GOLDEN PHAROS BERHAD
(198601003051) (152205-W)

A Sustainable Business Imperative

Unlocking Nature's Value

ANNUAL REPORT 2023
LAPORAN TAHUNAN

لاڤورن تاهونن ٢٠٢٣

Unlocking Nature's Value

Unlocking Nature's Value is the ethos that defines our approach to sustainable forestry management and environmental stewardship. The cover illustration embodies GPB's holistic approach to sustainability, where creativity, innovation and environmental stewardship converge to unlock nature's value and pave the way for achieving economic prosperity, environmental preservation and social responsibility that underpins our operations.

At the top of the illustration are 'mother trees', reproductive species whose purpose is to regenerate healthy forests. The mother trees form a protective habitat for fauna, including monkeys, hornbills and other birds, which return the favour by spreading seeds for flora reproduction. The illustration features a *tualang* tree, exemplifying the concept of a mother tree. Here, bees construct their hives, which are vital pollination agents crucial for producing robust seeds.

As responsible stewards of the land, GPB recognises the importance of maintaining a delicate balance between conservation and utilisation. Our sustainable forestry practices ensure the long-term viability of our concession areas while meeting the needs of various stakeholders, including our employees and surrounding communities. By promoting eco-tourism and supplying wood-based materials for construction, we contribute to local economies while preserving the integrity of our forests where tourists, nature lovers and the wooden cabin are shown in the graphic.

GPB's dedication to promoting employee wellbeing and cultivating a unified workforce is evident in scenes of employees participating in environmental conservation efforts. These scenes symbolise a harmonious balance between professional development and ecological responsibility. This integration enhances our operational efficiency and strengthens community bonds, ensuring that every team member feels valued and connected.

Our commitment to mitigating climate change is reflected in our proactive efforts to manage our carbon footprint. We have established forest plantations and adopted solar power as part of our strategy to reduce greenhouse gas (GHG) emissions, while also preserving forests as vital natural carbon sinks. Beyond GHG, we protect water bodies within our operational areas, emphasising our dedication to conserving natural resources. The depiction of a glass building represents our ancillary business in processing tempered glass solutions, which plays a key role in supporting the nation's socioeconomic development through the construction sector.

In essence, the colourful illustrative design theme represents the Group's alignment with the 17 United Nations Sustainable Development Goals (UNSDG), a holistic approach to sustainability in which creativity, innovation and environmental stewardship converge to **Unlock Nature's Value** and drive positive change.

37th Annual General Meeting

Camellia Ballroom,
Paya Bunga Hotel Terengganu,
Jalan Tengku Embong Fatimah,
Off Jalan Sultan Ismail,
20200 Kuala Terengganu,
Terengganu Darul Iman

Thursday
13 June 2024

10.30 a.m.

GOLDEN PHAROS BERHAD

KUMPULAN PENGURUSAN KAYU KAYAN TRENGGANU SDN BHD (KPKKT)
Sustainable Forest Management

PESAKA TRENGGANU BERHAD (PESAKA)
Sawn Timber

PESAMA TIMBER CORPORATION SDN BHD (PESAMA)
Moulding and Finger-joints

PERMINT PLYWOOD SDN BHD (PPSB)
Veneer

GP FOREST PLANTATION SDN BHD (GPFP)
Forest Plantation

GOLDEN PHAROS GLASS SDN BHD (GP GLASS)
Architectural Glass Manufacturing

Let's explore...

Go Green, Go Paperless.

The softcopy version of Golden Pharos Berhad's Annual Report 2023 is available from our website. We also welcome your feedback. Please email: info@gpb.com.my

CAUTIONARY STATEMENT

GPB makes no representation or warranty, whether expressed or implied, as to the accuracy or completeness of the facts highlighted in this Annual Report (the Report), disclaiming responsibility from any liability that might arise from the reliance on its contents. This Report may contain "forward-looking statements". Forward-looking statements involve inherent risks and uncertainties and other factors that are in many cases beyond our control. Although GPB believes that the expectations of its Management as reflected by such forward looking statements are reasonable based on current information, no assurance can be given that such expectations will prove to have been correct. Should one or more of the risks and uncertainties materialise, actual results may vary materially from those anticipated or projected. Accordingly, readers are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of their dates and we undertake no obligation to update or revise any of them, whether as a result of new information, future events, or otherwise.

OUR VISION

To become a premier natural resources organisation

OUR MISSION

- To improve our results
- To meet our customers' expectations
- To maximise returns to our shareholders
- To promote a green and eco-friendly environment
- To provide our workforce with rewarding employment
- To use our position as an integrated timber producer

CORE VALUES

KEY HIGHLIGHTS

REVENUE
RM**89.23** million
FY2022: RM70.20 million
27.1%

PROFIT BEFORE TAX
RM**27.44** million
FY2022: RM15.02 million
82.7%

PROFIT AFTER TAX
RM**23.27** million
FY2022: RM11.86 million
96.3%

EARNINGS PER SHARE
16.83 sen
FY2022: 8.59 sen
95.9%

SHAREHOLDERS' EQUITY
RM**90.10** million
FY2022: RM77.93 million
15.6%

WHO WE ARE

Golden Pharos Berhad (GPB) was incorporated in 1986 and has been listed on the Main Board of Bursa Securities Malaysia Berhad (Bursa Securities) since 1993. GPB is also a Terengganu state Government-Linked Corporation (GLC) by virtue of 68.944% shareholding via the State's investment arms, Terengganu Incorporated Sdn Bhd (Terengganu Inc) and Lembaga Tabung Amanah Warisan Negeri Terengganu, which hold 60.795% and 8.149% respectively.

GPB's principal activities cover forest concession management, harvesting and distribution, sawmilling and value-added processing of wood-based products, as well as manufacturing and sales of architectural panel glass.

1986 — GPB was incorporated.

1992 — Converted into a Public Company. Production of tempered glass started.

1993 — GPB was listed on the Main Board of the Kuala Lumpur Stock Exchange.

1996 — GPB acquired Permint Timber Corporation Sdn Bhd.

1997 onwards — GPB became a fully integrated timber corporation.

ABOUT GPB

Since its inception in 1986, GPB has continuously evolved as an investment holding company, catalysing socioeconomic growth on the East Coast of Peninsular Malaysia. Majority owned by Terengganu Incorporated Sdn Bhd (Terengganu Inc), the Terengganu State Government investment arm, GPB was listed on the Main Board of Bursa Malaysia Securities Berhad (formerly known as Kuala Lumpur Stock Exchange) under the Industrial Products and Services sector in 1993.

With headquarters in Kuala Terengganu, GPB has established itself as a high-calibre corporation focusing on building capacity and efficiency in its core business segments of Harvesting & Sawmilling and Manufacturing.

HARVESTING & SAWMILLING

FOREST CONCESSION MANAGEMENT TIMBER HARVESTING AND DISTRIBUTION

KUMPULAN PENGURUSAN KAYU KAYAN TRENGGANU SDN BHD (KPKKT)
Bandar Bukit Besi, Dungun

KPKKT was incorporated in 1980 and is the Group's timber concession management for approximately 126,274 hectares (ha) of rich natural tropical rain forest (TRF) in Terengganu, comprising 106,031 ha at the Dungun Timber Complex (DTC) and 20,243 ha at the Cherul Forest Concession (CFC).

SAWMILLING

PESAMA TIMBER CORPORATION SDN BHD (PESAMA)
Bandar Cukai, Kemaman

PESAMA, established in 1973, is a wholly-owned subsidiary of GPB. Located at the Jakar Industrial Area in Cukai, Kemaman. PESAMA has an experienced workforce of approximately 120 workers who manage its principal activities of sawmilling, moulding, kiln drying and wood treatment. PESAMA's products are derived from a reliable supply of raw materials from the Group's forest concessions and are backed by internationally recognised certifications to endorse our sustainable forest management and environment-friendly practices.

ABOUT GPB

SAWMILLING

PESAKA TRENGGANU BERHAD (PESAKA)
Bandar Bukit Besi, Dungun

PESAKA has a similar portfolio as PESAMA with activities in sawmilling, moulding, finger-joints, kiln drying and wood treatment at its plant in Bukit Besi, Dungun. PESAKA was established in 1965 under the purview of Trengganu State Economic Development Corporation (TSEDC). It became a subsidiary of GPB through a corporate restructuring exercise completed in September 1995.

COMMERCIAL FOREST PLANTATION-RELATED ACTIVITIES

GP FOREST PLANTATION SDN BHD (GPFP)
Bandar Bukit Besi, Dungun

The principal operations of GPFP are of commercial forest plantation-related activities with the main aim of ensuring a sustainable log supply to the Group's sawmills as well as plywood and downstream operations.

MANUFACTURING

PROCESSING OF WOOD-BASED PRODUCTS:
• VENEER • WOODCHIPS

PERMINT PLYWOOD SDN BHD (PPSB)
Bandar Al-Muktafi Billah Shah, Dungun

Incorporated in 1981, PPSB operates from Bandar Al-Muktafi Billah Shah in Dungun and is a producer of woodchips and veneer for the local and export markets.

ARCHITECTURAL GLASS PANELS

GOLDEN PHAROS GLASS SDN BHD (GP GLASS)
Telok Panglima Garang, Selangor

GP Glass is a manufacturer of tempered and laminated glass with a facility in Telok Panglima Garang in Selangor. GP Glass started its tempered glass production in 1992, initially as a division of GPB. Its innovative solutions in tempered safety glass, laminated safety glass, heat strengthened glass, double glazing units and ceramic painted glass are installed across Malaysia and selected markets overseas.

Sustainable practices are deeply ingrained throughout the GPB Group, cutting across all its wholly-owned subsidiaries:

- KPKKT has continuously held the FSC® certification endorsement for its concession, DTC, since 2008.
- In 2012, PESAMA obtained FSC® certification for its CFC, a testament to the Group's unwavering commitment to elevating forest management standards.
- In a strategic move and to ensure professional and sustainable management of the unique tropical forest resources in the DTC and CFC forest concessions, GPB has opted to merge the management of these areas under KPKKT. This consolidation includes combining the FSC® certification with the management of the concessions. The ultimate goal of this move is to ensure that the ecosystem and biodiversity of both areas are managed in accordance with prevailing prescribed local and international standards, promoting conservation of these resources into perpetuity.
- GP Glass has been verified under ISO 9001:2015 for its Quality Management System, demonstrating the Group's dedication to delivering quality glass products sustainably.

Today, GPB is recognised as a reliable wood and timber supplier in the local construction sector and has expanded its footprint in the international market with exports of wood and glass products to the United Kingdom, East Asia, Southeast Asia, Australia, New Zealand, and other parts of Europe to fuel its business growth.

MILESTONES AND ACHIEVEMENTS

1980

GPB took over the manufacturing of timber doors from Golden Pharos Wood Industries Sdn Bhd.

1992

- **May** - The tempered glass plant was set up at Telok Panglima Garang Industrial Site, producing 20,000 square metres of tempered glass per month.
- **November** - The second phase of glass production was implemented to supply architectural glass and shower screens for domestic buildings and the construction industry.

1996

March - GPB became a fully-integrated timber corporation with the acquisition of Permint Timber Corporation Sdn Bhd.

2006

GPB was ranked 1st place in the consumer products industry sector and 2nd place overall under the Corporate Governance Survey Report for small capital public-listed companies, conducted by the Minority Shareholder Watchdog Group (MSWG) in collaboration with the Nottingham University Business School.

2007

GPB was ranked 1st place in the consumer products industry sector and 1st place overall under the Corporate Governance Survey Report for small capital public-listed companies, conducted by the MSWG in collaboration with the Nottingham University Business School.

2012

- GP Glass was ISO 14001:2004 certified.
- GP Glass was ISO 9001:2006 certified.
- Pesama Timber Corporation Sdn Bhd (PESAMA) obtained the FSC® endorsed certification for Cherul Forest Concession.

2014

GPB entered into an MoU with Malaysian Timber Industry Board (MITB) and Pengusaha Kayu Kayan & Perabot Bumiputera Malaysia (PEKA).

2015

- GPB entered into a Memorandum of Understanding (MoU) with Dongwha Malaysia Sdn Bhd.
- Permint Plywood Sdn Bhd (PPSB) entered into a Joint Venture (JV) Agreement with Cymao Plywood Sdn Bhd (CPSB) to revive PPSB's facility by establishing a JV company, GP Dynamic Venture Sdn Bhd (GPDV).

2016

- Permint Plywood Sdn Bhd (PPSB) entered into a Shareholders' Agreement with CPSB.
- PPSB subscribed to RM0.96 million (60%) of GPDV's paid-up capital. GPDV's intended activities were to manufacture and sell veneer, plywood and decorative plywood.
- In June 2016, PPSB commenced the production of woodchips to maximise the value of the Group's wood waste.

2017

- GP Glass was awarded Company of the Year (Small Medium Enterprise) at Terengganu Inc Excellence Awards 2017.
- PESAMA and Pesaka Trengganu Berhad (PESAKA) were awarded the Performance Award for Sawmill Category (Air Pollution Control) by the Department of Environment Terengganu.

MILESTONES AND ACHIEVEMENTS (CONTINUED)

2018

- PPSB restarted operations after closing down its business in 2005.
- PPSB was certified with the Programme for the Endorsement of Forest Certification (PEFC) for veneer production.
- PPSB signed an agreement with BioBenua Teknologi to process agar wood oil.
- Kumpulan Pengurusan Kayu Kayan Trengganu Sdn Bhd (KPKKT) initiated commercial Forest Plantation for long-term timber supply.
- PPSB was awarded the PEFC 'Chain of Custody of Forest Based Products' certification at Majlis SIRIM Industri 2018 'Best Partner for Innovation'.

2019

- First dividend payment of 1.27 sen per share was declared and paid after 11 years.
- GP Glass was awarded the Brand Leadership Award at the BrandLaureate BestBrands Awards 2018/2019.
- The Minister of Human Resources (2018-2020) YB M Kula Segaran appointed former Chief Executive Officer (CEO), Dato' Nadza Abdul as Director of SOCSO.
- Former CEO Dato' Nadza Abdul received the Malaysia Business Awards (MEBA) - Masterclass Bumiputera CEO of the Year Award.
- GPB paid RM3.17 million as partial repayment of advances to Terengganu Inc after 10 years of debt.

2020

April - GPB was finalist in the 2019 Asia Sustainability Reporting Awards in Singapore.

August - GPB settled RM12 million of Terengganu Inc's debt via issuance of redeemable preference shares.

October - GPB was conferred with the Company of the Year (Logging & Sawmill) Award at the Sustainability & CSR Malaysia Awards 2020 by CSR Malaysia.

2021

PPSB signed an MoU with Terengganu Timber Industry Training Centre (TTITC) to manufacture timber-based products from timber waste supplied by PPSB.

2022

- **April -** KPKKT & PESAMA paid an additional premium to Perbadanan Memajukan Iktisad Negeri Terengganu, which amounted to RM2.23 million.
- **May** - GPB was conferred the winner of the Environmental Excellence by Global Business Leadership Awards 2022 due to its outstanding Annual Report 2021.

2023

December

Our subsidiary, KPKKT was honoured with the prestigious BrandLaureate BestBrands Awards 2022-2023 in the "Sustainable Forestry Management" category.

GROUP STRUCTURE

GOLDEN PHAROS BERHAD
(198601003051) (152205-W)

- 100% Permint Timber Corporation Sdn Bhd
  - 100% Permint Plywood Sdn Bhd
    - 100% GP Dynamic Venture Sdn Bhd
  - 100% Pesaka Trengganu Berhad
  - 100% Kumpulan Pengurusan Kayu Kayan Trengganu Sdn Bhd
    - 19.54% GP Tropical Furniture Sdn Bhd
      - 14.10% Kemaman Furniture Industries Sdn Bhd
  - 100% Pesama Timber Corporation Sdn Bhd
    - 30.85% GP Tropical Furniture Sdn Bhd
      - 29.49% Kemaman Furniture Industries Sdn Bhd
      - 35% Konsortium Perumahan Rakyat Terengganu Sdn Bhd
      - 25% Pesama Renors (M) Sdn Bhd
- 100% Golden Pharos Glass Sdn Bhd
- 100% GP Forest Plantation Sdn Bhd
- 100% Golden Pharos Fiber Sdn Bhd
- 100% Golden Pharos Biomass Sdn Bhd
- 100% Golden Pharos Overseas Sdn Bhd

Wholly-owned by Golden Pharos Berhad

Wholly-owned by Golden Pharos Berhad via Permint Timber Corporation Sdn Bhd

Subsidiary

Minority interest

CORPORATE INFORMATION

Board of Directors

Dato' Yahaya bin Ali
Non-Independent Non-Executive Chairman

Burhanuddin Hilmi bin Mohamed @ Harun
Non-Independent Non-Executive Director

Dato' Bentara Dalam Dato' A. Rahman bin Yahya
Non-Independent Non-Executive Director

Muhammad Ramizu bin Mustaffa
Non-Independent Non-Executive Director

Dr Mohd Zaki bin Hamzah
Non-Independent Non-Executive Director

Professor Datuk Dr Yahaya bin Ibrahim
Independent Non-Executive Director

Saiffuddin bin Othman
Independent Non-Executive Director

Adida binti Muhammud
Independent Non-Executive Director

Acting Chief Executive Officer

Mohd Roslan bin Mamat

Company Secretary

Suraya binti Mohd Hairon
(LS 0007314) (SSM PC No. 202008000100)

Registered Office

66-2, Taman Sri Intan
Jalan Sultan Omar
20300 Kuala Terengganu
Terengganu Darul Iman
Tel : +609 630 1330
Fax : +609 631 0617
Email : info@gpb.com.my

Share Registrar

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A,
Vertical Business Suite, Avenue 3,
Bangsar South, No. 8, Jalan Kerinchi,
59200 Kuala Lumpur
Tel : +603 2783 9299
Fax : +603 2783 9222
Email : is.enquiry@my.tricorglobal.com

Auditors

Ernst & Young PLT
Level 23A, Menara Milenium
Jalan Damanlela, Pusat Bandar Damansara
50490 Kuala Lumpur
Tel : +603 2087 7000
Fax : +603 2095 5332

Principal Bankers

1. Maybank Islamic Berhad
2. Bank Islam Malaysia Berhad

Stock Exchange Listing

Main Market
Bursa Malaysia Securities Berhad

BOARD OF DIRECTORS

1. **DATO' YAHAYA BIN ALI**
   Non-Independent Non-Executive Chairman

2. **BURHANUDDIN HILMI BIN MOHAMED @ HARUN**
   Non-Independent Non-Executive Director

3. **DATO' BENTARA DALAM DATO' A. RAHMAN BIN YAHYA**
   Non-Independent Non-Executive Director

4. **PROFESSOR DATUK DR YAHAYA BIN IBRAHIM**
   Independent Non-Executive Director

5. **SAIFFUDDIN BIN OTHMAN**
   Independent Non-Executive Director

6. **MUHAMMAD RAMIZU BIN MUSTAFFA**
   Non-Independent Non-Executive Director

7. **ADIDA BINTI MUHAMMUD**
   Independent Non-Executive Director

8. **DR MOHD ZAKI BIN HAMZAH**
   Non-Independent Non-Executive Director

9. **MOHD ROSLAN BIN MAMAT**
   Acting Chief Executive Officer

CHAIRMAN'S PROFILE

DATO' YAHAYA BIN ALI

Non-Independent Non-Executive Chairman

65 Age | Gender | Nationality

DATE OF APPOINTMENT:
1 April 2024

DATE OF LAST RE-ELECTION:
Nil

BOARD COMMITTEE(S):
None

NUMBER OF MEETINGS ATTENDED

NA

BACKGROUND

Dato' Yahaya bin Ali graduated with a Diploma In Public Administration from Mara Institute of Technology in 1982 and Master in Islamic Studies from Open University of Malaysia in 2021.

He served as Administrative Officer at Lembaga Kemajuan Terengganu Tengah (Ketengah) from 1982 to 1984 and held the same position at Permint Plywood Sdn Bhd, from 1984 to 1986 ,which was a subsidiary of Terengganu State Economic Development Corporation during that period.

Dato' Yahaya served as a Terengganu State Assemblyman from 1995 until 2004 and was elected as State Excecutive Councillor (Exco) from 1999 to 2004. He was elected as Speaker of Terengganu State Legislative Assembly from July 2018 to June 2023.

He was the former Chairman of Kemaman Supply Base (KSB) Sdn Bhd, Permint Engineering Sdn Bhd and Top IT Sdn Bhd from 1999 until 2004. He was also a Board Member of EPIC at that time.

BOARD OF DIRECTORS' PROFILE

BURHANUDDIN HILMI BIN MOHAMED @ HARUN

Non-Independent Non-Executive Director

54 Age | Gender | Nationality

DATE OF APPOINTMENT:
3 January 2021

DATE OF LAST RE-ELECTION:
29 June 2021

BOARD COMMITTEE(S):
- Chairman of EXCO
- Member of NRC
- Member of SIC

NUMBER OF MEETINGS ATTENDED

7/8

BACKGROUND

Burhanuddin Hilmi bin Mohamed @ Harun holds a Master of Business Administration (MBA) majoring in International Business from the University of Leeds in the United Kingdom and completed his Bachelor of Accounting (Hons) at the International Islamic University of Malaysia. He is a Chartered Accountant (CA) as well as a Certified Financial Planner (CFP) with the Malaysian Institute of Accountants (MIA) and Financial Planning Association of Malaysia.

Burhanuddin Hilmi started his career as Audit Senior, Audit and Business Advisory Services at Price Waterhouse (now known as Pricewaterhouse Coopers [PwC]) from 1993 to 1996. He became the Manager of the Assurance division of KPMG in 1998 before establishing BH Consulting Sdn Bhd in 2002.

In 2006, he was appointed as the Group Chief Financial Officer of Composites Technology Research Malaysia Sdn Bhd, before joining Weststar Aviation Services Sdn Bhd from 2013 to 2015 as the Chief Financial Officer. Thereafter, he was appointed Group Chief Financial Officer of Zetro Aerospace Corporation group of companies.

Currently, Burhanuddin Hilmi is the President & Group CEO of Terengganu Incorporated Sdn Bhd. He also sits on the Board of TDM Berhad and EPIC Berhad. Burhanuddin Hilmi was also appointed as a Director of Kumpulan Pengurusan Kayu Kayan Trengganu Sdn Bhd, a subsidiary of GPB on 1 April 2024.

AC – Audit Committee
RMSC – Risk Management and Sustainability Committee
EXCO - Executive Committee
NRC – Nomination and Remuneration Committee
SIC – Strategy and Investment Committee

BOARD OF DIRECTORS' PROFILE (CONTINUED)

DATO' BENTARA DALAM DATO' A. RAHMAN BIN YAHYA

Non-Independent Non-Executive Director

66
Age

Gender

Nationality

DATE OF APPOINTMENT:
22 February 2017

DATE OF LAST RE-ELECTION:
15 June 2023

BOARD COMMITTEE(S):
- Chairman of SIC
- Member of RMSC
- Member of EXCO

NUMBER OF MEETINGS ATTENDED

8/8

BACKGROUND

Dato' Bentara Dalam Dato' A. Rahman bin Yahya holds a Bachelor of Economics (Hons) from Universiti Kebangsaan Malaysia and an Advanced Diploma from the University of Wales College Newport, United Kingdom.

Dato' Bentara Dalam began his career with the Terengganu Economic Planning Unit in 1983 and later moved on to hold various significant positions in Terengganu state government agencies. He has served among others as the President of Kemaman Municipal Council, Deputy Director of Terengganu Economic Planning Unit and Comptroller of the Royal Household, Office of His Royal Highness the Sultan of Terengganu.

He has also held many positions in organisations including Executive Director of Tesdec Sdn Bhd from 1998 to 2004 and General Manager of Terengganu State Economic Development Corporation from January 2016 to September 2016. He was appointed as the State Financial Officer in 2017 and was promoted to become the State Secretary of Terengganu on 22 April 2018 before retiring on 21 August 2019.

In recognition of his outstanding public service, he was conferred the Darjah Paduka Mahkota Terengganu (D.P.M.T.), which carries the title of "Dato" and "Dato' Bentara Dalam" by His Royal Highness the Sultan of Terengganu in 2015 and 2019, respectively.

Dato' Bentara Dalam was also appointed as a Director of GP Forest Plantation Sdn Bhd, a subsidiary of GPB, on 1 October 2021.

BOARD OF DIRECTORS' PROFILE (CONTINUED)

DR MOHD ZAKI BIN HAMZAH

Non-Independent Non-Executive Director

61 Age | Gender | Nationality

DATE OF APPOINTMENT:
1 April 2024

DATE OF LAST RE-ELECTION:
Nil

BOARD COMMITTEE(S):
- Member of SIC
- Member of RMSC
- Member of EXCO

NUMBER OF MEETINGS ATTENDED

NA

BACKGROUND

Dr Mohd Zaki bin Hamzah holds a Bachelor's Degree (in Biology) from Doane College, USA. He then completed his Master of Forestry in Forest Resource Management from Duke University, USA and obtained his PhD in Forest Rehabilitation from Yokohama National University, Japan.

He began his career as a Lecturer with Universiti Putra Malaysia (UPM) at Bintulu Campus in 1988, and thereafter continued to serve UPM, Serdang with the Department of Forest Production, and later with the Department of Forestry Science and Biodiversity (under the Faculty of Forestry and Environment). He was appointed as Associate Professor in 2006 before he retired in August 2022. Throughout his career, Dr Mohd Zaki was known for his expertise on Forest Resource Management and Silviculture.

Dr Mohd Zaki was seconded to the Terengganu State Government (Terengganu Strategic and Integrity Institute (TSIS)) as the Deputy CEO cum the Director of the Centre of Excellence Pelan Induk Terengganu Sejahtera (CoE PITAS), beginning June 2020 to September 2021.

He joined GPB as a Director on 1 August 2018 before being redesignated as an Executive Director in September 2021. Then he assumed the position of Chief Executive Officer from 1 February 2022 until 12 March 2024.

Since 1 April 2019, he also sits on the Board of Kumpulan Pengurusan Kayu Kayan Trengganu Sdn Bhd.

BOARD OF DIRECTORS' PROFILE (CONTINUED)

MUHAMMAD RAMIZU BIN MUSTAFA

Non-Independent Non-Executive Director

47 Age | Gender | Nationality

DATE OF APPOINTMENT:
1 August 2018

DATE OF LAST RE-ELECTION:
29 June 2021

BOARD COMMITTEE(S):
- Chairman of RMSC
- Member of AC
- Member of SIC
- Member of EXCO

NUMBER OF MEETINGS ATTENDED

8/8

BACKGROUND

Muhammad Ramizu bin Mustaffa was appointed to the Board of GPB on 1 August 2018 and on 1 June 2021, he was appointed Director of Pesama Timber Corporation Sdn Bhd, a wholly owned subsidiary of GPB.

He holds a Bachelor of Science in Finance and Accounting from the University of Salford, Manchester, United Kingdom and an International Baccalaureate Diploma from Mara College, Banting. He is a fellow of the Institute of Chartered Accountants in England and Wales (ICAEW) and a member of the Malaysian Institute of Accountants (MIA).

He started his career as an auditor with Arthur Andersen (which later merged with Ernst & Young (EY), Malaysia) in 2000. He later joined ECM Libra Berhad before leaving Malaysia in 2004 to join EY, United Kingdom as an Executive, National Audit. His last employment in the United Kingdom was as a Manager, Corporate Finance of BDO Reading, England covering work within the London and Thames Valley area, before returning to Malaysia to join KLCC Group in 2010 as the Head of Corporate Finance & Account Services. In KLCC Group, he played key roles in various corporate exercises including the establishment of KLCCP Stapled REIT.

In 2014, he joined Sapura Resources Berhad as the aviation business Chief Financial Officer and subsequently as the Group Head of Finance, Putrajaya Leisures & Services Group Sdn Bhd.

In 2019, he joined the State of Terengganu's GLCs, starting as the Group Chief Financial Officer of Terengganu Incorporated Sdn Bhd (Terengganu Inc). He is now the Financial Advisor of Mentri Besar Trengganu (Incorporated), the holding corporation for Terengganu Inc and a Director of Permodalan Terengganu Berhad. On 5 April 2022, he was appointed as an Independent Non-Executive Director of TH Plantations Berhad.

BOARD OF DIRECTORS' PROFILE (CONTINUED)

SAIFFUDDIN BIN OTHMAN

Independent Non-Executive Director

55 Age | Gender | Nationality

DATE OF APPOINTMENT:
1 August 2018

DATE OF LAST RE-ELECTION:
16 June 2022

BOARD COMMITTEE(S):

- Chairman of AC
- Member of NRC
- Member of EXCO

NUMBER OF MEETINGS ATTENDED

8/8

BACKGROUND

Saiffuddin bin Othman was appointed to the Board of GPB on 1 August 2018 and was redesignated as a Chairman of the Nomination and Remuneration Committee on 3 September 2021 and subsequently on 1 April 2024 as a Chairman of Audit Committee. On 1 October 2021, he was appointed Director of Permint Plywood Sdn Bhd, a subsidiary of GPB.

He graduated with a Bachelor of Law (Hons) from International Islamic University of Malaysia in 1993 and was admitted as an advocate and solicitor of the High Court Malaya in 1994 and Syarie Counsel of Terengganu Syariah Court in 1995.

He started his career at Messrs Adnan & Wee from 1994 to 1999 before joining Messrs Wan Abd Muttalib & Co in 2000 as a partner. Saiffuddin possesses over 30 years of expertise in various legal domains, including civil and criminal law, syariah consultancy, general litigation, estate planning and conveyancing.

BOARD OF DIRECTORS' PROFILE (CONTINUED)

PROFESSOR DATUK DR YAHAYA BIN IBRAHIM

Independent Non-Executive Director

62 Age | Gender | Nationality

DATE OF APPOINTMENT:
1 April 2024

DATE OF LAST RE-ELECTION:
Nil

BOARD COMMITTEE(S):
- Chairman of NRC
- Member of AC
- Member of RMSC

NUMBER OF MEETINGS ATTENDED

NA

BACKGROUND

Professor Datuk Dr Yahaya bin Ibrahim graduated with a Bachelor in Urban and Regional Planning from Universiti Teknologi Malaysia and continued his Master of Sociology at the University of Malaya (UM). He received a PhD in Economics specialising in Development Studies from UM in 2002.

He started his career as an educator in 1989 before worked as an executive in the corporate sector in Kuala Lumpur. From 1992 to mid-2008, he was an academic and professor at the Faculty of Social Sciences and Humanities, Universiti Kebangsaan Malaysia (UKM), Bangi. While at UKM, he was also appointed as the Chief Executive Officer of UKM Pakarunding Sdn Bhd, a consulting company owned by Universiti Kebangsaan Malaysia.

In 2009, he was appointed as Deputy Vice-Chancellor of Student and Alumni Affairs, Universiti Malaysia Terengganu and then appointed as Vice-Chancellor of Universiti Sultan Zainal Abidin, Terengganu from January 2013 to December 2016.

Professor Datuk Dr Yahaya is currently a Principal Fellow at the Institute of Malaysian and International Studies, UKM and one of the founders and members of the National Council of Professors since 2009. He is also a member of Malaysian Institute of Management.

BOARD OF DIRECTORS' PROFILE (CONTINUED)

ADIDA BINTI MUHAMMUD
Independent Non-Executive Director

52 Age | Gender | Nationality

DATE OF APPOINTMENT:
31 May 2023

DATE OF LAST RE-ELECTION:
15 June 2023

BOARD COMMITTEE(S):
- Member of NRC
- Member of AC
- Member of RMSC
- Member of EXCO

NUMBER OF MEETINGS ATTENDED

5/5

BACKGROUND

Adida binti Muhammud obtained her Bachelor of Science (Honour) in Conservation Biology and Ecology from Universiti Kebangsaan Malaysia (UKM) before pursuing her Master in Environmental Management in 1997 from the same university.

Upon completion, she worked as a biology lecturer with Kolej Yayasan Terengganu from 1999 to 2007 before joining Universiti Teknologi Mara (UiTM) Terengganu Branch, Kuala Terengganu Campus as a biology lecturer for Diploma in Science from 2008 to 2018.

Currently, Adida is a senior lecturer at UiTM Terengganu Branch, Bukit Besi Campus since 2018, serving for Diploma in Industrial Hygiene Technology, Faculty of Applied Sciences.

Notes:
(i) None of the Directors has any family relationship with any Director and/or major shareholder of GPB.
(ii) None of the Directors has declared any conflict of interest with the GPB Group.
(iii) None of the Directors has been convicted for any offence within the past 5 years nor have been imposed with any public sanction or penalty by any relevant regulatory body during the financial year ended 31December 2023.

GROUP SENIOR MANAGEMENT

1. **MOHD ROSLAN BIN MAMAT**
Acting Chief Executive Officer

2. **SYUKRI BIN ALI**
Head of Finance, Golden Pharos Berhad

3. **ZULKIFLI BIN OMAR**
Head of Corporate Services, Golden Pharos Berhad

4. **AZMAN BIN JUSOH**
Head of Internal Audit, Golden Pharos Berhad

5. **WAN ZUHAIRIAH BINTI WAN ALI @ WAN DAMSEK**
Head of Human Resources, Administration & Procurement Golden Pharos Berhad

6. **SURAYA BINTI MOHD HAIRON**
Head of Company Secretarial, Golden Pharos Berhad

7. **FAUZAN BIN ABDUL**
Head of Corporate Communications and Information Technology, Golden Pharos Berhad

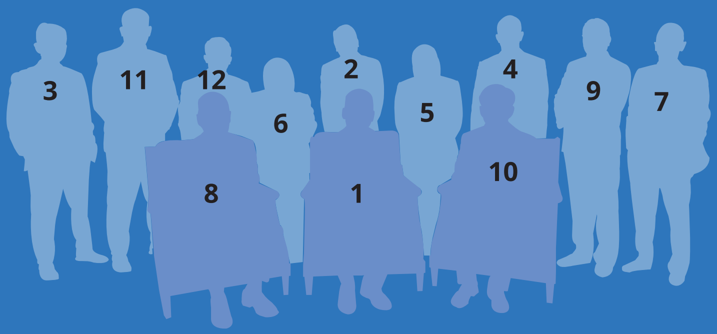
8. **SUHAIRI BIN SULONG**
Head of Subsidiary, Permint Plywood Sdn Bhd

9. **HILMI BIN AWANG**
Head of Subsidiary, Pesaka Trengganu Berhad & Caretaker of Pesama Timber Corporation Sdn Bhd

10. **STANLEY LAU CHAN MING**
Head of Subsidiary, Golden Pharos Glass Sdn Bhd

11. **AHMAD BAZLI BIN RAZALI**
Head of Subsidiary, Kumpulan Pengurusan Kayu Kayan Trengganu Sdn Bhd

12. **MOHD HAFIIZ BIN RAHAMAN**
Head of Subsidiary, GP Forest Plantation Sdn Bhd



ACTING CHIEF EXECUTIVE OFFICER'S PROFILE

MOHD ROSLAN BIN MAMAT

Acting Chief Executive Officer

46 Age | Gender | Nationality

WORKING EXPERIENCE

- Mohd Roslan brings over 20 years of professional experience in corporate, risk management, governance, and internal audit to his new position as Acting Chief Executive Officer at Golden Pharos Berhad, effective 13 March 2024.

- Prior to joining Golden Pharos Berhad, Mohd Roslan held various positions at Terengganu Inc. Starting in August 2015, he served as Head of Risk Management before being redesignated to Chief Governance Officer in January 2016. In November of the same year, his responsibilities expanded to include an acting role as Chief Operating Officer until May 2017 before he was seconded to TDM Berhad as Head of Internal Audit.

- Before serving at Terengganu Inc, Mohd Roslan held various roles at Bank Islam Malaysia Berhad (BIMB) from 2002 to 2015, focusing on internal audit and Shariah risk management.

QUALIFICATIONS

- Bachelor's Degree in Accounting, International Islamic University of Malaysia.

- Chartered Islamic Finance Professional (CIFP) certified by the International Centre of Education in Islamic Finance.

GROUP SENIOR MANAGEMENT PROFILE

SYUKRI BIN ALI

Head of Finance
Golden Pharos Berhad

49 Age | Gender | Nationality

WORKING EXPERIENCE:

- Commenced his career in 1999 with Permint Plywood Sdn Bhd (PPSB) where he held various positions within the GPB Group.
- Presently, he is the Deputy General Manager of Finance after being promoted on 1 July 2023. He has been heading the Finance Department since 2015.

QUALIFICATIONS:

- Master of Business Administration, Universiti Kebangsaan Malaysia.
- Bachelor of Accountancy (Hons), Universiti Teknologi MARA.
- Diploma in Accountancy, Universiti Sultan Zainal Abidin.

AFFILIATIONS AND MEMBERSHIPS IN ASSOCIATIONS:

- Member of the Malaysian Institute of Accountants (MIA).

DIRECTORSHIP:

- GP Dynamic Venture Sdn Bhd

ZULKIFLI BIN OMAR

Head of Corporate Services
Golden Pharos Berhad

55 Age | Gender | Nationality

WORKING EXPERIENCE:

- More than 25 years of professional experience in the areas of audit, accounting, finance and business advisory. Before joining GPB in 2004, he worked for Arthur Andersen & Co. as Assistant Manager for the Eastern Region and Head of Finance and Administration at PTB Land Sdn Bhd.
- He is currently the Head of Corporate Services after being promoted on 1 October 2016.
- He was appointed as Chief Sustainability Officer (CSO) of GPB in 2020.

QUALIFICATIONS:

- ACCA, Emile Woolf College of Accountancy & University of Northumbria at Newcastle, United Kingdom.
- Diploma in Accountancy, Universiti Teknologi MARA.

AFFILIATIONS AND MEMBERSHIPS IN ASSOCIATIONS:

- Member of the Malaysian Institute of Accountants (MIA).
- Fellow of the Association of Chartered Certified Accountants (ACCA).

DIRECTORSHIPS:

- Golden Pharos Biomass Sdn Bhd, Golden Pharos Overseas Sdn Bhd, Golden Pharos Fiber Sdn Bhd, GP Tropical Furniture Sdn Bhd, Permint Timber Corporation Sdn Bhd, GP Dynamic Venture Sdn Bhd and Kemaman Furniture Industries Sdn Bhd

GROUP SENIOR MANAGEMENT PROFILE (CONTINUED)

AZMAN BIN JUSOH

Head of Internal Audit
Golden Pharos Berhad

52 Age | Gender | Nationality

WORKING EXPERIENCE:

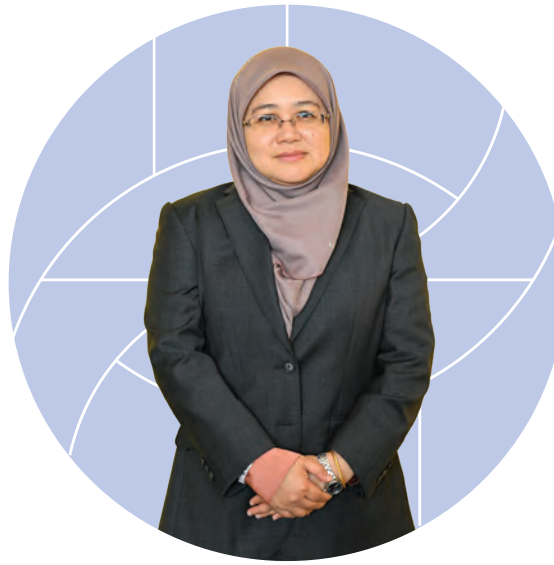
- He joined GPB as Senior Manager, Internal Audit on 15 February 2021.
- Previously, he was with Kumpulan Utusan as Internal Auditor for over 20 years.

QUALIFICATIONS:

- Bachelor of Accounting (Hons), University of Malaya.

AFFILIATIONS AND MEMBERSHIPS IN ASSOCIATIONS:

- Member of the Malaysian Institute of Accountants (MIA).



WAN ZUHAIRIAH BINTI WAN ALI @ WAN DAMSEK

Head of Human Resources, Administration & Procurement
Golden Pharos Berhad

49 Age | Gender | Nationality

WORKING EXPERIENCE:

- She possesses a total of more than 20 years' working experience in various industries, i.e. academia, publishing, telecommunication, telemarketing, manufacturing and material handling equipment.
- Prior to joining GPB, she worked as an HR Assistant at Richmatt Holdings Sdn Bhd in Petaling Jaya, Selangor.
- She joined GPB Group in October 2006 as Senior Executive of Human Resource & Administration.
- She was promoted on 1 June 2022 to Senior Manager of Human Resource & Administration of GPB Group.

QUALIFICATIONS:

- Bachelor of Human Resource Management (Hons) Degree, Universiti Utara Malaysia.
- Diploma in Personnel Management, Universiti Sultan Zainal Abidin.

AFFILIATIONS AND MEMBERSHIPS IN ASSOCIATIONS:

- Pengapit Majikan Kawasan Timur Jemaah Rayuan Keselamatan Sosial (JKRS).
- Member of Malaysian Institute of Human Resource Management.
- Panel Mahkamah Perusahaan (Majikan).

GROUP SENIOR MANAGEMENT PROFILE (CONTINUED)

SURAYA BINTI MOHD HAIRON

Head of Company Secretarial
Golden Pharos Berhad

49 Age | Gender | Nationality

WORKING EXPERIENCE:

- Started her career with GPB in 2012 as Assistant Manager and she also served as Joint Company Secretary for dormant companies under the GPB Group. Prior to joining GPB, she worked as an Assistant Tax Manager at S.T. Toh & Co. and was also a Company Secretary to several private limited companies. She has over 14 years of professional experience in taxation and accounting.
- In 2017, she was promoted to Manager and was appointed as Company Secretary to GPB and its Group of Companies.
- She was promoted to Senior Manager of Company Secretary of GPB Group on 1 June 2022.

QUALIFICATIONS:

- Professional stage of Institute of Chartered Secretaries & Administrators, UK.
- Bachelor of Business Administration (Hons) Finance, Open University Malaysia.
- Licensed by the Companies Commission of Malaysia.

FAUZAN BIN ABDUL

Head of Corporate Communications and Information Technology
Golden Pharos Berhad

39 Age | Gender | Nationality

WORKING EXPERIENCE:

- Started his career with GPB in June 2018 as the Head of the Corporate Communication Department.
- Prior to joining GPB, he worked at Ultra Works Sdn Bhd as Assistant Director of Arts and Creative in 2012 and then as a Senior Economic Journalist at the Malaysian National News Agency (BERNAMA) in 2013 to 2014.
- He joined the Terengganu State Secretariat as the Press Secretary to Menteri Besar Terengganu from June 2014 until December 2015 before being appointed as the Special Media Officer at Terengganu Inc from January 2016 until May 2018.
- He is also a member of Kelab Wartawan Media Terengganu since 2017.
- He was appointed as Head of the Corporate Communication and Information Technology Department on 1 October 2022.

QUALIFICATIONS:

- Master of Psychology,
  International Islamic University of Malaysia.
- Bachelor of English with Communication (Hons),
  Universiti Sultan Zainal Abidin.
- Diploma of Manufacturing Technology,
  Universiti Sultan Zainal Abidin.
- Foundation of Mechanical Engineering,
  Universiti Tenaga Nasional.

AFFILIATIONS AND MEMBERSHIPS IN ASSOCIATIONS:

- Kelab Wartawan Media Terengganu

GROUP SENIOR MANAGEMENT PROFILE (CONTINUED)

SUHAIRI BIN SULONG

Head of Subsidiary
Permint Plywood Sdn Bhd

52 Age | Gender | Nationality

WORKING EXPERIENCE:

- Joined GPB Group as Finance Manager in Pesama Timber Corporation Sdn Bhd (PESAMA) in September 2001 and has since held various key positions within the Group. Before joining GPB Group, he was attached to a public accounting firm, Arthur Andersen & Co. specialising in audit, taxation and advisory works.
- He was later appointed to the position of General Manager of Corporate & Finance in 2012 and was reassigned to General Manager of PESAMA in 2015. He was subsequently nominated to be the General Manager of Kumpulan Pengurusan Kayu Kayan Trengganu (KPKKT) and was promoted as Senior General Manager on 13 September 2017.
- He was appointed as Senior General Manager at PPSB on 15 September 2022.

QUALIFICATIONS:

- Bachelor of Accountancy (Hons), Universiti Utara Malaysia.

AFFILIATIONS AND MEMBERSHIPS IN ASSOCIATIONS:

- Member of the Malaysian Institute of Accountants (MIA).

DIRECTORSHIPS:

- Golden Pharos Biomass Sdn Bhd, Golden Pharos Overseas Sdn Bhd, Golden Pharos Fiber Sdn Bhd, GP Tropical Furniture Sdn Bhd, Permint Timber Corporation Sdn Bhd and Kemaman Furniture Industries Sdn Bhd

HILMI BIN AWANG

Head of Subsidiary Pesaka Trengganu Berhad &
Caretaker of Pesama Timber Corporation Sdn Bhd

56 Age | Gender | Nationality

WORKING EXPERIENCE:

- Started his career with PESAMA in July 1992 and has since held several significant positions within the GPB Group.
- He went on to be the Assistant General Manager of PESAMA in 2010 and was subsequently appointed to his current position as General Manager of Pesaka Trengganu Berhad (PESAKA) on 1 July 2017.
- He has more than 27 years' experience in Marketing and Operations as well as Sales.

QUALIFICATIONS:

- Diploma of Forestry, Universiti Putra Malaysia.

AFFILIATIONS AND MEMBERSHIPS IN ASSOCIATIONS:

- Alternate member of the MTIB Board.
- Alternate member of the Registration, Licensing and Enforcement Committee of the MTIB
- Alternate member of the Association of Malaysian Bumiputra Timber and Furniture Entrepreneurs (PEKA).
- Committee member of the Terengganu Wood Industry Association (TWIA).
- Committee member of Timber Industry Forum Malaysia (TIF).
- Committee member of Jawatan Teknikal Kajian Pembangunan Produk Ladang Hutan Malaysia.

GROUP SENIOR MANAGEMENT PROFILE (CONTINUED)

STANLEY LAU CHAN MING

Head of Subsidiary
Golden Pharos Glass Sdn Bhd

57 Age | Gender | Nationality

WORKING EXPERIENCE:

- Before he joined Golden Pharos Glass Sdn Bhd (GP Glass), he was the Marketing Officer at Malaysian Sheet Glass Berhad for four years.
- He has held various positions in GP Glass including Assistant Operations Manager leading to his appointment as Sourcing and Marketing Manager from January 2001 till December 2010.
- He was promoted to Deputy General Manager of GP Glass, a position held from January 2011 until March 2018.
- He was subsequently appointed as General Manager on 1 July 2019.

QUALIFICATIONS:

- Chartered Institute of Marketing (Part 2), Stamford College.
- Chartered Institute of Marketing (Part 1), Stamford College.
- LCCI, Rima College.

AFFILIATIONS AND MEMBERSHIPS IN ASSOCIATIONS:

- Vice President of Safety Glass Processors Association of Malaysia (SGPAM).
- Committee member of SIRIM (working Group for Malaysia Standard on Safety Glass).

AHMAD BAZLI BIN RAZALI

Head of Subsidiary
Kumpulan Pengurusan Kayu Kayan Trengganu Sdn Bhd

38 Age | Gender | Nationality

WORKING EXPERIENCE:

- Began his career with the Ministry of Health as Assistant Secretary (Management Services) in 2010 before joining GP Dynamic Venture Sdn Bhd as Assistant Manager of Human Resources & Administration in 2016.
- In January 2018, he was the Head of Production in PPSB and was subsequently promoted to Group Downstream Business Manager at GPB in August 2019 until October 2019.
- He served PPSB as Officer-in-Charge since November 2019 and was promoted to Senior Manager on 1 October 2020.
- He was appointed as Head of Subsidiary of KPKKT on 15 September before being promoted as Deputy General Manager on 1 March 2023.

QUALIFICATIONS:

- Master of Business Administration,
  Universiti Teknologi MARA.
- Bachelor of Science (Human Development) Degree,
  Universiti Putra Malaysia.
- Pre-University Programme KPM-MSN,
  Sekolah Sukan Bukit Jalil, Kuala Lumpur.

GROUP SENIOR MANAGEMENT PROFILE (CONTINUED)

MOHD HAFIIZ BIN RAHAMAN

Head of Subsidiary
GP Forest Plantation Sdn Bhd

40 Age | Gender | Nationality

WORKING EXPERIENCE:

- Started his career as a Field Supervisor at Felda Plantations Sdn Bhd from March 2005 until June 2006.
- He took on the position of Junior Field Supervisor at Ladang Felda Kechau, Kuala Lipis, Pahang from July 2006 to December 2011 and was responsible for supervising field workers and ensuring that plantation activities were carried out in a safe and efficient manner.
- He worked as a Junior Assistant Manager at Ladang FGV Bera Selatan 1 from January 2012 to March 2015 to coordinate and assist in the execution of plantation activities, including planting, harvesting, and processing.
- He then served as an Assistant Manager from April 2015 to December 2016 at Tradewinds Plantation Sdn Bhd and was responsible for assisting the senior management in the planning and execution of various plantation activities, including land preparation, planting, and harvesting.
- He was then appointed as Plantation Manager from January 2017 to June 2022 at The Green Venture Plantation to oversee all aspects of plantation operations, including cultivation, harvesting, and marketing of crops.
- He joined GPB Group on 15 June 2022 as the Head of Subsidiary, GP Forest Plantation Sdn Bhd.

QUALIFICATIONS:

- Diploma in Plantation Management, Open University Kuala Lumpur.

Notes:

(i) None of the Senior Management has any family relationship with any director and/or any major shareholder nor has any conflict of interest with GPB.

(ii) None of the Senior Management has any convictions for any offences within the past five years.

Jeram Lesung, part of the Chemerong waterfalls is located at Langsir within the DTC. It is a campsite where everyone can indulge in its natural swimming pool with jacuzzi.

CHAIRMAN'S STATEMENT

Dato' Yahaya bin Ali
Chairman

"Going forward in this endemic phase, GPB is optimistic that we can reach greater heights in terms of growth and expansion of our business."

Assalamualaikum Warahmatullahi Wabarakatuh dan Salam Sejahtera.

Dear Esteemed Shareholders,

It is my pleasure on behalf of the Board of Directors (the Board) to present the Annual Report and Audited Financial Statements of Golden Pharos Berhad (GPB or the Group) for the financial year ended 31 December 2023 (FY2023).

I am proud to declare FY2023 as a milestone year for GPB. The Group returned our best-ever performance since listing on what was then known as the Kuala Lumpur Stock Exchange (now known as Bursa Malaysia) 30 years ago.

Our record-breaking year represents a new peak to our robust recovery since the onset of COVID-19. In just three years, we have rebounded emphatically from a loss-making FY2020 to post our highest-ever financial results in GPB's history.

This outstanding achievement is a vindication of the meticulous business planning and judicious strategic decisions taken in the wake of the pandemic. From the outset, GPB focused on building resilience by unlocking the value of assets while also strengthening our value chain across the board.

It is also a testament to the dedication and determination of our talents, all of whom harnessed innovation and tapped efficiency to resolve issues and remove obstacles to the implementation of the Group's business strategies.

During the financial year in review, our human capital, from the Board to Management Team and all employees, consistently came together in finding viable solutions to such persistent issues as weather disruptions to our logging and sawmilling activities, which have knock-on effects on our midstream and downstream manufacturing operations.

REVENUE

RM89.2million

2022 : RM70.2 million
2021 : RM56.7 million
2020 : RM47.2 million

PROFIT/(LOSS) BEFORE TAX

RM27.4 million

2022 : RM15.0 million
2021 : RM2.7 million
2020 : RM(6.4) million

PROFIT/(LOSS) AFTER TAX

RM23.3 million

2022 : RM11.9 million
2021 : RM0.7 million
2020 : RM(6.7) million

CHAIRMAN'S STATEMENT (CONTINUED)

I am pleased to announce that the Board has responded favourably to GPB's exceptional financial returns in FY2023 by declaring and paying our highest-ever dividend of 4.60 sen per share, representing a generous 80% increase over the dividend of 2.55 sen per share the year before.

Dividend payments, which amounted to RM6.88 million (FY2022: RM3.89 million) or 30% of the Group's Profit After Tax (PAT) were duly paid out on 15 January and 9 February 2024. As always, we are not only committed to value creation, but also value distribution to shareholders and other stakeholders.

Details of the Group's financial performance is featured in the Management Discussion and Analysis on pages 34 to 51 of this Annual Report 2023.

UNLOCKING SUSTAINABLE VALUE RESPONSIBLY

GPB's landmark performance during the reporting period is not limited to financial results. It also reflects our transformation into a business entity that is committed to sustainable value creation beyond economic priorities to include responsible environmental, social and governance (ESG) considerations.

