

**MINHO (M) BERHAD**

Registration No. 199001009358 (200930-H)  
(Incorporated in Malaysia)

**ANNUAL REPORT 2024**



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**2024  
ANNUAL  
REPORT**

# MINHO (M) BERHAD

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## ANNUAL REPORT 2024

### Contents

GROUP INFORMATION	1
CORPORATE INFORMATION	2
CORPORATE STRUCTURE	3
FINANCIAL HIGHLIGHTS	4
EXECUTIVE CHAIRMAN'S STATEMENT	5
PROFILE OF DIRECTORS	6
MANAGEMENT DISCUSSION AND ANALYSIS	9
SUSTAINABILITY STATEMENT	13
CORPORATE GOVERNANCE OVERVIEW STATEMENT	20
AUDIT AND RISK MANAGEMENT COMMITTEE REPORT	31
STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL	35
OTHER COMPLIANCE INFORMATION	38
STATEMENT OF DIRECTORS' RESPONSIBILITY	41
FINANCIAL STATEMENTS	42
LIST OF PROPERTIES	144
ANALYSIS OF SHAREHOLDINGS	151
NOTICE OF THIRTY-THIRD ANNUAL GENERAL MEETING	153
PROXY FORM	158

# MINHO (M) BERHAD

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(Incorporated in Malaysia)

## ANNUAL REPORT 2024

### Group Information

#### Main Office

##### Minho (M) Berhad

[Registration No. 199001009358 (200930-H)]  
(Corporate Head Office)  
Lot 6476, Lorong Sg. Puluh,  
Batu 6, Off Jalan Kapar,  
42100 Klang,  
Selangor Darul Ehsan  
Tel : +603-3291 1300 Fax : +603-3291 2100  
Website : [www.minhomalaysia.com](http://www.minhomalaysia.com)  
E-mail : [enquires@minhobhd.com](mailto:enquires@minhobhd.com)

#### Main Subsidiary Companies:

##### Syarikat Minho Kilning Sdn Bhd

[Registration No. 197701005526 (36556-D)] /

##### Syarikat Vinco Timber Industries Sdn Bhd

[Registration No. 198001004366 (58151-U)]  
(Custom kiln drying & chemical impregnation services)  
Lot 6476, Lorong Sg. Puluh,  
Batu 6, Off Jalan Kapar,  
42100 Klang,  
Selangor Darul Ehsan  
Tel : +603-3291 1300 (KP Lim) Fax : +603-3291 2100

##### Victory Enterprise Sdn Bhd

[Registration No. 198001001636 (55419-H)]  
(Sawntimber and timber mouldings)  
Lot 6466, Lorong Sg. Puluh,  
Batu 6, Off Jalan Kapar,  
42100 Klang,  
Selangor Darul Ehsan  
Tel : +603-3291 2811 (Kenneth) Fax : +603-3291 2992  
Website : [www.mtc.com.my/victory](http://www.mtc.com.my/victory)  
E-mail : [victory83v@gmail.com](mailto:victory83v@gmail.com)

##### Costraco Sdn Bhd

[Registration No. 197301002028 (15557-U)] /

##### Euro-CGA Sdn Bhd

[Registration No. 200101023337 (559095-H)]  
(Sawntimber, KOMO certified timber products)  
711 & 712, 7<sup>th</sup> Floor,  
Block B, Kelana Square,  
No. 17, Jalan SS7/26, Kelana Jaya,  
47301 Petaling Jaya,  
Selangor Darul Ehsan  
Tel : +603-7880 2191 (Henry) Fax : +603-7880 2671  
E-mail : [info@costraco.com](mailto:info@costraco.com)

##### Lionvest Corporation (Pahang) Sdn Bhd

[Registration No. 198601008062 (157253-M)] /

##### Lionvest Timber Industries Sdn Bhd

[Registration No. 199101004592 (214902-U)]  
(Logs and sawmilling)  
Jengka Timber Complex,  
26400 Bandar Jengka,  
Pahang Darul Makmur  
Tel : +609-466 4888 (Jeff Loo) Fax : +609-466 4220

##### Indah Paper Industries Sdn Bhd

[Registration No. 198101003381 (69495-M)]  
(Industrial grade sack kraft paper bags)  
Lot 6503, Lorong Sg. Puluh,  
Batu 6, Off Jalan Kapar,  
42100 Klang,  
Selangor Darul Ehsan  
Tel : +603-3290 6018 (Say Hong) Fax : +603-3290 6020  
Website : [www.indahpaper.com](http://www.indahpaper.com)  
E-mail : [sales@indahpaper.com](mailto:sales@indahpaper.com)

##### My Squares Development Sdn Bhd

[Registration No. 199301005675 (260412-D)]

(Property development)

2A, Lintang Gelugor,  
Off Persiaran Sultan Ibrahim,  
41300 Klang,  
Selangor Darul Ehsan  
Tel : +603-3342 0552 (Mark Loo) Fax : +603-3343 9775  
E-mail : [mysquares@hotmail.com](mailto:mysquares@hotmail.com)

# MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)  
(Incorporated in Malaysia)

## ANNUAL REPORT 2024

### Corporate Information

#### BOARD OF DIRECTORS

**Dato' Loo Keng An @ Lee Kim An**

(Executive Chairman)

**Loo Say Leng**

(Executive Director)

**Tuan Haji Mohd Faizal Bin Haji Abdul Majid**

(Independent Non-Executive Director)

**Lim Kim Meng**

(Independent Non-Executive Director)

**Jeannie Lim Li Tein**

(Independent Non-Executive Director)

#### AUDIT AND RISK MANAGEMENT COMMITTEE

**Chairman:** Tuan Haji Mohd Faizal Bin Haji Abdul Majid

**Members:** Lim Kim Meng

Jeannie Lim Li Tein

#### NOMINATION AND REMUNERATION COMMITTEE

**Chairman:** Lim Kim Meng

**Members:** Jeannie Lim Li Tein

Tuan Haji Mohd Faizal Bin Haji Abdul Majid

#### EXECUTIVE COMMITTEE

**Chairman:** Dato' Loo Keng An @ Lee Kim An

**Members:** Yap Leong Seng

(Alternate Member: Yap Han Chin)

Loo Say Leng

Loo Say Kian

Loo Say Cheng

#### REGISTRARS

Boardroom Share Registrars Sdn Bhd

11<sup>th</sup> Floor, Menara Symphony,

No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13,  
46200 Petaling Jaya, Selangor

Tel : +603-7890 4700

Fax : +603-7890 4670

Email : carmen.fong@boardroomlimited.com

#### SECRETARY

**Mak Chooi Peng** (MAICSA 7017931)

(SSM PC No. 201908000889)

#### REGISTERED OFFICE

Unit 2005, 20th Floor, Tower 2, Faber Towers,

Jalan Desa Bahagia, Taman Desa,

58100 Kuala Lumpur

Tel : +603-8084 3751

Fax : +603-8084 3751

Email : cpmak@aconas.com.my

#### AUDITORS

ECOVIS MALAYSIA PLT (AF 001825)

D-10-03, Level 10, EXSIM Tower,

Millerz Square @ Old Klang Road, Megan Legasi,

No. 357, Jalan Kelang Lama,

58000 Kuala Lumpur, Wilayah Persekutuan

Tel : +603-7986 0066

#### PRINCIPAL BANKERS

Maybank Islamic Berhad

Alliance Bank Malaysia Berhad

HSBC Bank Malaysia Berhad

#### STOCK EXCHANGE LISTING

Main Board of Bursa Malaysia Securities Berhad

Stock Code : 5576

#### WEBSITE

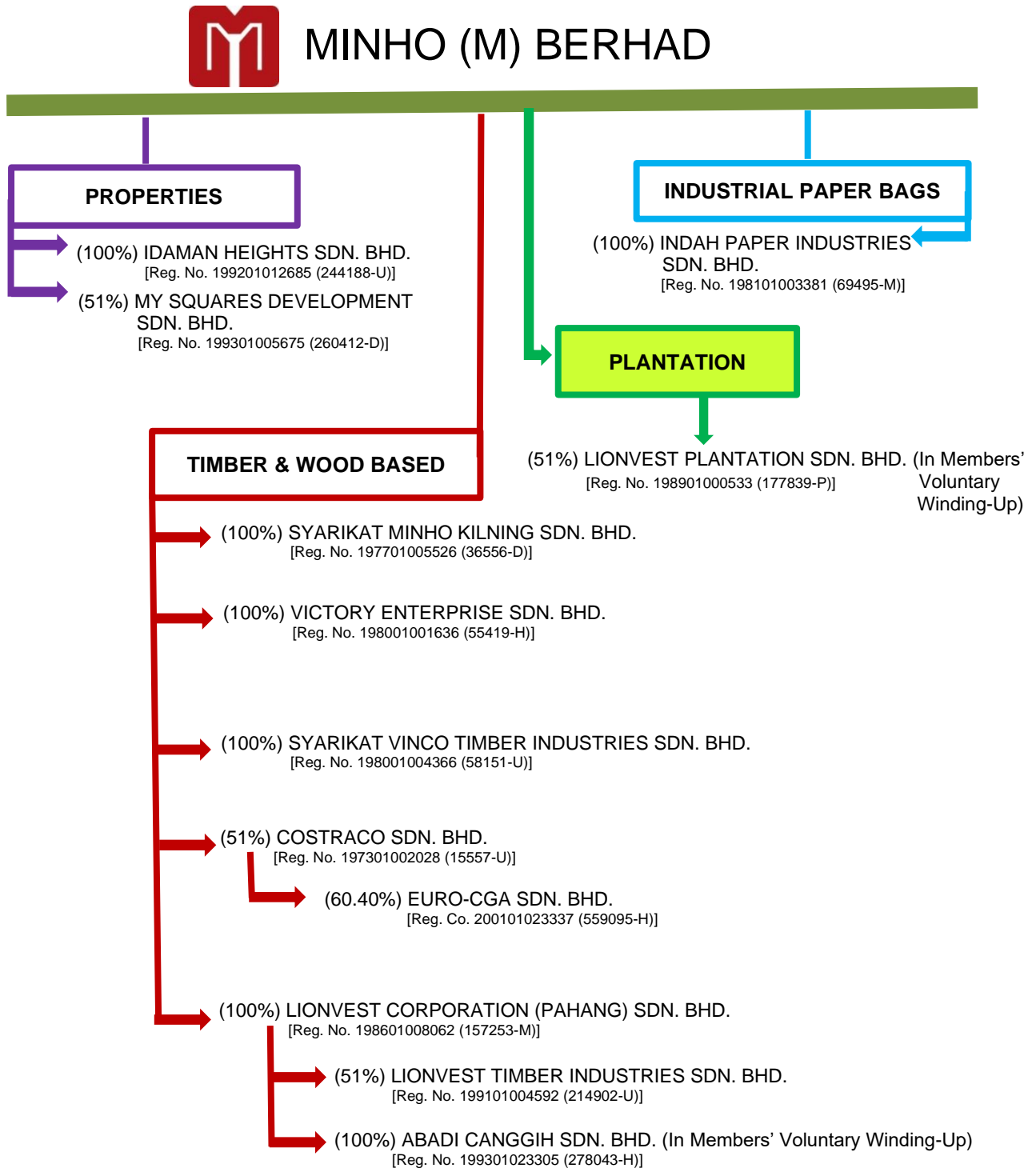
[www.minhomalaysia.com](http://www.minhomalaysia.com)

# MINHO (M) BERHAD

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## ANNUAL REPORT 2024

### Corporate Structure

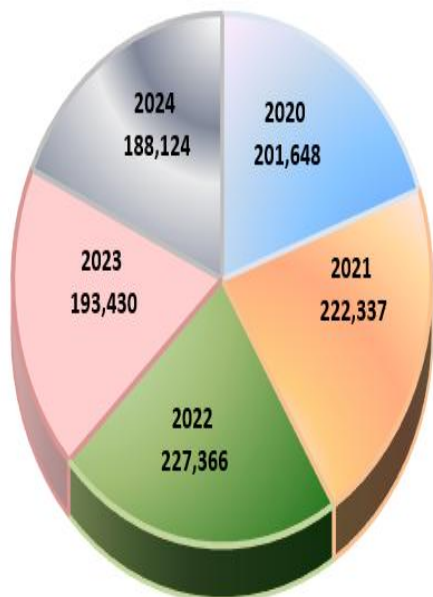


# MINHO (M) BERHAD

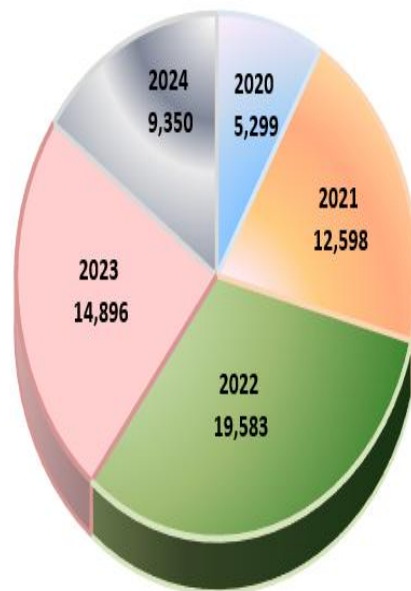
Registration No. 199001009358 (200930-H)  
(Incorporated in Malaysia)

## ANNUAL REPORT 2024

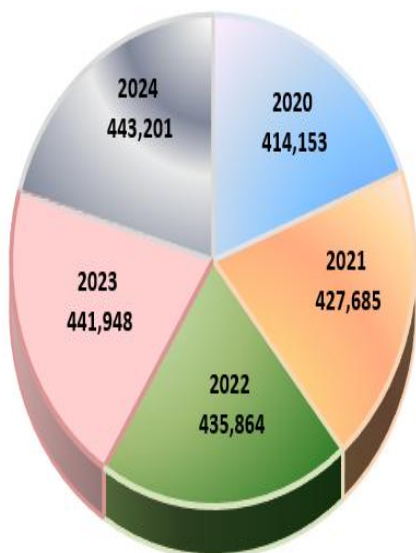
### Financial Highlights



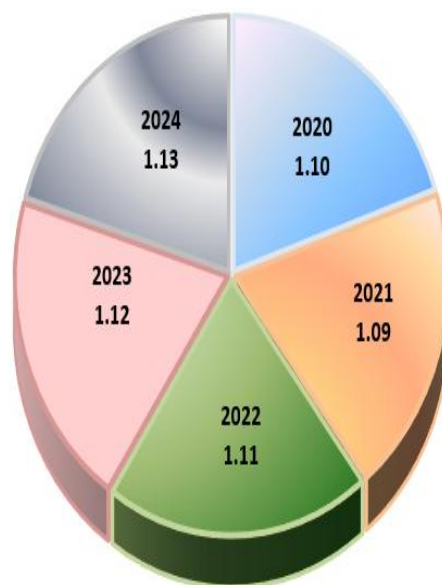
REVENUE (RM '000)



PROFIT/(LOSS) BEFORE TAX (RM '000)



TOTAL NET ASSETS (RM '000)



NET TANGIBLE ASSETS PER SHARE (RM)

# MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)  
(Incorporated in Malaysia)

## ANNUAL REPORT 2024

### Executive Chairman's Statement

*Dear Valued Shareholders,*

On behalf of the Board of Directors of Minho (M) Berhad ("**the Company**"), I am pleased to present the Annual Report and the Audited Financial Statements of the Company for the financial year ended 31 December 2024 ("**FYE 2024**").

#### **Financial Performance**

The Group registered a total revenue of RM188.12 million during FYE 2024, a decrease of RM5 million or 2.75% as compared to RM193.43 million achieved in the financial year ended 31 December 2023. In line with the decrease in turnover, the Group's pre-tax profit has also decreased by RM5.55 million to RM9.35 million in FYE 2024.

The main contributors to the Group's revenue were the timber trading, manufacturing and services & treatment segments. However, the decrease in revenue contribution was attributed to lower sales of the timber trading and manufacturing segments. Further elaboration, details and breakdown of the Group's financial performance for FYE 2024 are available in the Management Discussion and Analysis Section in this Annual Report.

#### **Dividend**

The Board of Directors of the Company has declared and paid a single tier interim dividend of RM0.85 sen per ordinary share totaling RM3,031,959 in respect of FYE 2024 on 30 December 2024.

#### **Outlook**

In its latest January 2025 World Economic Outlook ("**WEO**") Update, the International Monetary Fund ("**IMF**") forecasts that global growth is projected at 3.3 percent in 2025 and 3.3 percent in 2026. The forecast for 2025 is broadly unchanged from that in the October 2024 World Economic Outlook (WEO), primarily on account of an upward revision in the United States offsetting downward revisions in other major economies. Global headline inflation is expected to decline from 5.8 percent in 2024 to 4.2 percent in 2025 and to 3.5 percent in 2026.

Given the mixed economic outlook and conditions, the Group will continue to adopt a prudent view moving forward. The Group intends to continue strengthening efficiency and minimizing costs in its operations and activities.

#### **Acknowledgement**

On behalf of the Board of Directors, I would like to extend our appreciation to our management team and employees of the Company. Your hard work, dedication and commitment in a demanding and challenging industry have contributed to the Group's performance. I also wish to express my sincere gratitude to our customers, business associates, financiers, various government and non-government agencies, Bursa Malaysia Securities Berhad and shareholders for their confidence and support to the Board, management and Company. Finally, thank you to my fellow Directors for their contributions, professional advice and efforts extended to the Company.

Dato' Loo Keng An @ Lee Kim An  
Executive Chairman

# MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)  
(Incorporated in Malaysia)

## ANNUAL REPORT 2024

### Profile of Directors

**DATO' LOO KENG AN @ LEE KIM AN**, aged 79, male, Malaysian, is the Executive Chairman of the Company, the Chairman of the Executive Committee and key management. Dato' Loo was appointed to the Board on 16 July 1990 and he has more than 30 years of experience in the timber business. He was redesignated as Executive Chairman of the Company on 29 November 2024. In 1970, he was a contractor providing lighterage service to the timber companies for Mahawangsa Jetty Sdn. Bhd. in Port Klang. Over the years, he had built up extensive experience on kiln drying, sawmilling, export of sawn timber and logging. In 1977, together with the late Mr. Ng Kim Kee, they founded Syarikat Minho Kilning Sdn. Bhd. to provide timber kiln drying services. Dato' Loo has been the key to the success of Minho.

Dato' Loo is a substantial shareholder of the Company by virtue of his interest in Minho Holdings Sdn. Bhd., a substantial shareholder of the Company, via Section 8 of the Companies Act 2016. He is the father of Mr. Loo Say Leng, an Executive Director of the Company. Dato' Loo does not hold directorship in other public companies or listed companies. He currently holds directorships in the subsidiaries of Minho (M) Berhad. Dato' Loo has no conflict of interest or potential conflicts of interest, including interest in any competing business with the Company, and neither has he been convicted of any offence within the past five (5) years other than traffic offences, if any, as well as any public sanction or penalty imposed by the relevant regulatory bodies.

Dato' Loo attended all five (5) Board meetings held during the financial year ended 31 December 2024.

**LOO SAY LENG**, aged 57, male, Malaysian, is the Executive Director of the Company and a member of the Executive Committee. Mr. Loo was appointed to the Board on 13 January 1993. He graduated with a Bachelor of Science Degree majoring in Finance from the California State University, Fresno, United States of America. He is responsible for the Group's corporate finance and affairs.

He is the son of Dato' Loo Keng An @ Lee Kim An, the Executive Chairman of the Company. Mr. Loo does not hold directorship in other public companies or listed companies. He currently holds directorships in few subsidiaries of Minho (M) Berhad. He has no conflict of interest or potential conflicts of interest, including interest in any competing business with the Company, and neither has he been convicted of any offence within the past five (5) years other than traffic offences, if any, as well as any public sanction or penalty imposed by the relevant regulatory bodies.

Mr. Loo attended all five (5) Board meetings held during the financial year ended 31 December 2024.



# MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)  
(Incorporated in Malaysia)

## ANNUAL REPORT 2024

### Profile of Directors (cont'd)

**LIM KIM MENG**, aged 54, male, Malaysian, is the Independent Non-Executive Director of the Company. Mr. Lim is also the Chairman of the Nomination and Remuneration Committee and a member of the Audit and Risk Management Committee. He was appointed to the Board on 30 November 2021. He graduated with a Second Class Honours Bachelor of Laws Degree from the University of London and completed his Certificate of Legal Practice in 1994. He is the Managing Partner of Kamil Hashim Raj & Lim, Advocates & Solicitors. His professional experience includes being a member of the Malaysia Financial Markets Association, holding the position of licensed foreign exchange and money market dealer at Southern Bank Berhad (1994-1997) and Institutional Sales Dealer and Licensed KLSE Equities Dealer with HLG Securities (1997-1998).

Mr. Lim does not hold directorships in any other public companies or listed companies. He does not have any family relationship with any Director and/or major shareholder of the Company nor any conflict of interest or potential conflicts of interest, including interest in any competing business with the Company. He is currently a minority shareholder in the Company and does not hold any shares in the Company's subsidiary companies. He has not been convicted of any offence within the past five (5) years other than traffic offences, if any, as well as any public sanction or penalty imposed by the relevant regulatory bodies.

Mr. Lim attended all five (5) Board meetings held during the financial year ended 31 December 2024.

**TUAN HAJI MOHD FAIZAL BIN HAJI ABDUL MAJID**, aged 57, male, Malaysian, is the Independent Non-Executive Director of the Company. Encik Faizal is the Chairman of the Audit and Risk Management Committee and a member of the Nomination and Remuneration Committee. He was appointed to the Board on 20 April 2022. He graduated with a First Class Honours Bachelor of Accountancy Degree from University Technology Mara and he is a Chartered Accountant registered with the Malaysian Institute of Accountants. He also holds a Bachelor of Accounting & Finance Degree from the University of Galmorgan. He held various senior management positions with companies in various industries. Encik Faizal started his career in K.Y. Ho & Co as semi-senior auditor in 1993. He was with the account department of Berjaya Timber Industries Sdn. Bhd. from 1994 to 1995, and he later joined Minho (M) Berhad as Senior Finance Executive and was appointed as the Alternate Director to Encik Khibir Bin Razali, the former Finance Director of the Company, until 2013. He is currently the Senior Vice President of Corporate Finance in Quantum Medical Solutions Sdn. Bhd. in 2014.

Encik Faizal does not hold directorships in any other public companies or listed companies. He does not have any family relationship with any Director and/or major shareholder of the Company nor any conflict of interest or potential conflicts of interest, including interest in any competing business with the Company. He is currently a minority shareholder in the Company and does not hold any shares in the Company's subsidiary companies. He has not been convicted of any offence within the past five (5) years other than traffic offences, if any, as well as any public sanction or penalty imposed by the relevant regulatory bodies.

Encik Faizal attended three (3) out of five (5) Board meetings held during the financial year ended 31 December 2024.

# MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)  
(Incorporated in Malaysia)

## ANNUAL REPORT 2024

### Profile of Directors (cont'd)

**JEANNIE LIM LI TEIN**, aged 43, female, Malaysian, is the Independent Non-Executive Director of the Company. Ms. Jeannie is a member of the Audit and Risk Management Committee and the Nomination and Remuneration Committee. She was appointed to the Board on 20 April 2022. Ms. Jeannie holds a Bachelor of Business and Commerce from the Monash University Malaysia. She is a member of the Malaysian Institute of Accountant and Australian Society of Certified Practising Accountants. Currently, she is a Senior Specialist in Strategic Finance and Financial Planning & Analysis in Axiata Group Berhad. She has over 10 years' experience in consulting. Prior to joining Axiata Group Berhad, she was a Project Manager in Affilion Advisory Sdn. Bhd. involved in various projects including strategy consulting, market feasibility studies, management and technical risk assessment due diligence, investment due diligence, fund raising as well as evaluations and negotiations of privatisation packages. Her previous experience also includes Ernst & Young Taxation Sdn. Bhd. and PricewaterhouseCoopers Taxation Sdn. Bhd., where she was involved in the provision of corporate tax advisory.

Ms. Jeannie does not hold directorships in any other public companies or listed companies. She does not have any family relationship with any Director and/or major shareholder of the Company nor any conflict of interest or potential conflicts of interest, including interest in any competing business with the Company. She does not hold any shares in the Company nor in subsidiary companies. She has not been convicted of any offence within the past five (5) years other than traffic offences, if any, as well as any public sanction or penalty imposed by the relevant regulatory bodies.

Ms. Jeannie attended all five (5) Board meetings held during the financial year ended 31 December 2024.

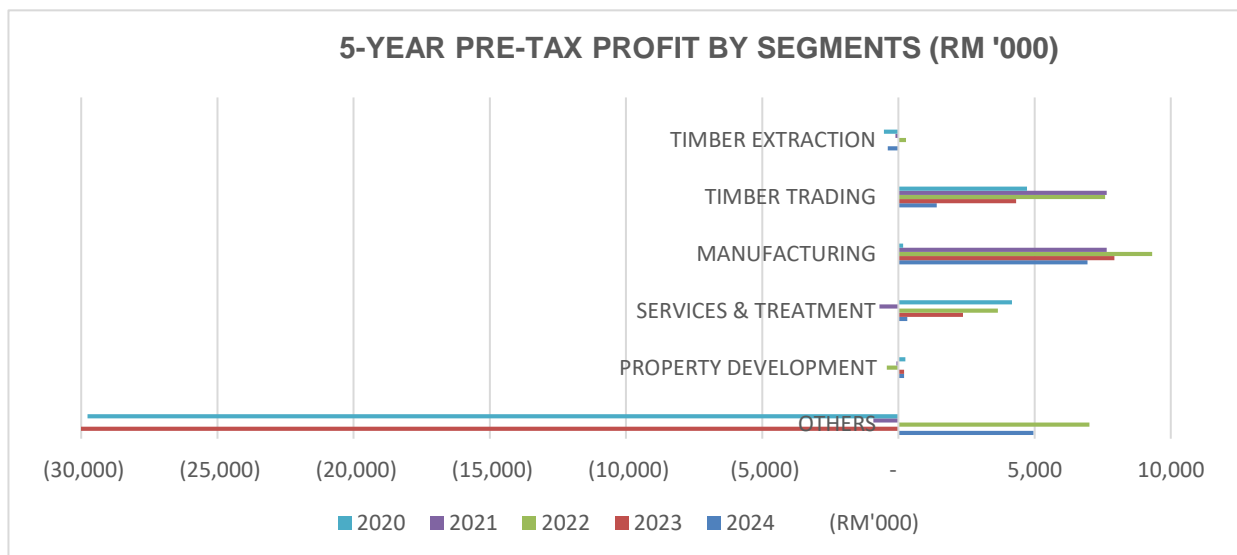
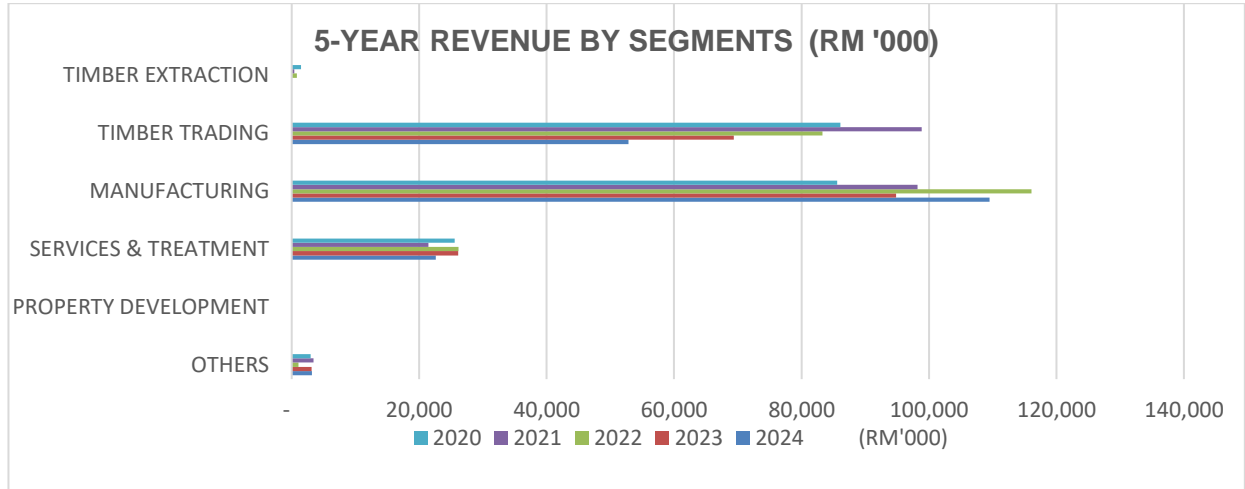
# MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)  
(Incorporated in Malaysia)

## ANNUAL REPORT 2024

### Management Discussion and Analysis

#### Overview of the Group's Business



#### Financial Performance

In 2024, the EU27 imported 1.46 million tonnes of tropical wood and wood furniture products with a total value of US\$3.09 billion, respectively 8% and 3% less than the previous year. In quantity terms, this is the lowest level of imports of these products ever recorded since the EU was first formed (as the EEC) in 1957. It is also 19% below the average for the pre-pandemic 2013-2019 period when imports were static at a historically low level. EU27 import value of tropical wood and wood furniture products last year was only slightly above the annual average of US\$3.06 billion during the 2013-2019 period. When account is taken of inflation, import value last year was more than 15% below the pre-pandemic level. Malaysia's economic forecast for 2025 is being maintained for now amid the uncertainties surrounding global trade and implications US tariffs will have on the country's exports as well as how they will shape supply chains across the world. (Source - ITTO TTM Report: 29:4 16–28 February 2025)

# MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)  
(Incorporated in Malaysia)

## ANNUAL REPORT 2024

### Management Discussion and Analysis (cont'd)

#### Overview of the Group's Business (cont'd)

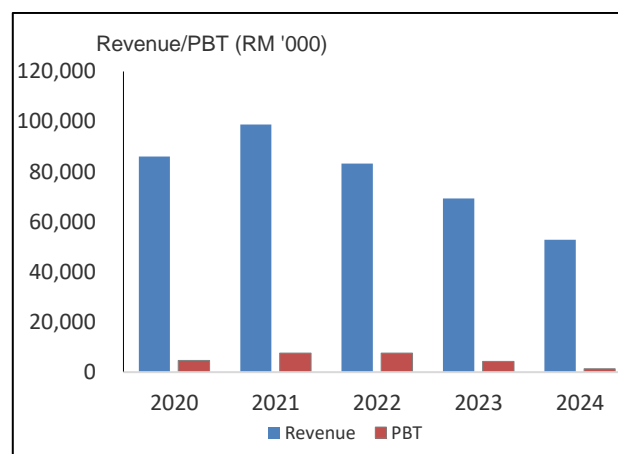
#### Financial Performance (cont'd)

The Group registered a total revenue of RM188.12 million for the 12 months period ended 31 December 2024, RM5 million or 2.75% less than the RM193.43 million recorded in the corresponding 12 months period ended 31 December 2023. This decrease was mainly attributed to the combined RM20.00 million decrease in Timber Trading and Services & Treatment market segments. This was offset by the total increase of RM14.68 million in the turnover for Manufacturing and Others market segments. The group's pre-tax profit decreased by RM5.55 million mainly due to the decrease in pre-tax profit of Timber Trading and Services & Treatment market segments.

