominating Committee. He attended all the five Board meetings held for the financial year. He does not have any family relationship with any director and/or major shareholders of the Company. He is the cousin of Duli Yang Teramat Mulia Tengku Sarafudin Badlishah Ibni Sultan Sallehuddin, Independent Non-Executive Chairman. He has no conflict of interest with the Company. He has not been convicted for any offences (other than traffic offence, if any) over the past 5 years and has not been imposed of any public sanction or penalty by relevant regulatory bodies during the financial year.



Tengku Muzzammil Bin Tengku Makram

Aged 51 | Male | Malaysian



Mr. Lee Kean Teong

Aged 66 | Male | Malaysian

Mr. Lee was appointed as the Independent Non-Executive Director on 28 November 2022.

He was with KPMG Malaysia for more than 35 years and was a partner until his retirement on 31 December 2014. He qualified as a Chartered Accountant of Malaysia Institute of Accountants (MIA) and is also a member of Malaysian Institute of Certified Public Accountants (MICPA).

He has extensive experience in audit and management consulting throughout his career. He was the engagement partner for a wide range of companies which include public listed companies and multinationals in various industries, mainly in manufacturing, property development and construction, hotel, stock broking and finance. He currently sits on the Board of EG Industries Berhad, Asas Dunia Berhad and Oriental Holdings Berhad.

He serves as the Chairman of Audit Committee and is a member of the Remuneration Committee and Nominating Committee. He attended all of the five Board meetings held for the financial year. He does not have any family relationship with any director and/or major shareholders of the Company. He has no conflict of interest with the Company. He has not been convicted for any offences (other than traffic offence, if any) over the past 5 years and has not been imposed of any public sanction or penalty by relevant regulatory bodies during the financial year.

Ms. Teoh was appointed as the Independent Non-Executive Director on 28 November 2022.

She graduated with a Bachelor of Architectural Studies (Hons) and a Diploma in Architecture from the University Of Glasgow, Scotland. She is a member of the Board of Architects Malaysia and the Malaysian Institute of Architects, and is also a Board Member of the Lembaga Totalisator Malaysia of the Ministry of Finance.

She started her career at Keppie Design Ltd. In Glasgow for a year before returning to Malaysia in 2002. On her return from the United Kingdom, she joined M.K.Teoh Architect as Project Architect for 6 years, before joining Arkitek ZAA Sdn Bhd in 2008. She is one of the main consulting architects leading the practice currently and has extensive experience in design and project management on a variety of projects specialising in hospitality, institutional and residential buildings.

She serves as the Chairman of Nominating Committee and a member of the Audit Committee and Remuneration Committee. She attended all of the five Board meetings held for the financial year. She does not have any family relationship with any director and/or major shareholders of the Company. She has no conflict of interest with the Company. She has not been convicted for any offences (other than traffic offence, if any) over the past 5 years and has not been imposed of any public sanction or penalty by relevant regulatory bodies during the financial year.



Ms. Teoh Mei Shean

Aged 47 | Female | Malaysian



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Sustainable Operations	55

OUR SUSTAINABILITY COMMITMENT

and more sustainable world as we strive toward our "We are dedicated to fostering a safer, enhanced, goal of becoming champions for sustainability.

We achieve this by directing our efforts towards product innovation, cultivating a positive organizational culture and governance, minimising waste, reducing emissions, and responsibly managing and preserving resources."



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Global Reporting Initiative Content Index

About Us

Who We Are

"Thong Guan", "the Group", "us", "our", or "we") has been continuously evolving to strive for sustainable growth. Over 80 years in business operations, we have established well-diversified plastics packaging products and food and beverage in this fast-paced era of business globalisation, Thong Guan Industries Berhad "F&B") businesses and export to over 70 countries.

aligns with its strategic plan to diversify into property development and establish a Negeri Kedah to undertake a 20-acre commercial development project. The project In May 2024, the Group entered into a joint venture with Perbadanan Kemajuan new source of income. A property development sales office was set up in Sungai Petani, Kedah in year 2024, however, the Group has yet to commence development activities as of 31 December 2024. In line with the Group's sustainability direction, it ceased its additives production, including the production of calcium carbonate in 2024. The closure of the additives production is inconsequential to the Group. As we continue our growth strides, we are very cautious of our impact on the economic, social and environmental scales. Therefore, it is pertinent to understand the matters that affect the Group's sustainability and ensure that we identify and manage them accordingly.

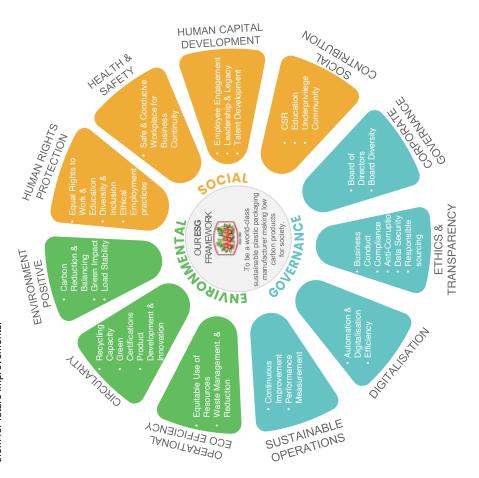


1 Sales Office USA

Our ESG Framework

#LiveGreen Roadmap

Our Environmental, Social, and Governance Framework outlines our goal, key initiatives, and strategic action plans encompassing factors related to environmental, social and governance. The aim is to make sustainability easier to achieve through sharing of our successes, document the pitfalls encountered and challenges met, and how we overcome them for future improvements.



Our Core Strategies

Matching our core strategies with United Nation (UN) Sustainability Development Goals (SDGs)

We want to build economic growth and address a range of social needs, including education, health, social protection and job opportunities, while tackling climate change issues through environmental conservation and preservation.

We create value focusing on 3Ps—People, Planet and Prosperity. We develop our Environmental, Social and Governance (ESG) core strategies through the guidance of UN SDGs.

Our Initiatives

TG as a stakeholder and steward of the planet, our sustainability and corporate citizenship

Climate Change & Energy
 Health, Safety & Well Being
 Corporate Social Responsibilities &

Recycling & Circular Economy

Collaboration Effective, Accountable & Transparent Organisational Structure & Culture

encompass

initiatives

these areas.

SUSTAINABLE GCALS DEVELOPMENT GCALS



About Our Sustainability Statement

TG Sustainability statement aims to deliver clear understanding of our sustainability commitments, ambitions, actions, and progress. This Statement furnishes information into our strategies for overseeing of our operations, encompassing matters related to the economy, the environment, the social and governance issues. At Thong Guan, sustainability is embedded in all our business activities so that we can foster meaningful and long-lasting relationships with all our stakeholders and contribute to national growth.

Scope & Boundaries

Information in this statement primarily reflects the sustainability performance of Thong Guan during the period of 1 January 2024 to 31 December 2024. It covers the two business segments of the Group, namely, plastic packaging and food & beverages in Malaysia, China and Thailand. It does not cover overseas sales offices in United States and Denmark. Historical information from previous years was include, wherever applicable, to provide a basis for comparison. No restatement of information in Ex2024.

Reporting Framework

This statement has been prepared to conform with the applicable requirements of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, Bursa Malaysia's Sustainability Reporting Guide (3rd Edition) as well as with reference to the global best practices for sustainability, i.e. United Nations Sustainable Development Goals and the Global Reporting Initiative ("GRI") Standards 2021 as respond to emerging information demands from stakeholders and regulators.

Assurance

We strive to improve our data collection in Thong Guan to ensure completeness and accuracy. The information in this Statement has been reviewed by the Thong Guan Risk Management Task Force. This Statement has yet to be externally assured.

Report Contact

lf you have any questions, comments or feedback regarding the report, please contad: info@thongguan.com

Sustainability Governance

Sustainability-related topics fall under the purview of the executive committee, assisted by the risk management task force. Our executive director, Dato Ang Poon Khim represents the executive committee in reporting the sustainability-related matters to the Board of Directors.

We led our sustainability framework from the top-down, and each level of our organisation holds its respective responsibilities

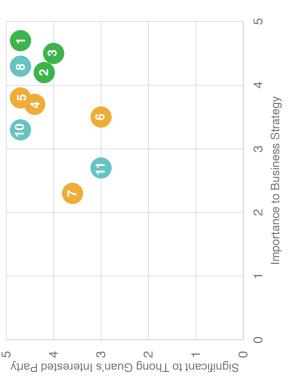
Sustainability Governance

				ı
Thong Guan's Board of	 Review the Group's sustainability matters and ensure business 	ainability ness	Executive DirectorsNon-Executive	
Directors	strategy considers sustainability.	inability.	Directors	
governance	 Provide advice and direction of 	tion of		
body	sustainability in the Group when	np when		
overseeing the	necessary, leading sustainability	ainability		
management of ESG	 agenda. Provide the final review and 	pue		
impacts)	approval on sustainability matters	y matters		
	related to Thong Guan.		→	
Risk	 Responsible for assessing and 	ng and	 Executive Directors 	
Management	identifying material sustainability	ainability	 Divisional COO 	
Task Force	factors.		 General Manager 	
	 Develop sustainability strategies, 	rategies,	 Senior Sustainability 	
	policies, practices, targets and	ts and	Manager Head of Departments	
	Indertake actions percessary to	oc.	• Head of Departments	
	oddroco cuotoinobility oo:	saly to		
	address sustainability concerns.	incerns.		
		1015		
	ensuring the robustness of the	ot the		
	system of sustainability			
	management.			
	 Report to the Board on the 	Je		
•	progress in sustainability matters	matters ,	•	
+	and programs.		→	
Sustainability	Support strategy implementation	entation	Operation leaders	
Leaders at	developed by the Risk		 Key department 	
Operating	management Task Force to ensure	e to ensure	representatives	
Level	sustainability objective is achieved.	achieved.		
	 Ensure sustainability processes 	sesseo		
	and controls are in place within its	within its		
	departments/ functions.	:		
	 Review and feedback on all 	ı all		
	measurements for improvement.	vement.		

The Board aims to stay well-informed about sustainability management, including climate-related risks and opportunities. Additionally, Thong Guan implemented sustainability-linked Key Performance Indicators (KPIs) in the evaluation process senior management to foster accountability and drive sustainability performance across the organization.

Materiality Assessment

The Risk Management Task Force conducted the materiality assessment process to pinpoint significant economic, environmental, social and governance risks and opportunities affecting our business. This procedure offers stakeholders insights for decision-making and prioritizing the company's interests, guided by Bursa Securities' Sustainability Reporting Guide and Toolkits. In 2024, There were no changes in the top 10 material matters. These matters were selected based on considerations of emerging global trends, ESG rating agency requirements, and stakeholder concerns and expectations. The Risk Management Task Force has recognised and ranked numerous sustainability concerns pertaining to the Group's operations, considering their impact and feedback from stakeholders.



- Corporate Governance and Sustainable Operations Ethics & Transparency ω
 - Digitalisation 901

Climate Change and Decarbonisation

Human Rights Protection

4

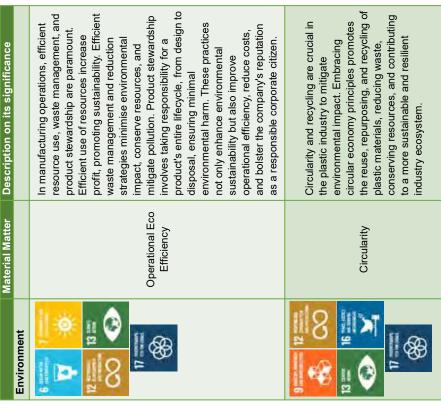
Operational Eco Efficiency

Circularity

Human Capital Development

Social Contribution Health & Safety

The table below offers a concise overview of Thong Guan's material matters and their significance. These 10 material matters align with supporting UN Sustainable Development Goals (SDGs), which aim to eradicate poverty, safeguard the environment and climate, and promote peace and prosperity for all Description on its significance **Material Matter Environment** people.



	Govern		9	Econom 8	潭	
Material Matter Description on its significance	The greenhouse gas (GHG) emissions from our manufacturing and supply chain activities, along with high water usage, contribute to climate change and strain valuable resources. To mitigate adverse effects on both our business and the environment, managing energy consumption to reduce carbon footprint and ensuring water security are vital for minimising environmental impact.		Implementing human rights and ensuring fair treatment of employees enhances job satisfaction and underscores our commitment as an empathetic employer who upholds stakeholders' basic human rights and complies with relevant laws, regulations, and employment and human rights standards.	Ensuring a healthy and safe workplace is paramount to preserving the health and overall well-being of employees and stakeholders, mitigating the risk of accidents, and is pivotal in attracting and retaining talent.	Attracting and retaining talent is vital for cultivating a skilled team, decreasing turnover rates and associated costs, and ultimately fostering stronger customer relationships.	Consistent training and leadership development programs will elevate employee skills and competencies, fostering career growth and enabling them to meet the evolving demands of the company.
Material Matter	Climate Change and Decarbonisation (Environment Positive)		Human Rights Protection	Health & Safety		Human Capital Development
	12 and 13 and 15 and 16	Social	1 1 1 1 1 1 1 1 1 1	3 %	3 ==== 4 ====	E

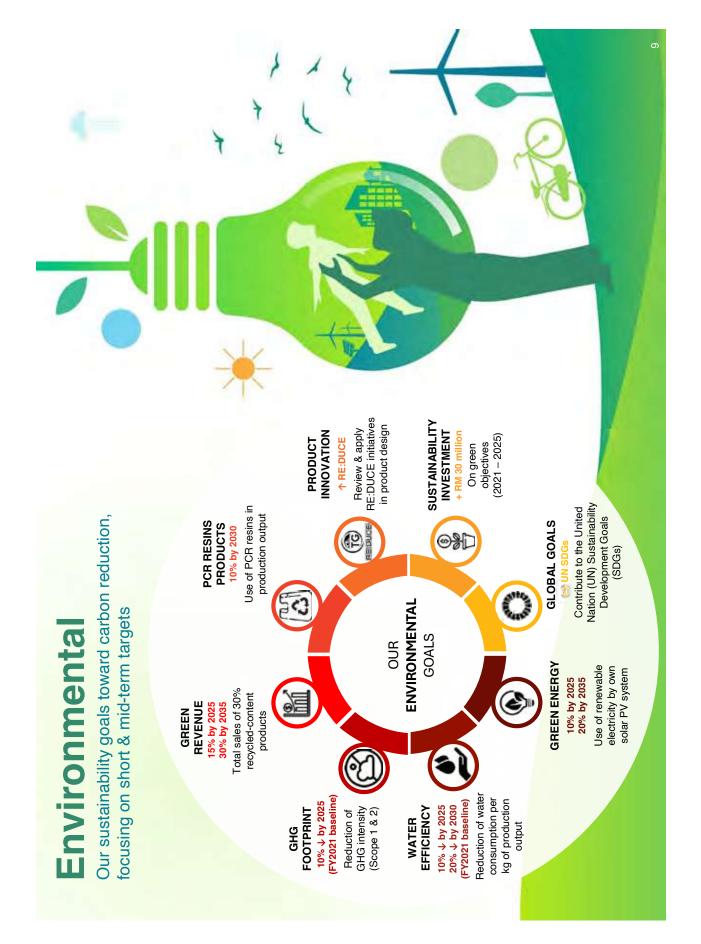
	Material Matter	Description on its significance
3 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Social	Corporate responsibility involves supporting the community as a means to nurture mutual growth and demonstrate care towards society.
Governance*		
16 vite more and an analysis a	Corporate Governance and Ethics & Transparency	Sound corporate governance and ethical business practices cultivate an atmosphere of trust, transparency, and accountability essential for nurturing enduring investment, financial stability, and corporate integrity. Our corporate governance adheres to the directives outlined in our Board Charter, Code of Conduct, and policies on anti-corruption and risk management. We also recognised a responsible and transparent supply chain is essential to mitigating social and environmental risks.
Economic*		
S manual 36 minutes 20	Sustainable Operations	In sustainable operation, growth and profit are vital for long-term viability, innovation, attracting investors and talent, scaling impact, building resilience, and demonstrating success. They provide resources to expand sustainability efforts and deliver long term value to the stakeholders.
9 min man	Digitalisation	Automation and digitalization in future manufacturing operations reduce reliance on manual labour, enhancing efficiency, productivity, and quality. By streamlining processes and minimizing human intervention, these technologies mitigate labour shortages, decrease errors, and ensure consistency.

Stakeholder Engagement

Staying relevant & add value

Stakeholder engagement is key to ensuring our business continue be relevant and add value. The table below shows the engagement activities we have carried out during financial year 2024.

STAKEHOLDERS	AREAS OF INTERESTS	METHOD AND FREQUENCY
Bankers, Investors & Shareholders	 Sustainable Operations Ethics & Transparency Corporate Governance 	 Quarterly Financial Result Annual General Meeting Company Website Annual Reports Press Release
Customers, Suppliers & Business Partners	 Operational Eco Efficiency Circularity Environment Positive Responsible Sourcing Ethics & Transparency Digitalisation 	 Customer Satisfaction Survey/Supplier Evaluation Customer Service & Communication Trade Fairs & Frequent Site Visits Regular meetings
Employees	 Human Rights Protection Health & Safety Human Capital Development 	 Communications, through counselling & memo circulation Workplace Continuous Improvement Annual Performance Appraisal Trainings & Workshops Employee Events, including outing and get together gathering
Regulators, Government & Authorities	Corporate GovernanceCircularityEnvironment Positive	Compliance & Certification Exercises, including site visits and audits by authorities/certification bodies
Local communities & NGOs	CircularityEnvironment PositiveSocial contribution	 Educational Site Visits Community Outreach Programmes Financial support/contribution
Consultants (in the areas of business, finance, environment, social and governance)	 Corporate Governance Ethics & Transparency Circularity Environment Positive Health & Safety 	Communications, through collaborations and engagement sessions with consultants



Environmenta

Environmental Progress:

2024 ENVIRONMENTAL HIGHLIGHTS

Commencement of installation of solar power systems at 3 factories in FY2024, with a targeted group capacity of 8,625.5 kWp (FY2023: 4,425.8 kWp). As of 31 March 2025, installation at 2 factories has been completed.

100% of our main packaging materials (paper core and carton) made of recycled and recyclable material.

Improve energy efficiency by changing water pumps and air compressor. 2 factories have completed the implementation.

Consumption up to 3,500 pcs of recycled wooden pallet per month through collaboration with supplier

Reporting of Scope 3 emissions to encompass 2 categories

is certified with ISCC Plus

during FY2024.

An additional subsidiary

Resin handling improvement projects were carried out in alignment with the OCS principles

Continue providing innovative packaging solutions to customers.

Recycling & Circular Economy

Climate Change & Energy

OUR APPROACH TO ENVIRONMENT MANAGEMENT

As a responsible corporate citizen committed to environmental sustainability, we are dedicated to taking meaningful actions. These include regulating our resources usage, minimising air and water pollution and emphasizing wildlife conservation by supporting the Operation Clean Sweep (OCS) program, minimizing waste to landfill through recycling, and adhering to regulations set on hazardous waste.

Establishing a robust environmental governance framework is essential for integrating best practices and strategies across our value chain, ensuring accountability among relevant functions and teams. The Risk Management Task Force plays a pivotal role in driving environmental management initiatives aligned with Thong Guan's environmental goals. Supported by our Environmental Management System (EMS), which upholds high standards of environmental business conduct, the responsibilities of the Risk Management Task Force include:

- Overseeing sustainability issues stemming from internal and external factors.
- Endorsing and proposing new ESG (Environmental, Social, and Governance) initiatives.
- Presenting the progress of ESG initiatives to senior management and the Board of Directors.
 - Implementing and monitoring decarbonization and other environmental initiatives.

RISK MANAGEMENT THROUGH INNOVATION AND COMPLIANCE

There has been a significant rise in public consciousness regarding the imminent threats posed by climate change and global warming. This heightened awareness has led to an escalating demand for products and solutions that boast reduced climate impact. Moreover, with the anticipated surge in regulatory requirements pertaining to plastics in the foreseeable future, the imperative to adapt and innovate is becoming increasingly urgent.

During our FY2024 enterprise review meeting, evolving legislative changes related to climate change, plastic waste and circularity continue to be the key risks impacting our international operations, particularly in the EU and USA. These factors pose significant challenges to our business.

Failure to heed both legislative mandates and evolving customer expectations could result in a decline in sales volumes for Thong Guan. To preemptively address this challenge, we diligently monitor legislative developments, ensuring swift and strategic responses. Additionally, we have proactively bolstered our regulatory expertise over the years, enabling us to remain abreast of forthcoming changes and actively engage with pertinent industry associations.

We aim not only to comply with regulatory frameworks but also to anticipate and exceed customer demands for environmentally responsible solutions. This proactive stance positions us at the forefront of sustainability initiatives, reinforcing our commitment to environmental stewardship while safeguarding our market competitiveness.

Energy Management

mproving operational efficiency & Increasing the use of renewable energy

mproving operational efficiency

Efficient energy management is central to our commitment to sustainability and environmental stewardship. Our proactive approach involves not only investing in operational and energy efficiency but also fostering a culture of continuous improvement.

In FY2023, recognizing the importance of structured oversight, we established an energy management committee. Comprising senior management, this committee provides strategic direction and oversight, ensuring alignment with our sustainability goals. By closely monitoring progress and evaluating outcomes, we ensure accountability and drive meaningful results. With the implementation of the Energy Efficiency and Conservation Act (EECA) in Malaysia, our Energy Committee is responsible for overseeing compliance, ensuring alignment with regulatory requirements, and driving energy efficiency initiatives across our operations.

Six of our plastic packaging factories have successfully completed energy audits, demonstrating our proactive commitment to identifying opportunities for energy optimization and efficiency improvements across our operations. Through systematic evaluation of energy usage and performance, we are able to implement targeted measures to minimise waste and reduce environmental impact throughout our facilities. Our goal is to achieve a 5% reduction in the Building Energy Index within three years following the completion of the audits. This ambitious target marks a significant milestone, particularly given that our facilities already operate under a robust energy management program.

Projects initiated during FY2024 include:

Energy Efficiency Review of Key Equipment: A project was launched to assess the energy efficiency of critical equipment, including air compressors, condenser pumps, chiller pumps, and production pumps. To support this initiative, we started replacing outdated equipment with more energy-efficient alternatives. The project is ongoing and will continue into FY2025. To date, two of our factories have successfully completed the implementation.

Installation of Power Meters: We initiated the installation of power meters to monitor electricity consumption across our facilities. The installation for our major subsidiary was substantially completed in FY2024. The project will continue into FY2025 to extend the installation to other subsidiaries.

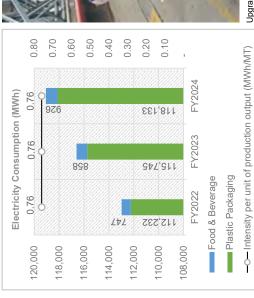
Ventilation Improvements: Building ventilation systems have been enhanced to improve natural airflow, thereby reducing dependency on electric air blowers and contributing to lower overall energy consumption.

Energy Saving Awareness Program: An energy-saving awareness program was conducted to educate employees on the importance of electricity conservation. The program included discussions on energy-saving practices and techniques for monitoring electricity usage.

In prior years, other power energy-saving projects include changing the chiller system, lightings to energy-saving bulbs & tubes, control system from direct online starter to variable frequency drive. These transformations brought considerable energy savings.

Through these initiatives, we target to reduce emissions and enhance operational resilience and cost-effectiveness. Our commitment to sustainable energy practices underscores our responsibility to future generations.

Although we maintained our electricity efficiency at 0.76 MWh/MT of output, we believe these initiatives will enhance our energy consumption efficiency in the near future.



Upgrading air compressor piping work

Energy Management

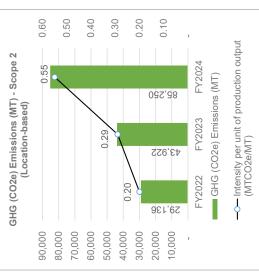
mproving operational efficiency & Increasing the use of renewable energy

Electr	Electricity Consumption (MWh)	iption (MWh)	
	FY2022	FY2023	FY2024
Food & Beverage	747	858	926
Plastic Packaging	112,232	115,745	118,133
Total	112,979	116,603	119,059
Powered by:			
Solar PV System	4,468	5,067	5,570
GET	66,759	49,578	1
Fossil-based	41,752	61,958	113,489
Total	112,979	116,603	119,059

MT)	FY2024	85,250
e) Emissions (I	FY2023	43,922
Scope 2 GHG (CO $_{ m 2}$ e) Emissions (MT)	FY2022	29,136
Sco		Total

Note:

- Scope 2 emission factors refer to:
- Grid emission factors in Malaysia (2017-2021) published Electricity emission factor published by Ministry of Ecology by Suruhanjaya Tenaga Malaysia
- and Environment of the People's Republic of China dated 15 March 2022, 25 April 2023, 20 December 2024 Electricity emission factor published by Ministry of Energy
- Electricity emission factor published by United States Environmental Protection Agency of Thailand A
 - Electricity emission factor published by The Danish Energy



Harnessing renewable energy

In FY2018, we began installing solar photovoltaic (PV) system on the roofs of our factories to reduce our reliance on conventional energy.

commenced installation of solar power systems at solar systems at two production facilities, bringing our total investment in solar PV systems to RM13.3 million. We continue to identify opportunities to capacity to 8,625.5 kWp (FY2023: 4,425.8 kWp) In FY2023, we completed the installation of solar PV solar capacity and, in FY2024 installations will increase our Group's total three additional factories. Once completed, with a total investment cost of RM20.38 million onr expand

'GET electricity is from solar and hydro generators. This offered us a further reduction opportunity of our GHG emissions in line with our support of the Paris Agreement and our development of local renewable energy

Limitations of available rooftop space and variability of energy output indeed present significant challenges that limit our ability to exceed the 10% target

In FY2024, we achieved 4.7% (FY2023: 4.3%) usage of renewable electricity generated by our own solar PV system on a group-wide basis. With these additions, we estimate that our Although this is slightly below our target of 10% by 2025, we remain committed to identifying further opportunities to achieve Group's total renewable energy mix will reach 9% by 2025. our renewable energy goals.

practices and reducing our carbon footprint. By investing in These initiatives underscore our commitment to sustainable sources, we not only reduce our environmental impact but also enhance our resilience to energy price fluctuations. Ultimately, these efforts contribute to longterm cost savings and operational efficiency. renewable energy

We subscribed to the Green Energy Tariff (GET1) Programme by Tenaga Nasional Berhad (TNB) since the first quarter of 2022 as to increase our use of renewable electricity. Through this initiative, we achieved 63% and 47% renewable energy usage on a Group-wide basis in FY2022 and an alternative means =Y2023 respectively.

For example, we are currently exploring Virtual Power Purchase In FY2024, the increase in our Scope 2 emissions was primarily due to the cessation of our subscription to the GET in August 2023, driven by high subscription costs. However, this setback Agreement (VPPA) opportunities in Malaysia as a viable option has not deterred us from actively pursuing alternative solutions. to reinforce our commitment to renewable energy

- ✓ In 2024, our combined use of 5,067 MWh of solar energy
- Since the installation of the PV system in FY2018, our combined use of 22,852 MWh of solar energy saved over 18.059 tCO₂e (As of 31 December 2024).

Water Management

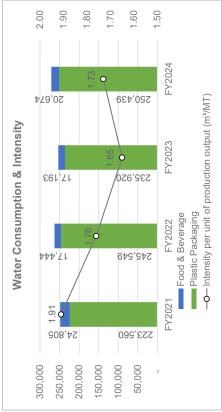
Managing & reducing our water consumption

Water Management Policy

- Thong Guan adheres to all relevant environmental laws, international standards, procedures, and regulations in the countries where we operate. We consistently demonstrate responsible water usage by optimizing water utilization while safeguarding water sources.
- We have committed to decreasing our water intensity and mitigating water-related risks through our enterprise risk management framework.
- We preserve water quality by preventing plastic pellets from entering waterways and the environment.

	Focus	Area	Water
Environment	Motrico	Mellics	Reduction in water intensity (Based on FY2021 baseline)
nt Progress Against Targe		2022	7.8%
gainst Tar	Progress	2023	13.6%
gets		2024	9.4%
	Tar	2025	10%
	Target	2030	20%

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FY2021 baseline)	
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	Wate	Vater Consumption (m³)	n³)	
	FY2021	FY2022	FY2023	FY2024
Food & Beverage	24,805	17,444	17,193	20,674
Plastic Packaging	223,560	245,549	235,920	250,439
Total	248,365	262,933	253,113	271,113

In FY2024, our water intensity increased from 1.65 in FY2023 to 1.73, primarily due to the installation of new facilities and machinery. Despite this, we achieved a 9.4% reduction in water intensity compared to our FY2021 baseline, slightly below our target of a 10% reduction. We remain committed to identifying opportunities to further reduce water consumption and will continue to promote water conservation practices across our daily operations.

Consuming Water Responsibly

While water is not a primary component in our manufacturing process for plastic packaging and the food & beverage sector, it remains a significant focal point in our resource management strategies. Our F&B Division mainly processes dry material.

We initiate our water management strategy by responsibly utilizing water from municipal pipelines, which currently serve as our primary water source. Our objective is to decrease our reliance on municipal water sources by minimizing water wastage throughout our operations. For instance, we implement practices such as continuous recirculation and reuse of water in cooling towers to diminish evaporation and limit wastage. Additionally, we conduct regular monitoring of our water usage to detect any irregularities and pinpoint areas for enhancement, all while ensuring there are no leakages that could contribute to water wastage.

Additionally, we conduct periodic monitoring of the effluent quality from our plastic packaging manufacturing plants. Samples are collected and dispatched to third-party laboratories for analysis. Over the past three years, we have complied with regulations concerning both water consumption and quality, with zero incidents of non-compliance reported.

ENVIRONMENTAL OPERATIONAL ECO EFFICIENCY I. EQUITABLE USE OF RESOURCES Water Management

Managing & reducing our water consumption

Consuming Water Responsibly

predictive methods. We rely on the AQUEDUCT Water Risk Atlas, which employs 13 indicators to assess our water risk, stress levels, and forecast fluctuations in demand and supply at our sites. Senior management and the Risk Management Task Force To optimise water resource utilization at our operational sites and alleviate strain on water-stressed environments, we implement proactive measures and utilise utilise these results to formulate remediation strategies for water optimization.

Overall Water Risk	Low - Medium (1-2)	Medium - High (2-3)	Medium - High (2-3)	High (3-4)	Low - Medium (1-2)	Low - Medium (1-2)
Percentage	2%	%02	2%	10%	2%	2%
Location	East Malaysia (1 Site)	West Malaysia (14 Sites)	Thailand (1 Site)	China (2 Sites)	United States (1 Site)	Denmark (1 Site)

Location Percentage East Malaysia (1 Site) 5% West Malaysia (14 Sites) 70% Thailand (1 Site) 5% China (2 Sites) 10% United States (1 Site) 5%
Denmark (1 Site) 5%

2024 Overall Water Risk Assessment	China (2 Sites) -	West Malaysia (14 Sites), Thailand (1 Site) - 75%	East Malaysia (1 Site), United States (1 Site), Denmark (1 Site) - 15%	6 20% 40% 60% 80%
	High (3-4)	Medium - High (2-3)	Low - Medium (1-2)	%0

Source of Water Withdrawal (m³)	2022	2023	2024
Plastic Packaging Division			
Surface water from rivers, lakes, natural ponds	•	•	•
Groundwater from wells, boreholes	•		•
Used quarry water collected in the quarry	•		•
Municipal potable water	245,549	235,919	250,439
External wastewater	'		•
Harvested rainwater	•	r	1
Sea water, water extracted from the sea or the ocean	•	•	•
Food & Beverage Division			
Surface water from rivers, lakes, natural ponds	•	•	1
Groundwater from wells, boreholes	•	1	1
Used quarry water collected in the quarry	'	•	•
Municipal potable water	17,444	17,193	20,674
External wastewater	•	•	•
Harvested rainwater	'	•	•
Sea water, water extracted from the sea or the ocean	'	•	•
Total	262,993	253,112	271,113

Operation Clean Sweep¹ (OCS)

Thong Guan pledges to OCS, ensuring zero pellet loss. We are committed to preventing resin spills with 6 actions:

- · Improve our worksites set-up to prevent Have in place internal procedures
 - spill prevention, training containment, clean-up and disposal; towards zero pellet loss goals; Provide employees accountability for
- Audit our performance regularly;
- Comply with all applicable local and national regulations governing pellet containment; and
- transporter, distributors, etc) to join the Encourage our partners (contractors,



'Operation Clean Sweep is an international programme designed to prevent the loss of plastic granules (pellets, flakes, and powders) during handling by the various entities in the inequirests' value chain and their release into the environment.

Water Managemen

Managing & reducing our water consumption

Operation Clean Sweep (OCS)

Guan has signed up to the Operation Clean Sweep (OCS) pledge and is Examples of actions taken to avoid pellet loss at some of our sites are installation of implementing zero pellet loss measures. Pellet loss should always be avoided. filters in storm water drainage, cleaning with vacuums and installing equipment, specific recycling processes for dirty granules, weekly action plans, and staff training. We identified the manual debagging of resin bags as a key area for improvement, as it posed both environmental and occupational health concerns. The process contributed to unintentional pellet loss and presented ergonomic risks for employees due to repetitive, physically demanding tasks.

environment. The initiative underscores our commitment to fostering a safer workplace the surrounding To address these challenges, we implemented an automated debagging system aimed at significantly reducing manual handling. This enhancement not only improves workplace safety by lowering the risk of posture-related injuries but also advances our environmental responsibility by minimising pellet leakage into while upholding high standards of environmental stewardship.

enabling the resin to be effectively reused and reducing overall waste. Nonetheless, we importance of immediate spill response, as prompt cleanup efficiency of the washing process and prevents further In parallel, we introduced a dedicated washing process to clean contaminated granules, continue to stress the the greatly improves contamination.

on any resin spillage incidents. Additionally, OCS principles have been incorporated into established among project leaders, enabling real-time communication and swift action our forklift handling training, reinforcing best practices in pellet containment and material To strengthen ownership and accountability, a dedicated WhatsApp group was handling across all relevant operations.

OCS initiatives - demonstrating the effectiveness of our approach and its scalability These collective efforts have resulted in measurable improvements. Notably, one of our subsidiaries achieved a 90% reduction in resin spillage following the implementation of across operations. combining environmental protection, resource efficiency, and employee well-being under a unified sustainability, reflect our holistic commitment to strategy for continuous improvement. initiatives



Installation of automated debagging systems to reduce resin spillage during the debagging process







This process cleans and dries spilled resin



Internal training provided to forklift drivers on the proper handling of resin material

Material Management

Manufacturing responsibly

We always strive to use materials responsibly. Thong Guan's use of raw materials contains virgin (fossil) and recycled. Our main raw material is polyethylene (PE), additives, compounds and masterbatches (mainly consisting of polymers) are used to enhanced properties of the films. We encourage sustainable consumption and closely monitor the total volume of primary materials. We are committed to innovating and developing more sustainable solutions, stemming from the use of virgin polymer by using recycled materials and reduce the thickness of our film.

	F	otal Materia	Total Materials Used (MT)			
Type	FY2	FY2022	FY2	-Y2023	FY2	-Y2024
Virgin material	131,156	93.5%	138,615	93.2%	134,979	92.1%
Recycled resin	9,143	6.5%	10,071	%8.9	11,598	7.9%
Total	140,299	100%	148,686	100%	146,577	100%

Post-Industrial Recyclate (PIR)

Recycled plastic from post-industrial waste - waste material diverted during a manufacturing process is reutilization of materials such as rework, regrind or scrap generated in a given process and capable of being reclaimed within the same process.

We oversee our daily plastic production waste as part of our ongoing commitment to minimizing in-house plastic production waste. Should the percentage of plastic production waste surpass the internal threshold, the production manager conducts an investigation. Additionally, we refine our in-house recycling process to minimise contamination in plastic production waste. We also segregate plastic production waste according to grade, type, and colour to enhance the quality of our PIR.

Our plastic production waste is recyclable and undergoes full recycling into PIR, aiming for zero plastic production waste. While PIR remains a resource at Thong Guan, it is no longer a primary component in our target follow-up process.