Further details on our sustainability performance are available on pages 75 to 152 in the Sustainability Report of this Annual Report 2023.

Managing Environmental Footprint

Our forestry operations continued adopting the Selective Management System (SMS) to manage timber concession areas in a sustainable manner in accordance with Sustainable Forest Management (SFM) standards. This approach ensures the long-term health and productivity of forests while preserving biodiversity and wildlife habitats while also respecting the rights of local communities and indigenous peoples.

By adhering to these practices, we assure customers and stakeholders that our products are responsibly and sustainably sourced. This, in turn, grants us access to markets that prefer eco-friendly wood products.

In response to the urgent threat of climate change, we have intensified our efforts to reduce our carbon footprint. Two of our timber-based subsidiaries have already installed solar systems at their factory premises to reduce reliance on non-renewable energy sources. Another subsidiary is set to implement a solar power project in FY2024.

As of now, we have planted more than 300,000 trees, which consists of Batai and Eucalyptus species, in our forest plantation area.

Nurturing Lives and Livelihoods

The Group is committed to enhancing the lives and livelihoods of our workforce by focusing on continuous talent development to guarantee business continuity in the face of unforeseen circumstances, and at the same time, provide opportunities for employees to grow.

As we navigate a shifting talent landscape increasingly drawn to the gig economy, especially among millennials who prioritise flexibility and mobility, we understand that our succession planning must be comprehensive.

Towards this end, we continue to procure training for our senior and middle management staff to equip them with the competence and leadership qualities needed to sustain GPB's growth trajectory in the years ahead.

Nevertheless, the Group intends to bring in bright minds and fresh ideas to strengthen the leadership and innovative culture within the organisation. In FY2023, we increased our manpower strength to 448 and intend to follow this up with a potential intake of another 178 in FY2024.

Maintaining Good Governance

At GPB, our commitment to uphold stringent corporate governance standards remains unwavering as we strive to safeguard the Group's interests and objectives, ultimately enhancing shareholder value and maintaining investor confidence.

During the year in review, we remained steadfast in our efforts to reinforce our governance practices. We ensured strict compliance with pertinent laws, regulations, and guidelines prescribed by regulatory bodies, including Bursa Malaysia Securities Berhad (Bursa Malaysia).

CHAIRMAN'S STATEMENT (CONTINUED)

Alongside our dedication to transparency and accountability, we continued to refine our governance framework, incorporating best practices and adopting measures to mitigate risks effectively. By adhering rigorously to these standards, we aim to foster trust among stakeholders and reinforce our reputation as a responsible corporate citizen in the marketplace.

Further details are presented in the Corporate Governance Overview Statement on pages 153 to 179 in this Annual Report 2023 and from our website at https://goldenpharos.com.my/agm/

APPRECIATION

I am honoured to be appointed as the new Non-Independent Non-Executive Chairman of GPB and in this capacity, I would like to take this opportunity to express the Board's gratitude to my predecessor, YM Dato' Haji Tengku Hassan bin Tengku Omar, for his wise counsel in guiding the Group to such great heights.

The Board's appreciation is also extended to outgoing Board Member, Mohd Badaruddin bin Ismail, for his exemplary service during his time with us.

I would like to welcome Dr Mohd Zaki bin Hamzah to the Board as a Non-Independent Non-Executive Director following the end of his tenure as the Chief Executive Officer (CEO). Dr Zaki's service as the head of Senior Management will be forever tied to GPB's record-breaking performance. Let me take this opportunity to thank him for his dynamic leadership.

The Board welcomes our new acting CEO, Mohd Roslan bin Mamat, to the fold. With his management experience from Terengganu Incorporated Sdn Bhd (Terengganu Inc), the parent company of GPB, the Board is confident that he will build on the Group's growth momentum and ensure a sustainable future for the business and its stakeholders.

I would like to commend the unwavering dedication of our senior management in resolving challenges and navigating obstacles to achieve stellar results for FY2023. Their steadfast support has been instrumental in ensuring our continued success and accomplishments throughout the year. I extend my gratitude to all employees whose exceptional teamwork and diligence have set a commendable example.

Sustainable Legacy: From saplings to majestic maturity, we ensure the continuity of this precious resource for generations to come.

I am deeply appreciative of the trust and confidence shown by our loyal shareholders, especially Terengganu Inc. I also wish to thank our other stakeholders including Federal and State authorities, bankers, vendors, the media and the community for their invaluable support.

Lastly, I acknowledge the invaluable guidance and leadership provided by my fellow Board members. Together, let us leverage on the Group's current growth trajectory to achieve even greater milestones in the future.

Thank you and wassalam.

DATO' HAJI YAHAYA BIN ALI
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

YEAR IN REVIEW
- Business Objectives
- Business Strategies
- Action Plans

FINANCIAL RESULTS
- Revenue
- Profits
- Shareholders' Equity and Assets
- Other Financial Indicators

OVERVIEW OF OPERATIONS
- Known Trends Impacting Group Operations
- Key Operational Challenges Faced in FY2023

REVIEW OF BUSINESS SEGMENTS
- Harvesting & Sawmilling
- Manufacturing

MANAGING RISKS
- Operational Risk
- Economic and Business Risk
- Sustainability Risk
- Financial Risk

OPERATING SUSTAINABLY

MOVING FORWARD
- Economic Landscape in 2024
- Prospects in FY2024 and Beyond
- Looking Ahead

The following Management Discussion and Analysis (MD&A) is intended to convey the Management's perspective on the operating performance and financial review of Golden Pharos Berhad (GPB or the Group) for the year ended 31 December 2023. We recommend that you read the MD&A in conjunction with the Financial Statements, notes thereto and other information included elsewhere in the Annual Report 2023. The MD&A is presented in accordance with the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Securities) and the Malaysian Financial Reporting Standards (MFRS), and in relation to the disclosure requirements as per the Malaysian Code on Corporate Governance (MCCG). Significant details on the Group's business operations, performance and strategy, as well as financial review and position, governance, risks and capital management, are covered in the MD&A. This MD&A contains forward-looking statements that are provided to enable investors to gauge GPB's business prospects and make informed investment decisions. However, they involve inherent risks and uncertainties and other factors that are in many cases beyond our control. The forward-looking statements include, but are not limited to, for instance, our 20223business prospects and outlook, as well as our expectations with regards to the macroeconomic and socio-geographic conditions, and their anticipated impact on the Group's business operations. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'expect', 'intend', 'plan', 'believe', and words of similar substance in connection with any discussion of future performance. Although GPB believes that the expectations of its Management as reflected by such forward-looking statements are reasonable based on current information, no assurance can be given that such expectations will prove to have been correct. Should one or more of the risks and uncertainties materialise, actual results may vary materially from those anticipated or projected.

YEAR IN REVIEW

In sustaining our efforts to **Unlocking Nature's Value**, Golden Pharos Berhad (GPB or the Group) capped its 30th anniversary on the Main Board of Bursa Malaysia with its best-ever financial results for the year ended 31 December 2023 (FY2023).

Backed by progressive growth strategies and improving operational efficiency, GPB transcended previous records of all key financial indicators including revenue and profits to maintain an admirable legacy of value creation for our diverse stakeholders.

The Group effectively countered early issues with weather disruptions and delay in obtaining logging licences by ramping up production across the entire value chain of our harvesting and sawmilling operations during the final quarter of FY2023.

This is reflected by a sterling performance in the fourth quarter ended 31 December 2023 (Q4 2023) that accounted for 59% of FY2023's Group Revenue and overturned cumulative losses over the preceding three quarters into profitability to close the year on a high.

In this case, our interim business strategy of tendering out logging compartments to external parties clearly paid dividends. During the year, we secured higher proceeds compared with the previous year's corresponding period (FY2022).

We also doubled our log harvest in FY2023 to provide sufficient supply, particularly in Q4 2023, for our midstream production of sawn timber and downstream manufacturing of woodchips and veneer.

The better performance by our harvesting and sawmilling operations helped to offset lower sales of our glass products in the face of increasing competition compounded by higher operating costs from increased electricity tariffs.

Nevertheless, we remain optimistic of the glass manufacturing segment's prospects in the years ahead via on-going investments in capability and capacity building alongside cost-saving measures such as the installation of solar photovoltaic (PV) panels at our glass manufacturing facility in Telok Panglima Garang, Selangor.

MOHD ROSLAN BIN MAMAT
Acting Chief Executive Officer

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

The Group continues to explore new opportunities to monetise natural forest assets; for example, processing of forest waste and natural carbon trading. In the meantime, we are intent on strengthening our core businesses through the diligence and determination of our human capital in order to build on our growth momentum and sustain our value distribution to stakeholders.

Business Objectives

GPB, a Government-Linked Corporation (GLC) primarily owned by Terengganu State Government's investment arms, Terengganu Incorporated Sdn Bhd (Terengganu Inc) and Lembaga Tabung Amanah Warisan Negeri Terengganu (LTAWNT), is tasked with spearheading economic activities and fostering sustainable economic, social and environmental progress, all supported by sound governance.

We prioritise environmental, social and governance (ESG) development by focusing on creating business and employment prospects for local communities, thereby contributing to the revenue streams of both Federal and State Governments. The Group aims to create value for all stakeholders by harmonising our business strategies with sustainable development objectives.

As a prominent company in Terengganu, we serve to broaden the State's economy beyond the dominant oil and gas sector into forest management, timber harvesting, sawmilling and downstream higher-value wood products.

Ready for Dispatch: Finger-joints at PESAMA, primed for shipment post-production, ensuring prompt delivery and customer satisfaction.

We are also recognised as a reputable supplier of wood-based products for construction activities on the East Coast and a respected provider of glass-based products on the West Coast in support of development and economic advancement.

We uphold sustainable forestry practices by managing the Dungun Timber Complex (DTC) and Cherul Forest Concession (CFC) timber concession areas under the Selective Management System (SMS), which is fully compliant with the Malaysian Criteria and Indicators (MC&I) for Forest Management Certification (Natural Forest).

The DTC and CFC obtained their Forest Stewardship Council (FSC®) certification in 2008 and 2012, respectively. At the time of reporting, the concessions are in the process of recertification for another five years.

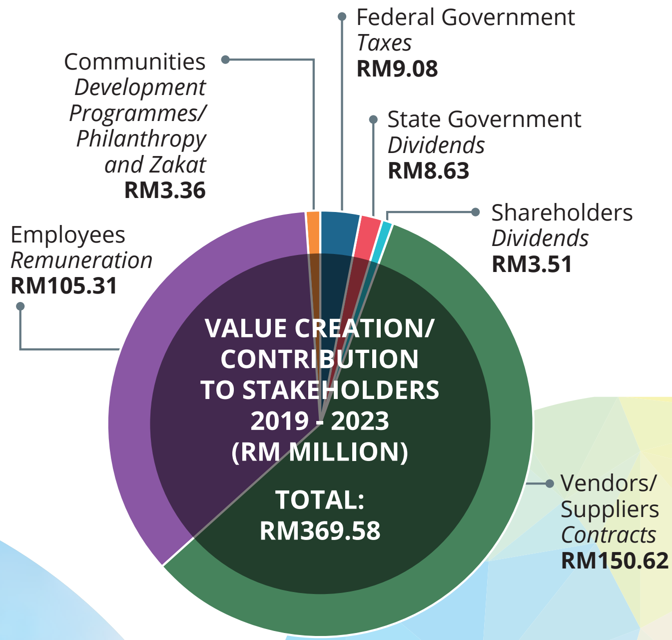
In addition, our subsidiaries, Pesaka Trengganu Berhad (PESAKA) and Pesama Timber Corporation Sdn Bhd (PESAMA), have been Chain-of-Custody (CoC) certified for their sawmills since July 2008, ensuring our timber-based products are sourced from sustainably-managed forests.

PESAKA, PESAMA and PBSB are also accredited with the Programme for the Endorsement of Forest Certification (PEFC). These recognitions underscore our commitment to the pursuit of excellence. Thus, we are well-positioned to potentially capitalise on opportunities in the export market for sustainable wood-based products, leading to enhanced profitability.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

VALUE CREATION/CONTRIBUTION TO STAKEHOLDERS OVER 5 YEARS: 2019 – 2023 (RM MILLION)

Stakeholders	Type of Contribution
Federal Government	Taxes
State Government	Dividends
Shareholders	Dividends
Vendors/Suppliers	Contracts
Employees	Remuneration
Communities	Development Programmes/ Philanthropy and Zakat



Mövenpick Hotel and Convention Centre KLIA in Sepang, Selangor uses GP Glass' double glazing glass panels unit with holes.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Business Strategies

Aligned with our objectives, we consistently formulate and update our business plans to fulfill the aspirations and expectations of all stakeholders as follows:

GPB BUSINESS ECOSYSTEM

To achieve our objectives and aspirations, the Group develops plans tailored to the prevailing operating conditions and performance of the Group. Our latest business plan aims to expedite our business recovery from the pandemic by tapping into green business opportunities and energising our downstream activities.

In September 2022, the Board of Directors (the Board) established an Executive Committee (EXCO) to address business challenges, particularly in timber harvesting. The EXCO is intended to serve as an intermediary between the Board, Board Committees and the Management to ensure all decisions and instructions are implemented smoothly and efficiently.

This strategic decision underscores our commitment to enhance corporate governance and operational efficiency. By strengthening the decision-making processes and ensuring effective implementation, we aim to achieve sustainable growth and deliver enduring value to our stakeholders.

This proactive move has contributed to the recovery of our harvesting operations, as evident by the doubling of harvested logs in FY2023. To maintain our current trajectory, the EXCO's role has since been expanded to include oversight of the Group's Manufacturing operations.

Central to our growth strategy are several key initiatives. First, we are ramping up our upstream harvesting activities to secure a reliable supply of logs for our timber-based subsidiaries. In FY2023, we offered logging contractors more favourable terms to secure their services.

We are also enhancing the capacity of our midstream sawmilling and downstream wood production activities alongside our glass operations, efforts that are geared towards further improving our performance and results.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Action Plans

The Business Plan 2023 included Action Plans for both the immediate and intermediate periods, covering the bulk of our activities across the value chain, including:

- **Realignment of Business and Operational Focus**

  The Board has established new directions on current businesses and activities going forward. These new directions involve the realignment of existing businesses to have higher operational focus via:

  - Strengthening of upstream activities to achieve higher timber production and faster returns from forest plantation;
  - Reinforcing midstream activities for faster recovery and higher production of sawn timber and veneer; and
  - Improving downstream activities through the expansion of veneer and plywood production lines, and the reactivation of moulding production lines.

- **Improving Logging Yield**

  The Board has approved new measures to improve logging yield:

  - Introduction of new key performance indicators (KPIs) with higher logging yields than our historical yields; and
  - Implementation of new logging policy with the aim of producing more high value logs from the Group's concession area.

- **Setting Up New KPIs for Operational Targets**

  The Board has introduced new KPIs to improve the operational efficiency, with higher:

  - Base price for sale of timber compartments on RM per hectare basis;
  - Logging yield for log output in cubic metre (m^3) per hectare;
  - Sawn timber recovery in percentage basis;
  - Veneer recovery in percentage basis, and
  - Glass yield in percentage basis.

- **Immediate Action Plans**

  To achieve the KPIs, the Board has established immediate action plans:

  - Deployment of survey/ mapping team to identify of compartments with high value species;
  - Acquisition of new automated pony saw/rig to increase the high value grades and quality of sawn timber produced, to improve recovery and reduce manpower;
  - Reactivation of plywood production line on a fast-track basis by upgrading the existing facilities and installing new machines;
  - Reactivation of moulding production lines by upgrading the existing machinery;
  - Installation of new set of double edger machine and giant washer to increase glass production and efficiency; and
  - Revision of logging contract fees to be on par with market rates, with the aim of attracting more competent contractors.

From production to shipping, our supply of sawn timber highlights our readiness, ensuring smooth logistics and customer satisfaction.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL RESULTS

FY2023 was a record-breaking year for GPB and this is reflected by gains and improvements to all key financial metrics. We have strengthened our financial position considerably following our robust recovery in the previous financial year from the fallout of the COVID-19 pandemic.

KEY FINANCIALS AT A GLANCE

INCOME STATEMENT	FY2022	FY2023
Revenue	RM70.20 million	RM89.23 million
Profit Before Tax	RM15.02 million	RM27.44 million
Profit After Tax	RM11.86 million	RM23.27 million
EBITDA*	RM18.85 million	RM31.10 million
Earnings Per Share (sen)	8.59 sen	16.83 sen
Dividend Per Share (sen)	2.55 sen	4.60 sen

*Earnings Before Interest, Taxes, Depreciation and Amortisation

FINANCIAL POSITION	FY2022	FY2023
Shareholders' Equity	RM77.93 million	RM90.10 million
Total Assets	RM111.58 million	RM134.66 million
Net Assets Per Share (sen)	55 sen	64 sen

FINANCIAL INDICATORS	FY2022	FY2023
Return on Equity (%)	15.2%	25.8%
Return on Total Assets (%)	10.6%	17.3%
Current Ratio (times)	2.48x	2.30x
Quick or Acid Test (times)	2.23X	2.00x
Total Assets Turnover (times)	0.63X	0.66x
Gearing Ratio (times)	0.13X	0.11x
Net Profit Margin (%)	16.9%	26.1%

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Revenue

Group Revenue soared to RM89.23 million, the highest in 10 years, gaining 27.1% over RM70.20 million recorded in FY2022.

Revenue growth was largely driven by higher proceeds amounting to RM48.24 million for the sale of logging compartments to third parties as compared with RM31.92 million the year before. We achieved higher proceeds due to the market shortage in logs as well as our tree-marking operations, which provide accurate information on expected yield and tree species to loggers who can then extrapolate their potential earnings.

Our interim measure of tendering out compartments is a sound strategy that guarantees immediate returns as compared to the lag in revenue generation from our midstream and downstream processing of harvested logs.

The higher segmental revenue of RM86.61 million (FY2022: RM54.39 million) from our Logging and Sawmilling business compensated for the lower revenue contribution of RM19.78 million (FY2022: RM23.98 million) from our Manufacturing business.

The Manufacturing segment, which includes the production of wood-based products and glass processing, was affected by a 13.9% drop in glass sales (RM18.16 million in FY2023 against RM21.09 million previously).

In terms of revenue contribution, the Harvesting & Sawmilling division accounted for 77.2% of Group Revenue (FY2022: 65.1%) while the share of the manufacturing business was 22.1% (FY2022: 34.2%).

Profits

Record Revenue led to the highest-ever earnings for the Group, with key profit metrics effectively doubling year-on-year.

Gross Profit (GP) increased by 44.3% to RM48.45 million (FY2022: RM33.58 million) while Profit Before Tax (PBT) gained 82.7% to RM27.44 million (FY2022: RM15.02 million) and Profit After Tax (PAT) grew by 96.3% to RM23.27 million from RM11.86 million the year before.

Earnings Per Share (EPS) almost doubled to 16.83 sen as compared against 8.59 sen in FY2022.

Dividend

In response to our stellar financial performance for the year, the Board declared dividends amounting to 4.60 sen per share (FY2022: 2.55 sen per share), which represents the highest-ever dividend declared by GPB.

Total dividend payment was RM6.88 million, higher by 76.9% than RM3.89 million paid in the previous reporting period. Dividends were paid out on 15 January and 9 February 2024.

The total payout represented 30% of Group PAT and 22% of Group Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA), reflecting our commitment to consistently distribute profits and other benefits to our shareholders.

Contingent on our financial performance, the Group will maintain this pledge to share value with all our stakeholders including Terengganu Inc and LTAWNT, our main shareholders tasked with generating financial returns for the Terengganu State Government.

Shareholders' Equity & Assets

At the close of the financial year, our Shareholders' Funds stood at RM90.10 million, which was 15.6% higher than RM77.93 million the year before. Total Assets grew by 20.7% to RM134.66 million (FY2022: RM111.58 million) while Net Tangible Assets per Share surged by 16.4% to 64 sen from 55 sen in FY2022.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Other Financial Indicators

- **Return on Equity (ROE) and Return on Total Assets (RTA)**
  Our excellent performance in FY2023 led to a record-breaking ROE of 25.8% (FY2022: 15.2%), which exceeded the industry averages in the United States of America (USA) of 21% for forestry and wood products, and 6% for furniture and fixtures.
  Source: https://csimarket.com/Industry/industry_ManagementEffectiveness.php?ind=105

  As highlighted in our previous Annual Report 2022, an ROE of 15% to 20% is widely considered as the benchmark of a financially-sound and stable company.
  Source: https://www.readyratios.com/sec/industry/

  Similarly, we recorded an RTA of 17.3% against 10.6% previously. Again, this rate compared favourably with the USA industry averages of 10% for forestry and wood products and 2% for furniture and fixtures.

- **Gearing and Finance Costs**
  The Group has progressively pared down its borrowings in tandem with improving cash flow in the past two financial years. During the reporting, our gearing ratio dropped to 0.11 times from 0.13 times the year before.

  We did not draw down on any of our financing facilities in FY2023, resulting in total borrowings dipping to RM9.04 million from RM9.95 million the year before. We had sufficient reserves for our capital expenditure (CapEx) and operational expenditure (OpEx).

  Meanwhile, we incurred marginally lower finance costs of RM0.65 million (FY2022: RM0.67 million) for the year.

- **Capital Management Plan**
  GPB closed the financial year with a healthy cash and cash equivalent of RM27.53 million against RM22.15 million previously. Accordingly, we have set aside RM12.06 million for investments targeted at optimising operational performance in FY2024. This amount is significantly greater than the allocation of RM9.73 million in FY2022.

- **Taxation**
  The Group incurred higher taxes amounting to RM4.17 million (FY2022: RM3.17 million) commensurate with the significant increase in profits.

- **Zakat**
  The Group paid RM0.47 million in zakat in FY2023, an increase of 18.0% from RM0.40 million the previous year.

Championing Green Initiatives: GPFP employees participated in the "One Tree One Staff Programme," planting 18 Eucalyptus trees in Compartment 64A of the Jerangau Forest Reserve.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

OVERVIEW OF OPERATIONS

Known Factors Impacting Group Operations

- **Weather**
  Typically, the East Coast of Peninsular Malaysia is prone to heavy rains and flooding from seasonal monsoon between November and March. Our forest concession areas located in the northeast region were affected by flooding on numerous occasions.

  FY2023 saw a significant increase in rainy days in January and February, severely impacting on logging activities. Apart from curbs on tree felling, harvested areas were not accessible due to waterlogged roads.

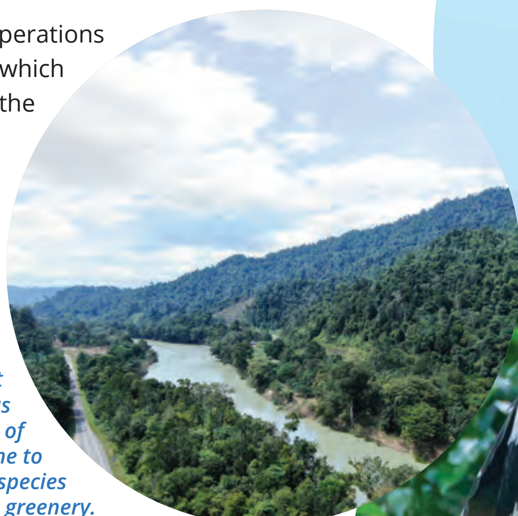
  This constraint on harvesting activities has become an issue for our logging contractors, whose incomes are dependent on logs felled at the DTC and CFC and successfully delivered to our sawmills.

- **Second Rotation**
  Currently, both the DTC and CFC logging operations are undergoing their second rotation, which has a lower average yield compared to the initial cycle.

Key Operational Challenges Faced in FY2023

The Malaysian economy moderated in 2023 after recording its highest growth rate in two decades the year before. According to estimates by the Department of Statistics Malaysia (DOSM), gross domestic product (GDP) expanded by a slower 3.7% against 8.7% in the previous year, which fell short of the projected 4.0% cited in Budget 2024.
Source: https://www.mof.gov.my/portal/en/news/press-release/2023-economic-growth-normalised-supported-by-recovery-in-economic-activities-and-labour-market-conditions#

Nevertheless, the construction sector, where the bulk of the Group's wood-based and glass-based products are channelled to, remained relatively robust with a 6.6% growth (2022: 8.8%) on the back of the resumption of large-scale infrastructure projects and other commercial ventures.
Source: https://www.businesswire.com/news/home/20240103503271/en/Malaysia-Construction-Industry-Report-2023-Output-is-Expected-to-Grow-by-6.6-in-Real-Terms-in-2023---Size-Trends-Analysis-by-Sector-Competitive-Landscape-and-Forecasts-2018-2022-and-2023-2027---ResearchAndMarkets.com



Our forest concessions areas are vibrant hubs of biodiversity, home to countless fauna species thriving in its lush greenery.

A touching moment captured: A male Great Hornbill diligently feeds its entombed mate in her nest.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Streamlined Shipping: Moulding boards loaded onto a trailer, highlighting our readiness for product shipment post-production.

Briefing on glass manufacturing operations at GP Glass' factory in Telok Panglima Garang, Selangor.

- **Harvesting & Sawmilling**

  In FY2023, the delay in obtaining logging licences severely impacted the harvesting activity and consequently, the sawmilling operations. However, the Group was able to supply part of the logs required by the sawmills through harvesting operations utilising the 2022 logging compartments quota/licence carried forward to 2023.

  The lower volume of logs extracted adversely impacted the number of logs processed into sawn timber and veneer by the mills and this suppressed the Group's manufacturing revenue for the year.

  This led to a harvest of over 16,000 hoppus tonnes (ht) of logs that despite being almost double the yield of the previous year, continued to fall short of the necessary feedstock level for sawmill profitability.

  To tackle these challenges and spur growth, we focused on several key initiatives such as increasing upstream logging and harvesting activities to ensure a consistent log supply for our timber-based subsidiaries. Towards this end, we revised and enhanced contract terms to attract logging contractors to provide their services.

- **Manufacturing**

  The prevailing issues of our timber harvesting activities, in turn, affected our Manufacturing business in downstream production of woodchips and veneer, thus impacting this segment's revenue contribution and profits.

  In response, we have strengthened the capacity of our midstream sawmilling, and downstream wood processing and glass operations to improve overall results and performance.

  Our glass segment experienced a dip in sales during the reporting period due to increased competition and this was compounded by a rise in electricity tariffs.

  To reverse the slide, we are gearing towards penetrating new markets for our glass products alongside cost-cutting measures via the installation of solar photovoltaic (PV) panels at our glass manufacturing facility in Telok Panglima Garang, Selangor.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

REVIEW OF BUSINESS SEGMENTS

The Group's core business segments of Harvesting & Sawmilling and Manufacturing faced unfavourable circumstances mentioned earlier, which had a knock-on effect on downstream production of timber products.

While both divisions achieved higher revenue contributions, the Manufacturing business sustained a loss due to lower returns particularly from a wood production segment held back by the reduced timber harvest. However, this was offset by much higher profits from the Harvesting & Sawmilling business as well as greater income from rental and other investments.

FINANCIAL PERFORMANCE OF BUSINESS SEGMENTS

	Harvesting & Sawmilling	Manufacturing	Others (Rental & Investment Income)
Revenue	59.2% (up) RM86.61 million FY2022: RM54.39 million	17.5% (down) RM19.78 million FY2022: RM23.98 million	74.0% (up) RM27.75 million FY2022: RM15.95 million
Profit/Loss Before Tax	Profit Before Tax 92.7% (up) RM38.64 million FY2022: RM20.05 million	Loss Before Tax 135.3% (down) RM6.54 million FY2022: RM2.78 million	Profit Before Tax 194.2% (up) RM39.40 million FY2022: RM13.39 million
Segmental Assets	12.5% (up) RM91.74 million FY2022: RM81.55 million	8.9% (up) RM46.06 million FY2022: RM42.30 million	15.4% (up) RM154.44 million FY2022: RM133.88 million
Segmental Liabilities	22.6% (up) RM38.20 million FY2022: RM31.16 million	37.5% (down) RM16.46 million FY2022: RM26.35 million	10.2% (up) RM50.87 million FY2022: RM46.18 million

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Harvesting & Sawmilling

Segmental revenue from this business increased by a substantial 59.2% to RM86.61 million from RM54.39 million previously, buoyed by higher proceeds of RM48.24 million (FY2022: RM31.92 million) from the sale of our logging compartments.

The revenue growth led to a segmental PBT of RM38.64 million, which was higher by 92.7% in comparison with RM20.05 million the year before. Meanwhile, the segment's net assets increased to RM53.54 million from RM50.39 million in FY2022.

The issuance of logging licences for our 2023 quota in Q4 2023 led to a flurry of harvesting activities throughout the last three months of the year. This greatly boosted production of logs and sawn timber to 16,624 ht (FY2022: 7,918 ht) and 8,464 tonnes (FY2022: 5,505 tonnes) respectively.

PRODUCTION NUMBERS

Logs
(hoppus tonnes - ht)

16,624
FY2022: 7,918

Sawn Timber
(tonnes)

8,464
FY2022: 5,505

Manufacturing

The delay in obtaining logging licences had a material impact on our downstream timber activities. Coupled with slower sales of glass products, the Manufacturing segment returned a lower revenue contribution of RM19.78 million against RM23.98 million in FY2022.

As a result, the segment incurred a higher Loss Before Tax (LBT) of RM6.54 million from a loss of RM2.78 million previously. Nevertheless, net assets for this business increased to RM29.60 million against RM15.95 million in FY2022.

Contributing to this loss was the drop in production figures for woodchips and veneer compared with previous year. The output of woodchips was 17% lower at 4,526 mt against 5,477 mt while veneer was at marginally lower at 1,106 cubic metres (m^3) from 1,157 m^3 in FY2022.

PRODUCTION NUMBERS

Woodchips
(metric tonnes - mt)

4,526
FY2022: 5,477

Veneer
(cubic metres - m^3)

1,106
FY2022: 1,157

Glass
(square metres - m^2)

370,932
FY2022: 356,049

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

As custodians of our forests, we strive to preserve nature's legacy for a sustainable future.

MANAGING RISKS

We are cognisant that the industries we operate in carry inherent risks. Therefore, we are dedicated towards mitigating them to protect our business and its value. We are also aware of the current and future impacts of climate change, which particularly affects our timber harvesting operations through frequent flooding of our concession areas.

The Department of Statistics Malaysia's (DOSM) Special Report on the Impact of Floods in Malaysia 2023 estimated that overall losses from floods amounted to RM800 million or the equivalent of 0.04% of the nation's GDP. The report cited Terengganu as among the worst-hit states where flooding had destroyed infrastructure plantations and disrupted the daily lives of thousands.
Source: https://www.businesstoday.com.my/2024/03/11/losses-of-rm0-8-billion-caused-by-floods-recorded-in-malaysia-in-2023-dosm/

In addition, our operations rely significantly on permits and licences issued by authorities including the Terengganu State Forestry Department (JPNT). These permits, including the Annual Allowable Cut (AAC) for logging activities, are crucial for our business. Any modifications or limitations imposed on these permits or licences can have serious consequences for our operations.

As mentioned earlier, a delay in issuance of logging licences for our 2023 quota severely impacted our midstream and downstream timber operations, leading to a drop in revenue contribution from these activities.

Identifying potential risks and assessing their potential impact on operations is pertinent to develop mitigation strategies and implement action plans to prevent or minimise any adverse effects. The Group's Enterprise Risk Management (ERM) Framework comprises five processes to manage and mitigate such risks.

These include:

1. Outlining the scope, context and criteria for risk assessment;
2. Preparing for risk assessment by identifying, analysing and prioritising key business risks for evaluation;
3. Developing Risk Action Plans (RAPs);
4. Establishing key risk indicators (KRIs); and
5. Embedding risk action monitoring.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

We identified 31 risks In FY2023 and formulated Risk Action Plans (RAPs) for four issues, as shown below:

Disruption in Log Supply

Operational Risk

A key risk to sawmilling and veneer production is the potential disruption in log supply as logs serve as the primary materials for these operations. Ensuring a steady and dependable log supply from our forest management subsidiary, KPKKT, is critical for sustaining sawmilling and wood processing activities. Without it, midstream firms such as PESAKA, PESAMA and PPSB would struggle to meet customer demands and cover operational expenses.

Mitigation Plan

- Improving the licence application and issuance process;
- Increasing harvesting yields by strengthening the tree-marking process, identification of compartments with high-value species, improvement of felling technique and selection of competent harvesting contractors;
- Implementing a new strategy of purchasing external logs to ensure a steady supply for our midstream and downstream operations; and
- Continuing to implement our forest plantation project.

Business Sustainability: Timber

Economic and Business Risk

The Group's business sustainability is dependent on upstream log operations, which are vital for supporting midstream activities such as sawmilling and veneer production. Increasing environmental concerns over logging operations and potential opportunity to preserve forests in exchange for carbon credits pose a risk to future operations.

Mitigation Plan

- Pursuing suitable downstream business via new moulding and finger-joints lines at PESAMA and automated production line at PESAKA;
- Refurbishing existing machines to increase veneer production including the roller dryer, continuous dryer and boiler; and
- Setting up a plywood line for production and refurbishment of plywood line machines as well as recruitment of manpower for this purpose.

Succession Planning/Competency Gap

Sustainability Risk

Ensuring continuity in leadership and operational management is vital, especially in the event of sudden departures or prolonged leaves of key Senior Management team members or critical employees. A well-established succession planning process is crucial for this purpose as our business activities may face disruptions, impacting strategic direction and hindering expected business growth.

The competency gap represents the disparity between the current skill level of an employee and the required level for the job. The lack of competency can impede the effective and efficient execution of assigned tasks. In turn, employees may face challenges in understanding job requirements and industry standards, ultimately negatively impacting work productivity.

Mitigation Plan

- Developing talent identified as potential successors for key positions in the Group and profiling each position for this purpose; and
- Revising standard operating procedures (SOP) and conducting training sessions on the revised SOP to improve employees' understanding on work processes and procedures.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Liquidity Risk

Financial Risk	Mitigation Plan
Ensuring the Group retains sufficient assets is essential to effectively meet our financial obligations as inadequate management of liquidity may lead to challenges in meeting daily financial requirements that could potentially disrupt operations.	• Managing cash flow and acquisition capital by tendering out logging compartments and utilising banking facilities to fulfil immediate financial obligations.

Further details are available in the Statement on Risk Management and Internal Control on pages 180 to 182 of this Annual Report 2023.

OPERATING SUSTAINABLY

GPB is committed towards embedding sustainability at the heart of our operations and activities in accordance with both local and international standards on environmental, social and governance (ESG) principles.

Our FSC® certifications and engagement with PEFC highlight our dedication to responsible and sustainable forestry management, and strong environmental stewardship.

Our forestry operations are guided by a commitment to balance economic objectives with ESG considerations, including reforestation and sustainable harvesting methods. This approach safeguards the long-term health and productivity of forests, preserving biodiversity and wildlife habitats while respecting the rights of local communities and indigenous peoples. These practices also assure customers and stakeholders that our products are sourced responsibly and sustainably, granting access to markets that prioritise eco-friendly wood products.

In FY2023, we resolved to intensify efforts aimed at reducing our carbon footprint in response to the existential threat of climate change. Towards this end, two timber-based subsidiaries, PPSB and PESAKA, have installed solar systems at their factory premises to reduce reliance on non-renewable energy sources. Our glass processing subsidiary, GP Glass, is expected to follow suit in the new financial year.

Enhancing Sustainability: Rooftop solar panels at one of PESAKA's factories, illuminating our commitment to renewable energy and environmental stewardship.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

MOVING FORWARD

Economic Landscape in 2024

The outlook for the global economy is increasingly uncertain following Israel's invasion of Gaza that is threatening to spill over into a wider Middle East conflict. Both the International Monetary Fund (IMF) and World Bank have warned that the developing situation could jeopardise the global economy.
Source: https://www.nst.com.my/business/economy/2024/02/1012659/imf-world-bank-warn-gaza-war-red-sea-attacks-imperil-global-economy

For the moment, the IMF has maintained its projection of global growth at 3.1% for 2024, citing the economic resilience in the United States and strong recovery of emerging economies from the COVID-19 pandemic.
Source: https://www.imf.org/en/Publications/WEO/Issues/2024/01/30/world-economic-outlook-update-january-2024

In Malaysia, Bank Negara Malaysia (BNM) has forecast a GDP growth rate of between 4.0% and 5.0% for the local economy on the basis of resilient domestic expenditure with support from a recovery in exports.
Source: https://theedgemalaysia.com/node/705230

The Group is closely monitoring these events amid the possibility that any adverse impact could soften the global economy and its consequences trickling down to the local economic and business landscape.

Veneer production at PPSB's factory.

Prospects in FY2024 and Beyond

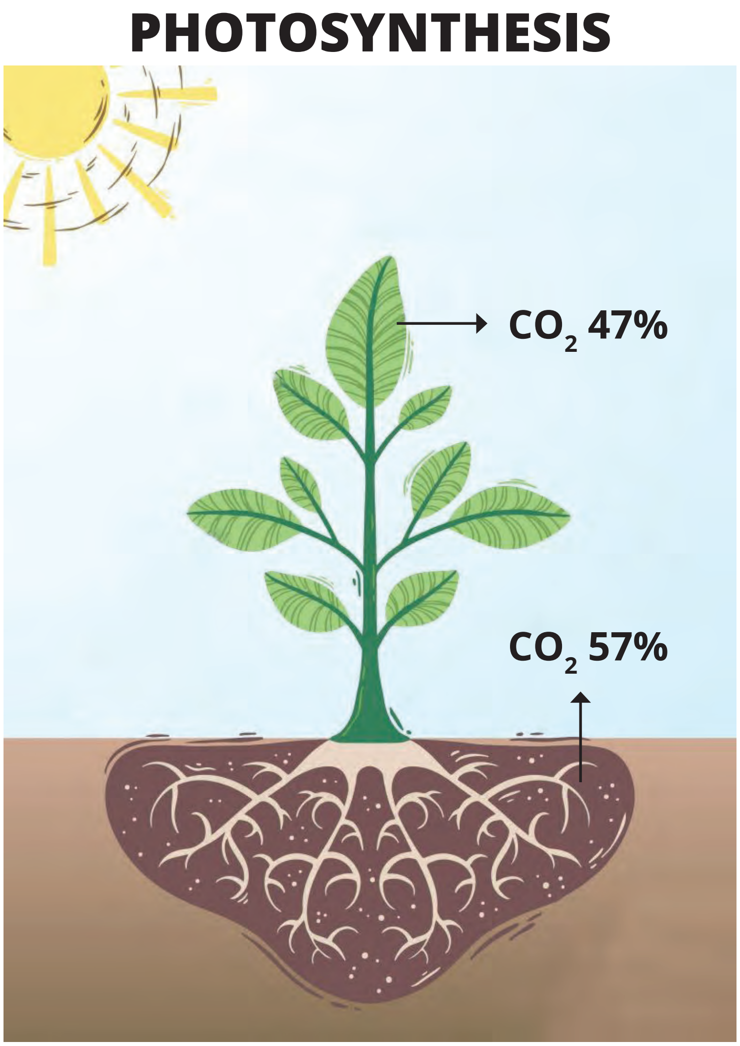
- **Harvesting & Sawmilling**
  The export market for local timber products is showing signs of recovery in early 2024 after a sluggish 2023 when exports declined by 13.3% to RM21.84 billion amid a slump in furniture demand from the United States. However, timber exports surged by 33.6% in January 2024, according to statistics from the Malaysian Timber Council (MTC).
  Source: https://mtc.com.my/resources-TradeInfo-2023.php

  Looking further ahead, projections in the National Agricommodity Policy 2021 to 2030 indicate that the export value of downstream timber products is expected to hit RM19 billion by 2025 on the back of efforts by the Government to commercialise local brands for global markets.
  Source: https://mtc.com.my/images/media/1387/Bright_prospects_for_timber_industry_-_The_Malaysia_Voice.pdf

  Against this promising backdrop, the Group is building capacity for downstream timber activities by intensifying sawmilling operations in FY2024.

Suasana PjH in Persint 2, Putrajaya fitted with GP Glass ceramic painted tempered laminated glass.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)



Transforming sunlight into life: A sapling emerges as a powerful carbon sink through photosynthesis.

- **Manufacturing**
  The construction industry is poised to sustain its growth trajectory, with an anticipated annual growth rate of 4.4% in 2024. From then on, it is projected to maintain an average annual growth rate (AAGR) of 5.8% from 2025 to 2027 on the back of investments in major transport, industrial and renewable energy projects.
  Source: https://www.businesswire.com/news/home/20240103503271/en/Malaysia-Construction-Industry-Report-2023-Output-is-Expected-to-Grow-by-6.6-in-Real-Terms-in-2023---Size-Trends-Analysis-by-Sector-Competitive-Landscape-and-Forecasts-2018-2022-and-2023-2027---ResearchAndMarkets.com

  The Group is poised to capitalise on opportunities in the industry with PESAMA to produce moulding and finger-joints in the new financial year. In the meantime, GP Glass is increasing its marketing efforts for its tempered glass products. We expect the Manufacturing segment to improve its contribution to Group revenue in FY2024.

Looking Ahead

The Group will strive towards a stronger performance in FY2024 based on current projections of economic growth in Malaysia, which will support the demand for both wood and glass products for the local construction industry. Through **Unlocking Nature's Value**, we endeavour to keep on the path towards attaining financial stability for the Group's long term sustainable growth.

We are committed towards sharing positive returns with our shareholders and stakeholders in the new financial year and beyond.

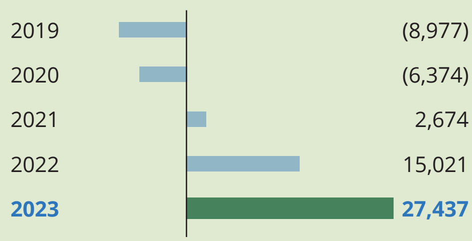
MOHD ROSLAN BIN MAMAT
Acting Chief Executive Officer

FINANCIAL HIGHLIGHTS

	2023 RM'000	2022 RM'000	2021 RM'000	2020 RM'000	2019 RM'000
Revenue	**89,230**	70,199	56,743	47,200	57,472
Profit/(Loss) Before Tax	**27,437**	15,021	2,674	(6,374)	(8,977)
Profit/(Loss) After Tax	**23,271**	11,855	659	(6,693)	(9,206)
Shareholders' Equity	**90,097**	77,927	70,100	68,392	62,896
Earnings/(Loss) per Share (sen)	**16.83**	8.59	0.48	(4.93)	(6.79)
Net Tangible Assets per Share (RM)	**0.63**	0.55	0.48	0.49	0.43

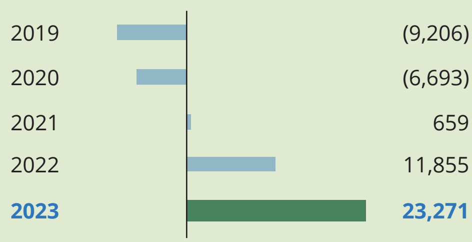
REVENUE (RM'000)

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

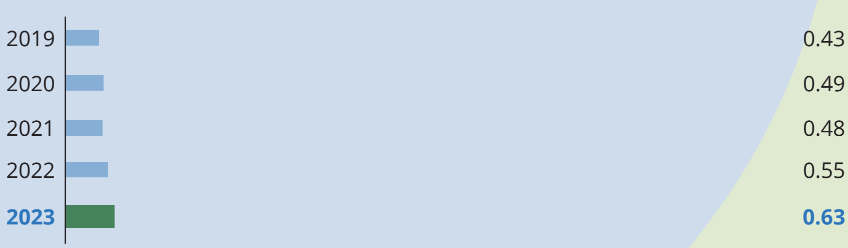


SHAREHOLDERS' EQUITY (RM'000)

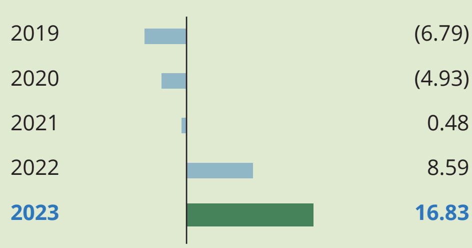
PROFIT/(LOSS) AFTER TAX (RM'000)



NET TANGIBLE ASSETS PER SHARE (RM)



EARNINGS/(LOSS) PER SHARE (SEN)



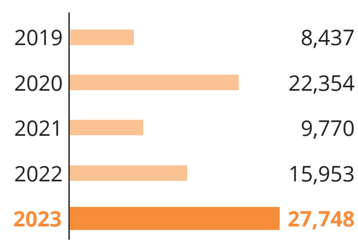
FINANCIAL HIGHLIGHTS (CONTINUED)
SEGMENTAL INFORMATION

	2023 RM'000	2022 RM'000	2021 RM'000	2020 RM'000	2019 RM'000
HARVESTING & SAWMILLING					
Revenue	**86,610**	54,385	48,665	51,962	56,951
Profit/(Loss) Before Tax	**38,642**	20,050	8,153	(111)	(2,386)
Segmental Assets	**91,743**	81,551	83,969	86,409	96,396
MANUFACTURING					
Revenue	**19,780**	23,983	20,319	16,355	20,005
(Loss)/Profit Before Tax	**(6,543)**	(2,775)	(3,718)	(4,414)	(5,624)
Segmental Assets	**46,062**	42,296	42,643	41,350	45,049
OTHERS					
Revenue	**27,748**	15,953	9,770	22,354	8,437
Profit Before Tax	**39,404**	13,393	6,893	19,341	8,040
Segmental Assets	**154,439**	133,876	124,408	120,310	120,456

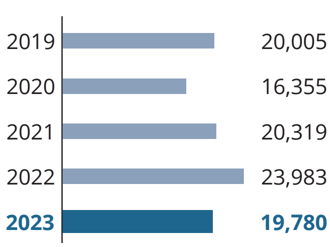
SEGMENTAL REVENUE (RM'000)

HARVESTING & SAWMILLING (RM'000)

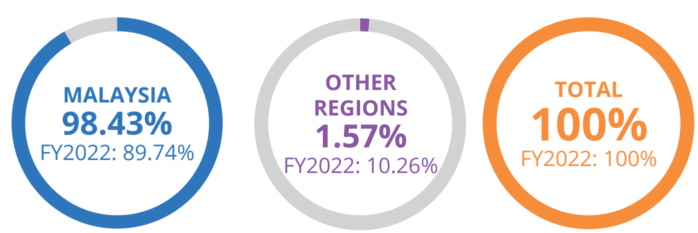
OTHERS (RM'000)



MANUFACTURING (RM'000)



SALES BY REGION



INVESTOR RELATIONS

At Golden Pharos Berhad (GPB), we place great importance on the trust and confidence of our investors. We maintain open communication channels through our Investor Relations (IR) function to provide the investment community with accurate and timely updates on our financial and non-financial performance. This allows us to foster a deeper level of understanding with our investors, which helps maintain their trust and confidence in our stock.

GPB's wholly-owned subsidiary Kumpulan Pengurusan Kayu Kayan Trengganu Sdn Bhd's (KPKKT) tropical forest of 106,031 ha in the Dungun Timber Complex (DTC) is the largest forest concession on the East Coast of Peninsular Malaysia. In addition, KPKKT also manages the Cherul Forest Concession (CFC) covering 20,243 ha. The Group ensures that our concession areas in both the DTC and CFC are managed sustainably and according to established practices and procedures.

In a strategic initiative, the Group has decided to discontinue Pesama Timber Corporation Sdn Bhd's (PESAMA) FSC® certification for the CFC and instead amalgamate both concession areas for FSC® certification, which is currently undergoing a recertification audit.

Golden Pharos Glass Sdn Bhd (GP Glass), the Group's wholly-owned glass manufacturing arm for the production of tempered safety glass, laminated safety glass, heat strengthened safety glass, double glazed units and ceramic printed safety glass is registered against the provisions of ISO 9001: 2015 International Standard, which is valid until 29 July 2026.

The Group's attainment of these standards of excellence has been instrumental in improving its business sustainability and maintaining a competitive edge in the timber and logging industries and glass manufacturing. This commitment to upholding high corporate governance and stakeholder engagement standards is essential for ensuring transparency and accountability within the Group's operations.

Providing pertinent financial and relevant information as part of our investor relations (IR) engagement initiatives keeps our stakeholders abreast with the Group's developments and activities, enabling investors and analysts to make well-informed decisions.

Such engagement initiatives build a trusting relationship with our stakeholders, allowing us to understand their needs and expectations better. As a result, this enables us to tailor our strategies and operations to meet their needs and maintain their support, bolstering the Group's reputation, fortifying our sustainability efforts and attaining long-term success.

BUILDING RESILIENCE

Although GPB faced significant challenges over the last two years, we maintained engagement channels and communications, disseminating regular updates on strategic direction, business plans, operational performance, the progress of current projects, financial information, growth prospects and sustainability initiatives.

INVESTOR RELATIONS (CONTINUED)

By providing timely updates, we keep our stakeholders informed and enable investors and analysts to make well-informed investment decisions. To ensure effective management of the Group's IR function, the Head of Finance collaborates with the Company Secretary, Heads of Corporate Services, Corporate Communication and Information Technology, and Human Resources, Administration and Procurement. Together, they are responsible for executing the Group's IR related activities in line with our goals and priorities.

SHAREHOLDER BASE AND CREATING VALUE AS A SHARIAH-COMPLIANT COMPANY

As of 8 April 2024, the shareholder base stood at 3,308 shareholders. Terengganu Incorporated Sdn Bhd is our major shareholder, holding 60.795% equity of the total share capital. Lembaga Tabung Amanah Warisan Negeri Terengganu holds 8.149% equity, while the remainder 31.056% is held by public shareholding.

GPB is dedicated to responsible investments that align with Shariah principles, prohibiting usury, gambling, and ambiguity. We strive to uphold our commitment as a Shariah-compliant company by prioritising sustainable profitability.

EFFECTIVE SHAREHOLDER AND INVESTOR ENGAGEMENT

The 36th Annual General Meeting (AGM) was physically held on 15 June 2023 at Paya Bunga Hotel, Kuala Terengganu, chaired by the former Chairman, Dato' Tengku Hassan bin Tengku Omar.

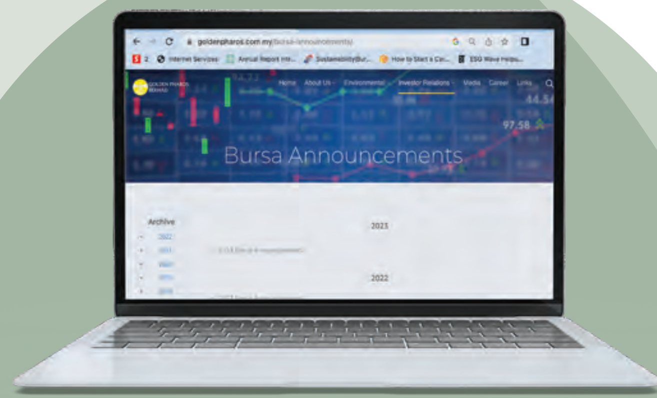
Before the AGM proceedings, GPB's CEO, Dr Mohd Zaki bin Hamzah presented the key highlights of the Group's performance for FY2022. All the resolutions set out in the Notice of the 36th Annual General Meeting were approved by the Company's shareholders by way of poll. The proposed resolutions were duly passed, with the outcome from the AGM featured on our website, https://goldenpharos.com.my/.

GPB's Board of Directors at the 36th Annual General Meeting (AGM) engaged directly with shareholders. The annual forum is the platform for shareholders to gain further insights updates and progress of the Group's operations.

INVESTOR RELATIONS (CONTINUED)

As required by the Main Market Listing Requirements of Bursa Securities and in line with the guidelines of the Malaysian Code on Corporate Governance 2017, timely and comprehensive announcements on our quarterly and annual financial results are submitted to Bursa Securities, which are duly uploaded on the website, https://www.bursamalaysia.com/market_information/announcements/company_announcement?company=5649.

These announcements are also posted on our corporate website under our dedicated IR portal https://goldenpharos.com.my/bursa-announcements/



WEBSITE, IR WEBSITE/PORTAL & EMAIL ADDRESS

https://goldenpharos.com.my/
https://goldenpharos.com.my/bursa announcements/

info@gpb.com.my

The website is regularly updated with the latest information, including annual reports, quarterly results, Bursa Securities announcements, the outcome of the AGM and corporate information. For more specific investor-related clarification and feedback, a dedicated email address is provided: info@gpb.com.my, whereby queries and comments from shareholders, investors, analysts, media members and the general public are addressed in a timely manner.