#### Performance by Segments

##### Timber Trading

Turnover for this segment decreased by RM16.50 million due to lower demand. Pre-tax profit for this segment decreased by RM2.91 million from a pre-tax profit of RM4.32 million in the corresponding 12 months period ended 31 December 2023 to RM1.40 million for the 12 months period ended 31 December 2024 due to lower gross profit.



# MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)  
(Incorporated in Malaysia)

## ANNUAL REPORT 2024

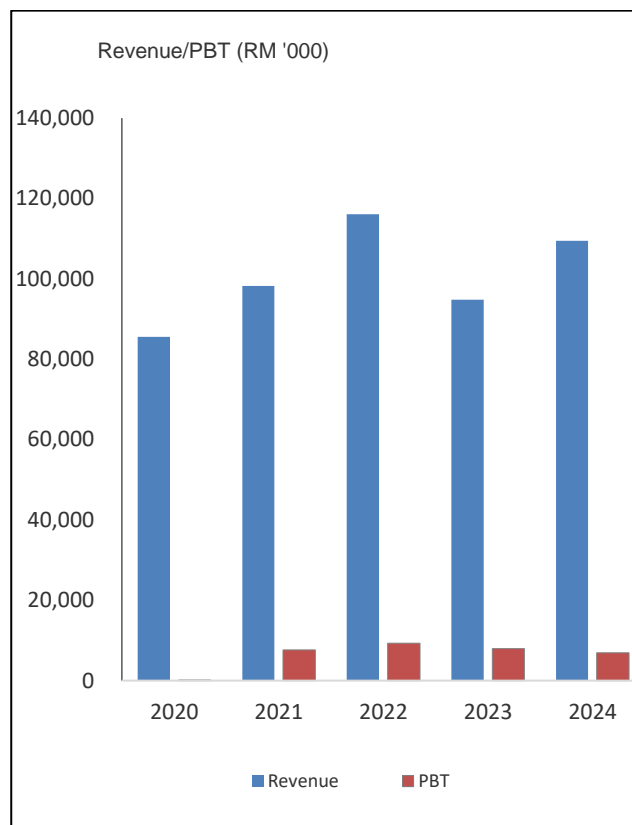
### Management Discussion and Analysis (cont'd)

#### Overview of the Group's Business (cont'd)

#### Performance by Segments (cont'd)

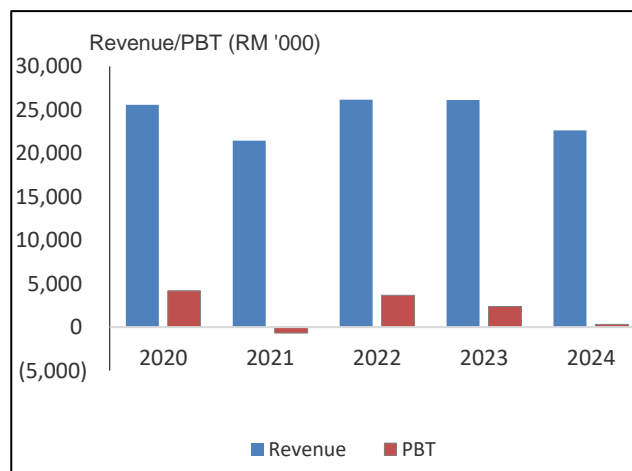
##### Manufacturing

Total turnover for this segment increased by RM14.68 million. Turnover for the manufacturing of industrial paper bags increased by RM4.95 million due to higher selling price in tandem with the increasing raw materials price, while the turnover for manufacturing of timber and wood based products increased by RM9.73 million due to higher sales order from buyers. Pre-tax profit for this market segment decreased by RM0.99 million or 12.48%; from pre-tax profit of RM7.93 million in the corresponding 12 months period ended 31 December 2023 to pre-tax profit RM6.94 million for the 12 months period ended 31 December 2024. The decrease in pre-tax profit was mainly attributed to lower profit registered by the manufacturing of timber and wood based products, the pre-tax profit decreased by RM1.71 million due to higher direct costs such as labour costs. The pre-tax profit for the manufacturing of industrial paper bags increased by RM0.72 million due to higher turnover and gain on foreign exchange.



##### Services & Treatment

Total turnover for this market segment in 2024 decreased by RM3.50 million due to lower selling price. The pre-tax profit for this segment in 2024 decreased by RM2.05 million from a pre-tax profit of RM2.37 million in the corresponding 12 months period ended 31 December 2023 to a pre-tax profit RM0.32 million for the 12 months period ended 31 December 2024 due to higher labour cost and rental expenses.



# MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)  
(Incorporated in Malaysia)

## ANNUAL REPORT 2024

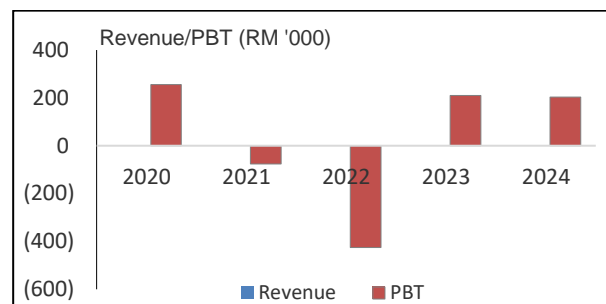
### Management Discussion and Analysis (cont'd)

#### Overview of the Group's Business (cont'd)

#### Performance by Segments (cont'd)

##### Property Development

There were no revenue registered for the 12 months period ended 31 December 2024 similar to the corresponding 12 months period ended 31 December 2023. It recorded a pre-tax profit of RM204 thousand in 2024 compared to a pre-tax profit of RM210 thousand in 2023.



##### Future Prospects

The International Monetary Fund in their latest publication of World Economic Outlook (WEO) Update January 2025 projected that the baseline forecast is for the world economy to continue growing at 3.3 percent during 2025 and 2026, below the historical (2000–19) average of 3.7 percent. The forecast for 2025 is broadly unchanged from that in the October 2024 World Economic Outlook (WEO), primarily on account of an upward revision in the United States offsetting downward revisions in other major economies. Global headline inflation is expected to decline to 4.2 percent in 2025 and to 3.5 percent in 2026, converging back to target earlier in advanced economies than in emerging market and developing economies.

# MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)  
(Incorporated in Malaysia)

## ANNUAL REPORT 2024

### Sustainability Statement

The Board of Directors of Minho (M) Berhad (“Board”) is aware and committed to integrate our social responsibilities into our business strategies for the sustainable growth of the Group. As the Group work to increase stakeholders value through our core business, it will not neglect our responsibilities and will strive for the betterment of our employees and the community. Our sustainability practices and preparation of this Sustainability Statement (“this Statement”) are guided by the Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Main Market Listing Requirements (“MMLR”) Sustainability Reporting Guide and guidelines issued by the Global Reporting Initiative (“GRI”) Standards.

When preparing this Statement, the Group has applied the materiality principle, considering the importance of environmental, social and governance (“ESG”) aspects within the Group, and how these factors may impact the evaluations and decisions of our stakeholders. Through this Statement, the Group intends to report to its stakeholders on sustainability matters which have material bearing on the Group’s value creation, including the relevant strategies, priorities, addressing measures, and performance.

#### Sustainability Governance

Ensuring that sustainability is incorporated into our long-term growth strategy requires effective governance. Consequently, it is the duty of our Board to ensure that sustainability factors are incorporated into the formulation of our strategies and the execution of our business plans. Additionally, it is the responsibility of the Board to ensure that sustainability permeates our daily operations. The following policies serve to embed our commitment towards responsible corporate governance across our operations:

#### Sustainability Policy supported by :

- i. Sustainability Policy
- ii. Anti-Bribery Policy
- iii. Code of Conduct for Employees
- iv. Whistleblower Policy and Procedures
- v. Board Charter and Board Remuneration Policy
- vi. Board Remuneration Policy
- vii. Terms of Reference of Board Committees (I.e., ARMC and NRC)
- viii. Occupational Safety and Health Policy

#### Materiality Assessment

Materiality assessment is an exercise to gauge what are the most noteworthy economic, environmental, and social issues that are material or important to the Group. The Material Matters are then mapped into our 4 Priority Areas as follows:

Priority Areas	Material Matters	Strategic Objectives of Our Initiatives
Strengthening Our Core	Economic Performance	Continually improving the quality and sustainability of the entire Group's business operations and practices.
Protecting Our Environment	Climate Risks	Manage climate-related risks as we transition towards a low-carbon future.
Empowering Our Workforce	Anti-Fraud, Bribery and Corruption Workplace Environment	Cultivate an empowered workforce to develop more sustainable approaches.
Advancing Our Communities	Supply Chain Management	Create positive impacts for society and demonstrate real commitment to supporting social and environmental issues.

# MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)  
(Incorporated in Malaysia)

## ANNUAL REPORT 2024

### Sustainability Statement (cont'd)

#### Materiality Assessment (cont'd)

There have been no significant changes to the operations of the Group in the past 12 months that impacted the condition for the materiality assessment, thus, we concluded that the materiality assessment conducted in 31 December 2024 ("FY2024") remains valid and vital for us to adequately address, report and communicate in this Report.

Moving forward, the Group will continue to review its material sustainability matters against the dynamic business environment, stakeholder opinions, as well as emerging local and global trends on an annual basis.

#### 1. Economic Performance

The economic performance of companies plays a pivotal role in shaping the overall well-being of the economy. Through their business activities, companies wield the power to foster economic growth by creating positive impacts. This influence manifests in various ways, including the provision of job opportunities that enhance livelihoods, the contribution of tax payments that facilitate improved infrastructure and public services, and the offering of products and services that enrich the community. We recognise the direct influence of our activities on the broader economy, acknowledging the value we bring to our stakeholders. This value is evident in the form of dividends, job creation and tax contributions. Furthermore, we understand that our economic performance holds the potential to significantly influence investors' confidence collectively. As we strive for sustainable practices, we remain committed to positively shaping economic outcomes, fostering growth, and contributing to the overall prosperity of our stakeholders and the wider community.

#### Our Approach

##### Employees

We invest in the professional development of our employees and pay attention to creating a conducive and engaging workplace to ensure optimum performance. The Group recognizes that employees are its most important asset and is committed to their welfare by continuously upgrading their skills to meet evolving requirements. Investment in professional development is crucial for enhancing overall performance. The Group also strives to maintain a safe and healthy working environment. Adhering to local labour laws, the Group practices non-discriminatory recruitment and promotes the hiring of underprivileged groups, including individuals from deprived backgrounds. The Group is proud to foster a positive, distinct, and diverse culture, believing that a diverse team with equal opportunities inspires everyone to be true to themselves.

##### Shareholders

We create value for our shareholders in the form of net tangible assets and this is supported by our profit after tax and minority interest. The Group intend to continue strengthening efficiency and minimizing costs in its operations and activities.



# MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)  
(Incorporated in Malaysia)

## ANNUAL REPORT 2024

### Sustainability Statement (cont'd)

#### 1. Economic Performance (cont'd)

##### Community

The Group acknowledges the fundamental role played by the local community in supporting its business activities. Therefore, the Group continues to promote social responsibility toward the community through its initiatives in charitable donation, education and industrial training. The Group has continued to give annual donations to various charities and hosted factory visits at the Group's business operations for students from various universities who benefited from practical knowledge of the timber operations and its related services and products.

##### Government

We observe both legal and statutory obligations such as tax payments, and looking at ways to support the government's initiatives to drive Malaysia's transition to a low carbon economy. The Group is committed to conducting lawful and ethical business practices and zero tolerance for unethical or illegal conduct.

##### Suppliers

We recognise the crucial role of suppliers and vendors in our supply chain, as we rely on their products and services to ensure the smooth operation of our business. We create value for our suppliers by procuring their products and services and collaborating with them to strengthen our partnerships.

##### Our Progress

Minho (M) Berhad recorded a Profit After Tax and Non-Controlling Interest (PATNCI) of RM5.63 million for FY2024, which represents a increase of 3.10% from the RM5.46 million reported in the financial year ended 31 December 2023 (FY2023). The decrease in PATNCI is attributed to lower operating revenue by 2.75% to RM188.4 million from RM193.4million in FY2023.

##### Moving Forward

Our commitment revolves around continuously bolstering our market competitiveness, aiming to create enduring economic value for our stakeholders and play a pivotal role in the advancement of the Malaysian economy. Our focus remains on propelling sustainable growth, refining our range of products and services to cater to the varied needs of stakeholders.

#### 2. Climate Risks

As climate changes increasingly affects industries, businesses and supply chains, we recognise the potential indirect impact it has on our Group, customers and suppliers. Therefore, it is crucial for us to identify our climate risks and opportunities to help our Group enhance climate resilience.

# MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)  
(Incorporated in Malaysia)

## ANNUAL REPORT 2024

### Sustainability Statement (cont'd)

#### 2. Climate Risks (cont'd)

##### Our Approach

Being an integrated timber Company, the Group is mindful of the direct impact that its business activities have on the environment. The Group has long adopted logging best management practices and ensured stringent compliance to the guidelines laid down by the Programme for the Endorsement of Forest Certification scheme (PEFC) and the Malaysian Criteria and Indicators (MC&I). The Group continue to obtain all necessary certifications to ensure that its timber products originate from well-managed and legal forests to maintain market access and share. Replanting is always practised at all of the Company's working areas. The Paper Division is installing a new waste water treatment plant this year and the Manufacturing Division maintains its measures on emissions control and strives to achieve zero wastage by using its waste products to produce electricity for own consumption.

##### Our Progress

We acknowledge the significance of tackling climate-related risks for business resilience and addressing the interests of our stakeholders. We strive to minimise our carbon footprint as well as capitalising on decarbonisation opportunities.

##### Reduce, Reuse & Recycle

We also practise Reduce, Reuse and Recycle. Unused papers, boxes, and other recyclable items are collected and reallocated to each department. We support all minor activities in our operations, which do not appear to be significant but can help to fight climate change, such as printing documents on recycled paper. This protects trees, preserves energy and reduces air pollution.

##### Moving Forward

We will continue reviewing our climate risks and opportunities to understand the current landscape and identify areas for improvement. We are committed to implementing recommendations and keeping up with the latest financial disclosures to adopt best practices and high standards.

#### 3. Anti-Fraud, Bribery and Corruption

We recognise our responsibility to uphold the highest ethical and integrity standards in all our actions. This strengthens our reputation, ensuring trust and confidence of stakeholders and the broader market. To strengthen the overall health and integrity of our ecosystem, we actively combat corruption and promote clean, transparent practices in our activities and transactions.

##### Our Approach

Minho (M) Berhad has a zero-tolerance policy towards fraud, bribery and corruption. We are committed to upholding the highest ethical standards, ensuring transparency and accountability throughout our operations. Our governance is led by the Board, which has oversight of the management of anti-fraud, bribery and corruption matters. The Audit and Risk Management Committee (ARMC) supports the Board in fulfilling its duties, provides guidance and monitors the effectiveness of our anti-corruption programme. The ARMC oversees the Integrity Unit within Risk & Compliance, which is tasked with implementing and managing the four core functions mandated by the Malaysian Anti-Corruption Commission (MACC), encompassing governance, integrity enhancement, detection and verification, and complaints management. Our commitment to ethical conduct is unwavering. Our initiatives to instil an ethical culture will not only protect our reputation and ensure regulatory compliance but also enable us to operate with transparency, encouraging trust and promoting a responsible and sustainable business.

# MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)  
(Incorporated in Malaysia)

## ANNUAL REPORT 2024

### Sustainability Statement (cont'd)

#### 3. Anti-Fraud, Bribery and Corruption (cont'd)

##### Policies, Guidelines and Procedures

As a demonstration of our steadfast commitment to combatting corruption, we have in place the Anti-Bribery Policy (ABP), which applies to all employee levels and counterparties. The ABP underscores Bursa Malaysia's requirement for employees to adhere to the utmost levels of integrity and ethics.

##### Whistleblowing Channels

To cultivate an environment characterised by integrity and ethical conduct, we encourage individuals with information on any inappropriate behaviour by Minho's Directors, independent individuals or employees to come forward and report such incidents through our designated whistleblowing channels. To this end, our Whistleblower Policy and Procedures (WPP) foster a culture where employees and/or Directors can voice concerns and report any misconduct. This mechanism ensures a safe and confidential avenue for the lodging of such disclosures. Any disclosures of improper conduct should be submitted in writing, either through email or by letter, to the Independent Directors of Minho (M) Berhad as listed below:

- i. faizal@minhobhd.com
- ii. limkimmeng@minhobhd.com
- iii. jeannie@minhobhd.com

##### Our Progress

##### Employee Training and Awareness

We continued holding training and awareness sessions to enhance understanding and awareness of anti-fraud, bribery and corruption matters among employees and the Board of Directors. Among the initiatives implemented were interactive learning modules on awareness of anti-fraud, bribery and corruption, which were introduced in 2022.

##### Moving Forward

We are committed to enhancing our corporate governance and the Anti-Fraud, Bribery and Corruption measures through developing and implementing the next cycle of the Organisation Anti-Corruption Plan.

#### 4. Workplace Environment

Minho (M) Berhad recognises the integral link between employees' well-being and corporate success. It necessitates the cultivation of a positive and vibrant work environment that inspires and motivates employees, fostering a sense of purpose and dedication in their roles. This includes ensuring a safe and healthy work environment, which can boost productivity and employee morale, ultimately enabling excellence in performance. We actively shape a resilient workforce by instilling Minho (M) Berhad's core values alongside comprehensive health and safety guidelines and services and well-being initiatives to create a safe and conducive work environment for our employees to thrive.

##### Our Approach

At the heart of our success lies a commitment to cultivate a thriving and sustainable workplace. We firmly believe that two pillars underpin this dedication: embracing diversity and inclusion, and ensuring a safe and healthy environment for all employees. Our unwavering commitment to ethical practices is reflected in our strict adherence to relevant labour practices, standards and legal regulations. Furthermore, we draw guidance from the United Nations Guiding Principles on Business and Human Rights (UNGPs), upholding fundamental human rights such as freedom of association and collective bargaining. This fosters a work environment where employees feel valued, respected and empowered to contribute their unique talents, ultimately creating a sustainable workplace that fosters engagement and retains talent.

# MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)  
(Incorporated in Malaysia)

## ANNUAL REPORT 2024

### Sustainability Statement (cont'd)

#### 4. Workplace Environment (cont'd)

##### Our Progress

##### Diverse and Inclusive Workplace

##### Revision to Employee Benefits and Labour Practices

Since 2022, we have adopted all the amendments made in the Employment (Amendment) Act 2022 by revising our employee benefits and adopting current labour practices. This includes reviewing our benefits to allow flexible benefits and leveraging digital tools and platforms to adapt to changing market dynamics. The newly enforced law, which came into effect on 1 January 2023, aims to enhance the protection and welfare of all employees, ensuring that Malaysian labour law provisions are in accordance with international labour standards. Among the amendments included were:

- i. Reduced weekly working hours from 48 to 45 hours
- ii. Extended maternity leave from 60 days to 98 days
- iii. Introduction of seven consecutive days of paid maternity leave

##### Employee Performance Data

Tracking and monitoring our workforce-related data will allow us a better understanding of our workforce composition. As at 31 December 2024, we have 608 employees based in Malaysia.

Workplace diversity as at 31 December 2024									
Category	Executive		Non-Executive				Total		
Number of employees	44	7%	564	93%					
Gender	Male		Female				Total		
Number of employees	485	80%	123	20%					
Age Group	<30		30 to <40		40 to <50		50 and >		Total
Number of employees	147	24%	213	35%	134	22%	114	19%	608
Diversity	Malay		Chinese		India		Others		Total
Number of employees	79	13%	110	18%	85	14%	334	55%	608

##### Safe and Healthy Workplace

In 2024, we continued implementing various OSH initiatives to keep our employees updated with the relevant OSH-related knowledge and guidelines. We are guided by our Occupational Safety and Health (OSH) Policy.

##### Moving Forward

We will enhance our policies and frameworks to keep improving our workplace environment and promote progressive values such as diversity, equity and inclusion.

#### 5. Energy and Water management

Efficient energy and water management are key pillars of sustainability and responsible resource use. By managing these vital resources wisely, we not only improve efficiency but also support environmental conservation and reduce costs. Through strategies that lower consumption, minimize waste, and optimize usage, we help protect these limited resources for future generations, while fostering both environmental health and long-term economic resilience.

# MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)  
(Incorporated in Malaysia)

## ANNUAL REPORT 2024

### Sustainability Statement (cont'd)

#### 5. Energy and Water management (cont'd)

##### Our Approach

Our water and electricity consumption primarily stems from manufacturing activities as well as from our site office, worker facilities, owned industrial buildings and properties. We are committed to implementing water and electricity conservation initiatives and raising employees' awareness on proper water and electricity management at all our premises.

##### Our Progress

Recognising the critical importance of water conservation, we remain unwavering in our dedication to decreasing overall water usage through the adoption of efficient water management practices. In FYE 2024, the Group's average annual water consumption amounted to 79,303 m<sup>3</sup>, equivalent to 79.3 megalitres. Despite our relatively modest water consumption, we acknowledge that every effort to conserve this precious resource is invaluable.

We have observed a reduction in the Group's overall electricity consumption, which reached 3,287.3 Megawatts ("MW"), marking a decrease compared to the previous year of 3,591.0 Megawatts. ("MW")

##### Moving Forward

Our future initiatives include more employee sustainability awareness programmes, and a variety of additional projects. These efforts aim to foster a sustainability culture within our organisation and drive continuous improvement in resource efficiency and conservation practices.

#### 6. Cybersecurity & Data Protection

In recent years, we have seen the acceleration of various trends revolving around remote working, e-commerce and automation, which has propelled the adoption of digital technologies and infrastructure. However, it has also made data more susceptible to cybersecurity risks. Consequently, Minho (M) Berhad have a responsibility to manage the growing threat of cyber-attacks on us, including protecting our customers' sensitive information, to prevent any leaks, threats or loss of customer information.

##### Our Approach

We conduct regular reviews to ensure that our data privacy and security controls and processes are operating effectively. We take reasonable measures to ensure we collect data by lawful means, and that we are transparent about how data is gathered, used, and secured.

##### Our Progress

Minho (M) Berhad has no substantiated complaints concerning breaches in customer privacy or data loss for the financial year ended 31 December 2024 (FY2024) and 31 December 2023 (FY2023).

# MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)  
(Incorporated in Malaysia)

## ANNUAL REPORT 2024

### Corporate Governance Overview Statement

The Board of Directors of Minho (M) Berhad (“**Minho**” or “**the Company**”) (“**the Board**”) is pleased to present an overview of the Group’s corporate governance practices, which summarise the Group’s application of the Principles and Recommendations of the Malaysian Code on Corporate Governance (“**MCCG**”) throughout the financial year ended 31 December 2024 (“**FY 2024**”).

This Corporate Governance Overview Statement (“**Statement**”) is prepared in compliance with Paragraph 15.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**MMLR**”) and it is to be read together with the Corporate Governance Report 2024 of the Company (“**CG Report**”) which can be found on the Company’s website at [www.minhomalaysia.com](http://www.minhomalaysia.com). The CG Report provides details of the Company’s application and departures, including alternative practices of the principles and recommendations of MCCG.

#### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

##### Board Balance

The Board is a synergy of dynamic and experienced individuals from various sectors which reflect many years’ of experience in logging, manufacturing, services, financial, legal and corporate affairs. The profiles of Directors are set out in this Annual Report. Currently, there are three (3) Independent Non-Executive Directors which form more than one-third of the Board thus ensuring that minority shareholders’ interests are adequately represented. The Board is satisfied with its current composition which fairly reflects the interests of minority shareholders in the Company.

##### Roles and responsibilities of the Board

The Board is primarily responsible for the long-term value creation for its shareholders and all stakeholders. The duties and responsibilities of the Board, including reviewing and adopting the Group’s overall strategic plans, annual budget, setting up policies for the business and governance of the Group, proper succession planning as well as shareholders communication policy, and maintaining the practices of high standards of ethics and corporate behaviour of the Group. Further, the Board also oversees the Group’s business performance, review the Group’s management information system and internal control system, and to maintain proper risk management system.

The Board has established the Board Committees, namely the Audit and Risk Management Committee (“**ARMC**”), Nomination and Remuneration Committee (“**NRC**”) and Executive Committee (“**EXCO**”) in carrying out the Board’s duties and responsibilities. These Board Committees operate under their respective clearly defined Terms of References (“**TOR**”) as approved by the Board and to deal with specific areas that are delegated and authorised by the Board. These TORs of ARMC, NRC and EXCO are reviewed periodically to reflect changes in compliance and regulatory framework as well as streamline the committee structures. All TORs of ARMC, NRC and EXCO are available at the Company’s website at [www.minhomalaysia.com](http://www.minhomalaysia.com).

# MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)  
(Incorporated in Malaysia)

## ANNUAL REPORT 2024

### Corporate Governance Overview Statement (Cont'd)

#### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

##### Chairman of the Board

The Chairman of the Board is responsible to:-

- provide leadership and run the Board effectively in all aspects of its roles with the assistance of the Board Committees and the management;
- chair and ensure the efficient organization and conduct of the Board and/or shareholders' functions and meetings;
- facilitate the effective contributions of all Directors and senior management personnel; and
- promote high standard of integrity, probity and corporate governance in the Group.

Dato' Loo Keng An @ Lee Kim An was re-designated to Executive Chairman on 29 November 2024 thus complied with Practice 1.2 of the MCCG and the MMLR.

##### Responsibilities of the Chairman and Managing Director ("MD")

The Chairman holds an executive position. He leads the Board and manages the interface between the Board and Management. He is also responsible for ensuring the orderly conduct and effective functioning of the Board. The Company currently does not have a MD. The Executive Director ("ED") is responsible for the day-to-day operations of the Group, whereby operational issues are discussed, major transactions and matters relating to the Group are reviewed and operational strategies are formulated.

The roles and responsibilities of the Executive Chairman and ED are separate, distinctive and have been clearly segregated to further enhance and preserve a balance of authority and accountability to avoid unfettered powers of decision-making. The ED will assist the Executive Chairman in ensuring the effectiveness of the implementation of Board strategies, making operational decisions and monitoring the day-to-day management of the Group, including defining the authority limits of Management's responsibilities.

In view that the Chairman assumes the executive role and to better safeguard the interests of our stakeholders, the Board is balanced by having a majority of Independent Non-Executive Directors ("INED") on the Board to foster greater objectivity in the Boardroom.

The Chairman must not be a member of any Board Committee to ensure there is proper check and balance as well as objective review by the Board. The Board acknowledges that having the same person assume the positions of Chairman of the Board and Chairman of the Board Committees gives rise to the risk of self-review and may impair the objectivity of the Chairman and the Board when deliberating on the observations and recommendations put forth by the Board Committees.