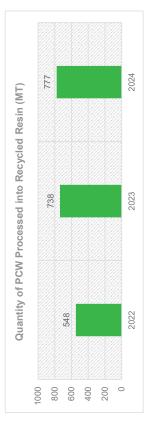
Post-Consumer Recyclate (PCR)

Recycled plastic resin from post-consumer plastic waste (PCW) (waste material generated by the end-users of products, that has fulfilled its intended purpose or can no longer be used – including material returned from within the distribution chain). Handling post-consumer waste come with immense challenges, but we support the use of PCR for greener results. Our ambition toward plastic circularity is incomplete without formulating and successfully executing our strategies for handling PCW.

We are committed to incorporating 10% PCR into our total plastic production output by the year 2030, recognizing the pivotal role PCR plays in spearheading the transition towards a circular use of plastics and in mitigating our carbon footprint. Our dedication to providing low-carbon solutions to our customers underpins our mission. Currently, our utilization of PCR is less than 1% of our total plastic production output as of FY2024. While this figure falls short of our set targets, we persistently explore avenues to bolster our PCR consumption. The primary hurdle we encounter is the restricted availability of PCR meeting our stringent quality standards. Presently, our PCR sources predominantly encompass external resin suppliers, internal post-use plastic packaging such as resin bags, shrink covers, stretch hoods, and stretch films, along with collaborative initiatives with customers aimed at collecting post-use plastic packaging.

To effectively meet our PCR utilization targets, we have implemented comprehensive strategies focused on forging enduring partnerships with PCR suppliers and waste collectors, thereby securing a reliable and steady influx of externally sourced PCR. Additionally, recognizing the paramount importance of bolstering our recycling infrastructure, we have made significant investments totaling RM5.3 million over the past four years. These investments are directed towards enhancing our recycling capabilities, thus fortifying our ability to process and utilise PCR materials efficiently and sustainably.

Waste segregation campaign was successfully launched in within TG. In FY2024, total PCW from internal post-use processed into recycled resin increased by 39MT to 777MT.

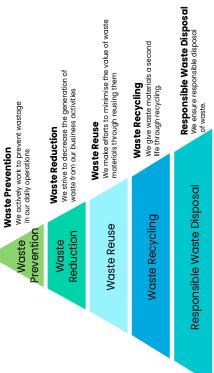


ENVIRONMENTAL OPERATIONAL ECO EFFICIENCY 2. WASTE MANAGEMENT & REDUCTION

Waste Management

Managing & reducing our production waste

include providing guidance on the safe handling and disposal of waste, aligning with We adhere to a responsible approach in industrial waste management, prioritizing compliance with pertinent laws and regulations. Our waste management practices health and safety control requirements. Our approach involves



In FY2022, we committed to reducing waste to landfill by 30% in 2023. To achieve this goal, we implemented a waste segregation and recycling awareness program, and conducted regular briefings for operational staff on the importance of recycling. Additionally, we engaged with suppliers who demonstrate strong awareness of waste reuse, recovery, and recycling. As a result of these efforts, we achieved encouraging results and successfully reduced waste to landfill by 37% in FY2023. However, in FY2024, waste volumes increased in tandem with the rise in sales from our Food & Beverage division, causing us to miss our waste reduction target of 30%. We are currently exploring solutions to improve the recyclability of packaging materials used in incoming supplies of Food and Beverage division.

	Environment Progre	ess Again	ss Against Targets	10	
Focus	Metrics	Prog	Progress	Tar	Target
Area		2023	2024	2023	2025
Waste	Reduction in waste	37%	25.5%	30%	%09
216	baseline)	3	200		8

Note: FY 2023 and FY2024 refers to waste reduction progress in West Malaysia only.

Total solid waste excludes production scraps generated directly from our manufacturing from our manufacturing process is fully recycled, upcycled and sold to third parties that may use them as raw material in their own production processes. Our manufacturing plants are equipped with recycling facilities which made the recycling of our production process such as plastic trimmings and rejected films. Production scraps generated directly scraps efficient and achieved zero production scraps.

Our solid waste includes:

- Post-use industrial plastic waste, including packaging like resin bags, shrink covers, stretch hoods, and films from our suppliers
- Post-use industrial non-plastic waste, such as used wooden pallets, paper, and metal.
- · Post-consumer waste from in-house segregation program, including PET bottles, clean flexible packaging, and paper

		Total waste generated (MT)	enerated (MT)			
	FY 2022	022	FY 2023	023	FY 2024	024
Туре	Plastic Packaging	Food & Beverage	Plastic Packaging	Food & Beverage	Food & Plastic Food & Beverage Packaging Beverage	Food & Beverage
Total waste diverted from disposal	Information not available	Information not available	5,485	35	7,130	09
Total waste directed to disposal	1,983	540	1,169	414	1,226	754
Total	1,983	540	6,654	449	8,356	814

FY 2022 and FY2023 refers to total waste of facilities in West Malaysia only

FY2024 refers to total waste of facilities of Thong Guan Group

Scheduled (Hazardous) Waste

recycled. We transparently report and disclose our scheduled waste generation on the Thong Guan collaborates with licensed collectors from the Department of Environment (DOE) to manage schedule waste. This waste is either sent to landfills, incinerated, or government portal. Over the past three years, we have complied with regulations concerning scheduled waste disposal, with zero incidents of non-compliance reported

ENVIRONMENTAL OPERATIONAL ECO EFFICIENCY 2. WASTE MANAGEMENT & REDUCTION Wooden Pallet Recycling Program

Managing & reducing our production waste

TG Group is dedicated to embracing sustainable practices in response to environmental concerns, particularly in light of the growing demand from ecoconscious consumers for more sustainable packaging solutions. We place a strong emphasis on the recyclability of our packaging materials, including wooden pallets, recognizing the importance of collaboration with stakeholders across the value chain to address the systemic challenge of waste management.



Jsed, worn and broken pallets sent to vendor

In FY2022 December, Thong Guan initiated the Wooden Pallet Recycling Program with our vendors, focusing on rebuilding used, worn, and broken pallets into usable recycled pallets. Collaborating closely with our vendors, we ensured that the durability and strength of the recycled pallets met our quality standards. Furthermore, we undertook efforts to educate our customers on the significance of using recycled wooden pallets and demonstrated how this initiative contributes to minimizing deforestation issues.

Our recycled wooden pallet program continued to gain strong traction in FY2023 & FY2024, receiving positive feedback from customers and stakeholders. As a result, internal consumption of recycled pallets increased significantly, from an average of 50 pieces per month to 1,000 pieces per month by the end of the FY2023.

Building on this momentum, we had set an ambitious target to increase consumption to 2,500 pieces per month in FY2024. We are pleased to report that we exceeded this goal, achieving an average of 3,500 recycled wooden pallets per month in the final quarter of FY2024.

Over the course of FY2024, a total of 25,600 recycled wooden pallets were utilised. This effort not only supported circular economy principles but also contributed to substantial environmental benefits, equating to an estimated carbon savings of 716MT of ${\rm CO_2}$ or diverting approximately 253 MT of waste from landfill.

Through the Wooden Pallet Recycling Program, even wood dust and broken wood planks are repurposed into wood chips or energy by our vendors. This demonstrates our commitment to ensuring that our used, worn, and broken pallets are handled responsibly while emphasizing the importance of stakeholder partnerships for achieving circularity in our operations. In FY2024, we collected 48,570 pieces (FY2023: 47,324) broken or used pallet for recycling in our manufacturing operations.



Thong Guan is committed to build a sustainable supply chain with our stakeholders and contribute to both CO2e and landfill avoidance. Every recycled wooden pallet saves 28KG of CO2eq.

Recyclability and Recycling ENVIRONMENTAL GIRCULARITY I. RECYCLING CAPACITY

Driving plastic circularity

Product Recyclability

Promoting recyclability plays a pivotal role in reducing the environmental impact of a maintaining their presence within the material cycle, thus bolstering circularity within product by minimizing its carbon footprint. Thong Guan is committed to enhancing the process technologies and innovating the design of plastic products to optimise their recyclability of our products post-consumption, thereby steering them away from conventional disposal routes like landfills or incinerators. Instead, our focus is on the system. This objective is pursued through various initiatives, such as advancing recyclability potential Our products are designed with recyclability in mind, ensuring that they can be efficiently repurposed at the end of their lifecycle. This holistic approach not only aligns with our sustainability goals but also underscores our dedication to fostering a more environmentally responsible manufacturing process.

that renders mechanical recycling unfeasible. Examples of such applications include Thong Guan defines recyclable products as those that are deemed recyclable in medical products and hygiene laminations, which are therefore excluded from our polyethylene (PE) upon receipt from our company. However, it is important to note that certain products designed for specific uses may become contaminated in a manner recyclability definition.

Recycling Capacity

TGSH Plastic Industries Sdn. Bhd. has served as our internal recycling plant since 2011. As of December 31, 2024, TGSH owns 5 recycling lines and has the capacity to convert 6,000 MT of plastic waste into recycled resin. TGSH specialise in recycling of post-consumer waste (PCW). Managing PCW requires specialised knowledge and expertise in feedstock management to ensure effective processing. Our investment in recycling facilities has been substantial, totalling RM6.6 million since 2016.

To our customers, we:

- in minimizing environmental impact by supporting environmentally friendly products and offer an Increase awareness among customers regarding their role after-use collection program.
- Provide data and evidence-based test results from the Newton R&D Centre to assure customers of the quality performance of our recycled packaging
- Quantify our sustainability commitment through green certificates such as ISCC Plus & GRS to ensure traceability of certified material (recycled resin) and thirdparty confirmation on recycled content.

Risk management in relation to recycling

the present day, Thong Guan's impact on end-of-life plastic recycling is regulations. Furthermore, the perception of recycling among both local authorities somewhat constrained, given that the actual recycling process hinges on several factors including product usage, as well as the collection and management of waste national and local authorities, thereby limiting the standardization of recycling post-consumption. Waste collection procedures are predominantly governed by and the public plays a significant role in shaping our expansion plans for recycling facilities.

Thong Guan has initiated the RE:USE program, aimed at providing after-use waste consumer plastic waste (PCW), thereby enabling a greater volume of plastic waste to encourage the collection of used plastics and create a predictable regulatory collection services to our customers. Additionally, we are actively exploring collaboration opportunities with waste collectors to scale up the recycling of post-To enhance the recycling rate, it is imperative to establish efficient conditions that framework conducive to investments in circular plastics. In response to this need, be recycled.

Life Cycle Assessment (LCA)

In collaboration with SIRIM, we successfully completed our first life cycle assessment accordance with ISO14044 (Environmental Management – Life Cycle Assessment) to (LCA) of our nano stretch film product in FY2023. This assessment was conducted comprehensively evaluate the environmental impact of our products This assessment was conducted to carefully evaluate the environmental impacts of Throughout this process, we actively solicited feedback and input form both our suppliers and customers, seeking valuable insights to enhance various facets of our our products, with a specific focus on our core offerings, such as nano stretch film. product lifecycle.









ENVIRONMENTAL CIRCULARITY 2. GREEN CERTIFICATIONS JUSTIFIABLE SUSTAINABILITY

Quantifying & qualifying our green competency

Green Certifications

ourselves and our stakeholders, affirming our trajectory towards becoming the preeminent leader in sustainability within our industry. Our emphasis on obtaining globally recognised Through the application of globally recognised standards and the validation of our sustainability efforts by external entities, we secure an additional layer of assurance for both certifications such as ISO14001, ISCC Plus and GRS enables us to stay updated with industry best practices and enhance our reputation by showcasing our commitment to be transparent in supply chain We meticulously choose our certificates, and when applicable, seek assistance from external parties to ensure that we engage with certifications that yield the greatest impact and establish the most stringent standards for sustainability. Thong Guan's subsidiaries, where relevant, are certified in accordance with a range of international and national standards and certifications, including but not limited to the following:

ISO 14001



ISO 14001 is a globally recognised standard for establishing and maintaining effective environmental management taystems (EMS). It guides organizations in addressing renvironmental responsibilities, fostering sustainability, and driving continual improvement. Compliance with ISO 14001 tagnifies a commitment to environmental stewardship and soperational excellence.

By adhering to this standard, we are taking proactive measures to minimise our environmental footprint and comply with relevant legal requirements. The framework encompasses various aspects, from resource usage and waste management to monitoring environmental performance and involving stakeholders in environmental commitments.

Pactories Queen de la company de la company

ISCC Plus



The International Sustainability and Carbon Certification (ISCC) stands out as a premier solution provider for fostering sustainable international supply chains. Renowned for its comprehensive approach, ISCC encompasses the entirety of the supply chain, encompassing diverse bio-based feedstocks and renewables. With ISCC certification, companies are assured of meeting stringent ecological and social sustainability criteria, achieving reductions in greenhouse gas emissions, and maintaining traceability across the entire supply chain.

The ISCC certification serves as a testament to a commitment to sustainability, ensuring that materials sourced are 3 Factories



practices,

to sustainable

dedication

its

demonstrates

An additional factory in FY2024

particularly in the conversion of circular materials with mass

sustainably produced and traceable throughout global supply chains. By opting for ISCC PLUS certification, Thong Guan

Guan's commitment to environmental responsibility and its role

in driving positive change within the industry.

balance approach. This strategic choice underscores Thong

GRS



Global Recycled Standard (GRS) set the criteria for third- G party certification of recycled materials and chain of custody. er Certifiable products must contain at least 20% of recycled material and only products with at least 50% Recycled Content qualify for product-specific GRS labelling

GRS sites are required to meet strict social and environmental requirements. Chemicals with harmful potential are not allowed to be used on GRS products.

2 Factories



ENVIRONMENTAL CIRCULARITY

LoopClosers

Closing the loop with product development and innovation

Industrial and Consumer Packaging

Through consistent investment in innovation, we are well-positioned to deliver sustainable packaging solutions across a broader range of formats and market segments, effectively addressing the evolving needs of both consumer and industrial customers. Our innovation initiatives focus on advancing packaging technologies that drive resource efficiency, recyclability, and circularity. Key areas of innovation include:

Industrial Packaging Solutions

- Developing high-performance, resource-efficient packaging through downgauging of films without compromising quality or functionality.
 - Incorporating PIR and PCR resin into product formulations to support circular economy goals.

Consumer Packaging Solutions

- Designing mono-material laminates to enable fully recyclable plastic packaging structures.
- Integrating PIR and PCR resin content into packaging materials to reduce environmental impact.

Optimizing Performance Through Downgauging

As part of our commitment to sustainability, we continue to innovate through downgauging, reducing the thickness of our stretch films without compromising their quality or performance. This approach enables us to significantly lower material consumption and reduce our overall carbon footprint.

As a global leader in stretch film manufacturing, we have made substantial strides in this area over the past decades. Our current hand film portfolio reflects this progress:

- The Maxstretch Series, our flagship product, offers robust performance with thicknesses ranging from 7 to 15 microns.
- Flexitie, our ultra-thin 4-micron pre-stretch film with reinforced edges, stands as the world's thinnest stretch film.

Our innovation extends to machine films as well. Using our state-of-the-art 67-layer nano stretch film cast line, we developed the high-performance Velocity series, specifically designed for high-speed wrapping machines. These highly stretchable films allow up to 50% reduction in material usage, while maintaining full compliance with EUMOS 40509:2020 standards for load rigidity and transport safety.

Our innovation extends to machine films as well. Using our state-of-the-art 67-layer nano stretch film cast line, we developed the high-performance Velocity series, specifically designed for high-speed wrapping machines. These highly stretchable films allow up to 50% reduction in material usage, while maintaining full compliance with EUMOS 40509:2020 standards for load rigidity and transport safety.

Available in thicknesses ranging from 8 to 23 microns, our machine film portfolio is engineered to support a wide variety of wrapping systems, helping our customers enhance load stability, reduce plastic consumption, and meet their carbon reduction



ENVIRONMENTAL CIRCULARITY

3. PRODUCT DEVELOPMENT AND INNOVATION

LoopClosers

Closing the loop with product development and innovation

Integrating Recycled Resin into Our Products

As part of our commitment to circularity, we are continuously advancing the integration of PCR and PIR resins into our product lines. This not only helps divert plastic waste from natural ecosystems but also reduces our reliance on virgin resin, minimizing the environmental impact of raw material extraction.

Flexilite 30 and Maxstretch Regan with 30% PCR content, which is available in we now offer pre-stretch hand films with 30% recycled content, including the 7-micron from 12 to 15 microns. Both films incorporate recycled material while In FY2024, we expanded these efforts by launching a broader range of products containing recycled content. For customers seeking more sustainable packaging solutions, maintaining the strength and performance expected of our premium film range. thicknesses

Innovating Recyclable FPP Solutions

across all layers. This innovation enhances We have dedicated significant resources over the recyclability, making it easier for companies to years to the development of mono-material structures made from a single type of resin flexible plastic packaging (FPP) transition away from traditional multi-material, non-recyclable formats. laminates,

The increasing versatility and performance of these mono-material laminates empower more brands to adopt recyclable packaging solutions, contributing to a more circular plastic economy. goals sustainability their supporting

packaging and deliver solutions that meet both integrated approach enables us to accelerate the commercialization of recyclable These advancements have been made possible strategic presence across the FPP value chain. through close collaboration with brand owners, supported by our innovation centres and our unctional and environmental requirements.







Sharing of iPAK 5 at AMI Stretch and Shrink Film Conference

PAK 5

IPAK5, an affordable IoT solution, has been developed to enhance businesses' visibility and traceability in their packaging operations. With iPAK5, customers can achieve optimal performance by:

Reducing product damages during transportation. Enhancing safety throughout the supply chain.

Providing visibility and traceability of operations.

- Boosting productivity.
- Offering long-term cost reduction. Improving sustainability Key Performance Indicators (KPIs).

iPAK5 delivers valuable insights, including:

- Total films consumed Downtime alerts.
- Monitoring across multiple sites.
 - Estimated CO2 savings.
- Load stability.



1. CARBON FOOTPRINT REDUCTION & BALANCING **ENVIRONMENTAL ENVIRONMENT POSITIVE GHG Emissions Reduction**

Keeping our environmental impact in check

GHG EMISSIONS ACROSS OUR VALUE CHAIN

TATION & DISTRIBUTI **OPERATIONS** WATER **IRANSPOR** GENERATED 8 WASTE Upstream & Downstream Activities GHG REDUCTION THROUGH PARTNERSHIP GOODS, SERVICES GOODS, & CAPITAL GOODS, 1 BUSINESS TRAVEL & EMPLOYEE FUEL & ENERGY RELATED RELATED ACTIVITIES TARGET OUTPUT PURCHASED ELECTRICITY FOR OWN USE SCOPE 2 INTENSITY Upstream Activities SCOPE 2 GHG 60 ROUGH OPERATIONS SCOPE 1 INTENSITY Reporting Company **PRODUCTION** COMPANY VEHICLES FACILITIES COMPANY SCOPE 1 **PLANTS** GHG

To achieve total 10% GHG reduction of Scope 1 & Scope 2 by 2025

Scope 2: Indirect resulting from the GHG emissions purchased by a electricity

Scope 1: Direct

To set up data collection system & reduction of Scope 3 until 2030 progressively report the GHG

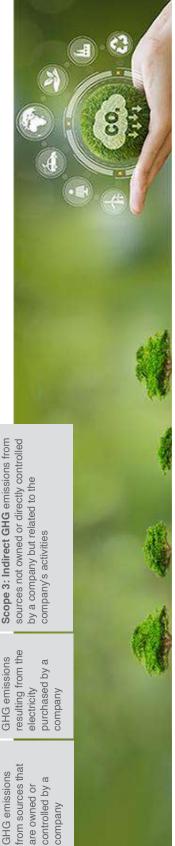
Scope 3: Indirect GHG emissions from sources not owned or directly controlled by a company but related to the company's activities

GHG Emissions Reduction

GHG emissions. Thong Guan is committed to limiting emissions and adapting to climate change. In 2021, Thong Guan strengthened its commitment to reducing its As a producer of plastic packaging, Thong Guan directly and indirectly contributes to climate impact by setting group-wide emissions reduction targets for Scope 1 & Scope 2 GHG emissions, aiming for a 10% reduction compared to the FY2021 baseline.

emissions by 10% through transitioning to renewable electricity, such as electricity 98% of Thong Guan's production sites' energy consumption comes from purchased electricity (Scope 2), while our Scope 1 emissions derive from diesel and petrol consumption. Following our roadmap, we aim to reduce our Scope 1 & Scope 2 GHG Additionally, we are exploring Virtual Power Purchase Agreements to further Understanding where emissions occur across the value chain is crucial for improving our climate impact. Our assessment of Scope 1 & Scope 2 emissions revealed that generated by our solar PV system, and continuous improvement in energy efficiency decrease our Scope 1 & Scope 2 emissions beyond the 10% target.

transportation modes. We have also set Key Performance Indicators to increase the Transportation and distribution are identified as major components of our Scope 3 emissions. We have established a data collection system and are exploring greener utilsation of return containers. In FY2024, we disclose our Scope 3 emissions for Category 6 (business travel) and Category 7 (employee commuting) in accordance with the Bursa Sustainability Reporting Guide (3rd edition).



ENVIRONMENTAL ENVIRONMENT POSITIVE 2. GREEN IMPATCT

Air Pollution Management

Minimising environmental pollution

As a responsible corporate citizen, Thong Guan remains dedicated to upholding adherence to relevant local and international environmental and climate regulations. We are resolute in our commitment to incorporating sustainable environment practices into our business activities and minimising adverse impacts on the environment resulting from air pollution. Our formal air pollution management is guided by ISO 14001 to address odour-related environmental concern.

During FY2021 to FY2024, there were no instance of non-compliance resulting from air pollution. We strictly abide by environmental laws and regulations to achieve the goal of zero penalty.

At Thong Guan, we have established various initiatives for air pollution control in our manufacturing processes and comply with the Environmental Quality (Clean Air) Regulations of 2014. These initiatives include:

- Collaboration with external laboratory to ensure that emissions from our chimneys consistently adhere to regulatory limits.
- . Prohibition of open burning to mitigate air pollution.
- Modernization our equipment by changing diesel forklift to electric forklift. Since FY2022, we purchased 20 (FY2023: 14) electric forklifts with a total cost of RM1,565k (FY2023: RM1,113k).

In 2024, we also introduced restrictions on internal and external lorries from idling their engines while waiting within our premises. This initiative aims to reduce air pollution and lower greenhouse gas emissions associated with unnecessary fuel consumption.





We are committed to addressing air pollution as part of its broader occupational health and safety initiatives. To safeguard employee well-being and promote a clean working environment, the company conducts personal and area chemical exposure monitoring at least once every two years. This practice aligns with the Occupational Safety and Health (Use and Standards of Exposure of Chemical Hazardous to Health) Regulations 2000, which emphasises the need to monitor exposure to airborne contaminants that pose health ricks.

Air pollution in industrial settings can have serious implications for workers' health, making it essential for Thong Guan to implement effective monitoring protocols. The methodology for these assessments is derived from the "Guidelines on Monitoring of Airborne Contaminant for Chemicals Hazardous to Health," published by the Department of Occupational Safety and Health, Ministry of Human Resources, Malaysia. Additionally, the company follows the standards set in the NIOSH Manual of Analytical Methods by NIOSH, USA, ensuring that its monitoring practices are rigorous and reliable.

By focusing on air quality, Thong Guan not only complies with regulatory requirements but also demonstrates its commitment to creating a cleaner, safer workplace. The findings from these monitoring efforts enable the company to assess potential air pollution sources and take proactive measures to mitigate them. This dedication to monitoring and reducing air pollution is a vital component of our overall strategy to protect employee health and contribute positively to the environment.

In 2024, there were no instance of non-compliance resulting from air pollution.

ENVIRONMENTAL ENVIRONMENT POSITIVE 2. GREEN IMPACT

Chemical Substances Management

Minimising environmental pollution

Chemical Substances Management

Thong Guan places paramount importance on the responsible handling of its raw Additionally, in cases where relevant, Thong Guan strictly follows legislation governing materials, particularly those classified as chemical substances. Thong Guan diligently adheres to the regulations outlined REACH1 framework, ensuring ongoing compliance. food contact materials to guarantee the safety and quality of its products.

dedication to transparency extends to providing access to our REACH statement via our official website, affirming our unwavering commitment to regulatory adherence and At the heart of our commitment to compliance is the meticulous selection of substances that have been either registered or pre-registered in accordance with the rigorous standards set forth by REACH. Furthermore, fostering transparent communication and collaboration, we engage in continuous dialogue with our network of raw material suppliers, ensuring that they too uphold the stringent requirements of REACH. Our responsible business practices.

Assessment (CHRA) conducted every five Standards of Exposure of Chemical Hazardous We are committed to effective chemical management through our Chemical Health Risk years, in accordance with the Occupational Act 1994 and the Occupational Safety and Health (Use and to Health) Regulations 2000. Safety and Health

nazardous chemicals. We conducts thorough and recommend measures to eliminate or minimise exposure to The primary aim of the CHRA is to identify walkthrough inspections to assess chemical health risks usage and exposure levels significant

This proactive approach enables Thong Guan to unwavering commitment to safeguarding the its workforce and promoting a implement targeted strategies like substituting hazardous chemicals, enhancing ventilation, and By prioritizing chemical safety and continuously improving its practices, we demonstrates our providing comprehensive training for employees. sustainable working environment

Our Membership In Associations

Optimising synergy for greater positive green impact

Collaboration Helps Growth

ENVIRONMENTAL ENVIRONMENT POSITIVE

2. GREEN IMPACT

As active member in a variety of industry associations, we unlock greater value contribute to the uplifting of standard across the Malaysian business community. Our membership also enable us to stay abreast of the latest industry innovations and through collaboration, develop closer relationship with various stakeholders and trends

Association	Business Division	Our Role
Malaysian Plastic Manufacturers Association (MPMA)	Packaging	Member in Central Committee Northern Branch Chairman
Federation of Malaysian Manufacturers (FMM)	Packaging	Member
International Safe Transit Association (ISTA)	Packaging	Member
European Safe Logistics Association (EUMOS)	Packaging	Member
ASTM International (American Society for Testing and Materials)	Packaging	Member

Support Green Initiatives

implement sustainable environment practices to The call for climate action continue to grow louder. At Thong Guan, we support organisation/agencies who share the same value to same value to develop and effectively manage climate and environmental risk

the Malaysian chapter of the World We are a member of the Climate Governance Economic Forum (WEF) climate governance initiative Malaysia,



CLIMATE GOVERNANCE MALAYSIA

and Restriction of Chemicals (REACH) is a regulation of the European Union, adopted to improve the protection of human health and the environment from risks that Registration, Evaluation, Authorisation Regulation for

ENVIRONMENTAL ENVIRONMENT POSITIVE 3. LOAD STABILITY

Sustainability Through Data

Optimising performance to achieve greener impact

Safe & Stable Load Reduce Risk of Road Accidents

physical properties of packaging film, resulting in decreased tensile strength, puncture While Thong Guan acknowledges the significance of sustainability initiatives within the packaging sector, particularly in recycling and downgauging, we also prioritise the delicate which are crucial for load stability. Excessive use of recycled materials may alter the when considering the utilization of recycled materials in packaging films, such as stretch balance between environmental concerns and logistical safety. This is especially pertinent film, shrink film, stretch hood, and strappings, and reducing packaging material thickness, resistance, and elongation capacity, directly impacting load stability.

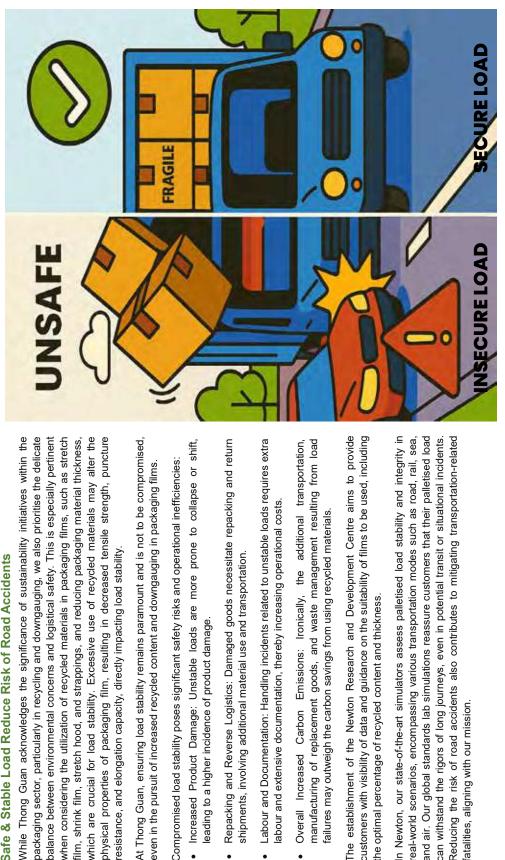
At Thong Guan, ensuring load stability remains paramount and is not to be compromised, even in the pursuit of increased recycled content and downgauging in packaging films.

Compromised load stability poses significant safety risks and operational inefficiencies:

- Increased Product Damage: Unstable loads are more prone to collapse or shift, leading to a higher incidence of product damage.
- Repacking and Reverse Logistics: Damaged goods necessitate repacking and return shipments, involving additional material use and transportation.
- Labour and Documentation: Handling incidents related to unstable loads requires extra labour and extensive documentation, thereby increasing operational costs.
- Overall Increased Carbon Emissions: Ironically, the additional transportation, manufacturing of replacement goods, and waste management resulting from load failures may outweigh the carbon savings from using recycled materials.

customers with visibility of data and guidance on the suitability of films to be used, including In Newton, our state-of-the-art simulators assess palletised load stability and integrity in the optimal percentage of recycled content and thickness.

and air. Our global standards lab simulations reassure customers that their palletised load can withstand the rigors of long journeys, even in potential transit or situational incidents. Reducing the risk of road accidents also contributes to mitigating transportation-related real-world scenarios, encompassing various transportation modes such as road, rail, sea, fatalities, aligning with our mission.



Empowering our people & the communities

HUMAN RIGHTS PROTECTION

- Scope & Strategies:
 1. Equal Rights to Work & Education
 2. Diversity & Inclusion
- per internationally accepted guidelines and best practices, i.e. SMETA or its equivalent

Targeted Output:

- To improve 50% women leadership by FY2025.

OUR SOCIAL GOALS

HUMAN CAPITAL DEVELOPMENT

Scope & Strategies:

- Employee Engagement
 Talent Development
- training to our employees.

Targeted Output:

- FY2023 and 30% by FY2025.
- leadership positions to mitigate key person risk.

HEALTH & SAFETY

- Scopes & Strategies:
- health practices with internationally accepted guidelines and best practices, i.e. ISO 45001:2018.

To achieve 100% ISO 45001:2018 certification for all our factories by 2025. **Targeted Output:**

SOCIAL CONTRIBUTION

Scope & Strategies: 1. CSR

- Provide aid & relief to the poor, aged, sick, old, disabled, orphans & victims of violence & abuse.
 Support & assist in the welfare of local

Support projects relating to environmental

Targeted Output: To be an active participant in creating a sustainable and caring society.

Social Progress:

2024 SOCIAL HIGHLIGHTS

rights, unfair harassment employment, violation of discrimination practices in the past three years. labour law and human Zero complaint on incident of unfair and unlawful

money worth RM134,083 Donated goods and to 65 beneficiaries.

> Zero fatality in FY2024. To continue to achieve zero fatality in coming years.

All our hostels are

Labour Quarters (CLQ) approved Centralised

> Recruited 180 employees under JomKerja @ NCER.

disabilities and 38 interns

as at 31 Dec 2024. employees with We employed 4

Defibrillator (AED) was installed on the factory

Automated External

emergency response premises to enhance

capabilities.

target set in the prior year. Increased training hours FY2023, achieving our by 35% compared to

Health, Safety & Well Being

Corporate Social Responsibilities & Collaboration

OUR APPROACH TO SOCIAL MANAGEMENT

mental health. By investing in our personnel, promoting continuous learning, and fostering a cultivate a culture where our staff not only excel and grow but also enjoy optimal physical and culture of recognition for all contributions, we strive to create an inclusive environment. While Thong Guan demonstrates a commitment to responsible employment practices and active community engagement across our operational areas. Our focus lies in fostering a secure and nspiring workplace environment that prioritises the well-being of our employees. We pledge to adherence to laws and regulations is non-negotiable across all our sites, Thong Guan goes beyond mere compliance, embracing a heightened level of social responsibility in many nstances

RISK MANGEMENT THROUGH KEY STRATEGIES

policies, geopolitical tensions, and currency fluctuations. Additionally, there is the potential for increased costs related to work permits, visas, and recruitment fees. To address these economic development and sourcing its workforce locally whenever feasible, thereby reducing Major risks associated with heavily relying on foreign workers include changes in immigration challenges, Thong Guan aims to minimise dependence on foreign labour by prioritizing local eliance on external factors beyond the Group's controls.

To mitigate these risks effectively, Thong Guan has implemented several key strategies:

- Monitoring Regulatory Changes: Thong Guan's Group Human Resources Department remains vigilant regarding developments in labour laws and regulations. They provide proactive updates to ensure the Group stays abreast of the latest regulatory changes, enabling timely adjustments to policies and practices.
 - Continuous Improvement of Labour Practices: Thong Guan consistently monitors and enhances its labour practices, committed to complying with best practices to promote the resilience of its workforce and mitigate potential disruptions.
- Manpower Utilization Planning: The Group has established a dedicated manpower utilization plan, regularly reviewed to ensure a sufficient talent pool to meet the organization's
 - evolving needs, thus reducing reliance on external hiring. **Adoption of Technology and Diversification**: Thong Guan is actively embracing technology and automation to minimise reliance on human labour.

These proactive measures underscore Thong Guan's commitment to managing risks associated with foreign labour reliance while promoting sustainable growth and resilience across its operations.

Our People

Our commitment to human rights and labour standard is seamlessly integrated into our human capital management principle

prison labour, slavery, or trafficking of persons, is strictly prohibited at all times. Thong Guan ensures that there to all relevant wage laws, encompassing minimum wage regulations, overtime hour must The use of forced, bonded (including debt bondage), or indentured labour, as well as involuntary or exploitative of movement. Additionally, we do not retain employees' documents, or educational certificates. Every worker is provided with an employment letter that clearly outlines As needed, Thong Guan employs foreign workers to meet operational demands. Ensuring fairness, all foreign workers receive equal benefits and opportunities based on their merit and performance. Additionally, we provide accommodation are no unreasonable restrictions on employees' freedom the conditions of their employment in a language they Compensation paid to employees must adhere including vulnerable groups such as our foreign workers, we are deeply committed to eliminating forced labour. Our aim is to cultivate an inclusive and respectful ecosystem where fundamental rights are upheld, and every employee be disbursed punctually. Overtime hours aligr As a business with a workforce comprising individuals from diverse backgrounds, Working Hours, Wages and Benefits provisions, legally mandated benefits, and with applicable guidelines and labour laws. identification, Freely Chosen Labour is treated with equality, ensuring that no one is left behind government-issued Foreign Workforce and transportation for their convenience. comprehend. original At Thong Guan, the safety and health of all employees stand as the utmost priority in our operations. Our Safety and Health Policy articulates our steadfast commitment Occupational Safety and Health to preserving this fundamental right. expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, or union membership. We treat all individuals with equal respect and dignity, and we strictly prohibit all forms of harassment, including but not limited to sexual harassment, bullying, abuse (including sexual, verbal, and physical abuse), coercion, public shaming, and any other forms of Guan upholds a policy of non-discrimination and unequivocally condemns any form of harassment, regardless of race, colour, age, gender, sexual orientation, gender identity and No-Discrimination/ No-Harassment with freely associate and determine whether they wish to join labour unions. We support their pursuit of applicable laws and regulations in the We unequivocally prohibit the use of all forms of child labour. Here, "child" denotes Guan upholds the rights Prohibition of Child Labour Freedom of Association in accordance any individual under the age of 18. regions where we operate employees to representation mistreatment

1. EQUAL RIGHTS TO WORK & EDUCATION SOCIAL HUMAN RIGHTS PROTECTION Equal Opportunities

Protecting our people on their rights

Workplace human rights

TG respects the human rights of all its workers and supports the local communities. A primary subsidiary of TG passed the SMETA audit in 2021, followed by another subsidiary obtained SMETA accreditation in FY2022 to ensure no human rights violations across the organisation. We continue to engage with our suppliers on their commitment to addressing human rights issues.

Sedex Member Ethical Trade Audit (SMETA)





SEDEX is a membership organisation that provides one of the world's leading online platforms for companies to manage and improve working conditions in the global supply

2 SMETA (Sedex Members Ethical Trade Audit) is the most widely used social audit assess their sites and suppliers to understand working conditions in their supply chain. globally. SMETA is Sedex's social auditing methodology, enabling businesses

Equal rights to work & education

Our practice is always basing employee performance on a merit system, regardless of language, culture, age, gender, ethnicity or nationality We provide equal training and promotion opportunities to all employees, including migrant workers. There is clear evidence of our practice with certain long service migrant workers being promoted to supervisory level.