For further information on our Stakeholder Engagement for FY2023, please refer to the Stakeholder Engagement segment within the Sustainability Report in this Annual Report 2023.

Shareholders actively participated during the 36th AGM where their questions were answered directly by the Chairman, other Board Members and Senior Management.

FINANCIAL CALENDAR

FINANCIAL YEAR
1 January 2023 to 31 December 2023

ANNUAL REPORT
Issued on 30 April 2024

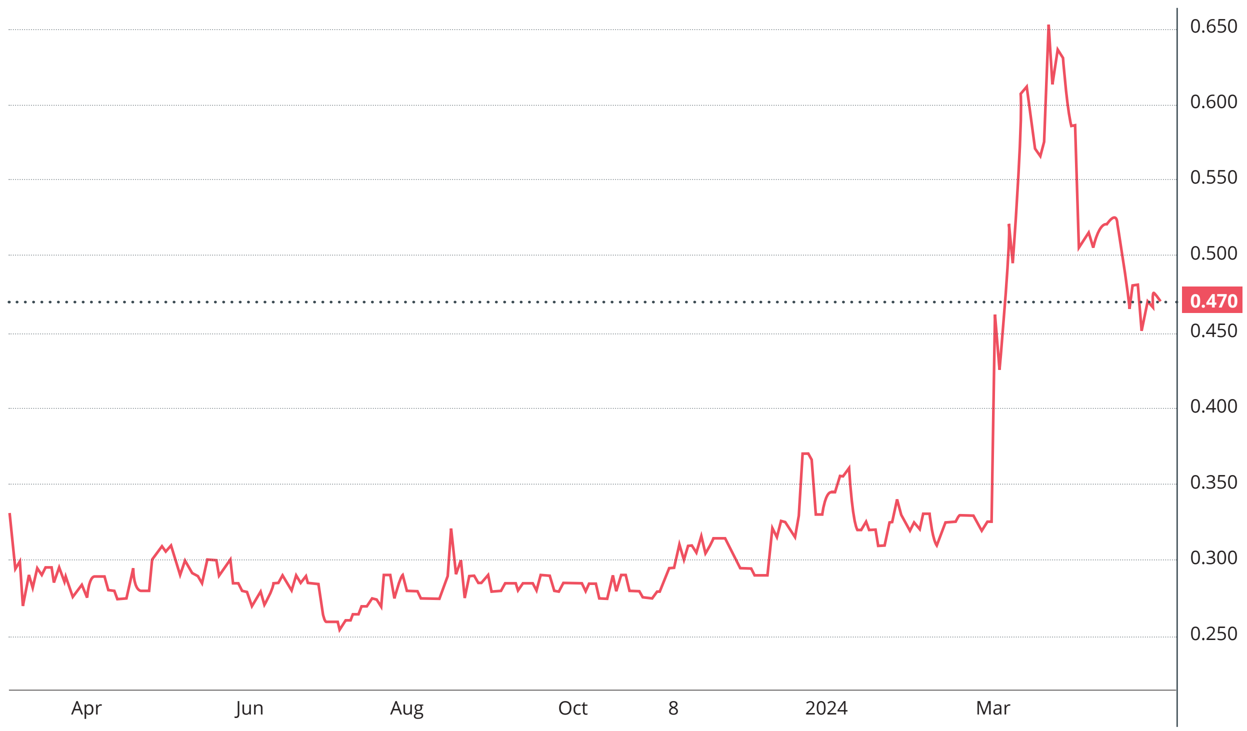
37TH ANNUAL GENERAL MEETING
to be held on 13 June 2024 at 10.30 am

ANNOUNCEMENTS ON QUARTERLY RESULTS

31 May 2023	1st Quarter Results
22 August 2023	2nd Quarter Results
28 November 2023	3rd Quarter Results
28 February 2024	4th Quarter Results

36TH ANNUAL GENERAL MEETING
held on 15 June 2023 at 10.30 am

SHARE PRICE MOVEMENT



Highest Price: RM 0.650

Lowest Price: RM0.225

2023 CORPORATE HIGHLIGHTS

10 JANUARY 2023

Terengganu Inc Group Directors' Programme - Workshop On Strategic Roles for Board of Directors

Conducted in collaboration with Terengganu Inc, the event was held at Primula Beach Hotel, which featured a workshop on strategic roles for the Board of Directors, led by YBhg Dr. Nurmazilah binti Dato' Mahzan from the Malaysian Institute of Accountants. With over 70 attendees from the Terengganu Inc Group Board of Directors and management, the programme focused on crucial aspects of corporate governance, financial reporting requirements, and the duties and responsibilities of directors.

1-2 FEBRUARY 2023

Corporate ESG and Sustainability Workshop 2023

The annual Corporate ESG and Sustainability Workshop was held at Wisma Terengganu Inc, Chendering in Kuala Terengganu, facilitated by consultants, Monteiro Lewis Communications (MLC), in collaboration with GPB's Senior Management.

The interactive workshop focused on GPB's response to growing ESG concerns in the corporate world and, more critically, engaging participants who will be on the frontlines of the implementation of related initiatives and programmes. Through collaborative efforts and shared expertise, GPB reinforced its dedication towards achieving a more ecologically responsible future.

10 FEBRUARY 2023

Jersey Unveil: Persatuan Sepak Takraw Negeri Terengganu & GPB

GPB proudly announced its partnership with Persatuan Sepaktakraw Negeri Terengganu as the official kit sponsor for the Sepak Takraw League (STL) season 2022-2023 during the Jersey Unveiling Ceremony held at Permai Hotel, Kuala Terengganu.

2023 CORPORATE HIGHLIGHTS (CONTINUED)

13 FEBRUARY 2023

Arcadia Energy visit to DFO Terengganu Utara & Terengganu Inc

Representatives from Arcadia Energy visited the District Forestry Officer (DFO) Terengganu Utara and Terengganu Inc. The delegation from Arcadia Energy included Zainal Abidin Abd Jalil, Nik Nuruhafiz Muhd Noor, Mohd Hamidin Ab. Kadir, Mohd Asraf Hamdan Mustafa and Nik Mohd Farid Nik Zamri. They were joined by delegates from GPB, including Zulkifli Omar, Syukri Ali, Wan Mohd Ridzwan and Amir Syahir. The visit served to strengthen partnerships and explore collaborative opportunities between the organisations.

29 MARCH 2023

Taman Tamadun Islam's courtesy visit GPB

A delegation from Taman Tamadun Islam (TTI) paid a courtesy visit to GPB's office. Dr Mohd Zaki Hamzah, former CEO of GPB, who chaired the meeting with Zulkifli Omar, Head of Corporate Services and Fauzan Abdul, Head of Corporate Communications & IT. The objective of the meeting was to seek input on TTI's services for GLC companies in Terengganu, as well as to exchange ideas on the development of TTI as a tourism centre.

10 APRIL 2023

Sultan Zainal Abidin University (UniSZA) Business and Management Faculty Students Association Courtesy Visit

GPB hosted representatives from the Business and Management Faculty Students Association (PMFPP) of Sultan Zainal Abidin University (UniSZA). The purpose of this engagement was to discuss GPB's direction with PMFPP in efforts to enhance student empowerment. PMFPP expressed their desire to establish GPB as an industry mentor to share experiences, exchange views, and provide comprehensive exposure to timber industries. GPB warmly welcomed this academic visit as part of its endeavour to support and create opportunities for students in Malaysia and to strengthen ties with the Ministry of Higher Education.

8 MAY 2023

GPB Aidilfitri Open House 2023

GPB warmly received guests at the Open House event as part of the Group's 2023 Aidilfitri celebrations hosted by Kumpulan Pengurusan Kayu Kayan (KPKKT) in Bukit Besi. The event saw the participation of esteemed individuals, including YM Dato' Haji Tengku Hassan bin Tengku Omar, former Chairman of GPB, former CEO Dr. Mohd Zaki Hamzah, state government officials, GPB's Board of Directors, local leaders, department heads, and subsidiary companies of the Group. The occasion also featured competitions for Best Stall Decoration and Best Traditional Attire, showcasing the talents and creativity of KPKKT's employees.

2023 CORPORATE HIGHLIGHTS (CONTINUED)

30 MAY 2023

GP Forest Plantation Signs Joint Agreement with Borneo Forestry Cooperative (BFC) for Support Services Contract

GP Forest Plantation Sdn Bhd (GPFP) entered into an agreement with BFC Research and Development Sdn Bhd (BFC) to develop a forest plantation project in Terengganu. GPFP manages a 2,869 ha forest plantation project located in Jerangau Forest Reserve, Dungun, Terengganu.

30 MAY 2023

Visit from Terengganu Inc's Group Risk Compliance & Integrity - PESAMA's RiCHES (Risk Challenge Session)

The initiative, initiated by our subsidiary, PESAMA, commenced with a productive meeting. With RiCHES, PESAMA plans to implement risk management tools to align with the Group's corporate strategy, goals and objectives.

7 JUNE 2023

Integrity Day 2023

GPB's Internal Governance Unit spearheaded the first Golden Pharos Berhad Integrity Day 2023. The event was attended by Board members and Senior Management from the subsidiary entities. A talk was presented by Mr. Thinagaren a/l Vejian, Chief Examiner & Consultant of the Terengganu MACC Unit. The event concluded with the Heads of Subsidiaries pledging to combat corruption and uphold integrity within their respective companies.

2023 CORPORATE HIGHLIGHTS (CONTINUED)

15 JUNE 2023

Annual General Meeting 2023

Significant achievements and future prospects were presented to shareholders during the 36th Annual General Meeting (AGM) held at Paya Bunga Hotel Kuala Terengganu on 15 June 2023. Presided over by GPB's former Chairman, YBM Dato' Tengku Hassan bin Tengku Omar, the AGM served as a platform to showcase the Group's remarkable journey and aspirations. Additionally, we highlighted our commitment to sustainability and innovation, outlining plans for future growth and development in alignment with industry trends.

18 JUNE 2023

Malaysian Wood Expo 2023

GPB participated in the Malaysian Wood Expo 2023 held at the Malaysia International Trade & Exhibition Centre (MITEC) from 18 to 20 June 2023. In collaboration with the Malaysian Timber Council (MTC), GPB was represented by its subsidiaries, PESAKA and PESAMA, where a diverse range of high-quality wood products were showcased at our booth. The exhibition attracted a significant audience of key decision-makers and industry professionals. This event served as an invaluable opportunity to enhance our brand visibility, cultivate strategic alliances and remain abreast of the latest developments in the wood and woodworking machinery sector.

2023 CORPORATE HIGHLIGHTS (CONTINUED)

22 JUNE 2023

Visit from Terengganu Inc's Group Risk Compliance & Integrity - Permint Plywood's RiCHES (Risk Challenge Session)

PPSB plans to strategically integrate risk management methodologies into its operational framework, following their kick-off meeting with Terengganu Inc's officials after the site visit.

Through the integration of risk management practices, we envision PPSB embracing a culture of proactive risk management, make informed decisions, safeguard operations and drive sustainable growth.

24 JUNE 2023

Beautiful Golf Terengganu 2023

GPB secured third place in the Invited Team category (Government Bodies & GLCs) Medal B at the Beautiful Terengganu Golf Team Challenge 2023, organised by Tourism Terengganu. The tournament saw participation from 83 individuals in the Open and Invited categories. GPB emerged victorious over PMINT & Majlis Perbandaran Kemaman in the competition held at Kelab Golf Bukit Besi, Dungun.

25 JUNE 2023

GPB 2023 Mid-Term Review

Conducted at Raia Hotel Kuala Terengganu on 25 and 26 June 2023, the meeting emphasised the importance of open communication and practical problem-solving approaches. GPB Group's top management expressed contentment with the progress made, as critical issues were resolved, and plans were set for future endeavours. Through constructive discussions and strategic actions, the Group is poised to strengthen its operations.

2023 CORPORATE HIGHLIGHTS (CONTINUED)

9 JULY 2023

Venturing Overseas

GPB announced a strategic partnership with Supreme Group, the largest timber company in Selangor, for the overseas distribution of its downstream timber products. Through its subsidiary, PESAMA, GPB entered into an MoU with Forest Avenue International, a unit of Supreme Group, to formalise this collaboration. Dr. Mohd Zaki Hamzah, former CEO of GPB, highlighted the significance of this partnership, emphasising its potential to leverage Forest Avenue's expertise and market knowledge to facilitate the expansion of PESAMA's market segments, particularly in the areas of "finger-joints" and "moulding" timber commercialisation. The signing ceremony was witnessed by Chief Minister of Terengganu, Dr. Ahmad Samsuri Mokhtar, and Kemasik assemblyman cum Chairman of PESAMA, Ir. Saiful Azmi Suhaili.

16 JULY 2023

Sekolah Menengah Sains Sultan Mahmud (SESMA) Courtesy Visit

MySESMA Alumni Association visited GPB to discuss future collaborations. Led by its President and Vice President, Dato' Mohd Zubir bin Embong and Haji Affilah bin Mohd, alongside committee member Roslee bin Ramli @ Ismail, the Association explored avenues for partnership. Dr. Mohd Zaki bin Hamzah, GPB's former CEO and a SESMA alumnus, reminisced about his alma mater and discussed potential collaborations with the alumni network.

26 JULY 2023

MTIB Briefing on Incentives and Assistance to East Region's Timber Entrepreneurs 2023

PESAKA was invited by the Malaysian Timber Industry Board (MTIB) to deliver a presentation on its significant role in the timber industry at the "Briefing on MTIB's Incentives and Assistance for Bumiputera Timber Entrepreneurs 2023 East Region" event held at Permai Hotel in Kuala Terengganu. The MTIB's briefing underscored our commitment to providing essential support and opportunities for the growth and success of Bumiputera timber entrepreneurs in the region. The talk was delivered by PESAKA's Head of Subsidiary, Hilmi bin Awang. Through various initiatives such as financial incentives, technical assistance, and capacity-building programmes, we are dedicated to empowering Bumiputera entrepreneurs to expand their businesses, enhance productivity and explore new markets.

2023 CORPORATE HIGHLIGHTS (CONTINUED)

9 AUGUST 2023

PESAKA Goes Green with Solar System Installation

An agreement was signed between PESAKA and Tesdec Services Sdn Bhd for setting up of a solar system at PESAKA's sawmill in Bukit Besi, Terengganu. The signing ceremony was held at the Ulek Beach Resort in Dungun, represented by PESAKA Chairman Tuan Haji Wan Hassan bin Mohd Ramli and Tesdec's CEO Tuan Haji Mohd Iskandar bin Muhammad Aziz. This partnership established the collaborative efforts between Tesdec Services and PESAKA in harnessing clean energy and potential for future growth.

6&7 SEPTEMBER 2023

Strategic Business Plan & Budget 2024

The programme held at Permai Hotel Kuala Terengganu marked a significant milestone in GPB's journey towards a more promising future. It brought together senior management from GPB and all subsidiaries including KPKKT, PESAKA, PESAMA, PPSB, GP Glass and GPFP. Collaboratively, we paved the way for upcoming achievements, engaging in brainstorming and strategic planning sessions, and the exchange of forward-thinking ideas that will influence our operations well into 2024 and beyond. Our commitment to sustainability, excellence and innovation was evident throughout the programme, reflecting our dedication to shaping our future. The outcomes of this programme were set as the foundation for our strategic business plan for 2024.

2023 CORPORATE HIGHLIGHTS (CONTINUED)

26 SEPTEMBER 2023

VC Ventures Resources Visit to PPSB

VC Ventures Resources visited PPSB's premises in Al-Muktafi Billah Shah, Dungun. The visit was to enhance relationships between the two companies and explore potential collaboration opportunities. The VC Ventures Resources team toured PPSB's factory, gaining insights into the company's production process.

1 OCTOBER 2023

Key Risk Indicators (KRI) Workshop

The workshop convened at Permai Hotel Kuala Terengganu, focused on refining our risk management strategies. The workshop was facilitated by Terengganu Inc's Group Risk Management (GRM) unit aiming to introduce Key Risk Indicators (KRI) as an effective risk management tool. These indicators serve to anticipate potential risks that could hinder attaining our business objectives. Ahmad Nazri Ismail, Chief Risk Officer from RHB Islamic Bank, shared valuable insights during the workshop.

3 OCTOBER 2023

MTIB's Seminar on ESG: The Way Forward for the Timber Industry

Dr. Mohd Zaki Hamzah, former CEO shed light on how GPB is driving change in the timber industry, sharing insights on how GPB is leading the way towards a more sustainable future. It was a valuable opportunity to learn about the latest ESG trends and developments and how best practices can be applied to the timber industry.

2023 CORPORATE HIGHLIGHTS (CONTINUED)

6 OCTOBER 2023

'Walk with Giants' Programme

GPB collaborated with KPKKT, PESAMA, Kenyir Elephant Conservation Village (KECV) and McDonald's Kuala Terengganu to organise the "Walking with Giants" programme, a CSR initiative focused on educating the public about handling elephants in their natural habitat. This programme aimed to raise awareness about safe and responsible elephant encounters, emphasising the importance of protecting these animals and their habitats. 30 indigenous people from Ulu Pergam, Jabor were invited to participate in this programme to learn about elephant conservation. KPKKT and PESAMA recognise the critical role elephants play in maintaining ecosystems and are committed to their protection. The programme is an investment in the future of elephant conservation, aimed at reducing human-elephant conflicts and promoting responsible tourism.

19 OCTOBER 2023

Terengganu Inc's Group Risk Compliance & Integrity (GRCI) Unit Visit KPKKT, PESAKA and GPFP's for RiCHES (Risk Challenge Session).

The RiCHES programme in collaboration with GRCI at PESAKA, KPKKT and GPFP marked a crucial milestone in incorporating risk management into our corporate strategy and realising the Group's sustainable growth objectives.

19 OCTOBER 2023

UMP Business Forum 2023 Global Classroom

GPB was privileged to have our former CEO, Dr. Mohd Zaki bin Hamzah, participate as a panelist at the Universiti Malaysia Pahang (UMP) Business Forum 2023 and Global Classroom on 19 October 2023. The forum focused on the crucial topic of "Being Ethical, Sustainable & Socially Responsible", emphasising values essential for businesses of all sizes. Dr. Mohd Zaki shared valuable insights on implementing sustainable practices and operating in a socially responsible manner, stressing the significance of innovation, collaboration and long-term business perspectives.

2023 CORPORATE HIGHLIGHTS (CONTINUED)

23 OCTOBER 2023

Breast Cancer Awareness Month

Breast Cancer Awareness Month is an annual initiative dedicated to raising awareness among our employees. Throughout the month, we organised activities to educate, empower and support our employees in understanding the importance of early detection, prevention and treatment of breast cancer. Together, we stand committed to promoting health and wellness within our workplace and beyond. GPB's employees wore pink ribbons during the Breast Cancer Awareness Month, showcasing our collective dedication to raising awareness and standing in solidarity with the afflicted and breast cancer survivors.

30 OCTOBER 2023

GPB Visits VC Venture Resources

A delegation from GPB visited the plywood manufacturing line of VC Ventures Resources Sdn Bhd in Bukit Mertajam, Pulau Pinang. The visit was intended to explore business and collaboration opportunities for PPSB, a subsidiary of GPB, as well as to gain insights into VC Ventures Resources' business operations.

During the visit, the delegation was given a tour of the plywood manufacturing line, where they were briefed on the various processes involved in the production of high-quality plywood. Discussions were also held to explore business opportunities.

2023 CORPORATE HIGHLIGHTS (CONTINUED)

22-23 NOVEMBER 2023

Sukan Muhibah 2023

The Pesta Sukan Muhibbah saw the participation of eight contingents, representing GPB's subsidiaries, along with invited teams from the Terengganu State Forestry Department (JPNT) and Terengganu Inc. A total of 450 athletes competed across 10 events. The success of the event was made possible by the contributions of sponsors, committees and participants, for which we extend our gratitude.

27 NOVEMBER 2023

Terengganu Inc Policy and Procurement Process Briefing

GPB organised a briefing session at Paya Bunga Hotel, Kuala Terengganu on the Policy and Procurement Process facilitated by Mohd Ismail bin Jaafar, Vice President/Head of Group IT & Administration, Terengganu Inc.

30 NOVEMBER 2023

AID4 Palestine 2.0

GPB supported the 'Tabung Terengganu #AID4Palestine 2.0: Taufan Al-Aqsa,' initiative led by the Terengganu State Government in collaboration with the Terengganu Youth, Sports, and Well-being Secretariat (UBSNT) and NGOs to help the people of Palestine. The funds collected was to extend immediate assistance such as medical support, food, shelter and relocation.

During the Handover Ceremony at Dewan Besar, Wisma Darul Iman, inaugurated by the Chairman of the Terengganu State Legislative Assembly YB Dato Haji Ustaz Mohd Nor Hamzah, GPB was represented by the Head of Corporate Communications & Information Technology Department, Fauzan Abdul, to hand over GPB's contribution of RM30,000. A total of RM716,488.35 was collected for the fund.

2023 CORPORATE HIGHLIGHTS (CONTINUED)

6 DECEMBER 2023

The BrandLaureate BestBrand Awards 2022-2023

KPKKT was honoured with the esteemed BrandLaurete BestBrand Awards 2022-2023 under the Brand of the Year "Sustainable Forestry Management" category. This recognition reflects the dedication and hard work of the entire KPKKT team and GPB Group. The award ceremony took place at the Majestic Hotel, Kuala Lumpur, showcasing KPKKT's commitment to maintaining a balance between industry demands and environmental preservation through its meticulous "Selective Management System".

13 DECEMBER 2023

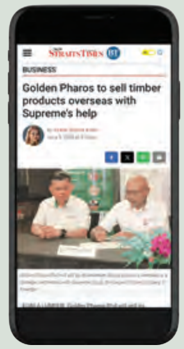
Employment Law for Managers

The Employment Law seminar, conducted by Tuan Mansor bin Ibrahim at Pusat Sains & Kreativiti Terengganu provided a comprehensive overview of essential employment law principles. Through discussions and interactive sessions, participants gained insights into the legal frameworks governing employment relationships and acquired practical knowledge to ensure compliance with statutory requirements and navigate legal complexities in the workplace effectively.

MEDIA HIGHLIGHTS

30 May 2023
TRDI News

GPFP jalin kerjasama bangunkan perladangan hutan

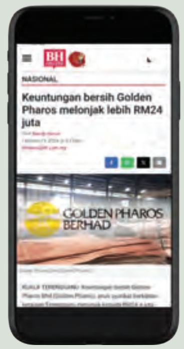


9 June 2023
New Straits Times

Golden Pharos to sell timber products overseas with Supreme's help

9 June 2023
Berita Harian

Golden Pharos perkukuh eksport produk kayu ke AS, Eropah



29 February 2024
Berita Harian

Keuntungan bersih Golden Pharos melonjak lebih RM24 juta

9 October 2023
Berita Harian

Golden Pharos berkampung jayakan 'Walking With Giant'

26 March 2024
New Straits Times

GPB distributes RM12,500 in 'zakat wakalah' to 13 UniSZA students

11 August 2023
TRDI News

Tesdec Dan PESAKA Jalin Kerjasama

ENVIRONMENTAL STATEMENT

ENVIRONMENTAL POLICY

TIMBER ENVIRONMENT POLICY

Golden Pharos Group will collaborate with all relevant parties and organisations to ensure compliance towards the promotion of good forest management as stipulated under the Forest Stewardship Council (FSC®) and the Malaysian Criteria and Indicators (MC&I) for Forest Management Certification (Natural Forest).

TIMBER SOURCING POLICY

The sourcing of timber is mainly from the Group's own certified forest. In circumstances where the Group had to source from alternative suppliers, the Group insists that the supplies are, where applicable, from certified forest. Timber supply is a very critical factor to the Group's expansion programmes and assured sources of supply and the ability to process logs into top-quality finished products inexpensively.

The Group has undertaken the species segregation initiative in line with the promotion of lesser-known species for commercialisation which is encouraged by the Malaysian Government.

Environmental Management

Kumpulan Pengurusan Kayu-Kayan Trengganu Sdn Bhd (KPKKT), the Group's timber management subsidiary, adopts the Selective Management System (SMS) to manage the timber concession area in its role as logs supplier for the Group. KPKKT is also responsible for developing and managing its concession in a sustainable manner in accordance with Sustainable Forest Management (SFM) standards to ensure that the environment of the concession area is well preserved.

In this context, KPKKT as a Forest Management Unit (FMU) subscribes fully to the Malaysian Criteria and Indicators of which the above SMS was based on. KPKKT also cooperates with the State Forestry Department to ensure that best management practices in logging are being observed and maintained to meet the requirements of the Malaysian Timber Certification Scheme (MTCS).

KPKKT has been awarded the FSC® certification endorsement since 21 April 2008 by Scientific Certification Systems (SCS), a leader and pioneer in third-party auditing and certification of forest management operations around the world, using the SCS-FSC Interim Standard for Forest Management Certification in Malaysia Version 5.0 2014 for well-managed forests. This certification verifies that KPKKT's tropical forest of 106,031 hectares in Dungun Timber Complex (DTC) are managed according to the rigorous international standards of the FSC® under a selective cutting approach that maintains continuous forest cover and species diversity.

In addition, another subsidiary, Pesama Timber Corporation Sdn Bhd (PESAMA), has successfully obtained the FSC® endorsed certification for its 20,243 hectares at the Cherul Forest Concession (CFC) on 10 December 2012 as certified by SCS Global Services.

ENVIRONMENTAL STATEMENT (CONTINUED)

KPKKT's DTC and PESAMA's CFC concession areas combined are the largest forests in Peninsular Malaysia to have the FSC® certification. KPKKT's DTC concession area was the second natural forest in Malaysia to achieve this distinction.

The Group has decided to combine the FSC® certification and the management of the DTC and CFC forest concessions under one single management by KPKKT. This was made to ensure that the unique tropical forest resources and ecology in both areas are professionally managed in a more efficient, cost-effective and sustainable manner, conserved in perpetuity in accordance with the prevailing prescribed local and international standards. In line with the decision, the FSC® certification of PESAMA for CFC has been terminated and incorporated into the KPKKT FSC® Certificate upon successful completion of a surveillance audit for both of the concession areas. The combination was successfully completed on 5 September 2021.

The FSC® accreditation expired on 27 February 2024 and is currently in the process of being re-certified soon. This is expected to be accomplished within 2024. The Group is committed to adopt the National and International Convention on Biological Diversity to sustain the richness of flora and fauna in the concession area.

The Group adheres to the following laws, treaties and declarations on forestry, biodiversity and the environment at industry, national and international levels, and abides by all regulations and standards related to manufacturing:

- National Forestry Act 1984
- Wildlife and National Parks Act 2010
- Occupational Safety and Health Act 1994
- MC&I for Forest Management (Natural Forest)
- National Forestry Policy 1997
- Environmental Quality Act 1974
- FSC® Certification
- National and International Convention on Biological Diversity

GOLDEN PHAROS GLASS SDN BHD

Golden Pharos Glass Sdn Bhd (GP Glass), a subsidiary of GPB, has been assessed and registered under the provision of ISO 9001:2015 Quality Management System, based on the plan-do-check-act methodology, which provides a process-oriented approach to documenting and reviewing the structure, responsibilities and procedures required to achieve effective quality management of its current product range of tempered, heat strengthened, double-glazed, laminated and ceramic printed safety glass. This certification is valid until 29 July 2026.

ISO 9001:2015

Quality Management System (QMS)

- Requirements for QMS, including documented information, planning and determining process interactions.
- Responsibilities of management.
- Management of resources, including human resources and the organisation's work environment.
- Product realisation, including the steps from design to delivery.
- Measurement, analysis and improvement of the QMS through activities like internal audits and corrective and preventive action.

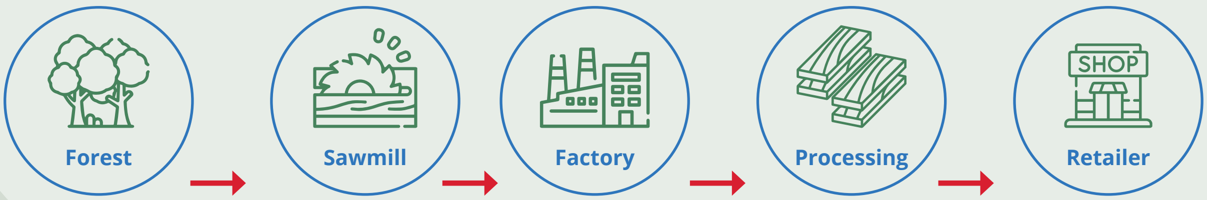
ENVIRONMENTAL STATEMENT (CONTINUED)

Chain-of-Custody Certification

The Group's subsidiaries, PESAMA and PESAKA, have successfully obtained the Chain-of-Custody (CoC) certification for the sawmills from a third-party certifier accredited by the FSC® since July 2008. With this certification, both subsidiaries are certified to use wood from well-managed forests, independently certified in accordance with the criteria and principles set by the FSC®.

In addition, PESAKA and PESAMA also have CoC certification accredited by the Programme for the Endorsement of Forest Certification (PEFC) since August and December 2009 respectively. PPSB has obtained the PEFC CoC certification since July 2018.

In this respect, PESAKA, PESAMA and PPSB are well placed to market their sawn timber, veneer and other wood-based products in markets which insist on wood products to be sourced from sustainable and well-managed forests.



Chain-of-Custody (CoC) Certification

High Conservation Value Area (HCVA)

KPKKT adopts specific policies to protect the high conservation values in the forests. This includes conservation plans to protect species or cultural sites that are unique, rare, threatened or endangered. A total of 12,267 ha has been reserved as protected areas. Some of the unique areas are as follows:

- KPKKT's concession area has various invaluable and unique tree species. A Chengal tree located in KPKKT's concession area is listed in the Malaysia Book of Records as the largest Chengal tree in the world. The tree is estimated to be more than 1,300 years old, with a height of 65 metres and circumference of 16.75 metres *(Rainforest Journal.com, 2013)*.

- Chemerong Waterfalls, which is situated in the KPKKT's concession area, is the highest waterfall in Malaysia. It magnificently flows down a 305-metre slope and has the potential to become a major tourist destination and eco-recreational destination.

ENVIRONMENTAL STATEMENT (CONTINUED)

- The Keruing Sarawak *(Dipterocarpus sarawakensis)*, which is also a rare and endangered species on the Malaysia Planet Red List (2010), has been found in KPKKT's Forest Reserve which this area has been designated as a protected area. The species is classified as endemic to Sarawak and Terengganu *(Peninsular Malaysia Plant Red List, 2010)*.

- KPKKT has also delineated several areas exceeding 1,000 metres above sea level as a Totally Protected Area, which is prohibited from being harvested. They are designated as important natural habitats and reserved as a wildlife sanctuary.

KPKKT has identified HCV 1.3: Endemism and HCV 4.1: Watershed Protection of the High Conservation Value Forest (HCVF) Toolkit for Malaysia by World Wide Fund for Nature (WWF) as applicable to its concession area.

HCV 1
areas containing globally, regionally or nationally significant concentrations of biodiversity values (e.g. endemism, endangered species)

HCV 4
areas that provide basic ecosystem services in critical situations (e.g. watershed protection, erosion control).

Social Impact Assessment (SIA)

The process of identifying and managing both the present and future social impacts of projects is known as SIA. The SIA is the added value of the CSR implementation model for forest management, involving the application of measurement, evaluation and reporting tools. Its purpose is to anticipate and alleviate negative effects while identifying opportunities to enhance benefits for local communities and society at large.

KPKKT and PESAMA have been conducting SIA exercises since 2009 to address concerns regarding the welfare of local communities. By identifying the problems these communities face, such as poor river water quality, wildlife damaging crops, and road safety issues, especially for school children, KPKKT has proposed specific mitigation strategies.

These measures have been developed through regular consultation with relevant authorities and community members. KPKKT strives to continually improve its mitigation processes by assessing the impacts on social and economic environments on an annual basis.

SUSTAINABILITY REPORT

OVERVIEW

ABOUT THIS REPORT

GRI 2-1, 2-2, 2-3, 2-4, 2-5

The year 2023 marked the sixth year of our sustainability journey, demonstrating our growing commitment towards ESG principles. Sustainability is now an integral part of our business and corporate strategy, with our employees dedication towards improving their environmental stewardship, social responsibility and governance. We are committed to sharing our progress transparently with all our stakeholders.

At GPB, we believe in a comprehensive approach to achieving success. Our Senior Management and employees are collectively invested in our ESG strategy, which involves setting annual goals in critical areas such as certification, safety and community engagement.

We proactively engage with our stakeholders and communities, valuing their input, addressing concerns and diligently addressing issues as they arise. Recognising the potential of sustainable practices within our operations, we are dedicated to fostering better outcomes while continually generating value for all stakeholders. Our unwavering commitment to excellence drives our efforts to optimise the efficiency and effectiveness of our upstream, midstream, and downstream logging and timber activities.

ZULKIFLI OMAR
Chief Sustainability Officer

As we strive to enhance profitability through increased yield and output, we acknowledge the importance of aligning our strategies with both short-term objectives and long-term sustainability goals. Thus, we are focused on critical areas that support our comprehensive plans, balancing profitability with our responsibility towards people and the planet.

In line with the United Nations Sustainable Development Goals (UNSDG) Principles, we are driven towards optimally balancing the 5Ps:

People: We prioritise the development of our talent pool and remain committed to supporting local communities by creating job opportunities to improve their livelihoods.

Planet: Safeguarding biodiversity and promoting responsible forestry management is central to our efforts to protect the environment. Steps are being taken to reduce our carbon footprint to join the fight against climate change while promoting a healthier, more sustainable future for our stakeholders.

Partnerships: Through strategic collaborations, we can leverage innovations and imbue solutions to complex challenges. We actively seek partnerships that allow us to share our knowledge and expertise while learning from others.

Prosperity: Involves creating shared value for stakeholders while ensuring the sustainable growth of our business. We are expanding our range of products to tap into new markets that demand quality timber and glass products.

Peace: Ultimately, we aim to promote a harmonious co-existence between humanity and the natural world. We proactively engage with our stakeholders and communities, valuing their input, addressing concerns and diligently addressing issues as they arise.

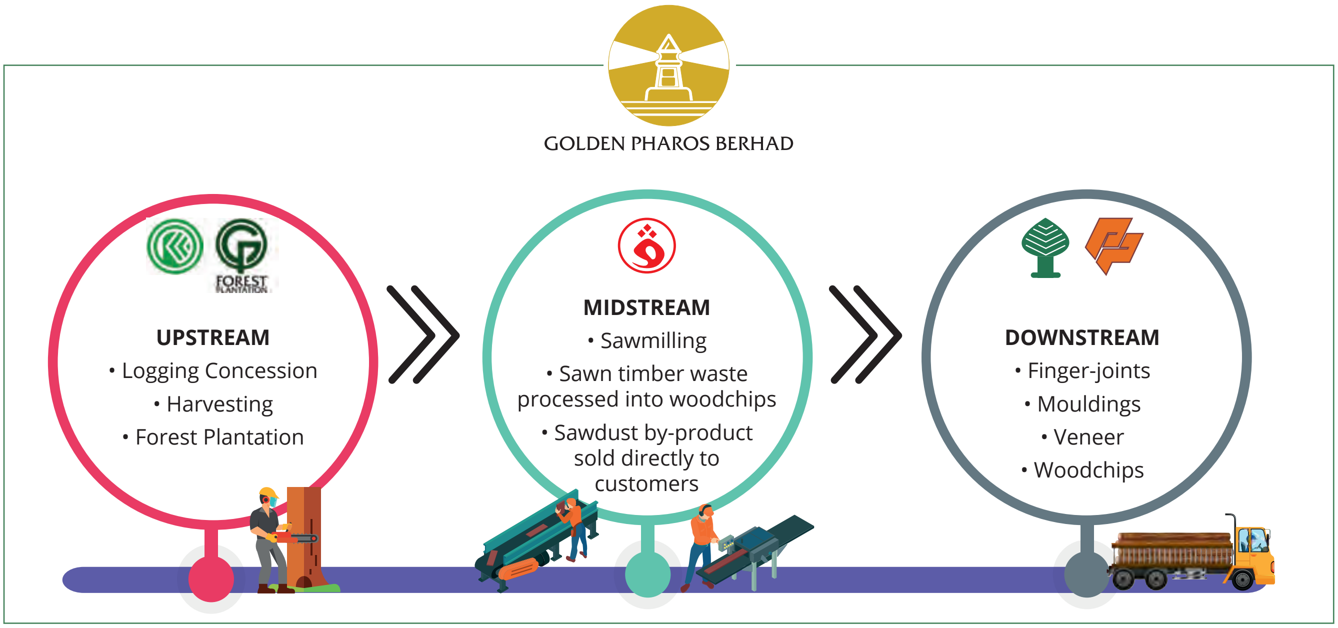
Our commitment to sustainable forest management is at the heart of our operations. We stringently adhere to the highest national policies and standards, ensuring that our practices consistently prioritise environmental preservation. Through collaboration with diverse organisations and stakeholders, we are confident in our ability to catalyse positive change and build a prosperous and sustainable world for future generations.

We are exploring potential opportunities to maximise forest value through decarbonisation and embracing a circular economy. Our environmental, social and economic objectives align with prioritising decarbonisation and natural resource conservation. We aim to demonstrate the viability of profitable, sustainable business practices - striking a balance between financial success and environmental stewardship.

Alongside implementing environmental initiatives, we are also cognisant of the socioeconomic dimensions of empowering our people and local communities, encouraging diversity and inclusion and maintaining safe, ethical work environments. With clear ESG and economic objectives guiding us, we can continue shaping a business model that centralises sustainability and resource conservation, setting a precedent in the industries in which we operate.

OVERVIEW (CONTINUED)

ABOUT THIS REPORT



REPORTING BOUNDARY, PERIOD AND SCOPE

The scope of this Sustainability Report (Report) covers data and information on GPB and all subsidiary companies accounted for by the equity method, operating in Malaysia as part of the Group's annual review and updates on corporate sustainability.

Information and data from associate companies and joint ventures outside management control are excluded.

KUMPULAN PENGURUSAN KAYU KAYAN TRENGGANU SDN BHD (KPKKT)
Sustainable Forest Management

PESAKA TRENGGANU BERHAD (PESAKA)
Sawn Timber

PESAMA TIMBER CORPORATION SDN BHD (PESAMA)
Moulding and Finger-joints

PERMINT PLYWOOD SDN BHD (PPSB)
Veneer

GP FOREST PLANTATION SDN BHD (GPFP)
Forest Plantation

GOLDEN PHAROS GLASS SDN BHD (GP GLASS)
Architectural Glass Manufacturing

Please refer to Who We Are on page 5, About GPB on pages 6 & 7 and Corporate Structure on page 10 of this Annual Report 2023.

Reporting period:
1 January to December 2023. The previous published Report was released in April 2023, covering the reporting period for 1 January to 31 December 2022.

FRAMEWORK ALIGNMENT

GPB's Sustainability Report 2023 is aligned and prepared according to the following:

1. Bursa Malaysia's Sustainability Reporting Guide, with reference to the FTSE4Good Bursa Malaysia (F4GBM) Index
2. In reference to the Global Reporting Initiative (GRI) Universal Standards 2021
3. United Nations Sustainability Development Goals (UNSDG)

FEEDBACK

We welcome any comments, suggestions or enquiries regarding the content of the Report or the Group's sustainability initiatives and performance for continuous improvement. Please contact:

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20300 Kuala Terengganu, Terengganu.

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The GRI Index on pages 313 to 320 includes qualitative and quantitative data, where relevant, throughout this Annual Report.

Please refer to the Performance Data Table on pages 321 to 322 of this Annual Report.

MESSAGE FROM OUR CEO

THE SUSTAINABLE STEWARD: WE ARE GOLDEN PHAROS BERHAD

MOHD ROSLAN BIN MAMAT
Acting Chief Executive Officer

Golden Pharos Berhad (GPB) has been a leading force in Malaysia's timber industry for nearly six decades. However, our story goes beyond simply harvesting valuable resources. Sustainability is the cornerstone of everything we do.

We began as a small company dedicated to responsible forestry practices. Over the years, we have blossomed into a respected player, understanding that healthy forests are the foundation of our success. We take our role as stewards very seriously, ensuring a delicate balance is maintained within the ecosystem.

Sustainability is woven into the fabric of our operations. We champion Sustainable Forest Management (SFM), a meticulous approach that guarantees only a portion of the forest is harvested at a time, allowing ample opportunity for regrowth. This, combined with our forest plantation projects creates a continuous cycle of harvest and renewal.

Our commitment extends far beyond the trees. We are deeply involved in the welfare of the communities that surround our operations. From creating local job opportunities to funding educational, sports, community and environmental initiatives, we empower the people who share their homes within the forest boundaries reinforcing a sense of pride and connection.

Innovation is another pillar of our success. We embrace technology to minimise waste and enhance efficiency. Our recent initiative involving the installation of rooftop solar panels not only demonstrates our dedication to renewable energy but also heralds a future of sustainable practices.

Transparency and integrity are core values at GPB. We work closely with the Government, ensuring compliance with all regulations. This dedication has earned us a reputation as a reliable and trustworthy partner.

Our vision extends far beyond the bottom line. We recognise that a healthy environment is vital for future generations. By striking a balance between responsible resource utilisation and conservation, we ensure the enduring benefits of these precious ecosystems.

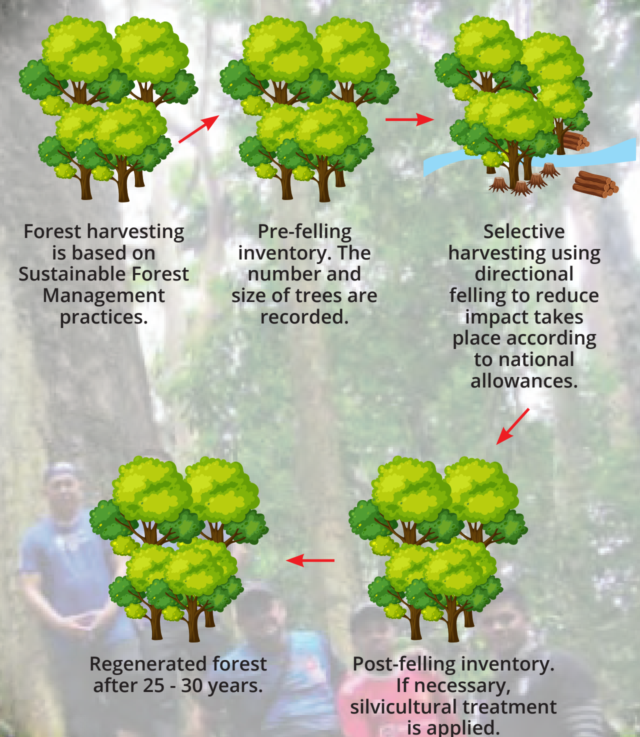
This story concerns timber, responsible stewardship, and a deep respect for the natural world. At GPB, progress and sustainability go hand in hand, paving the way for a brighter future for the forests, our stakeholders and the communities we sustain.

MESSAGE FROM OUR CEO (CONTINUED)

THE SUSTAINABLE STEWARDS: WE ARE GOLDEN PHAROS BERHAD

SUSTAINABLE FOREST MANAGEMENT (SFM)

SELECTIVE MANAGEMENT SYSTEM (SMS)



PRE-HARVESTING	**n-2 years to n-1 year**	Pre-felling forest inventory of 10% sampling intensity using systematic-line plots to determine appropriate cutting regimes (limits).
	n-1 year to n	Tree-marking incorporating directional felling.
HARVESTING	**n**	Felling all marked trees.
POST-HARVESTING	**n + ¼ year to n ½ year**	Forest survey to determine fines on trees unfelled, royalty on short logs and tops, and damaged residual stands.
	n + 2 years to n+ 5 years	Post-felling inventory of 10% inventory using systematic-line plots to determine residual stocking and appropriate silvicultural treatments.
	n+10 years	Forest inventory of regenerated forest to determine status of the forest.

n = the number of trees growing from one diameter class to the next
(Source: Malaysian Timber Council)

The largest Chengal tree in Malaysia in the Pasir Raja Forest Reserve within the DTC concession area was recognised in the Malaysia Book of Records in 2001.

OUR ENVIRONMENTAL STEWARDSHIP AND ESG INTEGRATION

OUR JOURNEY TAKES ROOT IN THE FOREST

For almost 60 years we have been responsible for developing, managing and harvesting trees in a sustainable manner in the DTC and CFC concession areas on a continuous cycle. Our forests contribute toward clean air, wildlife habitat, recreation, create job opportunities and a sustainable supply of wood for four major sub-sectors with regards to wood-based processed materials and goods:

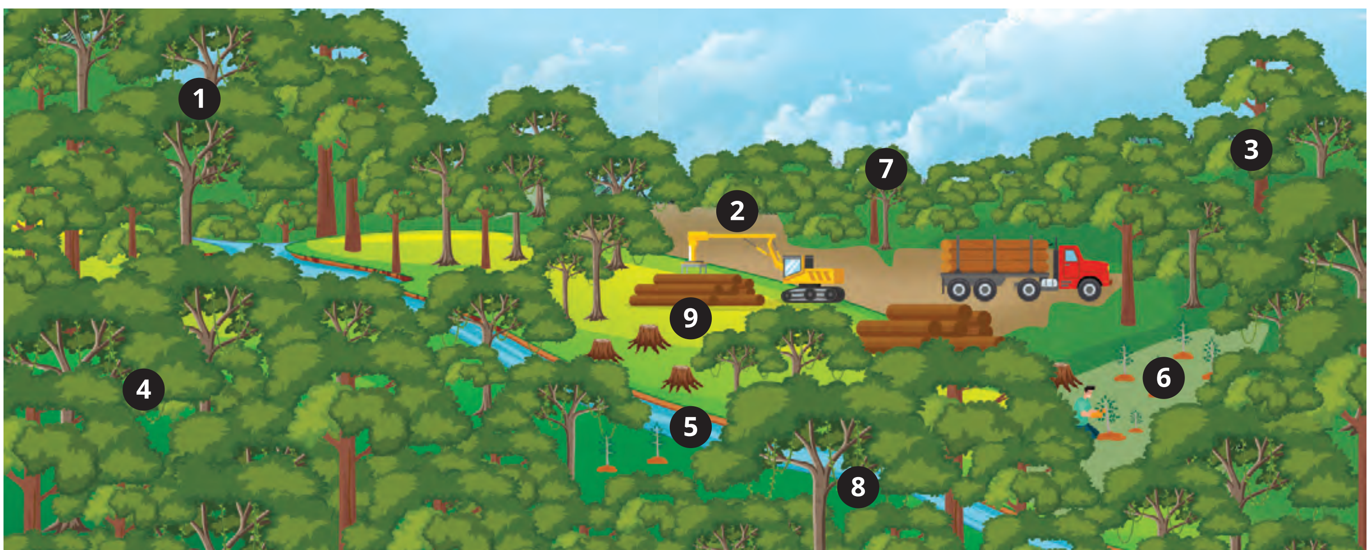
1 sawn timber
2 veneer
3 mouldings and builders' joinery and carpentry (i.e. doors & windows)
4 furniture and associated components.

HARVESTING RESPONSIBLY

The Group manages 126,274 ha of forest concession areas using the Selective Management System (SMS). The SMS is in accordance with Sustainable Forest Management (SFM)standards to optimise an economic cut, the sustainability of the forests and minimum cost for forest development. Annually, we harvest approximately 1,900 ha, adhering to the Annual Allowable Cut (AAC) approved by the State Forestry Department.

REFORESTATION

We grow high-quality seedlings in our own nurseries and plant an average of 150,000 seedlings per year. The main objective of forest plantation operations is to create an optimal planting environment that promotes robust growth of the most appropriate tree species while minimising the negative effects of vegetation competition, insect damage and wildlife habitats.



1 To ensure the preservation of sensitive species such as eagles and hornbills, we take great care to avoid disturbing their breeding activities.
2 We harvest 1,900 ha annually over a total concession area of 126,274 ha.
3 We plant an average of 150,000 seedlings annually undertaken by GPFP and KPKKT.
4 We implement special measures designed to safeguard rare, threatened and endangered species, in accordance with guidelines established by the International Union for Conservation of Nature (IUCN).
5 To safeguard the aquatic habitat and mitigate the effects of siltation, we make it a priority to maintain tree buffers along waterways. By leaving these buffers intact, we create a protective barrier that helps to minimise erosion and reduce the risk of sediment runoff into water sources.
6 Tree species that are intolerant to shade and have a fast growth rate benefit from open spaces that enable sunlight to reach them. (Succession within Natural Forest)
7 The trees absorb carbon dioxide as they grow, while our wood products continue to store carbon throughout their life cycle.
8 We use clearcutting to prepare access roads efficiently and safely, with replanting occurring at the end of each compartment's harvesting cycle.
9 Upon completing the harvesting process, we deliberately leave tree stumps, branches and scattered live trees to create a diverse habitat for wildlife. These features provide shelter, food and nesting sites, supporting a wide range of species and contributing to the overall health and vitality of the forest ecosystem.

OUR ENVIRONMENTAL STEWARDSHIP AND ESG INTEGRATION (CONTINUED)

WHOLE TREE HARVESTING

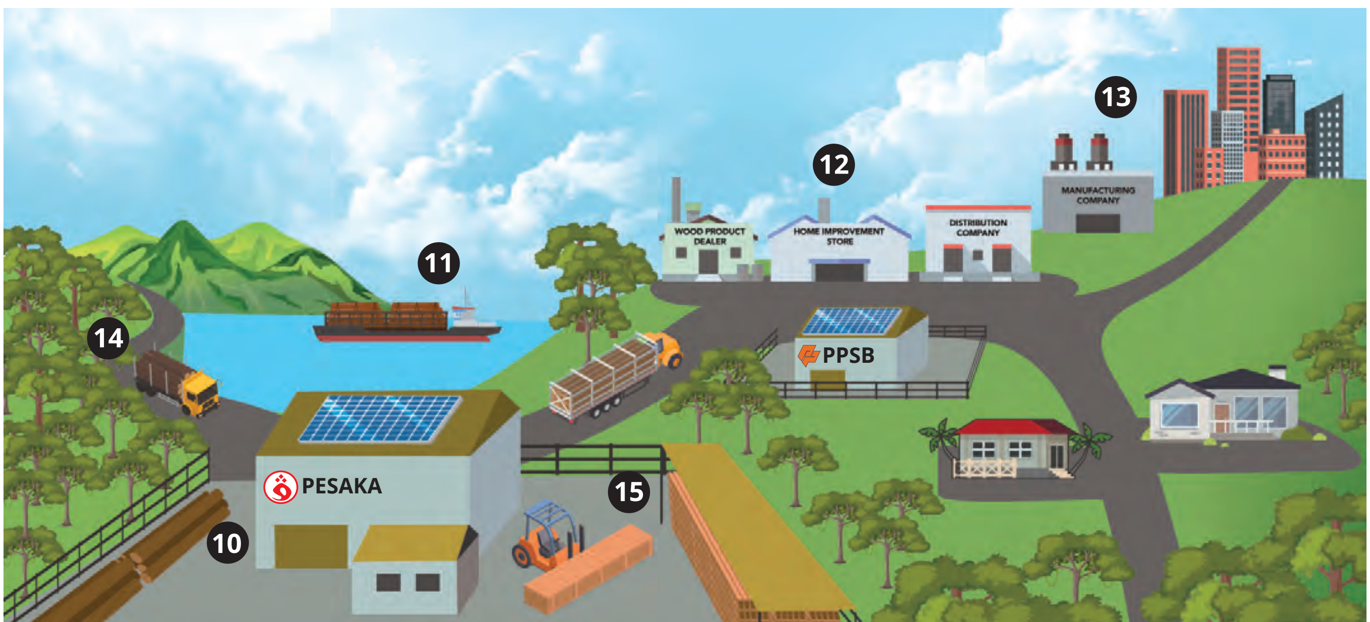
Sawn timber is produced using the strongest section of the tree, while the remaining wood fibres are converted into veneer, which is utilised to create engineered wood products (downstream). The woodchips are sold to produce pulp, paper and pellets, whereas shavings and sawdust are used for manufacturing medium-density fibreboard. The bark and other waste materials are used in the boiler to generate steam, a crucial component for powering the factories. At our Harvesting & Sawmilling operations, we are committed to promoting **zero waste**.

THE ADVANTAGES OF WOOD

Wood is a diverse material that boasts a unique character, as no two pieces are identical. Its adaptability makes it an excellent choice for an array of uses and applications. Various timber species can be dried, treated, and processed to create building structures, columns and fittings, as well as superb insulating materials. Wood is renowned for its robustness, making it a popular choice for both indoor and outdoor furniture. In addition, wood components are utilised in a wide range of common products, such as packaging, paper, tissue, paper towels, toothpicks, diapers, and even LCD screens.