##### Role of the Executive Director

The ED are responsible for the day-to-day operation and management of the entire Group and its businesses and implementation of the Board's policies and decisions. Each ED is accountable to the Board for all the decisions and activities relating to all matters affecting the operations, management, performance, business strategies, staffing and for the procedures in financial and other matters including conduct and discipline; except for matters reserved for the Board's approval.

# MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)  
(Incorporated in Malaysia)

## ANNUAL REPORT 2024

### Corporate Governance Overview Statement (Cont'd)

#### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

##### Role of the Independent Directors

Our Independent Directors are responsible in providing impartial and objective views, consideration, advice, judgement and ensures that discretion exercised by the Board in decision making remain objective and independent, whilst ensuring the interest of the Company is protected and the interest of other parties such as minority shareholders are addressed and adequately protected as well as being accorded with due consideration. The Independent Directors provide a check and balance to the Board's decisions and strategies.

##### Role of the Company Secretary

Our Company Secretary are responsible for ensuring that all the Company's statutory records are properly maintained at the registered office and, all relevant reports and data are filed accordingly. The Company Secretary plays a key role in advising the Board on matters relating to legislation, regulation, directors' responsibilities, obligations and duties to Bursa Securities, restrictions and disclosures, corporate governance and other secretarial matters.

The Board is supported by a suitably qualified Company Secretary who provide advisory services, particularly on applicable governance best practices, corporate administration and Board processes to facilitate overall compliance with the MCCG, Companies Act 2016 and applicable laws and regulations. All Directors have unrestricted access to the advice and services of the Company Secretary when necessary. The Company Secretary attends all Board and Board Committee meetings to witness and ensure that meeting agendas are properly convened and accurately recorded.

##### Board Meetings and Time Commitment

The Board ordinarily meets at least four (4) times a year at quarterly intervals with additional meetings convened when necessary to deal with important and urgent matters that requires the attention and/or approval of the Board.

Five (5) Board meetings were held during FY 2024. Based on the attendance by Directors who held office during FY 2024, the Board is satisfied with the level of time commitment of the Directors towards fulfilling their roles and responsibilities as Directors. The record of attendance of the Directors at Board meetings and various Board Committees meetings for FY 2024 is disclosed in the table below:-

Directors	Board Meeting	ARMC Meeting	NRC Meeting
Dato' Loo Keng An @ Lee Kim An	5/5	-	-
Loo Say Leng	5/5	-	-
Lim Kim Meng	5/5	5/5	3/3
Haji Mohd Faizal Bin Haji Abdul Majid	3/5	3/5	1/1
Jeannie Lim Li Tein	5/5	5/5	3/3



# MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)  
(Incorporated in Malaysia)

## ANNUAL REPORT 2024

### Corporate Governance Overview Statement (Cont'd)

#### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

All the Directors do not hold directorships more than that prescribed under the MMLR.

All the Directors attended more than the minimum 50% of Board meetings held during FY 2024 as stipulated under Paragraph 15.05 of the MMLR. Additionally, in between Board meetings, the Directors also approved various matters requiring the sanction of the Board by way of circular resolutions supported with relevant information and explanations to form the basis of the decision. These information enabled the Board to make informed decisions. All circular resolutions approved by the Board are tabled for notation at the subsequent Board meeting.

If a Director has a conflict of interest in a matter to be considered by the Board, which the Board has determined to be material, the matter will be dealt with at a Board meeting rather than a written resolution. All Directors facing conflicts of interest will recuse themselves from discussions and decisions involving the issues of conflict, and shall abstain from voting as Directors on the relevant matters.

#### Supply of Information

All Directors receive relevant board papers prior to Board meetings, and these include agenda for the Board meetings, minutes of the last Board meeting, minutes of all Board Committees' meetings held between the Board meetings, quarterly financial results of the Group and other documents pertaining to matters to be discussed at the meeting. All Board members may, either as a full Board or individually, seek independent professional advice in the furtherance of their duties at the Company's expense.

#### Code of Conduct

The Board has adopted a Code of Conduct ("Code") for the Directors of the Company. This Code covers a range of best business practices and procedures and requires all Directors to observe high ethical business standards, and to apply these values to all aspects of the Group's business behaviour and to act in the best interests of the Group and its shareholders. The Code is available on the Company's website at [www.minhomalaysia.com](http://www.minhomalaysia.com).

#### Anti-Bribery and Whistleblowing Policy

The Company has also established and adopted an Anti-Bribery and Whistleblowing Policy for the Group to provide a clear line of communication and reporting channels for employees at all levels to disclose any unethical behaviour or malpractices as well as to govern the prevention of corruption and unethical practices in accordance with Section 17A of the Malaysia Anti-Corruption Commission Act (Amendment 2018). The Anti-Bribery and Whistleblowing Policy is available on the Company's website at [www.minhomalaysia.com](http://www.minhomalaysia.com).

# MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)  
(Incorporated in Malaysia)

## ANNUAL REPORT 2024

### Corporate Governance Overview Statement (Cont'd)

#### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

##### Board Charter

The Board has adopted a Board Charter which clearly defines the roles, functions, composition and operation of the Board. The Board Charter is intended to ensure that all the Board members acting on behalf of the Company are fully aware of their obligation in discharging their duties and responsibilities to the Company.

The Board Charter is reviewed and updated periodically in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities. The Board Charter is available on the Company's website at [www.minhomalaysia.com](http://www.minhomalaysia.com).

##### Board Composition

The current Board comprises five (5) Directors, out of which, one (1) Executive Chairman, one (1) ED and three (3) Independent Non-Executive Directors. The Board is of the opinion that the composition of the current Board has the required mix of skills and experience required to discharge the Board's duties and responsibilities. Collectively, the Directors combine their diverse commercial, regulatory, industry and financial experience to add value to the Board as a whole.

As at 31 December 2024, the Board's diversity is as follows:

Gender Diversity			Ethnicity Diversity			Age Diversity			Tenure of Directorships		
	Number	%		Number	%		Number	%		Number	%
Male	4	80	Malay	1	20	Below 60 years	4	80	Below 12 years	3	60
Female	1	20	Chinese	4	80	Above 60 years	1	20	Above 12 years	2	40

The Board acknowledges the recommendation of MCCG in relation to the establishment of Board room gender diversity policy. In the process of selection of Board members, the Company practices non-discrimination in any form, whether based on gender, age, ethnicity or religion as all candidates shall be given fair and square opportunity. When the need arises, the Board would give more weightage on the appointment of female directors and senior management.

##### EXCO

The EXCO comprises the Executive Chairman, EDs and key senior management of the subsidiary companies. The ED is responsible for the day-to-day management of the Group's operations and business as well as implementation of the Board's policies and decisions. He is assisted by the managers and senior executives of the subsidiary companies. A total of five (5) EXCO meetings were held during FY 2024, where there were a number of new proposals/businesses were studied by the EXCO. The EXCO also received quarterly updates from the respective head of divisions as well as reviewing the Group's capital expenditures, banking facilities, inventories and debtors.

# MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)  
(Incorporated in Malaysia)

## ANNUAL REPORT 2024

### Corporate Governance Overview Statement (Cont'd)

#### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

##### NRC

The NRC comprises three (3) members all of whom are Independent Non-Executive Directors as follows:-

Name	Directorship	Designation
Lim Kim Meng	Independent Non-Executive Director	Chairman
Tuan Haji Mohd Faizal Bin Haji Abdul Majid	Independent Non-Executive Director	Member
Jeannie Lim Li Tein	Independent Non-Executive Director	Member

The NRC is responsible for the nomination and election process of new directors and evaluate the balance of skills, knowledge, experience and diversity of the Board. In light of this evaluation, prepares a description of the role and capabilities required for a particular appointment. The NRC also assist the Board to assess the remuneration of the EDs of the Company. The TOR of NRC is available on the Company's website at [www.minhomalaysia.com](http://www.minhomalaysia.com).

Prior to the appointment of a director, the proposed appointee shall be required to disclose any other business interests that may result in a conflict of interest in relation to the Company, and shall be required to report any future business interests which may develop post-appointment, that could result in a conflict of interest. Conflict of interest should be avoided to prevent potential damage to personal and the Group's interest and reputation.

The NRC also assessed the independence of the Independent Non-Executive Directors of the Company based on the criteria for an independent director as prescribed in the MMLR and also monitor their tenure. Currently, none of the Independent Non-Executive Directors of the Company has served the Board for a cumulative term of more than nine (9) years.

During FY 2024, the NRC discharged their functions and duties appropriately, summarised as follows:-

- (a) reviewed the present Board composition and made recommendation to the Board as regards to any changes be beneficial to the Company;
- (b) reviewed and recommended the composition of Board Committees in order to comply with MCCG;
- (c) assessed and evaluated the performance and effectiveness of the Board as a whole, Board Committees as well as individual Directors;
- (d) reviewed the terms of office of the ARMC;
- (e) assessed the independence of the Independent Non-Executive Directors of the Company. There must be no potential conflict of interest that the Independent Directors can have with the Company as they had not entered into any contract or transaction with the Company and/or its subsidiaries within the scope and meaning as set forth under Paragraph 5 of Practice Note 13 of the MMLR;
- (f) reviewed and recommended to the Board, the remuneration of ED of the Company; and
- (g) reviewed, deliberated and recommended to the Board for the Directors' fees and benefits payable to the Non-Executive Directors.

# MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)  
(Incorporated in Malaysia)

## ANNUAL REPORT 2024

### Corporate Governance Overview Statement (Cont'd)

#### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

##### Directors' Training

The Board fully recognizes that sustainability issues evolve in line with the ever-changing business environment and has initiatives to attend training from time to time, particularly on relevant new laws and regulations, in order to keep themselves abreast of the latest market trend and sustainability issues. All Directors attended the Mandatory Accreditation Programme as required by the MMLR. During FY 2024, the Directors attended the following seminars and/or programmes;

Directors	Seminars/Programme attended
Dato' Loo Keng An @ Lee Kim An	Business Strategic Planning Success 2024
Loo Say Leng	Business Strategic Planning Success 2024
Lim Kim Meng	The Impact and Implications of Recent Federal Court Decisions and The Trends of Courts on Housing Development Issues Basic Conveyancing Seminar Artificial Intelligence – Who? Which? What? The Anatomy of a Cyber Attack Virtual Corporate and Commercial Law Inaugural Malaysian Bar ESG Conference
Tuan Haji Mohd Faizal Bin Haji Abdul Majid	Cybersecurity Risks of Large Language Models (LLM) Guides for IRB Malaysia E-Invoicing Implementation
Jeannie Lim Li Tein	Conflict of Interest ('COI') & Related Party Transactions ('RPT') – What can go wrong with COIs & RPTs? Adequate Procedures to mitigate corruption risks

In addition, the Company Secretary and external auditors update the Board on a regular basis on the respective changes and amendments to regulatory requirements and laws and accounting standards to assist Directors to keep them abreast of such latest changes in the regulatory requirements.

##### Re-election of Directors

In accordance with Clause 96 of the Company's Constitution, an election of Directors shall take place each year. At every annual general meeting ("AGM") of the Company, one-third of the Directors for the time being shall retire from office provided always that all Directors shall retire from office at least once in every three (3) years but shall be eligible for re-election. Dato' Loo Keng An @ Lee Kim An and Loo Say Leng, being the Directors retiring by rotation at the forthcoming AGM, and being eligible, have offered themselves for re-election.

Shareholders are well informed by the Company on the re-election of Directors through the notes accompanying the notice of AGM.

# MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)  
(Incorporated in Malaysia)

## ANNUAL REPORT 2024

### Corporate Governance Overview Statement (Cont'd)

#### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

##### Directors' Remuneration

The Board had on 28 June 2024 adopted the Remuneration Policy to support the Company's key strategies, create a strong performance-oriented environment which can attract, motivate and/or retain talents of high caliber. Evaluation of remuneration packages is conducted annually and each Director shall abstain himself/herself from deliberations and voting on decisions as regards his/her individual remuneration. The Remuneration Policy is available on the Company's website at [www.minhomalaysia.com](http://www.minhomalaysia.com).

Details of remuneration paid or payable to all Directors of the Company and the Group for FY 2024 are as follows:-

Category	Fees (RM '000)	Salaries & Other Emoluments (RM '000)	Benefits In Kind (RM '000)	Total (RM '000)
Executive Directors	756	4,245	75	5,076
Non-Executives Directors	60	95	-	155
<b>Total</b>	<b>816</b>	<b>4,340</b>	<b>75</b>	<b>5,231</b>

The NRC reviewed the remuneration structure of the ED of the Company to ensure that it commensurates with market expectation, the directors' experience and competency and performance of the Group. Based on the above review, the NRC has submitted the recommendations to the Board for their approval.

##### Remuneration of Key Senior Management

The remuneration for the key senior management of the Company are as follows:-

Range of Remuneration (RM)	Number of Key Senior Management
300,000 – 400,000	1
500,000 – 600,000	1
1,100,000 – 1,200,000	1
<b>Total</b>	<b>3</b>

The Board opined that such disclosure of the key senior management's remuneration on a named basis may not be in its best interest to the Company and such disclosure may cause unhealthy competition resulting in adverse effect on the Company's talent retention. Remuneration packages of the key senior management are based on their scope of duty and responsibilities.

The NRC is of the view that the level of remuneration packages of the key senior management in respect of FYE 2024 is fair and reasonable to retain and reward their talents.

# MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)  
(Incorporated in Malaysia)

## ANNUAL REPORT 2024

### Corporate Governance Overview Statement (Cont'd)

#### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

##### ARMC

The ARMC consists exclusively of independent directors to ensure that the committee is effective and fully independent and that the Board's review of the ARMC's findings and recommendations is objective and not impaired in any way. The Company also practices the policy requiring any former key audit partner to observe a cooling-off period of at least 3 years before being appointed as a member of the ARMC. The authority, duties and responsibilities of the ARMC and the summary of the work carried out to discharge its duties for FY 2024 are set out in the ARMC Report in this Annual Report.

The ARMC oversees and ensures the integrity of the financial reports and that they are in accordance with the MMLR and Malaysian Financial Reporting Standards (MFRS) requirements before presenting the financial statements to the Board for approval. The ARMC also provides assurance to the Board with support and clarifications from the external auditors that the financial statements presented to them is in compliance with the applicable laws and accounting standards and give a true and fair view of the Group's performance and financial position. The ARMC meets with the external auditors without the presence of the management at least once a year.

The external auditors declared their independence annually to the ARMC as specified by the By-Laws issued by the Malaysian Institute of Accountants, in their annual audit plan presented to the ARMC. The assessment to consider the suitability, objectivity and independence of the external auditors firm is conducted annually while taking into account the Company's policy of appointing a different external auditing firm every few years. The ARMC was satisfied with the independence and performance of Ecovis Malaysia PLT, the external auditors and recommended to the Board to put forth a proposal for their re-appointment at the Company's forthcoming AGM.

The ARMC has maintained an appropriate relationship with the external auditors and there are formal and transparent arrangements in reviewing the external auditors' audit plan, report, internal control issues and procedures. The external auditors are invited to attend the Company's AGM. This enables shareholders to seek clarification on the conduct of the audit and preparation of the Group's audit report. The key features and role of the ARMC in relation to the external auditors are included in the Committee's term of reference.

# MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)  
(Incorporated in Malaysia)

## ANNUAL REPORT 2024

### Corporate Governance Overview Statement (Cont'd)

#### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

##### Risk Management and Internal Control Framework

The ARMC receives risk reports from different business units of the Group to review risk management activities and report before recommending any action(s) to be taken for Board's approval. The Group's internal audit function is outsourced to an independent professional consultation firm namely, Eco Asia Governance Advisory Sdn. Bhd. which carried out internal audit based on the internal audit plan approved by the ARMC. All findings and recommendations for improvements from the internal audit are reviewed by the ARMC and presented to the respective departments for implementation accordingly.

Details of the Group's risk management and internal control system are set out in the Statement on Risk Management and Internal Control in this Annual Report.

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

##### Communication with Stakeholders

The Board recognises the importance of a constructive and effective relationship between the Company and its stakeholders, which is essential for the enhancement of shareholder value as well as timely dissemination of information to shareholders and/or stakeholders via different channels. The Board monitors all information required to be released to Bursa Securities and makes material announcements to Bursa Securities in a timely manner. The Board also strives to disclose price sensitive information to the public as soon as practicable through Bursa Securities, the media and the Company's website. The Company Secretary is responsible for compiling such information for the Board's approval and release such information to the market as required by Bursa Securities. Apart from the provisions relating to closed period for dealing in the Company's shares, the Directors and senior management who are privy to price sensitive information are prohibited from dealing until such information is publicly available. The Company's website at [www.minhomalaysia.com](http://www.minhomalaysia.com) is updated regularly and provides relevant information on the Company which is accessible to the public to make informed decisions. The Company is not categorised as a "Large company" and hence, has not adopted integrated reporting based on a globally recognised framework.

##### Relationship with Shareholders

The Board recognises the value of good investor relations and the importance of disseminating information in a fair and equitable manner. Thus, the Board stresses on maintaining good relationship with shareholders through good communication. The Group reaches out to its shareholders through distribution of annual reports, holding of AGMs which provides excellent opportunities for shareholders to raise questions and give comments on the business activities of the Group, announcements made to Bursa Securities and quarterly results announcements. All Directors endeavour to attend all general meetings to provide meaningful and informative answers to all questions raised by the shareholders. All resolutions set out in the notice of general meetings are voted by poll. The Board makes announcement of the detailed results showing the number of votes cast for and against each resolution at general meetings to facilitate greater shareholder participation. The Company also provides a website at [www.minhomalaysia.com](http://www.minhomalaysia.com) for shareholders and the general public to access pertinent financial and non-financial information pertaining to the company at all times.

# MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)  
(Incorporated in Malaysia)

## ANNUAL REPORT 2024

### Corporate Governance Overview Statement (Cont'd)

#### PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

##### Conduct of General Meetings

The AGM represents the primary platform for direct two-way interactions between shareholders, Directors and senior management of the Company.

In compliance with Practice 12.1 of the MCCG, the Company gives its shareholders at least 28 days' notice prior to the AGM, so as to give sufficient time to shareholders to consider the resolutions that will be discussed and decided at the AGM. The notice of AGM also provides detailed explanation for each resolution proposed to enable shareholders to make informed decisions in exercising their voting rights. Upon completion of the general meetings, the Company will upload the questions raised by the shareholders together with the answers responded by the Board and the management on the Company's website within 30 business days after the general meeting.

In line with the MMLR, the Company had implemented poll voting for all the resolutions set out in the notices of general meetings. An independent scrutineer is appointed to observe the polling process and to tabulate the polling results.

This statement is made in accordance with a resolution of the Board of Directors dated 24 April 2025.



# MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)  
(Incorporated in Malaysia)

## ANNUAL REPORT 2024

### Audit and Risk Management Committee Report

#### Membership

The Audit and Risk Management Committee ("**ARMC**") comprises the following members:-

<b>Tuan Haji Mohd Faizal Bin Haji Abdul Majid</b>	Chairman/ Independent Non-Executive Director
<b>Jeannie Lim Li Tein</b>	Member/ Independent Non-Executive Director
<b>Lim Kim Meng</b>	Member/ Independent Non-Executive Director

The ARMC comprises three (3) members, all of whom are Independent Non-Executive Directors ("**INED**"). The Chairman of the ARMC is a qualified accountant and a member of the Malaysian Institute of Accountants. The composition of the ARMC complies with paragraph 15.09(1) and paragraph 15.10 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**MMLR**").

#### Authority, Duties and Responsibilities of the ARMC

The ARMC is governed by its Terms of Reference, which is available on the Company's website at [www.minhomalaysia.com](http://www.minhomalaysia.com).

#### Meetings

During the financial year ended 31 December 2024 ("**FYE 2024**"), the ARMC held five (5) meetings and the details of meeting attendance of each committee member is as follows:-

<b>Name of Members</b>	<b>Meetings Attended</b>
Tuan Haji Mohd Faizal Bin Haji Abdul Majid	3/5
Lim Kim Meng	5/5
Jeannie Lim Li Tein	5/5

The Executive Directors, together with the members of the Management are invited to attend all the ARMC meetings particularly to provide clarification on audit and risk related issues and to report on the operations. The external auditors are also invited to attend the ARMC Meetings to present their audit plan and audit findings, and to assist the ARMC in its review of the year-end financial statements.

The ARMC Chairman engages on a continuous basis with Senior Management, and the external and internal auditor to keep abreast of matters affecting the Company and its subsidiaries ("**the Group**"). Where significant issues are noted, the ARMC Chairman communicates and confers with the other members, either through emails or in meetings.

The ARMC chairman reports the proceedings of the ARMC meetings to the Board after every ARMC meeting. Minutes of the ARMC meetings are circulated to all members of the Board and significant issues were brought up and discussed at Board meetings.

# MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)  
(Incorporated in Malaysia)

## ANNUAL REPORT 2024

### Audit and Risk Management Committee Report (cont'd)

#### Summary of Activities Carried Out by the ARMC

The activities carried out by the ARMC during FYE 2024 were as follows:-

#### Financials

- (a) Reviewed the unaudited consolidated quarterly financial statements of the Group and made recommendation to the Board for approval.
- (b) Reviewed the audited financial statements, directors' reports and other significant accounting issues arising from the audit for the financial year ended 31 December 2023 ("FYE 2023") with the external auditors before they were presented to the Board for approval.
- (c) Reviewed and recommended all the reports and statements for inclusion in the Company's 2023 Annual Report to the Board for approval.
- (d) Reviewed the foreign exchange transaction of the Group on a quarterly basis.

#### Matters relating to external audit

- (a) Reviewed with the external auditors, on the memorandum of matters for the first nine (9) months audit for FYE 2024.
- (b) Reviewed the audit planning memorandum for FYE 2024 prepared by the external auditors.
- (c) Reviewed with the external auditors, on matters arising from the management letter for FYE 2023 as well as the results of the audit, audit report and recommendations, key audit matters and significant audit findings.
- (d) Met with the external auditors without the presence of Executive Directors and the Management to discuss the overall assessment of the Group, to ensure that issues, if any, are brought to the attention of the ARMC and to provide the external auditors with an avenue to express any concerns they may have.
- (e) Discussed with the external auditors, the Group's audit, the auditors' responsibilities and scope of audit work in respect of the Group's financial statements.
- (f) Assessed and evaluated the performance, suitability, independence, technical competency and objectivity of the external auditors in respect of the audit work for FYE 2024. After carrying out the evaluation, recommended to the Board to propose to shareholders the re-appointment of the external auditors at the annual general meeting of the Company.
- (g) Reviewed the audit services and non-audit services provided by the external auditors and their corresponding fees incurred. The ARMC had concluded that the external auditors had remained independent during FYE 2024.
- (h) Reviewed the Statement on Risk Management and Internal Control and recommended to the Board for approval.

#### Matters relating to internal audit

- (a) Reviewed with the internal auditors, the Company's policies and standard operating procedures.
- (b) Reviewed and approved the internal audit plan for FYE 2024 to ensure adequate scope and coverage of the Group's activities based on identified and assessed key risk areas.
- (c) Reviewed all internal audit reports, including management's responses to the observations raised by the internal auditors, and action plans to be implemented by the management on the issues reported.

# MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)  
(Incorporated in Malaysia)

## ANNUAL REPORT 2024

### Audit and Risk Management Committee Report (cont'd)

- (d) Assessed and evaluated the performance and effectiveness of the internal audit during FYE 2024, which includes the scope, functions, competency and resources as well as their ability to serve the Group in terms of technical competencies and manpower resource sufficiency.
- (e) Reviewed the outcome of follow-up audits to ascertain the status of implementation by management on the agreed action plans highlighted in the previous internal audit reports.

#### Matters relating to related party transaction

- (a) Took note of all the recurrent related party transactions (“RRPTs”) reported on a quarterly basis.
- (b) Reviewed and deliberated on all proposed RRPTs to be entered into by the Group to ensure that the proposed transactions to be entered into are in the best interest of the Group, fair, reasonable and on normal commercial terms, and not detrimental to the interests of the minority shareholders of the Company.
- (c) Reviewed the circular to shareholders in relation to the proposed shareholders’ mandate for RRPTs prior to its approval by the Board.

#### **Summary of Internal Audit Function**

The Group adopted a risk-based approach and the monitoring of controls by responsible units within each of the subsidiary companies audited was a major function of the Internal Auditors (“IA”). The internal audit function of the Group is outsourced to an independent professional firm, namely Eco Asia Governance Advisory Sdn. Bhd. The IA assist the ARMC in assessing any significant exposure to risks as well as to make recommendation to the Management for improving the Group’s internal control system. The IA reports directly to the ARMC all findings and recommendations for the discussion and deliberation by the ARMC and instructions were given to the Management to take the necessary actions as recommended by the IA.

During the financial year under review, IA reviewed the production management of Indah Paper Industries Sdn. Bhd. , production management of Lionvest Timber Industries Sdn Bhd and the rental income management of Victory Enterprise Sdn. Bhd.

The internal audit activities were carried out in accordance with the internal audit plan that was approved by the ARMC. This was to ensure adequate scope and coverage of the audit work over the activities of the Group. During FYE 2024, the ARMC carried out its annual evaluation of the IA’s work and was satisfied with the overall performance of the IA.

Total cost incurred for the internal audit function during FYE 2024 amounted to RM36,774.00.

#### **Evaluation of the ARMC**

The Nomination and Remuneration Committee reviewed the term of office and performance of the ARMC and each of its member and presented the results to the Board for information. The Board was satisfied that the ARMC and its members have discharged their functions, duties and responsibilities in accordance with the ARMC’s terms of reference and supported the Board in ensuring that the Group upholds the relevant corporate governance standards.

# **MINHO (M) BERHAD**

Registration No. 199001009358 (200930-H)  
(Incorporated in Malaysia)

## **ANNUAL REPORT 2024**

### **Audit and Risk Management Committee Report (cont'd)**

#### **Training**

Details of training programmes and seminars attended by each ARMC member during the FYE 2024 are set out in this Annual Report.

This report is made in accordance with a resolution of the Board of Directors dated 24 April 2025.

# MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)  
(Incorporated in Malaysia)

## ANNUAL REPORT 2024

### Statement on Risk Management and Internal Control

#### INTRODUCTION

In accordance with paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”)(“**MMLR**”), the Malaysian Code on Corporate Governance and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (“**the Guidelines**”), the Board of Directors of Minho (M) Berhad (“**the Board**”) is pleased to present the Company’s Statement on Risk Management and Internal Control (“**Statement**”) which outlines the nature and scope of risk management and internal control system of Minho (M) Berhad and its subsidiary companies (“**the Group**”) for the financial year ended 31 December 2024 (“**FYE 2024**”).

#### BOARD RESPONSIBILITY

The Board acknowledges the importance of a sound risk management and internal control system being embedded into the Group’s culture, structure, management and operations. The Group’s risk management and internal control system is designed to manage the business risks that may impede the Group from achieving its corporate objectives and strategies. The Board affirms its overall responsibility for the Group’s system of internal control and performs periodic review to evaluate its adequacy and integrity. However, the Board is aware that such internal control system is designed to manage and control rather than eliminate risks entirely. Inherently, the risk management and internal control system can only provide reasonable but not absolute assurance against material misstatement or loss.

#### ROLE OF THE MANAGEMENT

Management is responsible for designing, implementing and monitoring the risk management framework in accordance with the Company’s corporate objectives and strategies. The Management also assists the Board in implementing the Group’s approved policies and procedures on risk and control by identifying, evaluating, measuring, monitoring and reporting risks as well as the effectiveness of the internal control systems, taking appropriate and timely remedial actions as required.

#### MAIN FEATURES OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The Company has in place an on-going process for identifying, evaluating and managing significant risks that may materially affect the achievement of its corporate objectives and strategies. The system is supported by an appropriate organisation structure with clear reporting lines from the respective business units up to the Board level. The duties and responsibilities of employees are outlined in their job description respectively. The scheduled and ad-hoc management and operational meetings are held at various business units to deliberate and resolve operational and business matters.

# MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)  
(Incorporated in Malaysia)

## ANNUAL REPORT 2024

### Statement on Risk Management and Internal Control (cont'd)

#### MAIN FEATURES OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (CONT'D)

The Board entrusts the Executive Committee (“EXCO”), which comprises the Executive Directors and senior management of the Group, with the responsibility of monitoring and reviewing strategic, financial and significant operational matters of the Group. In steering the Group towards the growth of its business, the EXCO prepares and monitors the Minho Group’s business plan as well as the Group’s operational efficiency and profitability, and reports to the Board.

Financial reports are prepared by the respective subsidiary level and escalated to the Company on a monthly basis. These reports are then used for the preparation of the Group Management Report, which is reviewed and deliberated on by the EXCO and provided for the Board’s review on a quarterly basis. This report provides information on the Group’s and respective division’s quarterly performance reviews, including ratio analysis and variances between actual performance and budget. The annual budget of the Group is also prepared and escalated to the Board for review and approval. Variances between actual performance and budget would be identified at Board meetings on a quarterly basis for appropriate corrective measures to be put in place.

Apart from the EXCO, the Board has established several Board Committees, i.e. the Audit and Risk Management Committee (“ARMC”) and Nomination and Remuneration Committee, to assist in discharging its duties. These Board Committees have been delegated with specific duties to review and consider the matters within the scope defined in their respective Terms of Reference.