Company trip included all employees regardless gender, ethnicity or nationality

SOCIAL HUMAN RIGHTS PROTECTION **Velcoming Workplace DIVERSITY & INCLUSION**

Embracing differences for the greater good

Diverse & inclusive workplace

Diversity and inclusivity are our core focus for maintaining a sustainable workplace. We understand that by embracing people regardless of who they are, where they come from, and what they believe in, we can achieve extraordinary work results. Diversity sparks innovation, improves collaboration, makes better decisions, attracts talents, and boosts profitability.

But above all, it is our respect towards everyone as human, and we respect what they bring to the table, not who brought it.

A diverse workforce is essential for continued innovation, a growth mindset sustained business growth As a diverse and inclusive organisation that continues to seek differences in opinions, viewpoints and ideas, we do not discriminate based on language, culture, age, gender or nationality and offer employees promotions and rewards based on merit

pool of candidates based on individual qualities. Diversity is also a key focus in From the outset of our recruitment activities, we demonstrate our commitment to diversity and inclusion. When we hire internally and externally, we search for a diverse succession planning

Our Diversity & Inclusion Framework

educational backgrounds. Our framework, comprising five core strategies, ensure the We embrace employees from different ethnicities, cultures, nationalities practice of diversity and inclusion throughout our organisation.

Fo observe diverse they want to be treated others how To treat perspective & ideas To seek new own cultural competencies To grow our

celebrations & cultural traditions, holidays

IG'S DIVERSITY & INCLUSION

SOCIAL HUMAN RIGHTS PROTECTION

2. DIVERSITY & INCLUSION Women Leadership

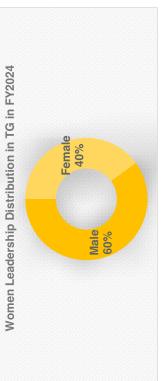
Advancing gender justice & equality for furthering economic, social and environmental progress

The power of women leadership

We know that women are powerful agents of change. The far-reaching benefits of diversity and gender parity in leadership and decision making are increasingly recognised everywhere.

In Thong Guan, we recognised people by their talents and ability to hold leadership position and not by gender. In FY2024, we have 40% (FY2023: 46%) of women in our management team. They held positions of business unit and departmental heads. The decrease in the percentage of women in leadership roles is attributed to the creation of two new management positions, which were filled by male candidates based on their suitability for the roles. This outcome was not influenced by gender bias. We are committed to providing equal career advancement opportunities to both male and female candidates.

28% (FY2023: 30%) of our global workforce are female employees as at 31 Dec 2024



Board Diversity

Under the Malaysian Code of Corporate Governance, the board should at least comprises 30% of women directors. Thong Guan welcomes its first female director to join TG family in FY2022 as we recognise the importance of board diversity, and board decisions should consider diverse perspectives and insights.

We have 40% (FY2023: 46%) women leaders in Thong Guan.
 Despite not yet reaching our target of 50%, we remain committed to providing opportunities for qualified female candidates to assume roles as business unit and departmental heads.

SOCIAL HUMAN RIGHTS PROTECTION 3. ETHICAL EMPLOYMENT PRACTICES

Fair Remuneration

Recognising Value, Rewarding Effort

Competitive and dynamic remuneration and benefits

At the heart of our human resource strategy is the recognition that competitive and dynamic remuneration and benefits are essential in attracting and retaining top-tier talent. We believe that our employees are our most valuable assets, and providing them with robust compensation packages is vital for fostering a motivated and engaged workforce. Our remuneration strategy is built upon strict adherence to all applicable laws in Malaysia and other countries where we operate. We ensure compliance with regulations governing minimum wage, overtime pay, and other financial matters related to employee compensation.

To maintain our competitive edge, we conduct regular reviews of our remuneration levels. These reviews involve benchmarking against industry standards and country-specific guidelines, allowing us to ensure that our compensation remains attractive and aligned with market trends. Our commitment to our employees extends to a comprehensive suite of benefits, which includes:



SOCIAL HUMAN RIGHTS PROTECTION 3. ETHICAL EMPLOYMENT PRACTICES Fair Remuneration

Recognising Value, Rewarding Effort

Competitive and dynamic remuneration and benefits

These benefits reflect our commitment to not only meet the basic needs of our employees but also to invest in their personal and professional development. By providing opportunities for continued education and performance incentives, we recognise and motivate exceptional contributions, fostering a culture of excellence.

When formulating our remuneration and benefits packages, our primary focus is on ensuring that rewards grow in proportion to each employee's contributions to the organization. We evaluate this through various metrics, including individual capabilities, experience, level of accountability, and the breadth of responsibilities undertaken. This approach allows us to create a compelling case for our employees to envision a long-term career with us, as they see a clear pathway for growth and advancement.

In conclusion, our commitment to ethical human resource management, competitive compensation, and comprehensive benefits packages is designed to cultivate a workplace where employees feel valued, engaged, and motivated. By aligning our policies with our ethical standards and continuously reviewing our remuneration strategies, we aim to not only attract the best talent but also to retain them, ensuring a thriving organization built on a foundation of respect, growth, and shared success.

Supportive and Communicative Culture

We prioritise creating a workplace where all employees feel valued and supported. To achieve this, we provide both formal and informal communication channels for employees to voice their concerns and receive constructive feedback on their performance.

Our Heads of Department uphold an open-door policy, encouraging employees to discuss comments, complaints, and other issues without fear of reprisal. Additionally, employees can utilise our Whistleblowing Policy to formally raise grievances, which can be addressed by their department head, the Human Resource Department, or escalated to the Audit Committee if necessary.

We are dedicated to keeping our employees informed about our business strategies, opportunities, and challenges, highlighting their essential role in creating value for the Group. This is achieved through internal management meetings held every four

Zero incidents of non-compliance with regard to our employment practices

SOCIAL HEALTH & SAFETY 1. SAFE & CONDUCIVE WORKPLACE OHS System for the people

Ensuring our workplace is safe & conducive

Safety and health at work are paramount for our workforce and operations. We are proud to be a responsible operators maintaining our duty of care for the environment and our employees, and we routinely go beyond minimum legislative requirements. Our well-established Occupational Health and Safety (OHS) system ensures that everyone understands their responsibility in providing a safe work environment and maintaining safe and healthy habits daily within our business.

Number of workplace accidents



Summary of major workplace accidents (with medical leave > 2 days) were published in our group's employee intranet to serve as a reminder to all employees on the importance of carefulness in their daily operations. Investigations were conducted to find out the root cause and allows us to take precautionary measures to prevent it in future.

In FY2024, Automated External Defibrillator (AED) was installed on the factory premises to enhance emergency response capabilities and support life-saving efforts during medical emergencies.



Process safety

In addition to prioritising workforce safety, we ensure that our plant's infrastructure and equipment are regularly maintained and tested to meet international health and safety standards. This reduces the risk of safety incidents, improves efficiencies and helps us avoid potential incidents, many of which can have significant adverse social and environmental implications.

We also provide occupational health services, including medical surveillance tests and audiometry. We outsource this work to external providers to support employees' health efforts.

Safety Week was held annually to promote safety and health awareness and workplace health & safety risk assessment was performed to identify area for improvement.

SOCIAL HUMAN CAPITAL DEVELOPMENT **Employee Engagement Model** 1. EMPLOYEE ENGAGEMENT

Investing in our people

Benefits of highly engaged employees

to share their issues with superiors. Weekly meeting are held between executive Highly engaged employee are essential for our business success and help us achieve and sustain our vision. We have open door policy of which the staffs are encouraged directors and leaders to discuss on operational matters and to provide solution and guidance.

Our Employee Engagement Framework

In our focus on employee engagement, we follow the guideline of our framework. The Our people are our most valuable assets. As such we invest heavily in our workforce. focus are on these six areas.



Our people are our most valuable asset, and we invest heavily in our workforce. We focused on creating a strong leadership team with the right capabilities and experiences to drive our ambitions and achievements. We develop our people and reward strong performance through our career management strategies, learning and development opportunities, and access to resources.

SOCIAL HUMAN CAPITAL DEVELOPMENT 2. LEADERSHIP & LEGACY

Organisational Success

Future-proofing our workforce

Developing strong leadership

Leaders are important to set the culture of the company.

Our corporate values and philosophy are Driving excellence through innovation

- Fostering trust and confidence

Cultivating a safer, better working world

As such, we ensure our leaders are aligned and can propagate the same cultural essence and values through their own ways.

Succession planning



A strong pipeline is critical to ensure sustained quality leadership and organisational success. We need a well-structured and consistent process to build a robust pipeline of competent candidates to fill the positions. Therefore, we follow the succession planning process to identify key leadership positions to mitigate key person risk.

SOCIAL HUMAN CAPITAL DEVELOPMENT Opportunities & Growth 3. TALENT DEVELOPMENT

Training & developing our people for progression

Attract, develop and engage

People are a company's ultimate competitive advantage. We strive to attract, develop and engage our employees because our people's success is TG's success.

Attracting Talent

integration of talent into the organisation and build our brand as an employer of they are ready to take on new challenges. Our ambition is to facilitate the seamless We continually attract qualified and talented personnel and nurture our workforce, so

Developing Talent

We encourage employees to adopt a growth mindset where learning is ongoing. There

are different ways to learn and grow, depending on the development needs and an individual's learning style.





In Thong Guan, these are the learning styles we adopt.

- · On the job training and learning. For example, taking on new challenges or stretched assignments
- Growth through others. For example, social and collaborative interactions and constructive feedback in a community, networks, peers, coaches and mentors
 - Formal learning. For example, structured programmes and courses like training, online classes and readings

Each business unit and department need to submit an annual training plan to the human resources department to make necessary training arrangement. Employees can also discuss with their superiors to request additional training if required. also have an education sponsorship programme for qualified employees. We also recognised employees who have been with us through thick and thin by awarding them a long-service award.

- our employees. An increase of 35% compared to FY2023 and an average of

Empower Workforce Through JomKerja NCER

Thong Guan is proud to support the JomKerja employment opportunities for graduates and individuals affected by layoffs. This initiative skilled workers while addressing the growing commitment to community development and We believe in empowering talent, supporting government efforts, and contributing to a sustainable workforce ecosystem. Through this program launched by NCER, aimed at providing also seeks to enhance the quality of life for demands of the industry. Aligned with our national workforce resilience, Thong Guan has impact and foster long-term growth for both recruited 180 employees under this program. collaboration, we aim to create meaningful individuals and the industry.



SOCIAL SOCIAL CONTRIBUTIONS 4. CORPORATE SOCIAL RESPONSIBILITIES

SSR Projects

Helping others during hard times

Contribution to society

funds and goods totaling RM134,083 to a diverse range of 65 deserving beneficiaries. Through these contributions, we aimed to make a meaningful and lasting impact on the lives of In FY2024, our commitment to serving and uplifting our communities through corporate social responsibility (CSR) initiatives remained steadfast. Throughout the fiscal year, we actively responded to the needs of our communities by engaging in various CSR activities. Among our efforts, we proudly contributed to the betterment of society by donating both those in need, reinforcing our dedication to social responsibility and community support.

Support local talents

In 2024, we continued to champion promising athletes and individuals who showcased exceptional performance in various sporting events. Through our sponsorship initiatives, we provided financial support to these talented individuals, empowering them to reach greater heights in their sporting endeavors. By investing in the development of local talent, we not only fostered a culture of excellence but also contributed to the growth and success of our communities.



Thong Guan Joins Hand for a Cleaner Kedah

Thong Guan is proud to participate in the gotong-royong initiative organised by the First Minister of Kedah State and Majlis Perbandaran Sungai Petani as part of our ongoing commitment to community and environmental well-being. This collective clean-up effort reflects the spirit of unity and shared responsibility, bringing together local residents, government bodies, and businesses. As part of our CSR efforts, our team joined hands to help beautify and restore the local environment. We believe in giving back to the community and supporting initiatives that promote sustainability, cleanliness, and civic pride. Together, we are building a cleaner, greener Kedah for



Support underprivilege community and local schools

Throughout the year, we extend our support to various local initiatives, including schools, the Malaysia Relief Agency, and blood donation campaigns. Our primary objective is to assist those in need and foster a compassionate community. By actively participating in these endeavors, we aim to make a positive impact on the lives of vulnerable groups and contribute to the creation of a caring and supportive society. Through our collective efforts, we strive to build stronger bonds within our community and inspire others to join us in spreading kindness and goodwill.

SOCIAL SOCIAL CONTRIBUTIONS 4. CORPORATE SOCIAL RESPONSIBILITIES

CSR Projects
Helping others during hard times

Waste Collection Campaign for Recycling and Charity

We successfully organised of a waste collection and segregation campaign aimed at fostering a culture of recycling and environmental stewardship among our employees. This initiative reflects the company's commitment to sustainability and the well-being of our planet.

Throughout the campaign, employees donated the recyclable items from home and workplace, which included paper, plastic, metal, clothes, e-waste and other materials. The collective effort resulted in a total of 917 kilograms of recyclable items being gathered. These materials were then sold, and the proceeds were donated to charity, exemplifying Thong Guan's dedication to giving back to the community while promoting eco-friendly practices.

By engaging employees in this campaign, Thong Guan aims to instill the values of recycling and environmental awareness, encouraging everyone to take responsibility for their ecological footprint. This initiative not only highlights the importance of waste management but also reinforces the company's commitment to corporate social responsibility. Together, we can make a significant difference in our environment and support those in need, fostering a culture of sustainability and compassion within our organisation.







We donated to the local fire brigade as a token of appreciation for their unwavering dedication and service to the community. This contribution reflects the company's commitment to supporting local non-profit organisations and recognizing the vital role that firefighters play in ensuring public safety. This donation not only supports the fire brigade but also strengthens the bond between Thong Guan and the community it serves, reinforcing the values of collaboration and gratitude.

Governance

Effective, accountable & transparent

CORPORATE GOVERNANCE

Scope:

- 1. Board of Directors
 - 2. Board Diversity

Strategies:

Have a strategic corporate governance

Value Creation: structure

To ensure the creation and protection of

shareholders' value

Value Creation: To build trust and confidence among stakeholders

GOVERNANCE GOALS OUR

Strategies: Invest in technology and

Strategies: Streamline all our strategies on a

Continuous Improvement
 Performance Measurement

growth mindset that focuses on the People, Planet & Prosperity

ETHICS & TRANSPARENCY

Clearly defined process and procedures, Training and education, Open communication, Third party

Automation & Digitalisation **DIGITALISATION** 2. Efficiency 3. Timeliness

SUSTAINABLE OPERATIONS

Value Creation:

our stakeholders' needs and expectation To create an environment that supports employees' personal and professional

packaging manufacturer To double the group's revenue to RM 2 billion by FY2027

To be a world-class sustainable plastic

Value Creation:

Governance

Effective, Accountable & Transparent Organisational Structure & Culture

Governance Progress:

2024 GOVERNANCE HIGHLIGHTS

Performed enterprise risk assessment together with internal auditor, PKF.

Annual Board
Effectiveness Evaluation
conducted internally,
facilitated by the
Company Secretary.

Enhance the disclosure of

sustainability
performance data
according to Bursa
Malaysia enhanced
sustainability reporting
requirements.

Engagement between Non-executive Directors and Management

100% board meeting attendance.

remuneration committee.

nominating &

100% independent

directors on audit,

The Board consists of 50% independent directors.

Continuously improving operation and production efficiency.

OUR APPROACH TO GOVERNANCE MANAGEMENT

Thong Guan's esteemed reputation is firmly rooted in its core Business Ethics: Honesty, Integrity & Transparency. From day one, we instill these values in every employee, recognizing that earning stakeholders' trust is paramount for our business's future success. We are dedicated to upholding exemplary ethics and compliance, fostering a culture of good corporate governance throughout the Group.

Demonstrating the highest standards of corporate governance is integral to building a foundation of credibility and integrity. We are committed to implementing comprehensive risk management practices, adhering to good boardroom principles, and instilling a culture of anti-bribery, anti-corruption, and ethical conduct. By prioritizing these principles in all aspects of our operations, we uphold our commitment to ethical excellence and sustain the trust of our stakeholders.

RISK MANGEMENT THROUGH COMPREHENSIVE FRAMEWORK

The risk management system in Thong Guan is set up in accordance with the principles of Committee of Sponsoring organisations of the treadway Commission ("CoSo") enterprise Risk Management framework and ISO31000 on risk management which are internationally recognised risk management frameworks, Our Enterprise Risk Management Framework is to provide us with the capability to align risk management with corporate strategies, business direction and sustainable development.

Guided by Thong Guan's Enterprise Risk Management Framework, which is reviewed on frequent basis, we strive to maintain a sustainable balance between our risk appetite and business potential to achieve a competitive advantage. Please refer to the Statement On Risk Management And Internal Control in the Annual Report 2024 for more disclosure on our risk management practices.

In May 2024, we undertook a comprehensive review of our Enterprise Risk Management (ERM) framework, collaborating closely with our internal auditor, PKF, to conduct an enterprise risk assessment. During this process, the internal auditor also provided essential training to our Risk Management Task Force on the details of our ERM framework. The Task Force reviewed and updated both the risk profile and the risk register. The newly revised documents were then presented to the Board of Directors for discussion and approval. Thong Guan has formalised a policy to review the risk profile and risk register at least once every three years. This regular review process ensures that we stay attuned to the evolving risks within our business environment. It also serves as a valuable platform for members of the Risk Management Task Force to express their concerns regarding risks transparently.

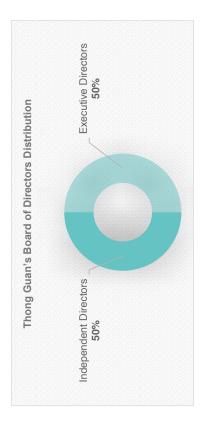
GOVERNANCE CORPORATE GOVERNANCE

Board of Directors

Leveraging on the invaluable assets of a strong & effective Board of Directors Good corporate governance creates a conducive business environment for long-term growth. Our efforts are underpinned by a board of directors elected to represent shareholders in providing strategic and independent oversight for the corporation's affairs, including corporate management, activities, policies, and more.

Board of Directors

In 2024, the Board comprised eight directors who met on four occasions, during which they approved the company's financial statements. The Board receives updates and reviews from internal and external experts on issues of importance to the company.



100% board meeting attendance

100% independent directors on audit, nominating & renumeration committee

GOVERNANCE ETHICS & TRANSPARENCY Business Code of Conduct

Building deep trust among stakeholders of the company

Ethics & transparency

Thong Guan strives to uphold high ethical standards in all aspects of our business. Our **Business Ethics and Code of Conduct** set the ethical conduct expectation for our Group.

Thong Guan encourages employees and contractors to ask questions, voice concerns and report any alleged violations of company policies.

In addition to our open-door communication culture, we have the **Whistleblowing Policy**, providing an independent channel to offer more accessible, secure, and confidential reporting. We respect confidentiality, subject to legal requirements, and strictly prohibit retaliation against any employee for submitting concerns—audit Committee reviews reports of suspected violations concerning ethics and management integrity.

Our audit committee, comprising three independent directors, oversees accounting and internal control matters for the company, including compliance with legal and regulatory requirements. Thong Guan conducts quarterly internal audits and self-assessments to verify the effectiveness of our control system.

Anti bribery & corruption

In FY2024, we continue to review and update our risk analysis in relation to anti bribery and corruption. Anti-corruption training was carried out in FY2022. Below is our anti-corruption and anti bribery data for FY2022, FY2023 & FY204.

In FY2023 we have implemented an online course on anti-bribery and corruption for executive-level employees and above, complemented by foundational training sessions tailored for non-executive staff and also include the training in our onboarding process. While we have not yet achieved full participation from our workforce, we remain committed to emphasizing the importance of corporate integrity to all our employees.

Financial year	2022	2023	2024
Number of corruption and bribery case	0	0	0
Political contribution made (RM)	0	0	0
Facilities payment made (RM)	0	0	0
Fines imposed in relation to corruption, bribery (RM)	0	0	0
Percentage of operations assessed for corruption-related risks	100	100	100

Data Security

Protecting data assets

Data Security

Thong Guan's commitment to data security extends beyond mere technological upgrades. Within our organization, we actively prioritise ethical standards in data handling, as outlined by our Security Policy and Procedures. These guidelines dictate the responsible utilization of information, ensuring the protection of our information assets and network infrastructure. An essential aspect of this approach involves the implementation of Non-Disclosure Agreements (NDAs), serving as a legal safeguard to shield our intellectual property from theft or unauthorised access.

Our dedication to cybersecurity compliance not only enhances our daily operations but also fosters trust among stakeholders. Our employees serve as the first line of defense in safeguarding data. Through comprehensive training and awareness initiatives, we empower them to act as a human firewall, remaining vigilant against potential threats. By nurturing a culture of security awareness, we instill a sense of accountability in each individual to protect our data assets. This entails following best practices and promptly identifying and reporting any suspicious activities, contributing to a collective effort to bolster our defenses.

To ensure that employees only access necessary data for their roles, we have implemented access controls within our business processes. Our technological solutions, including endpoint protection, secure cloud storage, and cloud email security, work together seamlessly to establish a robust defense mechanism against cyber threats and unauthorised access attempts.

To proactively address emerging risks, we continually invest in and adopt innovative echnologies to reinforce our commitment to upholding data security standards.

✓ There were no complaints concerning breaches of customer privacy and losses of customer data in 2024.

GOVERNANCE ETHICS & TRANSPARENCY

Responsible Sourcing

Ethically Sourced, Sustainably Yours

Responsible Sourcing Policy

In FY2024, Thong Guan formally adopting a responsible sourcing policy. This initiative is not merely a response to growing consumer demands for sustainability; it is a moral imperative that reflects the company's commitment to ethical sourcing, responsible consumption, and long-term business viability. By prioritizing responsible sourcing, Thong Guan aims to ensure that the products it manufactures are not only high-quality but also sustainable and ethically produced.

Adopting a responsible sourcing policy is essential for:



Ethical Considerations: In an era where consumers are increasingly aware of the origins of the products they purchase. It is imperative for companies to ensure that the materials they utilise are sourced ethically. This means avoiding practices that exploit labour, harm communities, or contribute to human rights abuses.



Environmental Impact: The environmental impact of sourcing practices cannot be overstated. Responsible sourcing policies prioritise sustainable practices that reduce the negative effects of resource extraction, manufacturing processes, and transportation. Thong Guan's commitment to responsible sourcing includes measures aimed at mitigating climate change, preserving biodiversity, and protecting ecosystems.



Legal Compliance: Compliance with sourcing-related laws is more critical than ever. Many jurisdictions have enacted regulations governing sourcing practices, particularly regarding labour rights and environmental standards. Our responsible sourcing policy is designed to help ensure compliance with these laws, thereby reducing the risk of legal issues and potential penalties.



Supply Chain Resilience: A robust responsible sourcing policy also promotes supply chain resilience. Through our responsible sourcing policy, Thong Guan aims to engage with suppliers who share the similar values and commitment to sustainability. By working closely with these suppliers, the company can create a more resilient supply chain that is better equipped to navigate challenges and uncertainties.

GOVERNANCE ETHICS & TRANSPARENCY

Responsible Sourcing

Ethically Sourced, Sustainably Yours



Business Continuity: By securing access to vital resources and Thong Guan enhances its ability to mitigate risks associated with resource scarcity. This strategic approach is crucial for maintaining reducing dependency on finite or environmentally damaging materials, operational stability and fostering long-term success.

Enhanced Vendor Assessments

Strengthening Supply Chain Management

To reinforce its commitment to responsible sourcing, Thong Guan has enhanced its conducts assessments on suppliers with annual purchases exceeding RM1 million at least once every three years. Additionally, this assessment is compulsory for new vendor assessment documentation. The company has implemented a system that suppliers with estimated annual purchases exceeding RM1 million.

Guan to understand the challenges suppliers face while encouraging them to provide These assessments serve as a vital platform for communicating expectations regarding sustainable supply practices to suppliers. They foster an open dialogue, allowing Thong invaluable feedback. This collaborative approach is essential for identifying potential social and environmental risks and developing strategies to mitigate them.

in 2024, we identified 65 suppliers from whom we purchase more than RM1 million. As December 31, 2024, we have completed the evaluation process for 17 of these suppliers. Based on the findings of our evaluation, we will tailor ESG content training specifically for our SME suppliers. Additionally, we underwent an assessment under the EcoVadis scheme to enhance our ESG practices throughout our supply chain

Supporting SME Suppliers: Training and Development

suppliers. These training sessions are designed to enhance their understanding of sustainable sourcing practices and equip them with the knowledge and skills necessary to Thong Guan recognises that small and medium-sized enterprises (SMEs) often face unique challenges in transitioning toward sustainable practices. To facilitate this transition, the company has recommended relevant training sessions tailored to the needs of SME implement such practices effectively In FY2025, we plan to organise in-house development training for our SME suppliers to enhance their knowledge of ESG practices

GOVERNANCE DIGITALISATION

Automation & Digitalisation

Improving efficiency, transparency & speed

Automation & digitalisation transformation

costs while accelerating production. Real-time data analytics optimise resource poosts productivity and competitiveness but also paves the way for innovation and embracing automation and digitalization in manufacturing environments not only orecision, and agility. They streamline processes, reducing human error and labour Furthermore, Automation and digitalization revolutionise manufacturing by enhancing efficiency automation enhances workplace safety by minimizing hazardous tasks. Overall, allocation, inventory management, ensuring seamless operations. sustainability

From FY2021 to FY2024, we focused on enhancing efficiency and sustainability hrough key digitalization and automation initiatives. n FY2021, we digitalised our production processes by implementing a Manufacturing goods. We also introduced an automated weighing system and a digital waste Execution System (MES) to track the transformation of raw materials into finished nanagement monitoring system, improving operational tracking and efficiency

in FY2023, we successfully implemented an auto-debagging system for incoming in FY2022, we upgraded our procurement and payable systems with Robotic Process Automation (RPA) and Supplier Relationship Management (SRM). This enhancement mproved data accuracy and transparency while significantly reducing paper usage in

the risk of resin leakage, ensuring environmental safety and protecting staff from

posture-related injuries

resin materials. This solution not only decreased manpower needs but also minimised

In FY2024, we kicked off a project aimed at automating our packaging process. This initiative will include the introduction of robotic arms into enhancing efficiency in packaging By automating this Μe aim to improve productivity while production line, further continuing to prioritise the wellaspect of our manufacturing, being of our workforce. operations.



GOVERNANCE SUSTAINABLE OPERATIONS Continuous Improvements

Ensuring our business thrive for the people, environment & economy

Sustainable Operation Management & strategies



FTSE4Good

We have been included as a constituent of the FTSE4GOOD Bursa Malaysia ("F4GBM") Index in FY2024

Thong Guan has been recognised as a constituent of the FTSE4Good Bursa Malaysia Index, a significant achievement that underscores the company's commitment to ESG standards. Inclusion in the FTSE4Good Index is a testament to Thong Guan's ongoing efforts to enhance transparency in ESG reporting. This recognition highlights the company's dedication to sustainable business practices and its proactive approach to integrating responsible practices across its operations. By aligning with the rigorous criteria set by the FTSE4Good Index, Thong Guan demonstrates its commitment to maintaining high ethical standards and fostering a positive impact on the environment and society.

✓ In 2024, Thong Guan paid 5.5 cents per share dividend to shareholders (total RM22.0 M) to shareholders.

✓ In 2024, Thong Guan Paid RM21.1 M tax to support the development of the countries where we operates.



We has been awarded the prestigious Bronze Medal by EcoVadis in FY2024

In addition, Thong Guan has achieved a Bronze status from EcoVadis, further solidifying our role as a leader in sustainable practices within the supply chain. It reflects the company's continuous improvement in its sustainability initiatives and its dedication to supporting green practices. The EcoVadis assessment evaluates companies on their ESG performance, and Thong Guan's Bronze status indicates a robust commitment to responsible business operations. Together, these recognitions embody Thong Guan's vision of sustainability and its drive to contribute positively to the global movement towards greener practices in industry.

We recognised business growth and profit are vital for long-term viability, innovation, attracting investors and talent, scaling impact, building resilience, and demonstrating success. Our aim is to elevate the Group's revenue to RM2 billion by FY2027. Despite facing a downtum, with a 3.3% decrease in revenue and a 6.8% decline in profit after tax compared to FY2023, attributed to challenging global economic conditions, we remain resolute in our dedication. Our commitment continues to drive us to pursue our target, realizing the ambitious RM2 billion revenue milestone by FY2027.

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

GRI Standards	Disclosure Number	Disclosures	Page Reference	GRI Standards	Disclosure Number	Disclosures	Page Reference
GENERAL DISCLOSURE	SURE			GENERAL DISCLOSURE	URE		
GRI 2: General Disclosures 2021	The organisation &	The organisation and its reporting practices		GRI 2: General Disclosures 2021	Governance		
	2-1	Organisation details	Group Structure & Principal Activities, page 3; About Us, page 16		2-9	Governance structure and composition	Sustainability Governance, page 18; Corporate Governance
	676	Entities included in the	About Our Sustainability				Overview Statement, page 64-72
		reporting	Statement, page 18		2-10	Nomination and selection of the	Corporate Governance
	2-3	Reporting period, frequency	About Our Sustainability			highest governance body	Overview Statement, page 64-72
	2.4	and contact point	About Our Sustainability		2-11	Chair of the highest	Corporate Governance Overview Statement,
	-		Statement, page 18			6	page 64-72
	2-5	External assurance	About Our Sustainability Statement, page 18		2-12	Role of the highest governance body overseeing the management of impacts	Corporate Governance Overview Statement,
	Activities and workers	(ers				Dolocation of recessorsibility for	Corporate Governance
	2.6	Activities, value chain and other	Group Structure &		2-13	managing impacts	Overview Statement, page 64-72
	2	business relationship	3				Sustainability
	2-7	Employees	Social – Human Rights Protection, page 43-45		2-14	Role of the highest governance body in sustainability reporting	Governance, page 18; Corporate Governance Overview Statement,
	0 0	Workers who are not	Social – Human Rights				page 64-72
	0-7	employees	Protection, page 43-45		!		Profile of Directors, page
					2-15	Conflict of interest	10-13; Audit Committee Report, page 78-79

Governance – Ethical & Transparency, page 52

Communication of critical concerns

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

GRI Standards	Disclosure Number	Disclosures	Page Reference	GRI Standards	Disclosure Number	Disclosures	Page Reference
GENERAL DISCLOSURE	LOSURE			GENERAL DISCLOSURE	LOSURE		
GRI 2: General Disclosures 2021	Governance			GRI 2: General Disclosures 2021	Strategy, policies and practices	s and practices	
	2-17	Collective knowledge of the highest governance body	Profile of Directors, page 10-13; Audit Committee Report, page 78-79		2-25	Process to remediate negative impacts	Sustainability Governance, page 18, Corporate Governance Overview Statement, page 64-72
	2-18	Evaluation of the performance of the highest governance body	Corporate Governance Overview Statement, page 64-72		2-26	Mechanism for seeking advice and raising concerns	Sustainability Governance, page 18, Corporate Governance Overview Statement, page 64-72
	2-19	Remuneration policies	Corporate Governance Overview Statement, page 64-72				Environmental -Operational Eco Efficiency, page 24-31; Environment -
	2-20	Process to determine remuneration	Corporate Governance Overview Statement, page 64-72		2-27	Compliance with laws and regulations	Environment Positive, page 36-39; Social – Human Rights Protection, page 43-45; Governance – Ethical &
		Annual total compensation	Comorate Governance Overview				Transparency, page 52-54
	2-21	ratio	Statement, page 64-72		2-28	Membership associations	Environmental – Environment Positive page 36-39
	Strategy, polici	Strategy, policies and practices			000	Approach to stakeholder	C come to the content of the content
			Our sustainability Commitment,		67-7	engagement	Stakenolder Engagement, page zi
	2-22	Statement on sustainable development strategy	page 15; Our ESG Framework, page 17; Our Core Strategies, page 17		2-30	Collective bargaining agreement	Our People, page 42
	2-23	Policy commitments	Environmental, page 22-23; Social, page 40-42; Governance,	MATERIAL TOPIC	<u> </u>		
			page 50-51		3-1	Process to determine	Materiality Assessment, page 19-20
			Environmental, page 22-23;	GRI 3: Material		material topics	
	2-24	Embedaing policy commitments	Sodal, page 40-42; Governance, page 50-51; Business Code of conduct page 52	l opics 202 i	3-2	List of material topics	Materiality Assessment, page 19-20

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

GRI Standards	Disclosure Number	Disclosures	Page Reference	GRI Standards	Disclosure Number	Disclosures	Page Reference
TOPIC-SPECIFIC DI	SCLOSURES: SU	TOPIC-SPECIFIC DISCLOSURES: SUSTAINABILITY TOPICS		TOPIC-SPECIFIC DIS	SCLOSURES: SU	TOPIC-SPECIFIC DISCLOSURES: SUSTAINABILITY TOPICS	
CORPORATE GOVE	ERNANCE AND E	CORPORATE GOVERNANCE AND ETHIC & TRANSPARENCY		SUSTAINABLE OPERATIONS	RATIONS		
GRI 3: Material Topics 2021	3-3	Management of material topics	Governance – Corporate Governance, Ethics & Transparency, page 52-54	GRI 3: Material Topics 2021	3-3	Management of material topics	Sustainable Operation, page 55
	205-1	Operations assessed for risks related corruption	Business Code of Conduct, page 52	GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Sustainable Operation, page 55
		Communication and training	Business Code of Conduct, page 52; Bursa	DIGITALIATION			
	7-607	about anti-corruption policies and action taken	Sustainability indicators, page 62-63	GRI 3: Material Topics 2021	3-3	Management of material topics	Automation & Digitalisation, page 54
	205-3	Confirmed incidents of	Business Code of Conduct, page 52; Bursa Sustainability Indicators	OPERATIONAL ECO EFFICIENCY	EFFICIENCY		
		corruption and action taken	page 62-63	GRI 3: Material Topics 2021	3-3	Management of material topics	Operational Eco Efficiency, page 24-31
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Responsible Sourcing, page 53-54	GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Waste Management, page 30-31
GRI 308: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Responsible Sourcing, page 53-54		306-2	Management of significant waste-related impacts	Waste Management, page 30-31
					306-3	Waste generated	Waste Management, page 30-31

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

GRI Standards	Disclosure Number	Disclosures	Page Reference	GRI Standards	Disclosure Number	Disclosures	Page Reference
TOPIC-SPECIFIC DI	SCLOSURES: SU	TOPIC-SPECIFIC DISCLOSURES: SUSTAINABILITY TOPICS		TOPIC-SPECIFIC DIS	SCLOSURES: SU	TOPIC-SPECIFIC DISCLOSURES: SUSTAINABILITY TOPICS	
OPERATIONAL ECO EFFICIENCY) EFFICIENCY			CIRCULARITY			
GRI 306: Waste 2020	306-4	Waste diverted from disposal	Waste Management, page 30-31	GRI 3: Material Topics 2021	3-3	Management of material topics	Recycling Capacity, page 32; Green Certifications, page 33; Sustainable Product Development
	306-5	Waste directed to disposal	Waste Management, page 30-31			-	and Innovation, page 34-35
GRI 303: Water and	303-1	Interaction with water as	Water Management nage 30-31	ENVIRONMENT POSITIVE	SITIVE		
effluents	1-000	a shared source	water management, page 50-51				GHG Emissions Reduction, page
	303-2	Management of water- discharged-related impacts	Water Management, page 30-31	GRI 3: Material Topics 2021	ب د.	Management of material topics	 Air Pollution Management, page 37; Chemical Substances Management; page 38; Collaboration Helps Growth, page
	303-3	Water withdrawal	Water Management, page 30-31				38; Sustainability Through Data, page 39
	303-5	Water consumption	Water Management, page 30-31		305-1	Direct (Scope 1) GHG emissions	GHG Emissions Reduction, page 36; Bursa Sustainability Indicators, page 62-63
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Material Management & Reduction, page 29		305-2	Energy indirect (Scope 2) GHG emissions	GHG Emissions Reduction, page 36; Bursa Sustainability Indicators, page 62-63
	301-2	Recycled input material used	Material Management & Reduction, page 29		305-4	GHG emission intensity	GHG Emissions Reduction, page 36; Bursa Sustainability Indicators,
GRI 301: Energy 2016	302-1	Energy consumption within the organization	Energy Management, page 24- 25		307-1	Non-compliance with environmental laws and	Waste Management, page 26-28;
	302-3	Energy intensity	Energy Management, page 24- 25			regulations	Air Pollution, page 37

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GRI Standards	Disclosure Number	Disclosures	Page Reference	GRI Standards	Disclosure Number	Disclosures	Page Reference
TOPIC-SPECIFIC	DISCLOSURES	TOPIC-SPECIFIC DISCLOSURES: SUSTAINABILITY TOPICS		TOPIC-SPECIFIC DIS	SCLOSURES: SU	TOPIC-SPECIFIC DISCLOSURES: SUSTAINABILITY TOPICS	
HUMAN RIGHTS PROTECTION	PROTECTION			HEALTH AND SAFETY	17		
GRI 3: Material Topics 2021	3-3	Management of material topics	Human Rights Protection, page 43-45		403-5	Worker training on occupational health	Bursa Sustainability Indicators, page 62-63
GRI 401: Employment 2016	401-1	New employee hires and employee tumover	Talent Development, page 47; Bursa Sustainability Indicators, page 62-63		403-6	Promotion of worker health	Safe & Conducive Workplace, page 45
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time	Ethical Employment Practices, page 44-45		403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Safe & Conducive Workplace, page 45
		employees	Ethical Employment Practices.		403-9	Work-related injuries	Safe & Conducive Workplace, page 45
	401-3	rarental leave	page 44-45		700 70	111 - 11 - 11 - 11	Safe & Conducive
GRI 405: Diversity			Diversity and Inclusion		403-10	VV ork-related nealth	Workplace, page 45
and Equal Opportunities	405-1	Diversity of governance bodies and employees	43-44; Bursa Sustainability	HUMAN CAPITAL DEVELOPMENT	EVELOPMENT		
2016			illaicatols, page 02-03	GRI 404: Training			Human Capital
HEALTH AND SAFETY	FETY			and Education 2016	404-1	Average hours of training per year per employee	Development, page 46-47; Bursa Sustainability
GRI 3: Material Topics 2021	3-3	Management of material topics	Social, page 40; Our People, page 42; Safe & Conducive			Programs for upgrading	Indicators, page 62-63
700.			Workplace, page 45		404-2	employee skills and transition assistance programs	Development, page 46-47
Occupational Health and Safety	403-1	Occupational health and safety management system	page 42, Our reopie, page 42; Safe & Conducive Workplace, page 45	CORPORATE SOCIAL RESPONSIBILITY	IL RESPONSIBIL	JTY.	
2018	403-2	Hazard identification, risk assessment, and incident	Safe & Conducive Workplace,	GRI 3: Material Topics 2021	3-3	Management of material topics	Corporate Social Responsibility, page 48-49
		investigation	page 45	GRI 413:		Operations with local	Corporate Social
	403-3	Occupational health services	Safe & Conducive Workplace, page 45	Local Communities 2016	413-1	community engagement, impact assessments and	Responsibility, page 48- 49; Bursa Sustainability Indicators, page 62-63
	7	Worker participation,	Safe & Conducive Workplace,			development programs	
	4-00-4	on occupational health and safety	page 45				



BURSA SUSTAINABILITY INDICATORS

The table below contains the common and specific sustainability indicators as required by Bursa Malaysia in their Enhanced Sustainability Guide (3rd edition), and it is presented in the prescribed format as shown in the Bursa Malaysia's Illustrative Sustainability Report that was published in September 2023. This reflects our unwavering commitment to providing our stakeholders with the most reliable and up-to-date information, ensuring our sustainability performance are best reported to our knowledge.