ULTIMATE RENEWABLE RESOURCE

As a resource, wood is the ultimate renewable option. By using wood products, we provide an economic incentive for companies like ours to continue growing trees instead of using them for other purposes. With proper management, forests can thrive indefinitely.



10 Our sawmills and wood manufacturing operations run as efficiently as possible, which is good for our bottom line and the environment. PESAKA and PPSB have already installed roof-top solar panels and we are assessing another factory for solar-panel installation.

11 We provide logs to our own mills while sawn timber and mouldings are sold locally and exported.

12 We sell our wood products to distributors, dealers, construction companies, contractors and home improvement stores, and also operate our own distribution business.

13 Our wood is purchased by other companies to create a variety of products, including mill work (doors and panels), mouldings, trims and furniture.

14 Making wood products requires fewer fossil fuels than it takes to make steel and concrete.

15 At our sawmills and manufacturing operations, we promote a **zero-waste** culture through whole tree harvesting and sustainable practices.

OUR ENVIRONMENTAL STEWARDSHIP AND ESG INTEGRATION (CONTINUED)

NON-HARVESTED FOREST

FASCINATING FACT!

1 hectare of forest absorbs the same amount of CO_2 as 1 car that has traveled 101,000 kilometers, and a typical car covers 30,000 kilometers per year, then:

the CO_2 absorption of 1 hectare of forest equals that of 3.36 cars per year.

This comparison underscores the significant role that forests play in offsetting carbon emissions from vehicles, highlighting the importance of forest conservation efforts in mitigating climate change.

When a tree dies, the carbon locked away in its cells is released back into the environment.

CO_2 ② CO_2 CO_2 CO_2 ①

Old trees absorb CO_2 at a much slower rate, which gets even slower as they grow older.

*Forests within GPB's concession areas cover **126,274 ha***
*These forests **absorb CO_2 emissions** equivalent to that produced by **424,281 cars annually***

THE JOURNEY STARTS HERE

As trees live and grow, they absorb CO_2 then store the carbon in their roots, trunks, branches and leaves.

FASCINATING FACT!

The death of a 70 year old tree would return about three tonnes of carbon to the atmosphere.

CO_2

TREES DIES
BECAUSE OF...

LIGHTNING STRIKES	FOREST FIRES	DAMAGE CAUSED BY WIND	OLD AGE/ DISEASES

HARVESTED FOREST

In our reforestation efforts, for every **12 trees harvested within 1 ha**, we ensure the planting of **20 new trees.** This proactive approach not only replenishes the forest but also fosters vital pollination, ensuring the sustainability of fruit trees and ecological balance.

CO_2 CO_2 CO_2 CO_2

① Mature trees form a canopy, blocking out the sunlight to restrict growth of plants on the forest floor.

③ By implementing selective harvesting, the forest canopy becomes more open, enabling an increased amount of sunlight to penetrate the forest floor. This process acts as a catalyst, promoting the growth of the forest. As young trees grow, they absorb CO_2 at a rapid pace.

FASCINATING FACT!

50% of a tree's dry weight is carbon!

② Trees are selectively cut based on Sustainable Forest Management (SFM) practices.

The greater the utilisation of timber in construction and other wooden goods, the more carbon will be sequestered during their lifespan, leading to a reduction in our carbon footprint.

Source: Malaysian TImber Council

STRATEGISING OUR ESG PRIORITIES

GRI 2-12, 2-13, 2-14, 2-16, 2-22, 2-23, 2-24, 2-26, 2-27, 3-1, 3-2, 201-2, 302-1, 302-2, 303-1 to 303-5, 304-1, 304-3, 304-4, 305-1, 305-2, 306-1 to 306-5

As we stood at the threshold of a pivotal era for sustainability, we at GPB embarked on an ambitious journey. Our roadmap unfurled in 2018, with the establishment of a governance structure that would become the foundation of our sustainability reporting and implementation. We crafted a policy a to declare our dedication to navigate the tides of environmental and social responsibility with foresight and integrity.

Sustainability Roadmap

1 GOVERNANCE STRUCTURE

To establish a Governance Structure to drive the implementation and reporting of sustainability efforts.

2 SUSTAINABILITY POLICY

To outline and determine the overall direction of the Sustainability Policy.

3 MATERIALITY STUDY

To identify and select Materiality Matters that are relevant and matter most to stakeholders and the Group.

4 KPIs, ACTION PLANS & REPORTING PLATFORM

- To set KPIs for Material Matters and to formulate Action Plans.
- To assign responsibility in tracking progress and compiling results.

5 GRI & UNSDG

- To prepare disclosures according to GRI guidelines.
- To align approach to the selected protocols of the UNSDG.

2018 - 2019 (steps 1–3)

2019 onwards Continuous Development (steps 4–5)

Sustainability Framework

VISION: Sustainability is at the forefront of transforming the timber and glass industries with pioneering practices for environmental preservation, biodiversity enhancement and significant carbon sequestration. Our high-quality products positively impact communities, planet health and climate change.

MISSION: Leading markets with top-tier, sustainably sourced timber and glass products, we prioritise environmentally and socially responsible practices. Committed to biodiversity, environmental enhancement and global carbon sequestration, we are setting new benchmarks for sustainability in the timber industry.

SUSTAINABLE PRINCIPLES

ECONOMIC	ENVIRONMENT	SOCIAL	GOVERNANCE
1. Innovative Business Model (Incorporating Design for Sustainability, Carbon Sequestration, Trading, and End-of-Life Product Recycling) 2. Marketing & B2B Engagement 3. R&D Collaboration	1. Sustainable Forest Management 2. Sourcing Materials Responsibly 3. Natural Resource Management & RE 4. Zero Waste & Circular Management	1. Employee Safety, Health & Wellbeing 2. Indigenous Rights and Land Use 3. Inclusive Growth & Local Empowerment (Creating Shared Value - CSV) 4. Community Relations & Impact (CSR)	1. Regulatory Compliance and Certifications 2. Sustainable Value Chain (including Suppliers) 3. Comprehensive Risk Management & Sustainable in Corporate Strategy

OUR STRATEGIES

Sustainable Market Expansion and Revenue Enhancement Transforming to Sustainable Materials Producers + Carbon Offset Projects	**Green Growth Financing** Eligibility for tapping onto Green Financing/Green Sukuk/Bonds to support item 1)	**Sustainable Talent Advancement** Fostering a culture of sustainable expertise & offering purpose-driven careers to attract and retain talent	**Creating Shared Value for All** Balancing profitability with positive stakeholder impact

OUR FOCUS AREAS

ECONOMIC	ENVIRONMENT	SOCIAL	GOVERNANCE
1. Sustainability-Centric Product Design & Certifications 2. Carbon Sequestration Initiatives 3. Green Financing	1. Advancing Sustainable Forestry Certification 2. Sourcing Responsibly 3. Promotion of Zero Waste & Circularity as part of Operational Excellence	1. Employee Safety, Health & Wellbeing 2. Creating Shared Value for All	1. 3rd Party Assurance in Business/ Operations & Reports. 2. Comprehensive Risk Assessment and Sustainability Strategy at all levels.

STRATEGISING OUR ESG PRIORITIES (CONTINUED)

STEERING THE COURSE FOR SUSTAINABILITY

SUSTAINABILITY GOVERNANCE STRUCTURE

BOARD OF DIRECTORS

ACTING CHIEF EXECUTIVE OFFICER
Mohd Roslan bin Mamat

SUSTAINABILITY COMMITTEE

Chief Sustainability Officer
Zulkifli bin Omar

HEADS OF DEPARTMENTS (HODs)

Internal Audit
Azman bin Jusoh

Finance
Syukri bin Ali

Human Resource and Administration
Wan Zuhairiah binti Wan Ali @ Wan Damsek

Corporate Communications & Information Technology
Ahmad Fauzan bin Abdul Kadir

Company Secretary
Suraya binti Mohd Hairon

Golden Pharos Group Occupational Safety & Health
Nik Nur Hafizi bin Nik Zulkernain

HEADS OF SUBSIDIARIES (HOSs)

KPKKT
Ahmad Bazli bin Razali

PESAKA
Hilmi bin Awang

PESAMA
Mohd Shamsol bin Mohd Shafie
(Retired on 31 March 2024)

Hilmi bin Awang
(Caretaker PESAMA)

PPSB
Suhairi bin Sulong

GP GLASS
Stanley Lau Chan Ming

GPFP
Mohd Hafiiz bin Rahaman

At GPB, effective governance is not just a box to check; it is the engine driving our sustainability agenda. Our Board takes an active role, conducting yearly deep dives into strategy and monitoring progress. This commitment ensures sustainability isn't a siloed effort but a core consideration in every business decision.

The Sustainability Committee (SC), captained by the Chief Sustainability Officer (CSO), leads sustainability efforts. Our CSO drives sustainability strategies and guides the implementation of plans and policies. The SC acts as mission control, overseeing implementation and managing key priorities and targets.

At least once a year, representatives from across the organisation, including HODs and HOSs, attend the annual GPB Corporate Sustainability Workshop. The SC convened a meeting during the workshop to brainstorm on ESG related matters as well as to identify and assess significant ESG risks and opportunities. Recommendations were then tabled to the Board for deliberation and approval. KPIs, targets and action plans were then cascaded to all employees for further action, ensuring GPB's sustainability strategies are met.

STRATEGISING OUR ESG PRIORITIES (CONTINUED)

OUR MATERIAL MATTERS

At the heart of our operations lie the ESG principles. We did not merely identify the most impactful ESG factors, we wove them into the very essence of our business culture. Sustainability is not a peripheral aim; it is the very definition of our growth, the benchmark of success. We implemented programmes and initiatives designed to scrutinise, improve, and, above all, ensure results.

MOST MATERIAL MATTERS FOCUS AREAS

FOCUS AREA 1

CREATING SUSTAINABLE VALUE

Most Material Matters

Economic & Business Performance

Eliminating Bribery & Corruption

Risk Management

FOCUS AREA 2

OUR ENVIRONMENTAL STEWARDSHIP

Most Material Matters

Protecting Land & Biodiversity

Energy Management

Emissions & Initiatives to Tackle Climate Change

FOCUS AREA 3

DRIVING PERFORMANCE THROUGH PEOPLE

Most Material Matters

Protecting Safety & Health of Workers & Sub-Contractors

Training, Education & Career Development

FOCUS AREA 4

BUILDING MEANINGFUL SOCIAL INTERACTIONS

Most Material Matters

Customer Feedback & Satisfaction

Local Community Engagement

Our start in 2018 marked the beginning of continuous development when we undertook a materiality study. Our aim was to uncover the issues that mattered most to our internal and external stakeholders. With these material aspects identified, we set clear KPIs. These KPIs, tethered to well-considered action plans, held us accountable, ensuring that our trajectory towards our sustainability goals were marked and measured.

STRATEGISING OUR ESG PRIORITIES (CONTINUED)

OUR SUSTAINABILITY POLICY

SUSTAINABILITY POLICY

Golden Pharos Group is committed to upholding the three pillars of sustainability:

Exemplary in Environmental Matters
ENVIRONMENT

Commendable in Economic Matters
ECONOMIC/GOVERNANCE

Praiseworthy in Social Matters
SOCIAL

We intend to sustainably grow the Company for our shareholders, stakeholders, employees and communities we work with in order to manage our biodiversity, human capital and natural resources for the next generation to sustainably carry on.

To lay a robust groundwork for the meticulous oversight and stewardship of the material matters that have been pinpointed, our Sustainability Policy defines how we build measurable objectives and comprehensive Group-wide sustainability initiatives. These pillars are an intricate network of internal protocols, checks and balances, and channels for reporting that facilitate the transparent dissemination of information regarding our sustainability endeavours, focal points, objectives and progress relative to the KPIs. Our internal team and external partners are kept abreast through the detailed disclosures provided in our annual Sustainability Report.

We have aligned our disclosures with the GRI standards and the UNSDG guidelines in our effort to benchmark against international standards. This alignment assures our active participation and contribution to a global symphony of change.

Senior Management, Heads of Departments, Heads of Subsidiaries and employees gathered at the annual Corporate Sustainability Workshop to discuss and develop action plans, set targets and drive improvements in GPB's ESG material matters.

2023 KEY PERFORMANCE INDICATORS (KPIS) AND ACTION PLANS

ECONOMIC

ECONOMIC & BUSINESS PERFORMANCE

#1 Revenue	#2 PAT	#3 Dividend	#4 NAV
Annual increase	Annual increase	40% of PAT or 30% of EBITDA	Annual increase
ACHIEVED	ACHIEVED	NOT ACHIEVED	ACHIEVED
RM89.23million	RM23.27million	30% of PAT 22% of EBITDA	RM90.10million
FY2022: RM70.20 million	FY2022: RM11.86 million	FY2022: RM3.89 million Exceeded by 184%	FY2022: RM77.93 million

Existing Action Plans from FY2022	Recommended Plans for FY2024
• Stock inventory of tree species and volume. • Installation and commencement of pony saw. • Reactivation of moulding and finger-joints production lines.	• Development of new revenue streams.

PAT = Profit After Tax
NAV = Net Asset Value
EBITDA = Earnings Before Interest, Taxes, Depreciation and Amortisation

ELIMINATING BRIBERY & CORRUPTION

#1 Establishment of Organisational Anti-Corruption Plan (OACP): 2021 - 2025	#2 Implementation of Anti-Corruption Pledge *(Ikrar Bebas Rasuah (IBR))*	#3 Continuation of IGU Awareness
IN PROGRESS	COMPLETED AT GROUP LEVEL	CONTINUOUS
FY2022: In progress		

Existing Action Plans from FY2022	Recommended Plans for FY2024
• To continue establishment of OACP. • IBR – to be held in 2023. • Integrity Seminar – to be included in IBR. • To continue promotions.	• To continue establishment of OACP. • IBR – to be held at subsidiary level. • Seminar – to be held at subsidiary level.

IGU = Integrity Governance Unit

2023 KEY PERFORMANCE INDICATORS (KPIS) AND ACTION PLANS (CONTINUED)

ECONOMIC

RISK MANAGEMENT

#1 100% Compliance with Approved Risk Management and Action Plans.

ACHIEVED

90.9%

8 Action Plans ahead of time

2 Action Plans on time

1 Action Plan delayed

FY2022: Achieved 87.5%

10 Action Plans ahead of time

4 Action Plans on time

2 Action Plans delayed

Existing Action Plans from FY2022

OPERATIONAL RISK: Disruption in logs supply

- Increase harvesting yields.
- Purchase external logs.
- Implement forest plantation project.

ECONOMIC & SUSTAINABILITY RISK: Business sustainability (timber)

- To pursue suitable downstream business (PESAKA & PESAMA).
- To refurbish existing machines to increase veneer production (PPSB).
- To setup plywood line for plywood production (PPSB).

OPERATIONAL & SUSTAINABILITY RISK: Succession Planning/Competency Gaps

- Talent development.
- Procedures revision.

FINANCIAL RISK: Liquidity Risk

- Cashflow management and fund acquisition planning.

After harvesting, the logs are transported to our sawmilling factory, where they undergo a precise sawn timber process to transform them into high-quality lumber ready for various applications.

The logs harvested from our concession forest are stacked in the stockyard of our sawmilling factory.

2023 KEY PERFORMANCE INDICATORS (KPIS) AND ACTION PLANS (CONTINUED)

ENVIRONMENT

PROTECTING LAND & BIODIVERSITY

#1 Annual FSC® Surveillance Audit (Poaching, HCVF)

NOT ACHIEVED

FY2022: NOT ACHIEVED

Existing Action Plans from FY2022
- Ensure compliance to new updated standards.
- Workers and villagers are prohibited from wildlife and bird hunting as well as poaching.

#2 Annual FSC® Surveillance Audit, Recertification Every 5 Years

NOT ACHIEVED

FY2022: ACHIEVED

Existing Action Plans from FY2022
- To provide training on certification standards.

Recommended Plans for FY2024
- Recertification in Q3 2024

#3 Establish Conservation Area/ HCV Area

ACHIEVED

FY2022: ACHIEVED

Existing Action Plans from FY2022
- Progressive rehabilitation of affected areas.
- Intensive replanting programme after logging.

#4 Monitor Conservation Area

ACHIEVED

FY2022: ACHIEVED

Existing Action Plans from FY2022
- Establish conservation areas.
- Closely monitor any endangered or endemic species of flora and fauna found in our area.

ENERGY MANAGEMENT

#1 Installation of Rooftop Solar Panels at PPSB and PESAKA.

PESAKA : COMPLETED
- Installation complete
- Start operation January 2024

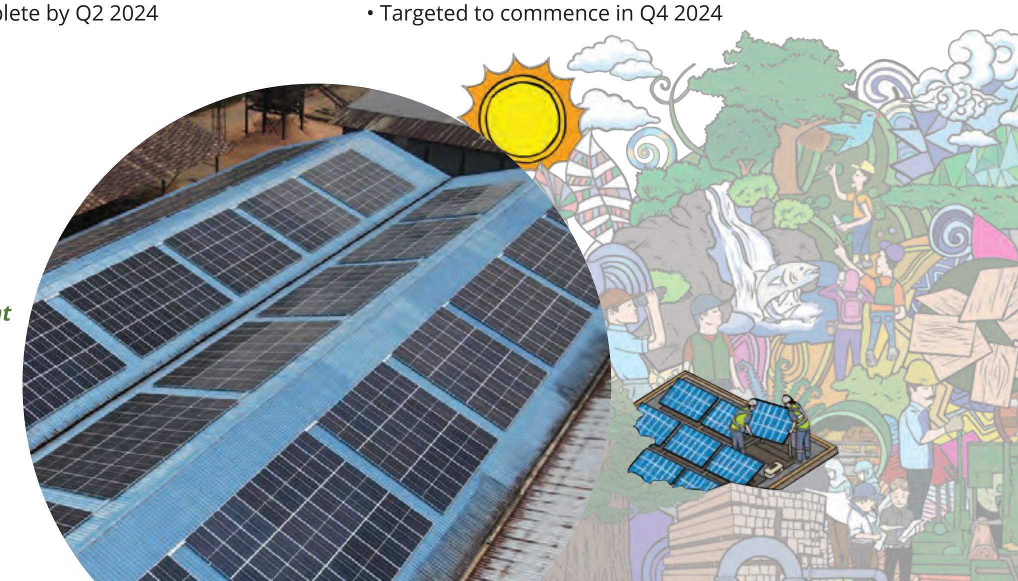
PPSB : IN PROGRESS
- To complete by Q2 2024

EMISSIONS & INITIATIVES TO TACKLE CLIMATE CHANGE

#2 Installation of Rooftop Solar Panels GP Glass

IN PROGRESS
- Targeted to commence in Q4 2024

Efforts to reduce the Group's carbon footprint include the installation of rooftop solar panels at our sawmilling factories.



2023 KEY PERFORMANCE INDICATORS (KPIS) AND ACTION PLANS (CONTINUED)

SOCIAL

PROTECTING THE SAFETY & HEALTH OF WORKERS & SUB-CONTRACTORS

#1 GP Glass: Maximum 4 Incidents

Harvesting & Sawmilling Maximum 5 Incidents

ACHIEVED
3 Incidents (GP Glass)
2 Incidents (Harvesting & Sawmilling)

FY2022: NOT ACHIEVED
5 incidents (GP Glass)

#2 Zero NOP in Compliance with DOSH

ACHIEVED

FY2022: ACHIEVED

#3 Zero Deaths

ACHIEVED

FY2022: ACHIEVED

#4 Minimum 83% of Results Audited by DOSH

ACHIEVED 85%

FY2022: ACHIEVED
85%

#5 Proactive Measures (Yearly Inspection by OSHWA)

COMPLETED

FY2022: COMPLETED

Existing Action Plans from FY2022

#1 - #3
- Regular proactive safety inspections, monitoring and control.
- Comply with all related regulations.
- Conduct safety monthly reports to GPGOSH.
- Present monthly safety statistic reports to top management.

#4
- Regular proactive safety inspection, monitoring and control.
- Comply with all related regulations.

#5
- Establish scheduled yearly planning.

Recommended Plans for FY2024

#1 - #4
- Establish scheduled assessment by GPGOSH Committee.
- Establish standardise Safety Procedure.

#5
- Include the planning programme into GPGOSH yearly planning.

NOP = Notice of Prohibition
DOSH = Department of Occupational Safety and Health
OSHWA = Occupational Safety and Health Workplace Assessment
HIRARC = Hazard identification, Risk Assessment and Risk Control

2023 KEY PERFORMANCE INDICATORS (KPIS) AND ACTION PLANS (CONTINUED)

SOCIAL

TRAINING, EDUCATION & CAREER DEVELOPMENT

#1 100% Utilisation of HRD Corp

NOT ACHIEVED

FY2022: ACHIEVED

Existing Action Plans from FY2022
- Source training providers registered with HRD Corp.

#2 Training Hours:

(A) 90% of executive-level employees to attend 16 hours of training per year.

(B) 90% of non-executive employees to attend 3 hours of training per year.

ACHIEVED (A): 100%
ACHIEVED (B): 97%

FY2022:

ACHIEVED (A) 96.39%

ACHIEVED (B) 97.28%

Existing Action Plans from FY2022
- Minimum 2 in-house training programmes to be claimed from HRD Corp, minimum 4 hours per company.

#3 Succession Planning

COMPLETED (key profiling for CEO position)

FY2022: IN PROGRESS

Existing Action Plans from FY2022
- Identify key positions in the company.
- Identify internal employees who can replace key personnel.
- Groom selected employees via training.
- Talent Development Programme (In-Progress).
- Offer retention programme: compensation and benefits, bonus, annual increment and ex-gratia for Hari Raya Aidilfitri and year end.

Training programmes underscores the importance of upskilling employees and embodies the concept of lifelong learning, ensuring that our team remains competitive and proficient in an ever-evolving marketplace.

2023 KEY PERFORMANCE INDICATORS (KPIS) AND ACTION PLANS (CONTINUED)

SOCIAL

CUSTOMER FEEDBACK & SATISFACTION

#1 Customer Satisfaction Index (CSI): 4.0

ACHIEVED
- CSI PESAMA - 4.59
- CSI GP GLASS - 4.0

FY2022: ACHIEVED
CSI – 4.34 (PESAMA)
CSI – 4.1 (GP GLASS)

#2 Improve Process for Handling Complaints (GP Glass)

COMPLETED

FY2022: IN PROGRESS

We value customers' feedback highly as it is crucial for enhancing the quality of our architectural glass panels and elevating our service levels.

LOCAL COMMUNITY ENGAGEMENT

#1 Minimum 3 Engagement Programmes with Internal Stakeholders

EXCEEDED
8 ENGAGEMENT PROGRAMME

FY2022: EXCEEDED
5 Engagement Programmes

Existing Action Plans from FY2022 Example:
- Karnival Sukan Muhibbah 2023.
- GPB Group Hari Raya Celebration
- Bubur Asyura @ KPKKT & PESAMA
- Team Building at Subsidiary Level
- GPB Integrity Day

#2 Minimum 3 Engagement Programmes with External Stakeholders

EXCEEDED
10 ENGAGEMENT PROGRAMMES

FY2022: EXCEEDED
5 Engagement Programmes

Existing Action Plans from FY2022 Example:
- Friendly Badminton Match with Manis FM & Terengganu Inc
- Terengganu Inc Challenge Series: XCO Jamborace & Furrace Kenyir 2023
- Participation in Karnival Kerjaya MyFuture Jobs "Outreach Kesejahteraan Pekerjaan Rakyat Negeri Terengganu 2023"
- Beautiful Terengganu Golf Team Challenge 2023.
- Malaysia Wood Expo 2023

#3 Minimum 3 CSR Programmes

EXCEEDED
5 ENGAGEMENT PROGRAMMES

FY2022: ACHIEVED

Existing Action Plans from FY2022 Example:
- Sepak Takraw League Sponsorship
- Walk with Giants
- Majlis Penyampaian Zakat Wakalah to orphans at Dun Ladang
- Contribution of RM30,000 to Terengganu Aid4Palestine Fund
- Pasca Banjir Aid at Kg Tepus Hulu Dungun

Sustainable Forest Management (SFM) is crucial for sustainable logging practices. Adhering to international standards ensure environmental conservation and responsible resource management.

VISION

To become a premier natural resources organisation

FOCUS AREA 1
CREATING SUSTAINABLE VALUE

OUR VALUE CREATION PROCESS ADHERES TO GOVERNANCE BEST PRACTICES

INPUT CAPITALS

FINANCIAL CAPITAL

Our financial assets including cash generated from our operations and investments, and other sources of funding.

MANUFACTURED CAPITAL

Our concession areas, office buildings and factories, physical assets including machinery and technologies.

INTELLECTUAL CAPITAL

Our established and systematic procedures and processes, expertise and skills, brand value and reputation in the markets and industries we serve.

HUMAN CAPITAL

Our astute leadership, knowledgeable and skilled workforce, competencies, experience and contributions to growth and innovation.

SOCIAL AND RELATIONSHIP CAPITAL

Our long-established commitment with stakeholders including shareholders, the financial community, customers, associates, contractors, suppliers, vendors, authorities and communities.

NATURAL CAPITAL

The natural resources we consume and utilise in our core businesses.

VALUE CREATION PROCESS

HARVESTING & SAWMILLING

- KPKKT
- PESAMA
- PESAKA
- GPFP

MANUFACTURING

- PPSB
- GP GLASS

STRATEGY

Underpinned by **GPB's Sustainability Framework** to ensure meaningful outcomes to the environment and all stakeholders.

- **FOCUS AREA 1: CREATING SUSTAINABLE VALUE**
- **FOCUS AREA 2: OUR ENVIRONMENTAL STEWARDSHIP**
- **FOCUS AREA 3: DRIVING PERFORMANCE THROUGH PEOPLE**
- **FOCUS AREA 4: BUILDING MEANINGFUL SOCIAL INTERACTIONS**

BUSINESS ECOSYSTEM

- **SHAREHOLDERS:** asset value growth and higher return-on-investment (ROI)
- **EMPLOYEES:** job security and remuneration
- **CUSTOMERS:** timely supply of quality products
- **ASSOCIATES AND VENDORS:** business opportunities
- **AUTHORITIES:** compliance with regulations
- **FEDERAL & STATE GOVERNMENTS:** taxes and dividends
- **COMMUNITY:** development programmes, job creation humanitarian aid and philanthropy

Key Market Trends Shaping Our Business

- Local Construction Activities
- Climate Change
- Green Development
- Urbanisation
- Automation
- Digitalisation

Key Risks

OPERATIONAL RISK: Disruption in Log Supply

ECONOMIC & BUSINESS RISK: Business Sustainability (Timber Companies & Glass Manufacturing)

OPERATIONAL & SUSTAINABILITY RISK: Succession Planning & Competency Gaps

FINANCIAL RISK: Liquidity Risk

Material Matters

FOCUS AREA 1: CREATING SUSTAINABLE VALUE
- Economic & Business Performance
- Risk Management
- Eliminating Bribery & Corruption

FOCUS AREA 2: OUR ENVIRONMENTAL STEWARDSHIP
- Protecting Land & Biodiversity
- Energy Management
- Emissions & Initiatives to Tackle Climate Change

FOCUS AREA 3: DRIVING PERFORMANCE THROUGH PEOPLE
- Protecting Safety & Health of Workers & Sub-Contractors
- Training, Education & Career Development

FOCUS AREA 4: BUILDING MEANINGFUL SOCIAL INTERACTIONS
- Customer Feedback & Satisfaction
- Local Community Engagement

OUR COMPETITIVE ADVANTAGES

CORPORATE STRATEGY

REVITALISING: Our existing goals, costs and structure to optimise performance.

REALIGNING: Strategic Business Plan (SBP) 2021-2023 Improvement to upstream, midstream and downstream criteria.

MISSION

- To improve our results
- To meet our customers' expectations
- To maximise returns to our shareholders
- To promote a green and eco-friendly environment
- To provide our workforce with rewarding employment
- To use our position as an integrated timber producer

CORE VALUES

GEMILANG
DEDIKASI
OPTIMIS
EFEKTIF
LESTARI
NEKAD

Employees
Authorities/ Regulators
Local Communities
Vendors
Customers
Media

OUTPUTS	VALUE CREATION	STAKEHOLDERS IMPACTED	ALIGNMENT TO THE UNSDG

OUR PRODUCTS

- Timber
- Veneer
- Mouldings
- Woodchips
- Sawdust
- Quality Architectural Glass Panels

FINANCIAL CAPITAL

Revenue
RM89.23 million
(FY2022: RM70.20 million)

Profit After Tax
RM23.27 million
(FY2022: RM11.86 million)

Tax Paid
RM2.75 million
(FY2022: RM3.28 million)

Total Assets
RM134.66 million
(FY2022: RM111.58 million)

Profit Before Tax
RM27.44 million
(FY2022: RM15.02 million)

MANUFACTURED CAPITAL

Logging
16,624 ht
(FY2022: 7,918 ht)

Sawn Timber
8,464 tonnes
(FY2022: 5,505 tonnes)

Woodchips
4,526 mt
(FY2022: 5,477 mt)

Veneer
1,106 m³
(FY2022: 1,157 m³)

Glass
370,932 m²
(FY2022: 356,049 m²)

INTELLECTUAL CAPITAL

- ISO 45001:2018 Occupational Health & Safety Management System
- ISO 40001:2015 Environmental Management Systems
- Malaysian Timber Certification Scheme (MTCS)
- FSC® Certification

HUMAN CAPITAL

No. of Employees
448
(FY2022: 432)

70%
Male

30%
Female

Permanent
295
(FY2022: 298)

Contract
153
(FY2022: 134)

SOCIAL & RELATIONSHIP CAPITAL

RM15,000
Nature and Environment

RM187,318
Sports

RM259,857
Community

RM114, 750
Education

FY2023 TOTAL CSR CONTRIBUTION
RM576,925
FY2022: RM120,500

NATURAL CAPITAL

Scope 1 (CO_2e mt)
1,070.5
(FY2022: 432.3)

Scope 2 (CO_2e mt)
2,463.1
(FY2022: 2,625.2)

Scope 3 (CO_2e mt)
428.8
(FY2022: 407.9)

Total Scope (CO_2e mt)
3,962.4
(FY2022: 3,465.4)

Energy Consumption (MW)
5,344.0
(FY2022: 5,184.6)

Water Consumption (m³)
102,703
(FY2022: 101,876)

Scheduled Waste (tonnes)
4,532
(FY2022: 15,768)

RESHAPING: Our outlook by exploring new areas of growth.

FOCUS AREA 1
CREATING SUSTAINABLE VALUE (CONTINUED)

MOST MATERIAL MATTERS
- Economic & Business Performance
- Eliminating Bribery & Corruption
- Risk Management

GRI 2-15, 2-27, 201 - 207, F4GBM

Once driven primarily by economic output, the timber and glass industries are undergoing a necessary evolution. Creating sustainable value has become the cornerstone of responsible business practices. This extends far beyond mere profit margins; it signifies a commitment to a healthy environment, long-term viability and fostering positive societal impact.

Our **"Focus Area 01: Creating Sustainable Value"** embodies this philosophy. Within this framework, we prioritise three critical material matters: **Economic & Business Performance, Risk Management and Eliminating Bribery & Corruption.** These pillars work in concert to establish a robust foundation for true sustainability.

THE IMPORTANCE OF ADDRESSING THESE MATERIAL MATTERS

1 ECONOMIC & BUSINESS PERFORMANCE

Our strong financial performance allows us to invest in responsible forestry practices (timber) and energy-efficient production processes (glass). This holistic approach fosters a multitude of benefits. We ensure business continuity by implementing sustainable practices throughout our value chain, leading to stable financial performance while minimising environmental impact. This virtuous cycle fosters positive societal impact, reinforcing our commitment to responsible business practices.

2 RISK MANAGEMENT

Our proactive risk management approach is a pivotal element of our strategy. It not only safeguards against resource disruption and depletion, ensuring the future-proofing of our operations, but also mitigates operational disruptions and financial risks. This, in turn, leads to long-term cost savings and a more resilient business model. Such a comprehensive approach is instrumental in securing our position as a leader in the industry, providing stakeholders with a sense of security about our future.

3 ELIMINATING BRIBERY & CORRUPTION

Our unwavering commitment to eliminating bribery and corruption is a testament to our dedication to ethical material sourcing, the protection of fragile ecosystems, and the upholding of the highest legal and ethical standards. This commitment, coupled with our ethical conduct and responsible sourcing, serves as a strong foundation for building trust with our customers and stakeholders, thereby enhancing our brand reputation.

Ultimately, by prioritising these interconnected material matters within "Focus Area 01," we secure our success and contribute to a healthier planet and a more responsible industry, solidifying our position as a leader in the years to come.

FOCUS AREA 1
CREATING SUSTAINABLE VALUE (CONTINUED)

STRATEGIC APPROACHES TO ADDRESSING THESE MATERIALITY MATTERS

1 ECONOMIC & BUSINESS PERFORMANCE

ENHANCED OPERATIONAL EXCELLENCE THROUGH NEW KPIS

In a strategic move to augment operational efficiency and overall business performance, the Board has instituted a new suite of Key Performance Indicators (KPIs). These KPIs are meticulously designed to optimise resource utilisation and maximise output across various production metrics. By setting ambitious yet attainable targets, we are positioning the company to not only meet but exceed industry standards.

These KPIs underscore our commitment to transparency, accountability, and continuous improvement. These metrics provide a clear framework for performance evaluation, ensuring that every facet of the operation aligns with our overarching strategic goals.

NEW KPIS OVERVIEW

Higher Base Price for Sale of Timber Compartments

The base price for the sale of timber compartments has been increased to a higher price per hectare basis. This new KPI enables us to maximise the financial value of our timber, ensuring that pricing reflects both market conditions and the quality of the timber in our compartments.

Logging Yield for Log Output

To ensure the sustainability and profitability of our logging operations, the yield for log output has been set at a higher cubic meter (m^3) per ha. This measure will aid in optimising the volume of timber we extract relative to the area harvested, promoting more efficient logging practices and resource management.

Sawn timber Recovery Rate

Sawn timber recovery has been quantified on a higher percentage basis of sawn timber processed from the output. This KPI helps identify the efficiency of our sawmilling operations, targeting waste reduction and enhancing output volume.

Veneer Recovery Rate

Similarly, we have raised the KPI for veneer recovery to drive the conversion efficiency from logs. This KPI is critical for evaluating the performance of our processing and driving improvements in production yield.

Glass Yield Efficiency

Likewise, the glass yield will also be expressed in percentage terms, indicating our proficiency in glass production. This KPI measures the ratio of glass output against the raw material processed, encouraging better yield management and reduced wastage.

Our approach to implementing these KPIs involves all relevant departments and training to ensure all team members understand the metrics and their role in achieving them. We will leverage established procedures to monitor these KPIs, enabling real-time decision-making and swift corrective actions when necessary.

By setting these new operational KPIs, we are elevating our standards and reinforcing our competitive edge in the market. Through diligent monitoring and steadfast commitment to these objectives, we are confident we can drive sustainable growth by achieving the set KPIs to deliver better value to our stakeholders.

FOCUS AREA 1
CREATING SUSTAINABLE VALUE (CONTINUED)

DEPLOYMENT OF SURVEY/MAPPING TEAM

The precision of log volume estimation is crucial for the sustainability and profitability of our timber operations. Recognising this, KPKKT has strategically advanced its resource assessment capabilities by leveraging modern remote sensing methods as well as external geospatial consultants. Our focus is to enhance the accuracy of our timber volume estimation and identify the most valuable compartments within the DTC for licensing and harvesting.

- **Deployment Strategy**

  We have engaged a specialised mapping consultant known for their expertise in remote sensing technology. This collaboration aims to refine our surveying techniques to estimate log volumes accurately and assess the terrain of DTC, leading to more informed decision-making in compartment selection.

  This advanced mapping and estimation techniques are set to transform how we manage our timber resources. By having a more precise understanding of log volumes and locations, we can better plan our harvesting activities, optimise yields, maintain the health of the forest ecosystem and sustainability of our forests.

  KPKKT will integrate these findings into our operational framework, establishing a benchmark for excellence in sustainable forestry practices. We will continue to monitor the effectiveness of these measures and adjust our strategies to ensure they remain aligned with our commitment to economic viability and environmental stewardship.

  The strategic deployment of a high-calibre survey/mapping team exemplifies our proactive approach to economic and business performance. By embracing innovation and technological advancement, KPKKT is not only staying ahead of industry trends but also sets them up and ensures our operations are sustainable, efficient and profitable for years to come.

Ensuring compliance with safety standards, regular HSE inspections are vital for safeguarding workplace integrity and employee wellbeing.

FOCUS AREA 1
CREATING SUSTAINABLE VALUE (CONTINUED)

ENHANCING TREE-MARKING PROCESSES AND LICENSING EFFICIENCY

KPKKT is dedicated to elevating its operational standards, particularly in the crucial area of tree-marking. Our goal is to implement a tree-marking process that is both efficient and precise, thereby ensuring that we can expedite our licensing approvals and maintain the balance between productivity and environmental conservation.

Ramping up our marketing efforts to boost sales of sawn timber, particularly targeting the construction industry. Our promotional activities are focused on highlighting the numerous benefits of wood products.

- **Contractor Engagement and Performance-Based Compensation**
  We have significantly improved our tree-marking process by engaging competent contractors. This shift to utilising the expertise of specialised professionals demonstrates our commitment to excellence.

  In a transformative move, we have revised our compensation structure for these contractors, moving from a per-hectare basis to a per-tree basis. This new payment model incentivises meticulous attention to detail and aligns contractor interests with our strategic accuracy and efficiency goals. All our contractors and suppliers are local companies.

- **Monitoring and Quality Assurance**
  The precision in tree-marking is expected to streamline our licensing process, resulting in faster approval times. By enabling quicker commencements of harvesting operations, we expect to increase our operational pace and provide a clear example of how procedural enhancements can drive business performance.

  To maintain the highest standards, KPKKT has instituted a rigorous monitoring system to oversee the work of the contractors. This ensures that tree-marking is performed to our stringent standards and that any deviations is quickly addressed. This ongoing evaluation will help us identify additional improvements and innovations that can further expedite the licensing process without compromising our sustainability commitments.

Through these strategic improvements to the tree-marking process and licensing approvals, KPKKT is advancing its operational capabilities and demonstrating a strong commitment to sustainable forestry practices. These enhancements testify to our belief that economic performance and environmental responsibility can go hand in hand, driving us towards a future where our business thrives in harmony with the natural world.

FOCUS AREA 1
CREATING SUSTAINABLE VALUE (CONTINUED)

EMPHASISING MIDSTREAM EFFICIENCY FOR ACCELERATED RECOVERY AND PRODUCTION

Our strategic focus in midstream operations aims to expedite recovery times and boost production levels for sawn timber and veneer. By optimising these core areas, we intend to elevate both the quantity and quality of our output, thus strengthening our market position and enhancing profitability.

- **Strategic Actions**

  We are upgrading our existing equipment into more efficient machinery to increase the speed and efficiency of our sawmilling processes (Auto Ponysaw) at PESAKA.

  By refining our workflows, we aim to reduce downtime and accelerate throughput, ensuring a faster recovery from maintenance and other operational pauses.

  Implementing regular maintenance protocols to minimise machinery breakdowns and production interruptions maintains a steady flow of high-quality sawn timber and veneer to the market.

ADVANCING DOWNSTREAM ACTIVITIES FOR EXPANDED PRODUCTION CAPACITY

In the downstream sector, our strategy is centred on expanding our production capabilities and reactivating key production lines. This expansion is designed to meet the growing demand for veneer and plywood products and to reintroduce our high-quality mouldings to the marketplace.

- **Strategic Actions**

  The reactivation of our moulding production lines represents a significant step towards diversifying our product offerings and tapping into new market segments.

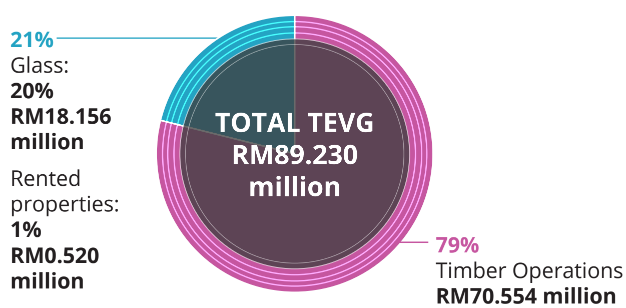
  We are committed to training and upskilling our workforce to ensure they are fully equipped to operate new production systems effectively and adhere to the highest standards of quality.

  Reinforcement of our midstream activities and improvements in our downstream processes are expected to result in an uptick in production capacity, faster market response times and an expanded range of high-quality timber products. Continuous improvement cycles will be implemented to ensure these strategic enhancements yield the desired economic outcomes and business growth.

BUILDING TRUST THROUGH TRANSPARENCY IN VALUE SHARING

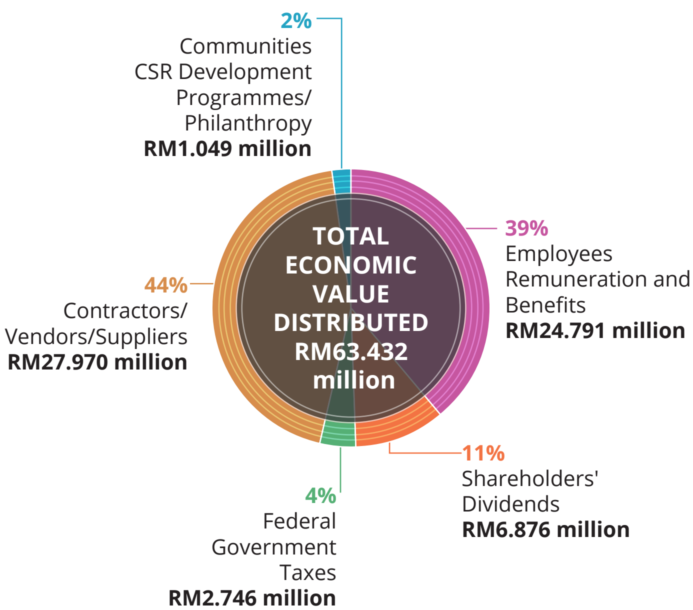
We are committed to transparency in our economic activities and strengthening relationships with all stakeholders.

In FY2023, our timber operations remained the primary revenue driver, contributing approximately 79% (RM70.554 million) of our Total Economic Value Generated (TEVG). Manufactured glass and rented properties made up the remaining 21% (Glass: 20% (RM18.156 million), rented properties: 1% (RM0.520 million)).



FOCUS AREA 1
CREATING SUSTAINABLE VALUE (CONTINUED)

This commitment extends to distributing our Total Economic Value Distributed (TEVD). In FY2023, we distributed approximately RM63.432 million across various stakeholders, as detailed below:



11% Rewarding Shareholders

We acknowledge the trust and investment placed in us by our shareholders. To demonstrate this appreciation, we distributed 11% of our TEVG as dividends.

6% Contributing to Society

As a responsible corporate citizen, we are committed to giving back to the communities where we operate. We achieved this by paying 4% of our TEVG to Federal Government taxes, which are vital in funding essential public services and infrastructure for the greater good. Our contribution to society also enhances job creation. Additionally, we dedicated an additional 2% to Community Social Responsibility (CSR) development programmes and philanthropy. These initiatives address social and environmental challenges, fostering a more sustainable future for all.

39% Investing in Our People

We recognise that our employees are the cornerstone of our success. Therefore, a significant portion (39%) of our TEVG is allocated towards employee remuneration and benefits. This allocation included competitive salaries, comprehensive benefits packages and ongoing training programmes, ensuring a motivated and skilled workforce. Stable and sufficient wages provide households with the purchasing power to stimulate economic activities.

44% Empowering Our Partners

We operate within a complex ecosystem of partners, including contractors, vendors and suppliers. A significant portion of our TEVG was distributed to this network. This fosters a robust business environment and supports economic activity throughout the supply chain.

By strategically distributing our TEVG, we contributed to a thriving economy and demonstrated our commitment to responsible stakeholder engagement. This transparency not only builds trust with our stakeholders but also allows them to understand the positive impact our business generates.

FOCUS AREA 1
CREATING SUSTAINABLE VALUE (CONTINUED)

2 RISK MANAGEMENT

We recognise that our business environment presents both inherent challenges and exciting opportunities. Logging activities are susceptible to fluctuations in weather patterns, stringent harvesting regulations and evolving industry controls. To navigate this dynamic landscape while maximising value creation, we prioritise a proactive approach to Enterprise Risk Management (ERM).

Our robust ERM framework underpins our risk management strategy. It facilitates a comprehensive approach through:

- **Systematic Risk Identification and Classification:**
  We employ a systematic and meticulous process to identify potential risks across all facets of our operations. Each risk is then meticulously categorised based on its potential severity, eensuring us to focus our resource in mitigating the most significant threats.

- **Development of Tailored Mitigation Strategies:**
  Once risks are identified and categorised, we outline key controls to minimise their potential impact. We further establish comprehensive Risk Action Plans (RAPs) that detail specific actions to mitigate the most pressing risks, emphasising a proactive approach to safeguarding stakeholder value.

  In FY2023, through our diligent application of the ERM framework, we identified 31 potential risks. We prioritised and developed comprehensive RAPs for the four most critical risks, demonstrating our commitment to proactive risk management. These key risks include:

MOST CRITICAL RISKS

Disruption in Log Supply (Operational Risk):
This risk acknowledges the potential for unforeseen circumstances to interrupt our access to raw materials. We are actively implementing strategies to diversify and enhance supply chain resilience.

Succession Planning/Competency Gaps (Operational & Sustainability Risk):
This risk highlights the importance of proactively addressing potential skill gaps within our workforce. We are committed to fostering a robust talent pipeline through targeted training and development programs, ensuring a smooth transition of knowledge and expertise resilience.

Timber (Economic & Business Risk):
This risk underscores the crucial need to ensure our timber operations' long-term viability and competitiveness. We are continuously exploring innovative and sustainable forestry practices to guarantee the future of this essential business segment while identifying new markets for timber-related products.

Liquidity Risk (Financial Risk):
This risk emphasises the need to maintain sufficient cash flow to meet financial obligations and operational needs. We have implemented stringent financial forecasting and management practices to safeguard against potential liquidity shortfalls.

By proactively identifying, classifying and mitigating risks through our comprehensive ERM framework, we create a more secure and predictable operating environment. This allows us to capitalise on emerging opportunities and navigate challenges with greater agility, ultimately contributing to GPB's sustainable growth and long-term success.

FOCUS AREA 1
CREATING SUSTAINABLE VALUE (CONTINUED)

The following breakdown of the four most critical risks we identified, along with their key controls and corresponding risk action plans (RAPs):

NO.	RISK RATING (COMPANY)	TOP 4 RISKS OF GPB GROUP & 2 SHARED RISKS WITH TI GROUP	SUMMARY OF KEY CONTROLS (KC)	KEY STRATEGIES & RISK ACTION PLANS (RAP)
#1	Timber subsidiaries KPKKT & GPFP	**OPERATIONAL RISK** **Disruption in Log Supply** The disruption in the supply of logs would affect sawmilling and veneer production. Continuous and consistent log supply by KPKKT for sawmilling and veneer is critical as midstream companies PESAKA, PESAMA and PPSB could not fulfil their customers' demands or cover their operating costs.	1. Increase harvesting yields. 2. Purchase external logs. 3. Establish forest plantation.	**1. Increase harvesting yields** (a) Strengthening Tree-Marking process. (b) Identifying compartments with high-value species via the deployment of Survey/Mapping Team. (c) Improving Felling Technique. (d) Selecting competent harvesting contractors. **2. New strategy: Purchase external logs** (a) To explore and survey potential suppliers for external logs purchase. (b) To study and find the best pricing and suitable logs for our sawmills and plywood factory from the relevant suppliers. (c) To engage and evaluate potential contractors. (d) To conduct a costing and sensitivity study on the purchase of external logs, including from our tendered areas, to assess its feasibility. (e) To initiate purchasing selected external logs which can increase revenue and profitability. **3. To implement forest plantation projects** (a) Compartment 66 - first compartment Completed planting 40,120 trees. (b) Compartment 65 - second compartment planting stage: 209,182 trees (c) Compartment 64A - third compartment planting stage: 15,010 trees (d) Compartment 46 - fourth compartment harvesting & stacking stage
#2	Timber subsidiaries PESAKA, PESAMA and PPSB	**ECONOMIC & BUSINESS RISK** **Business Sustainability (Timber companies)** The future business sustainability of GPB is at risk due to the Group's dependence on its upstream log operations to support its midstream business of sawmilling and veneer. Increasing environmental concerns over logging operations and potential opportunities to preserve forests in exchange for carbon credits pose a risk to future operations.	1. To pursue suitable downstream business 2. To refurbish existing machines to increase veneer production 3. To set up plywood line for plywood production	**1. To pursue suitable downstream business** (a) To set up a moulding line at PESAMA. (b) To set up a finger-joints line at PESAMA. (c) To set up an automated production line at PESAKA. **2. To refurbish existing machines to increase veneer production** (a) To refurbish Roller Dryer for veneer production. (b) To refurbish Continuous Dryer for veneer production. (c) To refurbish existing boiler. **3. To set up plywood line for plywood production** (a) To explore suitable supplier for a new second boiler. (b) To refurbish plywood line machines. (c) To hire manpower for plywood line.

FOCUS AREA 1
CREATING SUSTAINABLE VALUE (CONTINUED)

NO.	RISK RATING (COMPANY)	TOP 4 RISKS OF GPB GROUP & 2 SHARED RISKS WITH TI GROUP	SUMMARY OF KEY CONTROLS (KC)	KEY STRATEGIES & RISK ACTION PLANS (RAP)
#3	GPB Group	**OPERATIONAL & SUSTAINABILITY RISK** **Succession Planning & Competency Gaps** **Succession Planning** is crucial for maintaining leadership and operational management continuity in case of the sudden or extended absence of any key employee or senior management member. Without such a plan, business activities can be disrupted and achieving expected business growth and strategic direction can be challenging. **Competency Gaps** occur when there is a difference between the current and required competency levels of staff, operators, or workers as identified by their immediate superiors. Inability to meet management's expectations in this regard may lead to difficulty executing tasks correctly and efficiently. These gaps arise from differences in skills, knowledge, or experience compared to what management expects. As a result, staff may struggle to understand job requirements, industry norms, or lack experience in the related field, ultimately negatively impacting work productivity.	1. Recruitment/ Promotion process improvement. 2. Talent development. 3. Procedures revision.	**1. Recruitment/Promotion process improvement** To update the existing recruitment and promotion policy and procedures. **2. Talent Development** (a) To assess and identify staff who can become successors for key positions in the Group. (b) To undertake key profiling for each position. **3. Procedures revision** To conduct awareness and training sessions on the revised SOPs to improve employees' knowledge and application techniques on work processes and procedures.
#4	GPB Group	**FINANCIAL RISK** **Liquidity Risk** It is important for GPB Group to have adequate current assets to meet present or short-term financial obligations. Poor liquidity management will lead to difficulty of the organisation in meeting daily financial demands and may affect Company operations.	Cash flow management and fund acquisition planning.	**1. Cash flow management and fund acquisition planning** (a) Logging compartments tendered out in FY2023 as a backup plan to address shortfalls in Group's cashflow. (b) Utilised banking facilities to fulfill immediate financial obligations. (c) Monitoring monthly repayments on long outstanding debts owed by Prestige Doors Ltd to GPB and GPFP. (d) Fund acquisition planning. (e) Addressed overdue loan payments by PPSB with SME Bank.

Please refer to the Statement of Risk Management and Internal Control in the Annual Report 2023.