The Board empowered its ARMC to review all risk management and internal control matters and highlight to the Board on any significant matters as well as the remedial action plans. The Group’s internal audit function is outsourced to an independent professional consultation firm namely, Eco Asia Governance Advisory Sdn. Bhd. that reports directly to the ARMC and provides assurance on the adequacy and effectiveness of the Group’s risk management and internal control system. The ARMC reviews and approves the Group’s internal audit plan, which was co-developed together with the respective Management. By applying a risk-based approach, periodic internal audit visits are carried out during the financial year based to all main and active subsidiaries of the Company on a rotation basis. Significant findings and recommendations for improvements are highlighted to the Management and the ARMC, together with the periodic follow-up on the implementation status of action plans. The Management is responsible for ensuring that the corrective actions have been implemented accordingly. During financial year ended 31 December 2024, internal audit conducted the review on production management of Indah Paper Industries Sdn. Bhd. , production management of Lionvest Timber Industries Sdn Bhd and the rental income management of Victory Enterprise Sdn. Bhd. The professional fee payable to the outsourced internal auditors for FYE 2024 amounted to RM36,774.00.

The Board having reviewed, believes that the risk management and internal control system are adequate. Appropriate mitigation plan and control procedures are put in place to deal with any identified weaknesses. As ‘work-from-home’ arrangements for employees have increasingly become a norm, necessary adjustment were made to various procedures without compromising on the internal control system. During the financial year, various deficiencies in the internal control system were identified by the outsourced internal auditors. The Management has taken the relevant corrective actions to address the identified deficiencies.

# MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)  
(Incorporated in Malaysia)

## ANNUAL REPORT 2024

### Statement on Risk Management and Internal Control (cont'd)

#### MAIN FEATURES OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (CONT'D)

##### ASSURANCE PROVIDED BY THE MANAGING DIRECTOR AND FINANCE DIRECTOR

For FYE 2024, the Executive Directors and Group Accountant have provided reasonable assurance to the Board that to the best of their knowledge, the Group's risk management and internal control system are operating adequately and effectively, in all material respects, to ensure achievement of its corporate objectives and strategies.

##### REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required under Paragraph 15.23 of the MMLR, the external auditors have reviewed this Statement in accordance with the Audit and Assurance Practice Guide 3 ("AAPG 3"), a guidance issued by the Malaysian Institute of Accountants for auditors on engagements to report on this Statement to be included in the 2024 Annual Report and reported to the Board that nothing has come to their attention that causes them to believe that this is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the Group's risk management and internal control system, and are in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Guidelines, nor is the Statement factually inaccurate. The report from the external auditors was made solely to the Board in connection with the compliance of the MMLR and for no other purpose or parties.

AAPG 3 does not require the external auditors to consider whether this Statement covers all the 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 and management thereon.

##### CONCLUSION

Based on quarterly updates by the ARMC and the assurance from the Executive Directors and Group Accountant of the Company, the Board is of the opinion that the risk management and internal control system that has been in place for the financial year under review and up to the date of issuance of this Statement is adequate and effective to provide reasonable assurance in safeguarding shareholders' investments, the Group's assets and other stakeholders' interest as well as addressing key risks impacting the business operations of the Group.

This Statement is made in accordance with a resolution of the Board of Directors dated 24 April 2025.

# MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)  
(Incorporated in Malaysia)

## ANNUAL REPORT 2024

### Other Compliance Information

The following information in respect of the financial year ended 31 December 2024 (“**FYE 2024**”) are provided for shareholders’ information and in accordance with the requirements of Bursa Malaysia Securities Berhad (“**Bursa**”):-

#### 1. Utilisation of Proceeds Raised from Corporate Proposals

There were no proceeds raised from any corporate proposals during FYE 2024.

#### 2. Exercise of Options, Warrants and Irredeemable Convertible Preference Shares

The Company did not exercise any Options, Warrants or Irredeemable Convertible Preference Shares during FYE 2024.

#### 3. Audit and Non-Audit Fees

A breakdown of fees for statutory audit and non-audit services incurred by the Company and the Group for FYE 2024 is set out in Note 8 of the Audited Financial Statements for FYE 2024 in this Annual Report.

#### 4. Material Contracts Involving Directors and/or Major Shareholders

There were no material contracts (not being contracts entered into in the ordinary course of business) which involved the interests of Directors and/or major shareholders of the Company, either still subsisting at the end of FYE 2024 or which entered into by the Group since the end of the previous financial year.

#### 5. Recurrent Related Party Transactions

Details of recurrent related party transactions are disclosed in Note 32 of the Audited Financial Statements for FYE 2024 in this Annual Report.



# MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)  
(Incorporated in Malaysia)

## ANNUAL REPORT 2024

### Simplified Group Statement of Financial Position

	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Assets</b>		
Property, plant and equipment	124,868	99,489
Investment properties	194,647	195,264
Right-of-use assets	11,927	24,868
Land held for investment	2,500	2,500
Inventories	85,824	96,476
Trade and other receivables	31,027	34,101
Tax recoverable	3,550	558
Short-term investments	7,579	10,322
Derivative financial assets	-	160
Fixed deposit with licensed banks	22,147	19,350
Cash and bank balances	30,558	32,630
	<hr/> 514,627	<hr/> 517,299
<b>Liabilities &amp; Shareholders' Equity</b>		
Trade and other payables	26,432	24,506
Provision for liabilities	127	127
Derivative financial liabilities	56	-
Loans and borrowings	19,935	16,791
Lease liabilities	12,075	19,857
Deferred tax liabilities	12,801	12,489
Share capital	206,368	206,368
Other reserves	13,464	13,464
Retained earnings	183,469	180,867
Non-controlling interests	39,900	41,249
	<hr/> 514,627	<hr/> 517,299

# MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)  
(Incorporated in Malaysia)

## ANNUAL REPORT 2024

### Segmental Information

Segment		Sales (RM '000)			Profit before tax (RM '000)		
		2024	2023	Variance	2024	2023	Variance
Timber Extraction	Lionvest Corporation (Pahang) Sdn. Bhd. & Abadi Canggih Sdn. Bhd.	-	-	-	(395)	(5)	(195%)
Timber Trading	Lionvest Plantation Sdn. Bhd., Victory Enterprise Sdn. Bhd. & Costraco Sdn. Bhd.	52,867	69,363	(27%)	1,403	4,317	(102%)
Manufacturing	Victory Enterprise Sdn. Bhd., Lionvest Timber Industries Sdn. Bhd., Indah Paper Industries Sdn. Bhd. & Euro-CGA Sdn. Bhd.	109,495	94,820	14%	6,944	7,934	(13%)
Services & Treatment	Syarikat Minho Kilning Sdn. Bhd.	22,618	26,109	(14%)	321	2,373	(152%)
Property Development	My Squares Development Sdn. Bhd.	-	-	-%	204	210	(3%)
Others	Minho (M) Berhad, Syarikat Vinco Timber Industries Sdn. Bhd., Idaman Heights Sdn. Bhd. & Lionvest Corporation (Pahang) Sdn. Bhd.	3,144	3,139	-%	4,960	(30,935)	115%
Elimination		-	-	-	(4,087)	31,002	(112%)
Total		188,124	193,430	(3%)	9,350	14,896	(46%)

# **MINHO (M) BERHAD**

Registration No. 199001009358 (200930-H)  
(Incorporated in Malaysia)

## **ANNUAL REPORT 2024**

### **Statement on Directors' Responsibility In Relation to the Financial Statements**

The Directors are responsible in ensuring that the financial statements give a true and fair view of the state of affairs of the Group and of the Company as at the end of each financial year, and of the results and the cash flows of the Group and the Company for that financial year then ended.

In preparing the financial statements, the Directors have ensured that suitable accounting policies have been consistently applied. Reasonable and prudent judgements and estimates have been made and ensured that all applicable accounting standards in Malaysia have been adhered to. The financial statements are prepared on a going concern basis as the Directors have reasonable expectation having made inquiries that the Group and Company have adequate resources to continue in operational existence for the foreseeable future.

The Directors are also responsible for ensuring that the Group and the Company maintain proper accounting records that disclose the financial position of the Group and the Company with reasonable accuracy, and which enable the financial statements to be complied with the regulatory requirements.

The Directors have overall responsibilities for taking such measures to safeguard the assets of the Group and of the Company and to prevent and to detect fraud and other irregularities.

# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Directors' Report

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

### Principal activities

The Company is principally engaged in investment holding activities. The principal activities of the subsidiaries are set out in Note 29.

There has been no significant change in the nature of these principal activities during the financial year.

### Results

	Group RM'000	Company RM'000
Profit for the financial year attributable to:		
Owners of the Company	5,634	3,196
Non-controlling interests	101	-
	<u>5,735</u>	<u>3,196</u>

In the opinion of the Board of Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

### Reserves and provisions

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

### Dividends

Since the end of the previous financial year, the Company has declared and paid a single tier interim dividend of 0.85 sen per ordinary share totaling RM3,031,959 in respect of the financial year ended 31 December 2024 on 30 December 2024.

### Directors

The Directors of the Company who served during the financial year up to the date of this report are:

Dato' Loo Keng An @ Lee Kim An \*  
Loo Say Leng \*  
Lim Kim Meng  
Khibir bin Razali \*

(Retired on 24 November 2024)

## **Minho (M) Berhad**

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

### **Directors' Report (Cont'd)**

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#### **Directors (cont'd)**

The Directors of the Company who served during the financial year up to the date of this report are: (cont'd)

Jeanne Lim Li Tein

Mohd Faizal Bin Abdul Majid

\*These Directors are also Directors of the Company's subsidiaries.

The names of the Directors of the Company's subsidiaries in office since beginning of the financial year to the date of this report (not including directors listed above) are:

Yew Kam @ Yeow Hong Chiang

Siew Kiat Seng

Ng Kok Guan

Ng Hoe Heng

Leong Voon Chong

Loo Say Kian

Lee Yee Yan

Loo Say Cheng

Tan Kim Kee

Yap Leong Seng

Yap Han Chin

(Alternate Director to Yap Leong Seng)

#### **Directors' benefits**

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of fees and emoluments received or due and receivable by the Directors, or the fixed salary of a full time employee of the Company) by reason of a contract made by the Company or its related corporations 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 substantial financial interests in companies which traded with certain companies in the Group in the ordinary course of business as disclosed in Note 32(a) to the financial statements.

Neither at the end of the financial year, nor at any time during that financial year, was the Company a party to any arrangements with the object of enabling Directors of the Company to acquire benefits by means of the acquisitions of shares in, or debentures of, the Company or any other body corporate.

## Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

### Directors' Report (Cont'd)

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#### Directors' remuneration

Directors' remuneration paid to or receivable by Directors from the Company and subsidiaries of the Company in respect of the financial year is as follows:

	Group RM'000	Company RM'000
Fees	816	60
Salary, allowance, bonus and defined contribution plans	4,340	166
Benefits-in-kind	75	-
	<u>5,231</u>	<u>226</u>

#### Directors' interest

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016 ("the Act"), the interests and deemed interests of Directors in office at the end of the financial year in the shares of the Company during the financial year are as follows:

	Number of ordinary shares				<u>As at 31.12.2024</u>
	<u>As at 01.01.2024</u>	<u>Bought</u>	<u>Sold</u>	<u>Adjustment</u>	
<b>Interest in the Company</b>					
<u>Direct interest:</u>					
Lim Kim Meng	260,947	-	-	-	260,947
Mohd Faizal Bin Abdul Majid	3,131	-	-	-	3,131
<u>Indirect interest:</u>					
Dato' Loo Keng An @ Lee Kim An^	104,069,148	-	-	-	104,069,148

^Indirect interest is majority held through Minho Holdings Sdn. Bhd..

By virtue of their interest in the shares of the Company, the above Directors are also deemed interested in the shares of the subsidiaries during the financial year to the extent that the Company has an interest.

None of the other Directors in office at the end of the financial year has any interest in shares and warrants of the Company or its related corporations during the financial year.

# **Minho (M) Berhad**

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## **Directors' Report (Cont'd)**

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### **Issue of shares and debentures**

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

### **Options granted over unissued shares**

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

### **Other statutory information**

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of impairments and satisfied themselves that all known bad debts had been written off and that impairments had been made; and
- (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

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

- (i) which would render the amount writing off for bad debts and the amount of impairments in the financial statements of the Group and of the Company inadequate to any material extent; or
- (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading;
- (iii) not otherwise dealt with in the report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading; and
- (iv) 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.

## **Minho (M) Berhad**

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

### **Directors' Report (Cont'd)**

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#### **Other statutory information (cont'd)**

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

- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year other than those arising in the normal course of business of the Group and of the Company as disclosed in Note 31 to the financial statement.

In the opinion of the Directors:

- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.
- (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

#### **Indemnification to Directors, officers or auditors**

The Directors and officers of the Group and of the Company are covered by liability insurance up to an aggregate limit of RM5,000,000 pursuant to Section 289 of the Act. The amount of insurance premium payable for the financial year is RM12,000.

To the extent permitted by the Act, the Company has agreed to indemnify its auditors as part of the terms of their engagement against claims by third parties arising from the audit. No payment has been made to indemnify the auditors during or since the financial year end.

#### **Significant event during the financial year**

The details of the Group's significant event during the financial year are disclosed in Note 37 to the financial statements.



## **Minho (M) Berhad**

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

### **Directors' Report (Cont'd)**

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#### **Subsidiaries**

The details of the Company's subsidiaries are disclosed in Note 29 to the financial statements.

#### **Auditors**

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

The auditors' remuneration for the financial year is RM235,000 and RM58,000 for the Group and the Company respectively.

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

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**Dato' Loo Keng An @ Lee Kim An**  
Director  
24 April 2025

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**Loo Say Leng**  
Director

## **Minho (M) Berhad**

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

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### **Statement by Directors**

#### **Pursuant to Section 251(2) of the Companies Act 2016**

We, **Dato' Loo Keng An @ Lee Kim An** and **Loo Say Leng**, being two of the Directors of **Minho (M) Berhad**, state that, in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of the 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' Loo Keng An @ Lee Kim An**

Director

24 April 2025

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**Loo Say Leng**

Director

### **Statutory declaration**

#### **Pursuant to Section 251(1) of the Companies Act 2016**

I, **Loo Say Leng**, being the Director primarily responsible for the financial management of **Minho (M) Berhad**, do solemnly and sincerely declare that the accompanying financial statements are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by  
the abovenamed at Petaling Jaya in the state of  
Selangor Darul Ehsan on 24 April 2025

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**Loo Say Leng**

Before me,

Commissioner for Oaths

# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Statements of Profit or Loss and Other Comprehensive Income For the Financial Year Ended 31 December 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	5	188,124	193,430	2,071	8,000
Cost of sales		<u>(165,668)</u>	<u>(169,949)</u>	<u>-</u>	<u>-</u>
Gross profit		22,456	23,481	2,071	8,000
Other income	6	20,941	15,986	1,648	124
Marketing and distribution expenses		(7,237)	(765)	-	-
Administrative expenses		(23,988)	(19,538)	(478)	(503)
Other operating expenses		<u>(1,472)</u>	<u>(2,881)</u>	<u>(52)</u>	<u>(40,413)</u>
Profit/(Loss) from operations		10,700	16,283	3,189	(32,792)
Finance costs	7	<u>(1,350)</u>	<u>(1,387)</u>	<u>-</u>	<u>-</u>
Profit/(Loss) before tax	8	9,350	14,896	3,189	(32,792)
Tax expense	10	<u>(3,615)</u>	<u>(7,230)</u>	<u>7</u>	<u>(27)</u>
Profit/(Loss)/Total comprehensive income/(loss) for the financial year		<u>5,735</u>	<u>7,666</u>	<u>3,196</u>	<u>(32,765)</u>
Profit/Total comprehensive income for the financial year attributable to:					
Owners of the Company		5,634	5,458		
Non-controlling interests		<u>101</u>	<u>2,208</u>		
		<u>5,735</u>	<u>7,666</u>		
Basic earnings per ordinary share (sen)	11	<u>1.58</u>	<u>1.53</u>		
Diluted earnings per ordinary share (sen)	11	<u>1.58</u>	<u>1.53</u>		

The notes to the financial statements form an integral part of the financial statements.

# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Statement of Financial Position

As At 31 December 2024

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Non-current assets</b>					
Property, plant and equipment	12	124,868	99,489	-	-
Investment properties	13	194,647	195,264	-	-
Rights-of-use assets	14	11,927	24,868	-	-
Land held for investment	15	2,500	2,500	-	-
Investment in subsidiaries	29	-	-	151,090	149,611
		<u>333,942</u>	<u>322,121</u>	<u>151,090</u>	<u>149,611</u>
<b>Current assets</b>					
Inventories	16	85,824	96,476	-	-
Trade and other receivables	17	31,027	34,101	510	-
Tax recoverable		3,550	558	533	441
Short-term investments	18	7,579	10,322	2,670	2,593
Derivative financial assets	19	-	160	-	-
Fixed deposit with licensed banks	20	22,147	19,350	-	-
Cash and bank balances	21	30,558	32,630	1,157	3,051
		<u>180,685</u>	<u>195,178</u>	<u>4,870</u>	<u>6,085</u>
<b>Total assets</b>		<u>514,627</u>	<u>517,299</u>	<u>155,960</u>	<u>155,696</u>

The notes to the financial statements form an integral part of the financial statements.

# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Statement of Financial Position As At 31 December 2024 (Cont'd)

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Equity</b>					
Share capital	22	206,368	206,368	206,368	206,368
Other reserves	23	13,464	13,464	-	-
Retained earnings		183,469	180,867	(50,566)	(50,730)
Equity attributable to owners of the Company		403,301	400,699	155,802	155,638
Non-controlling interests		39,900	41,249	-	-
Total equity		443,201	441,948	155,802	155,638
<b>Non-current liabilities</b>					
Loan and borrowings	24	10,027	114	-	-
Lease liabilities	25	3,875	8,897	-	-
Deferred tax liabilities	26	12,801	12,489	-	-
		26,703	21,500	-	-
<b>Current liabilities</b>					
Trade and other payables	27	26,432	24,506	158	58
Provision for liabilities	28	127	127	-	-
Derivative financial liabilities	19	56	-	-	-
Loan and borrowings	24	9,908	16,677	-	-
Lease liabilities	25	8,200	10,960	-	-
		44,723	53,851	158	58
<b>Total liabilities</b>		71,426	75,351	158	58
<b>Total equity and liabilities</b>		514,627	517,299	155,960	155,696

The notes to the financial statements form an integral part of the financial statements.

# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Statements of Changes in Equity For the Financial Year Ended 31 December 2024

	← Attributable to owners of the Company →					
	← Non-distributable →			Distributable		
	Total equity RM'000	Equity attributable to owners of the Company RM'000	Share capital RM'000	Other reserves RM'000	Retained earnings RM'000	Non- controlling interests RM'000
<b>Group</b>						
At 1 January 2024	441,948	400,699	206,368	13,464	180,867	41,249
Profit/Total comprehensive income for the financial year	5,735	5,634	-	-	5,634	101
Dividend paid	(4,482)	(3,032)	-	-	(3,032)	(1,450)
At 31 December 2024	<u>443,201</u>	<u>403,301</u>	<u>206,368</u>	<u>13,464</u>	<u>183,469</u>	<u>39,900</u>

The notes to the financial statements form an integral part of the financial statements.

# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Statement of Changes in Equity

For the Financial Year Ended 31 December 2024 (Cont'd)

	← Attributable to owners of the Company →					Non-controlling interests RM'000
	Total equity RM'000	Equity attributable to owners of the Company RM'000	Share capital RM'000	← Non-distributable → Distributable		
Other reserves RM'000				Retained earnings RM'000		
<b>Group</b>						
At 1 January 2023	435,864	395,241	206,368	13,464	175,409	40,623
Profit/Total comprehensive income for the financial year	7,666	5,458	-	-	5,458	2,208
Dividend paid	(1,582)	-	-	-	-	(1,582)
At 31 December 2023	441,948	400,699	206,368	13,464	180,867	41,249

The notes to the financial statements form an integral part of the financial statements.

## Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

### Statement of Changes in Equity For the Financial Year Ended 31 December 2024 (Cont'd)

			Non-distributable	Distributable
	Note	Total equity RM'000	Share capital RM'000	Retained earnings RM'000
<b>Company</b>				
At 1 January 2023		188,457	206,368	(17,911)
Profit/Total comprehensive income for the financial year		(32,819)	-	(32,819)
At 31 December 2023/1 January 2024		155,638	206,368	(50,730)
Loss/Total comprehensive loss for the financial year		3,196	-	3,196
Dividend paid	30	(3,032)	-	(3,032)
At 31 December 2024		155,802	206,368	(50,566)

The notes to the financial statements form an integral part of the financial statements.



# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Statements of Cash Flows

For the Financial Year Ended 31 December 2024

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Cash flows from operating activities</b>				
Profit/(Loss) before tax	9,350	14,896	3,189	(32,792)
Adjustments for:				
Amortisation of rights of use assets	6,552	7,546	-	-
Depreciation:				
- property, plant and equipment	4,450	2,692	-	-
- investment properties	2,218	2,147	-	-
Net (reversal)/provision of impairment on investment in subsidiaries, net	-	-	(1,479)	40,412
Interest expenses	1,350	1,387	-	-
Net impairment on property, plant and Equipment	3,012	-	-	-
Net (reversal)/impairment on trade receivable:				
- expected credit loss	(69)	(37)	-	-
- specific allowances	731	(330)	-	-
Unrealised loss foreign exchange, net	87	323	-	-
Provision for inventories write down, net	142	261	-	-
Gain on disposal of property, plant and equipment, net	(669)	(597)	-	-
Gain on disposal of investment properties	(652)	-	-	-
Loss on lease modification	-	46	-	-
Income from short-term investment	(257)	(389)	(77)	(70)
Interest income	(841)	(751)	(41)	(54)
	16,054	12,298	(1,597)	40,288
<b>Operating profit before changes in working capital</b>	25,404	27,194	1,592	7,496

The notes to the financial statements form an integral part of the financial statements.

# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Statements of Cash Flows

For the Financial Year Ended 31 December 2024 (Cont'd)

	Group		Company	
	2024	2023	2024	2023
Note	RM'000	RM'000	RM'000	RM'000
<b>Cash flows from operating activities (cont'd)</b>				
Movement in inventories	10,510	(8,051)	-	-
Movement in receivables	2,325	(5,716)	(510)	496
Movement in payables	2,048	5,917	100	-
<b>Cash generated from/(used in) operations</b>	<b>40,287</b>	<b>19,344</b>	<b>1,182</b>	<b>7,992</b>
Interest received	142	539	-	-
Income tax paid, net of refunded	(6,298)	(4,956)	(85)	(95)
Interest expense on bank overdraft	(157)	(85)	-	-
<b>Net cash from/(used in) operating activities</b>	<b>33,974</b>	<b>14,842</b>	<b>1,097</b>	<b>7,897</b>
<b>Cash flows from investing activities</b>				
Acquisition of subsidiaries	-	-	-	-
Dividend paid	-	-	(3,032)	-
Decrease/(Increase) in derivative financial asset	105	(34)	-	-
Increase in investment in subsidiaries	-	-	-	(7,500)
Income from short-term investment	257	389	77	70
Interest received	699	212	-	-
Proceeds from disposal of property, plant and equipment	665	1,435	-	-
Proceeds from disposal of investment properties	965	-	-	-
Purchase of investment properties	13	(949)	-	-
Purchase of property, plant and Equipment, net	12	(16,422)	-	-
Purchase of rights-of-use assets	14	(19)	-	-
<b>Net cash (used in)/generated from investing activities</b>	<b>(14,699)</b>	<b>(12,394)</b>	<b>(2,955)</b>	<b>(7,430)</b>

The notes to the financial statements form an integral part of the financial statements.

# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Statements of Cash Flows

For the Financial Year Ended 31 December 2024 (Cont'd)

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Cash flows from financing activities</b>					
Dividends paid		(4,482)	(1,854)	-	-
(Increase)/Withdrawal in deposits with licensed bank - pledged		(3,855)	658	-	-
Interest income		-	-	41	54
Repayment of lease liabilities - net		(9,080)	(9,396)	-	-
(Repayment)/Drawdown of bankers' acceptance and letter of credit - net		(9,683)	5,773	-	-
Repayment of term loans - net		(972)	(2,681)	-	-
<b>Net cash (used in)/generated from financing activities</b>	(a)	<u>(28,072)</u>	<u>(7,500)</u>	<u>41</u>	<u>54</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		(8,797)	(5,052)	(1,817)	521
<b>Effects of foreign exchange rate</b>		-	-	-	-
<b>Cash and cash equivalents at beginning of financial year</b>		54,213	59,265	5,644	5,123
<b>Cash and cash equivalents at end of financial year</b>	22	<u>45,416</u>	<u>54,213</u>	<u>3,827</u>	<u>5,644</u>

The notes to the financial statements form an integral part of the financial statements.

## Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

### Consolidated Statements of Cash Flows

For the Financial Year Ended 31 December 2024 (Cont'd)

#### Note (a): Movement in financial liabilities arising from financing activities

Group	At 1 January RM'000	Net cash flows RM'000	Interest expenses RM'000	New lease/Drawdown of term loan RM'000	Lease modification RM'000	At 31 December RM'000
<b>2024</b>						
Lease liabilities	19,857	(9,080)	317	981	-	12,075
Bankers' acceptance and bank revolving credit	13,196	(9,683)	390	-	-	3,903
Term loans	2,022	(972)	486	10,000	-	11,536
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>2023</b>						
Lease liabilities	20,005	(9,396)	571	7,112	1,565	19,857
Bankers' acceptance and bank revolving credit	6,868	5,773	555	-	-	13,196
Term loans	4,527	(2,681)	176	-	-	2,022
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

The notes to the financial statements form an integral part of the financial statements.

# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024

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#### 1. Corporate Information

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company changed from No. 808, Jalan 17/24, 46400 Petaling Jaya, Selangor Darul Ehsan, Malaysia to Unit 2005, 20th Floor, Tower 2, Faber Towers, Jalan Desa Bahagia, Taman Desa, 58100 Kuala Lumpur. The principal place of business of the Company is located at Lot 6476, Lorong Sg. Puluh, Batu 6, Off Jalan Kapar, 42100 Klang, Selangor Darul Ehsan, Malaysia.

The Company is principally engaged in investment holding activities. The principal activities of the subsidiaries are set out in Note 29.

There has been no significant change in the nature of these principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 24 April 2025.

#### 2. Basis of preparation

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

The financial statements of the Group and of the Company have been prepared on the historical cost basis except as disclosed in the Material accounting policy information in Note 3 to the financial statements.

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

The preparation of financial statements in conformity with MFRS and IFRS requires the management to make judgements and estimates and that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent assets and contingent liabilities, if any. Judgements and estimates are applied in the measurement, hence actual results could differ from reported amounts. The areas involving higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4 to the financial statements.

# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

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#### 2. Basis of preparation (cont'd)

##### 2.1 Adoption of MFRS and Amendments to MFRS during the current financial year

The following are MFRS and amendments to MFRS that are effective and have been adopted by the Group and the Company:

<b><u>MFRS (Including the Consequential Amendments)</u></b>	<b><u>Effective Date</u></b>
Amendments to MFRS 16, 'Leases' – Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101, 'Presentation of Financial Statements' – Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101, 'Presentation of Financial Statements' – Non-current liabilities with Covenants	1 January 2024
Amendments to MFRS 107, 'Statements of Cash Flows' and MFRS 7 'Financial Instruments Disclosures' – Supplier Finance Arrangements	1 January 2024

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

##### 2.2 MFRS and amendments to MFRS that have been issued, but yet to be adopted

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

<b><u>MFRS (Including the Consequential Amendments)</u></b>	<b><u>Effective Date</u></b>
Amendments to MFRS 121, 'The Effects of Changes in Foreign Exchange Rates' – Lack of Exchangeability	1 January 2025
Amendments to MFRS 9, 'Financial Instruments' and MFRS 7, – 'Financial Instruments: Disclosures' – Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9, 'Financial Instruments' and MFRS 7, 'Financial Instruments: Disclosures' -Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026
MFRS 18, 'Presentation and Disclosure in Financial Statements'	1 January 2027
MFRS 19, 'Subsidiaries without Public Accountability: Disclosures'	1 January 2027

# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

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#### 2. Basis of preparation (cont'd)

##### 2.2 MFRS and amendments to MFRS that have been issued, but yet to be adopted (cont'd)

The following are MFRS and amendments to MFRS that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective and have not been adopted by the Group and the Company: (cont'd)

<b><u>MFRS (Including the Consequential Amendments) (cont'd)</u></b>	<b><u>Effective Date</u></b>
Amendments to MFRS 10, 'Consolidated Financial Statements' and MFRS 128, 'Investment in Associates and Joint Ventures' – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'	To be announced

The Group and the Company plan to apply the abovementioned MFRS and amendments to MFRS, where applicable to the Group and the Company, from the beginning of the financial year where they become effective.