Indicator	Measurement unit	2023 ^(*)	2024
Common Sustainability Matters: Anti-corruption			
C1(a) Percentage of employees who have received training on antico	orruption by employee o	category	
Level			
Senior Management	Percentage	93	85
Middle Management	Percentage	83	82
Executive	Percentage	78	65
Non-executive	Percentage	64	75
C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100	100
C1(c) Confirmed incidents of corruption and action taken	Number	0	0
Common Sustainability Matters: Community/Society			
C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	91,016	134,083
C2(b) Total number of beneficiaries of the investment in communities	Number	44	65
Common Sustainability Matters: Diversity			
C3(a) Percentage of employees by gender and age group, for each e	mployee category		
Gender by Level			
Senior Management Female	Percentage	7	28
Senior Management Male	Percentage	93	72
Middle Management Female	Percentage	38	38
Middle Management Male	Percentage	62	62
Executive Female	Percentage	50	62
Executive Male	Percentage	50	38
Non-Executive Female	Percentage	26	25
Non-Executive Male	Percentage	74	75
Age by Level			
Senior Management below 30 years old	Percentage	0	0
Senior Management 30-50 years old	Percentage	46	53
Senior Management above 50 years old	Percentage	54	47
Middle Management below 30 years old	Percentage	10	0
Middle Management 30-50 years old	Percentage	61	65
Middle Management above 50 years old	Percentage	29	35
Executive below 30 years old	Percentage	24	13
Executive 30-50 years old	Percentage	62	70
Executive above 50 years old	Percentage	14	17
Non-Executive below 30 years old	Percentage	43	41
Non-Executive 30-50 years old	Percentage	49	50
Non-Executive above 50 years old	Percentage	8	9

Gender Female Percentage of 13 10 Male Percentage 87 90 Age below 30 years old Percentage 38 22 above 50 years old Percentage 38 22 Accommon Sustainability Matters: Energy management C4(a) Total energy consumption Megawatt 111,536 119,059 Common Sustainability Matters: Health and safety C5(b) Lost time incident rate ("LTR") Rate 0.54 0.58 C5(c) Number of employees trained on health and safety standards C5(a) Total hours of training by employee category Level Senior Management Hours 1,937 1,849 Middle Management Hours 1,937 1,849 Executive Hours 7,477 2,553 Mon-Executive Hours 4,674 13,879 C6(c) Percentage of employees that are contractors or temporary staff C6(c) Total number of employee tunover by employee category Level Senior Management Number 0 2 Middle Management Hours 1,937 1,849 Hours 7,477 2,553 Mon-Executive Hours 7,477 2,553 C6(c) Total number of employees that are contractors or temporary staff C6(c) Total number of employee tunover by employee category Level C6(d) Management Number 7,7 11 Executive Number 7,7 11 Executive Number 7,7 50 Number 7,8 50 Number 8,7 50 Number 9,7 50 Number 9,7 50 Number 1,7 50 Number 2,7 50 Number 2,7 50 Number 3,7 50 Number 5,7 50 Number 5,7 50 Number 6,7 5,7 50 Number 7,7 5	Indicator	Measurement unit	2023 ^(*)	2024
Gender Female Percentage 13 10 Male Percentage 87 90 Age Below 30 years old Percentage 38 22 above 50 years old Percentage 38 22 above 50 years old Percentage 38 22 above 50 years old Percentage 62 78 Common Sustainability Matters: Energy management C4(a) Total energy consumption Megawatt 111,536 119,059 Common Sustainability Matters: Health and safety C5(a) Number of work-related fatalities Number 0 0 C5(b) Lost time incident rate ("LTIR") Rate 0.54 0.58 C5(c) Number of work-related fatalities Number 462 799 Common Sustainability Matters: Labour practices and standards C5(c) Total energy consumption Number Very Senior Management Hours 1,937 1,849 Executive Hours 4,674 13,879 C6(c) Total number of employees that are contractors or temporary staff Number 0 2 Senior Management Number 0 2 Senior Management Number 0 2 C6(c) Total number of employee turnover by employee category Level Senior Management Number 7,477 2,553 Middle Management Number 7,477 11 Executive Number 7 11 Executive Number 7 11 Executive Number 7 11 Executive Number 7 11 Executive Number 77 50 Number 77 50 Number 77 50 Number 578 475 C6(d) Number of substantiated complaints concerning human rights violations Common Sustainability Matters: Supply chain management C7(a) Proportion of spending on local suppliers Percentage 32 35 Common Sustainability Matters: Occurrent of Sustainability Matters: Supply chain management C7(a) Proportion of spending on local suppliers Percentage 32 35 Common Sustainability Matters: Water Senior Management C7(a) Total volume of substantiated complaints concerning breaches of customer privacy and losses of customer data Complaints concerning breaches of Customer privacy and security Self-All Vision of Sustainability Matters: Water Senior Management C7(a) Total waste directed to disposal Metric tonnes 5,520 7,190 C10(a) Total waste directed to disposal Metric tonnes 5,520 7,190 C10(a) Total waste directed to d	C3(b) Percentage of directors by gender and age group			
Male Age Sage Sage Sage Sage Sage Sage Sage Sa				
Male Percentage 87 90 Age Section 30 years old Percentage 0 0 30-50 years old Percentage 38 22 above 50 years old Percentage 38 22 Common Sustainability Matters: Energy management Wegawatt 111,536 119,059 Common Sustainability Matters: Health and safety Mumber 0 0 0 C5(a) Number of work-related fatalities Number 0 <t< td=""><td>Female</td><td>Percentage</td><td>13</td><td>10</td></t<>	Female	Percentage	13	10
Age below 30 years old 9Percentage 38 22 above 50 years old Percentage 62 78 Common Sustainability Matters: Energy management C4(a) Total energy consumption Megawatt 111,536 119,059 Common Sustainability Matters: Health and safety C5(a) Number of work-related fatalities Number 0 0 0 C5(b) Lost time incident rate ("LTIR") Rate 0.54 0.58 C5(c) Number of employees trained on health and safety standards C5(a) Total hours of training by employee category Level Senior Management Hours 1,937 1,849 Middle Management Hours 1,937 1,849 Middle Management Hours 7,477 2,553 Non-Executive Hours 7,477 2,553 Non-Executive Hours 7,477 2,553 Non-Executive Hours 1,047 1,0	Male	_	87	90
below 30 years old 9Percentage 38 22 2 30-50 years old 9Percentage 38 22 2 2 30-50 years old 9Percentage 62 78 Percentage 70 11,536 119,059 Common Sustainability Matters: Energy management 70 Megawatt 111,536 119,059 Common Sustainability Matters: Health and safety 70 Number 70 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	Age	J		
30-50 years old percentage 38 22 above 50 years old Percentage 62 78 78 Common Sustainability Matters: Energy management C4(a) Total energy consumption Megawatt 111,536 119,059 Common Sustainability Matters: Health and safety Sciphology of work-related fatalities Number 0 0 0 CS(b) Lost time incident rate ("LTIR") Rate 0.54 0.58 CS(c) Number of employees trained on health and safety standards Number 462 799 Common Sustainability Matters: Labour practices and standards CG(a) Total hours of training by employee category Cevel Senior Management Hours 67 796 Middle Management Hours 1,937 1,849 Executive Hours 7,477 2,553 Non-Executive Hours 4,674 13,879 CG(b) Percentage of employees that are contractors or temporary staff CG(c) Total number of employee turnover by employee category Level Senior Management Number 77 11 Executive Number 77 11 Executive Number 77 11 Executive Number 77 150 Non-Executive Number 77 50 Non-Executive Number 578 475 CG(d) Number of substantiated complaints concerning human rights violations Number 0 0 0 Common Sustainability Matters: Supply chain management Number 578 375 CG(d) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data Number 578 253 271 CG(d) Number of water used Negalitres Sciphology Alexagement Sciphology A	-	Percentage	0	0
above 50 years old Common Sustainability Matters: Energy management C4(a) Total energy consumption Megawatt 111,536 119,059 Common Sustainability Matters: Health and safety C5(a) Number of work-related fatalities Number 0 0 C5(b) Lost time incident rate ("LTIR") Rate 0.54 0.58 C5(c) Number of employees trained on health and safety standards Number 462 799 Common Sustainability Matters: Labour practices and standards C6(a) Total hours of training by employee category Level Senior Management Hours 67 796 Middle Management Hours 1,937 1,849 Executive Hours 7,477 2,553 Non-Executive Hours 4,674 13,879 C6(b) Percentage of employees that are contractors or temporary staff C6(c) Total number of employee turnover by employee category Level Senior Management Number 0 2 Middle Management Number 0 2 Senior Management Number 0 2 C6(c) Total number of employee turnover by employee category Level Senior Management Number 77 11 Executive Number 77 11 Executive Number 0 0 2 Middle Management Number 77 50 Number 7 11 Executive Number of substantiated complaints concerning human rights violations Common Sustainability Matters: Supply chain management C7(a) Proportion of spending on local suppliers Percentage 32 35 Common Sustainability Matters: Data privacy and security C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data Common Sustainability Matters: Water O2(a) Total volume of water used Megalitres 253 271 Common Sustainability Matters: Water management C10(a) Total waste directed from disposal Metric tonnes 5,520 7,190 C10(a) (ii) Total waste directed to disposal Metric tonnes 5,520 7,190 C11(a) Scope 1 emissions in tonnes of C02e Metric tonnes 1,112 1,767 C11(b) Scope 2 emissions in tonnes of C02e Metric tonnes 8,3922 85,250 C11(c) Scope 3 emissions in tonnes of C02e Metric tonnes 8,3922 85,250		_	38	22
Common Sustainability Matters: Energy management C4(a) Total energy consumption C5(b) I Total energy consumption C5(b) I Statinability Matters: Health and safety C5(a) Number of work-related fatalities Number C5(b) Lost time incident rate ("LTIR") Rate C5(c) Number of employees trained on health and safety standards C5(c) Number of employees trained on health and safety standards C5(c) Number of employees trained on health and safety standards C5(a) Total hours of training by employee category Level Senior Management Hours 67 796 Middle Management Hours 1,937 1,849 Executive Hours 4,674 13,879 C6(b) Percentage of employees that are contractors or temporary staff C6(c) Total number of employee turnover by employee category Level Senior Management Number C6(c) Total number of employee turnover by employee category Level Number C6(d) Number of substantiated complaints concerning human rights violations C6(d) Number of substantiated complaints concerning human rights violations C6(d) Number of substantiated complaints concerning breaches of customer privacy and blosse of customer data Common Sustainability Matters: Supply chain management C7(a) Proportion of spending on local suppliers Percentage 32 35 Common Sustainability Matters: Data privacy and security C8(a) Number of substantiated complaints concerning breaches of customer privacy and blosses of customer data Common Sustainability Matters: Water C9(a) Total volume of water used Common Sustainability Matters: Water C9(a) Total volume of water used Megalitres 5,520 7,190 C1(a)(i) Total waste directed to disposal Metric tonnes 5,520 7,190 C1(a)(i) Total waste directed to disposal Metric tonnes 1,112 1,767 Metric tonnes 43,922 85,250 C1(1) Scope 3 emissions in tonnes of CO2e Metric tonnes Metric tonnes		_	62	78
Common Sustainability Matters: Health and safety CS(a) Number of work-related fatalities Number Number Number O O O SS(b) Lost time incident rate ("LTIR") Rate O.54 O.58 CS(c) Number of employees trained on health and safety standards Number Common Sustainability Matters: Labour practices and standards CG(a) Total hours of training by employee category Level Senior Management Hours Hours Frequency Hours Hours Frequency Hours Frequency Hours Hours Frequency Hours Hours Hours Frequency Hours Hours Frequency Hours Hours Hours Frequency Hours Hours Hours Hours Frequency Hours H		Ţ.		
Common Sustainability Matters: Health and safety CS(a) Number of work-related fatalities Number Number Number O O O SS(b) Lost time incident rate ("LTIR") Rate O.54 O.58 CS(c) Number of employees trained on health and safety standards Number Common Sustainability Matters: Labour practices and standards CG(a) Total hours of training by employee category Level Senior Management Hours Hours Frequency Hours Hours Frequency Hours Frequency Hours Hours Frequency Hours Hours Hours Frequency Hours Hours Frequency Hours Hours Hours Frequency Hours Hours Hours Hours Frequency Hours H		Megawatt	111,536	119,059
C5(a) Number of work-related fatalities			-	
C5(b) Lost time incident rate ("LTIR") Rate 0.54 0.58 C5(c) Number of employees trained on health and safety standards Number 462 799 Common Sustainability Matters: Labour practices and standards C6(a) Total hours of training by employee category Level Senior Management Hours 1,937 1,849 Executive Hours 7,477 2,553 Non-Executive Hours 4,674 13,879 C6(b) Percentage of employees that are contractors or temporary staff C6(c) Total number of employee turnover by employee category Level Senior Management Number Number 7 11 Executive Number 7 11 Executive Number 77 50 Number 77 50 Number C6(d) Number of substantiated complaints concerning human rights violations Common Sustainability Matters: Supply chain management C7(a) Proportion of spending on local suppliers Common Sustainability Matters: Data privacy and security C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data Common Sustainability Matters: Water C9(a) Total volume of water used C9(a) Total volume of water used C9(a) Total volume of water used Common Sustainability Matters: Water C9(a) Total volume of water used C10(a) Total waste directed from disposal Metric tonnes 5,520 7,190 C10(a)(ii) Total waste directed to disposal Metric tonnes 1,112 1,767 C11(b) Scope 2 emissions in tonnes of CO2e Metric tonnes		Number	0	0
C5(c) Number of employees trained on health and safety standards Common Sustainability Matters: Labour practices and standards C6(a) Total hours of training by employee category Level Senior Management Hours 67 796 Middle Management Hours 1,937 1,849 Executive Hours 7,477 2,553 Non-Executive Hours 4,674 13,879 C6(b) Percentage of employees that are contractors or temporary staff C6(c) Total number of employee turnover by employee category Level Senior Management Number 7 11 Executive Number 7 11 Executive Number 77 50 Non-Executive Number 77 50 Non-Executive Number 578 475 C6(d) Number of substantiated complaints concerning human rights violations Common Sustainability Matters: Supply chain management C7(a) Proportion of spending on local suppliers Percentage 32 35 Common Sustainability Matters: Data privacy and security C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data Common Sustainability Matters: Water C9(a) Total volume of water used Megalitres 253 271 Common Sustainability Matters: Water C9(a) Total waste diverted from disposal Metric tonnes 5,520 7,190 C10(a)(i) Total waste diverted from disposal Metric tonnes 1,583 1,980 Common Sustainability Matters: Emission Management C11(a) Scope 1 emissions in tonnes of CO2e Metric tonnes 1,112 1,767 C11(b) Scope 2 emissions in tonnes of CO2e Metric tonnes 43,922 85,250 C11(c) Scope 3 emissions in tonnes of CO2e (at least for the		Rate	0.54	0.58
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C11(c) Scope 3 emissions in tonnes of CO2e (at least for the	C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	43,922	85,250
Metric tonnes		Motulo to		
categories of business travel and employee commuting) - 1,557	categories of business travel and employee commuting)	ivietric tonnes		1,557

 $^{^{(\}ast)}\text{-}$ FY2023 figures have been restated to conform to the FY2024 presentation.

The Board of Directors ("the Board") of Thong Guan Industries Berhad ("the Company") is committed to maintain good corporate governance throughout the group in its effort to ensure long-term sustainable growth and to safeguard, protect and enhance shareholders' value.

The Corporate Governance Overview Statement sets out how the Company and its subsidiaries ("the Group") has applied the Principles and Practices and the approach the Board will take to steer the Group to apply such Principles and Practices as prescribed by the Malaysian Code on Corporate Governance (MCCG 2021).

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

The Board takes full responsibilities for the overall performance of the Group by providing leadership and direction as well as management supervision. As a whole, the Board is the ultimate decision making body. Further to its legal responsibilities, the Board assumes full responsibility for the Group's strategic direction, overseeing the proper conduct of the Group's business, identifying principal risks and ensuring the implementation of systems to manage risks, succession planning, developing investor relations programme, reviewing the adequacy and integrity of the Group's internal control systems and management information systems, establishing goals for management and monitoring the achievement of these goals.

There is a clear separate division of responsibility of the role and duties of Chairman and Managing Director. Chairman of the Board is responsible for leading the Board and oversee the Board in the effective discharge of its supervisory role and facilitate effective contribution of all members of the Board during meetings. Managing Director is responsible for the vision and strategic direction of the Group.

The Board has established 3 Board Committees ('Committees') to assist in the performance of its stewardship duties under specific terms of reference ("TOR"). The Committees established are the Audit Committee ("AC"), the Nominating Committee ("NC") and the Remuneration Committee ("RC"). These Committees comprised of all Independent Non-Executive Directors ("INEDs"). The composition of the Board and Board Committees are more particularly described under Board composition. The TOR for 3 Board Committees are available on the corporate website at www.thongguan.com.

All decisions and deliberations at Committee level are documented by the Company Secretary in the minutes of meetings. The Chairman of the respective Board Committees reports on the outcome and recommendations of the Board Committee meetings to the Board for further deliberation and approval. Such reporting and ensuing deliberation, if any, is detailed in the minutes of Board meeting. The Committees' function is to principally assist the Board in the execution of its duties and responsibilities to enhance operational and business efficiency and efficacy. The Board reviews the Committees' authority and terms of reference from time to time to ensure its relevance and enhance its efficacy.

The Board has responsibilities which are discharged in the best interests of the Company in pursuance of its regulatory and commercial objective. The key responsibilities of the Board include:

a) Reviewing and adopting the Group's Strategic plans

The Board is collectively responsible for oversight and overall management of the Group. The Executive Directors are normally involved in the deliberation of the overall Group strategy and direction, major acquisition and/or divestment, approval of major capital expenditure, consideration of significant financial matters and review of financial and operating performance of the Group.

b) Overseeing the conduct of the Group's business

The Executive Directors are responsible for the day-to-day operational management of the Group, implementing the policies and decisions of the Board, overseeing business operations as well as coordinating the development and implementation of business and corporate strategies. On the other hand, the INEDs do not engage in the daily management of the Group. Their presence bring objectivity and independence to any evaluation of strategic performance or resources related issues. In this manner, the INEDs fulfil a crucial corporate accountability role as they provide independent and objective views, opinions and judgment on issues being deliberated.

The Board is of the opinion that the Managing Director, with the assistance and support from the Executive Directors and key management, is responsible for the day-to-day operations of the Group and represents Management to the Board.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

I. Board Responsibilities (Cont'd)

The Board has responsibilities which are discharged in the best interests of the Company in pursuance of its regulatory and commercial objective. The key responsibilities of the Board include: (Cont'd)

c) Identifying principal risks and ensuring the implementation of appropriate systems to manage them

The management, with the assistance from the Internal Audit ("IA"), has implemented the Enterprise Risk Management processes and formed a Risk Management Committee to identify, assess and monitor risks impacting the Group's business and supporting activities. The details of the risk management are set out in the Statement on Risk Management and Internal Control ("SORMIC") of this Annual Report.

d) Succession planning

The management, as guided by the Managing Director, is responsible for ensuring that there is effective and orderly succession planning in the Company at all levels.

e) Reviewing the adequacy and integrity of the management information and internal control system of the Company.

The Board acknowledges its responsibilities for the adequacy and integrity of the Groups' internal control system. Details pertaining to the Groups' internal control system and its effectiveness are available in the SORMIC of this Annual Report 2024.

The Chairman ensures that all Directors have full access to information with Board papers and agendas on matters requiring the Board's consideration issued with appropriate notice in advance of each meeting to enable Directors to obtain further explanations from the Managing Director or his management team, where necessary, in order to be briefed properly before the meetings. Meeting papers on issues or corporate proposals which are deemed confidential and sensitive would only be presented to the Directors during the meeting itself. Management is invited to provide Directors with updates on business and operational matters or clarify items tabled to the Board. Verbal explanation and briefings are also provided by management to enhance understanding of the matters under discussions.

All Directors have access to the advice and services of the two (2) Company Secretaries (both are qualified to act as company secretary under the Companies Act 2016 ("CA2016")). The Board, whether as a full board or in their individual capacity, may upon approval of the Board, seek independent professional advice if required, in discharge of their duties, at the Company's expense.

II. Sustainability Risks and Opportunities

a) Sustainability Governance Structure

The Board is responsible to embed sustainability in the Group's strategy and operations. The Board is assisted by the executive director and executive committee who oversees the formulation, implementation and effective management of the Company's sustainability strategies and targets. The Sustainability Governance Structure can be found in the Sustainability Statement on page 51 of this Annual Report. The executive committee provides leadership, direction and targets for the sustainability priorities of the Group. The Sustainability Officer drives the implementation of the priorities and tracks relevant measurements and targets.

b) Key Sustainability Matters

In order to ensure the Board is kept abreast with and understand sustainability issues related to the Group's business and operations, Management had presented to the Board key sustainability matters, including climate-related risks and opportunities.

c) Stakeholder Engagement

The Group's key sustainability matters are communicated through Thong Guan's website, and targeted engagements with customers, vendors, relevant authorities and community leaders. Multiple engagements are also done with internal stakeholders who are responsible for driving and executing the sustainability initiatives. The Group's key sustainability matters and performance for the financial year under review are reported in the Sustainability Statement of this Annual Report.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Board Composition

The Board recognises the benefits of having a diverse Board to ensure that the mix and profiles of the Board members in terms of age and ethnicity, provide the necessary range of perspectives, experience and expertise required to achieve effective stewardship and management.

The Board comprised 8 Directors of which half of the Board are INEDs as at the date of this Annual Report 2024 as follows:-

DYTM Tengku Sarafudin Badlishah Ibni Sultan Sallehuddin **Independent Non-Executive Chairman**

Managing Director Dato' Ang Poon Chuan **Executive Directors** Dato' Ang Poon Khim Datuk Ang Poon Seong

Ang See Ming

Independent Non-Executive Directors Tengku Muzzammil Bin Tengku Makram

> Lee Kean Teong Teoh Mei Shean

The present composition complies with the composition requirement as stated in Bursa Malaysia Securities Berhad Main Market Listing Requirement ("MMLR") as more than 1/3 of the Board Members are INEDs.

The Board does not adopt a policy which limits the tenure of INEDs to nine years without further extension. However it is the company's practice that INEDs only serve up to maximum 9 years. The Company has no INED serves beyond 9 years currently.

Nominating Committee (NC)

The principal Board function of making recommendations for new appointment to the Board and Board Committees is delegated to the NC.

Currently, the Committee consists entirely of INEDs as tabulated:

Name	Position
Teoh Mei Shean	Chairman
Tengku Muzzammil Bin Tengku Makram	Member
Lee Kean Teong	Member

The NC's mandate expressed through its TOR and Directors' Fit & Proper Policy is to bring to the Board; recommendations on the appointment of new Directors, review of the Board structure, size, composition as well as systematic assessment of the effectiveness and contribution of the Board, its Committees, and individual Directors on an annual basis. The NC is empowered to seek professional advice within or outside the Group as it deem necessary to discharge its responsibilities.

During the financial year ended 31 December 2024, the NC met on one (1) occasion and resolved the following key activities:-

- Review the current board structure, size and composition,
- Conducted the annual assessment of the Directors, Board and Committee, b)
- Reviewed the level of independence of INEDs; c)
- Reviewed the term of office and performance of AC; and d)
- Recommended the re-appointment, re-election and retention of Directors.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

IV. Nominating Committee (NC) (Cont'd)

The Nominating Committee also systematically reviews the required mix of skills, experience and other qualities, including core competencies of the members of the Board on an annual basis. The assessment also considered the qualifications, contributions and performance of Directors in meeting the needs of the Group based on the criteria of competency, character, time commitment, integrity and experience as set out under paragraph 2.20A of the MMLR.

The Board is committed to ensuring diversity and inclusiveness in its composition and deliberations. The present Board composition reflects a broad range of experience, skills and expertise necessary for the success of the Group and the importance of independent judgment and opinion.

The Board acknowledges the recommendation of the policy on gender diversity. However, the Board has yet to establish a specific policy on gender diversity. The Board believes it is not necessary to adopt a formal gender diversity policy as the Company is committed to provide fair and equal opportunities and nurturing diversity within the Group. The evaluation of the suitability of candidate is based on the candidate's competency, character, time commitment, integrity, performance and experience to bring value and expertise to the Board. The Board acknowledges the benefits of having participation of woman director on the Board in term of providing different perspectives and insights for effective decision making.

The NC met to deliberate on the retirement by rotation of Directors and their eligibility for re-election at the Company's Annual General Meeting ("AGM"). New appointees will be considered and evaluated by the NC before recommending the candidates to be approved and appointed by the Board. The Company secretary will ensure that all appointments are properly made, and that legal and regulatory obligations are met.

The directors who are subject to re-election and/or re-appointment at the next AGM are assessed by the NC and upon satisfactory evaluation of the Directors, be recommended to the Board and shareholders for re-election and/or re-appointment. The statement for justification of re-election of Director have been disclosed in the notice of AGM. Appropriate assessment and recommendation by the NC is based on the annual assessment conducted. The Constitution of the Company requires that all Directors shall be subjected to re-election by shareholders at the first opportunity after their appointment and at least one third (1/3) or the number nearest to one third (1/3) of the Directors, thereafter by rotation at least once in every three (3) years at the AGM.

V. Remuneration Committee

The Remuneration Committee currently comprised the following:

Name	Position
Tengku Muzzammil Bin Tengku Makram	Chairman
Teoh Mei Shean	Member
Lee Kean Teong	Member

The RC consists of three members, whom are INEDs. The RC met once during the financial year with the full attendance by all members of the RC. The adoption of remuneration packages for the Executive Directors, however, is a matter for the Board as a whole, with individual Directors abstaining from decision making in respect of his remuneration package.

The RC is authorised, inter-alia, to recommend to the Board the remuneration packages for the Executive Directors of the Company and set up a broad policy or framework for all elements of remuneration for the Directors.

The remuneration of the Non-Executive Directors is linked to their experience and level of responsibilities undertaken by them as well as the onerous responsibilities and challenges in discharging their fiduciary duties. Non-Executive Directors are paid fixed annual fees and allowances as members of the Board and Board Committees. The Directors' fees and benefits payable are approved annually by the shareholders of the Company.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

V. Remuneration Committee (Cont'd)

The aggregate remuneration, with categorisation into appropriate components and distinguishing between Executive and Non-Executive Directors, paid or payable to all Directors of the Company for the financial year ended 31 December 2024 is as follows:

	Salaries (RM'000)	Bonus, Other Allowance, Benefit in Kind & ESOS (RM'000)	EPF Contribution by Employer (RM'000)	Fees (RM'000)	Total (RM'000)
Company					
Executive Directors					
Dato' Ang Poon Chuan		172		40	212
Dato' Ang Poon Khim		153		40	193
Datuk Ang Poon Seong		153		40	193
Ang See Ming	216	234	35	40	525
Non-Executive Directors					
DYTM Tengku Sarafudin Badlishah Ibni Sultan Sallehuddin		156		40	196
Tengku Muzzammil Bin Tengku Makram		52		40	92
Lee Kean Teong		13		40	53
Teoh Mei Shean		13		40	53
Total	216	946	35	320	1,517
Group					
Executive Directors					
Dato' Ang Poon Chuan	1,152	641	8	124	1,925
Dato' Ang Poon Khim	1,104	582	74	126	1,886
Datuk Ang Poon Seong	510	221	23	88	842
Ang See Ming	592	368	95	102	1,157
Non-Executive Directors					
DYTM Tengku Sarafudin Badlishah Ibni Sultan Sallehuddin		156		40	196
Tengku Muzzammil Bin Tengku Makram		52		40	92
Lee Kean Teong		13		40	53
Teoh Mei Shean		13		40	53
Total	3,358	2,046	200	600	6,204

The Group adopts a remuneration package that is responsive to the market elements as well as performance of the Group and its business divisions.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

V. Remuneration Committee (Cont'd)

The Board acknowledged the need for transparency in the disclosure of its Senior Management's remuneration. Nonetheless, its takes the view that such disclosure might be detrimental to the Group's business interests given the highly competitive human resources environment in which the Group operates where intense head hunting for the candidates with the requisite expertise, knowledge and relevant professional experience is the norm. As such, disclosure of specific remuneration information could give rise to recruitment and talent retention issues going forward.

VI. Foster Commitment

The Board normally meets at least 4 times annually at quarterly intervals. Under exceptional circumstances owing to urgent and important issues at hand, additional meetings are convened between the scheduled meetings with sufficient notices given.

The Board conducted a total of 5 meetings during the year to address a variety of issues. The Company Secretary recorded the key discussions and outcomes of these meetings, with the minutes signed by the Chairman. Additionally, a special Board Meeting was held to review a related party transaction, which was announced to Bursa Malaysia on 21 November 2024. The Executive Directors abstained from attending this special meeting due to their status as Interested Directors regarding the transaction.

Details of attendance of each Director at the Board meeting and respective Committees' meeting during the year under review are as follows:

		Committees		
	Board	Audit	Nominating	Remuneration
DYTM Tengku Sarafudin Badlishah Ibni Sultan Sallehuddin	5/5	-	-	-
Tengku Muzzammil Bin Tengku Makram	5/5	5/5	1/1	1/1
Dato' Ang Poon Chuan	4/4	-	-	-
Dato' Ang Poon Khim	4/4	-	-	-
Datuk Ang Poon Seong	4/4	-	-	-
Ang See Ming	4/4	-	-	-
Lee Kean Teong	5/5	5/5	1/1	1/1
Teoh Mei Shean	5/5	5/5	1/1	1/1

Notes:

All Board members met the minimum percentage required for Board meeting attendance as prescribed under MMLR of Bursa Securities during the period under review.

VII. Director Training

The Board is cognisant of the need to ensure that its members undergo continuous trainings to enhance their knowledge, expertise and professionalism in discharging their duties. The Company Secretary circulates relevant guideline to update the Directors on statutory and regulatory requirements and changes from time to time. Internal briefings were also conducted for the Directors on key corporate governance developments and salient changes to the MMLR.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

VII. Director Training (Cont'd)

Pursuant to para 15.08(2) and Appendix 9C (Part A, para 28) of MMLR, some of the Directors had, during the year under review, attended or received the following briefing, training programs, seminars and international trade exhibition:-

Areas	Briefing / Programs / Trade exhibition	Director attended
Production/ Plastic	Chinaplas 2024	Datuk Ang Poon SeongAng See Ming
Corporate Governance	KPMG Board Leadership Centre Exclusive (What you need to know about the Bursa's , Amended Listing Requirements on Conflict of Interest (COI)	
	Bursa Malaysia Mandatory Accreditation Programme (MAP) Part II: Leading for Impact (LIP)	 Dato' Ang Poon Chuan Dato' Ang Poon Khim Tengku Muzzammil Bin Tengku Makram Lee Kean Teong Teoh Mei Shean
	Sustainability is Responsibilities	 DYTM Tengku Sarafudin Badlishah Ibni Sultan Sallehuddin Tengku Muzzammil Bing Tengku Makram Dato' Ang Poon Chuan Dato' Ang Poon Khim Datuk Ang Poon Seong Ang See Ming Lee Kean Teong Teoh Mei Shean

All Directors have complied with the provision of MMLR in relation to MAP Part II, except for DYTM Tengku Sarafudin Badlishah Ibni Sultan Sallehuddin, Datuk Ang Poon Seong and Mr. Ang See Ming, who have registered for the program and will comply by 1 August 2025.

Directors regularly enhance their knowledge and stay updated on latest statutory and regulatory requirements through briefings provided by Internal Auditors, External Auditors, Company Secretaries and management during the Audit Committee and Board Meetings, as applicable.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee

The AC of the Company comprises three (3) INEDs. The AC is chaired by Mr. Lee Kean Teong. He is not the Chairman of the Board. He is former audit partner in the KPMG PLT audit firm and retired on 31 December 2014. The company has not adopted a policy to require a person who is a former key audit partner observe a cooling-off period of at least 3 years before being appointed a member of the AC. In the annual assessment on the suitability, objectivity and independence of the external auditors, the AC is guided by the criteria as prescribed under Paragraph 15.21 of the MMLR, the External Auditor Assessment Policy as well as the Policy on Non-Assurance Services provided by External Auditors' adopted by the Company.

Annually, the term of office and composition of AC is reviewed by the NC and recommended to the Board for its approval. As reported, the Board is satisfied with the outcome of the assessment of the performance of the AC as its members possessed the necessary knowledge, experiences and skills, for the overall effectiveness of the AC.

The AC currently comprise individuals with professional experiences in financial management, general management, audit, tax and strategic planning, amongst other. All members are financially literate and are able to read, interpret and understand the financial statements. This diversity in skills and knowledge coupled with financial literacy allows the AC to discharge their roles and responsibility effectively.