FOCUS AREA 1
CREATING SUSTAINABLE VALUE (CONTINUED)

PRIORITISING CYBERSECURITY IN A DIGITAL WORLD

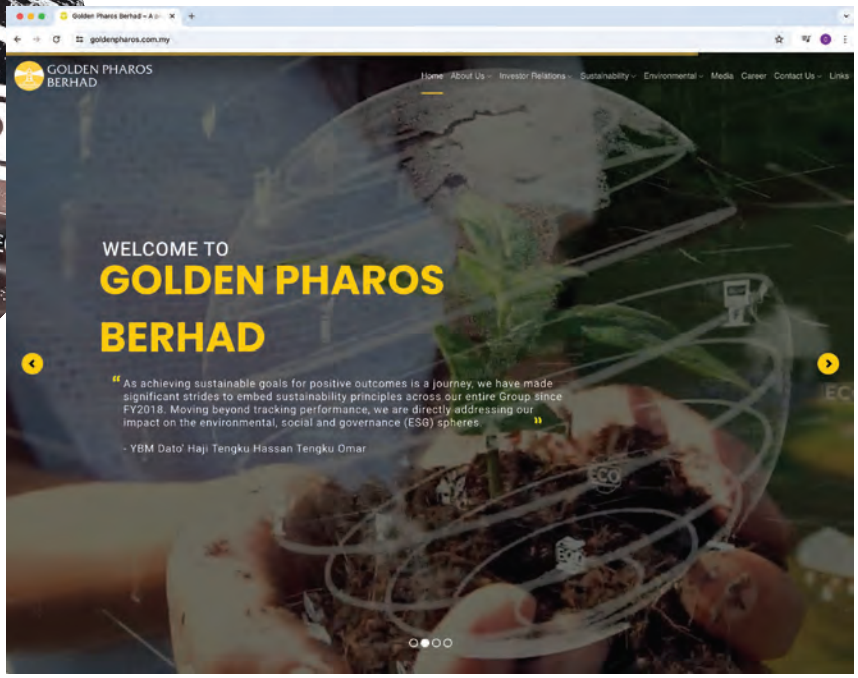
In today's increasingly digital world, cybersecurity has become paramount. We recognise this criticality and prioritise the protection of our digital environment through a continuous improvement programme. Regularly implementing robust new security measures, we strengthen our defences against potential cyber threats for a more secure and resilient digital infrastructure. This ongoing commitment ensures our data's confidentiality, integrity and availability, minimising disruption and safeguarding critical operations.

By prioritising both proactive risk mitigation and continuous improvement in cybersecurity, we demonstrate our unwavering commitment to responsible business practices and safeguarding the Group's businesses. Cultivating a risk awareness and preparedness culture, ultimately contributes to long-term value creation for all our stakeholders.

RISK MANAGEMENT IS A CONTINUOUS JOURNEY

While FY2023 saw the successful implementation of mitigation plans for identified critical risks, our commitment to risk management extends beyond this initial phase. We have established a rigorous system of continuous monitoring to ensure the long-term effectiveness of these plans. This proactive approach allows us to adapt and refine our mitigation strategies as needed, safeguarding stakeholder value by proactively addressing potential threats that may evolve over time.

Our revamped website is now live with enhanced security features and an upgraded back end system, ensuring a safer and more reliable user experience.



FOCUS AREA 1
CREATING SUSTAINABLE VALUE (CONTINUED)

3 ELIMINATING BRIBERY & CORRUPTION

BUILDING TRUST THROUGH INTEGRITY FOR SUSTAINABLE SUCCESS

- **Employee Confidence:**
  A culture of transparency builds trust and confidence within our workforce, creating a more engaged and motivated work environment.

- **Enhanced Reputation:**
  Adherence to ethical practices strengthens our reputation with external stakeholders, including customers, investors and regulators.

- **Cost Efficiency:**
  By minimising the risk of misconduct and promoting responsible decision-making, we promote operational efficiency and cost savings.

UPHOLDING THE HIGHEST ETHICAL STANDARDS

We have a zero-tolerance policy for all forms of bribery and corruption. Our commitment to ethical conduct is demonstrably evidenced by our strict adherence to the MACC Act 2009, established by the Malaysian Anti-Corruption Commission (MACC).

We regularly update employees on existing policies to ensure that they are informed and equipped to uphold these high standards. Furthermore, we have established a dedicated Integrity and Governance Unit (IGU). This unit plays a critical role in overseeing all integrity-related activities and managing potential complaints. The IGU operates with the utmost transparency, reporting to the MACC and the Board of Directors semi-annually.

By prioritising accountability, transparency and ethics, we earn the trust of our stakeholders, operational efficiency is stimulated and GPB is better position for long-term growth and prosperity.

In FY2023, 21.4% (96) of our employees attended training on anti-bribery and corruption related matters.

THE 4 CORE FUNCTIONS OF THE IGU

1. Complaint Management
2. Investigation & Verification
3. Strengthening Integrity
4. Governance

THE 5 TRUST PRINCIPLES OF IGU ARE:

- **T** Top Level Commitment
- **R** Risk Assessment
- **U** Undertake Control Measures
- **S** Systematic Review, Monitoring and Enforcement
- **T** Training and Communication

POLICIES FOR CORPORATE GOVERNANCE

1. Code of Conduct and Whistleblowing Policy
2. Corporate Social Responsibility (CSR) Policy
3. Forest Protection Policy
4. Occupational Health and Safety Policy
5. Code of Business Ethics (COBE) Policy

FOCUS AREA 1
CREATING SUSTAINABLE VALUE (CONTINUED)

GPB INTEGRITY DAY 2023, FOSTERING A CULTURE OF INTEGRITY

INTEGRITY DAY - COMMITMENT TO ETHICAL EXCELLENCE

On 7 June 2023, GPB proudly observed Integrity Day, a significant event that embodied our dedication to corporate ethics and governance. The day marked a gathering of the Group's key personnel and reaffirmation of our collective commitment to upholding the highest standards of integrity across all levels of our organisation.

PLEDGING AGAINST CORRUPTION

The day was marked by a series of key events, starting with an Anti-Corruption Pledge taken by all Heads of Subsidiaries. This solemn pledge was a powerful testament to our unified stance against corruption, reinforcing our zero-tolerance policy and ensuring that our business practices remain transparent and above reproach.

EDUCATING AND ENGAGING

A highlight of Integrity Day was the Integrity Talk delivered by an official from Suruhanjaya Pencegahan Rasuah Malaysia (SPRM). This insightful session served to enlighten and inspire, providing valuable perspectives on the critical role of integrity in sustaining business and building trust in today's competitive landscape.

CREATIVE AWARENESS INITIATIVES

Emphasising creativity as a conduit for spreading awareness, GPB Group hosted a Short Video Competition. This initiative not only encouraged artistic expression but also fostered a deeper understanding of integrity principles among our employees, making ethics an engaging subject for all.

INFORMATION DISSEMINATION

Furthering our efforts, IGU awareness was seamlessly integrated into the company's cultural fabric through strategic communication via emails and visually compelling posters. These were thoughtfully included in the GPB Calendar, serving as constant reminders of our integrity ethos.

ORGANISATIONAL ANTI-CORRUPTION PLAN (OACP) AND THE CERTIFICATION OF INTEGRITY OFFICERS

Looking to the future, GPB has set a new target for 2024 with the development of the Organisational Anti-Corruption Plan (OACP). This ambitious project will be undertaken with the active participation of our Integrity Officers (IOs), who will concurrently engage in the Certification of Integrity Officers (CeIO) programme. The invaluable knowledge and expertise garnered from this programme will be channelled into crafting a comprehensive and robust OACP tailored to fortify GPB's ethical framework.

As we progress, we remain steadfast in our mission to embed integrity in the very DNA of our corporate identity, ensuring that GPB continues to lead with integrity at the forefront of all we do.

FOCUS AREA 2
OUR ENVIRONMENTAL STEWARDSHIP

MOST MATERIAL MATTERS
- Protecting Land & Biodiversity
- Energy Management
- Emissions & Initiatives to Tackle Climate Change

GRI 2-23, 2-24, 2-25, 2-27, 202-2, 204-1, 301 - 308, F4GBM

Our Environmental Stewardship reflects a deep understanding of the environmental impact inherent in the timber, timber-related products, and glass manufacturing industries. Unsustainable practices in forestry can lead to habitat loss, biodiversity decline and land use disruption. Furthermore, energy-intensive processes significantly contribute to greenhouse gas (GHG) emissions, leading to climate change impact.

To address these challenges head-on, we proactively focused on three critical material matters: **Protecting Land and Biodiversity, Energy Management, and Emissions & Initiatives to Tackle Climate Change.** These interconnected areas form the basis of our business sustainability and environmental strategy.

By prioritising these material matters, we go beyond mere compliance with regulations. Our commitment fosters a culture of sustainability, delivering numerous benefits that include reduced environmental impact, a strengthened brand reputation and improved resource efficiency.

Our **"Focus Area 02: Our Environmental Stewardship"** embodies this philosophy. This proactive approach to environmental stewardship allows us to solidify our role as responsible environmental stewards, paving the way for a sustainable future for our industry and the planet that we all share.

THE IMPORTANCE OF ADDRESSING THESE MATERIAL MATTERS

1 PROTECTING LAND & BIODIVERSITY

Protecting land, biodiversity, and wildlife is critical for our timber-related operations. Healthy forests are essential for long-term timber supply, and unsustainable practices like clear-cutting can lead to deforestation, limiting our access to raw materials. Sustainable forestry practices, such as selective logging and replanting, ensure a healthy and renewable timber source. Healthy forests provide vital ecosystem services, including carbon sequestration, water filtration and soil erosion prevention, which benefit our operations indirectly by fostering a conducive environment.

FOCUS AREA 2
OUR ENVIRONMENTAL STEWARDSHIP (CONTINUED)

Moreover, prioritising land and wildlife protection makes strong business sense. Consumers increasingly favour companies committed to sustainability, enhancing brand reputation and attracting environmentally conscious customers. Stricter environmental regulations mean proactive protection can help avoid fines or operational restrictions, ensuring compliance and business sustainability. Protecting these elements transcends mere environmental stewardship as it represents a strategic business decision that fosters long-term success.

2 ENERGY MANAGEMENT

Our production processes are energy-intensive, leading to high fossil fuels based electricity and fuel bills. We can reduce energy consumption by implementing energy-efficient technologies and processes, translating directly to lower operating costs. This translates to improved profitability and a stronger financial position.

Much of our energy comes from fossil fuels, which contribute to GHG emissions and climate change. By effectively managing our energy consumption, we can decrease our carbon footprint and lessen our overall environmental impact. This aligns with growing consumer demand for sustainability and strengthens our brand reputation as an environmentally responsible company.

Energy efficiency often goes hand in hand with improved resource utilisation. For example, optimising kiln temperatures in glass production can reduce energy consumption and minimise glass waste. This translates to a more efficient use of raw materials, lowering overall production costs and minimising waste.

In essence, by prioritising energy management, we achieve a win-win situation. We reduce costs, minimise our environmental impact and improve resource efficiency, all of which contribute to a more sustainable and profitable future for the company.

3 EMISSIONS & INITIATIVES TO TACKLE CLIMATE CHANGE

Managing emissions and tackling climate change are not simply environmental goals as they are fundamental to our long-term success. As environmental regulations concerning GHG become stricter, proactive company like us are better positioned to comply and avoid potential fines or production restrictions. This ensures operational continuity and protects us bottom line.

Furthermore, the timber industry relies heavily on healthy forests. These forests act as vital carbon sinks, absorbing significant amounts of carbon dioxide. Deforestation and unsustainable practices associated with climate change ultimately harm the very resource base upon which we depend. Conversely, we contribute to mitigating climate change by managing our GHG emissions and promoting sustainable forestry. This encourages a healthy and resilient source of raw materials for the future, safeguarding our core business.

The impact extends beyond our industry. Climate change poses a significant threat to communities and ecosystems worldwide. By managing GHG emissions, we demonstrate social responsibility and contribute to a more sustainable future for everyone. This aligns with our values and fosters long-term stability for the Group.

By prioritising these interconnected material matters within **"Focus Area 02,"** we create a ripple effect. We secure long-term success by ensuring operational efficiency, environmental responsibility and brand reputation. This allows us to contribute to a healthier planet through reduced emissions and sustainable practices while shaping a more responsible industry by setting a positive example for our peers. Ultimately, this focus positions us as leaders in the years to come, recognised for our commitment to a sustainable future.

FOCUS AREA 2
OUR ENVIRONMENTAL STEWARDSHIP (CONTINUED)

STRATEGIC APPROACHES TO ADDRESSING THESE MATERIALITY MATTERS

1 PROTECTING LAND & BIODIVERSITY

FOREST MANAGEMENT PLAN

GPB prioritises responsible forestry practices that ensure the long-term health of our forests and the biodiversity that we harbour. The Group's comprehensive Forest Management Plan (FMP) 2008-2037 serves as a strategic framework, outlining strategic goals.

- **Sustainable Timber Harvesting**
  The FMP establishes a framework for harvesting practices that minimises environmental impact while ensuring a reliable, long-term timber supply to meet our operational needs.

FOREST PROTECTION MEASURES

PROTECTION AGAINST/FOR	MEASURES
ENCROACHMENT, PESTS AND DISEASE OUTBREAKS, FIRE, POLLUTION	• Demarcation and control of boundaries • Improving in nursery practice and forest hygiene • Securing buffer zones • Training in fire-fighting skills
SOIL AND PEAT MANAGEMENT	• Reducing destruction of vegetation and peat • Good soil management practices • Monitoring logging areas to prevent soil erosion
WATER RESOURCES	• Buffer zones around rivers and streams • Careful tree felling to avoid trees falling into rivers • No felling activities on rainy and windy days

We implement rigorous protection measures to safeguard our water resources during logging activities, mainly focusing on preserving rivers and streams. By establishing buffer zones with vegetation strips left untouched around water bodies, we maintain natural barriers, preventing sediment, pollutants and debris from entering the waterways.

These zones help stabilise the banks, filter out pollutants before they reach the water, and maintain the ecological integrity of the habitats within and around the streams and rivers.

Our tree felling practices are carefully planned and executed to ensure that trees do not fall into rivers and streams, thus preventing blockages and reducing the risk of flooding. This meticulous approach protects the aquatic ecosystems and minimises soil erosion and the subsequent sedimentation that can degrade water quality.

Through these strategic actions, we uphold our commitment to preserving water quality and ensuring the sustainability of natural resources vital for the environment and the communities that depend on them. These measures reflect our holistic approach to environmental stewardship and responsible resource management.

FOCUS AREA 2
OUR ENVIRONMENTAL STEWARDSHIP (CONTINUED)

* **Biodiversity Conservation**
  Safeguarding native flora and fauna is paramount. The plan mandates regular biodiversity assessments to identify threatened or endangered species and their critical habitats.

  Based on these assessments, the FMP designates and protects High Conservation Value Areas (HCVA) - crucial sanctuaries for biodiversity. Currently, our FMP safeguards an estimated HCVA of 525 ha at DTC and 7 ha at Cherul Forest Concession (CFC).

  - **IUCN Red List**
    Our forest areas provide habitats to several endangered tree and wildlife species listed on the International Union for Conservation of Nature (IUCN) Red List and National Conservation List, per the Wildlife Protection Act of 2010.

From KPKKT's Public Summary on The Sustainable Forest Management (SFM) of DTC & CFC, Malaysia (Version 2020), the following are lists of species found in our concession areas:

List of Unique and Rare Flora Species of Special Conservation Interest in DTC

- ***Scaphochlamys atroviridis***
- ***Vatica havilandii***
- ***Dipterocarpus sarawakensis***
- ***Shorea collina***
- ***Neobalanocarpus heimii***

Endemic Plants in Jerangau PRF, DTC

Neobalanocarpus heimii
Chengal

Dipterocarpus sarawakensis
Keruing Sarawak

Rafflesia spp.
Bunga Pakma

Note: Endemic to Terengganu
Combined lists of FRIM (2009) and WWF-Malaysia (1998)

FOCUS AREA 2
OUR ENVIRONMENTAL STEWARDSHIP (CONTINUED)

Mammal Species in Jerangau PRF, DTC

Common Name	Scientific Name Status	Protection IUCN	Status CITES	
Large Indian civet	Viverra zibetha	TP	NT	III
Malay civet	Viverra tangalunga	TP	LC	NL
Malayan porcupine	Hystrix brachyura	P	LC	III
Pig-tailed macaque	Macaca nemestrina	P	VU	II
Long-tailed macaque	Macaca fascicularis	P	LC	II
Banded langur	Presbytis femoralis	P	NT	II
White handed gibbon	Hylobates lar	TP	EN	II
Common barking deer	Muntiacus muntjak	P	LC	NL
Lesser Mouse deer	Tragulus javanicus	P	DD	NL
Wild pig	Sus scrofa	P	LC	NL
Malayan tapir	Tapirus indicus	TP	EN	I
Asian elephant	Elephas maximus	P	EN	I
Smooth otter	Lutra perspicillata	TP	VU	NL
Malayan sun bear	Helarctos malayanus	P	VU	I
Asiatic wild dog	Cuon alpinus	TP	EN	I
Leopard cat	Prionailurus bengalensis	TP	LC	I
Leopard	Panthera pardus	TP	NT	I
Asiatic Golden cat	Catopuma temminckii*	TP	NT	II
Malayan tiger	Panthera tigris jacksoni	TP	EN	I

Malayan Tapir

Malay Civet

Note:
EN – Endangered, VU- Vulnerable,
TP- Totally Protected, LC – Least Concern,
P-Protected, NT - Near threatened,
DD - Data deficient, NL- Not listed

Avifauna Species within DTC

No	Species common Name/Family	P	IUCN	Forest reserve
	Phasianidae			
1	Ferruginous Partridge	TP	NT	Jengai
2	Malaysian Peacock Pheasant	TP	VU	Jengai, Besul
3	Great Argus	TP	NT	Jengai
	Accipitridae			
4	Lesser Fish Eagle	TP	NT	Jengai, Besul
5	Grey-headed Fish Eagle	TP	NT	Jengai
	Psittacidae			
6	Blue-rumped Parrot	TP	NT	Jengai, Besul
	Cuculidae			
7	Short-toed Coucal	TP	VU	Besul
8	Chestnut-bellied Malkoha	TP	NT	Jengai
9	Black-bellied Malkoha	TP	NT	Besul
	Trogonidae			
10	Scarlet-rumped Trogon	TP	NT	Jengai
	Alcedinidae			
11	Rufous-collared Kingfisher	TP	NT	Jengai

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6

FOCUS AREA 2
OUR ENVIRONMENTAL STEWARDSHIP (CONTINUED)

Avifauna Species within DTC (continued)

No	Species common Name/Family	P	IUCN	Forest reserve
	Bucerotidae			
12	Black Hornbill	TP	NT	Jengai, Besul
13	Great Hornbill	TP	NT	Jengai
14	Rhinoceros Hornbill	TP	NT	Jengai
15	Helmeted Hornbill	TP	NT	Jengai
16	White-crowned Hornbill	TP	NT	Jengai, Besul
17	Wrinkled Hornbill	TP	NT	Jengai
	Megalaimidae			
18	Red-crowned Barbet	TP	NT	Jengai
19	Red-throated Barbet	TP	NT	Jengai
20	Yellow-crowned Barbet	TP	NT	Jengai, Besul
	Picidae			
21	White-bellied Woodpecker			Jengai, Besul
22	Olive-backed Woodpecker	TP	NT	Near border of Cp. J37/B3
23	Great Slaty Woodpecker	TP	VU	Jengai, Besul
	Eurylaimidae			
24	Green Broadbill	TP	NT	Jengai, Besul
25	Black-and-yellow Broadbill	TP	NT	Jengai, Besul
	Pittidae			
26	Garnet Pitta	TP	NT	Jengai
	Aegithinidae			
27	Green Iora	TP	NT	Jengai, Besul
	Campephagidae			
28	Fiery Minivet	TP	NT	Jengai, Besul
	Corvidae			
29	Crested Jay	TP	NT	Jengai
30	Black Magpie	TP	NT	Jengai, Besul
	Pycnonotidae			
31	Black-and-White Bulbul	TP	NT	Jengai
32	Grey-bellied Bulbul	TP	NT	Jengai, Besul
33	Puff-backed Bulbul	TP	NT	Jengai, Besul
34	Buff-vented Bulbul	TP	NT	Jengai, Besul
35	Streaked Bulbul	TP	NT	Jengai, Besul
	Timaliidae			
36	Brown Fulvetta	TP	NT	Jengai, Besul
37	Black-throated Babbler	TP	NT	Jengai
38	Chestnut-rumped Babbler	TP	NT	Jengai, Besul
39	Fluffy-backed Tit-Babbler	TP	NT	Jengai, Besul
40	Sooty-capped Babbler	TP	NT	Besul
41	White-chested Babbler	TP	NT	Jengai, near border of Cp. J37/B3 (Sg. Jengai)
42	Striped Wren-babbler/ Kenopia	TP	NT	Jengai
	Chloropsidae			
43	Lesser Green Leafbird	TP	NT	Jengai, Besul

18

22

Note:
EN – Endangered, VU- Vulnerable,
TP- Totally Protected, LC – Least Concern,
P-Protected, NT - Near threatened,
DD - Data deficient, NL- Not listed

FOCUS AREA 2
OUR ENVIRONMENTAL STEWARDSHIP (CONTINUED)

Wildlife in CFC

• Elephant • Porcupine • Tapir • Tiger • Otter • Hornbill
• Gibbon • Mousedeer • Barking deer • Mountain Goat
• Malayan Sun Bear

Elephant

Hornbill Tiger

Threatened and Endangered Freshwater Fish in DTC

• Kelah • Baung • Lampam • Tapah • Kelisa Putih

Kelah

Tapah Kelisa Putih

Threatened and Endangered Fauna Species in DTC

No	Fauna Species	Common Name	IUCN	CITES
1	Arctictis binturong	Binturong	VU	III
2	Bos gaurus	Gaur	VU	I
3	Bucerotidae spp.	Hornbill	VU/NT/LC	-
4	Callosciurus prevostii	Prevost's Squirrel	-	II
5	Cervidae	Deer	(Jadual 2-WWF -Malaysia 1998	-
6	Dicerorhinus sumatrensis	Sumatran Rhinocerous	CR	I
7	Elephas maximus	Asian Elephant	EN	I
8	Helarctos malayanus	Malayan Sun Bear	VU	I
9	Herpestes brachyurus	Short-tailed Mongoose	-	-
10	Hylabates lar	White-handed Gibbon	EN	II
11	Macaca fascicularis	Long-tailed Macaque	-	II
12	Macaca nemestrina	Pig-tailed Macaque	-	II
13	Martes falvigula	Yellow-throatd Marten	-	III
14	Nycteris javanica	Javan Slit-faced Bat	VU	-
15	Nycticebus caucang	Slow Loris	VU	I
16	Paguma larvata	Masked Palm Civet	-	III
17	Panther tigris jacksonii	Malayan Tiger	EN	I
18	Panther pardus	Leopard, Panther	-	I

Note:
EN – Endangered, VU- Vulnerable,
TP- Totally Protected, LC – Least Concern,
P-Protected, NT - Near threatened,
DD - Data deficient, NL- Not listed
CR - Critically Endangered

FOCUS AREA 2
OUR ENVIRONMENTAL STEWARDSHIP (CONTINUED)

Threatened and Endangered Fauna Species in DTC (continued)

No	Fauna Species	Common Name	IUCN	CITES
19	Petaurista petaurista	Red Giant Flying Squirrel	-	-
20	Erthizontidae	Porcupine	-	III
21	Prionailurus bengalensis	Leopard Cat	-	I
22	Presbytis melalophos	Banded Leaf Monkey	EN	-
23	Ratufa affinis	Cream-coloured Gaint Squirrel	-	II
24	Ratufa bicolor	Black Giant Squirrel	-	II
25	Cervus unicolor	Sambar Deer	VU	-
26	Sus scrofa	Wild Pig	-	-
27	Tadarida johorensis	Northern Free-tailed Bat	VU	-
28	Tapirus indicus	Malayan Tapir	EN	I
29	Trachypithecus obscurus	Dusky Leaf Monkey	-	II
30	Tragulus javanicus	Lesser Mousedeer	-	III
31	Tupaia glis	Malayan Treeshrew	-	II
32	Tupaia minor	Lesser Treeshrew	-	II
33	Viverra tangalunga	Malayan Civet	-	-

Note:
EN – Endangered, VU- Vulnerable,
TP- Totally Protected, LC – Least Concern,
P-Protected, NT - Near threatened,
DD - Data deficient, NL- Not listed

WILDLIFE PROTECTION

The Group is committed to conservation efforts and takes a proactive approach by collaborating with non-governmental organisations (NGOs) such as the World Wide Fund for Nature (WWF) and the Department of Wildlife and National Parks (PERHILITAN). Our joint efforts involve identifying and monitoring threatened and endangered mammal species.

Tranquillity at Sungai Ulu Paka, Dungun. A picturesque scene capturing the serene beauty of nature, with the calm river reflecting large trees and clear skies.

Kelulut bee hive colonies that is commonly found amongst the trees in our forest concession areas.

FOCUS AREA 2
OUR ENVIRONMENTAL STEWARDSHIP (CONTINUED)

- **Endangered Species**
  19 mammal species and 176 birds species that inhabite our forest concession areas were identified.

Mammals:

Tapirs *(Tapirus indicus)* **a**

Tigers *(Panthera tigris)* **b**

Leopard *(Panthera pardus)*

Clouded Leopard *(Neofelis nebulosa)*

Leopard Cat *(Prionailurus bengalensis)*

Asian Golden Cat/Asiatic Golden Cat/ Temminck's Golden Cat *(Pardofelis temminckii)*

Marbled Cat *(Pardofelis marmorata)* **c**

White Handed Gibbon *(Hylobates Lar)*

Asian Elephant *(Elephas Maximus)* **d**

Asiatic Wild Dog *(Cuon Alpinus)*

Birds:

Hornbills *(Family bucerotidae)* **e**

Malayan Peacock-pheasant/Crested Peacock-pheasant *(Polyplectron malacense)*

"Towards maintaining biodiversity"

FOCUS AREA 2
OUR ENVIRONMENTAL STEWARDSHIP (CONTINUED)

- **Climate Change Mitigation**
  Recognising the vital role of forests in carbon sequestration, the FMP incorporates strategies promoting healthy forest growth. This maximises carbon absorption, contributing to a more sustainable global climate. We plant more than 30,000 saplings of various species, such as Meranti Rambai Daun, Meranti Tembaga, Kapur (which are listed under the IUCN Red List), annually, as part of our replanting programme.

- **Environmental Stewardship**
  The FMP fosters a comprehensive approach to environmental protection. This includes measures to prevent soil erosion, minimise water pollution and ensure responsible waste management throughout our forestry operations.

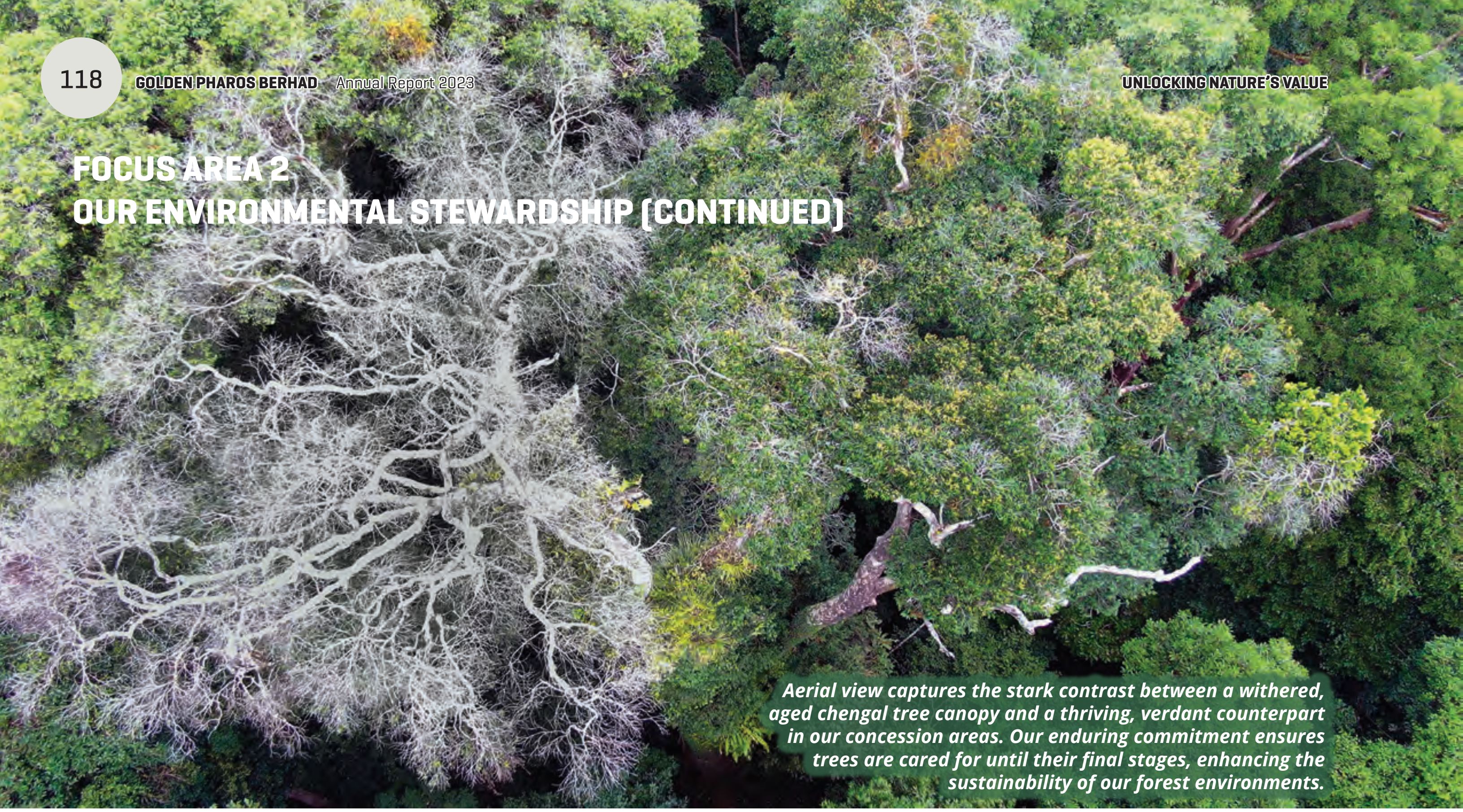
- **Rotational Harvesting Cycle**
  We practice a sustainable forestry management approach with a 30-year rotational cycle. This ensures ample time for trees to mature before we reacces the concession area for harvesting, promoting long-term forest health and resource regeneration.

GPFP is a vital component of GPB's forest preservation initiatives. GPFP is actively involved in the planting, transplanting, thinning and conservation of forests and timber tracts, as well as operating forest tree nurseries.

Through its commendable efforts, GPFP significantly contributes to the Group's commitment to sustainable forestry and responsible land use practices, ensuring a healthier and greener future for generations to come.

In FY2023, tree saplings were planted at Ladang Hutan GPFP, Jerangau in support of the Greening Malaysia programme, 100 million Tree-Planting Campaign 2021-2025 under the auspices of the Energy and Natural Resources Ministry with cooperation from the Forestry Department of Peninsular Malaysia, State Forest Departments, Forest Research Institute of Malaysia and State Governments.

FOCUS AREA 2
OUR ENVIRONMENTAL STEWARDSHIP (CONTINUED)



Aerial view captures the stark contrast between a withered, aged chengal tree canopy and a thriving, verdant counterpart in our concession areas. Our enduring commitment ensures trees are cared for until their final stages, enhancing the sustainability of our forest environments.

UPHOLDING SUSTAINABILITY THROUGH RIGOROUS FOREST MANAGEMENT CERTIFICATION

We acknowledge the vital role that forests play in maintaining ecological balance and environmental wellbeing. To ensure our operations adhere to the highest international standards, we rigorously follow the SFM. The SFM incorporates the stringent requirements of both the Forest Stewardship Council® (FSC®) and Malaysian Criteria and Indicators (MC&I) for Forest Management Certification (Natural Forest).

What is Sustainable Forest Management (SFM)?

1. Determination of an annual working area to meet the Annual Allowable Cut (AAC) imposed by the State Forestry Department.

2. Selective felling operations to minimise unnecessary damage to the environment.
To reduce the impact of logging activities on biodiversity, we practice Reduced Impact Logging (RIL) and avoid ground cutting of slip roads by using existing forest roads cleared during the first 30-year rotation of timber harvesting (KPKKT is into the second rotation).

3. Proper boundary demarcation to prevent accidental encroachment beyond the annual working area.

4. Efficient timber haulage and transportation to minimise forest damage.

5. Tree-marking to identify logging selection.

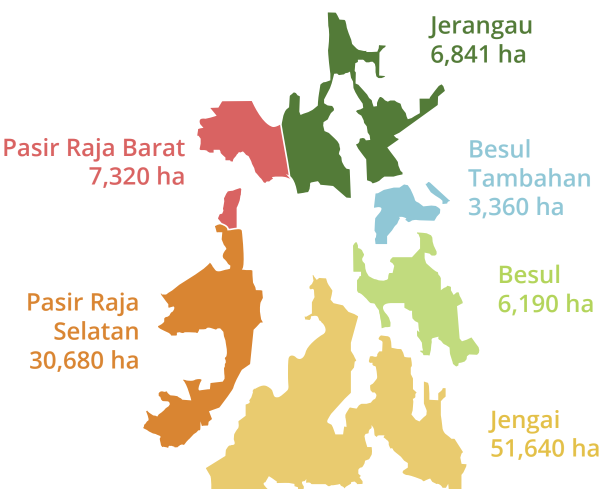
6. Area rehabilitation and timber stand improvement to assess and regenerate forests.
A post-felling inventory operation is conducted several years after the completion of logging to assess the regeneration status of the residual timber stand and decide on the appropriate timber stand improvement (TSI) operations for rehabilitation. The most common TSI operation is open-area planting using fast-growing indigenous species from the nursery, which KPKKT maintains in the Jengai PRF, covering an area of 0.56 ha and capable of accommodating 40,000 tree seedlings at any one time.

FOCUS AREA 2
OUR ENVIRONMENTAL STEWARDSHIP (CONTINUED)

Our dedication to SFM principles is evidenced through our accreditation with the SCS-FSC® Interim Standard for Forest Management Certification in Malaysia Version 5.0.2014. Awarded by the independent auditing body Scientific Certification Systems (SCS), this certification signifies the responsible management practices employed throughout our forestry operations.

Since its initial issuance in 2008, we have maintained this prestigious certification, a testament to our ongoing adherence to SFM principles. For FSC®, the current validity period has reached its conclusion in early 2024, and we have proactively engaged in the recertification process. This ensures the continuous alignment of our practices with the evolving standards for sustainable forest management.

PERMANENT RESERVED FORESTS (PRF) AT DTC



Adhering to these stringent SFM practices and maintaining FSC® certification, we provide stakeholders with verifiable assurance. They can be confident that our timber products are sourced responsibly, minimising environmental impact while preserving precious ecosystems for future generations. This commitment to sustainability leadership positions us as a trusted partner and industry leader within the forestry sector.

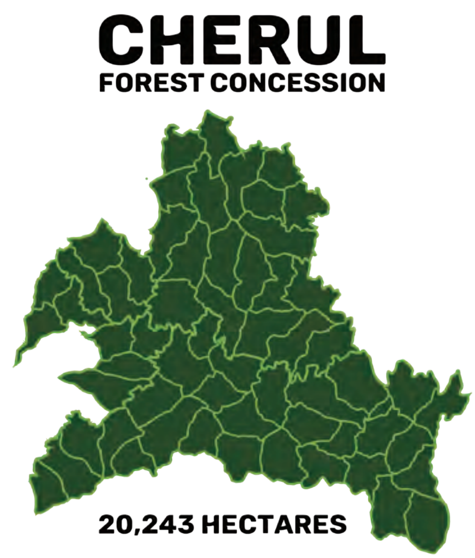
FOREST MANAGEMENT AREAS

Dungun Timber Complex (DTC)
106,031 ha
6 Areas within DTC

Cherul Forest Concession (CFC), Kemaman
20,243 ha
Part of Cherul PRF

TOTAL
126,274 ha

PRF = Permanent Reserved Forest



Nestled within the captivating landscapes of the DTC lies the majestic Chemerong Waterfall, a true gem of Malaysia. This natural wonder beckons adventurers with its exhilarating hiking trails, notably the Chemerong-Berembun-Langsir (CBL) track.

Embarking on a 27-kilometer journey from the Chemerong Tropical Forest, hikers are treated to a scenic trek that unfolds over two hours, leading them to the first checkpoint – the awe-inspiring Chemerong Waterfall. Here, amid the lush greenery, the sight of water cascading down, plummeting 1,214 feet (370 meters), and pounding against the rugged rocks below is nothing short of mesmerizing.

FOCUS AREA 2
OUR ENVIRONMENTAL STEWARDSHIP (CONTINUED)

2 ENERGY MANAGEMENT

Our commitment to responsible environmental stewardship extends beyond sustainable forestry practices. We are actively embracing renewable energy solutions to minimise our environmental footprint and create a more sustainable future. This dedication is evident in our progress on solar photovoltaic (PV) installations at two key facilities: PESAKA and PPSB.

PESAKA TRENGGANU BERHAD (PESAKA)

- Achieved a major milestone by successfully completing the solar PV installation.
- PESAKA's Solar PV System was fully operational commencing 25 January 2024.

PERMINT PLYWOOD SDN BHD (PPSB)

- The solar PV installation at PPSB was also completed.
- Currently, are awaiting approval from the Sustainable Energy Development Authority (SEDA). Once approved, we will proceed with the license application from Suruhanjaya Tenaga Malaysia (STM).
- We expect the PPSB Solar PV System to be operational by the end of the second quarter of 2024.

GP GLASS SDN BHD (GP GLASS)

- The Board has approved the PV installation at GP Glass in the first quarter of 2024.
- Currently in the midst of applying for the license from the authority.
- We are targeting to commence in the fourth quarter of 2024.

These solar PV installations represent a leap forward in our energy management strategy. By harnessing clean and renewable solar power, we aim to achieve several key objectives:

REDUCED RELIANCE ON FOSSIL FUELS

Transitioning to solar energy will significantly decrease our dependence on conventional fossil fuels. This not only translates to lower energy costs but also minimises our greenhouse gas emissions, contributing to a cleaner and more sustainable future.

ENVIRONMENTAL RESPONSIBILITY

Solar power is a clean and renewable energy source. By embracing this technology, we are committed to environmental stewardship and contributing towards to a healthier planet for future generations.

ENHANCED EFFICIENCY AND COST SAVINGS

Efficient energy use is paramount for long-term business success. Solar PV installations will not only reduce our reliance on the grid but also generate cost savings through lower electricity bills. This results in a more sustainable and financially responsible future for our Group.

Installing these solar PV systems marks a significant step forward in our commitment to environmental stewardship. We look forward to the positive impact they will generate, not only on our energy consumption and costs but also on the environment as a whole. This initiative serves as a testament to our ongoing pursuit of innovative solutions that contribute to a more sustainable future for our industry and the planet.

FOCUS AREA 2
OUR ENVIRONMENTAL STEWARDSHIP (CONTINUED)

ENERGY CONSUMPTION (MW)

	2023		2022	
	ELECTRICITY (MW)	FUEL (KILOLITRES)	ELECTRICITY (MW)	FUEL (KILOLITRES)
GPB	36.3	10.2	25.3	7.7
KPKKT	58.2	59.3	51.3	7.5
PESAKA	285.6	2.0	231.7	10.2
PESAMA	358.9	9.6	186.9	10.1
PPSB	191.9	0.6	241.3	1.8
GP GLASS	3,041.9	34.5	3,436.5	51.5
GPFP	-	6.6	-	1.8
Total	**3,972.8**	**122.8**	**4,173.0**	**90.6**
Conversion		1,371.2		1,011.6
Total (MW)	**5,344.0**		**5,184.6**	

Conversion of kilolitres to MW with unitconverters.net/energy

ENERGY INTENSITY

	ENERGY CONSUMPTION 2023 (MW)	UNIT OF PRODUCTION 2023	INTENSITY RATIO 2023	ENERGY CONSUMPTION 2022 (MW)	UNIT OF PRODUCTION 2022	INTENSITY RATIO 2022
GPB[1]	150.2	89.23	1.68	111.3	70.20	1.59
KPKKT[2]	720.3	16,624	0.04	135.0	7,918	0.02
PESAKA[3]	307.9	6,358	0.05	345.6	3,782	0.09
PESAMA[3]	466.1	2,106	0.22	299.7	1,723	0.17
PPSB[4]	198.6	1,106	0.18	261.4	1,157	0.23
GP GLASS[5]	3,427.4	370,932	0.01	4,011.5	356,049	0.01
GPFP[6]	73.7	119.6	0.62	20.1	130.7	0.15

[1]RM million in revenue
[2]hoppus tonnes of logs
[3]metric tonnes of sawn timber
[4]cubic metres of veneer
[5]square meters of glass
[6]1,000 of trees planted

GHG EMISSIONS

SCOPE	EMISSIONS SOURCE	FUEL TYPE	GHG EMISSIONS CONSUMPTION 2023	CO_2e (mt) 2023	CO_2e (mt) 2022
GPB					
1	Mobile Combustion	Petrol	9,779 litres	23.4	18.4
2	Purchased Electricity	Various	36,283 kWh	22.5	21.8
3	Employee Commuting	Petrol	10,508 litres	25.1	25.3
3	Business Travel	Various	11,098 km	1.3	5.1
TOTAL: GPB				**72.3**	**70.6**

FOCUS AREA 2
OUR ENVIRONMENTAL STEWARDSHIP (CONTINUED)

GHG EMISSIONS (CONTINUED)

SCOPE	EMISSIONS SOURCE	FUEL TYPE	GHG EMISSIONS CONSUMPTION 2023	CO_2e (mt) 2023	CO_2e (mt) 2022
KPKKT					
1	Mobile Combustion	Petrol	17,259 litres	41.2	5.9
		Diesel	42,061 litres	111.0	13.2
2	Purchased Electricity	Various	58,166 kWh	36.1	31.8
3	Employee Commuting	Petrol	37,546 litres	89.7	115.0
3	Business Travel	Various	-	-	0.9
TOTAL: KPKKT				**278.0**	**166.8**
PESAMA					
1	Stationary Combustion	Wood Waste	33 mt	60.4	38.4
	Mobile Combustion	Petrol	3,881 litres	9.3	22.2
		Diesel	5,764 litres	15.2	2.3
2	Purchased Electricity	Various	358,888 kWh	222.5	115.9
3	Employee Commuting	Petrol	28,506 litres	68.1	32.3
3	Business Travel	Various	55,118km	6.3	2.6
TOTAL: PESAMA				**381.8**	**213.7**
PESAKA					
1	Mobile Combustion	Petrol	1,434 litres	3.4	19.6
		Diesel	533 litres	1.4	5.3
2	Purchased Electricity	Various	285,581 kWh	177.1	143.7
3	Employee Commuting	Petrol	30,149 litres	72.1	74.6
3	Business Travel	Various	-	-	2.0
TOTAL: PESAKA				**254.0**	**245.2**
PPSB					
1	Stationary Combustion	Wood Pallet	382.4 mt	699.8	164.7
	Mobile Combustion	Petrol	568 litres	1.4	3.8
		Diesel	-	-	0.6
2	Purchased Electricity	Various	191,885 kWh	119.0	149.6
3	Employee Commuting	Petrol	42,411 litres	101.4	86.0
3	Business Travel	Various	-	-	0.4
TOTAL: PPSB				**921.6**	**405.1**

FOCUS AREA 2
OUR ENVIRONMENTAL STEWARDSHIP (CONTINUED)

GHG EMISSIONS (CONTINUED)

SCOPE	EMISSIONS SOURCE	FUEL TYPE	GHG EMISSIONS CONSUMPTION 2023	CO_2e (MT) 2023	CO_2e (MT) 2022
GP GLASS					
1	Mobile Combustion	Petrol	14,418 litres	34.5	25.3
		Diesel	20,039 litres	52.9	107.9
2	Purchased Electricity	Various	3,041,784 kWh	1,885.9	2,130.6
3	Employee Commuting	Petrol	16,931 litres	40.5	42.8
3	Business Travel	Various	10,019 km	1.2	2.8
TOTAL: GP GLASS				**2,015.0**	**2,309.4**
GPFP					
1	Mobile Combustion	Petrol	3,248 litres	7.8	1.6
		Diesel	3,351 litres	8.8	3.1
2	Purchased Electricity	Various	-	-	31.8
3	Employee Commuting	Petrol	7,499 litres	17.9	15.6
3	Business Travel	Various	45,412 km	5.2	2.5
TOTAL: GPFP				**39.7**	**54.6**

Group		
Scope 1 Sub-total	**1,070.5**	**432.3**
Scope 2 Sub-total	**2,463.1**	**2,625.2**
Scope 3 Sub total	**428.8**	**407.9**
GRAND TOTAL	**3,962.4**	**3,465.4**

Conversion of wood waste to CO_2e x 1.83 kg (Source: www.engineeringtoolbox.com)
Conversion of diesel to CO_2e: litre x 2.64 kg (Source: www.ecoscore.be)
Conversion of petrol to CO_2e: litre x 2.39 kg (Source. www.ecoscore.be)
Conversion of electricity to CO_2e (Malaysia): kWh x 0.62 kg (Source: www.worldbenchmarkingalliance.org)

Rationale for conversion references:

- *Ecoscore offers a more accurate conversion rate than other US-based references as Malaysia's diesel and petrol sources are either from Europe or Asia. In any case, the difference in conversion rates between Ecoscore and US-based converters are marginal and in the second decimal point*
- *The conversion rate for electricity generation varies according to the types of power generators in each specific country. World Benchmarking Alliance has estimated that Malaysia's unique mix of power generation sources will emit 0.62 kg of CO_2e by 2023 from 0.59 in 2017 after taking into consideration the development of new power plants during the 5-year 2018-2022 period. As such, we have opted to use 0.62 kg (2023) as the emissions factor.*

GUIDELINES FOR QUANTIFYING GHG EMISSIONS
Intergovernmental Panel on Climate Change (IPCC)
GHG Protocol

FOCUS AREA 2
OUR ENVIRONMENTAL STEWARDSHIP (CONTINUED)

EMISSIONS INTENSITY

	EMISSIONS 2023 (CO_2e)	UNIT OF PRODUCTION 2023	INTENSITY RATIO 2023	EMISSIONS 2022 (CO_2e)	UNIT OF PRODUCTION 2022	INTENSITY RATIO 2022
GPB[1]	72.3	89.23	0.81	70.6	70.20	1.01
KPKKT[2]	278.0	16,624	0.02	166.8	7,918	0.02
PESAKA[3]	254.0	6,358	0.04	245.2	3,782	0.06
PESAMA[3]	381.8	2,106	0.18	213.7	1,723	0.12
PPSB[4]	921.6	1,106	0.83	405.1	1,157	0.35
GP GLASS[5]	2,015.0	370,932	0.01	2,309.4	356,049	0.01
GPFP[6]	39.7	119.6	0.33	54.6	130.7	0.42

[1]RM million in revenue
[2]hoppus tonnes of logs
[3]metric tonnes of sawn timber
[4]cubic metres of veneer
[5]square metres of glass
[6]hectares of trees planted

WATER CONSUMPTION (m^3)

	2023	2022
GPB	1,000	862
KPKKT	6,632	5,983
PESAKA	13,646	12,505
PESAMA	59,917	50,789
PPSB	3,564	4,987
GP GLASS	17,944	26,750
TOTAL	**102,703**	**101,876**

WATER USAGE INTENSITY

	WATER CONSUMPTION 2023 (m^3)	UNIT OF PRODUCTION 2023	INTENSITY RATIO 2023	WATER CONSUMPTION 2022 (m^3)	UNIT OF PRODUCTION 2022	INTENSITY RATIO 2022
GPB[1]	1,000	89.23	11.20	862	70.20	12.28
KPKKT[2]	6,632	16,624	0.40	5,983	7,918	0.76
PESAKA[3]	13,646	6,358	2.15	12,505	3,782	3.31
PESAMA[3]	59,917	2,106	28.45	50,789	1,723	29.48
PPSB[4]	3,564	1,106	3.22	4,987	1,157	4.31
GP GLASS[5]	17,944	370,932	0.05	26,750	356,049	0.08

[1]RM million in revenue
[2]hoppus tonnes of logs
[3]metric tonnes of sawn timber
[4]cubic metres of veneer
[5]square metres of glass
[6]hectares of trees planted

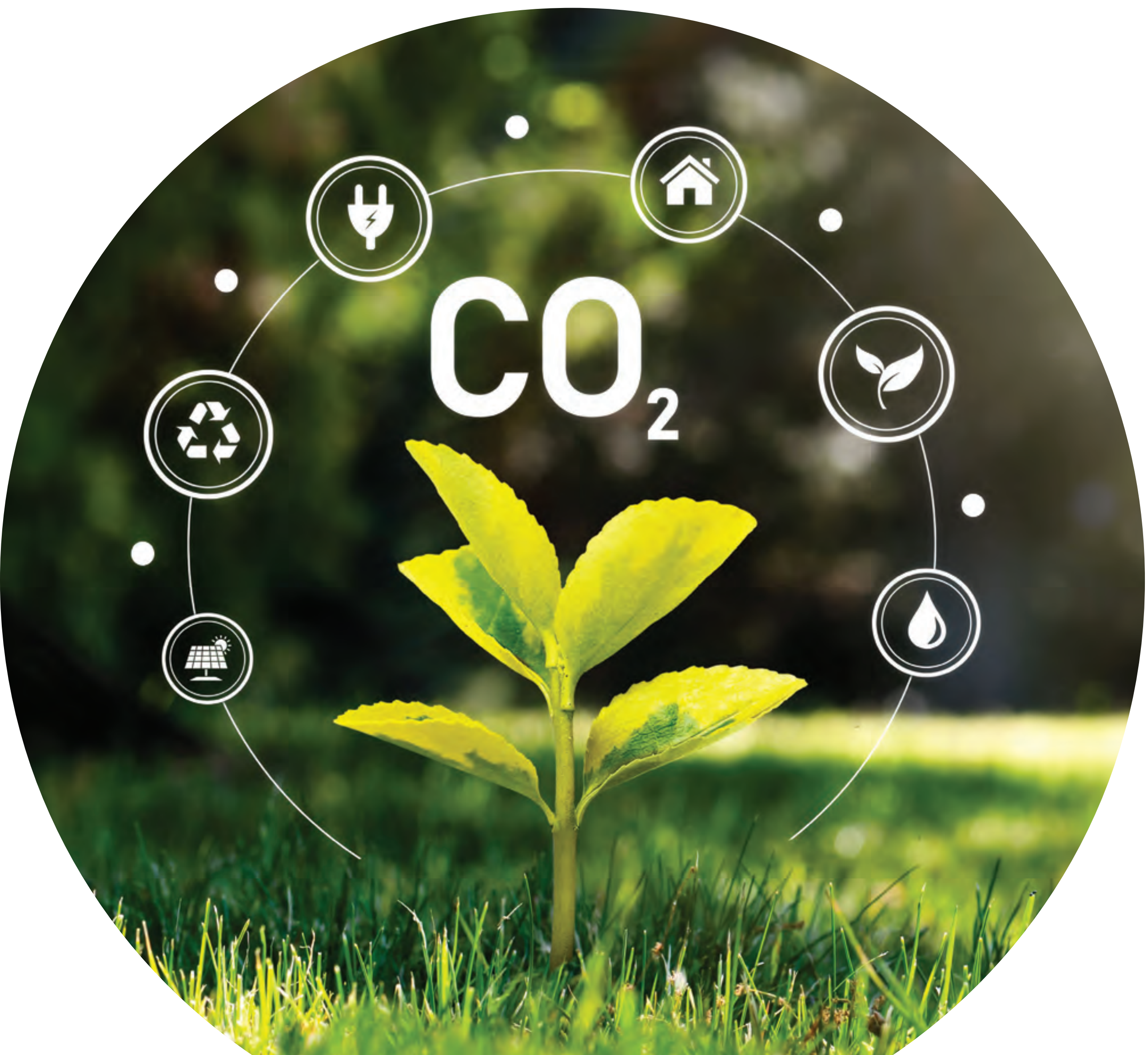
FOCUS AREA 2
OUR ENVIRONMENTAL STEWARDSHIP (CONTINUED)

3 EMISSIONS AND INITIATIVES TO TACKLE CLIMATE CHANGE

CARBON MANAGEMENT STRATEGY

We recognise the critical challenge of climate change with the increasing frequency of extreme weather events. In 2023, we took a leap forward in carbon management. We refined our strategy, ensuring it aligned with best practices and addressed our needs. This strategic foundation became the springboard for establishing a comprehensive emissions baseline. We did not just focus on the low-hanging fruit – both Scope 1 (direct emissions from our operations) and Scope 2 (indirect emissions from purchased electricity) were rigorously tracked and quantified.

Demonstrating a commitment to transparency, we extended our analysis even further. We gained a holistic understanding of our carbon footprint by proactively including select sources within Scope 3 (indirect emissions from our value chain), such as business travel, employee commuting, customers and vendors. This data-driven approach provides the foundation for developing and implementing effective emissions reduction strategies in the coming years.