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

# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

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#### 3. Material accounting policy information

##### 3.1 Basis of consolidation

###### (a) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. Acquisition-related costs are expensed as incurred and included in administrative expenses.

For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. When the Group acquires a business, it assesses the financial assets and financial liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. It is then considered in the determination of goodwill.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 'Financial Instruments' ("MFRS 9") is measured at fair value with changes in fair value recognised either in profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of MFRS 9, it is measured in accordance with the appropriate MFRSs. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

###### (b) Investments in subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Control is achieved when the Group is exposed to, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. In assessing control, potential voting rights that presently are exercisable are taken into account.



# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

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#### 3. Material accounting policy information (cont'd)

##### 3.1 Basis of consolidation (cont'd)

##### (b) Investments in subsidiaries (cont'd)

The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affects the investee's return. When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is held for sale (accounted for in accordance with MFRS 5 'Non-current Assets Held for Sale and Discontinued Operations) or distribution. The cost of investment includes transaction costs.

The policy for the recognition and measurement of impairment is in accordance with Note 3.5 to the financial statements. On disposal, the difference between the net disposals proceeds and its carrying amount is recognised as gain or loss on disposal in profit or loss.

##### (c) Acquisitions of non-controlling interests

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions between the Group and its non-controlling interest holders. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received are recognised directly in equity and attributable to the equity holders of the Company.

##### (d) Loss of control

Upon the loss of control of a subsidiary, the Group derecognised the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date the control ceases. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

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#### 3. Material accounting policy information (cont'd)

##### 3.1 Basis of consolidation (cont'd)

###### (e) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity, separately from equity attributable to equity holders of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statements of comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and the equity holders of the Company.

Losses applicable to non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Transactions with non-controlling interests are accounted for using the entity concept method, whereby, transactions with non-controlling interests are accounted for as transactions with owners. On acquisition of non-controlling interests, the difference between the consideration and book value of the share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interests is recognised directly in equity.

###### (f) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. The consolidated financial statements reflect external transactions only. The financial statements of the Group are prepared for the same reporting period, using consistent accounting policies.

##### 3.2 Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

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#### 3. Material accounting policy information (cont'd)

##### 3.2 Foreign currency transactions (cont'd)

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

##### 3.3 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group or the Company and the cost of the item can be measured reliably.

Subsequent to initial recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Group or the Company recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation of an asset begins when it is ready for its intended use. Freehold land has an infinite life and therefore is not depreciated. Leasehold land is depreciated over the remaining lease term. Work-in-progress is also not depreciated as asset is not available for use. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets as follows:

Buildings	2%
Plant and machinery	5% - 20%
Forklifts, trucks and motor vehicles	16% - 25%
Furniture, fittings and office equipment	10% - 33 1/3%
Other assets	8% - 20%

# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

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#### 3. Material accounting policy information (cont'd)

##### 3.3 Property, plant and equipment (cont'd)

The assets' residual value, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The policy for recognition and measurement of impairment losses is in accordance with Note 3.5 to the financial statements.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

##### 3.4 Investment properties

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or appreciation or for both, but not for sale in the ordinary course of business, used in the production or supply of goods or services or for administrative purposes.

Investment properties are initially measured at cost, including expenditure directly attributable to the acquisition of investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for its intended use and the capitalised borrowing costs. Investment properties are measured using cost model. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment.

Freehold land has an infinite life and therefore is not depreciated. Depreciation of investment properties is provided for on the straight-line basis over the estimated useful life at the annual rate of 2%.

Investment properties are derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the disposal or retirement of an investment property is recognised in profit or loss in the year of disposal or retirement.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 3.3 to the financial statements up to date of change in use.

# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

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#### 3. Material accounting policy information (cont'd)

##### 3.5 Impairment of non-financial assets

The carrying amounts of other assets are reviewed at the end of each reporting date to determine whether there is an indication of impairment. If such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows from continuing use Cash-Generating Unit ("CGU").

The recoverable amount of an asset or CGU is the greater of its fair value less cost to sell and its value in use. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

An impairment loss is recognised if the carrying amount of an asset or its related CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rated basis.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. The increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

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#### 3. Material accounting policy information (cont'd)

##### 3.6 Inventories

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

- Raw materials: purchase costs on a first-in first-out basis.
- Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a first-in first-out basis.
- Property inventories: lower of costs and net realisable value. Cost includes the relevant cost of land, development expenditure and related interest cost incurred during the development period.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

##### 3.7 Property development costs

Property development in progress comprises cost of land currently being developed together with related development cost common to the whole project and direct building cost.

The property development cost is subsequently recognised as an expense in profit or loss as and when the control of the inventory is transferred to the customer. Property development cost of unsold unit is transferred to completed properties once the development is completed.

##### 3.8 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and bank balances, deposits with licensed banks and financial institutions, short term investment, and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of twelve months or less, and are used by the Group and the Company in the management of their short-term commitments. For the purpose of the statements of cash flows, cash and cash equivalents include cash on hand, cash at banks and short term investment, net of bank overdrafts and pledged deposits.

##### 3.9 Equity instruments

Equity instruments are contracts that give a residual interest in the assets of the Group and the Company after deducting all of their liabilities. Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

##### (a) Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are classified as equity instruments.

# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

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#### 3. Material accounting policy information (cont'd)

##### 3.9 Equity instruments (cont'd)

###### (a) Share capital and share issuance expenses (cont'd)

Ordinary shares are recorded at the proceeds received at issuance and classified as equity. Transaction costs directly related to the issuance of equity instrument are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to profit or loss.

Dividends on ordinary shares are recognised as liabilities when proposed or declared before the reporting date. A dividend proposed or declared after the reporting date, but before the financial statements are authorised for issue, is not recognised as a liability at the reporting date.

###### (b) Treasury shares

When shares of the Company that have not been cancelled and recognised as equity are reacquired, the amount of consideration paid, including directly attributable costs, net of tax deductions, is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

##### 3.10 Financial assets

Financial assets are recognised in the statement of financial position when, and only when, the Group become a party to the contractual provisions of the financial instrument.

When financial assets are initially recognised, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss ("FVTPL"), directly attributable transaction costs. Financial assets are classified at initial recognition, and subsequent measured as below:

###### (i) Financial assets measured at amortised cost

Financial assets that are debt instruments are measured at amortised cost if they are held within a business model whose objective is to collect contractual cash flows and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss through the amortisation process and when the financial assets are impaired or derecognised.

The Group and the Company's financial assets at amortised cost include trade receivables, other receivables and deposits, deposits with licensed banks and cash and bank balances.

# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

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#### 3. Material accounting policy information (cont'd)

##### 3.10 Financial assets (cont'd)

When financial assets are initially recognised, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss ("FVTPL"), directly attributable transaction costs. Financial assets are classified at initial recognition, and subsequent measured as below: (cont'd)

##### (ii) Financial assets measured at fair value

Financial assets that are debt instruments are measured at fair value through other comprehensive income ("FVTOCI") if they are held within a business model whose objectives are to collect contractual cash flows and selling the financial assets, and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets that are debt instruments are measured at fair value. Any gains or losses arising from the changes in fair value of these financial assets are recognised in other comprehensive income, except impairment losses, exchange differences and interest income which are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Financial assets that are debt instruments which do not satisfy the requirements to be measured at amortised cost or FVTOCI are measured at FVTPL. Short-term investments and derivative financial assets of the Group and of the Company are classified as FVTPL.

Equity instruments are classified as financial assets measured at FVTPL if they are held for trading or are designated as such upon initial recognition. Financial assets are classified as held for trading if they are acquired principally for sale in the near term or are derivatives that do not meet the hedge accounting criteria (including separated embedded derivatives). The Group and the Company do not have any financial assets that are equity instruments measured at FVTPL.

Subsequent to initial recognition, financial assets that are equity instruments are measured at fair value. Any gains or losses arising from the changes in fair value of these financial assets are recognised in other comprehensive income and are not subsequently transferred to profit or loss. Dividends on equity instruments are recognised in profit or loss when the Group and the Company's right to receive payment is established.



# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

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#### 3. Material accounting policy information (cont'd)

##### 3.10 Financial assets (cont'd)

When financial assets are initially recognised, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss ("FVTPL"), directly attributable transaction costs. Financial assets are classified at initial recognition, and subsequent measured as below: (cont'd)

##### (iii) Derecognition

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the settlement date, i.e. the date that the asset is delivered to or by the Group and the Company.

##### 3.11 Impairment of financial assets

The Group and the Company assess at each financial year end whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring over the expected life with the risk of default since initial recognition.

In determining whether credit risk on a financial asset has increased significantly since initial recognition, the Group and the Company use historical experience and other supportive information to assess deterioration in credit quality of a financial asset. The Group and the Company assess whether the credit risk on a financial asset has increased significantly on an individual or collective basis. For collective basis evaluation, financial assets are grouped on the basis of similar risk characteristics.

The Group and the Company consider past loss experience and observable data such as current changes and future forecasts in economic conditions to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

The amount of impairment loss is measured as the probability-weighted present value of all cash shortfalls over the expected life of the financial asset discounted at its original effective interest rate. The cash shortfall is the difference between all contractual cash flows that are due to the Group and the Company and all the cash flows that the Group and the Company expect to receive. The carrying amount of the financial asset is reduced through the use of an allowance account and the impairment loss is recognised in profit or loss. When a financial asset becomes uncollectible, it is written off against the allowance account.

# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

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#### 3. Material accounting policy information (cont'd)

##### 3.11 Impairment of financial assets (cont'd)

The Group and the Company measure the impairment loss on financial assets other than trade receivables based on the two-step approach as follow:

(i) 12-months ECL

For a financial asset for which there is no significant increase in credit risk since initial recognition, the Group and the Company shall measure the allowance for impairment for that financial asset at an amount based on the probability of default occurring within the next 12 months considering the loss given default of that financial asset.

(ii) Lifetime ECL

For a financial asset for which there is a significant increase in credit risk since initial recognition, a lifetime ECL for that financial asset is recognised as allowance for impairment by the Group and the Company. If, in a subsequent period the significant increase in credit risk since initial recognition is no longer evident, the Group and the Company shall revert the loss allowance measurement from lifetime ECL to 12-months ECL.

For trade receivables, the Group and the Company measure impairment loss based on lifetime ECL at each reporting date until the financial assets are derecognised.

##### 3.12 Financial liabilities

(i) Initial recognition and subsequent measurement

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. All financial liabilities are measured initially at fair value plus directly attributable costs, except in the case of financial liabilities at FVTPL.

Financial liabilities are recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

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#### 3. Material accounting policy information (cont'd)

##### 3.12 Financial liabilities (cont'd)

###### (i) Initial recognition and subsequent measurement (cont'd)

###### (a) Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities held for trading include derivatives entered into by the Group or the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company do not have any financial liabilities at FVTPL in the current financial year and previous financial year.

###### (b) Other financial liabilities

The Group's and the Company's other financial liabilities consist of trade and other payables, lease liabilities and loan and borrowings.

Trade and other payables, lease liabilities and loan and borrowings are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are classified as current liabilities unless the Group or the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

###### (ii) Derecognition

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

###### (iii) Offsetting

Financial liabilities are offset and net amount presented in the statement of financial position when, only when, the Group or the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liabilities simultaneously.

# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

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#### 3. Material accounting policy information (cont'd)

##### 3.13 Provisions

Provisions are recognised when the Group or the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

##### 3.14 Leases

###### (i) As lessee

The Group recognise a right-of-use asset and a lease liability at the commencement date of the contract for all leases excluding short-term leases or leases for which the underlying asset is of low value, conveying the right to control the use of an identified asset for a period of time.

The right-of-use assets are initially recorded at costs, which comprises:

- (i) The amount of initial measurement of the lease liability;
- (ii) Any lease payments made at or before the commencement date of the lease, less any lease incentives received;
- (iii) Any initial direct costs incurred by the Group; and
- (iv) An estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the lessor.

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

Depreciation is computed on a straight-line basis over the estimated useful lives of the right-of-use assets, which is based on the earlier of the end of useful life and the end of the lease term of the lease liability.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciate the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

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#### 3. Material accounting policy information (cont'd)

##### 3.14 Leases (cont'd)

###### (i) As lessee (cont'd)

In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

In determining the enforceable period of the lease, the Group considers the following:

- the broader economics of the contract, and not only contractual termination payments. If either party has an economic incentive not to terminate the lease such that it would incur a penalty on termination that is more than insignificant, the contract is deemed enforceable beyond the date on which the contract can be terminated; and
- whether each of the parties has the right to terminate the lease without permission from the other party with no more than an insignificant penalty. A lease is no longer enforceable only when both parties have such a right. Consequently, if only one party has the right to terminate the lease without permission from the other party with no more than an insignificant penalty, the contract is deemed enforceable beyond the date on which the contract can be terminated by that party.

The Group reassesses the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and affects whether the Group is reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities.

The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis, as follows:

Building	2 - 3 years
Motor vehicles	3 - 5 years
Plant and machinery	10 years

The lease liability is initially measure at the present value of the lease payments that are not paid at that date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group its incremental borrowing rate. Subsequent to the initial recognition, the Group measure the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect lease payments made, and remeasuring the carrying amount to reflect any reassessment or lease modifications.

# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

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#### 3. Material accounting policy information (cont'd)

##### 3.14 Leases (cont'd)

###### (ii) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct cost incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

##### 3.15 Revenue recognition

The Group and the Company recognise revenue from contracts with customers based on five-step model as set out in MFRS 15:

- (i) Identify contract(s) with a customer. A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.
- (ii) Identify performance obligations in the contract. A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- (iii) Determine the transaction price. The transaction price is the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- (iv) Allocate the transaction price to the performance obligations in the contract. For a contract that has more than one performance obligation, the Group and the Company allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group and the Company expect to be entitled in exchange for satisfying each performance obligation.
- (v) Recognise revenue when (or as) the Group and the Company satisfy a performance obligation.

# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

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#### 3. Material accounting policy information (cont'd)

##### 3.15 Revenue recognition (cont'd)

The Group and the Company satisfy a performance obligation and recognise revenue over time if the Group's and the Company's performance:

- (i) Do not create an asset with an alternative use to the Group and the Company and have an enforceable right to payment for performance completed to-date; or
- (ii) Create or enhance an asset that the customer controls as the asset is created or enhanced; or
- (iii) Provide benefits that the customer simultaneously receives and consumes as the Group and the Company perform.

For performance obligations where any one of the above conditions is not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Group and the Company satisfy a performance obligation by delivering the promised goods or services, it creates a contract-based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

Revenue is measured at the fair value of consideration received or receivable. The Group's revenue from contracts with customers are further described below:

##### (a) Sale of goods and services rendered

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's and Company's activities. Revenue is shown net of value-added tax if any, returns, rebates and discounts.

Revenue from sale of goods is recognised when control of the goods has been transferred to the customer. Revenue in respect of services rendered is recognised upon services rendered and the benefits has been received by the customer.

##### (b) Property development

Property development contracts with customers may include multiple promises to customers and are accounted for as separate performance obligations. Transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost-plus margin.

# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

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#### 3. Material accounting policy information (cont'd)

##### 3.15 Revenue recognition (cont'd)

Revenue is measured at the fair value of consideration received or receivable. The Group's revenue from contracts with customers are further described below: (cont'd)

##### (b) Property development (cont'd)

Revenue from property development is recognised as and when the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to-date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by using an input method which is based on cost incurred to-date relative to the total expected cost to the satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The Group recognised sales at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers.

##### (c) Rental income

Rental income from investment properties is recognised on a straight-line basis over the term of the lease.

##### (d) Dividend income

Dividend income is included in the income statement when the right to receive payment is established and no significant uncertainty exists as regards to its receipt. Interim dividends from subsidiaries are recognised when they are declared and final dividends when they are approved by shareholders in general meeting.

##### (e) Interest income

Interest income is recognised on an accrual basis that reflects the effective yield of the assets.



# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

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#### 3. Material accounting policy information (cont'd)

##### 3.16 Employee benefits

###### (a) Short-term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

###### (b) Defined contribution plans

Defined contributions plans are post-employment benefits plans under which the Group and the Company pay fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

##### 3.17 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

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#### 3. Material accounting policy information (cont'd)

##### 3.18 Income taxes

###### (a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

###### (b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investment in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investment in subsidiaries, associates and interest in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reserve in the foreseeable future and taxable profit will be available against which that temporary differences can be utilised.

# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

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#### 3. Material accounting policy information (cont'd)

##### 3.18 Income taxes (cont'd)

###### (b) Deferred tax (cont'd)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

###### (c) Sales and Service Tax ("SST")

Revenue, expenses and assets are recognised net of SST except:

- where the SST incurred in a purchase of asset or service the SST is recognised as part of cost of acquisition of asset or as part of the expense item as applicable; and
- receivables and payables that stated with SST inclusive.

The SST payable to the taxation authority is included as part of payables in the statements of financial position.

The rate for Sales Tax is fixed at 5% or 10%, while the rate for Service Tax is fixed at 8%.

##### 3.19 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the consolidated profit after taxation attributable to equity shareholders of the Company by the weighted number of ordinary shares in issue, adjusted for own shares held. Diluted EPS is calculated by dividing the consolidated profit after taxation attributable to equity shareholders of the Company and divided by the weighted number of ordinary shares in issue, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and shares options granted to the employees.

# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

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#### 3. Material accounting policy information (cont'd)

##### 3.20 Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segment results are reviewed regularly by the chief operating decision maker, which in this case is the Managing Director of the Group, to make decision about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

##### 3.21 Contingencies

###### (a) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statement of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

###### (b) Contingent assets

Where it is not probable that there is an inflow of economic benefits, or the amount cannot be estimated reliably, the asset is not recognised in the statement of financial position and is disclosed as a contingent asset, unless that probability of inflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets unless the probability of inflow of economic benefits is remote.

##### 3.22 Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

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#### 3. Material accounting policy information (cont'd)

##### 3.22 Fair value measurements (cont'd)

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different level in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within 1 level that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The Group and the Company recognises transfer between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

##### 3.23 Current versus non-current classification

Assets and liabilities in statement of financial position are presented based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at twelve months after the reporting period.

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

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#### 4. Significant accounting judgements, estimates and assumptions

The preparation of the financial statements in conformity with MFRS requires management to exercise their judgement in the process of applying the Group's accounting policies and the use of accounting estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the reporting date and which may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in future periods. Although these judgement and estimates are based on the management's best knowledge of current events and actions, actual results may differ.

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

The most significant uses of judgements, estimates and assumptions are as follows:

##### (a) Classification of a property as an investment property or property, plant and equipment

Certain property comprises of a portion that is held to earn rental income or capital appreciation, or for both, whilst the remaining portion is held for use in the production or supply of goods and services or for administrative purposes. If the portion held for rental and/or capital appreciation could be sold separately (or leased out separately as a finance lease), the Group accounts for that portion as an investment property. If the portion held for rental and/or capital appreciation could not be sold or leased out separately, it is classified as an investment property only if an insignificant portion of the property is held for use in the production or supply of goods and services or for administrative purposes. Management uses its judgement to determine whether any ancillary services are of such significance that a property does not qualify as an investment property.

# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

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#### 4. Significant accounting judgements, estimates and assumptions (cont'd)

The most significant uses of judgements, estimates and assumptions are as follows:  
(cont'd)

##### (b) Expected credit losses of trade and receivables and other receivables

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

##### (c) Estimated useful lives of assets

The cost of property, plant and equipment and investment properties are depreciated on the straight-line basis over the asset's useful lives. Management estimates the useful lives of these assets based on expected usage level and current conditions of the assets with proper maintenance schedule. Changes in the expected level of usage could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

##### (d) Measurement of income taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Company recognises tax liabilities based on its undertaking of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

##### (e) Inventories written down

The Group reviews damaged, obsolete and slow-moving inventories periodically and write down these inventories based on judgement and estimation. Inventories are written down when events or changes in circumstances indicate that the carrying amounts could not be recovered. Management specifically analyses sales trend and current economic trends when making a judgement to evaluate the adequacy of the write down for obsolete or slow moving inventories. Where expectations differ from the original estimates, the differences would impact the carrying amounts of inventories.

# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

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#### 4. Significant accounting judgements, estimates and assumptions (cont'd)

The most significant uses of judgements, estimates and assumptions are as follows:  
(cont'd)

##### (f) Measurement of right-of-use assets and lease liabilities

The right-of-use assets are depreciated on the straight-line basis over the assets' useful lives or lease term, whichever is earlier. Management estimates the useful lives of these assets based on expected usage level and current conditions of the assets with proper maintenance schedule, therefore future depreciation charges could be revised.

The lease term has been determined based on the non-cancellable period of lease in term and conditions of the arrangements together with both:

- (i) periods covered by an option to extend the leases; and/or
- (ii) periods covered by an option to terminate the lease.

In determining whether it is reasonably certain that an option to extend the lease or an option to terminate the lease, management has considered all relevant factors and circumstances that have created the economic incentives to exercise such option.

The Company also applies judgement and assumption in determining the incremental borrowing rate of respective leases.



## Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

### Notes to the Financial Statements

#### For the Financial Year Ended 31 December 2024 (Cont'd)

##### 5. Revenue

###### Disaggregation of revenue from contracts with customers

The Group derives revenue from the following product lines:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Timber trading	54,963	70,906	-	-
Manufacturing	115,756	99,299	-	-
Service and treatment	27,667	31,963	-	-
Others	5,515	12,713	2,071	8,000
Segment revenue	203,901	214,881	2,071	8,000
Less: Intercompany revenue	(15,777)	(21,451)	-	-
Revenue from external customers	188,124	193,430	2,071	8,000
Timing of recognition:				
- At a point in time	184,914	190,277	2,071	8,000
- Over time	3,210	3,153	-	-

## Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

### Notes to the Financial Statements

#### For the Financial Year Ended 31 December 2024 (Cont'd)

##### 6. Other income

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Interest income from bank	841	751	41	54
Income from short-term investment	257	389	-	-
Rental of land and buildings:				
- investment properties	16,697	11,157	-	-
Gain on disposal of property, plant and equipment	669	597	-	-
Gain on disposal of investment properties	652	-	-	-
Gain on short-term investment	-	-	77	70
Gain on liquidation of subsidiary	6	-	-	-
Net gain on foreign exchange:				
- realised	65	473	-	-
Reversal of impairment on trade receivables:				
- expected credit loss	83	42	-	-
- specific allowance	-	662	-	-
Reversal of impairment on inventories	585	640	-	-
Reversal of impairment on investment in subsidiaries	-	-	1,530	-
Others	1,086	1,275	-	-
	<u>20,941</u>	<u>15,986</u>	<u>1,648</u>	<u>124</u>

# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 7. Finance costs

	Group	
	2024 RM'000	2023 RM'000
Interest expenses on:		
- bank overdrafts	157	85
- bankers' acceptances, trust receipts and letters of credit	390	555
- term loans	486	176
- lease liabilities	317	571
	<u>1,350</u>	<u>1,387</u>

#### 8. Profit/(Loss) before tax

Profit/(Loss) before tax is arrived at after charging/(crediting):

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Auditors' remuneration:				
Statutory audits				
- auditors of the Company	235	235	58	58
- other auditors	4	4	-	-
- underprovision in prior years	-	4	-	-
Amortisation of right-of-use assets	6,552	7,546	-	-
Depreciation:				
- property, plant and equipment	4,450	2,692	-	-
- investment properties	2,218	2,147	-	-
Loss on lease modification	-	46	-	-
Net impairment on trade receivable:				
- expected credit loss	14	5	-	-
- specific allowance	731	332	-	-
Provision for inventories written down	727	901	-	-
Rental of building	23	40	-	-
Rental of equipment	407	573	-	-

## Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

### Notes to the Financial Statements

#### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 8. Profit/(Loss) before tax (cont'd)

Profit/(Loss) before tax is arrived at after charging/(crediting): (cont'd)

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Net (reversal)/impairment on investment in subsidiaries	-	-	(1,479)	40,412
Staff costs:				
- salaries, wages, allowances and bonus	23,948	22,732	-	-
- defined contribution plan	1,205	1,193	-	-
- socso	289	282	-	-
- others	338	446	-	-
Net loss on foreign exchange:				
- realised	145	109	-	-
- unrealised	87	323	-	-

#### 9. Directors' remuneration

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Executive Directors' remuneration:				
- fees	756	679	-	-
- salary, allowances, bonus and defined contribution plans	4,245	4,512	71	67
- benefits-in-kind	75	118	-	-
Non-executive Directors' remuneration:				
- fees	60	60	60	60
- salary, allowance, bonus and defined contribution plans	95	108	95	108

# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

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#### 9. Directors' remuneration (cont'd)

The number of Directors of the Group and of the Company whose total remuneration for the year ended 31 December 2024 fall within the following bands is analysed as follows:

	<b><u>Executive Directors</u></b>	<b><u>Non- Executive Directors</u></b>
Range of remunerations:		
Below RM50,000	-	1
RM50,0001 to RM100,000	-	2
RM100,001 to RM150,000	-	-
RM150,001 to RM200,000	-	-
RM200,001 to RM250,000	-	-
RM250,001 to RM300,000	1	-
RM300,001 to RM350,000	-	-
RM350,001 to RM400,000	-	-
RM400,001 to RM450,000	-	-
RM450,001 to RM500,000	1	-
RM500,001 to RM550,000	-	-
RM550,001 to RM600,000	-	-
RM600,001 to RM650,000	-	-
RM650,001 to RM700,000	-	-
RM700,001 to RM750,000	-	-
RM750,001 to RM800,000	-	-
RM800,001 to RM850,000	-	-
RM850,001 to RM900,000	-	-
RM900,001 to RM950,000	-	-
RM950,001 to RM1,000,000	-	-
RM1,000,001 to RM1,050,000	-	-
RM1,050,001 to RM1,100,000	-	-
RM1,100,001 to RM1,150,000	1	-
RM1,150,001 to RM1,200,000	-	-
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# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 10. Tax expense

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current tax:				
- current financial year	4,749	6,335	9	29
- Overprovision in prior year	(1,446)	(105)	(16)	(2)
	<u>3,303</u>	<u>6,230</u>	<u>(7)</u>	<u>27</u>
Deferred tax				
- current financial year	312	1,000	-	-
- overprovision in prior year	-	-	-	-
	<u>3,615</u>	<u>7,230</u>	<u>(7)</u>	<u>27</u>

Tax charge of the Group is attributable to tax charges in respect of profits of subsidiaries and the non-availability of group relief.

A reconciliation of income tax expense applicable to profit/(loss) before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group	
	2024 RM'000	2023 RM'000
Profit before tax	<u>9,350</u>	<u>14,896</u>
Taxation at Malaysian statutory tax rate of 24%	2,244	3,575
Non-taxable income	(1,640)	(394)
Non-deductible expenses	4,188	3,306
Overprovision of current tax in prior years	(1,446)	(105)
Utilisation of previously unrecognised deferred tax assets	(53)	(165)
Relating to origination and reversal of temporary differences	312	1,000
Deferred tax asset not recognised during the year	<u>10</u>	<u>13</u>
Income tax expense	<u>3,615</u>	<u>7,230</u>

## Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

### Notes to the Financial Statements

#### For the Financial Year Ended 31 December 2024 (Cont'd)

##### 10. Tax expense (cont'd)

A reconciliation of income tax expense applicable to profit/(loss) before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows: (cont'd)

	Company	
	2024 RM'000	2023 RM'000
Profit/(Loss) before tax	3,189	(32,792)
Taxation at Malaysian statutory tax rate of 24%	765	(7,870)
Non-taxable income	(825)	(1,920)
Non-deductible expenses	69	9,819
Under provision of current tax in prior year	(16)	(2)
	<u>(7)</u>	<u>27</u>

Subject to agreement with the tax authority, at the end of the reporting periods, the Group and the Company has unutilised tax losses and unabsorbed capital allowance available to be carried forward for offset against future taxable business income as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Unutilised tax losses	2,048	963	117	117
Unabsorbed capital allowance	<u>2</u>	<u>56</u>	<u>-</u>	<u>-</u>
	<u>2,050</u>	<u>1,019</u>	<u>117</u>	<u>117</u>

The deferred tax assets arising from unutilised tax losses and capital allowances have only been recognised to the extent that the Group and the Company has sufficient taxable temporary differences available, as they arose from certain subsidiaries with recent history of losses.

Deferred tax assets have not been recognised in respect of those items because it is not probable that future taxable profits will be available against in which the Group and the Company can utilise the benefits thereon.

The availability of unutilised tax losses for offsetting against future taxable profits of the Group and the Company is subject to the requirements under the Income Tax Act 1967 and guidelines issued by the Inland Revenue Board.

## Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

### Notes to the Financial Statements

#### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 10. Tax expense (cont'd)

Under the current tax legislation in Malaysia, unabsorbed losses from year of assessment ("YA") 2019 onwards can only be carried forward for a maximum period of 10 consecutive YAs. Unabsorbed losses for YA 2019 can be set off against income from any business source for 10 YAs and will be disregarded in YA 2030. Unabsorbed losses accumulated up to YA 2018 can be utilised for another 10 YAs and will be disregarded in YA 2029.