An overview of the Audit committee activities is spelt out in this Annual report under Audit Committee Report.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (Cont'd)

II. Risk Management and Internal Control Framework

In general, all major projects, investment and capital expenditure initiatives will be conducted a feasibility study and reviewed by the management and executive directors. The confirmed major projects, investment and capital expenditure will then presented to the Board for endorsement. An overview of the state and feature of the internal controls and risk management within the Group is spelt out in this Annual Report under Statement on Risk Management and Internal Control.

The Group has established a management level Risk Management Committee ("RMC"). The RMC is led by an executive director as the Chief Risk Officer and populated by head of the various reporting entities. The RMC undertakes annual risk review in the Group's businesses and operations. The AC will report to the Board on exception only basis if there are any changes in the risk identified. Details on the internal audit function are discussed under SORMIC in Annual Report 2024.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

The Board acknowledges the need and importance of ensuring dissemination of information to shareholders, investors and regulatory bodies. The Board peruses through and approves all announcements prior to the release of the same to Bursa Securities. At the same time, the Board will take reasonable steps to ensure that the public and investors who invest in the Company's securities enjoy equal access to such information to avoid selective disclosure.

The Company's website, www.thongguan.com, provides an avenue for information dissemination with dedicated sections on corporate information including announcements to Bursa Securities, financial information, press releases and news and events related to the Group. Any queries or concerns regarding the Group may be directed to the Investor Relations Department via the email address: info@thongguan.com.

As the Group release all material information publicly through Bursa Securities, shareholders and the public in general may also obtain announcements and financial results of the Company from Bursa Securities' website at www.bursamalaysia.com.

The AGM, provide a platform for the Board to dialogue and interact with shareholders where individual shareholders and investors may seek clarifications on the Group's businesses, performance and prospects. The notices of the general meetings are sent to shareholders and auditor. The notices are also published in a national newspaper and released through Bursa Securities for public dissemination. Members of the Board attend the AGM to answer queries and concerns from the shareholders. All suggestions and comments put forth by shareholders will be noted by the Board for consideration.

The general meetings are useful forums for shareholders to engage directly with the Board and senior management. The shareholders are at liberty to raise questions or seek clarification on the agenda of the meeting from the Board and the senior management.

In line with the provision of the MMLR of Bursa Securities, the Board conducts poll voting for all the resolutions set out in the notice of general meetings. In addition, the Company will appoint one (1) scrutineer to validate the votes cast at the general meetings. The outcome of the general meetings is to be announced to the Bursa Securities on the same day after the meetings are concluded with the announcement made accessible via Bursa Securities and the Company's website.

The Board recognises the need for shareholders to be kept updated with all material business matters affecting the Group. Shareholders are provided with an overview of the Group's performance and operations through timely release of financial results on yearly and quarterly basis as well as various other announcements.

Further, in a move to promote wider publicity and dissemination of public information, the Group will issue press releases to the media on significant corporate developments and business initiatives to keep the investment community and shareholders updated on the progress and development of the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (Cont'd)

Directors' Responsibility Statement

The Board is responsible to ensure that the financial statements of the Group and Company gives a true and fair view of the state of affairs of the Group and of the Company and of their results and cash flows as at the end of the financial year. The Directors have ensured that the financial statements have been prepared in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 2016.

The Director have selected and applied consistently suitable accounting policies and made reasonable and prudent judgments and estimates in preparing the financial statements. A general responsibility of the Directors is to take such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Compliance with the Principles and Practices of the MCCG

For the year ended 31 December 2024 and up to the date of the printing of this annual report, the Group has complied substantially with the principles and practices of the MCCG in so far as applicable and described herein.

This CG Overview Statement was approved by the Board of Directors on 30 April 2025.

OTHER INFORMATION

Audit and Non-audit Fee

The amount of audit and non-audit fees paid and payable to the external auditors and its affiliate corporations for the audit and non-audit services rendered to the Company and the Group for the financial year ended 31 December 2024 is as follows:-

	Fee (RM	Fee (RM'000)		
Type of Audit	Company	Group		
a) Audit fee	60	448		
b) Non Audit fee	115	175		

Recurrent Related Party Transactions

Detail of recurrent related party transactions made during the financial year ended 31 December 2024 pursuant to the shareholders' mandate obtained by the company at the AGM were as follow:

	Name of			Cumulative Value of Transactions
Nature of Transactions	Name of Company	Related Party	Interested Directors	as at 31.12.24 RM'000
Sales of plastic products (plastic bag, stretch film, shrink film, laminated film and etc)	UPI (Seller)	KFI (Buyer)	Dato' Ang Poon Chuan Datuk Ang Poon Seong Dato' Ang Poon Khim	2,962
Sales of plastic products	TGSH (Seller)	TGPP, UPI, TGPT (Buyer)	Dato' Ang Poon Chuan Datuk Ang Poon Seong Dato' Ang Poon Khim Ang See Ming	7,886
Purchase of plastic products	TGPP, TGPW, TGPT (Seller)	TGSH (Buyer)	Dato' Ang Poon Chuan Datuk Ang Poon Seong Dato' Ang Poon Khim Ang See Ming	28,908
Purchase of snack food	JUS (Buyer)	KFI (Seller)	Dato' Ang Poon Chuan Datuk Ang Poon Seong Dato' Ang Poon Khim	12,979
Renting of factory and warehouse premise at Plot 156 and Plot 33, Kawasan Perusahaan Sg. Petani, 08000 Sg. Petani, Kedah.	TGPP (Tenant)	BV (Landlord)	Dato' Ang Poon Chuan Ang See Ming	259
Renting of factory premise at No.24 (DBKK Building No.6), District of Kota Kinabalu, Sabah.	UPI (Tenant)	KP (Landlord)	Datuk Ang Poon Seong	90
Renting of factory and warehouse premise at Plot 33, Jalan PKNK Utama, Kawasan Perusahaan Sg. Petani, Kedah.	EFI (Tenant)	BV (Landlord)	Dato' Ang Poon Chuan Ang See Ming	155
Sales of noodle products	STGT (Buyer)	EFI (Seller)	Ang See Ming	532
Purchase of beverages and plastic products	STGT (Seller)	EFI (Buyer)	Ang See Ming	20
Renting of factory and warehouse premise at Plot 156 and Plot 33, Kawasan Perusahaan Sg. Petani, 08000 Sg. Petani, Kedah.	TGPT (Tenant)	BV (Landlord)	Dato' Ang Poon Chuan Ang See Ming	700

OTHER INFORMATION

Nature of Transactions	Name of Company	Related Party	Interested Directors	Cumulative Value of Transactions as at 31.12.24 RM'000
Sales of PVC products	STGT, TGPT, JUS (Buyer)	TGPW (Seller)	Dato' Ang Poon Chuan Dato' Ang Poon Khim Datuk Ang Poon Seong Ang See Ming	2,410
Renting of factory and warehouse premise at Batu 33, Jalan Sg. Petani ke Sungai Lalang, Sungai Lalang 08100, Kedah.	TGPP (Landlord)	TGPW (Tenant)	Dato' Ang Poon Chuan Dato' Ang Poon Khim Datuk Ang Poon Seong Ang See Ming	780
Purchase of plastic products	TGWPP (Seller)	Winner (Buyer)	Ng Chiu Bun	40,191
Purchase of plastic products	TGWPP (Seller)	Landblue (Buyer)	Ng Chiu Bun	5,118
Sales of plastic products	TGWPP (Buyer)	Landblue (Seller)	Ng Chiu Bun	963
Sales of PVC Products	TGTT (Buyer)	TGPW (Seller)	Dato' Ang Poon Chuan Dato' Ang Poon Khim Datuk Ang Poon Seong Ang See Ming	5,345
Sales of plastic products	JUS, UPI (Buyer)	LPI (Seller)	Datuk Ang Poon Seong	9,457
Purchase of plastic products	UPI (Seller)	LPI (Buyer)	Datuk Ang Poon Seong	1,897
Bounty Values Sdn Bhd Everprosper Food Industries Sdn Bhd Jaya Uni'ang (Sabah) Sdn Bhd Kimanis Food Industries Sdn Bhd Kimanis Property Sdn Bhd Syarikat Thong Guan Trading Sdn Bhd TG Power Wrap Sdn Bhd TGP Marketing Sdn Bhd TGSH Plastic Industries Sdn Bhd Thong Guan Plastic & Paper Industries Sdn Bh TG Plastic Technologies Sdn Bhd Uniang Plastic Industries (Sabah) Sdn Bhd TGW Plastic Packaging Sdn Bhd Winner Bright International Industrial Limited Landblue Co. Ltd Thong Guan Trading (Thailand) Co., Ltd. Lok Kawi Plastic Industries Sdn. Bhd.	nd			BV EFI JUS KFI KP STGT TGPW TGPM TGSH TGPP TGPT UPI TGWPP Winner Landblue TGTT LPI

Material Contract

The Company had on 21 November 2024 entered into a conditional Share Sale Agreement with Foremost Equals Sdn. Bhd. ("FESB"), a major shareholder of the Company for the disposal of its entire equity interest in Syarikat Thong Guan Trading Sdn. Bhd. and its subsidiaries for a total cash consideration of RM60,000,000 ("Proposed STGT Group Disposal"). The Proposed STGT Group Disposal is pending the approvals by the relevant authorities and the shareholders of the Company via an Extraordinary General Meeting to be convened.

Dato' Ang Poon Chuan is the director and shareholder of FESB whilst Dato' Ang Poon Khim, Datuk Ang Poon Seong and Mr. Ang See Ming are the shareholders of FESB.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Introduction

Pursuant to Paragraph 15.26(b) of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad, the Board of Directors ("the Board") of listed companies is required to include in its Company's Annual Report a statement about the state of the internal controls of the listed issuer as a group. The Malaysian Code on Corporate Governance requires listed companies to maintain a sound system of internal control to safeguard shareholders' investments and the Group's assets. The Board is pleased to provide the following Statement on Risk Management and Internal Control for the financial year ended 31 December 2024 for the Company and its subsidiaries ("the Group").

Responsibility

The Board takes full responsibility for the Group's internal control system, which involves creating a robust control environment and suitable framework for internal control, as well as regularly assessing its adequacy and integrity. The Board recognizes that no internal control system can eliminate all potential risks, but it is designed to manage them effectively to achieve the Group's business objectives. As such, the system provides reasonable assurance against any significant misstatement, loss, or fraud, rather than absolute certainty. The internal control system encompasses financial, organizational, operational, compliance controls, and risk management.

Organisational and Reporting Structure

The Group's organizational structure features clearly defined lines of responsibility and delegation of authority. It utilizes a hierarchical reporting system that establishes appropriate authority limits and ensures proper segregation of duties. The Group conducts annual budgeting and monthly variance reporting to monitor actual performance against budgeted results, enabling timely corrective actions. Additionally, human resource management policies are implemented to support the efficient functioning of the Group. The standard operating procedures of the main operating companies provide guidance on adhering to risk management, internal controls, and relevant laws and regulations.

Risk Management Framework

The Board has implemented an Enterprise Risk Management (ERM) Framework to identify, evaluate, and manage risks. To achieve this, a Risk Management Task Force (RMTF) was established, which is responsible for identifying risks within the Group. The Board, through its Audit Committee, conducts quarterly reviews of this process. The primary goal of this review is to institutionalize a risk management process across the Group, sensitizing all employees to risk identification, evaluation, monitoring and reporting. The formalization of the ERM framework encompasses the following activities:

- To update the risk profiles of main operating companies in the Group according to the ERM framework; and
- The Group conducts risk-based internal audits, which are subject to review by both the Audit Committee and the Board to ensure the adequacy and integrity of the internal control system.

Internal Audit Function

The Internal Audit function is outsourced to an independent professional accounting and consulting firm, PKF Risk Management Sdn Bhd that reports directly to the Audit Committee ("AC"). Its role is to provide the AC with reasonable assurance on the adequacy and effectiveness of the Group's internal control system through its auditing and monitoring process. An annual Audit Plan is prepared and presented to the AC for approval. Subsequently at AC meetings, audit findings will be presented to the AC for attention and deliberation.

The activities that have been planned and carried out by the IA function are as follows:

- Mapping out the current state of procedures and processes with the aim of identifying areas for improvements.
- Testing and conducting audits on identified risk areas and relevant controls.
- Report findings and irregularities (if any) to Management and AC and provide recommendations to mitigate the risks identified.
- Ensuring compliance with applicable laws, regulations, rules, directives and guidelines by the various authorities and those set out by the Management.

The management has provided their responses to the internal audit reports, which encompass recommendations and action plans. These reports are deliberated at AC Meetings and followed-up as required. The auditee/management ensures that all action plans from each audit are being addressed, and progress updates are shared at subsequent AC Meetings to maintain accountability and transparency.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Other Risk and Control Processes

- The Group's policies and standard operating procedures set the guidelines, procedures and benchmarks for its operations, which all employees are expected to follow. To maintain their effectiveness, these policies and procedures are periodically reviewed and updated as needed. This approach ensures that the Group's operations are carried out consistently and reliably, driving efficiency and uniformity.
- The Board and AC review the quarterly financial results and discuss the reasons for unusual variances noted thereof.
- The Executive Directors play an active, hands-on role in the Group's operations. They quarterly brief the Board on significant changes in the business and external environment that impact the Group's overall operations.
- The Group has established a Management Reporting mechanism, through which financial information is generated and reviewed by the Executive Directors on a monthly basis, and by the Board on a quarterly basis.
- The Group sets an annual budget and operational targets for each operating division. Variance analysis and reporting against the budget are presented at the Group's Management Meetings, which serve as a monitoring mechanism.
- The Group is committed to fostering a culture of integrity and ethical values, as outlined in the Business Ethics and Code of Conduct. This steadfast dedication ensures that the Group's actions and decisions are guided by ethical principles, promoting trust, respect, and transparency with all stakeholders.
- The Group has implemented a whistleblowing policy that empowers, encourages and supports employees and third parties in reporting any illicit or unethical activities within the organization. The Group is fully committed to investigating all suspected cases of misconduct or breaches, while ensuring the protection of whistle blowers under the Whistleblower Protection Act 2010. This approach fosters a culture of accountability and transparency, safeguarding the Group's reputation and maintaining the trust of its stakeholders.
- The Group maintains a firm zero-tolerance policy towards bribery and corruption. It is committed to conducting its business with ethics and integrity, free from any corrupt practices. To support this, the Group has established an anti-bribery and anti-corruption policy that explicitly prohibits such activities, ensuring that high standards of integrity and transparency are consistently upheld. This approach reflects the Group's dedication to responsible and ethical business practices, aimed at earning the trust and respect of its stakeholders.
- Several major subsidiaries of the Group have successfully maintained their management systems in compliance with three internationally recognized standards: ISO 9001 for Quality Management Systems (QMS), ISO 14001 for Environmental Management Systems (EMS) and ISO 45001 for Occupational Health and Safety Management Systems.

Risk Management Assurance

The Board has received affirmative assurance from the Group Managing Director and Chief Financial Officer that the Group's risk management and internal controls system is functioning optimally and effectively in all significant aspects during the financial year.

Furthermore, both the Board and Management remain steadfast in their commitment to operating an effective system of internal controls, which is reviewed, enhanced and updated in response to changes in the operating environment. This approach ensures the Group's continued success, safeguards against the Group potential risks and maintains the trust of stakeholders.

Review of the Statement by External Auditors

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in the Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the Annual Report of the Group for the year ended 31 December 2024, and reported to the Board that nothing has come to their attention that caused them to believe that the statement intended to be included in the Annual Report of the Group, in all material respects:

- a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issues, or
- b) is factually inaccurate.

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

This Statement on Risk Management and Internal Control does not cover the associates companies in the financial statements.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Conclusion

For the financial year under review and up to the date of issuance of this statement, the Board is confident that the Group's risk management and internal control system is adequate, dependable and effective. To date, no significant losses, contingencies, or uncertainties have arisen due to any insufficiencies or failures in the Group's internal controls system, necessitating separate disclosure in the Group's Annual Report.

This statement was approved via a resolution of the Board dated 30 April 2025.

AUDIT COMMITTEE REPORT

Audit Committee Composition and Attendance

The Board of Directors ("Board") is pleased to present the Audit Committee report for the financial year ended 31 December 2024 ("FY2024"). The Audit Committee ("AC") currently comprises the following directors:-

Directors	Position	Attendance
Lee Kean Teong	Chairman, Independent Non-Executive Director	5/5
Tengku Muzzammil Bin Tengku Makram	Member, Independent Non-Executive Director	5/5
Teoh Mei Shean	Member, Independent Non-Executive Director	5/5

During FY2024, the AC met five (5) times. Minute of each AC meeting was noted by the Board via distribution to each Board members.

The Nominating Committee had undertaken an annual review of the term of office and performance of the AC and its members in accordance with para 15.20 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") to ensure that the AC and its members have carried out their duties in accordance with their terms of reference ("TOR"). Upon review, the Nominating Committee and the Board are satisfied that the AC and its members have been able to discharge their functions, duties and responsibilities in accordance with the TOR of AC.

Summary of works during Financial Year

The main works undertaken by the AC during FY2024 in discharging their functions and duties were as follows:

1. Financial reporting

- a. Reviewed quarterly unaudited financial results of the Group before recommending to the Board of Directors for approval and onward announcement to Bursa Securities;
- b. Reviewed the Company's compliance, in particular, the quarterly and year-end financial statements, with the MMLR of Bursa Securities, applicable approved accounting standards of the Malaysian Accounting Standards Board and other relevant legal and statutory requirements; and
- c. Reviewed pertinent issues, which had significant impact on the results of the Group, including bank borrowings, investments and divestments and strategic operations of subsidiaries.

2. External audit

- a. Reviewed the audit plan from the external auditors, the audit strategy, scope of work for the year and general extent of the auditors' audit examinations;
- b. Reviewed the external audit results, audit report, audited financial statements as well as management letter (if any) and the response from the management;
- c. Met twice (on 20 November 2024 and 27 February 2025) with the external auditors without the presence of the Executive Director and management staff to enquire the extent of assistance rendered by the Management, issues on audit and accounting (if any), suggestions arising from audit and any other issues of concern to the auditors; and
- d. Reviewed and assess the objectivity, independence and competency of the external auditors touching on quality of service, experience and expertise and made its recommendations to the Board on their re-appointment and fees

3. Internal audit

- Reviewed the internal audit reports, the audit issues therein as well as recommendations and management's
 response. Where appropriate, the AC has directed that control procedures be rectified and improved based on
 the internal auditors' recommendations and suggestions for improvement;
- b. Evaluated the performance and functions of the internal auditors with focus on its scope of work, functions, competency and that it has the necessary resources to carry out its work in respect of FY2024; and
- c. Met once (on 28 February 2024) with the internal auditors without the presence of the Executive Directors and management staff to facilitate discussion on concerns or audit issues noted in the course of audit.

AUDIT COMMITTEE REPORT

Summary of works during Financial Year (Cont'd)

4. Governance

- a. Reviewed quarterly the recurrent related party transactions of a revenue or trading nature and other related party transactions, if any entered into by the Group;
- b. Reviewed and discussed the Conflict of Interest ("COI");

Nature of COI	Nature and extend of interest of Conflicted Directors	Measure taken to address the COI
Syarikat Thong Guan Trading Sdn Bhd with its subsidiaries to	director and shareholder of FESB whilst Dato' Ang Poon Khim, Datuk Ang Poon Seong and Mr. Ang See	and Mr. Ang See Ming declared

- c. Reviewed and recommended for approval of the non-interest Directors on the proposed disposal of Syarikat Thong Guan Trading Sdn. Bhd. and its subsidiaries to FESB;
- d. Reviewed and recommended for approval of the Board of Directors the Statement on Risk Management and Internal Control for inclusion in the Annual Report 2024;
- e. Reviewed and approved the AC Report for inclusion in the Annual Report 2024;
- f. Approved draft circular to shareholders in relation to proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature; and
- g. The AC reviewed and recommended the adoption of the COI Policy by the Board. The COI Policy includes measures to address COI that arose, persisted or may arise within the Group as well as any transaction, procedure or course of conduct that raises questions of management's integrity, during financial year under review.

Internal Audit Function

The Internal auditor's ("IA") primary objective was to undertake regular reviews of the system of controls, procedures and operations so as to provide reasonable assurance that the internal control system is sound, adequate and satisfactory. Its role is to provide the AC with independent and objective reports on the state of internal controls of the key operating units within the Group guided by established policies and procedures and the regulatory requirements of the relevant authorities. The AC reviewed and approved the internal audit plan of the Group as submitted by the IA annually.

The total cost incurred for the internal audit function for FY2024 was RM64,000.

The summary of internal audit activities during the financial year under review is as outlined below:

- a. Performed audit on Repair and Maintenance Management, Inventory Management, Production Management and Health, Safety and Environment Management for the adequacy of internal controls over these functions; and
- b. Update Enterprise Risk Management.

The review evaluated repair and maintenance policies, updated machinery listings, assessed preventive maintenance, analysed machinery breakdowns and ensured the presence of repair manuals. The audit also covered stock take processes, identified discrepancies between physical stock counts and EPICOR system inventory records, and to improve controls in monitoring and tracking spare parts. The Health, Safety and Environment Management audit focused on protective equipment, firefighting equipment maintenance and CCTV compliance.

The IA has presented internal audit reports to the AC on quarterly basis. Audit recommendations and management responses in relation to findings on internal control weaknesses are incorporated into these reports which were also circulated to the AC. The resulting reports of the audits undertaken were issued to the management of the respective operating companies concerned, incorporating audit recommendations and management responses. The IA would conduct follow-up reviews to monitor the implementation of the management's action plans and reported their progress to the AC.

This report is approved by the AC on 30 April 2025.

For the Year Ended 31 December 2024

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2024.

Principal activities

The Company is principally engaged in investment holding activities and trading of plastic and petroleum products while the principal activities and details of the subsidiaries are stated in Note 5 to the financial statements.

There has been no significant change in the nature of these activities during the financial year other than the commencement of property development activities by a subsidiary of the Company.

Results

	Group RM'000	Company RM'000
Profit for the year attributable to :		
Owners of the Company	67,175	9,042
Non-controlling interests	129	-
	67,304	9,042

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in the financial statements.

Dividends

Since the end of the previous financial year, the amount of dividends declared and paid by the Company were as follows:

- i) In respect of the financial year ended 31 December 2023 :
 - a second interim dividend of 3 sen per ordinary share, totalling RM11,990,014 declared on 28 February 2024 and paid on 18 April 2024.
- ii) In respect of the financial year ended 31 December 2024 :
 - a first interim dividend of 2.5 sen per ordinary share, totalling RM10,040,966 declared on 21 August 2024 and paid on 18 October 2024.

The Directors do not recommend any other dividend to be paid for the financial year under review.

For the Year Ended 31 December 2024

Directors of the Company

Directors who served during the financial year until the date of this report are :

Duli Yang Teramat Mulia Tengku Sarafudin Badlishah Ibni Sultan Sallehuddin Tengku Muzzammil Bin Tengku Makram
Dato' Ang Poon Chuan - Managing Director
Dato' Ang Poon Khim
Datuk Ang Poon Seong
Ang See Ming
Lee Kean Teong
Teoh Mei Shean

Directors of subsidiaries

Pursuant to Section 253(2) of the Companies Act 2016, the Directors who served in the subsidiaries during the financial year until the date of this report are :

Dato' Ang Poon Chuan

Dato' Ang Poon Khim

Datuk Ang Poon Seong

Ang See Ming

Ang Poon Shen

Ang Eng Choo

Ang See Nung

Ang See Hwan

Ang See Cheong

Ang See Jie

Ang See Yao

Ng Chiu Bun

Phoon Ling Zi

Teh Boon Yen

Lo Kui Fai

For the Year Ended 31 December 2024

Directors' interests in shares

The interests and deemed interests in the ordinary shares and Employees' Share Option Scheme of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including the interests of the spouses and/or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares					
	Balance at 1.1.2024	Bought/ Exercised	(Sold)	Balance at 31.12.2024		
	1.1.2024	Exercised	(5014)	31.12.2024		
Interests in the Company						
Dato' Ang Poon Chuan :						
- own	2,469,408	383,000	-	2,852,408		
- others #	1,190,566	674,000	-	1,864,566		
Dato' Ang Poon Khim						
- own	3,853,486	443,000	-	4,296,486		
- others #	320,700	432,000	(100,000)	652,700		
Datuk Ang Poon Seong						
own	3,743,116	1,453,152	-	5,196,268		
- others #	328,000	190,800	-	518,800		
Ang See Ming - own	1,962,796	-	-	1,962,796		
Lee Kean Teong						
- own	10,000	-	-	10,000		
- others *	90,000	-	-	90,000		
Interests in subsidiaries						
- TGSH Plastic Industries Sdn. Bhd.						
Datuk Ang Poon Seong						
- own	80,000	-	-	80,000		
Ang See Ming - own	160,000	-	-	160,000		
- TG Power Wrap Sdn. Bhd.						
Dato' Ang Poon Chuan						
- own	1@	-	-	1@		
Ang See Ming - own	1@	-	-	1@		

For the Year Ended 31 December 2024

Directors' interests in shares (Cont'd)

	Number of ordinary shares				
		Balance at 1.1.2024	Bought/ Exercised	(Sold)	Balance at 31.12.2024
Interests in subsidiaries					
- Everprosper Food Industries Sdn. Bhd.					
Ang See Ming - own		240,000	-	-	240,000
- TGW Plastic Packaging Sdn. Bhd.					
Dato' Ang Poon Chuan - own		1@	-	_	1@
Dato' Ang Poon Khim - own		1 [@]	-	-	1 [@]
		Emplovees' Sha	are Option Sche	eme ("ESOS")	
	Balance at 1.1.2024	Granted	(Exercised)	(Lapsed)	Balance at 31.12.2024
Interests in the Company					
Dato' Ang Poon Chuan					
- own	383,000	825,000	(383,000)	-	825,000
- others #	614,000	-	(614,000)	-	-
Datuk Ang Poon Seong					
- own	686,000	735,000	(686,000)	-	735,000
- others #	190,800	-	(190,800)	-	-
Dato' Ang Poon Khim					
- own	443,000	735,000	(443,000)	-	735,000
- others #	432,000	-	(432,000)	-	-
Ang See Ming - own	1,078,000	730,000	-	(1,078,000)	730,000

These are shares and ESOS held in the name of the spouses and/or children and are regarded as interests of the Directors in accordance with the Companies Act 2016

None of the other Directors holding office at 31 December 2024 had any interest in the ordinary shares and ESOS of the Company and of its related corporations during the financial year.

[®] Share held in trust for Thong Guan Industries Berhad

^{*} Shares held by a company in which the children is a substantial shareholder and are regarded as interests of the Director

For the Year Ended 31 December 2024

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than 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 other than certain Directors who have or are deemed to have a substantial financial interest in companies which rented properties to and traded in the ordinary course of business with the Group.

The benefits paid to or receivable by Directors of the Company in respect of the financial year ended 31 December 2024 are as follows:

	From the Company RM'000	From subsidiaries of the Company RM'000
Fees	320	280
Remuneration (including contributions to Employees' Provident Fund)	557	4,380
Estimated monetary value of benefits-in-kind	10	27
Share-based payments	630	
	1,517	4,687

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate other than through the ESOS of the Company.

Issue of shares and debentures

During the financial year, 6,202,350 new ordinary shares were issued by the Company arising from the exercise of 6,202,350 ESOS at the exercise price of RM1.13 per share.

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

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year apart from the ESOS of the Company.

Employees' Share Option Scheme

At an Extraordinary General Meeting held on 18 April 2019, the Company's shareholders approved the establishment of the Employees' Share Option Scheme ("ESOS") of up to 15% of the total number of issued shares of the Company (excluding treasury shares) to eligible Directors and employees of the Group (excluding subsidiaries which are dormant). The ESOS is administered by the ESOS Committee in accordance with the By-Laws of the ESOS and shall be in force for a period of 5 years from 3 July 2019 ("ESOS Period").

	Number of options '000	ESOS exercise price (RM/share)	Vesting period
Tranche 1	604	1.13	7 August 2019 to 6 August 2020
Tranche 2	2,742	1.13	7 August 2020 to 6 August 2021
Tranche 3	8,418	1.13	7 August 2021 to 6 August 2022
Tranche 4	8,418	1.13	7 August 2022 to 6 August 2023
Tranche 5	8,418	1.13	7 August 2023 to 2 July 2024
	28,600		

For the Year Ended 31 December 2024

Employees' Share Option Scheme (Cont'd)

On 1 April 2024, the Company extended the ESOS Period for another 5 years up to 2 July 2029 ("New ESOS Period"). Concurrently, the Company offered an additional 18,000,000 number of options to be granted during the New ESOS Period to eligible Directors and employees of the Group as follows:

As at 31 December 2024, the Company granted 3,025,000 number of options to eligible Directors of which 908,000 options vested during the current financial year. The outstanding options offered to take up unissued ordinary shares of the Company are as follows:

				Number of op	otions over ordi	nary shares	
Date of offer	Expiry date	Exercise price RM	At 1.1.2024 ′000	Granted '000	(Exercised) '000	(Lapsed) ′000	At 31.12.2024 ′000
3.7.2020	2.7.2024	1.13	7,787	-	(6,202)	(1,585)	-
1.4.2024	2.7.2029	1.68	-	3,025	-	-	3,025

The maximum allocation of ESOS to eligible Directors and senior management of the Group shall in aggregate not exceed 70% of the total ESOS granted. The ESOS allocated to Directors and senior management as at 31 December 2024 was 16.8% (2023: 31.4%) of the total options granted.

The salient features of the ESOS are, inter alia, as follows:

- (a) The ESOS shall be in force for a duration of 5 years from 3 July 2019 ("ESOS Period") and may be extended at the discretion of the Board upon the recommendation of the ESOS Committee provided that the ESOS Period shall not in aggregate exceed a duration of 10 years from 3 July 2019 or such longer duration as may from time to time be permitted by the relevant authorities. On 1 April 2024, the ESOS Period was extended for another 5 years up to 2 July 2029;
- (b) The total number of shares which may be issued and allocated under the ESOS scheme shall not in aggregate exceed 15% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time during the ESOS Period;
- (c) Eligible employees are employees employed by and are on the payroll of any company in the Group (excluding subsidiaries which are dormant) and his/her employment has been confirmed by the company, who is at least 18 years of age and is not undischarged bankrupt nor subject to any bankruptcy proceedings;
- (d) Not more than 10% of the aggregate number of shares to be issued under the ESOS shall be allocated to any individual eligible employee who, either singly or collectively through persons connected with the eligible employee, holds 20% or more of the total number of issued shares of the Company (excluding treasury shares, if any); and
- (e) The options granted may be exercised in full or in lesser number of ordinary shares provided that the number shall be in multiples of and not less than 100 shares.

Indemnity and insurance costs

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

Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) all known bad debts have been written off and adequate provision made for doubtful debts; and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

For the Year Ended 31 December 2024

Other statutory information (Cont'd)

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

- i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or
- iii) 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, or
- iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

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

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

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

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2024 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Significant event during the financial year

The details of the event are disclosed in Note 31 to the financial statements.

For the Year Ended 31 December 2024

Auditors

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The audit and non-audit fees of the Group and of the Company during the year are as follows :

	Group RM'000	Company RM'000
Audit fees		
- KPMG PLT	351	60
- Other auditors	97	-
	448	60
Non-audit fees		
- KPMG PLT	38	38
- Other overseas affiliates	70	70
- Local affiliate of KPMG PLT	67	7
	175	115
	623	175

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

Dato' Ang Poon Chuan
Director

Ang See Ming

Kedah Darul Aman

Director

Date: 30 April 2025

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2024

		Gro	up	Compa	any
		2024	2023	2024	2023
	Note	RM'000	RM'000	RM'000	RM'000
Assets					
Property, plant and equipment	3	451,627	462,944	-	-
Investment properties	4	59,335	59,960	58,775	59,367
Investments in subsidiaries	5	-	-	113,854	113,721
Investments in associates	6	2,475	2,641	-	-
Deferred tax assets	7	1,445	387	-	-
Trade and other receivables	9 _	1,197	8,337	<u> </u>	
Total non-current assets	-	516,079	534,269	172,629	173,088
Inventories	8	381,101	319,911	-	-
Trade and other receivables	9	266,581	251,009	43,700	38,671
Current tax assets		5,923	3,466	230	281
Cash and cash equivalents	10	313,322	291,262	90,697	69,307
Total current assets	_	966,927	865,648	134,627	108,259
Total assets	-	1,483,006	1,399,917	307,256	281,347
Equity					
Share capital	11	271,989	262,840	271,989	262,840
Reserves	12	684,690	661,119	1,707	16,206
Total equity attributable to owners of the Company	_	956,679	923,959	273,696	279,046
Non-controlling interests	5	29,684	29,855	-	-
Total equity	-	986,363	953,814	273,696	279,046
Liabilities					
Deferred tax liabilities	7	46,482	41,736	-	-
Loans and borrowings	13	23,835	57,151	-	-
Lease liabilities	_	502	829	<u> </u>	
Total non-current liabilities	-	70,819	99,716		
Loans and borrowings	13	186,657	140,928	-	-
Lease liabilities		686	1,351	-	-
Provision	14	-	-	1,000	1,000
Trade and other payables	15	209,451	197,637	7,017	1,301
Contract liabilities	16	2,263	3,337	-	-
Deferred income	17	25,543	-	25,543	-
Current tax liabilities	-	1,224	3,134	<u> </u>	
Total current liabilities		425,824	346,387	33,560	2,301
Total liabilities	-	496,643	446,103	33,560	2,301
Total equity and liabilities	-	1,483,006	1,399,917	307,256	281,347

The notes on pages 98 to 154 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 31 December 2024

			Group		Company
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	18	1,281,464	1,240,581	23,552	14,507
Cost of goods sold		(1,115,369)	(1,049,366)	(25,290)	
Gross profit/(loss)		166,095	191,215	(1,738)	14,507
Other income		10,581	5,976	3,170	2,535
Selling and distribution expenses		(39,922)	(33,635)	-	-
Administrative expenses		(49,139)	(47,520)	(3,561)	(2,878)
Other expenses		(3,694)	(7,790)	(131)	(559)
Net gain/(loss) on impairment of financial instruments	19	9,110	(10,242)	10,606	(9,998)
Results from operating activities	19	93,031	98,004	8,346	3,607
Finance income		5,266	3,342	981	610
Finance costs	21	(10,447)	(10,000)	-	-
Operating profit		87,850	91,346	9,327	4,217
Share of (loss)/profit of equity-accounted associate, net of tax		(144)	320_	<u>-</u>	
Profit before tax		87,706	91,666	9,327	4,217
Tax expense	22	(20,402)	(19,461)	(285)	44
Profit for the year		67,304	72,205	9,042	4,261
Total other comprehensive (expense)/income, net of tax	(
Item that is or may be reclassified subsequently to profit or loss					
Foreign currency translation differences		(20,063)	38,221		
Total comprehensive income for the year		47,241	110,426	9,042	4,261
Profit attributable to :					
Owners of the Company		67,175	71,315	9,042	4,261
Non-controlling interests		129	890	-	
		67,304	72,205	9,042	4,261
Total comprehensive income attributable to :					
Owners of the Company		47,112	109,536	9,042	4,261
Non-controlling interests		<u>129</u> 47,241	<u>890</u> - 110 426	9,042	4,261
Pacie corninge por ordinary chara (con)	24		110,426	7,042	4,201
Basic earnings per ordinary share (sen)	24	16.79	18.16		
Diluted earnings per ordinary share (sen)	24	16.79	18.00		

The notes on pages 98 to 154 are an integral part of these financial statements.