FOCUS AREA 2
OUR ENVIRONMENTAL STEWARDSHIP (CONTINUED)

INVENTORY OF EMISSION SOURCES

STATIONARY COMBUSTION – INVENTORY

PESAMA

Equipment: **Heat Boiler**

Type of Fuel: **Wood Waste**

PPSB

Equipment: **Steam Boiler**

Type of Fuel: **Wood Waste & Veneer**

Equipment: **Dryer**

Type of Fuel: **Wood Pallet**

** Not operated/used in 2023*

MOBILE COMBUSTION – INVENTORY

GPB
Type of Fuel: **Petrol**
Motor Vehicles: **5**

Type of Fuel: **Diesel**
Motor Vehicles: **1**

PESAMA
Type of Fuel: **Petrol**
Motor Vehicles: **4**

Type of Fuel: **Diesel**
Motor Vehicles: **2**
Lorries: **1**
Forklifts: **5**
Others*: **3**

PPSB
Type of Fuel: **Diesel**
Motor Vehicles: **1**
Others*: **1**

KPKKT
Type of Fuel: **Petrol**
Motor Vehicles: **3**

Type of Fuel: **Diesel**
Motor Vehicles: **22**
Lorries: **1**
Others*: **8**

PESAKA
Type of Fuel: **Petrol**
Motor Vehicles: **5**

Type of Fuel: **Diesel**
Motor Vehicles: **3**
Lorries: **2**
Forklifts: **9**
Others*: **4**

GP GLASS
Type of Fuel: **Petrol**
Motor Vehicles: **6**

Type of Fuel: **Diesel**
Motor Vehicles: **0**
Lorries: **5**
Forklifts: **4**

GPFP
Type of Fuel: **Diesel**
Motor Vehicles: **3**

TOTAL
Type of Fuel: **Petrol**
Motor Vehicles: **23**

Type of Fuel: **Diesel**
Motor Vehicles: **32**
Lorries: **9**
Forklifts: **18**
Others*: **16**

** Backhoe, log loader, motograder, forklift, cutting machine*

REFRIGERANTS – INVENTORY

	Refrigerants	No. of Units
GPB	R22	8
	R23	2
	R32	9
	R410A	7
KPKKT/ GPFP	R22	7
	R32	20
	R410A	-
	R33	1
PESAMA	R22	24
	R32	3
	R410A	5
	RAS-24SKPX	4
	RAS-24NKPX	1
	RAS-13SKPX	1
	RAS-13SKPX	1
	IP24	1
PESAKA	R22	9
	R32	10
PPSB	R32	9
GP GLASS	R22	28
	R32	11
	R410A	6

NUMBER OF UNITS ACCORDING TO TYPE OF REFRIGERANTS

R22	**76**
R23	**2**
R32	**62**
R410A	**18**
Others	**8**

FOCUS AREA 2
OUR ENVIRONMENTAL STEWARDSHIP (CONTINUED)

GPB's commitment to reducing its carbon footprint goes beyond mere measurement. We are actively implementing a multi-pronged approach that includes reactive and proactive measures.

- **Reactive Measures**
  Throughout FY2023, we continuously optimised equipment usage, maintained our vehicle fleet effectively and transitioned to environmentally friendly refrigerants. In addition, we prioritised minimising electricity consumption in our administrative offices. These efforts represent a practical and immediate approach to reducing our emissions.

- **Proactive Measures**
  Looking ahead, we have undertaken significant proactive measures for long-term sustainability. The installation of solar photovoltaic (PV) panels is the start of our transition to renewable energy, which will significantly reduce our reliance on the national electricity grid and our overall carbon footprint.

Beyond operational changes and renewable energy, we are exploring innovative solutions to combat climate change. Our vast forest concession areas hold immense potential as carbon sinks, naturally absorbing and storing atmospheric carbon dioxide. We are exploring the possibility of entering the carbon offset market, leveraging this natural resource to mitigate climate change impacts. By harnessing this potential, we aim to become a part of the solution.

By implementing a comprehensive strategy that combines data analysis, operational improvements, renewable energy adoption, and exploration of carbon offset opportunities, GPB demonstrates a strong commitment to environmental stewardship in 2023. We are confident that these actions will significantly reduce our environmental impact and contribute to a more sustainable future for future generations.

Transitioning to solar power is a key component of our carbon reduction strategies, aimed at reducing our reliance on the national electricity grid.

We are scrutinising areas within our sawmilling manufacturing operations to identify opportunities for conserving energy and fuel, thereby driving down GHG emissions.

FOCUS AREA 2
OUR ENVIRONMENTAL STEWARDSHIP (CONTINUED)

MANAGING CLIMATE CHANGE

We are continuously focused on minimising our environmental footprint through a comprehensive strategy prioritising pollution prevention and resource conservation.

- **Preventing Pollution at the Source**
  We recognise the potential environmental impact of our glass manufacturing operations at our subsidiary company, GP Glass and have implemented stringent anti-pollution SOPs. These procedures govern various SOPs in the manufacturing process and water treatment that utilise chemicals. Beyond simply reacting to spills, these SOPs are designed to prevent spillage altogether.

Complementing these procedural safeguards, GP Glass operates its own wastewater treatment plant. This critical facility ensures that any effluent released meets stringent standards, minimising the risk of ground water contamination. Furthermore, GP Glass conducts regular sampling and analysis of its effluent discharge, providing ongoing monitoring and assurance of environmental responsibility.

Another key priority is the responsible disposal of solid waste. We appoint qualified third-party contractors to ensure the safe and compliant disposal of all solid waste generated from our operations and activities.

ADHERENCE TO ANTI-POLLUTION REGULATIONS
Environmental Quality (Industrial Effluents) Regulations 2009

Aerial perspective of our forest concession area. Through careful stewardship, we ensure the preservation of biodiversity and the long-term health of our forests, fostering environmental sustainability for future generations.

FOCUS AREA 2
OUR ENVIRONMENTAL STEWARDSHIP (CONTINUED)

SCHEDULED WASTE DISPOSAL

PESAMA

Spent lubricating oil (SW305)
100 kg*
FY2022: 200 kg

Disposal Method
* Half the volume was reused for sawmill operations

PESAKA

Spent lubricating oil (SW305)
196 kg*
FY2022: 177 kg

Disposal Method
* Total volume was reused for sawmill operations.

Disposed containers, bags or equipment (SW409)
-
FY2022: 150 kg

Disposal Method
Competent Contractor

Contaminated rags, gloves, plastics, papers, filters (SW410)
266 kg
FY2022: 85 kg

Disposal Method
Competent Contractor

KPKKT

Spent lubricating oil (SW305)
300 kg*
FY2022: -

Contaminated rags, gloves, plastics, papers, filters (SW410)
50 kg
FY2022: -

GP GLASS

Contaminated rags, gloves, plastics, papers, filters (SW410)
337 kg
FY2022: 191 kg

Disposed containers, bags or equipment (SW409)
81 kg
FY2022: 60.5 kg

Residual oil (SW315)
125 kg
FY2022: 312 kg

Metal/Brine/Soap sludge containing metals such as chromium, copper, nickel, zinc, lead, cadmium, aluminium, tin, vanadium and beryllium (SW204)
2,948 kg
FY2022: 1,700 kg

Disposal Method
Competent Contractor

Total glass cutoff sent to recycled
523,000 kg
FY2022: -

Total glass purchased
5,860,290 kg
FY2022: -

Total glass sold
4,706,258 kg
FY2022: -

FOCUS AREA 2
OUR ENVIRONMENTAL STEWARDSHIP (CONTINUED)

- **Conserving Resources for a Sustainable Future**
  Our dedication to responsible forest management practices fosters a deep appreciation for resource conservation. We understand that natural resources are finite, so we prioritise efficient and responsible resource utilisation across all our operations.

CONSERVATION INITIATIVES TOWARDS A CIRCULAR ECONOMY
Recycling paper, plastic, aluminium cans and glass.
Increasing the use of video and voice conferencing.
Turning off power to all electrical appliances and lights during non-working hours.

Annual Report is now primarily disseminated in a digital format, accessible via a QR code.

Sawdust and other by-products are supplied to third parties to extend their life cycle.

Our glass manufacturing operations prioritise purchasing only the necessary raw materials, including chemicals and packaging materials. In FY2023, GP Glass purchased 5,860.3 mt of glass, of which 4,706.3 mt of processed glass was sold and 0.5 mt of glass cutlets was sent for recycling.

Our involvement in the entire wood-based product value chain minimises the need to purchase additional raw materials for our timber operations.

In efforts to reducing our electricity and water consumption, employee awareness campaigns are critical in promoting responsible resource use within our facilities. Furthermore, we are actively exploring the implementation of an activity-based energy optimisation management system.

- **Promoting a Circular Economy**
  GPB subsidiaries, PESAKA and PPSB, actively adopt a circular economy approach to minimise waste generation. This involves innovative initiatives to utilise production by-products, including sawdust and woodchips. These materials are supplied to third-party manufacturers, extending their life cycle and preventing them from becoming waste. A total of 4,526 tonnes of recycled woodchips derived from PESAKA's and PESAMA's operations were sold to a third-party manufacturer.

  By prioritising pollution prevention and resource conservation, GPB demonstrates a strong commitment to environmental stewardship. These comprehensive strategies ensure responsible operations and contribute to a more sustainable future for future generations.

FOCUS AREA 3
DRIVING PERFORMANCE THROUGH PEOPLE

MOST MATERIAL MATTERS
- Protecting Safety & Health of Workers & Sub-Contractors
- Training, Education & Career Development

GRI 2-7, 2-8, 2-19, 2-20, 2-21 401 – 410, F4GBM

Within the competitive landscape of the timber and glass manufacturing industries, operational excellence hinges on a highly skilled and safety-conscious workforce.

Occupational safety and health, as well as upskilling and reskilling development, are inextricably linked. We prioritise a culture that fosters wellbeing through robust safety measures and ongoing training. This commitment to employee health and continuous learning empowers our workforce, creating a foundation for a successful and sustainable future in the timber and glass manufacturing industries.

Our **"Focus Area 03: Driving Performance Through People"** embodies this philosophy. Within this framework, we prioritise two critical material matters: **Protecting the Safety & Health of Workers & Subcontractors and Training, Education & Career Development.** This synergistic approach paves the way for a resilient future for both our people and our businesses.

THE IMPORTANCE OF ADDRESSING THESE MATERIAL MATTERS

1 PROTECTING THE SAFETY & HEALTH OF WORKERS & SUB-CONTRACTORS

In the timber and glass manufacturing industries, where heavy machinery and potentially hazardous materials are common place, prioritising the safety and health of workers and subcontractors is an ethical responsibility and a critical business imperative.

- **Compliance and Risk Mitigation**
  The timber and glass manufacturing industries have specific safety regulations. By actively addressing safety, we ensure compliance and minimise the risk of legal ramifications.

- **Enhanced Worker Morale and Engagement**
  Employees who feel valued and protected are more engaged and motivated. Prioritising safety reinforces our commitment to their wellbeing, leading to a more positive and productive work environment.

FOCUS AREA 3
DRIVING PERFORMANCE THROUGH PEOPLE (CONTINUED)

- **Attracting and Retaining Top Talent**
  A strong safety record and commitment to employee wellbeing can be a significant differentiator in a competitive industry vying for skilled workers. It attracts and retains top talent, crucial for innovation and long-term success.

- **Reduced Costs and Increased Productivity**
  Accidents and ill health can lead to costly downtime, production delays and higher turnover of workers. A robust safety culture minimises these risks, leading to a more productive and efficient work environment.

2 TRAINING, EDUCATION & CAREER DEVELOPMENT

Investing in our people through these focus areas is essential for business continuity and career announcement.

- **Keeping Pace with Technological Advancements**
  The timber and glass manufacturing industries are constantly evolving with new technologies and equipment. Investing in training ensures our workforce is equipped with the necessary skills to operate safely and effectively.

- **Building a Culture of Continuous Improvement**
  A skilled and adaptable workforce can identify and implement improvements in processes and techniques. This breeds a culture of innovation and continuous improvement, leading to increased efficiency and product quality.

- **Employee Satisfaction and Retention**
  Providing growth opportunities through education and career development programmes demonstrate our investment in our employees' future. This instils a sense of loyalty and satisfaction, reducing turnover and promoting long-term employee retention. There were no complaints of human rights violations during the year in review.

- **Developing Future Leaders**
  By investing in our workforce, we cultivate a talent pool equipped with the necessary skills and experience to assume future leadership roles within the Group. This ensures long-term stability and organisational continuity.

By addressing these two material matters, we create a win-win situation for our employees and businesses in the competitive timber and glass industry.

In-House Training on Employment Law for Managers, led by Tuan Mansor bin Ibrahim. Equipping managers with essential knowledge and skills, this session aimed to enhance organisational compliance and inculcate a culture of legal awareness and responsibility.

FOCUS AREA 3
DRIVING PERFORMANCE THROUGH PEOPLE (CONTINUED)

STRATEGIC APPROACHES TO ADDRESSING THESE MATERIALITY MATTERS

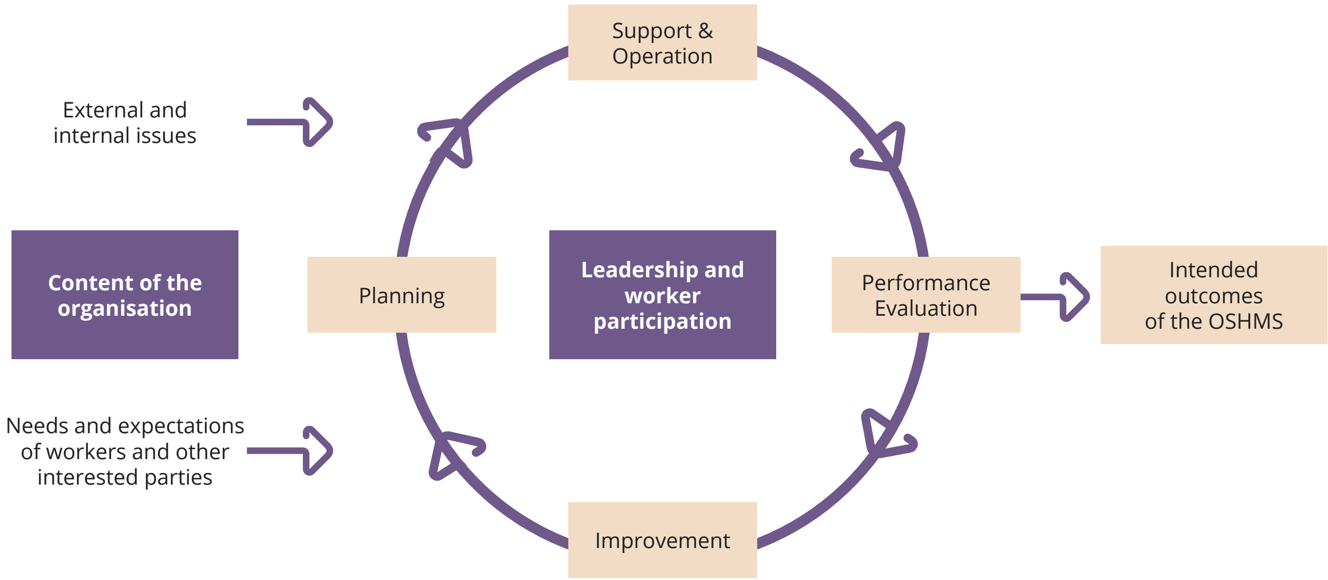
1 PROTECTING THE SAFETY & HEALTH OF WORKERS & SUB-CONTRACTORS

The Group's timber harvesting, wood production and glass manufacturing operations come with inherent risks. As a responsible and ethical organisation, we prioritise the safety and health of our employees and business partners who work in our operational areas. We have implemented various measures to ensure their well-being, including regular safety training, providing personal protective equipment, and ensuring compliance with safety regulations and industry best practices.

We firmly believe that the safety of our employees and partners is of utmost importance, and we will continue to strive to create a safe and healthy work environment for everyone involved in our operations.

- **Comprehensive Occupational Safety and Health (OSH) Framework**
  We take the safety of our personnel very seriously. We have implemented a comprehensive framework to ensure the safety of everyone involved in our operations. This framework outlines stringent procedures for every aspect of our work, from equipment handling to emergency response, to ensure consistent safety practices are always followed.

SCOPE OF OSH MANAGEMENT SYSTEM (OSHMS)



More importantly, we have developed the Golden Pharos Group Occupational Safety & Health (GPGOSH) Organisational Structure that is essential for the effective management of all related awareness, activities and incidents. This structure serves as a guide for our management team to ensure that all processes and procedures are being followed correctly and that all issues are resolved in a timely and efficient manner. The GPGOSH is designed to provide a clear chain of command, allowing for effective communication and the quick resolution of any incidents that may arise. Our management team is committed to overseeing all related activities and ensuring that all incidents are managed appropriately to maintain a safe and secure work environment for all our employees.

FOCUS AREA 3
DRIVING PERFORMANCE THROUGH PEOPLE (CONTINUED)

GPGOSH ORGANISATIONAL STRUCTURE

ADVISOR
MOHD ROSLAN BIN MAMAT
(Acting Chief Executive Officer)

CHAIRMAN
NIK NUR HAFIZI BIN NIK ZULKERNAIN

SECRETARY
KHADIJAH BINTI YAZID

DEPUTY CHAIRMAN
ABD MANAP BIN MAT

PPSB	PESAMA	GPFP	GP Glass	KPKKT	PESAKA	GPB
KHADIJAH BINTI YAZID	**NIK NUR HAFIZI BIN NIK ZULKARNAIN** (SHO)	**NUR LEEYANA BINTI AHMOK** (ENVIROMENTAL OFFICER)	**MUHAMMAD FAKQRUL FAISAL BIN MOHD SHAROM**	**ARNINA BINTI RAHMAD**	**ABD MANAP BIN MAT** (SHO)	**ROSILAWATI BINTI JAMBOL**

The OSH framework, managed by the GPGOSH, is regularly reviewed and updated to remain relevant and effective.

In addition to the OSH framework, we are committed to complying with all OSH laws and regulations. This includes keeping abreast with any changes to legislation and making the necessary adjustments to our policies and procedures accordingly.

RELEVANT OSH LAWS AND REGULATIONS
Occupational Safety and Health Act 1994 (OSHA 1994)
Factories and Machinery Act 1967 (FMA 1967)

As safety is a top priority in any workplace, and we are committed to maintaining the highest standards of safety and security. The OSH framework and safety audits form part of our efforts to ensure that our employees work in a safe and secure environment.

- **Proactive Hazard Identification and Mitigation**
  Our systematic and comprehensive approach to hazard management involves actively identifying and assessing potential risks across all areas of operations, including but not limited to equipment, processes and environmental factors.

  To achieve this, we rely on established guidelines that are regularly reviewed and updated to ensure they reflect the latest industry standards and best practices. We conduct routine safety audits to identify and mitigate potential hazards that could pose a risk to our employees. These routine audits and inspections are done by the Safety & Health Officer, while external audits will be conducted by the Department of OSH officer to identify even the most subtle risks. Once identified, we take immediate steps to mitigate any potential hazards to ensure the safety of everyone in our organisation. During FY2023, we conducted an internal audit led by our OSH personnel.

FOCUS AREA 3
DRIVING PERFORMANCE THROUGH PEOPLE (CONTINUED)

OSH PROCESSES

1. Hazard reporting
2. Stop work and evacuation from any hazardous situation
3. Corrective actions
4. Continuous improvements

SAFETY MEASURES

1. Regular toolbox meetings/safety briefings to workers before commencement of work
2. The operating units conducts periodic training sessions for workers on SOPs, OSH and sustainability
3. Safety and warning signs are regularly updated
4. The Safety and Health Officer (SHO) conducts an annual Compliance and Sustainability Audit for all operating units to ensure compliance with all regulatory requirements and the Group's OSH Policy

Our commitment to hazard management underscores our unwavering dedication to safety, excellence, and responsible corporate citizenship.

- **Culture of Safety**

  At our workplace, safety is a top priority, and we go above and beyond the standard regulations to ensure a safe and secure environment for all employees. We firmly believe that a nurturing and productive work environment is built on the foundation of employee wellbeing. To achieve this, we provide comprehensive and ongoing training programmes that enable our employees and contract workers to gain a deep understanding of and commitment to our occupational health and safety (OSH) policies and procedures.

  Through our awareness programmes, we ensure that everyone is aware of the potential hazards and risks involved in their work and equipped with the necessary knowledge and skills to mitigate them. By promoting a culture of safety, we foster a sense of responsibility and accountability among all stakeholders, ensuring that everyone works together to promote a safe and secure workplace.

  Our commitment to OSH policies and procedures extends beyond mere compliance with regulations. We are dedicated to providing a safe and healthy work environment for everyone, and we believe that this can only be achieved through continuous training, awareness, and collaboration.

OSH STATISTICS

Injury Rate (IR)
8.3
FY2022: 20.0

Loss Time Injury Frequency Rate (LTIFR)
6.3
FY2022: 13.6

We are committed to promoting a culture of wellbeing that ensures all workers can operate in an environment free from harm. Our focus on safety empowers our workforce and contributes to increased productivity and efficiency, ultimately positioning us for long-term success in the timber and glass manufacturing industries. All employees underwent OSH training in FY2023.

FOCUS AREA 3
DRIVING PERFORMANCE THROUGH PEOPLE (CONTINUED)

2 TRAINING, EDUCATION & CAREER DEVELOPMENT

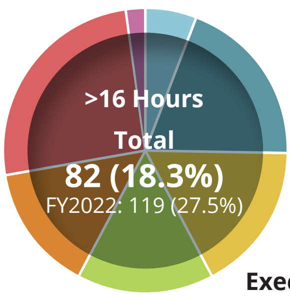
At GPB, we place great importance on cultivating an environment that encourages continuous learning and development. We recognise that in today's fast-paced and ever-changing world, a skilled and adaptable workforce is essential for our organisation's success and long-term sustainability. As such, we are committed to providing our employees with opportunities to enhance their knowledge, skills, and abilities, which will enable them to stay ahead of the curve and contribute to the growth and success of our Group.

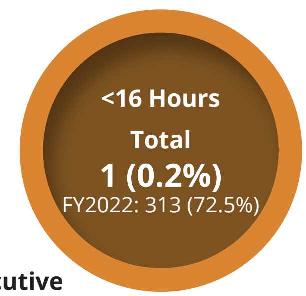
- **Comprehensive Training Programmes**
  We take great pride in offering our employees a comprehensive suite of training programs that are thoughtfully designed to enable them to hone their expertise and expand their skill set. By participating in our training programmes, our employees can stay up-to-date with the latest industry trends and best practices, and cultivate essential soft skills that are fundamental to thriving in the modern workplace. Our training programmes are structured in a way that is engaging, interactive and informative, providing our employees with the opportunity to learn from experienced professionals and engage in hands-on activities that reinforce their learning.

Ensuring a safe working environment is paramount. Through comprehensive employee training in safety protocols and procedures, we prioritise the wellbeing of our people. Investing in their knowledge equips them to handle any situation with confidence, reinforcing a culture of safety and preparedness across our organisation.

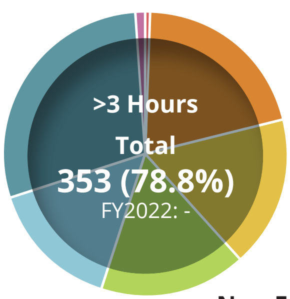
FOCUS AREA 3
DRIVING PERFORMANCE THROUGH PEOPLE (CONTINUED)

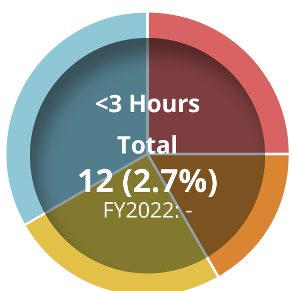
EMPLOYEE TRAINING 2023





Executive

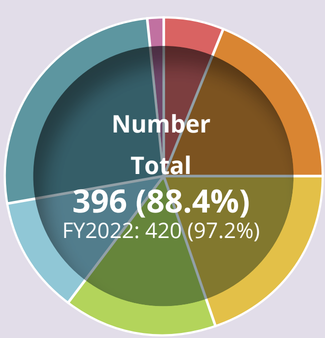




Non-Executive

No. of Employees	Executive >16 hours	Executive <16 hours	Non-Executive >3 hours	Non-Executive <3 hours
GPB **27** FY2022: 27	**22** FY2022: 22	**-** FY2022: 5	**2** FY2022: -	**3** FY2022: -
KPKKT **87** FY2022:79	**11** FY2022: 42	**1** FY2022: 37	**73** FY2022: -	**2** FY2022: -
PESAMA **76** FY2022: 83	**12** FY2022: 11	**-** FY2022: 72	**61** FY2022: -	**3** FY2022: -
PESAKA **69** FY2022: 66	**10** FY2022:11	**-** FY2022: 55	**59** FY2022:-	**-** FY2022: -
PPSB **65** FY2022: 51	**8** FY2022: 8	**-** FY2022: 43	**53** FY2022: -	**4** FY2022: -
GP GLASS **115** FY2022: 119	**13** FY2022: 18	**-** FY2022: 101	**102** FY2022: -	**-** FY2022: -
GPFP **9** FY2022: 7	**6** FY2022: 7	**-** FY2022: -	**3** FY2022: -	**-** FY2022: -

EMPLOYEE PERFORMANCE REVIEW



Number	
GPB **27** FY2022: 26	PPSB **60** FY2022: 50
KPKKT **67** FY2022:79	GP GLASS **110** FY2022: 110
PESAMA **72** FY2022: 83	GPFP **5** FY2022: 6
PESAKA **55** FY2022: 66	

FOCUS AREA 3
DRIVING PERFORMANCE THROUGH PEOPLE (CONTINUED)

- **Career Development Opportunities**
  As our employees are our greatest asset, and we are dedicated to ensuring that they have the tools support they need to achieve their career goals. We offer various programmes and initiatives to support career growth and development.

  In addition, we regularly post job openings on our internal job board, providing employees with the chance to advance within the Group. We also encourage employees to work with their supervisors to identify their career aspirations and develop personalised development plans that align with their goals. By providing these opportunities and resources, we aim to help our employees succeed and thrive in their careers.

- **Focus on Lifelong Learning**
  We encourage a culture of lifelong learning by offering opportunities for professional development outside of formal training programmes. This may include supporting attendance at conferences, workshops, and industry events. Additionally, we may provide resources for online learning platforms and professional certifications.

We firmly believe that investing in our employees' professional growth not only benefits them but also enhances our organisational performance and overall competitiveness.

Staying ahead and being safe by equipping our employees with OSH training to ensure readiness for any workplace emergency.

FOCUS AREA 3
DRIVING PERFORMANCE THROUGH PEOPLE (CONTINUED)

Our employees enthusiastically engage in a wide array of environmental and community programmes organised by the Group. Apart from specially curated training, we encourage employee volunteerism as their active involvement reinforces our dedication to social responsibility. We prioritise acknowledging and celebrating their contributions, understanding that employee recognition is paramount to fostering a culture of positivity, motivation, and wellbeing within GPB.

FOCUS AREA 3
DRIVING PERFORMANCE THROUGH PEOPLE (CONTINUED)

By adhering to the Group's policies regulations and guidelines we cultivate a conducive workplace environment where everyone can thrive.

EMPLOYMENT POLICIES, REGULATIONS AND GUIDELINES

1. Freedom of Association Policy.
2. Minimum Wages & Leave Pay Policies in Malaysia.
3. Foreign Workers Recruitment Guidelines & Procedures In Malaysia.

KEY HIGHLIGHTS AND COMMITMENT TO POLICIES AND GUIDELINES FOR EMPLOYMENT

1. No recruitment fee policy.
2. No retention of employee/worker passports.
3. Paying workers statutory minimum wage.
4. Robust grievance mechanisms and procedures.
5. No discrimination of workers and procedures for worker recruitment processes.

EMPLOYEE COMPENSATION AND BENEFITS

MARRIAGE LEAVE

3 working days for first legal marriage.

PARENTAL LEAVE

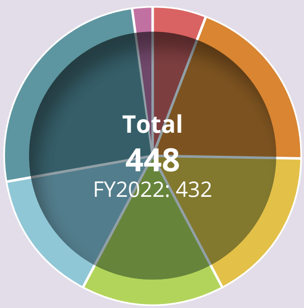
98 working days maternity leave.

7 consecutive days of paternity leave.

FOCUS AREA 3
DRIVING PERFORMANCE THROUGH PEOPLE (CONTINUED)

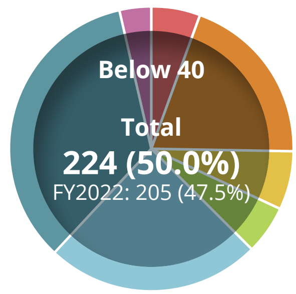
BREAKDOWN OF EMPLOYEES

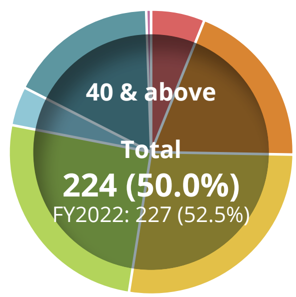
TOTAL WORKFORCE



GPB **27** FY2022: 27	PESAKA **69** FY2022: 66	GPFP **9** FY2022: 7
KPKKT **87** FY2022: 79	PPSB **65** FY2022: 51	
PESAMA **76** FY2022: 83	GP GLASS **115** FY2022: 119	

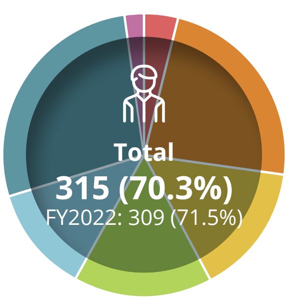
BY AGE GROUP

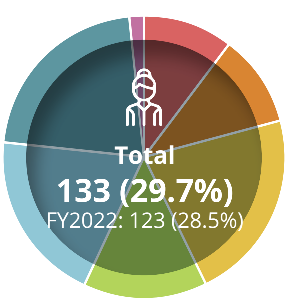




	Below 40	40 & above
GPB	**13** FY2022: 15	**14** FY2022: 12
KPKKT	**44** FY2022: 34	**43** FY2022: 45
PESAMA	**15** FY2022: 17	**61** FY2022: 66
PESAKA	**12** FY2022: 12	**57** FY2022: 54
PPSB	**55** FY2022: 35	**10** FY2022: 16
GP GLASS	**77** FY2022: 85	**38** FY2022: 34
GPFP	**8** FY2022: 7	**1** FY2022: -

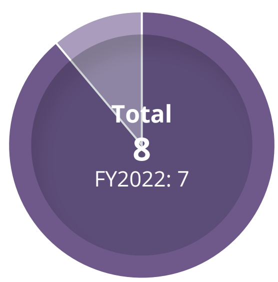
BY GENDER





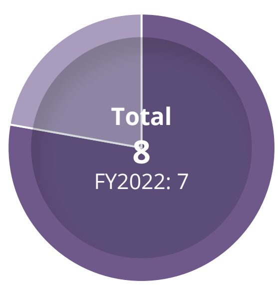
	Male	Female
GPB	**13** FY2022: 13	**14** FY2022: 14
KPKKT	**73** FY2022: 66	**14** FY2022: 13
PESAMA	**47** FY2022: 53	**29** FY2022: 30
PESAKA	**50** FY2022: 48	**19** FY2022: 18
PPSB	**39** FY2022: 33	**26** FY2022: 18
GP GLASS	**86** FY2022: 91	**29** FY2022: 28
GPFP	**7** FY2022: 5	**2** FY2022: 2

DIRECTORS BY GENDER



	Male	Female
GPB	**7 (87.5%)** FY2022: 7 (100.0%)	**1 (12.5%)** FY2022: -

DIRECTORS BY AGE GROUP



Below 50

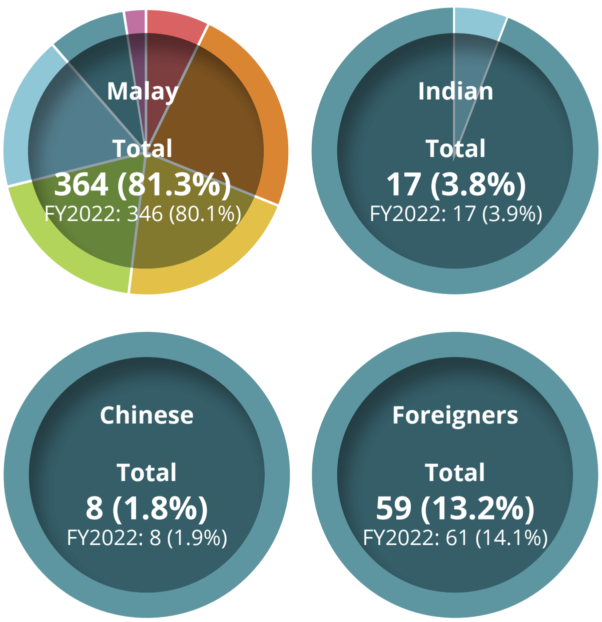
GPB
1 (12.5%)
FY2022: 1 (14.3%)

50 & above

7 (87.5%)
FY2022: 6 (85.7%)

FOCUS AREA 3
DRIVING PERFORMANCE THROUGH PEOPLE (CONTINUED)

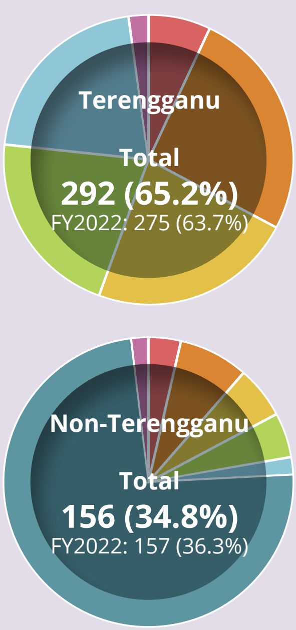
BREAKDOWN OF EMPLOYEES



BY RACE/NATIONALITY

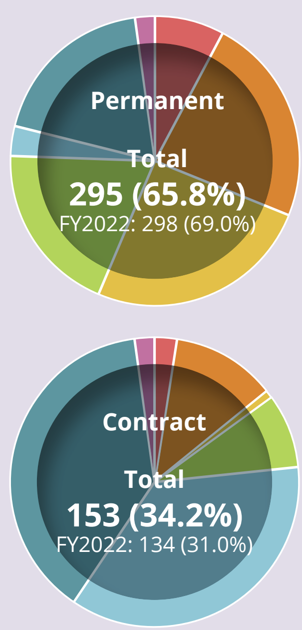
	Malay	Chinese	Indian	Foreigners
GPB	**27** FY2022: 27	**-** FY2022: -	**-** FY2022: -	**-** FY2022: -
KPKKT	**87** FY2022: 79	**-** FY2022: -	**-** FY2022: -	**-** FY2022: -
PESAMA	**76** FY2022: 83	**-** FY2022: -	**-** FY2022: -	**-** FY2022: -
PESAKA	**69** FY2022: 66	**-** FY2022: -	**-** FY2022: -	**-** FY2022: -
PPSB	**64** FY2022: 50	**-** FY2022: -	**1** FY2022: 1	**-** FY2022: -
GP GLASS	**32** FY2022: 34	**8** FY2022: 8	**16** FY2022: 16	**59** FY2022: 61
GPFP	**9** FY2022: 7	**-** FY2022: -	**-** FY2022: -	**-** FY2022: -

BY REGION



	Terengganu	Other States
GPB	**21** FY2022: 20	**6** FY2022: 7
KPKKT	**75** FY2022: 71	**12** FY2022: 8
PESAMA	**67** FY2022: 74	**9** FY2022: 9
PESAKA	**61** FY2022: 57	**8** FY2022: 9
PPSB	**62** FY2022: 49	**3** FY2022: 2
GP GLASS	**-** FY2022: -	**115** FY2022: 119
GPFP	**6** FY2022: 4	**3** FY2022: 3

BY EMPLOYMENT TYPE

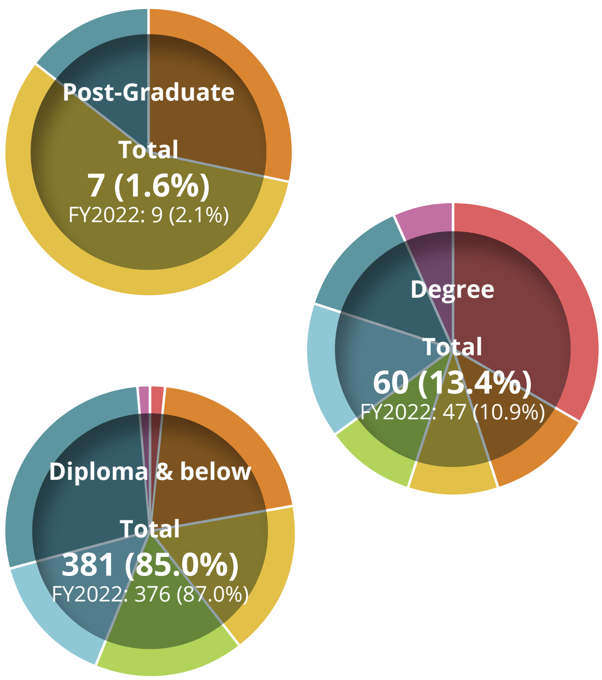


	Permanent	Contract
GPB	**23** FY2022: 21	**4** FY2022: 6
KPKKT	**69** FY2022: 64	**18** FY2022: 15
PESAMA	**75** FY2022: 82	**1** FY2022: 1
PESAKA	**56** FY2022: 59	**13** FY2022: 7
PPSB	**10** FY2022: 10	**55** FY2022: 41
GP GLASS	**56** FY2022: 57	**59** FY2022: 62
GPFP	**6** FY2022: 5	**3** FY2022: 2

FOCUS AREA 3
DRIVING PERFORMANCE THROUGH PEOPLE (CONTINUED)

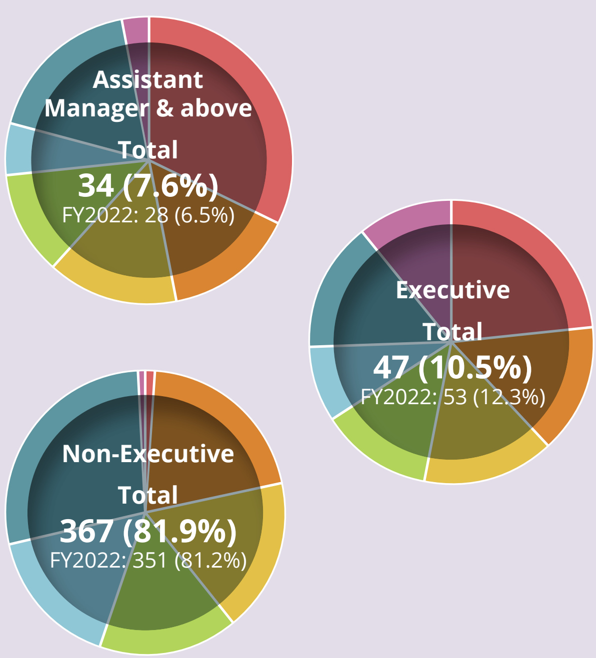
BREAKDOWN OF EMPLOYEES

BY QUALIFICATION



	Post-Graduate	Degree	Diploma & below
GPB	**-** FY2022: 3	**20** FY2022: 15	**7** FY2022: 9
KPKKT	**2** FY2022: 2	**7** FY2022: 7	**78** FY2022: 70
PESAMA	**4** FY2022: 3	**6** FY2022: 6	**66** FY2022: 74
PESAKA	**-** FY2022: -	**6** FY2022: 5	**63** FY2022: 61
PPSB	**-** FY2022: -	**9** FY2022: 6	**56** FY2022: 45
GP GLASS	**1** FY2022: -	**8** FY2022: 5	**106** FY2022: 114
GPFP	**-** FY2022: 1	**4** FY2022: 3	**5** FY2022: 3

BY JOB LEVEL

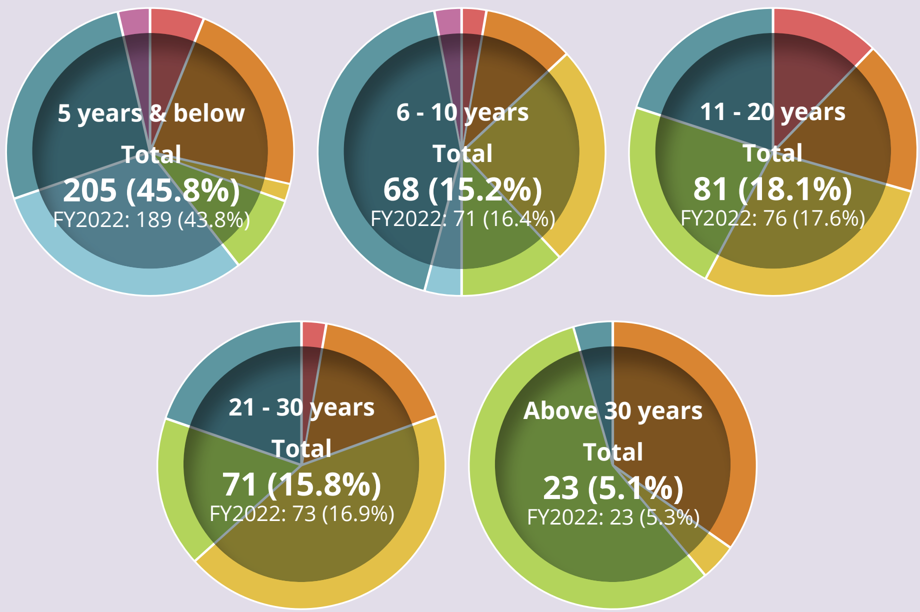


	Assistant Manager & Above	Executive	Non-Executive
GPB	**11** FY2022: 10	**11** FY2022: 12	**5** FY2022: 5
KPKKT	**5** FY2022:4	**7** FY2022: 6	**75** FY2022: 69
PESAMA	**5** FY2022: 3	**7** FY2022: 10	**64** FY2022: 70
PESAKA	**4** FY2022: 3	**6** FY2022: 8	**59** FY2022: 55
PPSB	**2** FY2022: 1	**4** FY2022: 7	**59** FY2022: 43
GP GLASS	**6** FY2022: 6	**7** FY2022: 6	**102** FY2022: 107
GPFP	**1** FY2022: 1	**5** FY2022: 4	**3** FY2022: 2

FOCUS AREA 3
DRIVING PERFORMANCE THROUGH PEOPLE (CONTINUED)

BREAKDOWN OF EMPLOYEES

BY YEARS OF SERVICE



	5 years & below	6 - 10 years	11 - 20 years	21 - 30 years	Above 30 years
GPB	13	2	10	2	-
KPKKT	46	7	14	12	8
PESAMA	4	17	23	31	1
PESAKA	18	8	18	12	13
PPSB	62	3	-	-	-
GP GLASS	55	29	16	14	1
GPFP	7	2	-	-	-

FOCUS AREA 4
BUILDING MEANINGFUL SOCIAL INTERACTIONS

MOST MATERIAL MATTERS
- Customer Feedback & Satisfaction
- Local Community Engagement

GRI 2-28, 2-29, 203-1, 203-2, 411, 413-414, 416-418, F4GBM

In today's world, **Building Meaningful Social Interactions** is the key to success. This is an essential aspect in the timber and glass manufacturing industries, where trust and understanding with customers and the local community is required.

This Material Matters have been identified: **Customer Feedback and sanctification and Community Engagement.** Our **"Focus Area 04: Building Meaningful Social Interactions"** embodies this philosophy. By prioritising these two areas, we can create a foundation for strong social interactions that benefit our business and the communities we serve.

THE IMPORTANCE OF ADDRESSING THESE MATERIAL MATTERS

1 CUSTOMER FEEDBACK AND SATISFACTION

- **Building Trust and Loyalty**
  We take an active approach by responding to any customer feedback promptly. Satisfied customers are integral to the success of our business, and therefore, we strive to exceed their expectations.

- **Improving Product Development**
  Gathering customer feedback is necessary for producing high quality products in the timber and glass manufacturing industries. This valuable insight into our customers' needs and preferences allows us to develop products tailored to their requirements. By incorporating this feedback throughout the product development process, we can stay ahead of the curve and offer functional, effective products that resonate with our target audience.

2 COMMUNITY ENGAGEMENT

- **Social License to Operate**
  The timber and glass manufacturing industries rely heavily on natural resources and directly impacts the environment. Engaging with the local community goes beyond good public relations as it is critical to our responsible business practices.

  Proactive engagement encourages open communication. Addressing community concerns early on prevents disruptions like protests or legal challenges that can significantly impact our operation.

- **Access to Talent and Resources**
  Engaged communities are move likely to view our Group favourably, positioning us as an attractive employer. As a result, we would have a wider talent pool to recruit from, and potential partnerships with local organisations can provide valuable resources.

FOCUS AREA 4
BUILDING MEANINGFUL SOCIAL INTERACTIONS (CONTINUED)

STRATEGIC APPROACHES TO ADDRESSING MATERIALITY MATTERS

1 ANNUAL SURVEY AND CUSTOMER FEEDBACK

We intend to conduct a new materiality matters survey in FY2024, in line with the enhanced requirements of Common Indicators and Sector-Specific Indicators of Bursa Malaysia Sustainability Reporting Guide, 3rd Edition. The previous survey was conducted in FY2018.

We are committed to exceeding our customers' expectations and providing exceptional service. Valuing their feedback and addressing concerns at any time, annual surveys are conducted to better understand their needs and improve our products and services.

As issues can arise from time to time. We promptly, fairly and transparently resolve any issues following established guidelines and procedures. We also take our customers' privacy seriously and adhere to the Personal Data Protection Act 2010 (PDPA).

In summary, our customers are our priority and we are dedicated to ensuring their needs are always at the forefront by providing them with the best possible service.

PESAMA CUSTOMER FEEDBACK SURVEY RESULTS

SCORE 4.59

GP GLASS CUSTOMER FEEDBACK SURVEY RESULTS

	URGENT DELIVERY SUPPORT	RESPONSIVENESS TO ENQUIRY	MANAGEMENT COMMITMENT ON TASKS	QUALITY OF PRODUCT	COMPLETION OF DELIVERY	COST COMPETITIVENESS
2023	4.1	4.4	4.0	4.0	3.8	3.9
2022	3.9	4.5	4.2	4.0	3.8	4.0
2021	3.9	4.2	4.1	4.1	3.7	4.1
2020	4.0	4.4	4.0	4.2	3.9	3.7
2019	4.2	4.1	4.2	4.0	4.0	4.0

	GOOD SUPPORT	QUALITY NEEDS IMPROVEMENT	LATE FEEDBACK TO CUSTOMER	DELIVERY NEEDS IMPROVEMENT	NO COMMENT
2023	3	1	1	4	22
2022	1	0	5	2	21
2021	5	1	0	3	12
2020	3	2	1	5	26
2019	3	2	3	2	32

FOCUS AREA 4
BUILDING MEANINGFUL SOCIAL INTERACTIONS (CONTINUED)

STAKEHOLDER ENGAGEMENT

STAKEHOLDER GROUPS	MATERIALITY SUSTAINABILITY AREAS	HOW WE ENGAGE
Shareholders and Investors	• Financial and Economic Performance. • Updates on Business Performance. • Sustainable Future Business Opportunities. • Sustainable Shareholder Value.	• Annual General Meeting. • Annual Report and Sustainability Report. • Announcement of Quarterly Results. • Website. • Networking Sessions.
Employees	• Training and Career Development. • Diverse and Inclusive Workplace. • Health, Safety and Environment. • Code of Conduct. • Code of Business Ethics. • Employee Satisfaction. • Employee Engagement.	• Talent Development Programmes. • Induction Exercise for New Employees. • Town Hall Meetings. • Employee Wellbeing, Health and Safety. • Circulation of Human Resource Policies. • Training and e-Learning. • Events.
Customers	• Product Pricing. • Marketing and Promotions. • Delivery Service. • Quality Products. • Customers' Satisfaction.	• Periodic project meetings and site visits. • Website/Social Media Platforms. • Customer Feedback Surveys. • Events/Roadshows.
Local Communities	• Community Engagement. • Life-improvement Programmes. • Environmental and Social Impacts. • Corporate Social Responsibility (CSR).	• Sponsorship of community service events. • Social and environmental initiatives. • *Zakat* and donations.

FOCUS AREA 4
BUILDING MEANINGFUL SOCIAL INTERACTIONS (CONTINUED)

STAKEHOLDER ENGAGEMENT

STAKEHOLDER GROUPS	MATERIALITY SUSTAINABILITY AREAS	HOW WE ENGAGE
Authorities/Regulators	• Compliance with requirements set by government agencies or other regulatory authorities. • Compliance with Bursa Securities' MMLR Securities Commission, Companies Commission of Malaysia and other reporting guidelines. • Policies are aligned with areas of national interests including initiatives.	• Discussions and meetings with regulatory authorities. • Public consultation with local authorities. • Site inspections. • Seminars, briefings and training. • Audit exercise.
Vendors	• Product and service quality, service scope and payment schedule. • Clear procurement policies and practices.	• Vendor/supplier registration. • Procurement policies. • Performance evaluation.
Certification Bodies	• Adherence to International Organization for Standardization (ISO), Forest Stewardship Council (FSC®) and Chain of Custody (CoC) Certification. • Compliance to requirements set by regulatory authorities. • GP Glass – ISO 9001:2015. • PPSB - Programme for the Endorsement of Forest Certification (PEFC).	• On-site inspections. • Regular meetings. • Submission of regulatory documentation. • Internal and external audit exercises.
Media	• Brand positioning, image and credibility rating. • Business performance and growth. • Ethical business conduct and regulatory compliance.	• Media interviews, briefing sessions and press conferences. • Press releases.
Students	• Priming young individuals/students to be industry-ready.	• Internship and industry placement.

FOCUS AREA 4
BUILDING MEANINGFUL SOCIAL INTERACTIONS (CONTINUED)

2 LOCAL COMMUNITY ENGAGEMENT

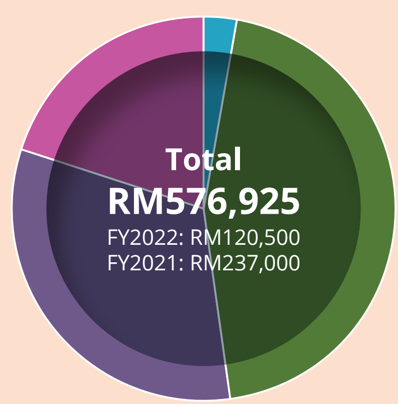
EXTRACT FROM CSR POLICY

NATURE AND ENVIRONMENT	COMMUNITY	SPORTS	EDUCATION
Forestry Management, logging, sawn timber and plantations are the Group's main business activities.	To comply with the 10 FSC® certification principles, GPB shall contribute to maintaining or enhancing the social and economic wellbeing of local communities affected by our operations.	To support and create public awareness of healthy lifestyles among its employees. The FSC® certification also stresses that GPB shall maintain or enhance the social wellbeing of workers.	To support any educational activities and purposes in order to create awareness among the public, which relates to nature and the environment, and complies with the categories above.

The CSR Policy is available on GPB's website: https://goldenpharos.com.my/policies/

- **Investing in Our Future**
  The Group's CSR Policy extends far beyond mere financial contributions. We dedicate substantial resources (0.5% of revenue or 10% of PBT) to community development projects, reflecting our profound commitment to making a meaningful impact on society.

BREAKDOWN OF CSR CONTRIBUTION



- **(3%) RM15,000** Nature and Environment Initiatives
- **(45%) RM259,857** Community Programmes
- **(32%) RM187,318** Sports
- **(20%) RM114,750** Education

FOCUS AREA 4
BUILDING MEANINGFUL SOCIAL INTERACTIONS (CONTINUED)

- **Collaboration for Impact**
  We partner with local committees and NGOs to design programmes that truly address the needs of the communities we serve.

- **Respecting Human Rights**
  We uphold the rights of all our employees, permanent and contractual, adhering to the Universal Declaration of Human Rights. This includes protecting the rights of indigenous *(Orang Asal)* communities residing near our concessions areas.

- **Sustainable Forestry Practices**
  We are committed to Free, Prior, and Informed Consent (FPIC) for any development on land with Orang Asal legal, communal or customary rights.

- **Maintaining Open Communication**
  Our subsidiaries actively participate in the Joint Consultative Committee to address potential land ownership conflicts, ensuring a constructive dialogue with the Orang Asal community.