Unutilised tax losses of the Group and the Company can be carried forward until the following YAs:

	Group	
	2024 RM'000	2023 RM'000
YA 2029	488	524
YA 2030	144	144
YA 2031	117	117
YA 2032	100	100
YA 2033	78	78
YA 2034	1,121	-
	<u>2,048</u>	<u>963</u>

	Company	
	2024 RM'000	2023 RM'000
YA 2031	<u>117</u>	<u>117</u>

#### 11. Earnings per share

The basic and diluted earnings per share is calculated by dividing the profit after tax attributable to the owners of the Company for the financial year by the weighted average number of ordinary shares in issue (excluding treasury shares) during the financial year.

	Group	
	2024	2023
<b>Basic and Diluted earnings per share</b>		
Profit for the financial year (RM'000)	5,634	5,458
Weighted average number of ordinary shares in issue ('000)	356,724	356,724
Basic earnings per share (sen)	<u>1.58</u>	<u>1.53</u>



# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 12. Property, plant and equipment

<b>Group</b>	<b>Freehold land and building, and office premises RM'000</b>	<b>Plant and machinery RM'000</b>	<b>Forklift, trucks and motor vehicles RM'000</b>	<b>Furniture, fittings and office equipment RM'000</b>	<b>Other assets RM'000</b>	<b>Total RM'000</b>
<b>Cost</b>						
At 1 January 2024	117,241	110,652	26,618	5,433	2,955	262,899
Additions	24,042	1,506	1,022	265	151	26,986
Disposals	-	-	(409)	(1)	-	(410)
Impairment	(3,012)	-	-	-	-	(3,012)
Written off	-	(18,026)	(369)	(156)	-	(18,551)
Reclassification	(985)	14,121	(718)	-	-	12,418
At 31 December 2024	<u>137,286</u>	<u>108,253</u>	<u>26,144</u>	<u>5,541</u>	<u>3,106</u>	<u>280,330</u>
<b>Accumulated depreciation</b>						
At 1 January 2024	23,208	107,191	26,445	4,768	1,798	163,410
Charge for the financial year	1,149	2,660	199	301	141	4,450
Disposals	-	-	(409)	(1)	-	(410)
Written off	-	(18,026)	(369)	(156)	-	(18,551)
Reclassification	(20)	6,642	(59)	-	-	6,563
At 31 December 2024	<u>24,337</u>	<u>98,467</u>	<u>25,807</u>	<u>4,912</u>	<u>1,939</u>	<u>155,462</u>
<b>Net carrying amounts</b>						
At 31 December 2024	<u>112,949</u>	<u>9,786</u>	<u>337</u>	<u>629</u>	<u>1,167</u>	<u>124,868</u>

## Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

### Notes to the Financial Statements

#### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 12. Property, plant and equipment (cont'd)

<b>Group</b>	<b>Freehold land and building, and office premises RM'000</b>	<b>Plant and machinery RM'000</b>	<b>Forklift, trucks and motor vehicles RM'000</b>	<b>Furniture, fittings and office equipment RM'000</b>	<b>Other assets RM'000</b>	<b>Total RM'000</b>
<b>Cost</b>						
At 1 January 2023	146,349	109,960	26,000	5,261	2,940	290,510
Additions	9,306	698	285	211	15	10,515
Disposals	(910)	(6)	(1,176)	(10)	-	(2,102)
Written off	-	-	-	(29)	-	(29)
Reclassification	(37,504)	-	1,509	-	-	(35,995)
At 31 December 2023	117,241	110,652	26,618	5,433	2,955	262,899
<b>Accumulated depreciation</b>						
At 1 January 2023	26,555	106,192	25,720	4,540	1,665	164,672
Charge for the financial year	1,143	1,005	144	267	133	2,692
Disposals	(95)	(6)	(1,153)	(10)	-	(1,264)
Written off	-	-	-	(29)	-	(29)
Reclassification	(4,395)	-	1,734	-	-	(2,661)
At 31 December 2023	23,208	107,191	26,445	4,768	1,798	163,410
<b>Net carrying amounts</b>						
At 31 December 2023	94,033	3,461	173	665	1,157	99,489

## Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

### Notes to the Financial Statements

#### For the Financial Year Ended 31 December 2024 (Cont'd)

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#### 12. Property, plant and equipment (cont'd)

<b>Company</b>	<b>Office equipment RM'000</b>
<b>Cost</b>	
At 1 January 2024	62
	<hr/>
<b>Accumulated depreciation</b>	
At 1 January 2024	62
Charge for the financial year	-
At 31 December 2024	62
	<hr/>
<b>Net carrying amount</b>	
At 31 December 2023	-
	<hr/>
<b>Cost</b>	
At 1 January 2023	62
	<hr/>
<b>Accumulated depreciation</b>	
At 1 January 2023	62
Charge for the financial year	-
At 31 December 2023	62
	<hr/>
<b>Net carrying amount</b>	
At 31 December 2023	-
	<hr/>

During the financial year, the Group acquired property, plant and equipment with the aggregate costs of RM26,986,317 (2023: RM10,514,925) of which RM564,000 (2023: RM RM811,467) was acquired by means of lease arrangement and RM10,000,000 (2023: RM Nil) was acquired by means of loan and borrowing. Cash payment of RM16,422,317 (2023: RM9,703,458) were made to purchase these assets.

## Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

### Notes to the Financial Statements

#### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 12. Property, plant and equipment (cont'd)

The gross carrying amounts of fully depreciated property, plant and equipment that are still in use are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Freehold land and building, and office premises	111	49	-	-
Plant and machinery	82,312	100,202	-	-
Forklift, trucks and motor vehicles	26,767	26,045	-	-
Furniture, fittings and equipment	3,749	3,336	-	-
Computer equipment and software	594	723	62	62
Other assets	1,016	1,325	-	-
	<u>114,549</u>	<u>131,680</u>	<u>62</u>	<u>62</u>

The carrying amount of property, plant and equipment pledged to secure banking facilities are as follows:

	Group	
	2024 RM'000	2023 RM'000
Freehold land and building, and office premises	<u>24,561</u>	<u>10,838</u>

## Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

### Notes to the Financial Statements

#### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 13. Investment properties

<b>Group</b>	<b>Freehold land</b>	<b>Leasehold land and buildings and freehold buildings</b>	<b>Total</b>
<b>Cost</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2024	117,401	126,170	243,571
Additions	-	949	949
Disposal	-	(708)	(708)
Reclassification	-	985	985
At 31 December 2024	117,401	127,396	244,797
<b>Accumulated depreciation</b>			
At 1 January 2024	-	48,307	48,307
Charge during the financial year	-	2,218	2,218
Disposal	-	(395)	(395)
Reclassification	-	20	20
At 31 December 2024	-	50,150	50,150
<b>Net carrying amounts</b>			
At 31 December 2024	117,401	77,246	194,647
<b>Cost</b>			
At 1 January 2023	98,614	103,313	201,927
Additions	-	4,140	4,140
Reclassification	18,787	18,717	37,504
At 31 December 2023	117,401	126,170	243,571
<b>Accumulated depreciation</b>			
At 1 January 2023	-	41,765	41,765
Charge during the financial year	-	2,147	2,147
Reclassification	-	4,395	4,395
At 31 December 2023	-	48,307	48,307
<b>Net carrying amounts</b>			
At 31 December 2023	117,401	77,863	195,264

The investment properties of the Group with a carrying amount of RM78,602,239 (2023: RM79,527,081) are pledged to secure banking facilities granted to the Group as disclosed in Note 24 to the financial statements.

## Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

### Notes to the Financial Statements

#### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 13. Investment properties (cont'd)

Investment properties comprise both commercial and residential properties that are leased to external parties. Rental income from investment properties is disclosed in Note 6 to the financial statements. Expenses incurred for the maintenance of the investment properties during the rent tenure were borne by the tenants.

The fair value disclosure of investment properties are categorised in Level 3 of the fair value hierarchy. Level 3 fair values of land and buildings have been generally derived using the estimated selling price of comparable properties in close proximity that are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

Fair value of investment properties are as follows:

	Level 3	
	2024 RM'000	2023 RM'000
Land and buildings	820,183	1,163,603

#### 14. Rights-of-use assets

Group	Buildings RM'000	Plant and machinery RM'000	Forklift, trucks and motor vehicles RM'000	Total RM'000
<b>Cost</b>				
At 1 January 2024	31,721	14,120	1,830	47,671
Additions	283	-	153	436
Reclassification	-	(14,120)	718	(13,402)
At 31 December 2024	32,004	-	2,701	34,705
<b>Accumulated amortisation</b>				
At 1 January 2024	15,491	6,613	699	22,803
Additions	6,079	23	450	6,552
Reclassification	-	(6,636)	59	(6,577)
At 31 December 2024	21,570	-	1,208	22,778
<b>Net carrying amounts</b>				
At 31 December 2024	10,434	-	1,493	11,927

## Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

### Notes to the Financial Statements

#### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 14. Rights-of-use assets (cont'd)

Group	Buildings RM'000	Plant and machinery RM'000	Forklift, trucks and motor vehicles RM'000	Total RM'000
<b>Cost</b>				
At 1 January 2023	25,763	14,120	3,013	42,896
Additions	6,526	-	326	6,852
Lease modification	1,519	-	-	1,519
Written off	(2,087)	-	-	(2,087)
Reclassification	-	-	(1,509)	(1,509)
At 31 December 2023	<u>31,721</u>	<u>14,120</u>	<u>1,830</u>	<u>47,671</u>
<b>Accumulated amortisation</b>				
At 1 January 2023	11,948	5,202	1,928	19,078
Additions	5,630	1,411	505	7,546
Written off	(2,087)	-	-	(2,087)
Reclassification	-	-	(1,734)	(1,734)
At 31 December 2023	<u>15,491</u>	<u>6,613</u>	<u>699</u>	<u>22,803</u>
<b>Net carrying amounts</b>				
At 31 December 2023	<u>16,230</u>	<u>7,507</u>	<u>1,131</u>	<u>24,868</u>

During the year, the Group acquired right-of-use assets with the aggregate costs of RM436,295 (2023: RM6,851,764) of which RM416,980 (2023: RM6,298,742) was acquired by means of lease arrangement. Cash payment of RM19,315 (2023: RM553,022) were made to purchase these assets.

## Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

### Notes to the Financial Statements

#### For the Financial Year Ended 31 December 2024 (Cont'd)

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##### 15. Land held for investment

	Group	
	2024 RM'000	2023 RM'000
Cost:		
At 1 January/31 December	2,500	2,500

##### 16. Inventories

	Group	
	2024 RM'000	2023 RM'000
Raw material	31,061	32,921
Work-in-progress	21,789	22,515
Finished goods	32,974	41,040
	<u>85,824</u>	<u>96,476</u>

Movement of impairment on inventories during the financial year are as follows:

	Group	
	2024 RM'000	2023 RM'000
At 1 January	1,882	1,621
Addition	727	901
Reversal	(585)	(640)
At 31 December	<u>2,024</u>	<u>1,882</u>
<u>Recognised in profit or loss:</u>		
Inventories recognised as cost of sales	130,897	135,974
Inventories written down	727	901
Reversal of inventories write down	(585)	(640)



# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 17. Trade and other receivables

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Trade receivables</b>				
Third parties	26,206	26,988	-	-
Less: Impairments				
At 1 January	828	1,195	-	-
Net impairments on financial assets:				
- expected credit loss	14	5	-	-
- specific allowances	731	332	-	-
Reversal of impairments	(83)	(704)	-	-
At 31 December	1,490	828	-	-
<b>Total trade receivables</b>	<b>24,716</b>	<b>26,160</b>	<b>-</b>	<b>-</b>
<b>Other receivables</b>				
Other receivables	2,345	2,419	510	-
Less: Impairments				
At 1 January	51	51	-	-
Additions	-	-	-	-
Written off during the year	-	-	-	-
At 31 December	51	51	-	-
<b>Total other receivables</b>	<b>2,294</b>	<b>2,368</b>	<b>510</b>	<b>-</b>
Deposits	3,099	4,471	-	-
Prepayments	918	1,102	-	-
<b>Trade and other receivables</b>	<b>31,027</b>	<b>34,101</b>	<b>510</b>	<b>-</b>

The Group's normal trade credit terms range from 30 to 120 days (2023: 30 to 120 days). Other credit terms are assessed and approved on a case-by-case basis.

## Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

### Notes to the Financial Statements

#### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 17. Trade and other receivables (cont'd)

The ageing analysis of the Group's trade receivables at the end of the reporting period is as follows:

	Gross amount RM'000	Loss allowances RM'000	Carrying amount RM'000
<b>Group</b>			
<b>2024</b>			
Not past due	12,941	-	12,941
- Past due 0 - 30 days	6,178	-	6,178
- Past due 31 - 60 days	3,143	-	3,143
- Past due more than 60 days	3,944	(1,490)	2,454
	13,265	(1,490)	11,775
	<u>26,206</u>	<u>(1,490)</u>	<u>24,716</u>
<b>2023</b>			
Not past due	13,899	-	13,899
- Past due 0 - 30 days	6,477	-	6,477
- Past due 31 - 60 days	3,440	-	3,440
- Past due more than 60 days	3,172	(828)	2,344
	13,089	(828)	12,261
	<u>26,988</u>	<u>(828)</u>	<u>26,160</u>

#### 18. Short-term investments

Short-term investments represent deposit placements with investment fund management companies that are readily convertible to cash with insignificant risk of changes in values.

# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 19. Derivative financial assets/(liabilities)

	Group	
	2024 RM'000	2023 RM'000
Derivatives held for trading at fair value through profit or loss:		
Forward foreign exchange contracts:		
- assets	-	160
- liabilities	(56)	-

The Group uses forward foreign exchange contracts to manage foreign currency exposure in export of processed timber products denominated in currencies other than the functional currency of Group entities.

At the end of the reporting period, the settlement dates on open forward contracts range from 1 to 2 months (2023: 1 to 3 months).

Maturities of forward foreign exchange contracts of the Group as at end of the reporting period are as follows:

Settlement month	Currency to be paid	Amount in foreign currency to be paid	Contractual rate	Amount to be received (RM)
<b>2024</b>				
January 2025	USD	1,148,301	4.1909 – 4.6887	5,113,009
January 2025	AUD	28,000	2.8183	78,912
February 2025	USD	340,500	4.2651 – 4.4995	1,489,861
February 2025	AUD	28,000	2.8143	78,800
<b>2023</b>				
January 2024	USD	673,108	4.6860 – 4.6908	3,156,649
February 2024	USD	1,114,862	4.6800 – 4.6875	5,221,981
February 2024	EUR	48,000	5.0630	243,024
March 2024	USD	255,000	4.6710 – 4.6780	1,192,225
March 2024	EUR	52,000	5.0600	263,120

## Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

### Notes to the Financial Statements

#### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 20. Fixed deposits with licensed banks

Fixed deposits held by the Group include an amount of RM10,371,956 (2023: RM6,516,496) pledged for bank guarantee facilities granted to the Group.

The maturity period of deposits with licensed banks as at 31 December 2024 is within 15 months (2023: within 15 months).

#### 21. Cash and cash equivalents

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash and bank balances	30,558	32,630	1,157	3,051
Fixed deposits with licensed banks	22,147	19,350	-	-
Less: Fixed deposits pledge to bank guarantee facilities	(10,372)	(6,516)	-	-
	11,775	12,834	-	-
Short-term investments	7,579	10,322	2,670	2,593
	49,912	55,786	3,827	5,644
Less: Bank overdrafts (Note 24)	(4,496)	(1,573)	-	-
	45,416	54,213	3,827	5,644

#### 22. Share capital

	2024		2023	
	Number of shares '000	Share capital RM'000	Number of shares '000	Share capital RM'000
<b>Ordinary shares</b>				
Balance as at 1 January/31 December	356,724	206,368	356,724	206,368

# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 22. Share capital (cont'd)

##### 22.1 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. In respect of the Company's treasury shares that are held by the Group, all rights are suspended until those shares are reissued.

#### 23. Other reserves

	Group	
	2024 RM'000	2023 RM'000
Reserve on consolidation	13,464	13,464

#### 24. Loan and borrowings

	Group	
	2024 RM'000	2023 RM'000
<b>Current</b>		
Bankers' acceptance	3,903	13,196
Bank overdrafts	4,496	1,573
Term loans	1,509	1,908
	<u>9,908</u>	<u>16,677</u>
<b>Non-current</b>		
Term loans	10,027	114
	<u>10,027</u>	<u>114</u>
<b>Total loans and borrowings:</b>		
Bankers' acceptance	3,903	13,196
Bank overdrafts	4,496	1,573
Term loans	11,536	2,022
	<u>19,935</u>	<u>16,791</u>

## Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

### Notes to the Financial Statements

#### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 24. Loan and borrowings (cont'd)

The remaining maturities of loans and borrowings as at 31 December 2024 and comparative prior year are as follows:

	Group	
	2024	2023
	RM'000	RM'000
<b>Maturity of loans and borrowings:</b>		
Within one year	9,908	16,677
More than one year and less than two years	1,158	94
More than two years and less than five years	3,251	20
More than five years	5,618	-
	<u>19,935</u>	<u>16,791</u>

Bankers' acceptance, bank overdraft and letter of credit bear interest rates range from 1.25% to 7.40% (2023: 1.78% to 7.40%) per annum. Term loans bear interest rates range from 1.50% to 4.72% (2023: 1.50% to 7.70%) per annum.

Term loans are secured by the following:

- Legal charge over freehold and leasehold land and buildings of certain subsidiaries as disclosed in Note 12 and Note 13 to the financial statements;
- Fixed and floating charges over assets of the Company's wholly owned subsidiaries, Lionvest Corporation (Pahang) Sdn. Bhd. and Syarikat Minho Kilning Sdn. Bhd.;
- Corporate guarantee by Minho (M) Berhad;
- Joint and several guarantee from all Directors of the Group and Company; and
- Deposits held under lien by licensed banks (Note 20).

#### Significant covenants

The term loans of the Group are subject to the following significant financial covenants:

- Shall not declare dividend or pay dividend exceeding 50% of the year's profit after tax;
- Declaration of dividend more than 50% is allowed provided that the Group's tangible net worth is to be maintained at no less than RM20,000,000;
- Maintain debt equity ratio of 0.50 or 1.50 times;

As at 31 December 2024, one of the Group subsidiaries was unable to meet the dividend covenant of declared dividend exceeding 50% of profit after tax.

# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 25. Lease liabilities

	Group	
	2024 RM'000	2023 RM'000
At 1 January	19,857	20,005
New lease liabilities during the year	981	7,112
Lease interest (Note 7)	317	571
Less: lease payments	(9,080)	(9,396)
Add/(Less): lease modification	-	1,565
At 31 December	<u>12,075</u>	<u>19,857</u>

	Group	
	2024 RM'000	2023 RM'000
<b>Minimum lease payment:</b>		
Not later than 1 year	8,699	11,672
Later than 1 year and not later than 2 years	2,300	6,165
Later than 2 year and not later than 5 years	2,099	3,610
	<u>13,098</u>	<u>21,447</u>
Less: Future finance charges	(1,023)	(1,590)
Present value of lease liabilities	<u>12,075</u>	<u>19,857</u>
<b>Present value of lease liabilities:</b>		
Not later than 1 year	8,200	10,960
Later than 1 year and not later than 2 years	2,000	5,749
Later than 2 year and not later than 5 years	1,875	3,148
	<u>12,075</u>	<u>19,857</u>

Lease liabilities bore incremental borrowing rate and interest rate implicit in lease between 2.18% and 3.70% (2023: 2.45% and 3.67%) per annum.

(a) Net carrying amounts included in:

	Group	
	2024 RM'000	2023 RM'000
- Rights of use asset	<u>11,927</u>	<u>24,868</u>

# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 25. Lease liabilities (cont'd)

(b) Cash flows for lease as lessee

	Group	
	2024 RM'000	2023 RM'000
<b>Included in net cash from operating activities</b>		
Payment relating to short-term leases	431	613
Interest paid in relation to lease liabilities	317	571
<b>Included in net cash from financing activities</b>		
Payment of lease liabilities	8,763	8,825
	<u>9,511</u>	<u>10,009</u>

#### 26. Deferred tax liabilities

	Group	
	2024 RM'000	2023 RM'000
At 1 January	12,489	11,489
Recognised in profit or loss (Note 10)	312	1,000
At 31 December	<u>12,801</u>	<u>12,489</u>

#### 27. Trade and other payables

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Trade</b>				
Trade payables	<u>13,098</u>	<u>11,644</u>	<u>-</u>	<u>-</u>
<b>Non-trade</b>				
Accruals	5,291	4,852	158	58
Deposits received	5,634	5,126	-	-
Other payables	1,315	1,398	-	-
Amounts due to related parties	1,094	1,486	-	-
	<u>13,334</u>	<u>12,862</u>	<u>158</u>	<u>58</u>
<b>Trade and other payables</b>	<u>26,432</u>	<u>24,506</u>	<u>158</u>	<u>58</u>



## Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

### Notes to the Financial Statements

#### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 27. Trade and other payables (cont'd)

The normal trade credit terms granted to the Group range from 30 to 120 days (2023: 30 to 120 days).

Amounts due to other related parties are unsecured, interest-free and repayable on demand.

#### 28. Provision for liabilities

	Group	
	2024 RM'000	2023 RM'000
Provision for forestry site expenses	24	24
Provision for reforestation	103	103
	<u>127</u>	<u>127</u>

The above provision for liabilities are made in respect of the logging activities within timber concessions of a subsidiary of the Group.

#### 29. Investments in subsidiaries

	Company	
	2024 RM'000	2023 RM'000
Unquoted shares:		
At cost	349,643	342,143
Add: Acquisition of subsidiary	-	7,500
Less: Allowance for impairment losses	(198,553)	(200,032)
	<u>151,090</u>	<u>149,611</u>

Movement of the impairment on investment in subsidiaries is as follow:

	Company	
	2024 RM'000	2023 RM'000
At 1 January	200,032	159,620
Addition	51	40,412
Reversal of impairment on investment in subsidiaries	(1,530)	-
At 31 December	<u>198,553</u>	<u>200,032</u>

## Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

### Notes to the Financial Statements

#### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 29. Investments in subsidiaries (cont'd)

Movement of the impairment on investment in subsidiaries is as follow: (cont'd)

The carrying amount of investment in Lionvest Corporation (Pahang) Sdn. Bhd., Syarikat Vinco Timber Industries Sdn. Bhd. and Lionvest Plantation Sdn. Bhd. as at 31 December 2024 was RM23,961,854, RM4,703,813 and RM80,906 (2023: RM22,432,044, RM4,734,101 and RM 102,000) respectively. The Company has recognised impairment losses in respect of cost of investment in all these subsidiaries and the accumulated impairment loss amounted to RM153,773,734, RM44,758,394 and RM21,089 (2023: RM155,303,544, RM44,728,106 and RM Nil) respectively.

Details of the subsidiaries are as follows:

Name of company	Principal place of business	Effective equity interest		Principal activities
		2024 %	2023 %	
Syarikat Minho Kilning Sdn. Bhd.	Malaysia	100	100	Timber kiln drying and its related activities
Syarikat Vinco Timber Industries Sdn. Bhd.	Malaysia	100	100	Investment holding
Costraco Sdn. Bhd.	Malaysia	51	51	Export of processed timber products
Indah Paper Industries Sdn. Bhd.	Malaysia	100	100	Manufacturing and distribution of industrial paper bags
Solvance Industry Sdn. Bhd. *	Malaysia	-	100	Dissolved
Victory Enterprise Sdn. Bhd.	Malaysia	100	100	Manufacturing and exporting of sawn timber, dealing in moulded timber and trading of garden furniture
Lionvest Corporation (Pahang) Sdn. Bhd.	Malaysia	100	100	Exploitation of timber concessions, trading in timber logs, operation of an integrated timber complex and letting of premises

## Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

### Notes to the Financial Statements

#### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 29. Investments in subsidiaries (cont'd)

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

Name of company	Principal place of business	Effective equity interest		Principal activities
		2024 %	2023 %	
Lionvest Plantation Sdn. Bhd. *	Malaysia	51	51	In process of winding up
Lionvest Timber Industries Sdn. Bhd.	Malaysia	51	51	Sawmilling, dealing in timber and its related products
Abadi Canggih Sdn. Bhd. *	Malaysia	100	100	Wound up
Idaman Heights Sdn. Bhd. *	Malaysia	100	100	Investment holding
My Squares Development Sdn. Bhd.	Malaysia	51	51	Property development and building construction
Euro-CGA Sdn. Bhd.	Malaysia	31	31	Manufacturing, marketing and exporting moulded timber products

\* Audited by firm of auditors other than ECOVIS MALAYSIA PLT

- (a) In prior year, the Group had written-off its investment in Solivance Industry Sdn. Bhd., as the said subsidiary had been struck-off from the register pursuant to Section 550 of the Companies Act 2016 and subsequently dissolved.
- (b) During the financial year, the subsidiary, Abadi Canggih Sdn. Bhd. had commenced its member's voluntary winding up pursuant to Section 439 (1) (b) of the Companies Act 2016 and was subsequently wound up.
- (c) On 30 December 2024, the subsidiary, Lionvest Plantation Sdn. Bhd. had commenced its member's voluntary winding up pursuant to Section 439 (1) (b) of the Companies Act 2016 and the process is still on going as of the date of account.
- (d) On 12 April 2024, the subsidiary, Indah Wood Products Sdn. Bhd. had successfully completed the process of members' voluntary winding up.

## Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

### Notes to the Financial Statements

#### For the Financial Year Ended 31 December 2024 (Cont'd)

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#### 30. Dividend paid

	Company	
	2024	2023
	RM'000	RM'000
Single tier interim dividend paid on ordinary shares of 0.85 sen (2023: Nil) per share.	3,032	-

#### 31. Financial guarantees

As at 31 December 2024, the Group and the Company gave financial guarantees to licensed banks and financial institutions in respect of facilities granted to certain subsidiaries amounting to RM19,271,365 and RM15,061,730 (2023: RM7,869,850 and RM3,023,079).

#### 32. Significant related party disclosures

For the purposes of these financial statements, parties are considered to be related to the Group and the Company if the party has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Company directly, or indirectly. The key management personnel include all the Directors of the Company, and certain members of senior management of the Group or the Company.

The Group and the Company have related party relationship with companies within Minho (M) Berhad group, Directors, companies of Directors and their close members of family and key management personnel.

## Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

### Notes to the Financial Statements

#### For the Financial Year Ended 31 December 2024 (Cont'd)

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#### 32. Significant related party disclosures (cont'd)

##### (a) Significant related party transactions

Related party transactions have been entered into the normal course of business under terms agreed between companies within the Group and the related parties. The significant related party transactions of the Group and of the Company are as follows:

	Group		Group	
	Amount outstanding (to)/from as at	Amount outstanding (to)/from as at	Amount outstanding (to)/from as at	Amount outstanding (to)/from as at
	2024 RM'000	31.12.2024 RM'000	2023 RM'000	31.12.2023 RM'000
<b>Purchase of logs</b>				
- D.M. Timber Sdn. Bhd.	895	(1,075)	3,220	(1,486)
<b>Purchase of sawn timber and its related product</b>				
- Mahawangsa Timber Industries Sdn. Bhd.	7,375	3	6,675	(14)
<b>Sales of sawn timber and its related product</b>				
- Mahawangsa Timber Industries Sdn. Bhd.	(603)	136	(3,951)	1,433
<b>Rental of premise charged by a related party</b>				
- Minho Kilning (Klang) Sdn. Bhd.	6,144	-	5,741	-

## Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

### Notes to the Financial Statements

#### For the Financial Year Ended 31 December 2024 (Cont'd)

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#### 32. Significant related party disclosures (cont'd)

##### (a) Significant related party transactions (cont'd)

The details of related party relationships are as follows:

<u>Related parties</u>	<u>Relationship</u>
D.M. Timber Sdn. Bhd.	Dato' Loo Keng Ann is the Managing Director of Minho (M) Berhad and also a director of D.M. Timber Sdn. Bhd.
Minho Kilning (Klang) Sdn. Bhd.	Minho Kilning (Klang) Sdn. Bhd. is a wholly owned subsidiary of Minho Holdings Sdn. Bhd., the major shareholder of Minho (M) Berhad.
Oak Three Sdn. Bhd.	Oak Three Sdn. Bhd. is wholly owned by Minho Holdings Sdn. Bhd., the major shareholder of Minho (M) Berhad. Loo Say Leng is a director and a major shareholder of Oak Three Sdn. Bhd.
Mahawangsa Timber Industries Sdn. Bhd.	Loo Say Cheng is a director of Lionvest Timber Industries Sdn. Bhd. and also a Director of Mahawangsa Timber Industries Sdn. Bhd.
Pembinaan Infra E&J Sdn Bhd ("EJ")	A major shareholder of My Squares Development Sdn. Bhd.
Lucky Star Diversified Sdn. Bhd.	Tan Ah Tin is a director and major shareholder of Lucky Star Diversified Sdn. Bhd. and family member of Loo Say Cheng, the director of Lionvest Corporation (Pahang) Sdn. Bhd. and Dato' Loo Keng Ann, the Managing Director of Minho (M) Berhad.