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				Non-distributable	outable —		1	Distributable			
	Note	Share capital RM′000	Translation reserve RM'000	Statutory reserve RM'000	Treasury shares RM'000	Fair value reserve RM′000	Share options reserve RM'000	Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
Group											
At 1 January 2023	L	255,516	28,254	4,141	(5,135)	(567)	3,017	535,834	821,060	29,265	850,325
Foreign currency translation differences		1	38,221	ı	•	1	•	ı	38,221	ı	38,221
Total other comprehensive income for the year		'	38,221	ı	,	1	'	'	38,221		38,221
Profit for the year		1	•	ı	1	i	ı	71,315	71,315	890	72,205
Total comprehensive income for the year	J	1	38,221	1	ı	1	1	71,315	109,536	890	110,426
Contributions by and distributions to owners of the Company	L										
- Share based payments	23	1	1	•	•	1	1,453	1	1,453	1	1,453
- Share options exercised		7,324	1	1	1	1	(1,713)	ı	5,611	ı	5,611
- Dividends paid to owners of the Company	25	ı	1	•	1	1	1	(13,701)	(13,701)	•	(13,701)
- Dividend paid by a subsidiary to non-controlling interests		1	I	1	ı	1	ī	•	1	(300)	(300)
Total transactions with owners of the Company	J	7,324	1		1	1	(260)	(13,701)	(6,637)	(300)	(6,937)
At 31 December 2023	ı	262,840	66,475	4,141	(5,135)	(567)	2,757	593,448	923,959	29,855	953,814
		Note 11	Note 12	Note 12	Note 12	Note 12	Note 12	Note 12			

	V		———Att	Attributable to owners of the Company	owners of	the Compai	Yu		ı	ı	
	V			Non-distributable	outable —		1	Distributable			
ž	Note	Share capital RM′000	Translation reserve RM'000	Statutory reserve RM'000	Treasury shares RM'000	Fair value reserve RM'000	Share options reserve RM'000	Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
Group											
At 1 January 2024	L	262,840	66,475	4,141	(5,135)	(267)	2,757	593,448	923,959	29,855	953,814
Foreign currency translation differences		•	(20,063)	,	•	•	•	•	(20,063)	•	(20,063)
Total other comprehensive expense for the year			(20,063)	•	•	•	•	•	(20,063)	•	(20,063)
Profit for the year		•	•	•	•	•	•	67,175	67,175	129	67,304
Total comprehensive (expense) income for the year		•	(20,063)	•	•	•	•	67,175	47,112	129	47,241
Contributions by and distributions to owners of the Company	L										
- Share based payments	23	•	٠	٠	•	٠	930	٠	930	•	930
- Share options exercised		9,149	•	•	•	•	(2,140)	•	2,009	•	2,009
- Share options lapsed		•	•	•	•	•	(617)	617	•	•	•
- Dividends paid to owners of the Company	25	•	•	•	•	•	•	(22,031)	(22,031) (22,031)	•	(22,031)
- Dividend paid by a subsidiary to non-controlling interests		•	•	•	•	•		•	•	(300)	(300)
Total transactions with owners of the Company		9,149	•	•	•	•	(2,127)	(21,414)	(14,392)	(300)	(14,692)
At 31 December 2024		271,989	46,412	4,141	(5,135)	(567)	930	639,209	956,679	29,684	986,363
		Note 11	Note 12	Note 12	Note 12	Note 12	Note 12	Note 12			

						,	
			- Attributable to owne —— Non-distributable	Attributable to owners of the Company: — Non-distributable ————————————————————————————————————	ompany —	Distributable	
	Note	Share capital RM′000	Treasury shares RM′000	Fair value reserve RM'000	Share options reserve RM'000	Retained earnings RM'000	Total equity RM'000
Company							
At 1 January 2023		255,516	(5,135)	(567)	3,017	28,591	281,422
Profit for the year representing total comprehensive income for the year		ı	ı	ı	1	4,261	4,261
Contributions by and distribution to owners of the Company	L						
- Share based payments	23	1	1	1	1,453	ı	1,453
- Share options exercised		7,324	ı	1	(1,713)	ı	5,611
- Dividends paid	25	1	ı	1	1	(13,701)	(13,701)
Total transactions with owners of the Company	J	7,324	1	1	(260)	(13,701)	(6,637)
At 31 December 2023		262,840	(5,135)	(567)	2,757	19,151	279,046
		Note 11	Note 12	Note 12	Note 12	Note 12	

			— Attributable t	Attributable to owners of the Company	company —		
			—— Non-distributable	outable		Distributable	
	Note	Share capital RM′000	Treasury shares RM'000	Fair value reserve RM′000	Share options reserve RM'000	Retained earnings RM′000	Total equity RM′000
Company							
At 1 January 2024		262,840	(5,135)	(267)	2,757	19,151	279,046
Profit for the year representing total comprehensive income for the year		٠	•	•	•	9,042	9,042
Contributions by and distribution to owners of the Company	L						
- Share based payments	23	٠	٠		930	٠	930
- Share options exercised		9,149	•	•	(2,140)	•	2,009
- Share options lapsed		•	•		(617)	617	•
- Dividends paid	25		•		•	(22,031)	(22,031)
Total transactions with owners of the Company		9,149			(2,127)	(21,414)	(14,392)
At 31 December 2024	•	271,989	(5, 135)	(267)	930	6,779	273,696
	•	Note 11	Note 12	Note 12	Note 12	Note 12	

The notes on pages 98 to 154 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

		G	roup	Cor	npany
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash flows from operating activities	11010				
Profit before tax		87,706	91,666	9,327	4,217
Adjustments for :					
Property, plant and equipment (including right-of-use assets)					
- Depreciation	3	37,411	35,050	-	-
- Gain on disposal		(66)	(86)	-	-
- Written-off		56	171	-	-
Depreciation of investment property	4	625	623	592	589
Unrealised (gain)/loss on loans and borrowings	13.2	(6,377)	3,773	-	-
Dividend income	18	-	-	(23,552)	(14,430)
Interest expense	21	10,447	10,000	-	-
Share-based payments	23	630	1,453	630	411
Interest income		(5,266)	(3,342)	(981)	(610)
Share of loss/(profit) of equity accounted associate, net of tax		144	(320)		-
(Reversal of impairment)/Impairment loss on trade and other receivables	_	(9,110)	10,242	(10,606)	9,998
Operating profit/(loss) before changes in working capital		116,200	149,230	(24,590)	175
Changes in working capital :					
Inventories		(63,743)	(33,354)	-	-
Trade and other receivables		20,090	32,474	28,660	37,945
Trade and other payables		10,464	19,284	5,716	(10,933)
Contract liabilities	_	(1,074)	1,213		-
Cash generated from operations		81,937	168,847	9,786	27,187

STATEMENTS OF **CASH FLOWS**

		G	iroup	Сог	npany
	Note	2024 RM'000	2023 RM'000	2024 RM′000	2023 RM'000
Income tax paid		(21,081)	(16,260)	(234)	(72)
Dividends received	_	<u> </u>	1,436	26,912	700
Net cash from operating activities		60,856	154,023	36,464	27,815
Cash flows from investing activities					
Acquisition of property, plant and equipment	Α	(33,734)	(57,943)	-	-
Acquisition of investment properties	4	-	(36,016)	-	(36,016)
Proceeds from disposal of plant and equipment		667	118	-	-
Interest received		5,266	3,342	981	610
Investments in subsidiaries		-	-	(133)	(646)
Advances to a subsidiary		-	-	(900)	(2,500)
Net cash used in investing activities		(27,801)	(90,499)	(52)	(38,552)
Cash flows from financing activities					
Drawdown/(Repayment) of :					
- hire purchase creditors	13.2	(745)	(719)	-	-
- lease liabilities	13.2	(1,401)	(1,331)	-	-
- term loans	13.2	(12,341)	(5,923)	-	-
- onshore foreign currency trade loans	13.2	-	(120,439)	-	-
- bankers' acceptances	13.2	56,283	70,943	-	-
- revolving credit	13.2	(11,128)	4,314	-	-
- trust receipts	13.2	(14,639)	22,494	-	-
Dividends paid		(22,031)	(18,582)	(22,031)	(18,582)
Dividend paid to non-controlling interests by a subsidiary		(300)	(300)	-	-
Proceeds from exercise of ESOS		7,009	5,611	7,009	5,611
Interest paid		(10,447)	(10,000)	-	-
Net cash used in financing activities		(9,740)	(53,932)	(15,022)	(12,971)

STATEMENTS OF CASH FLOWS

For the Year Ended 31 December 2024

		G	roup	Cor	npany
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Net increase/(decrease) in cash and cash equivalents		23,315	9,592	21,390	(23,708)
Effects of exchange rate fluctuations on cash and cash equivalents		(1,952)	7,829	-	-
Cash and cash equivalents at 1 January	_	290,782	273,361	69,307	93,015
Cash and cash equivalents at 31 December	В	312,145	290,782	90,697	69,307

Notes

A. Acquisition of property, plant and equipment - Group

During the financial year, the Group acquired property, plant and equipment by way of the following:

	Note	2024 RM'000	2023 RM'000
Total additions during the year	3	38,430	70,592
Purchased by way of hire purchase/finance lease arrangements		(1,072)	(753)
Changes in prepayments for purchase of plant and equipment		(4,640)	(11,415)
Additions unpaid at year end		(622)	(1,638)
Amount paid for prior year's additions		1,638	1,157
		33,734	57,943

B. Cash and cash equivalents

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

			Group		Company
	Note	2024 RM′000	2023 RM′000	2024 RM′000	2023 RM′000
Cash and cash equivalents	10	313,322	291,262	90,697	69,307
Bank overdrafts	13	(1,177)	(480)		
		312,145	290,782	90,697	69,307

STATEMENTS OF **CASH FLOWS**

For the Year Ended 31 December 2024

Notes (Cont'd)

C. Cash outflows for leases as a lessee

		(Group	Col	mpany
	Note	2024 RM′000	2023 RM'000	2024 RM'000	2023 RM'000
Included in net cash from operating activities :					
Payment relating to short-term leases	19	1,014	1,973	-	-
Payment relating to low-value assets	19	65	69	-	-
Included in net cash used in financing activities	s :				
Interest paid in relation to lease liabilities	21	61	90	-	-
Payment of lease liabilities	13.2	1,401	1,331	<u> </u>	
Total cash outflows for leases	_	2,541	3,463	<u> </u>	_

1. Corporate information

Thong Guan Industries Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business

Lot 52, Jalan PKNK 1/6 Kawasan Perusahaan Sungai Petani 08000 Sungai Petani Kedah Darul Aman

Registered office

170-09-01, Livingston Tower Jalan Argyll 10050 George Town Pulau Pinang

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2024 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities") and the Group's interest in an associate. The financial statements of the Company as at and for the financial year ended 31 December 2024 do not include other entities.

The Company is principally engaged in investment holding activities and trading of plastic and petroleum products while the principal activities of the subsidiaries are as stated in Note 5 to the financial statements.

These financial statements were authorised for issue by the Board of Directors on 30 April 2025.

2. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and the Company have been prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

The following are MFRS Accounting Standards and amendments of the MFRS Accounting Standards that been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:

MFRS Accounting Standards and amendments effective for annual periods beginning on or after 1 January 2025

Amendments to MFRS 121, The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability

MFRS Accounting Standards and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, Financial Instruments and MFRS 7, Financial Instruments: Disclosures Classification and Measurement of Financial Instruments
- Amendments that are part of Annual Improvements Volume 11:
 - Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards
 - Amendments to MFRS 7, Financial Instruments: Disclosures
 - Amendments to MFRS 9, Financial Instruments
 - Amendments to MFRS 10, Consolidated Financial Statements
 - Amendments to MFRS 107, Statement of Cash Flows
- Amendments to MFRS 9, Financial Instruments and MFRS 7, Financial Instruments: Disclosures Contracts Referencing Nature-dependent Electricity

MFRS Accounting Standards and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, Presentation and Disclosure in Financial Statements
- MFRS 19, Subsidiaries without Public Accountability: Disclosures

MFRS Accounting Standards and amendments effective for annual periods beginning on or after a date yet to be confirmed

 Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

2. Basis of preparation (Cont'd)

(a) Statement of compliance (Cont'd)

The Group and the Company plan to apply the abovementioned accounting standards and amendments, where applicable in the respective financial years when the abovementioned accounting standards and amendments become effective.

The initial application of the above accounting standards and amendments is not expected to have any material financial impacts to the current period and prior period financial statements of the Group and the Company.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in the financial statements.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (RM), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

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

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

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than Note 8.1 – valuation of inventories.

(775)(802)(235)(534)38,430 (3,607)Total RM'000 875,355 40,520 766,354 70,592 (52,877)(171)in-progress RM'000 3,162 14,929 59,737 49,232 59,083 (266)(363)(32)428 20,880 2,195 1,309 23,447 rehicles RM'000 25 (22) (170) 1,870 2,685 47,080 1,832 54,253 3,471 fittings, office and solar Furniture, (3,550)(65) (176)13,925 machinery RM'000 14,330 42,400 527,819 613,048 28,675 83,115 buildings Note 3.1) 70,933 889 8,582 2,711 78 Freehold (802)buildings RM'000 3,985 412 1,063 4,658 409 Factory — Right-of-use assets — Leasehold land RM'000 35,920 1,768 5,976 37,751 63 Effect of movements in At 31 December 2023/ At 1 January 2023 exchange rates 1 January 2024 Derecognition * Reclassification Written-off Written-off Additions Disposals Additions Disposals Group Cost

(20,877)

(1,997)

(331)

(779)

(13,919)

(2,381)

(171)

(1,299)

Effect of movements in

Reclassification

exchange rates

At 31 December 2024

(35,851)

630

34,716

505

889,066

36,164

23,512

56,594

644,155

81,317

4,896

42,428

Property, plant and equipment (Cont'd)

	-		ı	ı	ı	ı	ı	
	Leasehold land RM'000	Factory buildings RM'000	Freehold land and buildings (Note 3.1) RM'000	Plant and machinery RM′000	Furniture, fittings, office and solar equipment RM'000	Motor vehicles RM'000	Capital expenditure -in-progress RM'000	Total RM'000
Group								
Accumulated depreciation and impairment losses								
At 1 January 2023								
Accumulated depreciation	2,659	926	37,713	277,037	24,928	15,778	,	362,091
Accumulated impairment losses	ı	ı	ı	ı	4,110	ı	1	4,110
	5,659	926	37,713	277,037	29,038	15,778	ı	366,201
Depreciation for the year	777	1,348	2,646	25,519	3,168	1,592	1	35,050
Disposals	1	ı	ı	(167)	ı	(576)	ı	(743)
Written-off	1	•	ı	ı	ı	(363)	ı	(363)
Derecognition*	ı	(802)	1	ı	I	ı	ı	(802)
Effect of movements in exchange rates	183	1,037	1,472	9,027	754	295	1	13,068
At 31 December 2023 / At 1 January 2024								
Accumulated depreciation	6,619	2,559	41,831	311,416	28,850	17,026	,	408,301
Accumulated impairment losses	•		•	•	4,110	•	•	4,110
	6,619	2,559	41,831	311,416	32,960	17,026	•	412,411

Property, plant and equipment (Cont'd)

	—————————————————————————————————————	assets —						
	Leasehold land RM′000	Factory buildings RM′000	Freehold land and buildings (Note 3.1) RM′000	Plant and machinery RM′000	Furniture, fittings, office and solar equipment RM'000	Motor vehicles RM'000	Capital expenditure -in-progress RM′000	Total RM'000
Group								
Accumulated depreciation and impairment losses								
Depreciation for the year	837	1,387	2,874	27,529	3,224	1,560	•	37,411
Disposals	•	•	•	(2,957)	(17)	(32)	•	(3,006)
Written-off	•	•	•	(33)	(146)	•		(179)
Effect of movements in exchange rates	(201)	(156)	(1,512)	(6,653)	(476)	(200)	ı	(9,198)
At 31 December 2024								
- Accumulated depreciation	7,255	3,790	43,193	329,302	31,435	18,354	•	433,329
Accumulated impairment losses	•	٠	٠	•	4,110	٠	•	4,110
	7,255	3,790	43,193	329,302	35,545	18,354		437,439
Carrying amounts								
At 1 January 2023	30,261	3,009	33,220	250,782	18,042	5,102	59,737	400,153
At 31 December 2023/ 1 January 2024	31,132	2,099	41,284	301,632	21,293	6,421	59,083	462,944
At 31 December 2024	35,173	1,106	38,124	314,853	21,049	5,158	36,164	451,627

Derecognition of right-of-use assets due to end of lease term.

3. Property, plant and equipment (Cont'd)

	Motor vehicles RM'000
Company	
Cost	
At 1 January 2023/31 December 2023	320
At 1 January 2024/31 December 2024	320
Accumulated depreciation	
At 1 January 2023/31 December 2023	320
At 1 January 2024/31 December 2024	320
Carrying amount	
At 1 January 2023/31 December 2023	
At 1 January 2024/31 December 2024	

3.1 Freehold land and buildings - Group

		Cost	Carryi	ng amounts
	2024 RM′000	2023 RM′000	2024 RM'000	2023 RM'000
Freehold land	5,105	5,105	5,105	5,105
Factory buildings	76,212	78,010	33,019	36,179
	81,317	83,115	38,124	41,284

3.2 Security

Certain plant and machinery of the Group with carrying amount of Nil at 31 December 2024 (2023: RM9,927,000) are charged for banking facilities granted to the Group (Note 13.1).

3.3 Right-of-use assets

The Group leases land and factory buildings that run between 2 years to 936 years, with an option to renew the leases after the expiry of the initial lease periods.

3.3.1 Extension options

Certain leases of factory buildings contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

3. Property, plant and equipment (Cont'd)

3.3 Right-of-use assets (Cont'd)

The disclosure of lease liabilities recognised and potential future lease payments not included in lease liabilities for extension options have not been made as the Directors noted the amounts to be insignificant

3.4 Material accounting policy information

(a) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

(b) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

Leasehold land (Right-of-use assets)	48 - 936 years
Factory buildings (Right-of-use assets)	2 - 5 years
Factory buildings	20 - 50 years
Plant and machinery factory	5 - 20 years
Furniture, fittings, office and solar equipment	5 - 25 years
Motor vehicles	5 years

Recognition exemption for right-of-use assets (c)

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or shorter and leases of low-value assets. The Group and the Company recognise the lease payments associated with these leases as an expense on a straightline basis over the lease term.

Investment properties

	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Electrical installation RM'000	Total RM'000
Group					
Cost					
At 1 January 2023	10,877	7,931	7,669	-	26,477
Addition	35,997	-	-	19	36,016
At 31 December 2023/1 January 2024/ 31 December 2024	46,874	7,931	7,669	19	62,493
Accumulated depreciation					
At 1 January 2023	-	1,428	482	-	1,910
Depreciation for the year	-	238	384	1	623
At 31 December 2023/1 January 2024	-	1,666	866	1	2,533
Depreciation for the year	-	238	383	4	625
At 31 December 2024	-	1,904	1,249	5	3,158
Carrying amounts					
At 1 January 2023	10,877	6,503	7,187		24,567
At 31 December 2023/1 January 2024	46,874	6,265	6,803	18	59,960
At 31 December 2024	46,874	6,027	6,420	14	59,335

Investment properties (Cont'd)

	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Electrical installation RM'000	Total RM'000
Company					
Cost					
At 1 January 2023	10,877	7,931	6,997	-	25,805
Addition	35,997	-	-	19	36,016
At 31 December 2023/1 January 2024/ 31 December 2024	46,874	7,931	6,997	19	61,821
Accumulated depreciation					
At 1 January 2023	-	1,428	437	-	1,865
Depreciation for the year		238	350	1	589
At 31 December 2023/1 January 2024	-	1,666	787	1	2,454
Depreciation for the year		238	350	4	592
At 31 December 2024		1,904	1,137	5	3,046
Carrying amounts					
At 1 January 2023	10,877	6,503	6,560		23,940
At 31 December 2023/1 January 2024	46,874	6,265	6,210	18	59,367
At 31 December 2024	46,874	6,027	5,860	14	58,775

The following are recognised in profit or loss in respect of investment properties :

		Group	C	Company		
	2024 RM′000	2023 RM′000	2024 RM'000	2023 RM'000		
Lease income	382	73	982	673		
Direct operating expenses						
- income generating investment properties	324	69	562	358		
- non-income generating investment properties	768	1,060	456	729		

4. Investment properties (Cont'd)

The operating lease payments to be received are as follows:

		Group	(Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM′000	
Less than one year		715	600	1,065	
One to two years		711	950	711	
Total undiscounted lease payments		1,426	1,550	1,776	

4.1 Fair value information - Group and Company

Investment properties comprise a leasehold land, freehold land, an industrial building and apartment that are held for undetermined use.

The fair value of the investment properties of the Group and of the Company is based on Directors' estimation using the latest available market information, recent experience and knowledge in the location and category of the property being valued. The fair value of the investment properties of the Group and of the Company as at 31 December 2024 was determined to be approximately RM63.1 million (2023: RM63.1 million) and RM62.4 million (2023: RM62.4 million) respectively. The fair values are classified as level 3 of the fair value hierarchy.

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the investment property.

The Directors estimate the fair value of the investment properties of the Group and the Company as follows:

Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Sales comparison approach: Sales price of comparable land and building in close proximity or other comparable localities that are published for sale. The most significant input into this valuation approach is price per square foot.	 Average price per square foot for freehold land, leasehold land and industrial building ranging of RM5.50 to RM14.90 (2023: RM5.50 to RM14.90) of the Group and the Company. Average price per square foot for apartment of RM512 (2023: RM512) for the Group. 	The estimated fair value would increase/ (decrease) if the price per square foot is higher/(lower).

4.2 Material accounting policy information

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

5. Investments in subsidiaries - Company

	2024 RM'000	2023 RM'000
Investments, at cost	116,654	116,521
Less : Impairment loss	(2,800)	(2,800)
	113,854	113,721

Details of the subsidiaries are as follows:

Name of entity	Principal place of business/ Country of incorporation	Principal activities	ow inter	ffective mership rest and interest 2023 %
		·		
Syarikat Thong Guan Trading Sdn. Bhd. ("STGT")	Malaysia	Manufacturing and trading of food and beverage products, trading of plastic products and wholesale of rice	100	100
Thong Guan Plastic & Paper Industries Sdn. Bhd. ("TGPP")	Malaysia	Manufacturing and trading of plastic products	100	100
Uniang Plastic Industries Sdn. Bhd.(1)	Malaysia	Manufacturing and sale of film blown plastic products and flexible plastic packaging products	100	100
Jaya Uni'ang Sdn. Bhd. ⁽¹⁾	Malaysia	Trading in film blown plastic products, food and consumable products	100	100
TG Plastic Technologies Sdn. Bhd. ("TGPT") ⁽²⁾	Malaysia	Manufacturing and trading of plastic packaging products	100	100
Thong Guan Plastic Industries (Suzhou) Co., Ltd ⁽¹⁾	People's Republic of China	Manufacturing and trading of plastic packaging products	100	100
TGP Plaspack (Suzhou) Co., Ltd. ("TGPPS") (1)	People's Republic of China	Manufacturing and trading of plastic packaging products	100	100
TG Power Wrap Sdn. Bhd. ("TGPW")	Malaysia	Manufacturing and marketing of polyvinyl chloride (PVC) cling food wraps	85	85
TGSH Plastic Industries Sdn. Bhd. ("TGSH")	Malaysia	Manufacturing and marketing of plastic packaging products	70	70
TGW Plastic Packaging Sdn. Bhd. ("TGWPP") (2)	Malaysia	Manufacturing and trading of plastic packaging products	51	51

5. Investments in subsidiaries - Company (Cont'd)

Details of the subsidiaries are as follows: (Cont'd)

	Principal place of business/		ow inter	ffective mership rest and interest
Name of entity	Country of incorporation	Principal activities	2024 %	2023 %
Newton Research & Development Centre Sdn. Bhd.	Malaysia	Research and development centre for plastic packaging industry	100	100
Everprosper Food Industries Sdn. Bhd. ("EFI") (3)	Malaysia	Manufacturing and trading of noodle products	60	60
Thong Guan Trading (Thailand) Company Limited (1),(5)	Thailand	Manufacturing and trading of food and beverage products, and plastic products	79	79
TGP Marketing Sdn. Bhd.	Malaysia	Inactive	100	100
TG Plaspack (Vietnam) Co., Ltd. (1)	Vietnam	Inactive	100	100
888 Cafe Sdn. Bhd. ("888 Cafe")	Malaysia	Inactive	80	80
888 Food Industries Sdn. Bhd.	Malaysia	Inactive	100	100
Everprosper Marketing (M) Sdn. Bhd. ("EM") (4)	Malaysia	Inactive	60	60
TG Plaspack Myanmar Co., Ltd. (1)	Republic of the Union of Myanmar	Inactive	100	100
TG Greenpack Sdn. Bhd.	Malaysia	Inactive	100	100
Cargosafe R&D (Suzhou) Co., Ltd. (1), (6), (7)	People's Republic of China	Inactive	100	100
TG Europe A/S (1), (2)	Denmark	Trading of plastic products	80	80
TG Packaging Solution Llc (1), (2), (7)	United States of America	Trading of plastic products	100	100
TG Development Sdn. Bhd.	Malaysia	Property development	100	100

Not audited by KPMG Held through TGPP (1)

⁽²⁾

⁽³⁾ Held through STGT

⁽⁴⁾ Held through EFI

⁽⁵⁾ Held through STGT. STGT has 79% voting interest via a shareholders' agreement signed

⁽⁶⁾ Held through TGPPS

The unaudited management accounts were consolidated in the Group's financial statements as these subsidiaries were not required by the local legislation to have their financial statements audited

Investments in subsidiaries - Company (Cont'd)

5.1 Non-controlling interests in subsidiaries

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:

			2024		
	TGPW RM'000	TGSH RM'000	TGWPP RM'000	Other subsidiaries with immaterial NCI RM'000	Total RM'000
NCI percentage of ownership interest and voting interest	15%	30%	46%		
Carrying amount of NCI	8,006	13,784	10,603	(2,709)	29,684
Profit/(Loss) allocated to NCI	440	1,155	(1,926)	460	129
Summarised financial information before intra-group elimination					
As at 31 December					
Non-current assets	26,343	11,563	27,401		
Current assets	40,474	43,492	26,039		
Non-current liabilities	(2,280)	(1,125)	(4,135)		
Current liabilities	(11,164)	(2,985)	(27,667)		
Net assets	53,373	45,945	21,638		
Year ended 31 December					
Revenue	826,99	71,631	45,572		
Profit/(Loss) for the year	2,936	3,848	(3,931)		
Total comprehensive income/(expense)	2,936	3,848	(3,931)		
Cash from operating activities	280	3,704	12,296		
Cash used in investing activities	(1,119)	(662)	(936)		
Cash flows used in financing activities	(1,350)	(1,000)	(10,228)		
Net (decrease)/increase in cash and cash equivalents	(1,889)	2,042	1,132		
Dividend paid to NCI		300			

Investments in subsidiaries - Company (Cont'd) ഹ

5.1 Non-controlling interests in subsidiaries (Cont'd)

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows : (Cont'd)

	I	I	I		I
			2024	C ratto	
	TGPW RM'000	TGSH RM'000	TGWPP RM'000	subsidiaries with immaterial NCI RM′000	Total RM'000
NCI percentage of ownership interest and voting interest	15%	30%	46%		
Carrying amount of NCI	7,566	12,929	12,529	(3,169)	29,855
Profit/(Loss) allocated to NCI	387	1,253	(1,074)	324	890
Summarised financial information before intra-group elimination					
As at 31 December					
Non-current assets	30,006	12,110	31,716		
Current assets	31,803	41,111	32,082		
Non-current liabilities	(2,902)	(1,169)	(9,904)		
Current liabilities	(8,469)	(8,955)	(28,326)		
Net assets	50,438	43,097	25,568		
Year ended 31 December					
Revenue	64,355	63,201	42,423		
Profit/(Loss) for the year	2,577	4,178	(2,192)		
Total comprehensive income/(expense)	2,577	4,178	(2,192)		
Cash from operating activities	16,741	5,949	7,287		
Cash used in investing activities	(428)	(247)	(2,208)		
Cash flows used in financing activities	(10,400)	(3,505)	(7,013)		
Net increase/(decrease) in cash and cash equivalents	5,913	2,197	(1,934)		
Dividend paid to NCI	1	300	1		

5. Investments in subsidiaries - Company (Cont'd)

5.2 Material accounting policy information

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses.

Investments in associates - Group 6.

	2024 RM'000	2023 RM'000
Investments, at cost	802	802
Share of post-acquisition reserves	1,673	1,839
	2,475	2,641

Details of the associates are as follows:

	Principal		ov inte	Effective vnership rest and interest
Name of associate	place of business	Principal activity/Nature of the relationship	2024 %	2023 %
Winner Bright International Industrial Limited ("WBIL")	Hong Kong	Trading of plastic packaging products	49	49
Techpac Solutions ApS ("TPS")	Denmark	Trading of plastic products	20	20

The disclosure of summary of financial information of the associates have not been made as the Directors noted the amounts to be inconsequential to the Group.

6.1 Material accounting policy information

Investments in associates are measured in the Company's statement of financial position at cost less any impairment losses.

7. Deferred tax assets/(liabilities)

The recognised deferred tax assets and liabilities are as follows :

	Asso	ets	Liabil	ities	Ne	t
	2024 RM'000	2023 RM′000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Group						
Property, plant and equipment and right-of-use assets						
- capital allowances	-	-	(52,842)	(52,297)	(52,842)	(52,297)
Lease liabilities	285	523	-	-	285	523
Capital allowances carry-forward	3,135	2,911	-	-	3,135	2,911
Tax incentives	4,190	5,254	-	-	4,190	5,254
Others	2,269	2,274	(2,074)	(14)	195	2,260
Tax assets/(liabilities)	9,879	10,962	(54,916)	(52,311)	(45,037)	(41,349)
Set-off of tax	(8,434)	(10,575)	8,434	10,575		-
Net deferred tax assets/(liabilities)	1,445	387	(46,482)	(41,736)	(45,037)	(41,349)

Movements in temporary differences during the year are as follows :

	At 1 January 2023 RM′000	Recognised in profit or loss (Note 22) RM'000	At 31 December 2023/1 January 2024 RM'000	Recognised in profit or loss (Note 22) RM'000	At 31 December 2024 RM'000
Group					
Property, plant and equipment and right-of-use assets					
- capital allowances	(45,005)	(7,292)	(52,297)	(545)	(52,842)
Lease liabilities	744	(221)	523	(343)	180
Capital allowances carry- forward	-	2,911	2,911	224	3,135
Tax incentives	5,539	(285)	5,254	(1,064)	4,190
Others	491	1,769	2,260	(1,960)	300
	(38,231)	(3,118)	(41,349)	(3,688)	(45,037)

7. Deferred tax assets/(liabilities) (Cont'd)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	2024 RM'000	2023 RM'000
Group		
Capital allowances carry-forward	2,391	2,712
Tax losses carry-forward	10,992	10,992
Reinvestment allowances carry-forward	1,600	1,600
Impairment on trade receivables	-	10,000
Deferred revenue	25,543	
	40,526	25,304
Company		
Tax losses carry-forward	1,848	1,848
Impairment on trade receivables	-	10,000
Deferred revenue	25,543	
	27,391	11,848

The capital allowances carry-forward of the Group is available indefinitely for offsetting against future taxable profits, subject to the guidelines issued under the Income Tax Act, 1967.

The tax losses carry-forward will expire in the following years of assessment :

		Group		
	2024 RM'000	2023 RM′000	2024 RM'000	2023 RM′000
Year of Assessment :				
2028	7,562	7,562	-	-
2029	1,582	1,582	-	-
2030	549	549	549	549
2031	1,051	1,051	1,051	1,051
2033	248	248	248	248
	10,992	10,992	1,848	1,848

The reinvestment allowances carry-forward will expire in year of assessment 2037.

Deferred tax assets have not been recognised in respect of the above items as it is not probable that future taxable profits will be available against which the Group entities can utilise the benefits therefrom.

8. **Inventories - Group**

	Note	2024 RM'000	2023 RM′000
Raw materials		202,662	176,429
Work-in-progress		11,337	12,865
Manufactured inventories		73,683	65,102
Trading inventories		8,964	8,317
Inventories-in-transit		80,920	57,198
Property development costs	8.1	3,535	
		381,101	319,911
Recognised in profit or loss :			
Inventories recognised as cost of sales		1,114,491	1,048,484
Inventories written down (included in cost of sales)	_	878	882

8.1 Property development costs

	Note	2024 RM′000	2023 RM′000
At 1 January		-	-
Transfer from non-current deposit	9.2	2,500	-
Transfer from prepayments (developments costs)		619	-
Additions		416	
At 31 December **	_	3,535	<u>-</u>
** Amount comprises :			
Freehold land		2,500	-
Other outgoings		1,035	-
	_	3,535	

8.2 Judgement and assumptions in relation to valuation of inventories

The management reviews inventories for obsolescence and decline in net realisable value to below cost. Such reviews involve judgements made over future consumption and the selling price of the inventories. Possible changes to these estimates could result in a revision made to the carrying amount of the Group's inventories and profit or loss.

8.3 Material accounting policy information

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity.

9. Trade and other receivables

			Group	(Company
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM′000
	Note	KIVI 000	KIM 000	KIVI 000	KIVI 000
Non-current					
Non-trade					
Prepayments	9.1	1,197	5,837	-	-
Deposits	9.2	-	2,500	<u> </u>	
	_	1,197	8,337	<u> </u>	
Current					
Trade					
Trade receivables	9.3	233,553	226,770	24,543	13,092
Amount due from an associate	9.4	3,272	2,503	<u> </u>	
	_	236,825	229,273	24,543	13,092
Non-trade					
Amount due from an associate	9.4	-	512	-	-
Other receivables		11,501	10,200	-	-
Amount due from subsidiaries	9.5	-	-	7,732	8,276
Dividends receivable from subsidiaries		-	-	11,070	14,430
Prepayments		9,336	8,565	324	2,842
Deposits	9.6	8,919	2,459	31	31
		29,756	21,736	19,157	25,579
	_	266,581	251,009	43,700	38,671
	_	267,778	259,346	43,700	38,671

9.1 Prepayments

The non-current prepayments of the Group are for the purchase of property, plant and equipment.

9.2 Deposits

In the prior year, the non-current deposits of the Group were paid for the acquisition of land for a joint development project with Perbadanan Kemajuan Negeri Kedah ("PKNK"). The said deposits were reclassified and presented as property development costs (inventories) during the current financial year.

9.3 Trade receivables

Included in trade receivables of the Group are RM1,647,000 (2023: RM1,426,000) and RM3,000 (2023: RM770,000) due from a company in which a Director has a substantial financial interest and a substantial shareholder of a subsidiary respectively. The amounts are subject to normal trade terms.

Included in trade receivables of the Group is RM9,948,000 (2023: Nil) past due from a third-party customer which earns interest at 7% (2023: Nil) per annum.

9. Trade and other receivables (Cont'd)

9.4 Amounts due from an associate

The trade amount due from an associate is subject to normal trade terms.

The non-trade amounts due from an associate was unsecured, interest-free and repayable on demand.

9.5 Amount due from subsidiaries

The non-trade amount due from subsidiaries is unsecured, interest-free and repayable on demand other than RM6,600,000 (2023: Nil) which earns interest at 4.00% (2023: Nil) per annum.

9.6 Deposits

During the financial year, the Group paid RM6,825,000 (2023: Nil) as deposit for the proposed acquisition of a factory and warehouse which the Group is current leasing. The proposed acquisition did not materialise and the deposit was fully refunded to the Group after the end of the reporting period.

10. Cash and cash equivalents

		Grou	р	Compa	ny
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM′000
Cash and bank balances		181,650	250,239	11,696	69,307
Short-term investment funds	10.1	27,262	27,253	1	-
Short-term deposits		104,410	13,770	79,000	-
	_	313,322	291,262	90,697	69,307

10.1 Short-term investment funds

Short-term investment funds represent investments in money market and cash management funds which can be redeemed within a period of less than 31 days.

11. Share capital - Group/Company

		2024		2023
	Amount RM'000	Number of shares '000	Amount RM'000	Number of shares '000
Issued and paid-up ordinary shares with no par value classified as equity instruments :				
At 1 January	262,840	398,243	255,516	393,278
Exercise of 6,202,350 (2023: 4,965,450) ESOS into ordinary shares at the exercise price of RM1.13 (2023: RM1.13) per share	9,149	6,202	7,324	4,965
At 31 December	271,989	404,445	262,840	398,243

11.1 Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

12. Reserves

		G	roup	Cor	npany
	Note	2024 RM′000	2023 RM′000	2024 RM′000	2023 RM'000
Non-distributable					
Translation reserve	12.1	46,412	66,475	-	-
Statutory reserve	12.2	4,141	4,141	-	-
Treasury shares	12.3	(5,135)	(5,135)	(5,135)	(5,135)
Fair value reserve	12.4	(567)	(567)	(567)	(567)
Share options reserve	12.5	630	2,757	630	2,757
Distributable					
Retained earnings	_	639,209	593,448	6,779	19,151
	_	684,690	661,119	1,707	16,206

Movements in the reserves are shown in the Statements of Changes in Equity.

12.1 Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations and local subsidiaries where their functional currencies are not Ringgit Malaysia.