1 *22 November 2023 - Zulkifli Omar from GPB faced off against Hafifi from Terengganu Inc in a badminton singles tournament at the Pesta Sukan Muhibbah Kumpulan Golden Pharos. Held at the Maecon Sport Centre in Marang the event featured eight contingents from Golden Pharos Group and invited teams from JPNT and Terengganu Inc.*

2 *8 May 2023 - All smiles at the entrance of GPB's Hari Raya Open House, former GPB Chairman Dato' Tengku Hassan bin Tengku Omar, former CEO Dr. Mohd Zaki bin Hamzah, and Head of KPKKT Ahmad Bazli bin Razali joined several attendees in welcoming guests.*

GOLDEN PHAROS BERHAD
(198601003051) (152205-W)

Statement of Assurance

To the Shareholders and Stakeholders of Golden Pharos Berhad,

I, Saifuddin bin Othman, in my capacity as the Audit Committee Chairman of Golden Pharos Berhad, hereby provide this Statement of Assurance to confirm that the selected aspects of this Sustainability Report have been subjected to an internal review by the Internal Audit Department of our company.

Our commitment to transparency and accountability is central to our corporate values, and we recognise the significance of accurate and reliable sustainability reporting. As part of our efforts to ensure the integrity of our 2023 Annual Report, we have conducted an internal review of the Sustainability Report included therein.

The internal review process of the Sustainability Report comprised the following key steps:

1. **Scope Definition**

   We acknowledge the 11 sustainability indicators by Bursa Malaysia. However, our review is limited to the following areas only:

   a. Fuel consumption from stationery combustion
   b. Fuel consumption from mobile combustion, i.e. company-owned vehicles
   c. Electricity consumption (owned and managed assets)
   d. Electricity consumption (leased assets)
   e. Health and Safety Data
   f. Injury Rate
   g. Incident Rate
   h. Employment

2. **Data Collection and Verification**

   We collected data relevant to our sustainability performance, which was subsequently subjected to thorough validation and verification processes to ensure accuracy and reliability.

3. **Alignment with Reporting Standards**

   The selected aspects under review in the Sustainability Report align with reporting frameworks and standards, including Bursa Malaysia's Main Market Listing Requirements (MMLR), Bursa Malaysia Sustainability Reporting Guidelines (3rd Edition), FTSE4Good Bursa Malaysia Index (F4GBM) criteria, the Global Reporting Initiative (GRI) Standards, and the UN Sustainable Development Goals (UNSDGs).

However, we only express an assurance conclusion on some of the information included in the 2023 Sustainability Report.

4. **Review and Verification**

Our Internal Audit team, consisting of experienced professionals, conducted a comprehensive review and verification of the Sustainability Report to confirm its adherence to our sustainability objectives and the accuracy of the reported data.

5. **The Management's Responsibility**

The Management of the Company was responsible for:

- The preparation of the information in accordance with the criteria detailed in the standards and guidelines; and
- Designing, implementing and maintaining internal control over information relevant to the preparation of the information free from material misstatement, whether due to fraud or error.

6. **Publication and Accessibility**

The final version of the Sustainability Report, after internal review and confirmation, was included in our 2023 Annual Report and made accessible to all stakeholders, including shareholders, investors, customers, and the public, through various communication channels.

I hereby certify that the Sustainability Report within our 2023 Annual Report has been reviewed by our Internal Audit Department, ensuring adherence to the standards of transparency, accuracy and compliance with reporting regulations.

Sincerely,

Saifuddin bin Othman
Chairman of Audit Committee
Golden Phares Berhad
21 April 2024

CORPORATE GOVERNANCE OVERVIEW STATEMENT

THE BOARD OF DIRECTORS OF GOLDEN PHAROS BERHAD (GPB OR THE COMPANY) PRESENTS THIS STATEMENT TO PROVIDE SHAREHOLDERS AND INVESTORS WITH AN OVERVIEW OF THE CORPORATE GOVERNANCE (CG) PRACTICES OF THE COMPANY UNDER THE STEWARDSHIP OF THE BOARD DURING FINANCIAL YEAR 2023 AND UP TO THE DATE OF THIS STATEMENT. THIS OVERVIEW IS GUIDED BY THE KEY CG PRINCIPLES SET OUT IN THE MALAYSIAN CODE ON CORPORATE GOVERNANCE (AS AT 28 APRIL 2021) (MCCG 2021).

The Board of GPB recognises the importance of good corporate governance and fully supports the principles and best practices promulgated in the Malaysian Code on Corporate Governance (MCCG) to enhance business prosperity and maximize shareholders' value. The Board will continuously evaluate the Group's corporate governance practices and procedures, and where appropriate will adopt and implement the best practices as enshrined in MCCG in the best interest of the shareholders of the Company.

This Corporate Governance Overview Statement is made pursuant to Paragraph 15.25(1) of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Securities) and guidance was drawn from Practice Note 9 of Listing Requirements and the Corporate Governance Guide (4th Edition) issued by Bursa Securities. It should be read together with the CG Report prepared based on a prescribed format as enumerated in Paragraph 15.25(2) of the Listing Requirements so as to provide a detailed articulation on the application of the Company's CG practices vis-à-vis the MCCG. The CG Report is available on the Company's website at http://www.goldenpharos.com.my

EMBRACING THE CG CULTURE

In building a sustainable business and discharging its prescribed responsibilities, the Board is mindful of its accountability to shareholders and various stakeholders of GPB. The Board is committed to ensuring that it provides effective stewardship and promotes ethical standards in the Company. One of the ways in which the Board achieves this is by requiring adherence to good governance principles and practices throughout the Company. The Board is pleased to present this Corporate Governance Overview Statement and illustrate how GPB has applied the 3 principles that are set out in the MCCG as follows:

a. Board Leadership & Effectiveness
b. Effective Audit & Risk Management
c. Integrity in Corporate Reporting & Meaningful Relationship with Stakeholders

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

The three key principles of good governance are:

PRINCIPLE A	**BOARD LEADERSHIP & EFFECTIVENESS** This section provides an overview of the Board and how it interlinks with its Committees. Details of the activities considered by the Board and also some of the core responsibilities are also explained.	**ITS IMPORTANCE** An effective Board does not place itself in a comfortable position and it does not remain static. A dynamic Board should constantly evolve in response to the environment in which it operates. Challenges as well as teamwork are essential features of the Board.
PRINCIPLE B	**EFFECTIVE AUDIT & RISK MANAGEMENT** This section describes the work of the Audit Committee and the enterprise risk management function in the Group including the implementation of risk framework, processes and the Group's risk appetite and internal control.	**ITS IMPORTANCE** From a risk perspective, diligent and measured risk management structures and framework help to address risks and strategy. This includes the overall management of all risks covering credit, financial, market liquidity, operational, legal and reputational risks.
PRINCIPLE C	**INTEGRITY IN CORPORATE REPORTING & MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS** This section provides an overview of how we communicate with stakeholders and address their concerns and expectations.	**ITS IMPORTANCE** An understanding of the importance of maintaining and fostering good meaningful relationship with our stakeholders plays a key role within our ecosystem.

GPB's Corporate Governance Framework is premised upon the following statutory provisions, best practices, policies and guidelines:

CORPORATE GOVERNANCE FRAMEWORK			
Companies Act 2016 (CA 2016)	Main Market Listing Requirements Bursa Securities	MCCG 2021	Corporate Governance Guide 4th Edition issued by Bursa Malaysia Berhad

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Part I - Board Responsibilities

Role of the Board

The Board's pivotal role is to lead and establish GPB Group's vision, strategic direction, key policies and framework, including the management of the succession planning process of the Group and the appointment of key senior management.

The roles and responsibilities of the Chairman, Board, Chief Executive Officer (CEO) and Company Secretary are clearly defined in the Board Charter.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

Roles of the Chairman and Chief Executive Officer

The Board acknowledges the importance of maintaining a distinct separation of roles between the Chairman and the CEO. These roles are entrusted to different individuals, a deliberate decision aimed at achieving an optimal equilibrium. This approach enhances accountability and fosters more robust and well-informed decision-making within the organisation.

The separation of roles and responsibilities between our Board Chairman and CEO is embedded in the Board Charter to avoid the concentration of power and allows for check and balance. The positions of our Board Chairman and CEO are held by different individuals. The Chairman of the Board is Non-Independent and Non-Executive.

Chairman
Dato' Tengku Hassan bin Tengku Omar, who was appointed as a Non-Independent Non-Executive Director on 1 August 2018 resigned on 1 April 2024. In his capacity, he plays a pivotal role in shaping the Company's key policies and direction, overseeing the Board's operation, and representing as the spokesperson for the Board. His leadership is widely regarded as effective and is valued by both Board members and the Management Team.

Dato' Yahaya bin Ali, has been appointed as the Chairman of GPB following his appointment as a Non-Independent Non-Executive Director of GPB on 1 April 2024 replacing Dato' Tengku Hassan bin Tengku Omar who resigned on 1 April 2024. Prior to his appointment Dato' Yahaya bin Ali was elected as Speaker of State Legislative Assembly from 2018 to 2023.

Acting Chief Executive Officer
Mohd Roslan bin Mamat has been appointed as an Acting CEO effective from 13 March 2024, replacing Dr. Mohd Zaki bin Hamzah who retired on 12 March 2024.

Prior to this appointment, Mohd Roslan was appointed as Senior Vice-President of President and Group Chief Executive Officer's Office of Terengganu Incorporated Sdn Bhd. (Terengganu Inc)

Roles and Responsibilities
Chairman
The Chairman is primarily responsible for instilling the practices of good governance, leadership and effectiveness of the Board. His responsibilities include: • Providing leadership for the Board so that the Board can perform its responsibilities effectively; • Leading the Board in the adoption and implementation of good corporate governance practices in the Company; • Setting the Board agenda and ensuring that Board members receive complete and accurate information in a timely manner; • Leading Board meetings and discussions; • Encouraging active participation and allowing dissenting views to be freely expressed; • Managing the interface between the board and management; and • Ensuring appropriate step are taken to provide communication with stakeholders and that their views are communicated to the board as a whole.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

Board of Directors

The Board has the following principal responsibilities in discharging its fiduciary duties and leadership functions of the Group:

- Together with Senior Management, promote the culture of good corporate governance within the Group, which reinforces ethical, prudent and professional behavior;
- Review, challenge and decide on management's proposals for the Group and monitor its implementation by Management;
- Ensure that the strategic plan of the Group supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
- Supervise and assess management performance to determine whether the business is being properly managed;
- Ensure that there is a sound framework for internal controls and risk management;
- Understand the principal risks of the company's business and recognise that business decisions involve the taking of appropriate risks;
- Ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;
- Establish a succession plan, including ensuring that Senior Management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of Board and Senior Management;
- Ensure that the Company has in place procedures to enable effective communication with stakeholders;
- Ensure that all its Directors are able to understand financial statements and form a view of the information presented; and
- Ensure the integrity of the Group's financial and non-financial reporting. Courts have held that it is the duty of every Director to read the financial statement of the company and carefully consider whether what they disclose is consistent with the Director's own knowledge of the company's affairs.

Chief Executive Officer (CEO)

CEO is the channel between the Board and Management for the implementation of the Company's policies, strategies, and executing decisions of the Board. In this regard, he has the responsibility for the day-today operations and management of the Company. His responsibilities include:

- Providing strong leadership by effectively communicating the Group's vision, business strategy and environment, and its safety and health policy to employees;
- Keeping the Board informed on the important aspects of the Group's operations;
- Providing directions in the implementation of short and long-term business plans;
- Supervise heads of divisions and departments who are responsible for all functions contributing to the success of the Group;
- Assessing business opportunities which are of potential benefit to the Group;
- Managing any underperforming business activity including relevant proposal to rectify the situation; and
- Representing the Group as the key spokesperson with all stakeholders including investors, regulators and business partners.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

Company Secretary
• The Company Secretary reports directly to the Board and is the source of guidance and advice to the Directors on areas of corporate governance, relevant legislation, regulations and policies, besides ensuring compliance with the Listing Requirements of Bursa Securities and other regulatory requirements; • Advising the Board on its roles and responsibilities; • Helping the Board and its Board Committees function effectively and in accordance with their terms of reference and best practices; • Facilitating the orientation of new Directors and assisting in training and development of Directors; • Advising the Directors on corporate disclosures and compliance with the Companies Act 2016, securities regulations and MMLR of Bursa Securities; • Managing processes pertaining to the annual shareholders' meeting; • Managing Board & Board Committee meeting logistics, attending and recording minutes thereof and facilitating Board Communication; and • Monitoring the development of corporate governance and informing the Board of current governance practices.

Supply of information

The Board meets at least five (5) times a year, with additional meetings convened on ad-hoc basis as and when decisions on urgent matters are required between scheduled meetings. The meetings of the Board and Board Committees are scheduled in advance and notices are circulated to allow Directors to plan ahead.

To ensure the Board receives information in a timely manner, the Board papers for meetings are circulated to the Board at least five (5) business days prior to the meeting. This provides the Directors with sufficient time to evaluate reports and proposals, and if necessary, request additional information to enable them to make informed and effective decisions. All Directors have unrestricted access to Senior Management on issues under their respective purview and the right of access to all reports on the Group's activities, both financial and operational, and interact directly with Management or request further explanation, information or updates on any aspect of the Company's operations or business concern.

Directors are not restricted, individually or collectively, from obtaining independent professional advice, if necessary, at the Group's expense to enable them to discharge their duties and responsibilities in relation to the matters being deliberated.

Demarcation of responsibilities (Board Charter)

The Board has formalised and adopted a Board Charter which serves as a source of reference for Directors. The Board Charter was established to provide guidance and clarity on the Board's roles and responsibilities. The Board Charter also sets out processes and procedures for convening Board meetings.

The GPB Board Charter is provided to each Director and the Board reviews its Charter periodically, subject to changes in regulations and best practices.

Code of Conduct and Business Ethics

The Board is aware of the need to establish a corporate culture that would foster the common goal of achieving business profitability, whilst cultivating ethical business conducts. The Board has approved the adoption of Terengganu Inc Group Code of Business Ethics to supplement the existing Employee Code of Conduct Policy of which all directors and employees are required to adhere to, the failure of which will result in appropriate action being taken.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

Whistleblowing Policy and Procedures

The Whistleblowing Policy is intended to directly support the Core Values, Code of Business Ethics and Government requirement. It is an avenue to encourage and enable employees and others to raise legitimate concerns to be objectively investigated and addressed within the Group.

The policy provides an alternative avenue for the internal or external stakeholders to raise concerns related to possible improprieties in matters of compliance and other malpractices in an appropriate manner and without fear of reprisal or retaliation.

No Gift Policy

The establishment of this policy is to avoid any actual or perceived conflict of interest in any ongoing or potential business dealings and decision making, and to demonstrate commitment to the highest standards of ethics and integrity.

Anti-Bribery and Anti-Corruption Policy

The Group has established an Anti-Bribery and Anti- Corruption Policy which prohibits all forms of bribery and corruption practices pursuant to Section 17A of the Malaysian Anti-Corruption Commission Act 2009. The Company is committed to upholding a high standard of business ethics to create an environment of mutual trust whilst increasing confidence of our stakeholders both internally and externally.

Sustainability

The Group established a Provisional Governance Structure in FY2019. The purpose of sustainability governance is to help the Company implement sustainability strategies across the business, manage goal setting and reporting processes, strengthen relations with external stakeholders and ensure overall accountability.

The structure was detailed out and endorsed by GPB Senior Management and appointed consultants employed to help us manage a wide range of sustainability issues on 10 February 2020. The Provisional Governance Structure oversees sustainability risks and opportunities that is guided by policies and processes referenced against international sustainability standards.

Sustainability Evaluation

The Board periodically evaluates the Group's sustainability performance based on reports submitted by the Sustainability Committee (SCOM). Members of both committees consist of all Heads of Departments (HOD) at the Group level and all heads of subsidiaries (HOS) from all six (6) active subsidiary companies. Collectively, they are responsible for managing and effectively implementing the Group's sustainability.

As we move forward, our sustainability goals and corporate social responsibilities will shift from compliance to innovation. This new ideology will eventually enhance the Group's reputation and strengthen the core of the Group.

PART II – Board Composition

Board Composition

The Board is chaired by a Non-Independent Non- Executive Director and currently comprises eight (8) Directors, five (5) of whom are Non-Independent Non- Executive Directors and three (3) Independent Non-Executive Directors. The Board continues to maintain a balance of skills, knowledge, experience and perspective among its directors. The profiles of the Directors are set out on pages 13 to 20 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

The Directors collectively provide the necessary mix of skills, knowledge and experience in key areas. These include accountancy, finance, legal, risk management, socio politics, governance, economics, and forestry.

Changes to the composition of the Board during the financial year under review and up to the date of this statement were as follows:

Name of Directors	Directorship	Date of appointment
Adida binti Muhammud	Independent Non-Executive Director	31 May 2023
Dato' Yahaya bin Ali	Non-Independent Non-Executive Director /Chairman	1 April 2024
Dr Mohd Zaki bin Hamzah	Non-Independent Non-Executive Director	1 April 2024
Professor Datuk Dr Yahaya bin Ibrahim	Independent Non-Executive Director	1 April 2024
Name of Directors	**Directorship**	**Date of resignation**
Dato' Tengku Hassan bin Tengku Omar	Non-Independent Non-Executive Director /Chairman	1 April 2024
Mohd Badaruddin bin Ismail	Independent Non-Executive Director /Chairman	1 April 2024

Tenure of Independent Directors

The MCCG recommends that the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. The Company does not have tenure limits for Independent Directors and the Board is of the opinion that the ability of an Independent Director to exercise his/her independence and objective judgment in Board deliberations shall not be determined solely or arbitrary by their tenure of service. If the Board intends to retain a director who has served as an Independent Director of the Company for a cumulative term of more than nine (9) years, the Board must justify its decision and seek the shareholders' approval at a general meeting. For the year under review, none of our directors have served the Board as an Independent Director of the Company for a cumulative term of more than nine (9) years.

Appointment of New Directors

The Company's Constitution permits the Board to appoint a person as a Director of the Company at any time, either to fill a casual vacancy or as an addition to the existing Directors, to a number not exceeding nine (9) in total. The policies and procedures for new appointments are as follows:

Policies

a. The Nomination and Remuneration Committee (NRC) will establish the minimum requirements on the skills and core competencies of a director based on the annual review of the required mix of skills, experience and core competencies within the Board as well as to ascertain the 'fit and proper' criteria for each Director.

b. When assessing a person for nomination to the Board, the qualifications and skills to be considered by the NRC shall include, but are not limited to:

   - Whether or not the person qualifies as a director who is 'independent' under applicable laws and regulations, including applicable provisions of the Listing Requirements of Bursa Securities, and whether the person is qualified under applicable laws and regulations to serve as a Director of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

- Whether or not the person meets the 'fit and proper' criteria under applicable laws and regulations.
- Whether or not the person is willing to serve as a director and to commit the time necessary to perform the duties as a director.
- The contribution that the person can make to the Board and to the overall desired Board composition, considering the person's business experience, education and such other factors as the Board may consider relevant.
- The character and integrity of the person.

c. The NRC may identify Director candidates using executive search firms, recommendation from Management or recommendation from other Directors.

Procedures

a. The NRC will perform a preliminary assessment of potential candidate based on referrals from executive search firms, Management or other Directors.

b. The NRC will assess the suitability in terms of technical expertise, experience and the behavioural and cultural fit with the Board in addition to ascertaining the candidate's interest, availability and terms of appointment. This will be tabled at the NRC for further discussion and deliberation on whether the candidate is suitable to be recommended to the Board for appointment.

c. The Board will deliberate on the recommended candidate and, if deemed appropriate, appoint the candidate.

Director Induction

a. Newly appointed Board members attend the Company's Induction Programme which includes a Mandatory Accreditation Programme as required by MMLR.

b. The new Board member will be fully briefed on the terms of his appointment, duties and responsibilities, as well as on the nature, operations and current issues of the Company.

c. The NRC will review the induction process on a periodic basis to ensure that all pertinent information is provided to the Director, and that adequate time has been given for the Director to familiarise himself or herself with the Company, its Board and operations.

Re-election and re-appointment of Director

A candidate who is appointed as Director of the Company must seek for re-election by shareholders' approval at the next Annual General Meeting (AGM). The Constitution of the Company further provides for the rotation of Directors whereby one third or more of the Directors are to retire at every AGM of the Company and that all Directors must retire at least once in 3 years and shall be eligible for re-election.

The following Directors retiring pursuant to Clause 76 of the Company's Constitution have given their consent and have offered themselves for election and re-election at the 37th AGM:

1. Burhanuddin Hilmi bin Mohamed @ Harun; and
2. Muhammad Ramizu bin Mustaffa

The following Directors retiring pursuant to Clause 78 of the Company's Constitution have given their consent and have offered themselves for election and re-election at the 37th AGM:

1. Dato' Yahaya bin Ali
2. Professor Datuk Dr Yahaya bin Ibrahim
3. Dr Mohd Zaki bin Hamzah

The following depicts the process for re-election of Directors:

Directors due for re-election	Evaluation by NRC	Recommendation by NRC to the Board	Recommendation by the Board to shareholders	Shareholders consideration and approval at AGM	Announcement to Bursa on outcome of AGM

Directors who are due for re-election at the forthcoming AGM and who have given their written consent to be reappointed, are set out in the Notice of the AGM. Directors who are due for re-election are also subject to the following policies and procedures:

Policies

a. Retirement of Directors by rotation will follow the requirements stipulated in the constitution of the Company.

b. Tenure of Directorship will follow the requirements stipulated in the MCCG 2021.

Procedure

a. The NRC will assess the performance and contribution of each Director to the Board and Board Committees based on the results of the annual Board Assessments and individual Directors' self and peer assessment.

b. The NRC will consider the current Directors in the same manner as other candidates, taking into consideration the Director's performance during his term, as well as the following factors:
   - Compliance with governing legislation, regulations or guidelines, particularly conflict of interest, confidentiality, fit and proper criteria, and duty of care provisions.
   - Whether or not an independent director still qualifies as 'independent' under applicable laws and regulations, including applicable provisions of the Listing Requirements of Bursa Securities.

c. Based on the assessment results, the NRC will recommend the Directors seeking re-election to the Board, who will then recommend to the shareholders for approval at the AGM.

Directors' Fit and Proper Policy

Pursuant to paragraph 15.01A of the Listing Requirements, it is mandatory for a listed issuer to establish a comprehensive Fit and Proper Policy governing the appointment and re-election processes of directors.

The Board, through the Group NRC, assessed the fitness and propriety of the Directors in accordance with the Group's Policy on Fit and Proper Policy for new appointment and re-appointment. Newly and re-appointed Directors are required to complete a Fitness and Proper Declaration.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

Annual Board Effectiveness Evaluation (BEE) for FY 2023

Our Board undergoes an annual assessment to review its performance. Apart from being an assessment of past performance, the BEE is used as a tool to identify the strengths and weaknesses of our Board, Board Committees and individual Directors to enable them to raise the bar on Board performance, which is a key trait of a progressive Board.

Similar to the previous year, the BEE for FY 2023 was conducted in November 2023 by our Board and supported by our Company Secretary. BEE FY 2023 was a peer-evaluation process where all company Directors were asked to evaluate other directors individually and collectively as a Board.

The results of BEE FY 2023 did not indicate any significant weaknesses and illustrated that the Board, Board Committees and each individual Director have continued to perform their duties satisfactorily and that the level of independence shown by INEDs is high.

Based on the findings, the Board has recommended the re-election of several Directors who will be retiring at the forthcoming 2024 AGM and will consider increasing the level of independent representation on our Board to bring it in line with the MCCG's recommendation. In respect of Board responsibilities, enhancing board oversight over the execution of strategies and transformation plans is a key focus in FY 2023.

The scope of the BEE for FY 2023 covered the following areas:

INDIVIDUAL DIRECTOR'S EVALUATION	BOARD PERFORMANCE EVALUATION	COMMITTEE EVALUATION
• Board contribution • Knowledge and abilities • Teaming • Integrity (Fit & Proper) • Personal commitment • Technical Field of Knowledge 'Know-How' Board of Directors • Industry 'Know-How' Board of Directors	• Board composition • Board roles and functioning • Information management • Monitoring company performance • Directors' development and management • Board relationship with the management • Non-Technical Competencies of Board Members • Inclusion of Environmental, Sustainability and Governance (ESG)	• Quality of recommendation for decision making • Relevant expertise • Ability, experience, performance • Chairman and Committee based on appropriate criteria • Communication

Board Diversity

The Board acknowledges the importance of diversity, including gender, ethnicity, age and business experience to the effective functioning of the Board.

While it is important to promote such diversity, the normal selection criteria of a director, based on an effective blend of competencies, skills, extensive experience and knowledge in areas identified by the Board, should remain a priority so as not to compromise on effectiveness of carrying out the Board's functions and duties. Hence, the Board is committed to ensuring that its composition not only reflects the diversity as recommended by MCCG, as best as it can, but also has the right mix of skills and balance to contribute to the achievement of the Group's goals.

To comply with para 15.02(1) of the MMLR and MCCG 2021, the Company has appointed Adida binti Muhammud, a female Director who meets the pre-determined skill sets and competencies on 31 May 2023. The Company has one (1) female Director out of eight (8) Directors representing 13% of the Board composition during the FY2023.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

The current Board Composition, Tenure, Age and Gender for GPB is set out in the table below:

BOARD COMPOSITION

Non-Independent Non-Executive Director
Independent Non-Executive Director

TENURE

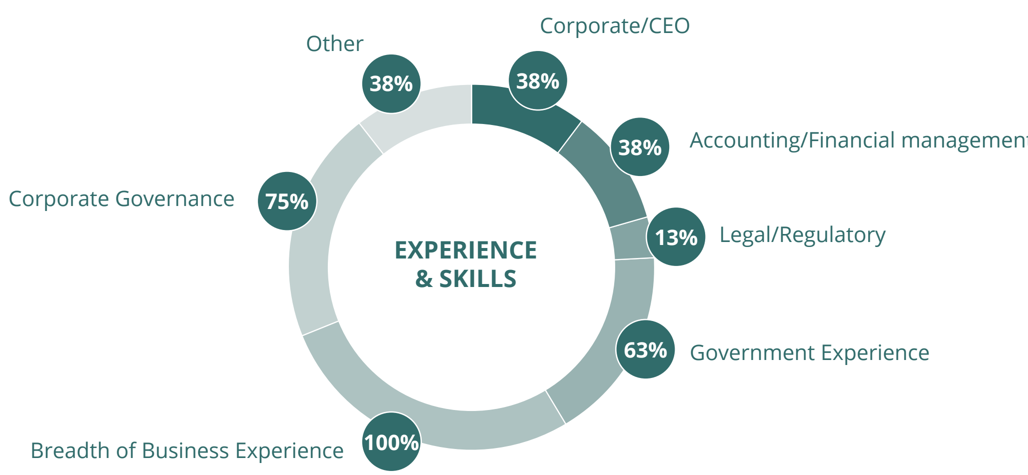
Up to 2 years
More than 2 years and up to 4 years
More than 4 years and up to 8 years

AGE

40-50
50-60
60-70

GENDER

Male
Female



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

	Corporate Governance	Breadth of Business Experience	Government Experience	Legal/ Regulatory	Accounting/ Financial Management	Corporate CEO/	Others
Dato' Yahaya bin Ali	√	√	√				
Dato' Bentara Dalam Dato' A. Rahman bin Yahya	√	√	√		√		
Burhanuddin Hilmi bin Mohamed @ Harun	√	√			√	√	
Muhammad Ramizu bin Mustaffa	√	√			√		
Saiffuddin bin Othman		√		√			
Adida binti Muhammud		√	√				√
Professor Datuk Dr Yahaya bin Ibrahim	√	√	√			√	√
Dr Mohd Zaki bin Hamzah	√	√	√			√	√
Total	**75%**	**100%**	**63%**	**13%**	**38%**	**38%**	**38%**

Meetings and Time Commitment

The calendar of meetings of the Board and Board Committees is drawn up and distributed to the Board in the quarter preceding the beginning of the new calendar year. This is to enable the members of the Board to meet the time and commitment for the meetings.

In addition to the above, all Directors of the Company have complied with the MMLR of Bursa Securities of not holding more than five (5) directorships in listed issuers at any given time. This is to ensure the Directors do not have competing time commitments that may impair their ability to discharge their responsibilities effectively.

The Board may from time to time and if deemed appropriate, consider and approve any matter via circular resolution in writing.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

Board Meeting attendance in FY2023

A total of eight (8) meetings were held during FY 2023. The record of attendance of the Board as follows:

Name of Directors	Scheduled Meeting Held During Tenure in Office	Special Meeting Held During Tenure in Office	Attendance %
Dato' Bentara Dalam Dato' A. Rahman bin Yahya	5/5	3/3	100
Burhanuddin Hilmi bin Mohamed @ Harun	5/5	2/3	88
Muhammad Ramizu bin Mustaffa	5/5	3/3	100
Saiffuddin bin Othman	5/5	3/3	100
Adida binti Muhammud *(Appointed w.e.f 31 May 2023)*	2/2	3/3	100
Dato' Tengku Hassan bin Tengku Omar *(Resigned w.e.f 1 April 2024)*	5/5	3/3	100
Mohd Badaruddin bin Ismail *(Resigned w.e.f 1 April 2024)*	5/5	3/3	100
Dato' Yahaya bin Ali *(Appointed w.e.f 1 April 2024)*	-	-	-
Professor Datuk Dr Yahaya bin Ibrahim *(Appointed w.e.f 1 April 2024)*	-	-	-
Dr Mohd Zaki bin Hamzah *(Appointed w.e.f 1 April 2024)*	-	-	-

Part III: Remuneration

The Board believes in a competitive and transparent remuneration framework that supports the responsibilities and fiduciary duties of the Directors and Senior Management in managing the Group towards achieving its long-term objectives and enhance stakeholders' value.

One of the principal authorities of the Board delegated to the NRC is to review, deliberate and recommend to the Board a remuneration policy for Directors and Senior Management guided by the Group Human Resource policy, market norms and industry practice.

The Directors are paid Directors' fees, Board Committee allowance, other allowances, directors & officers insurance coverage and out-patient medical claims.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

Aggregate Remuneration of the Directors

The details of the aggregate remuneration of the Directors of the Company during FY 2023 are as follows:

	Fees	Other Emoluments	Total
Dato' Bentara Dalam Dato' A. Rahman bin Yahya	41,000	30,000	71,000
Burhanuddin Hilmi bin Mohamed @ Harun	41,000	41,000	82,000
Muhammad Ramizu bin Mustaffa	41,000	37,000	78,000
Saiffuddin bin Othman	41,000	49,400	90,400
Adida binti Muhammud	23,917	10,833	34,750
Dato' Tengku Hassan bin Tengku Omar *(Resigned w.e.f 1 April 2024)*	53,000	169,600	222,600
Mohd Badaruddin bin Ismail *(Resigned w.e.f 1 April 2024)*	41,000	50,200	91,200
TOTAL			**669,950**

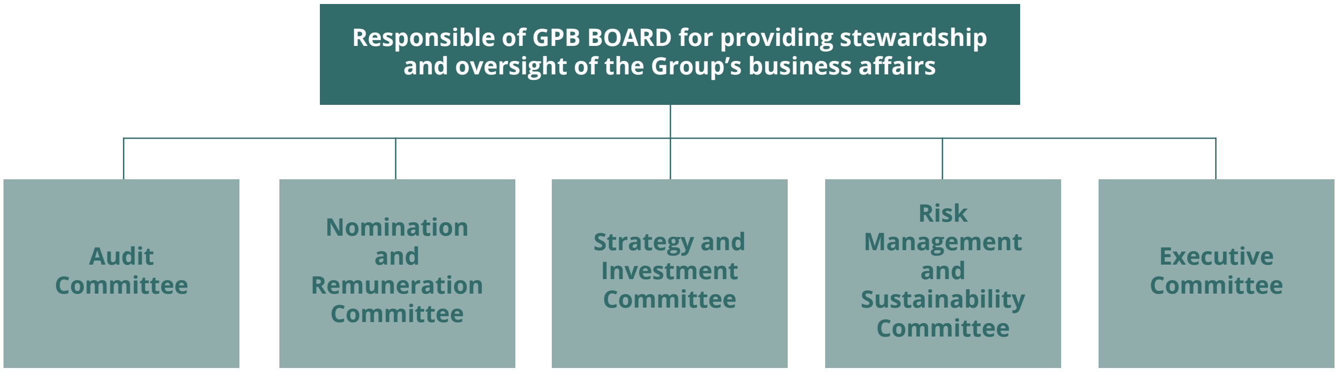
The number of Directors whose remuneration fall within the following bands are:

Number of Directors

Directors Remuneration	Number of Directors	
	Executive Directors	Non-Executive Directors
Less than RM50,000	-	1
RM50,000 to RM100,000	-	5
RM100,001 to RM150,000	-	-
RM150,001 to RM200,000	-	-
RM200,001 and above	-	1

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

Board Committees



The Board has established five (5) Board Committees to support the Board in fulfilling its statutory and fiduciary obligations. The Board has on 1 April 2024 resolved to abolish the Long-Term Incentive Plan Committee (LTIP) following the expiration of the term of the LTIP of the Company and established the Risk Management and Sustainability Committee. The Board delegates certain responsibilities to the Board Committees. These Board Committees and their respective roles are as follows:

Audit Committee (AC) Chairman : **Saiffuddin bin Othman** *(Redesignated as a Chairman of AC w.e.f 1 April 2024)*	Oversees the Company's financial reporting process and practices, reviews the Group's business process and system of internal controls, ensures implementation of an effective ethics programme across the Group, monitors compliance with established policies and procedures and ascertains the independence of both external auditors and internal audit function.
Nomination and Remuneration Committee (NRC) Chairman: **Professor Datuk Dr Yahaya bin Ibrahim** *(Appointed as a Chairman of NRC w.e.f 1 April 2024)*	Reviews the composition and balance of the Board, the required mix of skills, experience, knowledge and diversity of the Board and manages the nomination and remuneration process of the Board, Board Committees and key management positions as well as employees within the Group.
Strategy and Investment Committee (SIC) Chairman: **Dato' Bentara Dalam Dato' A. Rahman bin Yahya**	Evaluates substantial business propositions, including mergers, acquisitions, partnerships, disposals, capital expenditures and their key associated risks as well as the mitigation strategies prior to recommendation for the Board's approval. The Committee oversees the Group's Strategy Masterplan implementation, analyses strategic aspects, industry trends and market shifts impacting long-term profitability and sustainability and tracks the progress of major proposals, ensuring alignment with strategic objectives.
Risk Management and Sustainability Committee (RMSC) Chairman: **Muhammad Ramizu bin Mustaffa** *(Appointed as a Chairman of RMSC w.e.f 1 April 2024)*	Assist the Board in fulfilling its oversight responsibilities in relation to the current risk management and internal control practice and the Group's sustainability strategy and initiatives comprising of environmental, social and governance matters.
Executive Committee (EXCO) Chairman: **Burhanuddin Hilmi bin Mohamed @ Harun**	A medium between the Board, Board Committees and Management with its primary function and duty to oversee and ensure all Board decisions and instructions to the Management are implemented smoothly and efficiently.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

Every Committee operates under distinctly defined Terms of Reference (TOR) delineating its scope and obligations. Every Committee is authorised by the Board to deal with and deliberate on matters delegated to them as defined within their TOR. The Chairman of the respective Committees report to the Board on the outcome of the Committee meetings. The confirmed minutes of the Committee meetings are included in the Board papers for the Board's notification.

The TOR of these Committees are accessible online at http://www.goldenpharos.com.my.

The criteria for membership are based on a director's skills and experience as well as their ability to add value to the Board Committee.

The CEO and other Senior Management are invited to attend all Board Committee meetings.

a. Audit Committee (AC)

The AC currently comprises four (4) members, of whom three (3) are Independent Directors and one (1) is a Non-Independent Director. The AC is chaired by Saiffuddin bin Othman, an Independent Director. None of the current members of the AC is a former key audit partner involved in auditing the Group.

The AC has policies and procedures to review, assess and monitor the performance, suitability and independence of the external auditors. Prior to the commencement of the annual audit, the AC will seek confirmation from the external auditors as to their independence. This confirmation would be re-affirmed by the external auditors to the AC upon their completion of annual audit.

The AC membership is as follows:

Name	Designation	Directorship
Mohd Badaruddin bin Ismail *(Resigned w.e.f 1 April 2024)*	Chairman	Independent
Saiffuddin bin Othman *(Redesignated as a Chairman of AC w.e.f 1 April 2024)*	Chairman	Independent
Muhammad Ramizu bin Mustaffa	Member	Non-Independent
Professor Datuk Dr Yahaya bin Ibrahim *(Appointed as AC Member w.e.f 1 April 2024)*	Member	Independent
Adida binti Muhammud *(Appointed as AC Member w.e.f 1 April 2024)*	Member	Independent

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

No. of AC Meetings

A total of eight (8) meetings were held during FY 2023. The record of attendance of the AC members is as follows:

Name of Directors	Scheduled Meeting Held During Tenure in Office	Special Meeting Held During Tenure in Office	Attendance %
Mohd Badaruddin bin Ismail *(Resigned w.e.f 1 April 2024)*	5/5	3/3	100
Saiffuddin bin Othman *(Redesignated as a Chairman of AC w.e.f 1 April 2024)*	5/5	3/3	100
Muhammad Ramizu bin Mustaffa	5/5	3/3	100
Professor Datuk Dr Yahaya bin Ibrahim *(Appointed as Chairman of AC w.e.f 1 April 2024)*	-	-	-
Adida binti Muhammud *(Appointed as a Member of AC w.e.f 1 April 2024)*	-	-	-

The activities of the AC are disclosed on pages 183 to 189 of this Annual Report.

b. Nomination and Remuneration Committee (NRC)

The NRC comprises exclusively of the following Non-Executive Directors, a majority of whom are independent:

Name	Designation	Directorship
Saiffuddin bin Othman *(Redesignated as a Member of NRC w.e.f 1 April 2024)*	Member	Independent
Burhanuddin Hilmi bin Mohamed @ Harun	Member	Non-Independent
Mohd Badaruddin bin Ismail *(Resigned w.e.f 1 April 2024)*	Member	Independent
Professor Datuk Dr Yahaya bin Ibrahim *(Appointed as Chairman of NRC w.e.f 1 April 2024)*	Chairman	Independent
Adida binti Muhammud *(Appointed as a Member of NRC w.e.f 1 April 2024)*	Member	Independent

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

The Committee is responsible for:

- Regularly reviewing the overall composition of the Board, in terms of the appropriate size, skills, experience, qualification and diversity in terms of gender, ethnicity and age as well as the balance between Non-Executive Directors and Independent Directors.
- Recommending the appointment of Directors to the Board and Committees of the Board as well as annually reviewing the mix of skills, experience and competencies that Non-Executive and Executive Directors should bring to the Board.
- Assessing the performance and effectiveness of individuals and collective members of the Board and Board Committees of the Company and its subsidiaries.
- Recommending to the Board a formal and transparent procedure for developing the remuneration policy for Directors, key management personnel, the Head of Internal Audit and staff for the approval of the Board. The Committee shall ensure that compensation is competitive and consistent with the Group's culture, objectives and strategy and reflects the responsibility and commitment which goes with Board membership and key management personnel.

No. of NRC Meetings

A total of six (6) meetings were held during FY 2023. The record of attendance of the NRC members is as follows:

Name of Directors	Scheduled Meeting Held During Tenure in Office	Special Meeting Held During Tenure in Office	Attendance %
Saiffuddin bin Othman *(Redesignated as a Member of NRC w.e.f 1 April 2024)*	4/4	2/2	100
Burhanuddin Hilmi bin Mohamed @ Harun	4/4	1/2	83
Mohd Badaruddin bin Ismail (*Resigned w.e.f 1 April 2024)*	4/4	2/2	100
Professor Datuk Dr Yahaya bin Ibrahim *(Appointed as Chairman of NRC w.e.f 1 April 2024)*	-	-	-
Adida binti Muhammud *(Appointed as a Member of NRC w.e.f 1 April 2024)*	-	-	-

c. Strategy and Investment Committee (SIC)

The SIC was established to consider and evaluate strategic proposals and investment/ divestment related proposals of GPB Group for recommendation to the Board. It is also tasked with considering and deliberating all proposals relating to the properties (i.e. land and buildings) of the Group.

The combined experience and knowledge of the members enables SIC to objectively assess and evaluate strategic and major proposals. The SIC remains strong and productive in its deliberations and provide clear guidance to Management on key issues and concerns before submitting any recommendations to the Board for approval.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

The SIC membership is as follows:

Name	Designation	Directorship
Dato' Bentara Dalam Dato' A. Rahman bin Yahya	Chairman	Non-Independent
Burhanuddin Hilmi bin Mohamed @ Harun	Member	Non-Independent
Muhammad Ramizu bin Mustaffa	Member	Non-Independent
Dr Mohd Zaki bin Hamzah *(Appointed as a Member of SIC w.e.f 1 April 2024)*	Member	Non-Independent

The Committee has not met during FY 2023.

d. Risk Management and Sustainability Committee (RMSC)

The RMSC has been established with effect from 1 April 2024. The objective is to assist the Board in fulfilling its oversight responsibilities in relation to the current risk management practice in accordance with the MMLR and MCCG; and to assist the Board in fulfilling its oversight responsibilities in relation to the Group's sustainability strategy and initiatives comprising of environmental, social and governance matters as well as embedding sustainability best practices to the Group in accordance with the MMLR and MCCG.

The RMSC membership is as follows:

Name	Designation	Directorship
Muhammad Ramizu bin Mustaffa *(Appointed as a Chairman of RMSC w.e.f 1 April 2024)*	Chairman	Non-Independent
Dato' Bentara Dalam Dato' A. Rahman bin Yahya *(Appointed as a Member of RMSC w.e.f 1 April 2024)*	Member	Non-Independent
Dr Mohd Zaki bin Hamzah *(Appointed as a Member of RMSC w.e.f 1 April 2024)*	Member	Non-Independent
Professor Datuk Dr Yahaya bin Ibrahim *(Appointed as a Member of RMSC w.e.f 1 April 2024)*	Member	Independent
Adida binti Muhammud *(Appointed as a Member of RMSC w.e.f 1 April 2024)*	Member	Independent

e. Executive Committee (EXCO)

The EXCO was established by the Board as a medium between the Board, Board Committees and Management with its primary function and duty to oversee and ensure all Board decisions and instructions to the Management are implemented smoothly and efficiently.

The EXCO is responsible for overseeing and ensuring that the Company strictly complies at all times with the relevant laws, regulations and directives of the Government and Government Authorities such as Securities Commission, Companies Commission of Malaysia, Bursa Malaysia, Income Tax Department etc. It also monitors and ensures the Company's compliance with best practises of Corporate Governance at all times.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

Only members of the EXCO have the right to attend the full meetings of the Group, all other individuals may be invited to attend for all or part of any meeting as decided by the EXCO.

The EXCO membership is as follows:

Name	Designation	Directorship
Burhanuddin Hilmi bin Mohamed @ Harun	Chairman	Non-Independent
Dato' Bentara Dalam Dato' A. Rahman bin Yahya	Member	Non-Independent
Muhammad Ramizu bin Mustaffa	Member	Non-Independent
Dr Mohd Zaki bin Hamzah *(Appointed as a Member of EXCO w.e.f 1 April 2024)*	Member	Non-Independent

Advisory Panel

Name	Designation	Directorship
Saiffuddin bin Othman	Member	Independent
Mohd Badaruddin bin Ismail *(Resigned w.e.f 1 April 2024)*	Member	Independent
Adida binti Muhammud *(Appointed as a Member of EXCO w.e.f 1 April 2024)*	Member	Independent

The Committee met twelve (12) times during FY 2023:

Name of Directors/ Members	Held During Tenure in Office	Attendance	%
Burhanuddin Hilmi bin Mohamed @ Harun	12	12	100
Dato' Bentara Dalam Dato' A. Rahman bin Yahya	12	10	83
Muhammad Ramizu bin Mustaffa	12	4	33
Mohd Badaruddin bin Ismail *(Resigned w.e.f 1 April 2024)*	12	11	92
Saiffuddin bin Othman	12	12	100
Dr Mohd Zaki bin Hamzah *(Appointed as a Member of EXCO w.e.f 1 April 2024)*	-	-	-
Adida binti Muhammud *(Appointed as a Member of EXCO w.e.f 1 April 2024)*	-	-	-

f. Long Term Incentive Plan Committee

The Long Term Incentive Plan (LTIP) Committee has been abolished with effect from 1 April 2024 following the expiration of the term of the LTIP of the Company, the details of which were as set out in the Circular to Shareholders dated 11 June 2018.

The LTIP was approved by the shareholders of GPB at an Extraordinary General Meeting held on 26 June 2018 and the board approved the formation of LTIP Committee on 8 August 2018. The primary function of the LTIP Committee is to completely administer the implementation of the Employee Share Option Scheme (ESOS) and the Executive Share Grant Scheme (ESGS) in accordance with the approved By-Laws. However, the ESGS was terminated on 31 July 2021 and ESOS was expired on 29 August 2023.

The Committee has not met during FY 2023.

Directors' Training & Development

The Board recognises the importance of ensuring that Directors are continuously developed themselves in an effort to acquire or enhance the requisite knowledge and skills to discharge their duties effectively.

All new Directors appointed to the Board attend a formal induction programme to familiarise themselves with the Group's strategy and aspiration, line of businesses and corporate functions, key financial highlights, audit, compliance and risk management. The programme is conducted by the CEO as well as Senior Management.

As required by the MMLR of Bursa Securities, all Directors have successfully completed the Mandatory Accreditation Programme (MAP) within the stipulated time frame of four months from their respective date of appointment. Apart from the MAP, all Directors appointed to the Board also attended other relevant training programmes, talks, seminars, dialogue sessions and focus group sessions organised by regulatory authorities and professional bodies to further enhance their business acumen and professionalism in discharging their duties to the Group.

The Board also continuously evaluates and determines the training needs of the directors. Training must aid the Director in the discharge of his or her duties as a Director.

The Directors of the Company attended the following training programmes, talks, seminars, dialogue sessions and focus group sessions during the FY 2023:

Name of Directors	Courses/ Training Programmes attended
Dato' Tengku Hassan bin Tengku Omar *(Resigned w.e.f 1 April 2024)*	• Suruhanjaya Syarikat Malaysia: Transformasi Identiti Digital Melalui SSM Biz Trust
Burhanuddin Hilmi bin Mohamed @ Harun	• HRD Corp: HR Summit 2023 – Pembelajaran Sepanjang Hayat, Pemangkin Mobiliti Sosial • MIA: Workshop on Strategic Roles of Board of Directors • MIA Conference 2023 • Bursa Mandatory Accreditation Programme Part II – Leading For Impact (LIP) • Personal Data Protection & Managing Customer Information in the age of Big Data
Dato' Bentara Dalam Dato' A. Rahman bin Yahya	• MIA: Workshop on Strategic Roles of Board of Directors

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

Name of Directors	Courses/ Training Programmes attended
Muhammad Ramizu bin Mustaffa	• MIA: Workshop on Strategic Roles of Board of Directors • SSM: 2023 SSM National Conference Shared Responsibility in Strengthening Aml/Cft Compliance Risks, Challenges And Collaboration. • PIPOC 2023: MPOB International Palm Oil Congress and Exhibition. • Plantation Managers' Conference • TH Group Summit 2023
Saiffuddin bin Othman	• MIA: Workshop on Strategic Roles of Board of Directors
Adida binti Muhammud	• Bursa Mandatory Accreditation Programme Part I • International Conference on Engineering and Computing Technologies (ICECT IV) • Seminar KKP Peraturan Kendiri Majikan dan Pekerja: Membudayakan Mindset Bekerja Tanpa Kemalangan.
Mohd Badaruddin bin Ismail *(Resigned w.e.f 1 April 2024)*	• MIA: Workshop on Strategic Roles of Board of Directors • Sustainability & Renewable Energy Forum (SAREF 3.0) • The Energy Transition Conference: Accelerating A Responsible Energy Transition. • Swift Beyond Conference Series

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

Part I: Audit Committee

Effective and Independent Audit Committee:

- The Chairman of the AC is not the Chairman of the Board.
- Cooling-off Period for a Former Audit Partner to be appointed as AC Member.
  - The AC has a 3-year cooling-off period policy for a candidate who was a former audit partner before appointment as a member of the AC as recommended by Practice Note 9.2 of the MCCG. However, the said policy currently does not apply to the AC given that none of the AC or Board members is a former audit partner.
- Policies and Procedures for Assessment of Suitability, Objectivity and Independence of External Auditors.
- The AC maintains a transparent and professional relationship with the external auditors of the Company. The external auditors fill an essential role by enhancing the reliability of the Company's Annual Audited Financial Statements and by giving assurance to stakeholders of the reliability of the Annual Audited Financial Statements. The external auditors have an obligation to bring any significant defects in the Company's system of control and compliance to the attention of the Management; and if necessary, to the AC and the Board.
- The AC is empowered by the Board to review any matters concerning the appointment and re-appointment, and resignations or dismissals of external auditors and to review and evaluate factors relating to the independence of the external auditors. The terms of engagement for services provided by the external auditors are reviewed by the AC prior to submission to the Board for approval. Feedback based on the assessment areas is obtained from the AC, the Internal Auditor, and Senior Management and the Head of Departments.
- Under this policy, only non-audit services which are able to provide clear efficiencies and value-added benefits to the Group and do not impede the external auditors' audit works will be accepted by the AC.
- On the other hand, the AC also seeks written assurance from the external auditors, confirming that they are, and have been, independent throughout the conduct of the audit engagement with the Company in accordance with the independence criteria set out by the MIA. The external auditors provide such declaration in their annual audit plan presented to the AC prior to the commencement of audit for a particular financial year.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

PART II: Risk Management & Internal Control Framework

The Company has put in place a systematic risk management framework and processes to identify, evaluate and monitor principal risks and to implement appropriate internal control processes to manage risks across the Group. Risks include long-term business strategies, regulatory and compliance concerns, substitution and technology applications and fraudulent practices.

Although many risks are outside the Company's direct control, a range of activities are in place to mitigate the key risks identified, as set out in the Statement on Risk Management and Internal Control. The risk management and internal control system is regularly reviewed and mitigated by Management to ensure that the Group's assets and investments are protected and preserved.

The Board is of the view that the system of risk management and internal controls in place during 2023, were sound and sufficient to safeguard the Group's assets, as well as shareholders' investments, and the interests of customers, regulators, employees and other stakeholders.

The details of the Risk Management and Internal Control Framework are set out in the Statement on Risk Management and Internal Control on pages 180 to 182 of this Annual Report.

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

PART I: Engagement with Stakeholders

To ensure Timely and High-Quality Disclosure.

- Effective, Transparent and Regular Communication With Its Stakeholders.

  The Group recognises the importance of prompt and timely dissemination of information to shareholders and investors in order for these stakeholders to be able to make informed investment decisions. Towards this, the Company's website incorporates an announcement section which provides all relevant information on the Company and is accessible by the public. This announcement section enhances the investor relations function by including all announcements made, annual reports as well as the quarterly reports of the Company.

  The Board ensures that shareholders are provided with a balanced and meaningful evaluation of the Company's financial performance, its current position and prospects through the issuance of the Annual Audited Financial Statements and quarterly financial reports, as well as corporate announcements on significant developments affecting the Company in accordance with the Listing Requirements.

  In ensuring equal and fair access to information by the investing public, various channels of communications are employed. Examples include quarterly announcements on financial results to Bursa Securities, relevant announcements and circular via Bursa LINK as required under the Listing Requirements, the Annual and Extraordinary General Meetings and through the Company's website at www.goldenpharos.com.my, from which shareholders and prospective investors can access corporate information, annual reports, press releases, financial information and Company announcements.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

PART II: Conduct of General Meetings

To strengthen the relationship between the Company and Shareholders.

- Encourage Shareholder Participation at General Meetings.

  The Company recognises the importance of maintaining transparency and accountability to its shareholders. The Board believes that they are not only accountable to shareholders but is also responsible for managing a successful and productive relationship with the Company's stakeholders. In this regard, the Board will ensure that all the Company's shareholders and stakeholders are treated equitably and the rights of all investors, including minority shareholders, are protected.

  The Company dispatched its Notice of AGM to shareholders 49 days before the AGM in 2023. The Board believes the current practice would allow the shareholders to make necessary arrangements to attend and participate either in person, by corporate representative, by proxy or by attorney together with the Notice of AGM, which provides information to shareholders with regard to, among others, details of the AGM, their entitlement to attend the AGM, the right to appoint proxy and also qualification of proxy.

  Where special business items appear in the Notice of the AGM, a full explanation is provided to shareholders on the effect of the proposed resolution emanating from the special business item. The AGM is the principal opportunity for the Board to meet shareholders and for the Chairman to provide an overview of the Company's progress and receive questions from shareholders. The Company allows a member to appoint a proxy who may, but need not, be a member of the Company. If the proxy is not a member of the Company, he or she does not to be an advocate, an approved company auditor or a person approved by the Registrar of Companies.