	Company	
	2024 RM'000	2023 RM'000
Dividend income from a subsidiary	<u>2,071</u>	<u>8,000</u>

# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 32. Significant related party disclosures (cont'd)

##### (b) Compensation of Directors and key management personnel

The remuneration of Directors and key management personnel during the year are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Fees	816	739	60	60
Salary, allowance, bonus and defined contribution plans	4,340	4,620	166	175
Benefits-in-kind	75	118	-	-
	<u>5,231</u>	<u>5,477</u>	<u>226</u>	<u>235</u>

#### 33. Financial instruments

##### 33.1 Classification of financial instruments

The following table analyse the financial assets and liabilities in the statement of financial position by the class of financial instruments to which they are assigned and therefore by the measurement basis:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Financial assets</b>				
<u>At amortised cost:</u>				
Trade and other receivables^	30,109	32,999	510	-
Fixed deposits with licensed banks	22,147	19,350	-	-
Cash and bank balances	<u>30,558</u>	<u>32,630</u>	<u>1,157</u>	<u>3,051</u>
	82,814	84,979	1,667	3,051
<u>At fair value through profit or loss:</u>				
Short-term investments	7,579	10,322	2,670	2,593
Derivative financial assets	<u>-</u>	<u>160</u>	<u>-</u>	<u>-</u>
	7,579	10,482	2,670	2,593
	<u>90,393</u>	<u>95,461</u>	<u>4,337</u>	<u>5,644</u>

# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 33. Financial instruments (cont'd)

##### 33.1 Classification of financial instruments (cont'd)

The following table analyse the financial assets and liabilities in the statement of financial position by the class of financial instruments to which they are assigned and therefore by the measurement basis: (cont'd)

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<b>Financial liabilities</b>				
<u>At amortised cost:</u>				
Trade and other payables	26,432	24,506	158	58
Loan and borrowings	19,935	16,791	-	-
Lease liabilities	12,075	19,857	-	-
	<u>58,442</u>	<u>61,154</u>	<u>158</u>	<u>58</u>
<u>At fair value through profit or loss</u>				
Derivative financial liabilities	56	-	-	-
	<u>56</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>58,498</u>	<u>61,154</u>	<u>158</u>	<u>58</u>

^ exclude prepayments

##### 33.2 Net gains/(losses) arising from financial instruments

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<b>Net gains/(losses) arising from:</b>				
Financial assets measured at amortised cost	(152)	1,100	41	54
Financial assets measured at fair value through profit or loss	257	389	77	70
Financial liabilities measured at amortised cost	(1,350)	(1,387)	-	-
Financial liabilities measured at fair value through profit or loss	(56)	-	-	-
	<u>(1,301)</u>	<u>102</u>	<u>118</u>	<u>124</u>



# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

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#### 33. Financial instruments (cont'd)

##### 33.3 Fair values of financial instruments

The following summarises the methods used to determine the fair values of the financial instruments:

- (i) The carrying amounts of short term receivables and payables, cash and cash equivalents approximate their fair values due to the relatively short-term maturity of these financial instruments and insignificant impact of discounting.
- (ii) The carrying amount of the borrowings approximated their fair values as these instruments bear interest at variable rates except for fixed rate lease liabilities and banker acceptances. The carrying amount of fixed rate lease liabilities and banker acceptances are considered to be reasonably close to its fair value as the effective interest rate of fixed rate lease liabilities and banker acceptances are approximate to the observable current market interest rates.

##### 33.4 Fair value hierarchy

Group	Fair value of financial instruments carried at fair value			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>2024</b>				
Short-term investments	-	7,579	-	7,579
Derivative financial liabilities	-	(56)	-	(56)
<b>2023</b>				
Short-term investments	-	10,322	-	18,322
Derivative financial assets	-	160	-	160

#### 34. Financial risk management objectives and policies

The Group's and the Company's financial risk management policies seek to ensure that adequate financial resources are available for the development of the Group's and the Company's businesses whilst managing their risks. The Group's and the Company's policies are not to engage in speculative transactions.

# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 34. Financial risk management objectives and policies (cont'd)

##### (a) Market risk

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasuries activity are set out as follows:

##### (i) Foreign currency risk management

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The transactional currency exposure arising from financial assets that are denominated in a currency other than functional currency, is as follow:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>USD</b>		
<b>Financial assets</b>		
Trade and other receivables	6,910	7,891
Derivative financial assets	-	160
Cash and bank balances	4,564	4,500
	<u>11,474</u>	<u>12,551</u>
<b>Financial liabilities</b>		
Trade and other payables	(551)	(87)
Derivative financial liabilities	(58)	-
	<u>10,865</u>	<u>12,464</u>
<b>SGD</b>		
<b>Financial assets</b>		
Trade and other receivables	24	48
Cash and bank balances	2,972	3,502
	<u>2,996</u>	<u>3,550</u>
<b>Financial liabilities</b>		
Trade and other payables	(266)	(1,013)
	<u>2,730</u>	<u>2,537</u>
<b>EURO</b>		
<b>Financial assets</b>		
Cash and bank balances	2	3
	<u>2</u>	<u>3</u>
<b>Financial liabilities</b>		
Trade and other payables	(10)	(26)
	<u>(8)</u>	<u>(23)</u>

# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

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#### 34. Financial risk management objectives and policies (cont'd)

##### (a) Market risk (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasuries activity are set out as follows: (cont'd)

##### (i) Foreign currency risk management (cont'd)

The transactional currency exposure arising from financial assets that are denominated in a currency other than functional currency, is as follow: (cont'd)

	Group	
	2024 RM'000	2023 RM'000
<b>RMB</b>		
<b>Financial liabilities</b>		
Trade and other payables	-	(127)
	_____	_____
<b>AUD</b>		
<b>Financial liabilities</b>		
Derivative financial liabilities	2	-
	_____	_____

##### Sensitivity analysis for foreign currency risk

A 10% foreign currency fluctuation of the RM against following currencies at the end of reporting date would increase/(decrease) in Group's profit after tax as per below. The analysis assumes that all other variables remain unchanged.

	Group	
	2024 RM'000	2023 RM'000
<b>United States Dollar</b>	826	947
<b>Others</b>	206	181
	_____	_____

##### (ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates.

# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

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#### 34. Financial risk management objectives and policies (cont'd)

##### (a) Market risk (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasuries activity are set out as follows: (cont'd)

##### (ii) Interest rate risk (cont'd)

The Group's and the Company's exposure to interest rate risk arises primarily from their floating rate term loans and borrowings of entities within the Group. Investment in equity securities and short-term receivables and payables are not significantly exposed to interest rate risk. The Group's and the Company's policy is to manage interest cost using a mix of fixed and floating rate debts.

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

The interest rate profile of the Group significant interest bearing financial instruments, based on the carrying amounts as at the end of the reporting years were:

	Group	
	2024 RM'000	2023 RM'000
<b>Fixed rate instruments</b>		
<i>Financial asset</i>		
Fixed deposits placed with licensed bank	<u>22,147</u>	<u>19,350</u>
<i>Financial liabilities</i>		
Loans and borrowings	11,536	4,465
Lease liabilities	<u>12,075</u>	<u>19,857</u>
<b>Floating rate instruments</b>		
<i>Financial liabilities</i>		
Loans and borrowings	<u>8,399</u>	<u>12,326</u>

# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

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#### 34. Financial risk management objectives and policies (cont'd)

##### (a) Market risk (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasuries activity are set out as follows: (cont'd)

##### Interest rate risk sensitivity analysis

The following table details the sensitivity analysis for a reasonably possible change in the interest rates as the end of the reporting period with all other variables held constant on floating rate loans and borrowings of the Group:

	Group	
	Increase/ (Decrease) 2024 RM'000	Increase/ (Decrease) 2023 RM'000
<b>Effect on profit after tax</b>		
Increases 100 basis point	64	94
Decreases 100 basis point	<u>(64)</u>	<u>(94)</u>

##### (b) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and Company's exposure to credit risk arises primarily from trade and other receivables, short-term investment, amount owing from a subsidiary, deposits with licensed banks and cash and bank balances. The Group's objective is to seek continual growth while minimising losses incurred due to increased credit risk exposure.

##### (i) Trade receivables

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

In determining the recoverability of trade receivables, the Group and the Company consider any change in credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group and the Company have adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

##### Ageing analysis

The ageing analysis of the Company's trade receivables is disclosed in Note 17 to the financial statements.

# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 34. Financial risk management objectives and policies (cont'd)

##### (b) Credit risk (cont'd)

###### (i) Trade receivables

###### Trade receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and the Company.

###### Trade receivables that are past due but not impaired

As at the end of the reporting period, trade receivables of the Group of RM11,775,238 (2023: RM12,260,918) was past due but not impaired. These are not secured by any collateral or supported by any other credit enhancement.

###### Trade receivables that are past due and impaired

The movement in the allowance for impairment losses of trade receivables during the financial year is disclosed in Note 17 to the financial statements.

###### Credit risk concentration profile

The Group has no significant concentration of credit risk that may arise from exposure to a single receivable or to a group of receivables.

###### Exposure to credit risk, credit quality and collateral

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of trade receivables as at the end of the reporting period.

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

	Group	
	2024	2023
	RM'000	RM'000
Malaysia	17,772	18,405
Europe	5,819	4,739
Indonesia	315	338
Philippines	91	153
Singapore	29	47
United States of America	275	2,033
Vietnam	413	445
Hong Kong	2	-
	<u>24,716</u>	<u>26,160</u>

# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 34. Financial risk management objectives and policies (cont'd)

##### (b) Credit risk (cont'd)

###### (i) Trade receivables (cont'd)

###### Expected credit losses

The Group and the Company provide for lifetime expected credit losses for all trade receivables. The expected credit losses below also incorporate forward looking information such as a forecast of economic conditions where the gross domestic product will increase over the next year, leading to a decrease in the number of defaults. The loss allowance provision as at the end of each reporting period is determined as follows:

	Current	30 days past due	60 days past due	90 days past due	120 days past due	More than 120 days past due	Total
<b><u>Group and Company</u></b>							
<b>2024</b>							
Expected loss rate (%)	-	-	-	-	-	1.37	
Gross carrying amount (RM)	12,941,355	6,178,241	3,142,796	1,334,301	631,371	1,978,091	
Loss allowance provision (RM)	-	-	-	-	-	27,001	27,001
Specific allowance provision (RM)	-	-	-	-	-	1,462,561	1,462,561
Total impairment (RM)							<u>1,489,562</u>
<b>2023</b>							
Expected loss rate (%)	-	-	-	-	1.12	0.71	
Gross carrying amount (RM)	13,542,513	6,477,157	3,439,733	1,693,423	580,969	1,253,959	
Loss allowance provision (RM)	-	-	-	-	6,487	8,854	15,341
Specific allowance provision (RM)	-	-	-	187,261	-	624,996	812,257
Total impairment (RM)							<u>827,598</u>

# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

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#### 34. Financial risk management objectives and policies (cont'd)

##### (b) Credit risk (cont'd)

###### (ii) Other receivables

Other receivable balances are monitored on an ongoing basis.

The Group and the Company consider other receivables as low credit risk and any loss allowances would have been recognised in Note 17 to the financial statements.

###### Exposure to credit risk, credit quality and collateral

As the Group and the Company does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of other receivables as at the end of the reporting period.

###### (iii) Other financial assets

For other financial assets (including short-term investments, derivative financial assets, deposits with licensed banks and cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other financial assets is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

The Group and the Company consider the probability of default upon initial recognition of assets and whether there has been a significant increase in the credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable supportive forward-looking information.

Short-term investments are made only in liquid securities and only with counterparties that are reputable and have a strong credit rating. Transactions involving derivative financial instruments are with approved financial institutions.

For other financial assets of which there is a significant increase in credit risk since initial recognition, there is no material lifetime ECL impact on the amount reported for the Group and the Company.

###### Exposure to credit risk, credit quality and collateral

In view of the sound credit rating of counterparties, management does not expect any counterparty to fail to meet its obligations. Other than deposits with a licensed bank and bank balances that are protected to an extent by Perbadanan Insurans Deposit Malaysia, other financial instruments are unsecured.



# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

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#### 34. Financial risk management objectives and policies (cont'd)

##### (b) Credit risk (cont'd)

##### (iv) Bank guarantee

The Group has bank guarantees granted by banks in respect of payment guarantee in favour of certain subsidiaries.

##### Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM1,395,470 (2023: RM1,395,470) representing the outstanding bank guarantee at the end of the reporting period.

As at the end of the reporting period, there was no indication that the subsidiaries would default on repayment.

The bank guarantees have not been recognised since the fair value on initial recognition was not material as the guarantee is provided as credit enhancement to subsidiaries' secured borrowings.

##### (v) Financial guarantee

The Group and the Company is exposed to credit risk in relation to financial guarantees given to banks in respect of loans granted to certain subsidiaries. The Company monitors the results of the subsidiaries and their repayment on an on-going basis. The maximum exposure to credit risks amounts to RM19,271,365 and RM15,061,730 (2023: RM7,869,850 and RM3,023,079). representing the maximum amount the Company could pay if the guarantee is called on as disclosed in Note 31. As at the end of the reporting period, there was no indication that the subsidiaries would default on repayment. As at the reporting date, there was no loss allowance for impairment as determined by the Company for the financial guarantees.

The financial guarantees have not been recognised since the fair value on initial recognition was not material as the guarantee is provided as credit enhancement to subsidiaries' secured borrowings.



## Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

### Notes to the Financial Statements

#### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 34. Financial risk management objectives and policies (cont'd)

##### (c) Liquidity risk (cont'd)

The following table sets out the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows: (cont'd)

	Weighted average Effective rate %	Carrying amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 year RM'000	1 – 5 years RM'000
<b>2023</b>					
<b>Group</b>					
Trade and other payables		24,506	24,506	24,506	-
Loan and borrowings	2.00 – 5.51	16,791	17,554	17,077	477
Lease liabilities	2.45 – 3.67	19,857	21,447	11,672	9,775
		61,154	63,507	53,255	10,252
<hr/>					
		Carrying amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 year RM'000	1 – 5 years RM'000
<b>2023</b>					
<b>Company</b>					
Trade and other payables		58	58	58	-
		58	58	58	-

# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 35. Capital management

The primary objective of the Group's and the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group and the Company manage its capital structure and makes adjustment to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 December 2024 and 31 December 2023.

The Group and the Company monitor capital using a net gearing ratio, which is net debt divided by total capital plus net debt. The Group's and the Company's policy is to keep lower net gearing ratio at a level deemed appropriate considering business, economic and investment conditions.

The net gearing ratio as at the end of the reporting period is as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Trade and other payables	26,432	24,506	158	58
Loan and borrowings	19,935	16,791	-	-
Lease liabilities	12,075	19,857	-	-
Less: Deposits with licensed bank, unpledged (Note 21)	(11,775)	(12,834)	-	-
Less: Cash and bank balances	(30,558)	(32,630)	(1,157)	(3,051)
Less: Short-term investment	(7,579)	(10,322)	(2,670)	(2,593)
Net debt/(cash)	<u>8,530</u>	<u>5,368</u>	<u>(3,669)</u>	<u>(5,586)</u>
Equity attributable to the owners of the Company	<u>403,301</u>	<u>400,699</u>	<u>155,802</u>	<u>155,638</u>
Capital and net debt	<u>411,831</u>	<u>406,067</u>	<u>N/A</u>	<u>N/A</u>
Net gearing ratio/Net cash	<u>2.07</u>	<u>1.32</u>	<u>N/A</u>	<u>N/A</u>

# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

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#### 36. Operating segments

The Board of Directors is the Group's chief operating decision maker ("CODM").

The CODM assesses the performance of the operating segments based on profit before tax.

##### (a) Reporting format

The Group operates principally in the timber industry and the primary reportable segments are the business segments categorised by the different products and services produced. Each business segment is the Group's strategic business unit. The strategic business units are organised and managed separately because of the differences in the nature of products and services provided and markets served.

##### (b) Reportable segments

The Group operates on the following main business segments:

- |                            |   |
|----------------------------|---|
| (i) Timber extraction      | - exploitation of forest concession and sales of timber logs  |
| (ii) Timber trading        | - sales of processed sawn timber and its related products   |
| (iii) Manufacturing        | - manufacturing of rough sawn timber, moulded timber and its related products, manufacturing and distribution of industrial paper bags                                  |
| (iv) Service and treatment | - providing timber kiln drying and chemical preservative treatment  |
| (v) Property development   | - property development and building construction  |
| (vi) Others                | - investment holdings, leasing of timber rights and rental of equipment. None of these segments met the quantitative threshold for reporting segments in 2024 and 2023. |

##### (c) Segment assets

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

##### (d) Segment liabilities

Segment liabilities information comprise total liabilities of each segment reported in the internal management report to the CODM. The CODM reviews segment liabilities information to monitor liquidity of each segment.

## **Minho (M) Berhad**

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

### **Notes to the Financial Statements**

#### **For the Financial Year Ended 31 December 2024 (Cont'd)**

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#### **36. Operating segments (cont'd)**

##### **(e) Geographical segments**

The Group only operates within Malaysia.

##### **(f) Allocation basis and transfer pricing**

Segment profit before tax, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Transfer prices between business segments are set on terms agreed between transacting parties. Segment revenue, expenses and results include transfers between business segments which are eliminated on consolidation.

# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 36. Operating segments (cont'd)

2024	Timber extraction RM'000	Timber trading RM'000	Manufacturing RM'000	Services and treatment RM'000	Property development RM'000	Others RM'000	Elimination RM'000	Total RM'000
<b>Segment (loss)/profit before tax</b>	(395)	1,403	6,944	321	204	4,960	(4,087)	9,350
Included in the measure of segment profit are:								
External sales	-	52,867	109,495	22,618	-	3,144	-	188,124
Inter segment sales	-	2,096	6,261	5,049	-	2,371	(15,777)	-
<b>Total revenue</b>	<b>-</b>	<b>54,963</b>	<b>115,756</b>	<b>27,667</b>	<b>-</b>	<b>5,515</b>	<b>(15,777)</b>	<b>188,124</b>
Depreciation	-	(315)	(4,073)	(1,813)	(26)	(441)	-	(6,668)
Amortisation of rights-of-use assets	-	(224)	(1,733)	(6,167)	-	-	1,572	(6,562)
Rental income of land and buildings	-	1,753	7,165	11,135	360	-	(3,716)	16,697
Net foreign exchange								
- realised loss, net	-	-	80	-	-	-	-	80
- unrealised gain, net	-	82	5	-	-	-	-	87
Finance costs	-	(75)	(1,066)	(637)	-	(10)	438	(1,350)
Interest income	-	216	380	121	26	98	-	841
Tax expense	-	(1,859)	(1,106)	(166)	(60)	(424)	-	(3,615)
<b>Segment assets</b>	<b>-</b>	<b>59,777</b>	<b>220,298</b>	<b>178,808</b>	<b>12,346</b>	<b>45,699</b>	<b>(2,301)</b>	<b>514,627</b>
<b>Segment liabilities</b>	<b>-</b>	<b>3,250</b>	<b>37,686</b>	<b>26,061</b>	<b>102</b>	<b>2,883</b>	<b>1,444</b>	<b>71,426</b>

# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

#### 36. Operating segments (cont'd)

2023	Timber extraction RM'000	Timber trading RM'000	Manufacturing RM'000	Services and treatment RM'000	Property development RM'000	Others RM'000	Elimination RM'000	Total RM'000
<b>Segment (loss)/profit before tax</b>	(5)	4,317	7,934	2,373	210	(30,935)	31,002	14,896
Included in the measure of segment profit are:								
External sales	-	69,363	94,820	26,109	-	3,139	-	193,430
Inter segment sales	-	1,543	4,479	5,854	-	9,575	(21,452)	-
Total revenue	-	70,906	99,299	31,963	-	12,714	(21,452)	193,430
Depreciation	-	(575)	(2,077)	(1,752)	(26)	(409)	-	(4,839)
Amortisation of rights-of- use assets	-	(230)	(3,041)	(5,734)	-	(70)	1,529	(7,546)
Rental income of land and buildings	-	3,091	4,438	6,857	360	-	(3,589)	11,157
Net foreign exchange								
- realised loss, net	-	(181)	(183)	-	-	-	-	(364)
- unrealised gain, net	-	40	283	-	-	-	-	323
Finance costs	-	(217)	(1,340)	(378)	-	(2)	550	(1,387)
Interest income	-	94	428	100	28	107	(6)	751
Tax expense	-	(1,227)	(2,052)	(3,663)	(64)	(224)	-	(7,230)
<b>Segment assets</b>	395	92,999	194,429	174,739	12,209	45,490	(2,962)	517,299
<b>Segment liabilities</b>	-	10,075	38,778	22,768	110	3,084	536	75,351



# Minho (M) Berhad

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

## Notes to the Financial Statements

### For the Financial Year Ended 31 December 2024 (Cont'd)

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#### 37. Significant event during the financial year

- (i) On 19 February 2024, the subsidiary, Syarikat Minho Kilning Sdn. Bhd. had accepted a banking facility up to RM10,000,000 with Maybank Islamic Berhad, for the purpose of part finance for the acquisition of a freehold vacant land held under individual Title No. Geran 50352, Lot 4843, Mukim Jeram, District of Kuala Selangor, State of Selangor.
- (ii) On 27 December 2024, the subsidiary, Syarikat Vinco Timber Industries Sdn. Bhd. had proposed a capital reduction from RM3,000,000 comprising 3,000,000 units of shares to RM100 comprising 100 units of shares. The capital reduction exercise was successfully completed in February 2025.

#### 38. Material litigation

##### Klang Sessions Court S/No. BL-A52-12-10/2020

On 20 October 2020, Pracrans Sdn. Bhd. ("PTS") has filed a Writ and Statement of Claim claiming Syarikat Minho Kilning Sdn. Bhd. ("SMKSB"), a wholly-owned subsidiary of the Company, a total outstanding sum of RM161,148 for goods and services supplied by PTS to SMKSB. However, SMKSB contested the claims by PTS as goods and services provided by PTS was not to specifications and sub-standard.

On 13 November 2020, SMKSB filed its Defence and Counterclaim stipulating the Company's defences to PTS and counterclaims. SMKSB counterclaims a total outstanding sum of RM404,720 for the total failure of consideration of the purchase contract with PTS.

The Court has set 22 April 2021 as the mediation date for this case as both parties are trying to settle the case on an out of court settlement and the case management date is fixed on 23 April 2021 for the outcome of the mediation. However, the mediation date has been postponed to 21 and 22 February 2022.

## **Minho (M) Berhad**

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

### **Notes to the Financial Statements**

#### **For the Financial Year Ended 31 December 2024 (Cont'd)**

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#### **38. Material litigation (cont'd)**

##### **Klang Sessions Court S/No. BL-A52-12-10/2020 (cont'd)**

On 22 February 2022, PTS has presented their points to the judge and SMKSB first witness and second witness will defend and counterclaims to the judge on 5 April 2022 and 5 July 2022 respectively. The judge unable to attend the Court on 5 July 2022. Therefore, SMKSB second witness presented their points to the judge on 18 October 2022. However, the continued hearing on 18 October 2022 is postponed to 9 January 2023.

On 9 June 2023, PTS won their case at the Session Court Stage as a plaintiff. SMK decided to appeal to high court against the decision by the Session Court Judge.

On 2 February 2024, after examining the records of the appeal and the arguments filed by the parties in the appeal, the High Court finds no reason to disturb the findings of the Sessions Court Judge based on the provisions of the law and proper assessment of the facts. However, SMK are dissatisfied with the decision made by the High Court judge and decide to appeal this decision to the Court of Appeal.

As a result of the legal proceedings, the court has ruled to dismiss the appeal filed by SMK in the case against PTS. The decision, which was made in favor of PTS, upholds the original ruling, confirming that PTS is entitled to the judgement amount. Consequently, the court's decision has been finalised, and the judgement sums have already been paid to PTS in accordance with the terms of the judgement.

## **Independent Auditors' Report To the Members of Minho (M) Berhad**

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

#### **Opinion**

We have audited the financial statements of **Minho (M) Berhad** ("the Company"), which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 49 to 136.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

#### **Basis for Opinion**

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

#### *Independence and Other Ethical Responsibilities*

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

**ECOVIS MALAYSIA PLT** 20104001750 (LLP0003185-LCA) & AF 001825 Chartered Accountants, D-10-03, Level 10, EXSIM Tower, Millerz Square @ Old Klang Road, Megan Legasi, No. 357, Jalan Kelang Lama, 58000 Kuala Lumpur, Malaysia **Phone:** +60(3) 7986 0066 **E-Mail:** kuala-lumpur@ecovis.com.my

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## **Independent Auditors' Report To the Members of Minho (M) Berhad (Cont'd)**

(Incorporated in Malaysia)  
Registration No. 199001009358 (200930-H)

### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)**

#### *Key Audit Matters*

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

#### **(i) Inventories valuation**

(Refer to Note 3.6 and Note 16 to the financial statements)

Inventories of the Group include timber products and industrial paper bags, in line with principal activities of subsidiaries of the Group as disclosed in Note 29 to the financial statements. In our view, inventories are significant to our audit as constitutes approximately 17% of total assets as at 31 December 2024, amounting to RM85,824,289.

Under MFRS 102, the Group is required to measure inventories at the lower of cost and net realisable value. The net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Our audit procedures focused on evaluating management's assessment on inventories valuation, which includes the following:

- 1) We obtained an understanding from management of the inventories valuation policy and relevants control surrounding inventories valuation implemented;
- 2) We obtained and reviewed appropriateness of inventories ageing and assessed the management's application of the Group's policy in respect of the allowance for obsolete and slow moving inventories;
- 3) We tested existence and condition of inventories through physical stock observation;
- 4) We performed testing on sampling basis the costs of raw material, direct labour, other direct costs and manufacturing overheads incurred in the production;
- 5) We assessed the management's basis of allocation of the raw material, direct labour, other direct costs and manufacturing overheads for the valuation of inventory;
- 6) We evaluated management's assessment of net realizable value ("NRV") of finished goods and compared the carrying amount against the selling price subsequent to financial year end; and
- 7) We reviewed the adequacy of the disclosures based on MFRS 102 requirement.

**Independent Auditors' Report  
To the Members of Minho (M) Berhad (Cont'd)**

(Incorporated in Malaysia)  
Registration No. 199001009358 (200930-H)

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)**

*Key Audit Matters (Cont'd)*

**(ii) Impairment of receivables**

(Refer to Note 3.11 and Note 17 to the financial statements)

The Group has gross trade and other receivables approximately RM 28,550,684 and accumulated impairments approximately RM1,540,609 as at 31 December 2024.

Our audit procedures focused on evaluating management's assessment on impairment of receivables, which includes the following:

- 1) Obtain an understanding on the Group's credit risk policy and its credit exposures and making inquiries of management regarding their action plans to recover overdue amounts but not impaired;
- 2) Obtained the ageing analysis of receivables and testing the reliability thereof;
- 3) Reviewed and evaluated the probability of default using historical data and forward-looking information adjustments applied by the Group for calculating the estimated credit loss to comply MFRS 9;
- 4) Reviewed subsequent collections of overdue amount and major trade receivable;
- 5) Reviewed the adequacy of allowance of impairments and appropriateness of disclosure notes based on MFRS 9 requirements.

We have determined that there are no key audit matters in audit of the separate financial statements of the Company to be communicated in our audit report.

## **Independent Auditors' Report To the Members of Minho (M) Berhad (Cont'd)**

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)**

#### **Information Other than the Financial Statements and Auditors' Report Thereon**

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

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

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

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

#### **Responsibilities of the Directors for the Financial Statements**

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

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or has 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 ISAs 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 basis of these financial statements.

## **Independent Auditors' Report To the Members of Minho (M) Berhad (Cont'd)**

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)**

#### **Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)**

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

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

## **Independent Auditors' Report To the Members of Minho (M) Berhad (Cont'd)**

(Incorporated in Malaysia)

Registration No. 199001009358 (200930-H)

### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)**

#### **Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)**

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (cont'd)

- (f) 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 those charged with governance 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, related safeguards.

From the matters communicated with those charged with governance, 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 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 30 to the financial statements.