12.2 Statutory reserve

The statutory reserve comprises amounts transferred from retained earnings as required by the local regulation in People's Republic of China.

12.3 Treasury shares

The shareholders of the Company, via an ordinary resolution passed in the Annual General Meeting held on 30 May 2017, approved for the Company to repurchase its own shares of up to 10% of its total issued and paid-up share capital.

No shares were repurchased by the Company and no shares were reissued during both financial years. The cumulative ordinary shares held as treasury shares are as follows:

			← Purc	hase price	(N1)
		Cost	Highest	Lowest	Average
	No. of shares				
	′000	RM'000	RM	RM	RM
2024 and 2023					
At beginning/end of financial year	2,806	5,135	2.07	1.23	1.83

Purchase price includes stamp duty, brokerage, clearing fee and Service Tax.

12. Reserves (Cont'd)

12.4 Fair value reserve

Fair value reserve represents the cumulative net change in the fair value of financial assets recognised in other comprehensive income until the investments are derecognised or impaired.

12.5 Share options reserve

The share options reserve represents the fair value of the share options granted to eligible Directors and employees of the Group and the Company as disclosed in Note 23.

13. Loans and borrowings - Group

	2024 RM'000	2023 RM'000
Non-current :		
Secured		
- Revolving credit	-	26,231
- Term loans	23,170	30,267
	23,170	56,498
Hire purchase creditors	665	653
	23,835	57,151
Current :		
Secured		
- Bank overdrafts	1,177	480
- Term loans	17,967	26,917
- Revolving credit	28,366	15,934
- Bankers' acceptances	130,758	74,475
- Trust receipts	7,855	22,494
	186,123	140,300
Hire purchase creditors	534	628
	186,657	140,928
Total loans and borrowings	210,492	198,079

13. Loans and borrowings - Group (Cont'd)

13.1 Securities - Group

The secured loans and borrowings of the Group are secured by corporate guarantee from the Company and fixed charges over plant and machinery of certain subsidiaries for which the facilities were extended to (Note 3.2).

13.2 Reconciliation of movements of liabilities to cash flows arising from financing activities

	At 1 January 2023 RM'000	Hire purchase/ lease obtained RM'000	Net changes from financing cash flows RM'000	Movement in exchange rates RM'000	At 31 December 2023/ 1 January 2024 RM′000	Hire purchase/ lease obtained RM′000	Net changes from financing cash flows RM'000	Movement in exchange rates RM'000	At 31 December 2024 RM'000
Term loans	61,201	•	(5,923)	1,906	57,184	•	(12,341)	(3,706)	41,137
Hire purchase creditors	1,659	341	(719)	1	1,281	693	(745)	•	1,199
Onshore foreign currency trade loans	120,095	1	(120,439)	344	•	•	•	•	•
Bankers' acceptances	3,532	ı	70,943	ı	74,475	•	56,283	•	130,758
Revolving credit	36,328	•	4,314	1,523	42,165	•	(11,128)	(2,671)	28,366
Trust receipts	•	•	22,494	ı	22,494	•	(14,639)	•	7,855
Lease liabilities	3,099	412	(1,331)	1	2,180	404	(1,401)	•	1,188
	225,914	753	(30,661)	3,773	199,779	1,072	16,029	(6,377)	210,503

14. Provision

	Financial guaran	tees (Note 30.4)
	2024 RM'000	2023 RM'000
Company		
At 1 January/At 31 December	1,000	1,000

15. Trade and other payables

		Grou	ıp	Compa	nny
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Trade					
Trade payables	15.1	157,636	158,235	-	2
Non-trade	Г				
Amount due to related parties	15.2	3,754	-	-	-
Other payables	15.3	20,352	13,489	6,452	700
Accrued expenses		27,709	25,913	565	599
	_	51,815	39,402	7,017	1,299
	_	209,451	197,637	7,017	1,301

15.1 Trade payables

Included in trade payables of the Group is RM4,966,000 (2023: RM4,393,000) due to companies in which certain Directors have a substantial financial interest and is subject to normal trade terms.

15.2 Amount due to related parties

The non-trade amount due to related parties is unsecured, interest-free and repayable on demand other than RM3,659,000 (2023: Nil) which bears interest at 4% (2023: Nil) per annum.

15.3 Other payables

Included in other payables is RM6,000,000 (2023: Nil) received for the Proposed STGT Group Disposal as disclosed in Note 31.

16. Contract liabilities - Group

	2024 RM'000	2023 RM'000
Contract liabilities	2,263	3,337

16. Contract liabilities - Group (Cont'd)

The changes to contract liabilities during the period are as follows:

		Group	C	Company
	2024 RM'000	2023 RM′000	2024 RM'000	2023 RM'000
Contract liabilities at beginning of the period recognised as revenue during the year	(3,337)	(2,124)	-	-
Advances received during the year	2,263	3,337		

The contract liabilities comprise advance consideration received from customers for which the Group has yet to transfer the goods or provide the services to the customers. The contract liabilities are expected to be recognised as revenue in the following financial year.

17. Deferred income

		Group		Company		
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000		
Deferred income	25,543	-	25,543	-		

Deferred income comprises amounts billed to a customer during the financial year where the Group is uncertain whether the sales will be substantially collected at the end of the reporting period. The deferred income will be recognised as revenue in profit or loss when collection is assessed to be probable.

18. Revenue

		Group	(Company		
	2024 RM'000	2023 RM′000	2024 RM'000	2023 RM′000		
Revenue from contracts with customers	1,281,464	1,240,581	-	77		
Dividend income from subsidiaries	-	-	23,552	14,430		
	1,281,464	1,240,581	23,552	14,507		

Revenue from contracts with customers of the Company relates to the sale of petroleum products where the Company acted as an agent in the transaction rather than as the principal.

18. Revenue (Cont'd)

18.1 Disaggregation of revenue

	← Group ←				
			← Company →		
	- 1	Packaged food, beverages and other			
	Plastic products ⁽¹⁾ RM'000	consumable products ⁽¹⁾ RM'000	Petroleum products ⁽¹⁾ RM'000	Total RM'000	
2024					
Primary geographical markets					
Malaysia	237,599	133,237	-	370,836	
Other Asian countries (2)	433,297	14,717	-	448,014	
Oceania ⁽³⁾	208,815	862	-	209,677	
Europe (4)	148,632	-	-	148,632	
North America (5)	78,900	-	-	78,900	
Others	25,405			25,405	
	1,132,648	148,816	-	1,281,464	
Timing and recognition					
- At a point in time	1,132,648	148,816	<u>-</u>	1,281,464	
2023					
Primary geographical markets					
Malaysia	212,618	112,502	77	325,197	
Other Asian countries (2)	437,981	10,663	-	448,644	
Oceania (3)	183,924	632	-	184,556	
Europe (4)	178,425	-	-	178,425	
North America (5)	81,545	-	-	81,545	
Others	22,214	-	-	22,214	
	1,116,707	123,797	77	1,240,581	
Timing and recognition					
- At a point in time	1,116,707	123,797	77	1,240,581	

including incidental freight and forwarding services undertaken by the Group and the Company in relation to products sold, where applicable.

comprising mainly Japan, People's Republic of China, Korea, Indonesia, Philippines, Singapore, Thailand, Vietnam, Saudi Arabia and United Arab Emirates.

⁽³⁾ comprising Australia, New Zealand, Papua New Guinea and Fiji Island.

comprising mainly England, Germany, Spain, Belgium, Czech Republic, Italy, Lithuania, Portugal, Netherlands, Denmark and Serbia.

comprising United States of America, Mexico, Canada, West Indies, Guatemala and El Salvador.

18. Revenue (Cont'd)

18.2 Nature of goods

The following information reflects the typical transactions of the Group and the Company:

Nature of goods	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Variable element Obligation for returns in consideration or refunds	Warranty
Assortment of plastic products	Revenue is recognised at a point in time when the goods are delivered to and accepted by the customers.	30 - 60 days from invoice date.	Not applicable.	Not applicable.	Not applicable.
Packaged food, beverages and other consumable products	Revenue is recognised at a point in time when the goods are delivered to and accepted by the customers.	30 - 60 days from invoice date.	Not applicable.	The Group allows returns for product exchange or cash refunds determined on case-to-case basis.	Not applicable.
Petroleum products	Revenue from commission income is recognised at a point in time when the services are performed and the goods are delivered to customer.	60 days from invoice date.	Not applicable.	Not applicable.	Not applicable.

The Group applies the practical expedient on the exemption for disclosure of information on the remaining performance obligations that have original expected duration of one year or shorter.

19. Results of operating activities

Results from operating activities are arrived at after charging/(crediting):

	Grou	ıp	Compa	any
	2024 RM'000	2023 RM′000	2024 RM'000	2023 RM'000
Auditors' remuneration				
- Audit fees				
- KPMG PLT	351	312	60	53
- Other auditors	97	95		_
- Non-audit fees				
- KPMG PLT	38	20	38	20
- Overseas affiliates of KPMG	70	60	70	60
- Local affiliate of KPMG PLT	67	63	7	7
Material expenses/(income)				
Directors' emoluments				
Directors of the Company				
- fees	600	600	320	320
- remuneration	4,503	4,199	288	253
- contributions to Employees' Provident Fund	200	224	35	30
- others	234	231	234	231
Other Directors				
- fees	158	158	-	-
- remuneration	1,383	1,296	-	-
- contributions to Employees' Provident Fund	86	78	-	-
Personnel expenses (excluding Directors' emoluments)				
- Wages, salaries and others	90,192	82,728	-	-
- Contributions to state plans	7,731	7,678	-	-
Share-based payments (Note 23)	630	1,453	630	411
Loss/(Gain) on foreign exchange				
- realised	1,051	268	(131)	559
- unrealised	(1,042)	546	131	(561)
Gain on disposal of short-term investment funds	(3,243)	(1,565)	(2,042)	(1,301)
Government grants (Note a)	(80)	(540)	-	-

19. Results of operating activities (Cont'd)

Results from operating activities are arrived at after charging/(crediting): (Cont'd)

		Group		Company
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM′000
Expenses/(Income) arising from leases				
Expenses relating to short-term leases (Note b)	1,014	1,973	-	-
Expenses relating to leases of low-value assets (Note b)	65	69	-	-
Rental income from property and machinery	(390)	(76)	(982)	(673)
Net loss/(gain) on impairment of financial instruments				
(Reversal of impairment)/Impairment loss on trade and other receivables	(9,200)	10,120	(10,606)	9,998
Bad debts written off	90	122	-	-
·	(9,110)	10,242	(10,606)	9,998

Note a

The Group received government grants as wage subsidies for hiring local workforce under the Northern Corridor Economic Region programme. The grants were recognised as other income in profit or loss.

Note b

The Group leases machinery and equipment, motor vehicles and hostels with contract terms of 1 year or shorter. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise the right-of-use assets and lease liabilities for these leases.

Note c

The estimated monetary value of Directors' benefits-in-kind of the Group and the Company amounted to RM74,900 (2023: RM67,400) and RM9,900 (2023: RM9,900) respectively.

20. Key management personnel compensation

The key management personnel compensation are as follows:

		Group	Co	Company	
	2024 RM'000	2023 RM′000	2024 RM′000	2023 RM'000	
Directors of the Company					
- Fees	440	440	160	160	
- Remuneration	4,503	4,199	288	253	
- Contributions to Employees' Provident Fund	200	224	35	30	
- Estimated value of benefits-in-kind	37	37	10	10	
- Share-based payments	630	411	630	411	
	5,810	5,311	1,123	864	
Other Director					
- Remuneration	282	280		-	
	6,092	5,591	1,123	864	

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include certain Directors of the Group and the Company.

21. Finance costs - Group

	2024 RM'000	2023 RM'000
Interest expense on :		
- financial liabilities that are not at fair value through profit or loss	10,386	9,910
- lease liabilities	61	90
	10,447	10,000

22. Tax expense

Major components of tax expense include :

		Group		
	2024 RM'000	2023 RM′000	2024 RM'000	2023 RM'000
Current tax expense				
- Current year	15,775	16,129	285	-
- Prior year	939	214	-	(44)
Total current tax	16.714	16.343	285	(44)

22. Tax expense (Cont'd)

Major components of tax expense include : (Cont'd)

		Group	С	ompany
	2024 RM'000	2023 RM′000	2024 RM'000	2023 RM'000
Deferred tax expense				
- Originating temporary differences	3,459	3,651	-	-
- Prior year	229	(533)	-	-
Total deferred tax	3,688	3,118	-	
Total tax expense	20,402	19,461	285	(44)

Reconciliation of tax expense

	Grou	p	Company	
	2024 RM'000	2023 RM′000	2024 RM′000	2023 RM'000
Profit for the year	67,304	72,205	9,042	4,261
Total tax expense	20,402	19,461	285	(44)
Profit excluding tax	87,706	91,666	9,327	4,217
Income tax calculated using Malaysian tax rate of 24%	21,049	22,000	2,238	1,012
Effect of different tax rate in foreign jurisdictions	25	(6)	-	-
Non-deductible expenses	1,769	4,037	460	449
Income not subject to tax	(1,604)	(264)	(6,143)	(3,775)
Effect of tax incentives	(5,682)	(8,207)	-	-
Effect of share of profit of equity accounted associate	34	(77)	-	-
Unrecognised deferred tax assets	3,730	2,198	3,730	2,314
Utilisation of previously unrecognised deferred tax assets	(77)	-	-	-
Others	(10)	99	-	-
Under/(over) provision in prior years	1,168	(319)		(44)
Tax expense	20,402	19,461	285	(44)

23. Employee benefits - Group/Company

Share-based payments arrangement

The Company granted share options to eligible Executive Directors and employees of the Group to purchase shares in the Company under the Employees' Share Option Scheme ("ESOS") approved by the shareholders at an Extraordinary General Meeting of the Company held on 18 April 2019. The ESOS shall be in force for a duration of 5 years from 3 July 2019 ("ESOS Period").

The terms and conditions related to the grants of the share options are as follows; all options are to be settled by physical delivery of shares in the Company:

	Number of options granted ('000)	Vesting period	Exercise price (RM/ Share)
Granted on 3 July 2019 :			
- Tranche 1	604	7 August 2019 to 6 August 2020	1.13
- Tranche 2	2,742	7 August 2020 to 6 August 2021	1.13
- Tranche 3	8,418	7 August 2021 to 6 August 2022	1.13
- Tranche 4	8,418	7 August 2022 to 6 August 2023	1.13
- Tranche 5	8,418	7 August 2023 to 2 July 2024	1.13
	28,600		

On 1 April 2024, the Company extended the ESOS Period for another 5 years up to 2 July 2029 ("New ESOS Period"). Concurrently, the Company granted an additional 18,000,000 number of options to be granted during the New ESOS Period to eligible Directors and employees of the Group. As at 31 December 2024, the Company granted 3,025,000 number of options to eligible Directors of which 908,000 options vested during the current financial year.

The movements of the ESOS during the year are as follows:

	Weighted average exercise price 2024	Number of options ('000) 2024	Weighted average exercise price 2023	Number of options ('000) 2023
Outstanding at 1 January	1.13	7,787	1.13	12,952
Lapsed during the year	1.13	(1,585)	1.13	(200)
Exercised during the year	1.13	(6,202)	1.13	(4,965)
Granted during the year	1.68	3,025		
Outstanding at 31 December	_	3,025	1.13	7,787
Vested and outstanding at 31 December	_	908		7,787

23. Employee benefits - Group/Company (Cont'd)

Share-based payments arrangement (Cont'd)

The fair value of services received in return for the ESOS granted is based on the fair value of share options granted, measured using the Trinomial Option Pricing Model, with the following inputs:

	2024 RM	2023 RM
Fair value of share options and assumptions		
Fair value at grant date	0.38	0.345
Weighted average share price	1.86	2.53
Share price at grant date	1.85	2.26
Option life	5 years	5 years
Expected volatility	21.49%	31.15%
Expected dividends	4.59%	3.15%
Risk-free interest rate (based on Malaysian government bonds)	3.72%	3.44%

Value of employee services received for issue of share options

	Group			Company		
	RM'000 2024	RM'000 2023	RM'000 2024	RM'000 2023		
Fair value of share options recognised	630	1,453	630	1,453		
Less: Allocation of expense to subsidiaries *				(1,042)		
Total expense recognised in profit or loss	630	1,453	630	411		

The share options expense allocated to the subsidiaries benefiting from the services of the employees is not recognised in the profit or loss of the Company.

24. Earnings per ordinary share - Group

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share is based on the profit attributable to ordinary shareholders and on the weighted average number of ordinary shares outstanding, calculated as follows:

	2024 '000	2023 ′000
Issued ordinary shares at 1 January	398,243	393,278
Effect of ESOS exercised during the year	4,689	2,159
Effect of treasury shares repurchased	(2,806)	(2,806)
Weighted average number of ordinary shares at 31 December	400,126	392,631
Basic earnings per ordinary share (sen)	16.79	18.16

24. Earnings per ordinary share - Group (Cont'd)

Diluted earnings per ordinary share

The calculation of diluted earnings per ordinary share is based on the profit attributable to ordinary shareholders and on the weighted average number of ordinary shares outstanding after adjusting the effect of all dilutive potential ordinary shares, calculated as follows:

	2024 '000	2023 '000
Weighted average number of ordinary shares at 31 December (basic)	400,126	392,631
Effect of exercise of ESOS	_*	3,597#
Weighted average number of ordinary shares at 31 December (diluted)	400,126	396,228
Diluted earnings per ordinary share (sen)	16.79	18.00

- For the purpose of calculating the dilutive effect of share options, the average market value of the Company's shares in 2023 was based on quoted market prices for the period in which the options were outstanding.
- The diluted earnings per ordinary share in 2024 is assumed to be the same as basic earnings per ordinary share as the effect of the ESOS is anti-dilutive given that the share market price is lower than the exercise price of the ESOS.

25. Dividends - Group and Company

Dividends recognised by the Company:

	Sen per share	RM'000	Date of payment
2024			
- Second 2023 interim dividend	3.00	11,990	18 April 2024
- First 2024 interim dividend	2.50	10,041	18 October 2024
	_	22,031	
2023			
- Fourth 2022 interim dividend	2.25	8,806	18 April 2023
- First 2023 interim dividend	1.25	4,895	18 July 2023
	_	13,701	

26. Capital commitments

	Gro	Group		pany
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Contracted but not provided for				
- Property, plant and equipment	1,902	15,044		

27. Capital management

The Group's objectives when managing capital are to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investors, creditors and market confidence and to sustain future development of the business. The Directors monitor and are determined to maintain an optimal debt to equity ratio that complies with debt covenants and regulatory requirements.

The debt-to-equity ratio of the Group are as follows:

	2024 RM'000	2023 RM'000
Total loans and borrowings (Note 13)	(210,492)	(198,079)
Less : Cash and cash equivalent (Note 10) Net cash and cash equivalents	313,322	291,262 93,183

The Group is in net cash and cash equivalents position at the end of the financial period. Hence, debt-to-equity ratio has not been presented.

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity equal to or not less than 25 percent of the issued and paid-up capital. The Company has complied with this requirement.

There were no changes in the Group's approach to capital management during the financial year.

28. Operating segments

The Group has two reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group's Managing Director (the chief operating decision maker ("CODM")) reviews internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- Plastic products
- Food, beverages and other consumable products

Other non-reportable segment comprises investment holding, property development and the Company acting as agent for the sales of petroleum products. None of these segments met the quantitative thresholds for reporting segments.

Performance is measured based on segment profit or loss before tax, as included in the internal management reports that are reviewed by the CODM. Segment profit or loss is used to measure performance as management believes that such information is the most relevant in evaluating the results of the segments relative to other entities that operate within these industries.

Segment assets

The total of segment assets is measured on all assets of a segment, as included in the internal management reports that are reviewed by the CODM. Segment total assets are used to measure the return on assets of each segment.

Segment liabilities

Segment liabilities information is neither included in the internal management reports nor provided regularly to the CODM. Hence, no disclosure is made on segment liability.

Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment, right-of-use assets and investment properties.

28. Operating segments (Cont'd)

	0:+2010	ي.	Food, beverages and	ages and				
	products	ıcts	products	umable	Others	rs	Consolidated	dated
	2024 RM′000	2023 RM'000	2024 RM′000	2023 RM′000	2024 RM′000	2023 RM'000	2024 RM′000	2023 RM′000
Profit/(Loss) before share of after tax results of equity accounted associate	90,684	92,472	12,605	9,195	(15,439)	(10,321)	87,850	91,346
Share of profit of equity-accounted associate, net of tax	(144)	320		'		1	(144)	320
Segment profit/(loss)	90,540	92,792	12,605	9,195	(15,439)	(10,321)	87,706	91,666
Included in the measure of segment profit/(loss) are :								
- Revenue from external customers	1,132,648	1,116,707	148,816	123,797	•	77	1,281,464	1,240,581
- Write-down of inventories	294	280	584	602	•	•	878	882
- Depreciation and amortisation	35,591	33,432	1,845	1,652	009	589	38,036	35,673
Segment assets	1,216,756	1,178,481	87,968	73,141	178,282	148,295	1,483,006	1,399,917
Included in the measure of segment assets are :								
- Investment in an associate	2,475	2,641	•	•	•	1	2,475	2,641
- Additions of property, plant and equipment, investment properties and right-of-use assets	33,518	67,647	4,845	2,945	29	36,016	38,430	106,608

28. Operating segments (Cont'd)

Geographical segments

The business segments are operated principally in Malaysia and People's Republic of China.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of assets. The amounts of non-current assets do not include financial instruments, investment in an associate and deferred tax assets.

Geographical information

The disaggregation of the Group's revenue by geographical location is disclosed in Note 18.1.

	2024 RM′000	2023 RM'000
Non-current assets		
Malaysia	466,329	483,131
People's Republic of China	25,402	28,366
Vietnam	4,364	4,387
Myanmar	6,545	6,880
Thailand	6,797	3,530
Europe	2,443	2,080
United States of America	279	367
	512,159	528,741
Major customers		

The Group did not have any customer that individually contributed to more than 10% of the Group's revenue.

29. Related parties

29.1 Identity of related parties

For the purposes of these financial statements, the following parties are considered to be related to the Group or the Company:

- i) Subsidiaries and associate as disclosed in Note 5 and Note 6.
- ii) Companies in which certain Directors are deemed to have a substantial financial interest:
 - Kimanis Food Industry Sdn. Bhd.
 - Kimanis Property Sdn. Bhd.
 - Sensible Matrix Sdn. Bhd.
 - Foremost Equals Sdn. Bhd.
 - T.G. Plastic Pack (Export) Sdn. Bhd.
 - Lok Kawi Plastic Industries Sdn. Bhd.
 - Bounty Values Sdn. Bhd.
- iii) Substantial shareholder of a subsidiary
 - Landblue Co. Ltd.
- iv) Companies in which close family members of certain Directors have a substantial financial interest :
 - Fang Thong Trading

29. Related parties (Cont'd)

- 29.1 Identity of related parties (Cont'd)
 - Foundation in which a Director of the Company is a key management personnel
 - Thong Guan Foundation
 - Key management personnel as disclosed in Note 20.

29.2 Significant related party transactions

Related party transactions were entered in the normal course of business and have been established under negotiated terms. The significant related party transactions of the Group and the Company are shown below. The balances related to the below transactions are shown in Notes 9 and 15 to the financial statements.

29.2.1 Transactions with subsidiaries:

	2024 RM'000	2023 RM′000
Company		
Advances to a subsidiary	900	2,500
Dividend income (gross)	23,552	14,430
Rental income	600	600
Interest income	365	66
ESOS expense allocated to subsidiaries		1,042

29.2.2 Transactions with an associate:

	2024 RM′000	2023 RM'000
Group		
Sales	40,191	38,881
Technical services expense	-	361
Dividend income		1,436

29.2.3 Transactions with substantial shareholder of a subsidiary :

	2024 RM'000	2023 RM'000
Group		
Sales	5,118	3,904
Purchases	963	312

29. Related parties (Cont'd)

- 29.2 Significant related party transactions (Cont'd)
 - 29.2.4 Transactions with companies in which certain Directors are deemed to have a substantial financial interest:

	2024 RM'000	2023 RM'000
Group		
Sales	4,879	4,427
Refundable deposit paid	6,825	-
Purchases	22,435	19,941
Rental expense	90	84

29.2.5 Transactions with companies in which close family members of certain Directors have a substantial financial interest:

	2024 RM'000	2023 RM′000
Group		
Purchases	1,116	651
Rental expense	1,113	1,113

29.3 There were no transactions with the Directors and key management personnel of the Group and the Company other than the remuneration paid to them in accordance to the terms of their appointment as disclosed in Note 20.

30. Financial instruments

30.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as amortised cost ("AC").

	Group		Company	
	Carrying amount RM'000	AC RM′000	Carrying amount RM'000	AC RM'000
2024				
Financial assets				
Trade and other receivables (excluding prepayments)	257,245	257,245	43,376	43,376
Cash and cash equivalents	313,322	313,322	90,697	90,697
_	570,567	570,567	134,073	134,073
Financial liabilities				
Loans and borrowings	210,492	210,492	-	-
Trade and other payables	209,451	209,451	7,017	7,017
Provision	-	-	1,000	1,000
	419,943	419,943	8,017	8,017
2023				
Financial assets				
Trade and other receivables (excluding prepayments)	244,944	244,944	35,829	35,829
Cash and cash equivalents	291,262	291,262	69,307	69,307
_	536,206	536,206	105,136	105,136
Financial liabilities				
Loans and borrowings	198,079	198,079	-	-
Trade and other payables	197,637	197,637	1,301	1,301
Provision	-		1,000	1,000
	395,716	395,716	2,301	2,301

30. Financial instruments (Cont'd)

30.2 Net gains and losses arising from financial instruments

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM′000
Net gains/(losses) on :				
Financial assets at amortised cost	7,990	(3,941)	11,587	(9,386)
Financial liabilities at amortised cost	(4,009)	(13,683)	-	-
	3,981	(17,624)	11,587	(9,386)

30.3 Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

30.4 Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's and the Company's exposure to credit risk arises from the individual characteristics of each customer. The Company's exposure to credit risk arises from advances to subsidiaries and financial guarantees given to banks and suppliers for credit facilities granted to subsidiaries. There are no significant changes as compared to prior year.

Trade receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally credit evaluations are performed on customers requiring credit over a certain amount.

At each reporting date, the Group or the Company assesses whether any of the trade receivables are credit impaired.

The gross carrying amount of credit impaired trade receivables are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to prior year.

30. Financial instruments (Cont'd)

30.4 Credit risk (Cont'd)

Trade receivables (Cont'd)

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the statements of financial position.

The exposure to credit risk for trade receivables as at the end of the reporting period by geographical region is as follows:

	2024 RM'000	2023 RM'000
Group		
Malaysia	102,360	81,136
Other Asian countries	36,623	35,317
Oceania	43,388	39,366
Europe	30,754	36,352
North America	15,622	30,865
Others	8,078	6,237
	236,825	229,273

The exposure to credit risk for trade receivables as at the end of the reporting period of the Company is confined to Malaysia.

Recognition and measurement of impairment loss

The Group uses an allowance matrix to measure expected credit loss ("ECLs") of trade receivables for all segments. Consistent with the debt recovery process, invoices which are past due more than 90 days will be considered as credit impaired.

The Group will initiate appropriate debt recovery procedures on past due balances which are monitored by the sales management team. Where necessary, the Group will also commence legal proceeding against the customers.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to 90 days past due.

Loss rates are based on actual credit loss experienced over the past five years. The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables. Nevertheless, the Group believes that these factors are immaterial for the purpose of impairment calculation for the year.

30. Financial instruments (Cont'd)

30.4 Credit risk (Cont'd)

Trade receivables (Cont'd)

Recognition and measurement of impairment loss (Cont'd)

The following table provides information about the exposure to credit risk and ECLs for trade receivables.

	Gross RM'000	Loss allowances RM'000	Net RM'000
2024			
Group			
Not past due	137,339	-	137,339
Past due 1 – 30 days	39,853	-	39,853
Past due 31 – 60 days	16,395	-	16,395
Past due 61 – 90 days	5,956	-	5,956
Past due more than 90 days	37,282	-	37,282
	236,825	-	236,825
Credit impaired			
Individually impaired	11,464	(11,464)	-
	248,289	(11,464)	236,825
Company			
Not past due	-	-	-
Past due 1 – 30 days	-	-	-
Past due 31 – 60 days	-	-	-
Past due 61 – 90 days	-	-	-
Past due more than 90 days	24,543	-	24,543
	24,543	-	24,543
Credit impaired			
Individually impaired	24	(24)	-
	24,567	(24)	24,543

30. Financial instruments (Cont'd)

30.4 Credit risk (Cont'd)

Trade receivables (Cont'd)

Recognition and measurement of impairment loss (Cont'd)

	Gross RM'000	Loss allowances RM'000	Net RM'000
2023			
Group			
Not past due	145,229	-	145,229
Past due 1 – 30 days	36,432	-	36,432
Past due 31 – 60 days	9,917	-	9,917
Past due 61 – 90 days	7,269	-	7,269
Past due more than 90 days	40,426	(10,000)	30,426
	239,273	(10,000)	229,273
Credit impaired			
Individually impaired	10,737	(10,737)	-
	250,010	(20,737)	229,273
Company			
Not past due	-	-	-
Past due 1 – 30 days	-	-	-
Past due 31 – 60 days	-	-	-
Past due 61 – 90 days	2,011	-	2,011
Past due more than 90 days	21,081	(10,000)	11,081
	23,092	(10,000)	13,092
Credit impaired			
Individually impaired	30	(30)	-
	23,122	(10,030)	13,092

30. Financial instruments (Cont'd)

30.4 Credit risk (Cont'd)

Trade receivables (Cont'd)

Recognition and measurement of impairment loss (Cont'd)

The past due trade receivables of the Company are collateralised by a personal guarantee received from a Director of the customer. The Company has entered into a repayment plan with the customer to allow the repayment of the outstanding balance over quarterly instalments up to 30 June 2030. Revenue from sales made to this customer has been deferred at the end of the reporting period until such time when there is reasonable expectation that the proceeds will be substantially collected.

The movements in the allowance for impairment in respect of trade receivables during the year are shown below.

	Credit impaired	
	2024 RM′000	2023 RM'000
Group		
Balance at 1 January	20,737	10,710
Reversal of loss allowance	(10,067)	(36)
Amount written off	(73)	(93)
Loss allowance provided	867	10,156
Balance at 31 December	11,464	20,737
Company		
Balance at 1 January	10,030	32
Reversal of loss allowance	(10,006)	(2)
Loss allowance provided	<u> </u>	10,000
Balance at 31 December	24	10,030

Cash and cash equivalents

The cash and cash equivalents are held with established banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Other receivables

Credit risks on other receivables are mainly arising from deposits paid for purchase of property, plant and equipment, rental, utilities and other receivables arising from transactions incidental to the Group's operations which the Directors regard to be of low credit risk.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

30. Financial instruments (Cont'd)

30.4 Credit risk (Cont'd)

Inter-company advances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured advances to subsidiaries. The Company monitors the ability of the subsidiaries to repay the advances on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position.

The advances provided are not secured by any collateral or supported by any other credit enhancements.

Recognition and measurement of impairment loss

Generally, the Company considers the advances to subsidiaries to have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' advances, the Company considers the advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's advance to be credit impaired when:

- The subsidiary is unlikely to repay the advances to the Company in full; or
- The subsidiary is continuously loss making and is having a deficit in shareholders' fund.

The Company determines the probability of default for these advances individually using internal information available.

The following table provides information about the exposure to credit risk and ECLs for subsidiaries' advances.

	Gross carrying amount RM'000	Loss allowances RM'000	Net balance RM'000
Company			
2024			
Low credit risk	7,732	-	7,732
Credit impaired	2,450	(2,450)	_
	10,182	(2,450)	7,732
2023			
Low credit risk	8,276	-	8,276
Credit impaired	3,050	(3,050)	-
	11,326	(3,050)	8,276

The movement in the allowance for impairment in respect of subsidiaries' loans and advances during the year is as follows:

30. Financial instruments (Cont'd)

30.4 Credit risk (Cont'd)

Inter-company advances (Cont'd)

Recognition and measurement of impairment loss (Cont'd)

	←—— Life	etime ECL —
	2024 RM′000	2023 RM'000
Company		
Balance at 1 January	3,050	3,050
Reversal of loss allowance	(600)	
Balance at 31 December	2,450	3,050

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries and corporate guarantees provided to vendors for the purchase of raw materials. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk relating to facilities granted for the subsidiaries as at the end of the reporting period are as follows:

- i) the Company has issued corporate guarantees for banking facilities granted to certain subsidiaries up to a limit of RM1,129.6 million (2023: RM1,090.5 million) of which RM209.9 million (2023: RM191.6 million) have been utilised as at the end of the reporting period.
- ii) the Company has issued corporate guarantees amounting to RM246.8 million (2023 : RM251.1 million) to vendors for the purchase of raw materials by certain subsidiaries. The amount owing by the subsidiaries as at the end of the reporting period amounted to RM33.7 million (2023 : RM40.6 million).

Recognition and measurement of impairment loss

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- The subsidiary is unlikely to repay its credit obligation to the bank or vendor in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default of the guaranteed loans individually using internal information available.

The movement in the allowance for impairment in respect of financial guarantees is disclosed in Note 14.

30.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group maintains a level of cash and cash equivalents and banking facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Financial instruments (Cont'd) 30.

30.5 Liquidity risk (Cont'd)

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM'000	Contractual interest/ discount rates per annum	Contractual cash flows RM′000	Under 1 year RM'000	1 - 2 years RM′000	2 - 5 years RM′000	More than 5 years RM'000
Group							
2024							
Non-derivative financial liabilities							
Term loans	41,137	5.31 - 7.35	45,207	19,976	11,199	14,032	•
Hire purchase creditors	1,199	2.10 - 6.05	1,296	585	346	365	•
Bank overdrafts	1,177	7.74	1,177	1,177		•	•
Bankers' acceptances	130,758	3.28 - 5.32	130,758	130,758			•
Revolving credit	28,366	4.49 - 5.23	28,366	28,366	•		•
Trust receipts	7,855	3.77 - 3.80	7,855	7,855		•	•
Lease liabilities	1,188	3.00 - 3.60	1,220	923	179	118	•
Amount due to related parties	3,659	4.00	3,659	3,659	ı	•	•
Trade and other payables	205,792	0.00 – 4.00	205,792	205,792	•	•	•
	421,131	ı	425,330	399,091	11,724	14,515	•

30. Financial instruments (Cont'd)

30.5 Liquidity risk (Cont'd)

Maturity analysis (Cont'd)

	Carrying amount RM'000	Contractual interest/discount rates per annum	Contractual cash flows RM′000	Under 1 year RM'000	1 - 2 years RM′000	2 - 5 years RM′000	More than 5 years RM′000
Group							
2023							
Non-derivative financial liabilities							
Term loans	57,184	1.65 - 7.25	97,090	29,655	13,902	19,403	1
Hire purchase creditors	1,281	2.10 - 6.05	1,361	629	431	251	1
Bank overdrafts	480	6.74	480	480	•	1	•
Bankers' acceptances	74,475	2.96 - 5.34	74,475	74,475	1	1	1
Revolving credit	42,165	1.83 - 5.15	46,450	17,674	9,311	19,465	1
Trust receipts	22,494	3.73 - 4.64	22,494	22,494	•	1	1
Lease liabilities	2,180	3.00 - 3.60	2,256	1,404	675	177	1
Amount due to related parties	197,637	ı	197,637	197,637	1	1	1
Trade and other payables	397,896		408,113	344,498	24,319	39,296	

30. Financial instruments (Cont'd)

30.5 Liquidity risk (Cont'd)

Maturity analysis (Cont'd)

	Carrying amount RM'000	Contractual interest/ discount rates per annum %	Contractual cash flows RM'000	Under 1 year RM′000	1 - 2 years RM′000	2 - 5 years RM′000	More than 5 years RM'000
Company							
2024							
Non-derivative financial liabilities							
Trade and other payables	7,017	1	7,017	7,017	1	1	1
Financial guarantees	1	,	243,519	243,519	1	,	1
	7,017	ı	250,536	250,536	'	'	1
2023							
Non-derivative financial liabilities							
Trade and other payables	1,301	ı	1,301	1,301	1	ı	1
Financial guarantees	'	,	232,256	232,256	1	•	1
	1,301	1	233,557	233,557	1	ı	1

30. Financial instruments (Cont'd)

30.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices will affect the Group's financial position or cash flows.

Currency risk

The Group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily US Dollar ("USD"), Japanese Yen ("JPY"), Australian Dollar ("AUD"), Singapore Dollar ("SGD"), European Euro ("EUR"), Chinese Yuen ("RMB") and Thai Baht ("THB").

Risk management objectives, policies and processes for managing the risk

The Group does not hedge it exposure to foreign currency risk using forward exchange contracts. In respect of monetary assets and liabilities held in currencies other than the functional currency of the Group entities, the Group ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates to address short term imbalances.

Financial instruments (Cont'd)

30.6 Market risk (Cont'd)

Currency risk (Cont'd))

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period was:

-							
	↓		————Den	- Denominated in –			
	USD RM'000	JPY RM'000	AUD RM'000	SGD RM'000	EUR RM'000	RMB RM'000	THB RM'000
Group							
2024							
Trade and other receivables	108,788	1,002	985'9	1,136	10,794	15,555	1,456
Cash and bank balances	55,775	687	27	7	9,727	27,885	444
Trade and other payables	(59,417)	(159)		(40)	(177)	(2,096)	(3,781)
Loans and borrowings	(30,910)				(38,593)	•	•
Net exposure	74,236	1,530	6,613	1,098	(18,249)	36,344	(1,881)
2023							
Trade and other receivables	124,211	1,270	866'9	969	9,153	11,178	1,312
Cash and bank balances	72,000	573	ı	11	4,924	35,261	910
Trade and other payables	(68,794)	(139)	1	(44)	(1,532)	(5,951)	(2,715)
Loans and borrowings	(39,368)	1	1	1	(59,981)	1	1
Net exposure	88,049	1,704	6,398	658	(47,436)	40,488	(493)

30. Financial instruments (Cont'd)

30.6 Market risk (Cont'd)

Currency risk (Cont'd)

Exposure to foreign currency risk (Cont'd)

The Company did not have any material exposure to foreign currency risk as at the end of the reporting period.

Currency risk sensitivity analysis

A 10% (2023: 10%) strengthening of the RM against the following currencies at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases. There is no impact to equity arising from exposure to currency risk.

	Pro	ofit or loss
	2024 RM′000	2023 RM'000
Group		
USD	(5,642)	(6,692)
JPY	(116)	(130)
AUD	(503)	(486)
SGD	(83)	(50)
EUR	1,387	3,605
RMB	(2,762)	(3,077)
THB	143	37

A 10% (2023: 10%) weakening of the RM against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

Interest rate risk

The Group's primary interest rate risk is related to debt obligations and deposits, which are mainly confined to bank borrowings and deposits with banks. Fixed rate borrowings are exposed to a risk of change in their fair values due to the changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group is presently enjoying competitive interest rates which are reviewed and negotiated on a yearly basis. The Group manages its interest rate risk by having a combination of borrowings with fixed and floating rates.

30. Financial instruments (Cont'd)

30.6 Market risk (Cont'd)

Interest rate risk (Cont'd)

Exposure to interest rate risk (Cont'd)

The interest rate profile of the Group's and the Company's significant interest-earning and interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was :

		Group
	2024 RM'000	2023 RM′000
Fixed rate instruments		
Financial assets	257,447	228,197
Financial liabilities	(144,659)	(100,430)
	112,788	127,767
Floating rate instruments		
Financial liabilities	(70,680)	(99,829)
		Company
	2024 RM'000	2023 RM′000
Fixed rate instruments		
Financial assets	97,274	69,280

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points (bp) in interest rates at the end of the reporting period would have increased/ (decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant. There is no impact to equity arising from exposures to interest rate risk.

30. Financial instruments (Cont'd)

30.6 Market risk (Cont'd)

Interest rate risk (Cont'd)

Interest rate risk sensitivity analysis (Cont'd)

Cash flow sensitivity analysis for variable rate instruments (Cont'd)

	Profit o	or loss
	100 bp increase RM'000	100 bp decrease RM'000
Group		
2024		
Floating rate instruments	(537)	537
2023		
Floating rate instruments	(759)	759

30.7 Fair value information

Recognised financial instruments

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

The table below analyses financial instruments not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position. The Group and the Company do not have any financial instruments carried at fair value.

30. Financial instruments (Cont'd)

30.7 Fair value information (Cont'd)

Recognised financial instruments (Cont'd)

	Fair value of fina	Carrying			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	amount RM'000
	KIVI 000	RW 000	KIVI CCC	KW 000	
Group					
2024					
Financial liabilities					
Term loans - variable rate	-	-	41,137	41,137	41,137
Hire purchase creditors	-	-	1,199	1,199	1,199
		-	42,336	42,336	42,336
2023					
Financial liabilities					
Term loans - variable rate	-	-	57,184	57,184	57,184
Revolving credit - variable rate	_	-	42,165	42,165	42,165
Hire purchase creditors	-	-	1,281	1,281	1,281
	-	-	100,630	100,630	100,630
Company					
2024					
Financial liabilities					
Financial guarantee		<u>-</u>	1,000	1,000	1,000
2023					
Financial liabilities					
Financial guarantee	-	<u>-</u>	1,000	1,000	1,000

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. For borrowings, the market rate of interest is determined by reference to similar borrowing arrangements.

30. Financial instruments (Cont'd)

30.7 Fair value information (Cont'd)

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

The carrying amount of floating rate term loans approximates fair value as their effective interest rates change accordingly to movements in the market interest rate. The fair value of hire purchase creditors and revolving credits is calculated using discounted cash flows where the market rate of interest is determined by reference to similar borrowing arrangements.

31. Significant event during the financial year

The Company had on 21 November 2024 entered into a conditional Share Sale Agreement ("SSA") with Foremost Equals Sdn. Bhd. ("FESB") for the disposal of its entire equity interest in Syarikat Thong Guan Trading Sdn. Bhd. ("STGT") and its subsidiaries (collectively referred to as "STGT Group") for a total cash consideration of RM60,000,000 ("Proposed STGT Group Disposal"). FESB is a substantial shareholder of the Company. Upon the execution of the conditional SSA, FESB paid RM6,000,000 as deposits.

The Proposed STGT Group Disposal is pending the approvals by the relevant authorities and the shareholders of the Company via an Extraordinary General Meeting to be convened.

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 88 to 154 are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2024 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors :
Dato' Ang Poon Chuan
Director
Ang See Ming
Director
Kedah Darul Aman
Date : 30 April 2025
STATUTORY
DECLARATION
Pursuant to Section 251(1)(b) of the Companies Act 2016
I, Ang See Ming , the Director primarily responsible for the financial management of Thong Guan Industries Berhad, do solemnly and sincerely declare that the financial statements set out on pages 88 to 154 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.
Subscribed and solemnly declared by the abovenamed Ang See Ming , NRIC: 700515-07-5691, at George Town in the State of Penang on 30 April 2025.
Ang See Ming
Before me :

INDEPENDENT AUDITORS' REPORT

To the Members of Thong Guan Industries Berhad

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Thong Guan Industries Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 88 to 154.

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 year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting 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 auditors' 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 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.

Valuation of inventories

Refer to Note 2(d) – use of estimates and judgements and Note 8 - Inventories.

The key audit matter

As at 31 December 2024, the carrying amount of the Group's inventories amounted to RM381 million (2023: RM320 million) representing approximately 26% (2023: 23%) of the Group's total assets. Of the total inventories, RM345 million relates to the Group's plastic products segment which comprise mainly of plastic resins and a wide range of plastic packaging products for industrial and consumer use.

The selling price of the Group's manufactured inventories may vary due to fluctuations in the underlying commodity (i.e. crude oil) price. Raw materials are also ordered by the Group to cater for current as well as expected future demand which may not materialise.

Inventories are required to be measured at the lower of cost and net realisable value. Identifying and determining the appropriate write down of the inventories to net realisable value require the use of judgement on the estimated selling price and future customer demand.

This is one of the areas that our audit focused on because it required us to design appropriate procedures to evaluate the judgement and assessments made by the Group.

INDEPENDENT **AUDITORS' REPORT**

To the Members of Thong Guan Industries Berhad

How the matter was addressed in our audit

Our audit procedures performed in this area included, among others:

- Selected items of inventories on sample basis and compared the carrying amount of the inventories to the selling price transacted after year end or recent sales transacted during the year:
- Tested the age of the inventories against receiving documents and the production records on sample basis;
- Tested the movements of inventories in the inventory movement reports against receiving documents, production records and delivery documents;
- Evaluated the Group's basis of writing down slow-moving inventories based on the age of the inventories relative to past and present sales or consumption; and
- Attended the year end physical inventory counts of the Group to identify inventories that were damaged or appeared slow-moving.

We have determined that there is no key audit matter to be communicated for the separate financial statements of the Company in our auditors' report.

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 annual report 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 annual report and, in doing so, consider whether the annual report 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 the annual report, 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 MFRS Accounting Standards, IFRS Accounting 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 ability of the Group and of the Company 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.

INDEPENDENT **AUDITORS' REPORT**

To the Members of Thong Guan Industries Berhad

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

- 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 internal control of the Group and of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company 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 gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current 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 auditors' 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 5 to the financial statements.

Other Matter

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

KPMG PLT (LLP0010081-LCA & AF 0758) **Chartered Accountants**

Raymond Chong Chee Mon Approval Number: 03272/06/2026 J Chartered Accountant

Penang

Date: 30 April 2025

LIST OF PROPERTIES OWNED BY THE GROUP

Location	Description	Approximate Land Area (sq.ft.)	Age of Building	Tenure	Net Book Value RM million	Date of Valuation/ Acquisition
Lot No. P.T.18876, H.S.(D) No.98/92 Sungai Petani Industrial Estate Mukim of Sungai Petani District of Kuala Muda, Kedah	Factory with office building	107,288	26-28 years	60 years, leasehold, expiring on 12.4.2052	0.52	28.11.1995
Lot. No. P.T.18877, H.S.(D) No.99/92 Sungai Petani Industrial Estate Mukim of Sungai Petani District of Kuala Muda, Kedah	Factory with office building	82,067	30 years	60 years leasehold, expiring on 12.4.2052	0.35	28.11.1995
Lot P.T.18878, H.S.(D) No.100/92 Sungai Petani Industrial Estate Mukim of Sungai Petani District of Kuala Muda, Kedah	Factory building	141,309	24 years	60 years leasehold, expiring on 4.6.2055	0.81	31.12.2004
Lot No. P.T.19449, Lot No. 950 H.S.(M) No. 249/92 and SP 4009 Mukim of Sungai Petani District of Kuala Muda, Kedah	Factories and office building	208,898	27-40 years	Freehold	4.00	28.11.1995
Lot P.T.48288, H.S.(D) No.12034/95 Mukim of Sungai Petani District of Kuala Muda, Kedah	Factories and office buildings	339,590	22-42 years	Freehold	4.45	28.11.1995
Lot P.T. 129301, H.S.(D) KA27799 Mukim Hulu Kinta District of Kinta, Ipoh, Perak	Warehouse with office building	5,500	40 years	99 years leasehold, expiring on 18.7.2092	0.14	28.05.1997
Lot No.P.T.D.89829 H.S.(D) 191571 Mukim of Pelentung District of Johor Bahru, Johor	Warehouse with office building	6,855	32 years	Freehold	0.46	31.12.2004
CL 015373672 Lorong Rambutan Off KM 11 Jln Tuaran Kota Kinabalu, Sabah	Factory and other buildings	82,764	36 years	60 years leasehold, expiring on 31.12.2035	1.29	13.12.1995
CL 015276687 606 Taman Bay View Off Mile 21/2 Jln Tuaran Kota Kinabalu, Sabah	Double storey terrace house	2,178	46 years	999 years leasehold, expiring on 16.6.2914	0.08	13.12.1995
TL 077549707 Lot 13, Hock Seng Industrial Estate Jalan Bomba,Off KM 5 Jalan Utara Sandakan, Sabah	Double storey semi-detached light industrial building	5,670	33 years	60 years leasehold, expiring on 31.12.2040	0.14	13.12.1995
CL 105390707 KM4, Jalan Apas Tawau, Sabah	Vacant industrial land	37,462	-	999 years leasehold, expiring on 21.5.2930	0.29	13.12.1995
Jiangsu Province Year 2002 Land No: 01006061 Jiulong South Road Wujiang Economic Developing Area Jiangsu, People Republic of China	Factory with office buildings	315,425	19-23 years	50 years leasehold, expiring on 31.12.2049	2.11	01.01.2000
Pangjin Road Wujiang Economic Developing Area Jiangsu, People Republic of China	Factory buildings	716,876	19-20 years	50 years leasehold, expiring on 08.03.2053	3.74	09.03.2004
Lot No. 49, Section 65, H.S.(D) 95/92 Sungai Petani Industrial Estate Mukim of Sungai Petani District of Kuala Muda, Kedah	Factory with office buildings	138,822	19 years	60 years leasehold, expiring on 11.04.2052	2.45	18.05.2010

LIST OF PROPERTIES OWNED BY THE GROUP

Location	Description	Approximate Land Area (sq.ft.)	Age of Building	Tonuro	Net Book Value RM million	Date of Valuation/ Acquisition
Location	Description	(34.11.)	Dullallig	Terrure	KIVI IIIIIIOII	Acquisition
Lot No. PT2223, H.S. (M) 1365, Padang Lembu, Bandar Gurun, District of Kuala Muda, Kedah	Factory with office building	278,785	24-25 Years	60 years leasehold, expiring on 4.7.2055	2.99	26.08.2011
Lot No. PT2574, H.S. (M) 2798, Padang Lembu, Bandar Gurun, District of Kuala Muda, Kedah	Warehouse	83,689	20 years	60 years leasehold, expiring on 15.9.2050	0.52	26.08.2011
No. 12 VSIP II Street 9, Vietnam Singapore Industrial Park II Ben Cat District Binh Duong Province, Socialist Republic of Vietnam	Vacant industrial land	269,571	-	48 years leasehold, expiring on 30.11.2055	4.36	21.09.2007
Lot No.97, Seksyen 65, HSD 143/92 Mukim Sungai Petani, District of Kuala Muda, Kedah	Factory with office building	37,383	30 years	60 years leasehold, expiring on 23.11.2054	2.68	11.09.2014
Lot No. P.T.95008, H.S.(D) No.115280 Sungai Petani Industrial Estate Mukim of Sungai Petani District of Kuala Muda, Kedah	Vacant industrial land	694,820	-	60 years leasehold, expiring on 03.04.2050	6.03	03.01.2017
Lot No. P.T.30500, H.S.(D) No.46326 Sungai Petani Industrial Estate Mukim of Sungai Petani District of Kuala Muda, Kedah	Factory with office building	161,836	21 years	60 years leasehold, expiring on 05.05.2055	5.57	30.12.2017
Lot BB2, Industrial Area, Zone B (Phase 1), Thilawa Special Economic Zone, Thanlyin, Yangon, Myanmar	Vacant industrial land	215,461	-	48 years leasehold, expiring on 09.02.2067	6.55	25.11.2019
Lot No. 50 H.S.(D) No. 97/92 Sungai Petani Industrial Estate Mukim of Sungai Petani District of Kuala Muda, Kedah	Factory with office building	64,346	27 years	60 years leasehold, expiring on 12.04.2052	3.21	09.12.2019
Lot 3964 Geran 165228 Mukim Teloi Kiri, Daerah Kuala Muda, Kedah	Factory with office building	772,203	24 years	Freehold	10.42	01.10.2021
Lot No: PT2996 HS(D) 114414 Mukim Teloi Kiri Daerah Kuala Muda, Kedah	Vacant industrial land	1,152,987	-	Freehold	6.33	01.10.2021
PT 95009 HS(D) 115281 Sungai Petani Industrial Estate Mukim of Sungai Petani District of Kuala Muda, Kedah.	Vacant industrial land	340,099	-	60 years, leasehold, expiring on 03.04.2050	7.20	01.04.2022
Lot 7957, GRN67421, Bandar Gurun District of Kuala Muda, Kedah	Vacant industrial land	3,415,389	-	Freehold	36.00	31.01.2023
PT18262 (HS(D) 64854), Seksyen 20, Bandar Serendah, Bandar Sungai Buaya, Daerah Hulu Selangor, Selangor.	Vacant industrial land	131,298	-	99 years, leasehold, expiring on 04.01.2095	5.82	31.03.2024

ANALYSIS OF ORDINARY SHAREHOLDINGS

As at 3 April 2025

Total no. of issued share capital 401,638,640 ordinary shares (excluding 2,806,400 treasury shares)

Class of shares Ordinary shares

Voting rights One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of shareholdings	No. of shareholders	No. of shares held	% of shareholding ^(*)
	70	4.070	0.00
Less than 100	79	1,278	0.00
100 - 1,000	1,488	990,750	0.25
1,001 - 10,000	4,647	22,409,996	5.58
10,001 - 100,000	2,056	65,039,823	16.19
100,001 to less than 5% of issued shares	290	170,260,293	42.39
5% and above of issued shares	1	142,936,500	35.59
TOTAL	8,561	401,638,640	100.00

Note:

(*) Excluding 2,806,400 treasury shares.

INTERESTS OF DIRECTORS

	ı	No. of Ordinary Shares			No. of unexercised ESOS options		
	Direct	% ^(*)	Indirect	% ^(*)	Direct	Indirect	
DYTM Tengku Sarafudin Badlishah Ibni Sultan Sallehuddin	-	-	-	-	-	-	
Tengku Muzzammil Bin Tengku Makram	-	-	-	-	-	-	
Dato' Ang Poon Chuan	2,852,408	0.71	2,364,566 ^(a)	0.59	825,000	-	
Dato' Ang Poon Khim	4,296,486	1.07	752,700 ^(a)	0.19	735,000	-	
Datuk Ang Poon Seong	5,434,968	1.35	626,800 ^(a)	0.16	735,000	-	
Ang See Ming	1,962,796	0.49	-	-	730,000	-	
Lee Kean Teong	10,000	^	90,000 ^(a)	0.02	-	-	
Teoh Mei Shean	-	-	-	-	-	-	

Notes:

- (*) Excluding 2,806,400 treasury shares.
- (a) Deemed interested via interest of spouse and children pursuant to Section 59(11)(c) of the Companies Act 2016.
- (^) Negligible.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

	No. of Ordinary Shares			
Name	Direct %(*)	Indirect	% ^(*)	
Foremost Equals Sdn Bhd	148,743,750 37.03	_	-	

(*) Excluding 2,806,400 treasury shares.

LIST OF 30 **LARGEST SHAREHOLDERS**

As at 3 April 2025

(Without aggregating securities from different securities accounts belonging to the same person)

	HOLDINGS	% (*)
1 FOREMOST EQUALS SDN BHD	142,936,500	35.59
2 DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR EASTSPRING INVESTMENTSSMALL-CAP FUND	11,824,000	2.94
3 HERBALNET (MALAYSIA) SDN BHD	9,873,500	2.46
4 CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR NORGES BANK (FI 17)	7,089,955	1.77
5 NEOH CHOO EE & COMPANY, SDN. BERHAD	6,559,000	1.63
6 FOREMOST EQUALS SDN BHD	5,807,250	1.45
7 ANG POON SEONG	4,667,816	1.16
8 CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (EASTSPRINGESG)	4,460,600	1.11
9 UNIVERSAL TRUSTEE (MALAYSIA) BERHAD KAF CORE INCOME FUND	4,318,800	1.08
10 ANG POON KHIM	4,296,486	1.07
11 ANG POON CHUAN	2,852,400	0.71
12 HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR MANULIFE INSURANCE BERHAD (EQUITY FUND)	2,467,000	0.61
13 MAYBANK NOMINEES (TEMPATAN) SDN BHD SYARIKAT TAKAFUL MALAYSIA KELUARGA BERHAD (ORDPA)	2,393,500	0.60
14 CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (RHBISLAMIC)	2,129,000	0.53
15 HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR MANULIFE INVESTMENT AL-FAID (4389)	1,977,700	0.49
16 ANG SEE MING	1,962,796	0.49
17 TAN LEE HWA	1,921,000	0.48
18 SENSIBLE MATRIX SDN BHD	1,881,040	0.47
19 ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAI CHEN HOE (7011881)	1,698,200	0.42
20 CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC	1,574,800	0.39
21 TEH BOON YEN	1,513,224	0.38
22 CHOONG EE KONG	1,500,000	0.37
23 DENVER CAPITAL SDN BHD	1,400,000	0.35
24 HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR MANULIFE INVESTMENT AL-FAUZAN (5170)	1,207,200	0.30
25 NEOH KOK SENG	1,188,000	0.30
26 HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR MANULIFE INVESTMENT PROGRESS FUND (4082)	1,184,100	0.29
27 LIM SOON AIK	1,182,000	0.29
28 ANG POON SHEN	1,147,766	0.29
29 PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEAM HENG CHAI (E-KTN)	1,136,968	0.28
30 LEE GUAN HUAT	1,090,000	0.27
	235,240,601	58.57

^(*) Excluding 2,806,400 treasury shares.

NOTICE IS HEREBY GIVEN that the Thirtieth Annual General Meeting ("30th AGM") of shareholders of Thong Guan Industries Berhad ("TGIB" or "the Company") will be convened and held at Sapphire Hall, Purest Hotel, No. A-2 Jalan Indah 1, Taman Sejati Indah, 08000 Sungai Petani, Kedah Darul Aman, Malaysia on Tuesday, 27 May 2025, 11.00 am for the purpose of considering and if thought fit, passing with or without modification the resolutions set out in the notice:

AS ORDINARY BUSINESS

- 1. To receive the Audited Financial Statements for the financial year ended 31 December 2024 and the Reports of Directors and Auditors thereon.
- 2. To re-elect the following Directors who retire in accordance with Clause 103 of the Company's Constitution:-

(a)	Tengku Muzzammil Bin Tengku Makram	Ordinary Resolution 1
(b)	Mr Lee Kean Teong	Ordinary Resolution 2
(c)	Ms Teoh Mei Shean	Ordinary Resolution 3

- 3. To approve the Directors' fees and benefits of up to an aggregate amount of RM760,000 for Ordinary Resolution 4 the period commencing 1 day after this AGM to the next AGM of the Company in 2026.
- 4. To re-appoint KPMG PLT as Auditors of the Company for the ensuing year and to authorise Ordinary Resolution 5 the Directors to fix their remuneration.

AS SPECIAL BUSINESS

5. Power to Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016

Ordinary Resolution 6

"THAT subject always to the Companies Act 2016 ("the Act"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental or regulatory authorities, where such approval is required, the Directors be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act to issue and allot shares in the Company at any time, at such price, upon such terms and conditions, for such purposes and to such person or persons, as the Directors may, in their absolute discretion, deem fit and expedient in the interest of the Company, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being.

THAT the Directors are also empowered to obtain the approval from the Bursa Securities for the listing and quotation for the additional shares to be issued and THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier.

AND THAT pursuant to Section 85 of the Act read together with Clause 65 of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares of the Company arising from issuance of new shares pursuant to this mandate.

FURTHER THAT the new shares to be issued shall, upon issuance and allotment, 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 that which may be declared, made or paid before the date of allotment of such new shares."

6. Proposed Renewal of Authority to Buy Back Its Own Shares by the Company

Ordinary Resolution 7

"THAT subject always to the Companies Act 2016 ("the Act"), rules, regulations and orders made pursuant to the Act, provisions of the Constitution of the Company and the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant authorities, the Directors of the Company be hereby unconditionally and generally authorised to make purchases of ordinary shares in the Company's total number of issued shares through the Bursa Securities at any time and upon such terms and conditions and for such purposes as the Directors may, in their discretion deem fit, subject to the following:

- the aggregate number of ordinary shares which may be purchased and/or held by the Company shall be ten per centum (10%) of the total number of issued shares of the Company for the time being ("TGIB Shares");
- ii) the amount of funds to be allocated by the Company for the purpose of purchasing the TGIB Shares shall not exceed the aggregate retained profits of the Company. As at 31 December 2024, the Company's audited retained profits stood at RM6.8 million;
- iii) the authority conferred by this Resolution will be effective immediately upon the passing of this Resolution and will continue in force until:
 - the conclusion of the next annual general meeting ("AGM") of the Company, unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;
 - the expiration of the period within which the next AGM is required by law to be held (unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in general meeting) but not so as to prejudice the completion of purchase(s) by the Company made before the aforesaid expiry date and, in any event, in accordance with the MMLR of the Bursa Securities or any other relevant authorities;
- iv) upon completion of the purchase(s) of the TGIB Shares by the Company, the Directors of the Company be hereby authorised to deal with the TGIB Shares in the following manner:
 - a) to cancel the TGIB Shares so purchased; or
 - to retain the TGIB Shares so purchased as treasury shares for distribution as dividend to the shareholders and/or resale on the market of Bursa Securities and/ or for cancellation subsequently; or
 - to retain part of the TGIB Shares so purchased as treasury shares and cancel the remainder; or
 - in such other manner as the Bursa Securities and such other relevant authorities may allow from time to time.

AND THAT the Directors of the Company be and are hereby authorised to take all such actions and steps as are necessary or expedient to implement or to effect the purchase of TGIB shares."

7. Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions Ordinary Resolution 8 for the Company and/or its subsidiaries

"THAT subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries ("TGIB Group") to enter into recurrent related party transactions of a revenue or trading nature as set out in the Circular to Shareholders dated 30 April 2025 which transactions are necessary for the day-to-day operations in the ordinary course of business of TGIB Group on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

AND THAT, such approval, shall continue to be in force until:

- the conclusion of the next AGM of the Company at which time it will lapse, unless by a resolution passed at the next AGM, the authority is renewed;
- the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- revoked or varied by resolution passed by the shareholders of the Company in a general meeting, whichever is earlier.

FURTHER THAT the Directors of the Company be and are hereby authorised to do all acts, deeds, things and execute all necessary documents as they may consider necessary or expedient in the best interest of the Company with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted under relevant authorities to give full effect to the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions for TGIB Group."

8. To transact any other business of which due notice shall have been given in accordance with the Company's Constitution.

By Order of the Board

ONG TZE-EN (MAICSA 7026537) (SSM PC NO. 202008003397) LAU YOKE LENG (MAICSA 7034778) (SSM PC NO. 202008003368) Joint Company Secretaries Penang, 30 April 2025

Notes on proxy and voting:

- A proxy may but need not be a member of the Company.
- For a proxy to be valid, the Form of Proxy duly completed shall be deposited in the following manner not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof:
 - By hard copy form

The Form of Proxy must be deposited at the Registered Office of the Company at 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang, Malaysia.

(b) By electronic form

The Form of Proxy can be electronically submitted through email to ir@shareworks.com.my.

PROVIDED that in the event the member(s) duly executes the Form of Proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, provided always that the rest of the Form of Proxy, other than the particulars of the proxy have been duly completed by the member(s).

A member entitled to attend and vote is entitled to appoint not more than two (2) proxies to attend and vote in his stead. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.

- 4. Where a member of the Company is an authorised nominee as defined under the Securities Industries (Central Depositories) Act, 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- 5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there shall be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorized nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
- 6. If the appointer is a corporation, the Form of Proxy must be executed under the corporation's common seal or under the hand of an officer or an attorney duly authorised.
- In respect of deposited securities, only a Depositor whose name appears on the Record of Depositors on 20 May 2025 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint a proxy to attend and/or vote on his/her behalf.
- 8. Please follow the procedures provided in the Administrative Guide for the AGM in order to register and participate in the meeting.

Explanatory Notes:

Ordinary Resolutions 1, 2 and 3: Re-elect Directors who retire in accordance with Clause 103 of the Company's Constitution

The profiles of the Directors standing for re-election under Ordinary Resolutions 1, 2 and 3 are set out under Profile of Directors in the Annual Report 2024. The Board of Directors ("Board") approved the recommendations from the Nomination Committee and is supportive of the re-election of the retiring Directors based on the justifications below. The retiring Directors do not have any conflict of interest with the Company and its subsidiaries ("the Group") and had abstained from deliberation and decision making on their own eligibility to stand for re-election at Nomination Committee and Board meetings.

Tengku Muzzammil Bin Tengku Makram, Mr Lee Kean Teong and Ms Teoh Mei Shean are the Independent Non-Executive Directors of the Company. They have fulfilled the requirements on independence as set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the prescribed criteria under the Malaysian Code on Corporate Governance 2021. They have provided confirmation of independence. They have demonstrated their objectivity through their proactive engagements during meetings of the Board and Board Committees comprising Audit Committee, Nomination Committee and Remuneration Committee by sharing valuable, relevant, independent and impartial insights, views and opinions on issues tabled for discussion. They have exercised due care and carried out their professional duties proficiently and effectively throughout their tenure as Directors of the Company.

2. Ordinary Resolution 4: Directors' fees and benefits

The Board seeks shareholders' approval on the Directors' fees and benefits payable for the Directors which have been reviewed by the Remuneration Committee and the Board, which recognises that the fees and benefits payable is in the best interest of the Company. The quantum of Directors' fees and benefits is computed based on the anticipated number of meetings of Board and Board Committees comprising Audit Committee, Nomination Committee and Remuneration Committee, assuming full attendance by all the Directors. The amount also includes a contingency sum to cater for unforeseen circumstances such as the appointment of any additional Director, additional unscheduled meetings of Board and Board Committees. The relevant fees and benefits will be paid to the Directors upon completion of service by the said Directors. The benefits comprise of meeting allowance and Board Committee allowances. This approval shall continue to be in force until the conclusion of the next Annual General Meeting of the Company. Details of Directors' fees and benefits paid/payable for the financial year ended 31 December 2024 are detailed in the Corporate Governance Overview Statement in the Annual Report 2024 and Corporate Governance Report.

3. Ordinary Resolution 6: Power to Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016 ("the

This Ordinary Resolution is for the purpose of granting a renewed general mandate ("General Mandate") and if passed, will give authority to the Board to allot and issue shares up to a maximum of ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company at any time in their absolute discretion and that such authority shall continue in force until the conclusion of the next Annual General Meeting ("AGM") of the Company or the expiration of the period within which the next AGM is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the previous AGM and which will lapse at the conclusion of the 30th AGM.

The waiver of pre-emptive rights pursuant to Section 85 of the Companies Act 2016 and read together with Clause 65 of the Company's Constitution, will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the General Mandate.

This General Mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/ or acquisitions. At this juncture, there is no decision to issue new shares but the Directors consider it desirable to have the flexibility permitted to respond to market developments and to enable allotments to take place to finance business opportunities without making a pre-emptive offer to existing shareholders. If there should be a decision to issue new shares after the General Mandate is obtained, the Company will make announcement in respect thereof.

Ordinary Resolution 7: Proposed Renewal of Authority to Buy Back Its Own Shares by the Company

This Ordinary Resolution, if passed will allow the Company to purchase its own shares. The total number of shares purchased shall not exceed 10% of the total number of issued shares of the Company. This authority will, unless revoked or varied by the Company in general meeting, expires at the next Annual General Meeting of the Company.

Ordinary Resolution 8: Proposed Renewal of Shareholders' Mandate

This Ordinary Resolution, if passed, will approve the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions ("RRPT") and allow the Group to enter into RRPT in accordance with Chapter 10 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This approval shall continue to be in force until the conclusion of the next Annual General Meeting ("AGM") or the expiration of the period within which the next AGM is required by the law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier.

Statement Accompanying Notice of AGM

(Pursuant to Paragraph 8.27(2) of the MMLR)

No individual is standing for election as a Director at the forthcoming AGM of the Company.

ADMINISTRATIVE GUIDE

For the Thirtieth Annual General Meeting ("30th AGM") of Thong Guan Industries Berhad ('the Company")

Day & Date : Tuesday, 27 May 2025

Time : 11:00 a.m.

Venue : Sapphire Hall, Purest Hotel, No. A-2 Jalan Indah 1, Taman Sejati Indah, 08000 Sungai Petani,

Kedah Darul Aman, Malaysia

Registration on the day of AGM

1. Registration will commence at 10:00 a.m. and will end at the time as may be determined by the Chairman of the Meeting.

2. Please present your original MyKad or Passport to the registration staff for verification. Please make sure your MyKad or Passport is returned to you after registration.

Entitlement to Participate and Appointment of Proxy

- Only members whose names appear on the Record of Depositors on 20 May 2025 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.
- 2. The instrument appointing a proxy shall be deposited in the following manner not less than 48 hours before the time for holding the AGM or any adjournment thereof:

(a) By hard copy form

The Form of Proxy must be deposited at the Registered Office of the Company at 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang, Malaysia.

(b) By electronic form

The Form of Proxy can be electronically submitted through email to ir@shareworks.com.my.

Revocation of Proxy

1. If you have submitted your Form of Proxy and subsequently decide to appoint another person or wish to participate in our 30th AGM in person, please write in and be deposited at the Registered Office of the Company to revoke the earlier appointed proxy twenty-four (24) hours before the 30th AGM.

No Door Gifts/Food Vouchers

1. There will be no distribution of good gifts or food vouchers at the 30th AGM.

Enquiries

1. For any enquiries, kindly contact the following during office hours (8:30 a.m. to 5:30 p.m.) on Monday to Friday (except public holidays):

Shareworks Sdn. Bhd.
T: +603 6201 1120 | F: +603 6201 3121

Boardroom Corporate Services Sdn. Bhd.
T: +604 229 4390 | F: +604 226 5860

Personal Data Privacy

By submitting the duly executed Form of Proxy, the member and his/her proxy consent to the Company and/or its agents/ service providers to collect, use and disclose the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the 30th AGM of the Company and any adjournment thereof.

FORM OF PROXY



No. of shares held



CDS Account No.								
I/We								
	(Full name in E	Block Letters ar	nd NRIC / Pass	sport / Compa	ny No.)			
of								
						and		
	(A	ddress)					(Tel. N	10.)
being a *member/ members of Thor	ng Guan Ind	dustries Berl	nad hereby	/ appoint				
Full Name (in Block Letters), Ema	il Address	& Tel. No.	NRIC/Pa	ssport No.	No. of S	hares	% of Share	holding
* and/or								
Full Name (in Block Letters), Ema	il Address	& Tel. No.	NRIC/Pa	ssport No.	No. of S	hares	% of Share	holdina
or failing *him/her, the CHAIRMAN (THIRTIETH ANNUAL GENERAL MEE 1, Taman Sejati Indah, 08000 Sunga adjournment thereof.	ETING of th i Petani, Ke	ne Company edah Darul <i>i</i>	to be hel Aman, Mal	d at Sapphi	re Hall, Ρι	irest Ho	otel, No. A-2 J	Jalan Indal
* My/our proxy is to vote on a poll	as indicate	d below wit	h an "X".					
		ORDINARY RESOLUTIONS						
	1	2	3	4	5	6	7	8
FOR								
AGAINST								
* Strike out whichever is not desired	d.							
Signed this day of		2025.						
Jighed this day of		2023.		Sic	anature of	Shareh	older(s)/Comi	mon Seal

Notes on proxy and voting:

- 1. A proxy may but need not be a member of the Company.
- 2. For a proxy to be valid, the Form of Proxy duly completed shall be deposited in the following manner not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof:

(a) By hard copy form

The Form of Proxy must be deposited at the Registered Office of the Company at 170-09-01, Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang, Malaysia.

(b) By electronic form

The Form of Proxy can be electronically submitted through email to ir@shareworks.com.my.

PROVIDED that in the event the member(s) duly executes the Form of Proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, provided always that the rest of the Form of Proxy, other than the particulars of the proxy have been duly completed by the member(s).

- 3. A member entitled to attend and vote is entitled to appoint not more than two (2) proxies to attend and vote in his stead. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.
- 4. Where a member of the Company is an authorised nominee as defined under the Securities Industries (Central Depositories) Act, 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- 5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there shall be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorized nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
- 6. If the appointer is a corporation, the Form of Proxy must be executed under the corporation's common seal or under the hand of an officer or an attorney
- In respect of deposited securities, only a Depositor whose name appears on the Record of Depositors on 20 May 2025 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy to attend and/or vote on his/her behalf.
- 8. Please follow the procedures provided in the Administrative Guide for the AGM in order to register and participate in the meeting.

By submitting the duly executed Form of Proxy, the member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the AGM, and any adjournment thereof.

	Please fold across the lines and close	
	rease fold across the lines and close	STAMP
To:	The Company Secretaries Thong Guan Industries Berhad 199401038519 (324203-K) Registered Office 170-09-01, Livingston Tower Jalan Argyll, 10050 George Town Pulau Pinang	
	Please fold across the lines and close	