**Independent Auditors' Report**  
**To the Members of Minho (M) Berhad (Cont'd)**  
(Incorporated in Malaysia)  
Registration No. 199001009358 (200930-H)

**OTHER MATTERS**

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

**ECOVIS MALAYSIA PLT**  
AF 001825  
Chartered Accountants

Kuala Lumpur  
24 April 2025

**PAT YIN LAI**  
03073/12/2025 J  
Chartered Accountant

**MINHO (M) BERHAD**

Registration No. 199001009358 (200930-H)  
(Incorporated in Malaysia)

**List of Properties**

Location	Description	Approximate Area	Tenure	Age	Net Book Value (RM)	Year of Acquisition / Revaluation
Lot No. 6466 Mukim of Kapar District of Klang Selangor Darul Ehsan	Land	9.95 acres	Freehold	36	6,050,000	1989
Lot No. 6466 Mukim of Kapar District of Klang Selangor Darul Ehsan	Office building	392.70 sq. metres	Freehold	32	47,795	1993
Lot No. 6466 Mukim of Kapar District of Klang Selangor Darul Ehsan	Office building	145.10 sq. metres	Freehold	32	12,835	1993
Lot No. 6466 Mukim of Kapar District of Klang Selangor Darul Ehsan	Kiln drying factory with parking & storage shed, workshop & office cum store, building & worker quarters	2,067.91 sq. metres	Freehold	15	3,781,564	2010
Lot No. 6475 & 6476 Mukim of Kapar District of Klang Selangor Darul Ehsan	Land	9.89 acres	Freehold	15	12,900,000	2010
Lot No. 6475 & 6476 Mukim of Kapar District of Klang Selangor Darul Ehsan	Kiln drying factory with storage shed & office building	33,944.04 sq. metres	Freehold	15	10,807,025	2010
Lot No. 6469 Mukim of Kapar District of Klang Selangor Darul Ehsan	Land	9.89 acres	Freehold	15	12,000,000	2010
Lot No. 6469 Mukim of Kapar District of Klang Selangor Darul Ehsan	Kiln drying factory	41,517.38 sq. metres	Freehold	15	6,069,712	2010
Lot No. 921 Section 24 Municipality of Klang Selangor Darul Ehsan	Land	302.8 sq. metres	Freehold	15	700,000	2010

**MINHO (M) BERHAD**

Registration No. 199001009358 (200930-H)  
(Incorporated in Malaysia)

**List of Properties (cont'd)**

<b>Location</b>	<b>Description</b>	<b>Approximate Area</b>	<b>Tenure</b>	<b>Age</b>	<b>Net Book Value (RM)</b>	<b>Year of Acquisition / Revaluation</b>
Lot No. 921 Section 24 Municipality of Klang Selangor Darul Ehsan	Terrace shop cum office	Built up area of 302.8 sq. metres	Freehold	15	551,211	2010
Lot No. 6477 Mukim of Kapar District of Klang Selangor Darul Ehsan	Land	9.94 acres	Freehold	17	12,120,000	2008
Lot No. 6477 Mukim of Kapar District of Klang Selangor Darul Ehsan	Storage shed, office blocks and store	32,323.42 sq. metres	Freehold	17	536,348	2008
Lot No. 6477 Mukim of Kapar District of Klang Selangor Darul Ehsan	Office building	388.63 sq. metres	Freehold	17	126,952	2008
Lot No. 6474 Mukim of Kapar District of Klang Selangor Darul Ehsan	Land	10.43 acres	Freehold	16	12,730,000	2009
Lot No. 6474 Mukim of Kapar District of Klang Selangor Darul Ehsan	Kiln drying factory with storage shed	41,951.36 sq. metres	Freehold	17	5,458,200	2008
Lot No. 6471 Mukim of Kapar District of Klang Selangor Darul Ehsan	Land	10.18 acres	Freehold	17	12,410,000	2008
Lot No. 6470 Mukim of Kapar District of Klang Selangor Darul Ehsan	Land	10.18 acres	Freehold	17	12,410,000	2008
Lot No. 6471 Mukim of Kapar District of Klang Selangor Darul Ehsan	Kiln drying factory with storage shed, office block and workshop	67,790.04 sq. metres	Freehold	17	10,354,598	2008
Lot No. 6470 Mukim of Kapar District of Klang Selangor Darul Ehsan	Kiln drying factory with storage shed and office block	1,360.26 sq. metres	Freehold	17	101,607	2008

**MINHO (M) BERHAD**Registration No. 199001009358 (200930-H)  
(Incorporated in Malaysia)**List of Properties (cont'd)**

<b>Location</b>	<b>Description</b>	<b>Approximate Area</b>	<b>Tenure</b>	<b>Age</b>	<b>Net Book Value (RM)</b>	<b>Year Of Acquisition / Revaluation</b>
Lot No. 4842 Mukim of Jeram District of Kuala Selangor Selangor Darul Ehsan	Vacant	18,208 acres	Freehold	14	4,634,780	2011
No. 51, Jalan Aman Perdana, 9G/KU Taman Aman Perdana District of Klang Selangor Darul Ehsan	Building	0.048 acres	Freehold	8	633,788	2017
PT 71937, No. 62A Lorong Sungai Puloh 10/KU6 Mukim of Kapar Klang Selangor	Terrace Industrial Building	253 sq. metres	Freehold	7	959,732	2018
GRN 93055 Lot 34195 Mukim of Kapar District of Klang Selangor Darul Ehsan	Terrace Industrial Building	186 sq. metres	Freehold	7	425,064	2018
GRN 93068 Lot 34212 Mukim of Kapar District of Klang Selangor Darul Ehsan	Terrace Industrial Building	186 sq. metres	Freehold	7	416,206	2018
GRN 93069 Lot 34213 Mukim of Kapar District of Klang Selangor Darul Ehsan	Terrace Industrial Building	186 sq. metres	Freehold	7	416,206	2018
GRN 93037 Lot 34177 Mukim of Kapar District of Klang Selangor Darul Ehsan	Terrace Industrial Building	186 sq. metres	Freehold	3	583,796	2022
GRN 93038 Lot 34178 Mukim of Kapar District of Klang Selangor Darul Ehsan	Terrace Industrial Building	186 sq. metres	Freehold	3	583,796	2022
GRN 93039 Lot 34179 Mukim of Kapar District of Klang Selangor Darul Ehsan	Terrace Industrial Building	186 sq. metres	Freehold	3	583,796	2022
GRN 93034 Lot 34174 Mukim of Kapar District of Klang Selangor Darul Ehsan	Terrace Industrial Building	186 sq. metres	Freehold	3	564,273	2022

**MINHO (M) BERHAD**Registration No. 199001009358 (200930-H)  
(Incorporated in Malaysia)**List of Properties (cont'd)**

Location	Description	Approximate Area	Tenure	Age	Net Book Value (RM)	Year Of Acquisition / Revaluation
GRN 92925 Lot 34156 Mukim of Kapar District of Klang Selangor Darul Ehsan	Terrace Industrial Building	186 sq. metres	Freehold	3	603,320	2022
GRN 93049 Lot 34189 Mukim of Kapar District of Klang Selangor Darul Ehsan	Terrace Industrial Building	248 sq. metres	Freehold	2	945,268	2023
GRN 93050 Lot 34190 Mukim of Kapar District of Klang Selangor Darul Ehsan	Terrace Industrial Building	186 sq. metres	Freehold	2	616,277	2023
GRN 50352, Lot 4843, Mukim Jeram, District of Kuala Selangor, State of Selangor.	Land	19.381 acres	Freehold	1	15,400,000	2024
GRN 92892 Lot 34149 Mukim Kapar, District of Klang, State of Selangor.	Terrace Industrial Building	186 sq. metres	Freehold	1	814,753	2024
Regensi Condominium Jalan Pelangi Kawasan 16 Municipality of Klang Selangor Darul Ehsan	15 units of Condominium EW16-7-B,EW17-2-E, SW13-1, SW13-2, SW13-3, SW13-5, SW13-7, SW13-8, SW13-9, SW13-10, SW17-6-A,SW19-2-C WW15-2-G, WW17-4-C, WW17-6-A	0.669 acres	Freehold	18	3,184,243	2007
Lot No. 6503 Mukim of Kapar District of Klang Selangor Darul Ehsan	Land	6.059 acres	Freehold	16	4,006,500	2009
Lot No. 6503 Mukim of Kapar District of Klang Selangor Darul Ehsan	Industrial paper bags factory with parking & storage shed & office building	6.059 acres	Freehold	16	4,210,098	2009

**MINHO (M) BERHAD**

Registration No. 199001009358 (200930-H)  
(Incorporated in Malaysia)

**List of Properties (cont'd)**

<b>Location</b>	<b>Description</b>	<b>Approximate Area</b>	<b>Tenure</b>	<b>Age</b>	<b>Net Book Value (RM)</b>	<b>Year Of Acquisition / Revaluation</b>
PT 42079 Mukim of Tanjung Dua Belas District of Kuala Langat Selangor Darul Ehsan	Land	26.14 acres	Freehold	9	13,523,924	2016
PT 34194 Mukim of Kapar District of Klang Selangor Darul Ehsan	Terrace Industrial Building	186 sq. metres	Freehold	7	424,410	2018
Lot No. 6457 & 6458 Mukim of Kapar District of Klang Selangor Darul Ehsan	Storage shed	10.144 acres	Freehold	37	8,543,931	1988
Lot No. 6457 & 6458 Mukim of Kapar District of Klang Selangor Darul Ehsan	Worker's quarter	107.30 sq. metres	Freehold	32	57,391	1993
Lot 6462 Mukim of Kapar District of Klang Selangor Darul Ehsan	Industrial Land	5.113 acres	Freehold	22	20,404,944	2003
Lot No. 6467 Mukim of Kapar District of Klang Selangor Darul Ehsan	Office building with storage shed	9.90 acres	Freehold	20	1,200,213	2005
Lot No. 6467 Mukim of Kapar District of Klang Selangor Darul Ehsan	Office building	264.77 sq. metres	Freehold	19	160,268	2006
PT 71935 Lot TF8 No.60 Mukim of Kapar District of Klang Selangor Darul Ehsan	Terrace Industrial Building	0.005 acres	Freehold	11	915,800	2014
PT 71936 Lot TF9 No.62 Mukim of Kapar District of Klang Selangor Darul Ehsan	Terrace Industrial Building	0.005 acres	Freehold	11	911,715	2014
Lot 48459 - No. 5 Mukim of Kapar District of Klang Selangor Darul Ehsan	Terrace House	111 sq. metres	Freehold	11	55,000	2014

**MINHO (M) BERHAD**

Registration No. 199001009358 (200930-H)  
(Incorporated in Malaysia)

**List of Properties (cont'd)**

Location	Description	Approximate Area	Tenure	Age	Net Book Value (RM)	Year Of Acquisition / Revaluation
Lot 48497 - No. 58 Mukim Kapar District of Klang Selangor Darul Ehsan	Terrace House	251 sq. metres	Freehold	11	75,000	2014
PT 7920 Mukim of Jeram Kuala Selangor Selangor Darul Ehsan	Agriculture Land	4.302 acres	Freehold	3	3,889,724	2022
Lot 14465 Mukim of Jeram Kuala Selangor Selangor Darul Ehsan	Agriculture Land	5.006 acres	Freehold	2	8,639,275	2023
Lot No. PT 2863 Mukim of Chenor District of Maran Pahang Darul Makmur	Factory with storage shed, office and workshop	145.41 acres	Leasehold expiring on 10/10/2045	72	17,211,154	1953
Lot No. 879 Municipality of Klang Selangor Darul Ehsan	Vacant	3.4677 acres	Freehold	25	3,267,259	2000
Lot 15956 Mukim of Kapar District of Kapar Selangor Darul Ehsan	Agriculture Land	8.794 acres	Freehold	8	5,012,671	2017
7 <sup>th</sup> Floor Lot 711 & 712 Block B Mukim of Damansara District of Petaling Jaya Selangor Darul Ehsan	Office Building	3,326 sq. feet	Leasehold from 13/1/1995 to 13/4/2098	24	348,066	2001
GRN101889 Lot No.41960 No 15 Jalan Sungai Kapar Indah SB Taman Sungai Kapar Indah 42100 Klang Selangor	Double Storey Renovated Terraced House	1,302 sq. feet	Freehold	4	384,717	2021
GRN101850 Lot No.41921 No 36 Jalan Sungai Kapar Indah SB Taman Sungai Kapar Indah 42100 Klang Selangor	Double Storey Terraced House	1,302 sq. feet	Freehold	4	351,875	2021

**MINHO (M) BERHAD**Registration No. 199001009358 (200930-H)  
(Incorporated in Malaysia)**List of Properties (cont'd)**

<b>Location</b>	<b>Description</b>	<b>Approximate Area</b>	<b>Tenure</b>	<b>Age</b>	<b>Net Book Value (RM)</b>	<b>Year Of Acquisition / Revaluation</b>
Lot 758 & 759 Seksyen 41 Jalan Yap Ah Shak Bandaraya Kuala Lumpur	Building	297 sq. meters	Freehold	12	8,279,180	2013
Lot 1698, Bukit Kuda Mukim Kapar District of Klang Selangor Darul Ehsan	Land	1.406 acres	Freehold	12	2,500,000	2013



# MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)  
(Incorporated in Malaysia)

## Analysis of Shareholdings as at 28 March 2025

### Share Capital

Total Number of Issued Share	:	356,724,346 (including 229 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	%
1 - 99	589	11.57	26,818	0.01
100 – 1,000	344	6.59	128,162	0.04
1,001 – 10,000	2,619	51.42	13,273,728	3.72
10,001 – 100,000	1,317	25.86	40,606,396	11.38
100,001 – 17,836,205*	233	4.58	201,614,040	56.52
17,836,206 and above**	1	0.02	101,074,973	28.33
<b>TOTAL</b>	<b>5,093</b>	<b>100.00</b>	<b>356,724,117#</b>	<b>100.00</b>

\* Less than 5% of issued holdings

\*\* 5% and above of issued holdings

# Excluding 229 treasury shares

### Directors' Shareholdings

The Directors' shareholdings based on the Register of Directors' Shareholdings of the Company are as follows:-

Name of Directors	No. of shares beneficially held			
	Direct	%	Indirect	%
Dato' Loo Keng An @ Lee Kim An	-	-	104,885,907 <sup>(1)</sup>	29.17
Loo Say Leng	-	-	-	-
Tuan Haji Mohd Faizal Bin Abdul Majid	3,131	0.01	-	-
Lim Kim Meng	260,947	0.07	-	-
Jeannie Lim Li Tein	-	-	-	-

(1) Deemed interested by virtue of the shares held by Minho Holdings Sdn. Bhd. through his interest in Loo Keng An Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 and by virtue of the shares held by his children.

### Substantial Shareholders

The substantial shareholders based on the Register of Substantial Shareholders of the Company and their shareholdings are as follows:-

Name of Shareholders	No. of shares beneficially held			
	Direct	%	Indirect	%
Minho Holdings Sdn. Bhd.	101,074,973	28.33	-	-
Dato' Loo Keng An @ Lee Kim An	-	-	104,885,907 <sup>(1)</sup>	29.17

(1) Deemed interested by virtue of the shares held by Minho Holdings Sdn. Bhd. through his interest in Loo Keng An Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 and by virtue of the shares held by his children.

# MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)  
(Incorporated in Malaysia)

## Analysis of Shareholdings (cont'd) as at 28 March 2025

### List of Thirty (30) Largest Securities Account Holders as at 28 March 2025

Name of Shareholders	No. of Shares Held	%
1. Minho Holdings Sdn. Bhd.	101,074,973	28.33
2. Ceraf Bestari Sdn. Bhd.	13,444,514	3.77
3. Emas Adil Sdn. Bhd.	12,041,826	3.38
4. MDB Manufacturing Sdn. Bhd.	11,253,204	3.15
5. CIMB Group Nominees (Asing) Sdn. Bhd. Exempt an for DBS Bank Ltd (SFS-PB)	8,884,631	2.49
6. LTK (Melaka) Sdn. Bhd.	7,338,528	2.06
7. Mak Ooi Yee	6,376,281	1.79
8. Loo Say Cheng	4,787,200	1.34
9. Shio Lay Kian	4,235,449	1.19
10. RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ng Hin Seong	4,218,000	1.18
11. Perakayan Sri Jengka Sdn. Bhd.	3,763,400	1.06
12. Loo Say Cheng	3,614,113	1.01
13. GT-Max Resources Sdn. Bhd.	3,430,000	0.96
14. Liaw Kong Wah	3,408,853	0.96
15. Ong Yik Gee	3,318,000	0.93
16. RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Gan Thiam Seng	3,293,200	0.92
17. Seah Gak San	3,150,772	0.88
18. Lau Sow Ngan	2,878,940	0.81
19. Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Heritage Resources Sdn. Bhd. (E-KTN)	2,812,200	0.79
20. Lim Kiat Si	2,775,100	0.78
21. Siew Kiat Seng	2,665,852	0.75
22. Loo Chen Nee	2,639,746	0.74
23. Ladang Ternakan Kelang Sdn. Bhd.	2,420,158	0.68
24. Tee Ah Swee	2,308,700	0.65
25. AMSEC Nominees (Asing) Sdn. Bhd. Pledged Securities Account for Lim Han Leng	2,103,405	0.59
26. Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Ah Tin	2,060,945	0.58
27. IFAST Nominees (Tempatan) Sdn Bhd Ng Sher Win	2,013,300	0.56
28. Tan Chui Hua	1,985,188	0.56
29. Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Loo Keng Kiat	1,853,500	0.52
30. Lau Saw Kuen	1,723,290	0.48

# MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)  
(Incorporated in Malaysia)

## Notice of Thirty-Fourth Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the Thirty-Fourth Annual General Meeting (“**34th AGM**”) of MINHO (M) BERHAD (“**the Company**”) will be held at the Board Room of the Company at Lot 6476, Lorong Sg. Puluh, Batu 6, Off Jalan Kapar, 42100 Klang, Selangor Darul Ehsan on Thursday, 26 June 2025 at 10:30 a.m. or at any adjournment thereof, for the transaction of the following business:-

### AGENDA

#### **As Ordinary Business**

1. To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon. *(Please refer to Explanatory Note 1)*
2. To approve the payment of Directors’ fees and benefits of up to RM223,000.00 payable to the Directors of the Company from the conclusion of the 34th AGM up till the conclusion of the next Annual General Meeting of the Company to be held in 2026. *(Resolution 1)*
3. To re-elect the following Directors who retire pursuant to Clause 96 of the Company’s Constitution:-
  - (a) Dato’ Loo Keng An @ Lee Kim An *(Resolution 2)*
  - (b) Mr. Loo Say Leng *(Resolution 3)*
4. To re-appoint Messrs. Ecovis Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. *(Resolution 4)*

#### **As Special Business**

To consider and if thought fit, to pass the following ordinary resolutions, with or without modifications:-

5. **ORDINARY RESOLUTION 1  
AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016**

“**THAT** subject to the Companies Act 2016 (“**the Act**”), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the approvals of the relevant governmental and/or regulatory authorities, where such approval is necessary, the Directors be and are hereby empowered pursuant to the Act, to allot and issue shares in the capital of the Company to such persons at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being; **AND THAT** the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad; and that such authority shall commence immediately upon the passing of this resolution and shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

*(Resolution 5)*

# MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)  
(Incorporated in Malaysia)

6. **ORDINARY RESOLUTION 2  
PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR  
RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING  
NATURE ("PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE")**

"**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's subsidiaries ("**Minho Group**") to enter into recurrent related party transactions of a revenue or trading nature ("**Recurrent Related Party Transactions**") with the related parties as specified in Section 2.4 of the Circular to Shareholders dated 30 April 2024 subject further to the following:-

- (i) the Recurrent Related Party Transactions are in the ordinary course of business which are necessary for day-to-day operations and are on normal commercial terms not more favourable than those generally available to the public and are not detrimental to the minority shareholders of the Company;
- (ii) the disclosure is made in the annual report breakdown of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year and that such approval shall, commence immediately upon the passing of this ordinary resolution and continue to be in force until:
  - (a) the conclusion of the next Annual General Meeting ("**AGM**") of the Company following the forthcoming AGM at which time it will lapse unless by a resolution passed at a general meeting, the authority is renewed; or
  - (b) the expiration of the period within which the next AGM is required by law 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
  - (c) it is revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier;

**AND THAT** the Board of Directors of the Company and/or any one of them be and are hereby authorised to complete and to do all such acts and things including executing such documents as may be required to give effect to the transactions contemplated and/or authorised by this ordinary resolution."

*(Resolution 6)*

7. To transact any other ordinary business for which due notice shall have been given.

By Order of the Board

**MAK CHOOI PENG** (MAICSA 7017931) (SSM PC No. 201908000889)  
Company Secretary

Klang

Dated: 30 April 2025

# MINHO (M) BERHAD

Registration No. 199001009358 (200930-H)  
(Incorporated in Malaysia)

## Notes:

- (a) *In respect of deposited securities, only members whose names appear in the Record of Depositors on 19 June 2025 (“**General Meeting Record of Depositors**”) shall be entitled to attend, speak and vote at this Meeting.*
- (b) *A member entitled to attend and vote at this Meeting is entitled to appoint more than one (1) proxy to attend and vote instead of him, and that a proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at this Meeting shall have the same rights as the member to speak at the Meeting.*
- (c) *Where a member appoints more than one (1) proxy to attend and vote at the same meeting, such appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.*
- (d) *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
- (e) *Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“**omnibus account**”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
- (f) *The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing or if the member is a corporation, shall be executed under its common seal or under the hand of two (2) authorised officers, one of whom shall be a director, or of its attorney of the corporation duly authorised.*
- (g) *The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, shall be deposited at the registered office of the Company at Unit 2005, 20th Floor, Tower 2, Faber Towers, Jalan Desa Bahagia, Taman Desa, 58100 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding this Meeting or any adjournment thereof.*
- (h) *Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**MMLR**”), all the resolutions set out in this Notice of 34th AGM will be put to vote by poll.*

## **Explanatory Notes on Ordinary and Special Businesses:**

### 1. Item 1 of the Agenda

This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

### 2. Resolution 1

Section 230(1) of the Companies Act 2016 (“**the Act**”) provides that the fees of the directors and any benefits payable to the directors including any compensation for loss of employment of a director or former director of a public company or a listed company and its subsidiaries, shall be approved at a general meeting.

The Company is seeking shareholders’ approval for the payment of Directors’ fees and benefits of up to RM223,000.00 payable to the Directors of the Company with effect from the conclusion of the 34th AGM until the conclusion of the next AGM of the Company in 2026 pursuant to Section 230(1) of the Act.

The estimated Directors’ fees and benefits proposed for the period from 27 June 2025 until the next AGM of the Company in 2026 are derived based on the current Board size and number of scheduled Board and Board Committees meetings to be held. This Resolution 1 is to facilitate payment of Directors’ fees and benefits for the financial year 2025/2026.

In the event that the proposed Directors’ fees and benefits are insufficient, approval will be sought at the next AGM for additional Directors’ fees and benefits to meet the shortfall.

**3. Resolutions 2 and 3**

Dato' Loo Keng An @ Lee Kim An and Mr. Loo Say Leng ("**the Retiring Directors**") are standing for re-election as Directors of the Company.

For the purpose of determining the eligibility of the Retiring Directors to stand for re-election at the 34th AGM, the Board, through its Nomination and Remuneration Committee ("**NRC**") had assessed the Retiring Directors, and considered the following:

- (i) performance and contribution based on the self-assessment ("**SA**") results;
- (ii) level of contribution to the Board and deliberations through their skills, experience and strength in qualities; and
- (iii) level of objectivity, impartiality and their ability to act in the best interest of the Company.

The Retiring Directors met the performance criteria required of an effective and a high-performance Board based on the Directors' SA results.

The NRC and Board of Directors of the Company ("**the Board**") have considered the results of the assessment conducted on the Retiring Directors and collectively satisfied that they meet the criteria of character, experience, integrity, competence and time required to effectively discharge their role as Directors, as prescribed by Paragraph 2.20A of the MMLR. The Board accepted the NRC's recommendation that the Retiring Directors, who retire in accordance with Clause 96 of the Constitution namely, Dato' Loo Keng An @ Lee Kim An and Mr. Loo Say Leng are eligible to stand for re-election. The Retiring Directors had abstained from deliberations and decisions on their own eligibility and suitability to stand for re-election at the relevant Board meetings. The Retiring Directors referred to in Resolutions 2 and 3 will abstain from voting on the resolution in respect of their respective re-election at the 34th AGM.

**4. Resolution 4**

The Audit and Risk Management Committee ("**ARMC**") had undertaken an annual assessment of the suitability and effectiveness of the external audit process, performance, suitability and independence of the external auditors, Ecovis Malaysia PLT ("**Ecovis**") as prescribed under the Paragraph 15.21 of the MMLR. The ARMC was satisfied with the suitability of Ecovis based on the quality of audit, performance, competency and sufficiency of resources the external audit team provided to the Group. The ARMC was also satisfied in its review that the provisions of non-audit services by Ecovis during the period under review did not impair Ecovis's objectivity and independence. The Board had accepted the ARMC's recommendation for shareholders' approval to be sought at the 34th AGM on the re-appointment of Ecovis as external auditors of the Company for the financial year ending 31 December 2025, under Resolution 4. The present external auditors, Ecovis, have indicated their willingness to continue their services for the next financial year.

**5. Ordinary Resolution 1**

The proposed Ordinary Resolution 1 is for the purpose of seeking renewal for the general mandate to empower the Directors of the Company pursuant to Sections 75 and 76 of the Companies Act 2016, from the date of the 34th AGM of the Company, to allot and issue shares in the Company at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being. The general mandate, unless revoked or varied at a general meeting, will expire at the next AGM of the Company.

The general mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to placement of shares for the purpose of funding future investment(s), project(s), working capital and/or acquisition(s).

As of the date of this Notice, no new shares in the Company were issued pursuant to the general mandate granted to the Directors at the Thirty-Second Annual General Meeting of the Company held on 28 June 2024, which will lapse at the conclusion of the 34th AGM of the Company. Hence, no proceeds were raised therefrom.

6. Ordinary Resolution 2

This proposed Ordinary Resolution 2 is to renew the shareholders' mandate for recurrent related party transactions of a revenue or trading in nature granted by shareholders of the Company at the Thirty-Third Annual General Meeting of the Company held on 28 June 2024 ("**Renewal of Shareholders' Mandate**"). The Renewal of Shareholders' Mandate will enable the Group to enter into such transactions in the ordinary course of business which are necessary for the Group's day-to-day operations, based on commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

Please refer to the Circular to Shareholders dated 30 April 2025 circulated together with this Annual Report for further information.

# MINHO (M) BERHAD

Registration No.: 199001009358 (200930-H)  
(Incorporated in Malaysia)

CDS ACCOUNT NO.

## Proxy Form

(Please refer to the notes below before completing this form)

NUMBER OF SHARES HELD

\*I/We, \_\_\_\_\_ NRIC/Passport/Company No. \_\_\_\_\_  
(FULL NAME IN BLOCK LETTERS)

of \_\_\_\_\_  
(FULL ADDRESS)

with contact no. \_\_\_\_\_ and email address \_\_\_\_\_, being a \*member/members of MINHO (M) BERHAD ("the Company") hereby appoint:

Full Name (In Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

\*and/or failing \*him/her,

Full Name (In Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing \*him/her, THE CHAIRMAN OF THE MEETING as \*my/our \*proxy/proxies to vote for \*me/us and on \*my/our behalf at the Thirty-Fourth Annual General Meeting ("34th AGM") of the Company will be held at Board Room of the Company, Lot 6476, Lorong Sg. Pulu, Batu 6, Off Jalan Kapar, 42100 Klang, Selangor Darul Ehsan on Friday, 26 June 2025 at 10:30 a.m. or at any adjournment thereof.

My/our proxy/proxies is/are to vote as indicated below:

ORDINARY RESOLUTION	Resolution	FOR	AGAINST
Approval for payment of Directors' fees and benefits	1		
Re-election of Dato' Loo Keng An @ Lee Kim An as Director	2		
Re-election of Loo Say Leng as Director	3		
Re-appointment of Messrs. Ecovis Malaysia PLT as Auditors of the Company	4		
Ordinary Resolution 1 Authority to issue and allot shares pursuant to the Companies Act 2016	5		
Ordinary Resolution 2 Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue and/or Trading Nature	6		

(Please indicate with an "X" in the appropriate spaces how you wish your proxy to vote. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he/she thinks fit or, at his/her discretion.)

Dated this.....day of ....., 2025

\* Strike out whichever is not desired.

.....  
Signature of Shareholder or Common Seal

### Notes:

- In respect of deposited securities, only members whose names appear in the Record of Depositors on 19 June 2025 ("General Meeting Record of Depositors") shall be entitled to attend, speak and vote at this Meeting.
- A member entitled to attend and vote at this Meeting is entitled to appoint more than one (1) proxy to attend and vote instead of him, and that a proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at this Meeting shall have the same rights as the member to speak at the Meeting.
- Where a member appoints more than one (1) proxy to attend and vote at the same meeting, such appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
- Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing or if the member is a corporation, shall be executed under its common seal or under the hand of two (2) authorised officers, one of whom shall be a director, or of its attorney of the corporation duly authorised.
- The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, shall be deposited at the registered office of the Company at Unit 2005, 20<sup>th</sup> Floor, Tower 2, Faber Towers, Jalan Desa Bahagia, Taman Desa, 58100 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding this Meeting or any adjournment thereof.
- Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR"), all the resolutions set out in this Notice of 34th AGM will be put to vote by poll.



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stamp  
here

THE COMPANY SECRETARY  
MINHO (M) BERHAD Registration No.: 199001009358 (200930-H)  
Unit 2005, 20<sup>th</sup> Floor,  
Tower 2, Faber Towers,  
Jalan Desa Bahagia, Taman Desa,  
58100 Kuala Lumpur,  
Malaysia.

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