- Effective Communication and Proactive Engagements.

  All Directors shall endeavour to be present in person to engage directly with and be accountable to the shareholders for their stewardship of the Company at the 37th AGM. The proceedings of the AGM will include the CEO's briefing on the Company's overall performance for FY 2023 and a Q&A session during which the Chairman will invite shareholders to raise questions pertaining to the Company's financial statements and other items for adoption at the meeting, before putting a resolution to vote.

  The Directors, CEO and external auditors will be in attendance to respond to the shareholders' queries.

  - Facilitate Greater Shareholder Participation at General Meetings.

    Under Paragraph 8.29A(1) of the Listing Requirements, a listed company must, among others, ensure that any resolution set out in the notice of any General Meeting, is voted on by poll. For this purpose, the share registrar will be appointed as the Poll Administrator and an independent scrutineer will be appointed to validate the votes cast at the 37th AGM.

    The Board will consider leveraging technology to facilitate electronic poll voting and remote shareholder participation in the coming General Meetings in order to more fairly reflect the views of shareholders and to ensure accurate and efficient outcomes of the voting process.

    At the commencement of all General Meetings, the Chairman will inform the shareholders of their rights to a poll vote. Separate resolutions are proposed for substantially separate issues at the meeting and the Chairman will declare the number of proxy votes received, both for and against each separate resolution where appropriate. The outcome of a General Meeting is announced to Bursa on the same meeting day.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

Statement of Directors' Responsibility in respect of the Audited Financial Statements

The Board is required by the Companies Act 2016 to prepare financial statements for each financial year which give a true and fair view of the Group and its state of affairs, results and cash flows at the end of the financial year.

Following discussions with the external auditors, the Directors consider if the appropriate accounting policies are consistently applied and supported by reasonable as well as prudent judgements and estimates, and that all accounting standards which they consider applicable have been adhered during the preparation of the financial statements.

The Board of Directors is responsible for ensuring that the Group keeps accounting records which are disclosed with reasonable accuracy, and for ensuring that the financial statements comply with the Companies Act 2016.

The Board and Board Committees have the general responsibility for taking such steps to safeguard the assets of the Group.

Statement on Compliance with the Requirements of Bursa Securities in Relation to Application of Principles of MCCG 2021 Pursuant to Paragraph 15.25 of the Listing Requirements

The Board has reviewed, deliberated and approved this Corporate Governance Overview Statement and is pleased to report to its shareholders that to the best of its knowledge, the Company has complied with and shall remain committed to continuously apply the Principles laid down in the MCCG 2021.

This Corporate Governance Overview Statement is made in accordance with the resolution of the Board of Directors dated 28 February 2024.

OTHER INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS
Utilisation of Proceeds Raised from Corporate Proposals

There were no proceeds raised from corporate proposals in FY 2023.

Audit and Non-Audit Fees

For the FY 2023, the audit fees payable by the Company and the Group to the external auditors, Ernst & Young PLT are as follows:

Company:
Audit Fee : RM85,000
Non-Audit Fee : RM25,750

Group:
Audit Fee : RM235,000
Non-Audit Fee : RM25,750

Material Contracts

There were no material contracts entered into by the Company and its subsidiaries, involving the interest of Directors and major shareholders, either still subsisting at the end of the year or, if not then subsisting, entered into since the end of the previous year.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

Recurrent Related Party Transactions of a revenue or trading nature

There were no recurrent related party transactions of revenue nature which required the mandate of shareholders during the year ended 31 December 2023.

Long Term Incentive Plan

The Long Term Incentive Plan (LTIP or Scheme) which commenced on 30 August 2018 was expired on 29 August 2023.

The Company's LTIP is governed by the by-laws which were approved by the shareholders on 26 June 2018, and is administered by the LTIP Committee, which is appointed by the Board of Directors, in accordance with the by-laws of LTIP. Under the LTIP, offers to employees and Directors of the Group were implemented on 30 August 2018 (ESGS and ESOS offered to employees) 30 August 2019 (ESOS offered to GPB Directors) and 4 November 2019 (ESOS offered to Directors of Subsidiaries Company). The LTIP consists of the followings:

i. Employee Share Option Scheme (ESOS) - Eligible Persons are granted ESOS options to subscribe for Shares at a pre-determined subscription price.

ii. Executive Share Grant Scheme (ESGS) - Eligible Persons are awarded Shares subject to the achievement of performance targets set by the Company. The ESGS was terminated by the Company on 31 July 2021, in accordance with the terms of the by-laws governing the ESGS.

Details of LTIP:

- **Size**
  Up to 15% of the total number of issued shares of the Company. Based on the number of shares on 26 June 2018 of 134,546,515 shares, up to 20,181,977 shares can be issued under the Proposed LTIP.

- **Duration**
  5 years, with an option for additional 5 years.

- **Eligible person**
  - ESOS - All Directors and confirmed Malaysian employees of the Group.
  - ESGS - Executive Directors (if any) and confirmed senior managerial employees of the Group.

- **Basis of allocation**
  At the discretion of the LTIP Committee after taking into consideration:
  - For Directors – contribution to the performance of the Group and positions in Board Committees; and
  - For employees – performance, seniority, length of service and contribution to the performance of the Group. Directors and Senior Management must not participate in the deliberation or discussion of their own allocation.

- **Retention period**
  Pursuant to the Listing Requirements, Non-Executive Directors must not sell, transfer or assign the new GPB Shares obtained within 1 year from the date of offer of the ESOS options.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

The total number of options granted, exercised, lapsed and outstanding under the ESOS and ESGS for the year under review are set out in the table below:

	ESGS	ESOS
As At 1 January 2023	-	3,300
Granted	-	-
Exercised/Vested	-	(300)
Lapsed	-	(3,000)
At 31 December 2023	-	-

All the Directors of GPB that have been granted ESOS Options as follows:

	Aggregate options Granted	Aggregate options Exercised/ Lapsed	Aggregate options Balance
Dato' Bentara Dalam Dato' A. Rahman bin Yahya	100,000	100,000	-
Muhammad Ramizu bin Mustaffa	100,000	100,000	-
Saiffuddin bin Othman	75,000	75,000	-
Dr Mohd Zaki bin Hamzah *(Appointed w.e.f 1 April 2024)*	100,000	100,000	-
Dato' Tengku Hassan bin Tengku Omar *(Resigned w.e.f 1 April 2024)*	125,000	125,000	-
Mohd Badaruddin bin Ismail *(Resigned w.e.f 1 April 2024)*	100,000	100,000	-

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors (Board) acknowledges the importance of a sound system of internal control and effective risk management to safeguard the investment of shareholders and the Group's assets.

Set out below is the Board's statement about the state of risk management and internal control of the Group during the year. The statement is prepared in accordance with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (SORMIC), which is in line with the requirements of Paragraph 15.26(b) and Practice Note 9 – Risk Management and Internal Control, Corporate Governance and Sustainability Statement of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Securities).

Board Responsibilities

The Board affirms its overall responsibility for maintaining sound internal control systems and reviewing the adequacy and integrity of those systems. The internal control system covers risk management, financial, operational and compliance controls.

Given the inherent limitations in any system of internal control, it is imperative to note that the systems are designed to mitigate rather than eliminate the risk of failure to achieve business objectives. Accordingly, the system can only provide reasonable, but not absolute, assurance against material misstatement, loss or fraud.

The Board has received assurance from the Chief Executive Officer (CEO) and the Head of Finance that the Group's risk management and internal control system is operating adequately and effectively in all material aspects, based on the risk management and internal control system of the Group.

Risk Management

The Board subscribes to the fact that the practice of effective risk management is a critical component of a sound system of risk management and internal control. Accordingly, the Board confirms that there is in place a formal and an on-going process to identify, evaluate and manage significant risks faced by the Group that may impede the achievement of the Group's objectives throughout the year and that a review on the adequacy and effectiveness of the risk management and internal control system has been undertaken.

The Group recognises that it is obliged to systematically manage and regularly review its risk profile at a strategic, financial, compliance and operational level. The Group's Enterprise Risk Management (ERM) framework defines the processes in managing the Group's key risks on a continuous basis and also action plans towards effective risk management and internal control practices.

The Board affirms that the Audit Committee adequately oversees the risk management framework, assisted by the management via the Corporate Services Department (CSD) who coordinates the implementation of the risk management process throughout the Group with assistance from departmental heads from head office and also the Heads of Company and the Heads of Divisions from operating subsidiaries. The CSD discusses principal risks identified, relevant controls that are in place and the action plans with the risk owners. In turn, the management reports the Group risk assessment, risk register and the risk action plans to the Audit Committee and the Board for review and endorsement every quarter.

Risk assessments are also carried out before committing resources to new projects and initiatives by identifying its impact on current operations and business objectives. These are reported in proposal papers to approving management and/or Board committees.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

Other key elements of internal control

The Board is committed to ensuring that a proper control structure and environment are maintained within the Group to achieve a sound system of internal control. The Board has the following elements in place:

- Board Committee have clearly defined responsibilities and lines of authority. These Committees report back to the Board with their recommendation for approval.
- The Group has an organisation structure that clearly defines lines of responsibility and delegation of authority to ensure proper identification of accountability and segregation of duties.
- Operating policies and procedures, which incorporate regulatory and internal requirements, are prescribed in the standard operating procedures and circulars. The documents are updated as and when necessary to meet the changing operational needs.
- The Board meets quarterly to review the Group's operational and financial performance against the approved budget, approve quarterly reports to Bursa Securities and deliberate on issues that require Board approval. In addition, the Board is also updated on changes in the business environment that may adversely affect business performance and relevant actions undertaken.
- To review the Group's performance against budget, solve business issues including internal control matters and to undertake risk management, the CEO conducts meetings as follows:
  1. Regularly, with Heads of Departments and Heads of Subsidiaries at the Group level.
  2. Regularly, with all Heads of Timber Companies.
  3. Quarterly, with the Board of Directors of Golden Pharos Berhad (GPB) and all subsidiaries.
  4. Periodically with the President of the Holding Company.
- The Head Office Management and the business units deliberate thoroughly on the annual budget before tabling it to the Board for consideration and approval.
- The Audit Committee, with the assistance of the internal audit department, provides an independent assessment of the adequacy, efficiency and effectiveness of the Group's internal control and risk management system and advises management on areas that require improvement. The internal audit department also reviews the extent to which its recommendations have been accepted and implemented by the Management.
- Internal audit reports are tabled at the Audit Committee meetings, which in turn reports to the Board its assessments and recommendations. Internal control deficiencies and issues highlighted are appropriately addressed by the Management.
- The Strategy and Investments Committee (SIC) assists the Board in reviewing and recommending, significant matters related to all existing and potential investments of the Group as and when required. The SIC also reviews and assesses all risks associated with investments and the management thereof.
- The Group risk assessment, risk register and risk action plans are reported to the Audit Committee and the Board quarterly for review and endorsement.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

Reporting to Shareholders/Stakeholders

External stakeholder relations and communication are given high priority in view of the types of risks faced by the Group. Specifically, sustainability issues require appropriate engagement with NGOs and other interested parties. The Group, being a state Government-Linked Company, implement an effective external communications strategy to ensure the reputation of the Group is protected.

The Group has established processes and procedures to ensure the quarterly and annual accounts, which cover the Group's performance, are submitted to Bursa Securities for release to shareholders and stakeholders on a timely basis. All quarterly results are reviewed and approved by the Board prior to announcement.

The Company's annual report, which include the annual audited financial statements together with the auditors' and directors' reports, are issued to the shareholders within the stipulated time prescribed under the MMLR of Bursa Securities.

Review of the statement by external auditors

As required by Paragraph 15.23 of the MMLR of Bursa Securities, the external auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the Annual Report for the year ended 2023. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide (AAPG 3) issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

Based on their review, nothing has come to their attention that cause them to believe that the Statement on Risk Management and Internal Control to be included in the Annual Report is inconsistent with their understanding of the process the Board has adopted in the review of the adequacy and effectiveness of the risk management and internal control systems of the Group.

Conclusion

The system of risk management and internal control described in this statement is considered by the Board to be adequate within the context of the business environment context throughout the Group's businesses. The Board continues to take appropriate initiatives to enhance the internal control system to ensure that it remains relevant over time in an evolving business environment.

This statement is made in accordance with the resolution of the Board of Directors dated 28 February 2024.

AUDIT COMMITTEE REPORT

MEMBERS AND MEETINGS

During the financial year under review, the Audit Committee (AC) conducted eight meetings and all members were present at the said meetings, which fulfilled the requisite quorum stipulated in the AC Term of Reference (TOR). The agenda and meeting papers comprising qualitative and quantitative information relevant to the meeting agenda are distributed to AC via e-mail no less than five business days prior to the date of each meeting. By invitation, Chief Executive Officer (CEO), Head of Internal Audit (HIA) and Head of Finance (HOF) attended AC meetings to facilitate deliberations as well as to provide input and advice, appropriate information, and clarification of relevant items on the agenda. The Company Secretary acts as secretary to AC. Representatives from the external auditor, Ernst & Young (EY) may also attended the meetings and presented their reports on external audit and reviewed matters.

After each meeting, the AC Chairman submits a report or summary on the deliberations, decisions and recommendations of AC to the Board for information and attention. Significant matters reserved for Board approval are tabled at the Board meetings. The AC Chairman further engages with the CEO, particularly the HOF, HIA, Senior Management and EY on an ongoing basis to keep abreast of matters and issues affecting the Group. Proceedings of the AC meetings and deliberations including key observations made by AC members were duly recorded in the minutes of each meeting and the signed minutes are tabled for confirmation at the next AC meeting. The Chairman of the AC reports on key issues discussed at each meeting to the Board. Details of the AC members' attendance are tabled below:

Name of Members	Membership	No. of Meetings Attended	
		Attendance	%
Mohd Badaruddin bin Ismail *(Resigned w.e.f 1 April 2024)*	Chairman/Independent Non-Executive	8/8	100%
Saiffuddin bin Othman *(Redesignated w.e.f 1 April 2024)*	Chairman/Independent Non-Executive	8/8	100%
Muhammad Ramizu bin Mustaffa	Member/Non-Independent Non-Executive	8/8	100%
Prof Datuk Dr Yahaya bin Ibrahim *(Appointed w.e.f 1 April 2024)*	Member/Independent Non-Executive	N/A	N/A
Adida binti Muhammud *(Appointed w.e.f 1 April 2024)*	Member/Independent Non-Executive	N/A	N/A

SUMMARY OF ACTIVITIES

During the financial year, the AC carried out the following activities:

1.0 Financial Reporting

- Reviewed and recommended the quarterly financial reports and announcements as well as the year-end financial statements of the Group and Company and recommended them for approval by the Board;
- In the review of the quarterly financial results and annual audited financial statements, the AC discussed with Management and the external auditors, amongst others, the accounting policies that were applied and the use of certain critical accounting estimates and the exercise of their judgment in the process of applying the Group's accounting policies that may affect the financial results and statements;
- Confirmed with Management and the external auditors that the Group's and the Company's annual audited financial statements have been prepared following applicable Malaysian Financial Reporting Standards (MFRS), International Financial Reporting Standards (IFRS), and the requirements of the Companies Act 2016 in Malaysia; and
- Received regular updates on the developments of new accounting standards and considered the impact of those standards on our Group's financial reporting process.

AUDIT COMMITTEE REPORT (CONTINUED)

2.0 Internal Audit

- Reviewed and approved the Financial Year 2023 (FY2023) risk-based Annual Audit Plan to ensure comprehensiveness of audit coverage and resources to execute the internal audit (IA) functions effectively;
- Reviewed and deliberated on the three (3) IA reports and two (2) special audit reports, audit recommendations and relevant corresponding actions at its quarterly meetings; and
- Monitored the implementation of the recommendations taken by Management until these were duly completed.

3.0 External Audit

- Reviewed and endorsed the External Auditors' Audit Plan, including the areas of audit emphasis and their audit approach for this financial year;
- Exercised oversight over the scope of work of the external auditors to ensure that their coverage is sufficient;
- Reviewed the level and scope of assistance given by the internal auditors to the external auditors;
- The AC reviewed and discussed the following with the external auditors:
  - the detailed terms of responsibilities and their scope of work as set out in the external auditors' engagement letter;
  - the overall work plan, including the audit approach and an overview on the areas of audit emphasis and fee proposal;
  - the significant audit and accounting matters identified during the course of the audit and the manner they were resolved;
  - results of their audit of accounting estimates and areas involving judgements;
  - the corrected and uncorrected misstatements noted during the audit; and
  - internal control recommendations made by the external auditors and the adequacy of Management's responses thereon.
- Reviewed with the external auditors the results of their work and their audit report on the financial statements; and
- Recommended the proposed audit fee for the Board's approval.

4.0 Risk Management Committee

- Reviewed the Risk Management Committee's reports, assessed the adequacy and effectiveness of the enterprise risk management framework and the appropriateness of Management's responses to the identified key risk areas as well as proposed recommendations for improvements to be implemented;
- Reviewed the Annual Enterprise Risk Management Plan as proposed to ensure the adequacy of the scope, resources, and coverage of work; and
- Further details on our Group's risk management process are included in the SORMIC on page 180 which was also reviewed by AC.

5.0 Related Party Transactions

- Reviewed the related party transactions and conflicts of interest, if any, that arose within the Group to ensure that the transactions were fair and reasonable to the Group and Company and were not to the detriment of the non-controlling shareholders.

TRAINING

During the year, all the AC members attended various relevant seminars, training programs, and conferences.

AUDIT COMMITTEE REPORT (CONTINUED)

INTERNAL AUDIT FUNCTIONS

The AC is supported by an in-house IA function that undertakes a systematic, disciplined approach to evaluate and improve the effectiveness of our Group's risk management, control and governance processes. HIA also provides advisory input on Management's initiatives to strengthen our governance framework.

The summary of IA functions is reflected below:

Reporting Structure	• IA reports directly to AC to ensure impartiality and independence in executing its role; and • The HIA reports functionally to the AC and administratively to the CEO which further ensures impartiality and independence in the execution of the role.
Independence	• All IA personnels have declared to the AC that they are free from any relationships or conflicts of interest which could impair their objectivity or independence.
Charter	• IA's role is governed by the IA Charter which defines its purpose, authority, and responsibilities that include IA being granted unrestricted access to information required in the course of its work.
Auditing Standards	• IA continues to make references to the Institute of Internal Auditors' International Professional Practices Framework (IPPF) and the Committee of Sponsoring Organisation (COSO) of the Treadway Commission internal control framework in performing its activities.
Audit Planning	• IA continues to adopt a risk-based approach in the development of its audit plan to ensure prioritisation of audits based on our Group's strategies, objectives and key risks. In deriving the audit plan, input from various sources is considered including: • Group risk profiles and business plans • Previous external and internal audit issues • Materiality, criticality and significant changes in business operations • Feedback from AC, CEO, Senior Management and EY • On 26 February 2023, AC considered and approved Annual Audit Plan for FY2023 included audits of businesses and support units across our Group; and • Changes to the audit plan are communicated promptly to AC.
Audit Execution	• In FY2023, IA performed planned reviews which included financial, operational, organisation's governance and information systems; and • In addition to the planned reviews, IA also performed two (2) unplanned special audit exercise.
Audit Reporting	• All IA reports were provided to AC with recommendations from IA and feedback from Management; • Recommendations were developed based on the identification of root causes for the findings and agreed with the Management before the issuance of the final reports; • Audit reports, which include the overall audit opinion on the effectiveness of governance and internal controls, were forwarded to business unit heads who are responsible for ensuring the implementation of recommendations within a stipulated time frame; • During FY2023, AC reviewed and deliberated the findings and recommendations from IA, as well as the actions taken to implement the recommendations made in the IA reports; • Management was invited from time to time to provide clarification on the findings and updates on the action taken; • In certain instances, our AC also challenged Management on the actions it was taking to minimise the probability of lapses and ensure that material findings were adequately addressed within a reasonable time frame; and • AC suggested various improvements to our Group's overall governance, risk management and internal controls, as well as reinforced an internal directive to hold individuals accountable for lapses in internal controls and governance.

AUDIT COMMITTEE REPORT (CONTINUED)

Audit Recommendations Monitoring	• IA conducted follow-up audits on key engagements to ensure that the corrective actions were implemented appropriately and timely. Any outstanding audit items are reported to AC via the Follow-up Audit Report.
IA's Resources	• IA has adequate resources to perform its role. As at 31 January 2024, there is a total of 4 Internal Auditors with relevant experience and qualifications; • The Internal Auditors continuously strive to stay updated with current developments to equip themselves with the awareness to address new risks and development to better understand the existing ones; • This is in addition to the numerous hours spent on self-learnings for audit purposes. The above training and development hours were mainly accumulated by taking advantage of numerous formal and on-the-job trainings, seminars, conferences and webinars offered by various professional bodies and subject matter experts; and • The costs incurred for the IA function in respect of FY2023 including staff payroll costs and overheads amounted to RM359,240.77 (FY2022: RM262,092.22).
IA's Performance Review	• AC reviewed the IA function and its Key Performance Indicator (KPI) to ensure that its activities are performed independently, proficiently, and with impartiality and due professional care; • The effectiveness of IA is assessed based on specific measures that include, but are not limited to: • Feedback received from relevant business units audited via an online auditee satisfaction survey (customer satisfaction index); and • Based on the results of the evaluation, AC is satisfied with the performance of IA and noted areas of improvement for IA to address in FY2023.

TERMS OF REFERENCE OF AUDIT COMMITTEE

MEMBERSHIP

1 The AC shall be appointed by the Board of Directors from among their number and shall comprise of not less than three (3) members which fulfils the following requirements:

a. all the AC members must be Non-Executive Directors, with a majority of them being Independent Directors;

b. all the AC members should be financially literate;

c. at least one (1) member:

(i) must be a member of the Malaysian Institute of Accountants (MIA); or

(ii) if he is not a member of the MIA:

- he must have at least three (3) years' working experience;
- he must have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act 1967; or
- he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
- fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad (Bursa Malaysia).

d. no alternate Director shall be appointed as a member of the AC ;and

AUDIT COMMITTEE REPORT (CONTINUED)

e. former key audit partner may be appointed as a member of the AC but must observe a cooling-off period of at least three (3) years prior to his appointment.

2 The chairman of the AC shall be appointed by the Board from among their Independent Directors who must not be the Chairman of the Board.

3 The terms of office and performance of the Committee and each of its members must be reviewed by the Board of Directors at least once every 3 years to determine whether the Committee and its members have carried out their duties in accordance with their terms of reference.

4 In the event of any vacancy in the Committee resulting in the non-compliance of the listing requirement of the Bursa Securities pertaining to composition of AC, the Board of Directors shall within three months of that event fill the vacancy.

MEETINGS

1 Frequency

a. Meetings shall be held not less than four (4) times a year.

b. Upon the request of the external auditor, the Chairman of the Committee shall convene a meeting of the Committee to consider any matter the external auditor believes should be brought to the attention of the Directors or shareholders.

2 Quorum

a. A quorum shall consist of a majority of Independent Directors.

3 Secretary

a. The Company Secretary shall be the Secretary of the Committee or in his absence, another person authorised by the Chairman of the Committee.

4 Attendance

a. The CEO, the HIA, the HOF, and the representative of the external auditor shall normally attend meetings.

b. Other Directors and employees may attend any particular meeting only at the Committee's invitation, specific to the relevant meeting.

c. At least once a year, the Committee shall meet with the external auditors without any executive Board members present.

5 Reporting Procedure

a. The minutes of each meeting shall be circulated to all members of the Board together with the Board meeting papers.

6 Meeting Procedure

The Committee shall regulate its own procedure, in particular:-

a. the calling of meetings;

b. the notice to be given of such meetings;

c. the voting and proceedings of such meetings;

d. the keeping of minutes; and

e. the custody, production and inspection of such minutes.

AUDIT COMMITTEE REPORT (CONTINUED)

7 **Circular Resolution**

a. Circular Resolutions signed by all the members shall be valid and effective as if it had been passed at a meeting of the Committee.

RIGHTS

The Committee in performing its duties shall in accordance with a procedure to be determined by the Board of Directors:

1. have authority to investigate any matter within its terms of reference;
2. have the resources which are required to perform its duties;
3. have full and unrestricted access to any information pertaining to the company or group;
4. have direct communication channels with the external auditor and person(s) carrying out the internal audit function or activity;
5. be able to obtain independent professional or other advice; and
6. be able to convene meetings with external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

FUNCTIONS

The Committee shall, amongst others, discharge the following functions:

1 To review with the external auditor:

a. the audit plan;

b. his evaluation of the system of internal controls;

c. his audit report; and

d. his management letter and management's response;

2 To review:

a. the assistance given by the Company's employees to the external auditor;

b. the quarterly results and year-end financial statements, prior to the approval by the Board of Directors, focusing particularly on:-

(i) the going concern assumption;

(ii) changes in or implementation of major accounting policy changes;

(iii) significant and unusual events; and

(iv) compliance with accounting standards and other legal requirements.

c. any related party transaction and conflict of interest situation that arose, persist or may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions or any other matter regarding the integrity of Management and the measures taken to resolve, eliminate, or mitigate such conflicts; and

d. the Statement of Corporate Governance prior to the approval by the Board of Directors.

AUDIT COMMITTEE REPORT (CONTINUED)

3 In respect of the appointment of external auditors:

a. to review whether there is reason (supported by grounds) to believe that the external auditors is not suitable for reappointment;

b. to consider the nomination of a person or persons as external auditors and the audit fee;

c. to consider any questions of resignation or dismissal of external auditors.

4 In respect of the internal audit function:

a. to review the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;

b. to review the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;

c. to review any appraisal or assessment of the performance of members of the internal audit function;

d. to approve any appointment or termination of senior staff members of the internal audit function;

e. to inform itself of any resignation of internal audit staff member and provide the resigning staff member an opportunity to submit his reasons for resigning;

f. the internal audit function must be independent of the activities it audits; the internal audit activity should be free from interference in determining the scope of internal audit, performing work, and communicating results;

g. the internal audit function reports directly to the AC;

h. at the end of each financial year, to review and verify the allocation of new Shares offered or vested according to the company's Long Term Incentive Plan; and

i. to accomplish its goals by bringing an objective and disciplined approach to evaluate and improve the effectiveness of risk management, internal control, anti-corruption, whistleblowing and governance processes.

5 To promptly report such matter to the Bursa Securities if the Committee is of the view that the matter reported by it to the Board of Directors has not been satisfactorily resolved resulting in a breach of the Listing Requirements.

6 To carry out other functions as may be agreed to by the Committee and the Board of Directors.

LIST OF PROPERTIES

Properties	Description	Land area (sq. metre)	Tenure of land	Age of building	Net book value 31/12/2023 (RM)
Lot No. 6720 & 6721, Jalan Perak Mukim Telok Panglima Garang State of Selangor	Glass factory	12,141	99 years leasehold expiring on 11.6.2086	33 years	6,671,203
Lot No.3320 City and District Kuala Terengganu State of Terengganu	4 storey shopoffice	148	Freehold	33 years	1,730,495
P.T. No. 105 H.S. (D) 4961 Mukim Hulu Paka, District of Dungun State of Terengganu	Plywood mill	219,850	60 years leasehold expiring on 14.7.2042	41 years	6,459,349
Lot No. 1431, 1432 and 1433 Mukim Hulu Paka District of Dungun State of Terengganu	3 units single storey detached house	2,359	99 years leasehold expiring on 15.4.2096	41 years	238,085
Lot No. 3164 Mukim of Batu Burok District of Kuala Terengganu State of Terengganu	3.5 storey shopoffice	130	Freehold	30 years	742,001
P.T. No. 109 H.S. (D) 569 Mukim Hulu Paka District of Dungun State of Terengganu	Vacant industrial land	48,940	60 years leasehold expiring on 24.2.2058	-	1,239,287
Lot No. 2049 Mukim Hulu Paka District of Dungun State of Terengganu	Vacant industrial land	138,000	60 years leasehold expiring on 17.6.2060	-	3,046,314
Lot No. 2050 Mukim Hulu Paka District of Dungun State of Terengganu	Vacant industrial land	48,420	60 years leasehold expiring on 17.6.2060	-	1,068,418
Lot No. 2051 Mukim Hulu Paka District of Dungun State of Terengganu	Vacant industrial land	17,840	60 years leasehold expiring on 17.6.2060	-	392,930

LIST OF PROPERTIES (CONTINUED)

Properties	Description	Land area (sq. metre)	Tenure of land	Age of building	Net book value 31/12/2023 (RM)
Lot No. 7348 Mukim Jerangau District of Dungun State of Terengganu	Sawmill	158,000	30 years leasehold expiring on 4.3.2038	43 years	2,700,896
Lot No. 16388 & 16389 Mukim Kuala Paka District of Dungun State of Terengganu	Vacant industrial land	23,225	30 years leasehold expiring on 15.10.2037	-	397,467
Lot No. 743 Mukim Telok Kalong District of Kemaman State of Terengganu	Vacant industrial land	25,231	60 years leasehold expiring on 25.4.2029	-	436,366
P.T. 6400 & 6401 Mukim Jerangau District of Dungun State of Terengganu	1 unit single storey office & 1 unit rest house	7,834	60 years leasehold expiring on 24.9.2054	29 years	581,336
Lot No. 12556 Mukim Chukai District of Kemaman State of Terengganu	Sawmill and timber downstream processing	35,728	50 years leasehold expiring on 15.10.2045	48 years	5,525,706
Lot No. 9803 Mukim Chukai District of Kemaman State of Terengganu	Sawmill and timber downstream processing	31,126	60 years leasehold expiring on 22.2.2053	48 years	3,199,599
Lot No. PT 60056 Mukim Banggol District of Kemaman State of Terengganu	Vacant industrial land	198,300	60 years leasehold expiring on 21.2.2071	-	10,887,331

The last revaluation carried out by the Group was on 21 February 2024.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services to the subsidiaries.

The principal activities of the subsidiaries are manufacturing and trading of glass and woodchip, investment holding, sawmilling, moulding, producing finger joint and furniture and kiln drying, harvesting and sustainable forest management, and rental of buildings, plant and machinery, selling of logs and right to log and manufacture and sale of veneer.

Other information relating to the subsidiaries are disclosed in Note 20 to the financial statements.

RESULTS

	Group RM'000	Company RM'000
Profit net of tax	23,271	9,226

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

In the opinion of the 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.

DIVIDENDS

The amount of dividend declared and paid by the Company since 31 December 2022 were as follows:

In respect of the financial year ended 31 December 2022:

	RM'000
An interim and final tax exempt (single-tier) dividend of 1.25 sen per share on 140,475,470 ordinary share and 12,000,000 redeemable preference shares, declared on 15 June 2023 and paid on 11 July 2023 and 20 September 2023.	1,906

DIRECTORS' REPORT (CONTINUED)

DIVIDENDS (CONTINUED)

The amount of dividend declared and paid by the Company since 31 December 2022 were as follows: (continued)

In respect of the financial year ended 31 December 2023:

	RM'000
An interim tax exempt (single-tier) dividend of 2.85 sen on 140,775,470 ordinary shares and 10,000,000 redeemable preference shares, declared on 12 December 2023 and paid on 15 January 2024.	4,297
An interim tax exempt (single-tier) dividend of 1.75 sen on 140,775,470 ordinary shares and 1.15 sen on 10,000,000 redeemable preference shares, declared on 27 December 2023 and paid on 9 February 2024.	2,579
	8,782

The directors do not recommend the payment of any final dividend for the current financial year.

DIRECTORS

The names of the directors of the Company in office since the beginning of the financial year to the date of this report are:

Dato' Bentara Dalam Dato' Haji A. Rahman bin Yahya	
Haji Saiffuddin bin Othman	
Muhammad Ramizu bin Mustaffa	
Haji Burhanuddin Hilmi bin Mohamed @ Harun	
Dato' Haji Yahaya bin Ali	(appointed on 1 April 2024)
Prof Datuk Dr Yahaya bin Ibrahim	(appointed on 1 April 2024)
Dr. Mohd Zaki bin Hamzah	(appointed on 1 April 2024)
Adida binti Muhammud	(appointed on 31 May 2023)
Dato' Haji Tengku Hassan bin Tengku Omar	(resigned on 1 April 2024)
Mohd Badaruddin bin Ismail	(resigned on 1 April 2024)

The names of the directors of the Company's subsidiaries since the beginning of the financial year to the date of this report are:

GOLDEN PHAROS GLASS SDN. BHD.

Mohd Nurkhuzaini bin Ab Rahman	
Dato' Nara Setia Dato' Zulkifli bin Ali	
Haji Alias bin Harun	(appointed on 1 April 2024)
Dato' Bentara Dalam Dato' Haji A. Rahman bin Yahya	(resigned on 1 April 2024)

DIRECTORS' REPORT (CONTINUED)

DIRECTORS (CONTINUED)

GP FOREST PLANTATION SDN. BHD.

Dato' Bentara Dalam Dato' Haji A. Rahman bin Yahya	
Hilmi bin Harun	(appointed on 1 April 2024)
Dato' Norhaidi bin Yunus	(appointed on 1 April 2024)
Roslan bin Rani	(resigned on 12 March 2024)
Dr Azman bin Ibrahim	(resigned on 2 April 2024)

GOLDEN PHAROS BIOMASS SDN. BHD.

Suhairi bin Sulong
Zulkifli bin Omar

GOLDEN PHAROS OVERSEAS SDN. BHD.

Suhairi bin Sulong
Zulkifli bin Omar

GOLDEN PHAROS FIBER SDN. BHD.

Suhairi bin Sulong
Zulkifli bin Omar

GP TROPICAL FURNITURE SDN. BHD.

Suhairi bin Sulong
Zulkifli bin Omar

PERMINT TIMBER CORPORATION SDN. BHD.

Suhairi bin Sulong
Zulkifli bin Omar

PESAMA TIMBER CORPORATION SDN. BHD.

Ir. Saiful Azmi bin Suhaili
Haji Wan Ali bin W Yusof
Mohd Hafiz bin Adam
Muhammad Ramizu bin Mustaffa
Jusman bin Ibrahim

PESAKA TRENGGANU BERHAD

Haji Wan Hassan bin Mohd Ramli	
Haji Ghazali bin Sulaiman	
Haji Zainal Abidin bin Mohamed	
Mohd Badaruddin bin Ismail	(resigned on 1 April 2024)

DIRECTORS' REPORT (CONTINUED)

DIRECTORS (CONTINUED)

KUMPULAN PENGURUSAN KAYU KAYAN TRENGGANU SDN. BHD.

Abdul Hadi bin Ripin @ Ariffin	
Mohd Harun bin Esa	
Dr. Mohd Zaki bin Hamzah	
Haji Muhyidin bin Abdul Rasyid	(appointed on 1 April 2024)
Haji Burhanuddin Hilmi bin Mohamed @ Harun	(appointed on 1 April 2024)
Dato' Norhaidi bin Yunus	(appointed on 1 April 2024)
Dato' Haji Satiful Bahari bin Mamat	(resigned on 1 April 2024)
Roslan bin Rani	(resigned on 12 March 2024)

PERMINT PLYWOOD SDN. BHD.

Haji Saiffuddin bin Othman	
Mohd Fadhli Rahmi bin Zulkifli	(appointed on 1 April 2024)
Haji Maliaman bin Kassim	(resigned on 1 April 2024)
Haji Anuar bin Awang	(resigned on 1 April 2024)
Mohd Badaruddin bin Ismail	(resigned on 1 April 2024)
Ahmad Azizi bin Zulkifli	(resigned on 1 April 2024)

GP DYNAMIC VENTURE SDN. BHD.

Zulkifli bin Omar
Syukri bin Ali

HOLDING COMPANY

The immediate holding company is Terengganu Incorporated Sdn. Bhd., a company incorporated in Malaysia. The ultimate holding corporation is Mentri Besar, Trengganu, a corporation incorporated in Malaysia under the Mentri Besar (Incorporation), Enactment, 1951.

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than those arising from the share options granted under the Employee Share Option Scheme ("ESOS").

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

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' BENEFITS (CONTINUED)

The directors' benefits are as follows:

	Group RM'000	Company RM'000
Fees	718	282
Share option granted under ESOS	17	(28)
Other emoluments	1,008	388
Benefits-in-kind	9	9
	1,752	651

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of the directors in office at the end of the financial year in shares and options over shares in the Company and its related corporations during the financial year were as follows:

		Number of ordinary shares		
Name of directors	**1.1.2023**	**Acquired**	**Sold**	**31.12.2023**
Dato' Haji Tengku Hassan bin Tengku Omar	-	125,000	-	125,000
Dato' Bentara Dalam Dato' Haji A. Rahman bin Yahya	-	100,000	-	100,000
Haji Saiffuddin bin Othman	-	75,000	-	75,000

		Number of options over ordinary shares		
Name of directors	**1.1.2023**	**Granted**	**Exercised**	**31.12.2023**
Dato' Haji Tengku Hassan bin Tengku Omar	125,000	-	(125,000)	-
Dato' Bentara Dalam Dato' Haji A. Rahman bin Yahya	100,000	-	(100,000)	-
Haji Saiffuddin bin Othman	75,000	-	(75,000)	-

EMPLOYEE SHARE OPTIONS SCHEME ("ESOS")

The Company's Long Term Incentive Plan ("LTIP" or "Scheme") is governed by the By-Laws which was approved by the shareholders on 26 June 2018, and is administered by the LTIP Committee which is appointed by the Board of Directors, in accordance with the By-Laws of LTIP.

The LTIP comprised of ESOS. The salient features, terms and details of the LTIP are disclosed in Note 33 to the financial statements.

DIRECTORS' REPORT (CONTINUED)

OTHER STATUTORY INFORMATION

(a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, 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 provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

(i) the amount written off for bad debts or the amount of the allowance for doubtful debts inadequate to any substantial extent; and

(ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

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

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

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

((i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors:

(i) no contingent 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 or of the Company to meet their obligations when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

DIRECTORS' REPORT (CONTINUED)

AUDITORS

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

The auditors' remuneration in respect of the statutory audit of the Group and of the Company are as follows:

	Group RM'000	Company RM'000
Ernst & Young PLT	261	111

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young PLT for the financial year ended 31 December 2023.

Signed on behalf of the Board in accordance with a resolution of the directors dated 23 April 2024.

Dato' Haji Yahaya bin Ali

Haji Saiffuddin bin Othman

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

We, Dato' Haji Yahaya bin Ali and Haji Saiffuddin bin Othman, being two of the directors of Golden Pharos Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 205 to 301 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 2023 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 23 April 2024.

Dato' Haji Yahaya bin Ali

Haji Saiffuddin bin Othman

STATUTORY DECLARATION
PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Syukri bin Ali, being the officer primarily responsible for the financial management of Golden Pharos Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 205 to 301 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed
Syukri bin Ali at Kuala Terengganu in the state of
Terengganu Darul Iman on 23 April 2024.

Syukri bin Ali
MIA 23519
(I/C No.: 750701-11-5007)

Before me,

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GOLDEN PHAROS BERHAD (INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Golden Pharos Berhad., which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 205 to 301.

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 2023, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent 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 Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. The key audit matters for the audit of the financial statements of the Group are described below. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF GOLDEN PHAROS BERHAD (CONTINUED)
(INCORPORATED IN MALAYSIA)

KEY AUDIT MATTER AT GROUP'S FINANCIAL STATEMENTS

Revenue recognition

We draw your attention to accounting policy in Note 2.21 and the disclosure of revenue in Note 4 to the financial statements.

For the financial year ended 31 December 2023, the Group recorded revenue of approximately RM89,230,000 mainly derived from its sawmilling, sales of logs and rights to log and glass manufacturing segments. We identified revenue as an area of audit focus because of the significance of the amount of the revenue to the Group's financial statements at the reporting date. Further, we also assessed the risk of material misstatement in respect of revenue recognition to be higher as the key performance indicator for the key management personnel are measured based on the financial performance (where revenue is the key determinant of the overall financial performance) of the Group. Specifically, we focused our audit efforts to determine the possibility of overstatement of revenue.

In addressing the matter above, we have amongst others performed the following audit procedures:

(i) We obtained an understanding of the Group's internal controls over nature, timing and amount of revenue recognised;

(ii) We inspected samples of sales contracts to determine the point in time at which customers obtained control of the promised goods and the Group satisfied the performance obligation;

(iii) Performed cut-off procedures to determine if revenue are recorded in the correct accounting period;

(iv) We performed the following additional audit procedures for the revenue from sale of goods and sale of logging compartments:

a) Sale of goods

- We focused on using analytics by obtaining general ledger and subledger data that enables us to focus in establishing the correlation, between revenue, trade receivables and cash collection;

- We reperformed testing over cash entries that settled trade receivables and inspected documents evidencing customers acceptance.

b) Sale of logging compartments

- Inspected license for extraction from the state authority which evidenced the entity's rights to extract logs.

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report and Statement on Risk Management and Internal Control, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the Company's 2023 Annual Report, which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF GOLDEN PHAROS BERHAD (CONTINUED)
(INCORPORATED IN MALAYSIA)

Information other than the financial statements and auditors' report thereon (continued)

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information identified above 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 on the other information that we obtained prior to the date of this auditors' report, 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.

When we read the Company's 2023 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF GOLDEN PHAROS BERHAD (CONTINUED)
(INCORPORATED IN MALAYSIA)

Auditors' responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Muhammad Affan bin Daud
No. 03063/02/2026 J
Chartered Accountant

Kuala Terengganu, Terengganu Darul Iman, Malaysia
23 April 2024

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	4	**89,230**	70,199	**15,486**	9,536
Cost of sales		**(40,781)**	(36,624)	**-**	-
Gross profit		**48,449**	33,575	**15,486**	9,536
Other items of income					
Dividend income	6	**5**	20	**-**	-
Other income	7	**710**	1,174	**33**	5
Other items of expense					
Selling and distribution expenses		**(1,455)**	(1,366)	**-**	-
Administrative expenses		**(20,007)**	(18,467)	**(5,694)**	(5,072)
Allowance for impairment loss on trade and other receivables	9	**(275)**	(48)	**(1,054)**	(187)
Reversal of impairment loss on trade and other receivables	9	**283**	329	**288**	688
Other expenses		**(62)**	(38)	**-**	-
Operating profit		**27,648**	15,179	**9,059**	4,970
Finance costs	8	**(649)**	(670)	**(28)**	(29)
Finance income	5	**243**	54	**195**	5
Net finance costs		**(406)**	(616)	**167**	(24)
Share of results of an associate		**195**	458	**-**	**-**
Profit before tax	9	**27,437**	15,021	**9,226**	4,946
Income tax expense	12	**(4,166)**	(3,166)	**-**	-
Profit net of tax		**23,271**	11,855	**9,226**	4,946
Profit attributable to:					
Owners of the parent		**23,271**	11,855	**9,226**	4,946

STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Other comprehensive income:					
Item that will not be reclassified to profit or loss:					
Net loss on fair value changes of fair value through other comprehensive income ("FVTOCI") financial assets	32	**(8)**	(111)	**-**	-
Net loss on remeasurement of defined benefit obligations	29	**(515)**	(347)	**(35)**	(72)
Share of other comprehensive loss of an associate		**(34)**	(148)	**-**	-
Other comprehensive loss, net of tax		**(557)**	(606)	**(35)**	(72)
Total comprehensive income for the year, net of tax		**22,714**	11,249	**9,191**	4,874
Total comprehensive income attributable to:					
Owners of the parent		**22,714**	11,249	**9,191**	4,874
Earnings per share attributable to owners of the parent (sen per share):					
Basic	13	**16.83**	8.59		
Diluted	13	**16.83**	8.27		

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Assets					
Non-current assets					
Property, plant and equipment	14	**15,690**	14,309	**311**	315
Right-of-use assets	15	**23,307**	24,149	**194**	247
Investment properties	16	**18,666**	19,053	**1,730**	1,721
Biological assets	17	**2,107**	1,099	**-**	-
Intangible assets	18	**661**	973	**-**	-
Goodwill	19	**-**	-	**-**	-
Investments in subsidiaries	20	**-**	-	**77,205**	77,205
Investments in associates	21	**3,883**	3,925	**-**	-
Deferred tax assets	22	**97**	149	**-**	-
Investment securities	23	**1,192**	1,200	**-**	-
Other receivables	26	**-**	-	**1,121**	3,935
		65,603	64,857	**80,561**	83,423
Current assets					
Inventories	25	**9,124**	4,717	**-**	-
Trade and other receivables	26	**16,430**	13,961	**4,887**	2,373
Prepayments		**977**	2,092	**11**	3
Tax recoverable		**1,692**	2,564	**-**	-
Cash and bank balances	27	**40,836**	23,391	**5,517**	1,322
		69,059	46,725	**10,415**	3,698
Non-current assets held for sale	24	**-**	-	**-**	-
		69,059	46,725	**10,415**	3,698
Total assets		**134,662**	111,582	**90,976**	87,121

STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2023

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Equity and liabilities					
Current liabilities					
Defined benefit obligations	29	**549**	1,075	**-**	-
Borrowings	28	**2,238**	1,995	**92**	64
Lease liabilities	15	**27**	39	**98**	95
Trade and other payables	30	**26,498**	15,497	**9,077**	3,759
Tax payable		**712**	239	**-**	-
		30,024	18,845	**9,267**	3,918
Net current assets/(liabilities)		**39,035**	27,880	**1,148**	(220)
Non-current liabilities					
Defined benefit obligations	29	**7,695**	6,844	**481**	397
Borrowings	28	**6,805**	7,953	**245**	218
Lease liabilities	15	**41**	13	**106**	160
		14,541	14,810	**832**	775
Total liabilities		**44,565**	33,655	**10,099**	4,693
Net assets		**90,097**	77,927	**80,877**	82,428
Equity attributable to owners of the parent					
Share capital	31	**79,744**	81,664	**79,744**	81,664
Retained earnings/(Accumulated losses)		**29,715**	16,946	**(1,834)**	(353)
Other reserves	32	**(19,362)**	(20,683)	**2,967**	1,117
Total equity		**90,097**	77,927	**80,877**	82,428
Total equity and liabilities		**134,662**	111,582	**90,976**	87,121

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		Attributable to owners of the parent								
			Non-distributable	Distributable		Non-distributable				
	Note	Equity, total RM'000	Share capital RM'000	Retained earnings RM'000	Other reserves, total RM'000	Equity contribution from owners RM'000	Capital redemption reserve RM'000	Fair value adjustment reserve RM'000	Reserve arising from merger RM'000	Employee share options reserve RM'000
Group										
Opening balance at 1 January 2023		77,927	81,664	16,946	(20,683)	1,262	-	102	(22,718)	671
Profit for the year		23,271	-	23,271	-	-	-	-	-	-
Other comprehensive income										
Net loss on fair value changes of FVTOCI financial assets	32	(8)	-	-	(8)	-	-	(8)	-	-
Net loss on remeasurement of defined benefit obligations	29	(515)	-	(515)	-	-	-	-	-	-
Share of other comprehensive loss of an associate		(34)	-	(34)	-	-	-	-	-	-
Total comprehensive income		22,714	-	22,722	(8)	-	-	(8)	-	-
Transactions with owners										
Dividend	38	(8,782)	-	(8,782)	-	-	-	-	-	-
Redemption of redeemable preference shares	31	(2,000)	(2,000)	(2,000)	2,000	-	2,000	-	-	-
Issuance of shares arising from exercise of ESOS	31	54	54	-	-	-	-	-	-	-
Share-based payment under the LTIP: Grant of ESOS	32	184	-	-	184	-	-	-	-	184
Transfer to share capital upon ESOS exercised	31	-	26	-	(26)	-	-	-	-	(26)
ESOS lapsed	32	-	-	829	(829)	-	-	-	-	(829)
Total transactions with owners		(10,544)	(1,920)	(9,953)	1,329	-	2,000	-	-	(671)
Closing balance at 31 December 2023		90,097	79,744	29,715	(19,362)	1,262	2,000	94	(22,718)	-

STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

			Attributable to owners of the parent						
			Non-distributable	Distributable	Non-distributable				
	Note	Equity, total RM'000	Share capital RM'000	Retained earnings RM'000	Other reserves, total RM'000	Equity contribution from owners RM'000	Fair value adjustment reserve RM'000	Reserve arising from merger RM'000	Employee share options reserve RM'000
Group (continued)									
Opening balance at 1 January 2022		70,100	81,664	8,874	(20,438)	1,262	213	(22,718)	805
Profit for the year		11,855	-	11,855	-	-	-	-	-
Other comprehensive income									
Net loss on fair value changes of FVTOCI financial assets	32	(111)	-	-	(111)	-	(111)	-	-
Net loss on remeasurement of defined benefit obligations	29	(347)	-	(347)	-	-	-	-	-
Share of other comprehensive income of an associate		(148)	-	(148)	-	-	-	-	-
Total comprehensive loss		11,249	-	11,360	(111)	-	(111)	-	-
Transactions with owners									
Dividend	38	(3,354)	-	(3,354)	-	-	-	-	-
Share-based payment under the LTIP: Grant of ESOS	32	(68)	-	-	(68)	-	-	-	(68)
ESOS lapsed	32	-	-	66	(66)	-	-	-	(66)
Total transactions with owners		(3,422)	-	(3,288)	(134)	-	-	-	(134)
Closing balance at 31 December 2022		77,927	81,664	16,946	(20,683)	1,262	102	(22,718)	671

STATEMENTS OF CHANGES IN EQUITY (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

			← Non-distributable					→
	Note	Equity, total RM'000	Share capital RM'000	Accumulated losses RM'000	Other reserves, total RM'000	Equity contribution from owners RM'000	Capital redemption reserve RM'000	Employee share options reserve RM'000
Company								
Opening balance at 1 January 2023		82,428	81,664	(353)	1,117	967	-	150
Profit for the year		9,226	-	9,226	-	-	-	-
Other comprehensive income								
Net loss on remeasurement of defined benefit obligations	29	(35)	-	(35)	-	-	-	-
Total comprehensive income		9,191	-	9,191	-	-	-	-
Transactions with owners								
Dividends	38	(8,782)	-	(8,782)	-	-	-	-
Redemption of redeemable preference shares	31	(2,000)	(2,000)	(2,000)	2,000	-	2,000	-
Issuance of shares arising from exercise of ESOS	31	54	54	-	-	-	-	-
Transfer to share capital upon ESOS exercised	31	-	26	-	(26)	-	-	(26)
Share-based payment under the LTIP:								
Grant of ESOS	32	(14)	-	-	(14)	-	-	(14)
ESOS lapsed		-	-	110	(110)	-	-	(110)
Total transactions with owners		(10,742)	(1,920)	(10,672)	1,850	-	2,000	(150)
Closing balance at 31 December 2023		80,877	79,744	(1,834)	2,967	967	2,000	-

STATEMENTS OF CHANGES IN EQUITY (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

			Non-distributable				
	Note	Equity, total RM'000	Share capital RM'000	Accumulated losses RM'000	Other reserves, total RM'000	Equity contribution from owners RM'000	Employee share options reserve RM'000
Company (continued)							
Opening balance at 1 January 2022		80,902	81,664	(1,873)	1,111	967	144
Profit for the year		4,946	-	4,946	-	-	-
Other comprehensive income							
Net loss on remeasurement of defined benefit obligations	29	(72)	-	(72)	-	-	-
Total comprehensive income		4,874	-	4,874	-	-	-
Transactions with owners							
Dividends	38	(3,354)	-	(3,354)	-	-	-
Share-based payment under the LTIP: Grant of ESOS	32	6	-	-	6	-	6
Total transactions with owners		(3,348)	-	(3,354)	6	-	6
Closing balance at 31 December 2022		82,428	81,664	(353)	1,117	967	150

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Cash flows from operating activities					
Profit before tax		**27,437**	15,021	**9,226**	4,946
Adjustments for:					
Dividend income from:					
- Subsidiaries	4	**-**	-	**(12,750)**	(6,800)
- Investment securities	6	**(5)**	(20)	**-**	-
Profit and interest income from deposits with licensed banks	5	**(243)**	(54)	**(4)**	(5)
Interest income from advance to subsidiaries		**-**	-	**191**	-
Profit income from Al-Mudharabah	7	**-**	(1)	**-**	-
Allowance for impairment loss on:					
- Trade receivables	9	**212**	32	**-**	-
- Other receivables	9	**63**	16	**1,054**	187
Reversal of impairment loss on:					
-Trade receivables	9	**(234)**	(88)	**-**	-
-Other receivables	9	**(49)**	(241)	**(288)**	(688)
Bad debts recovered	7	**(101)**	(241)	**-**	-
Finance costs	8	**649**	670	**28**	29
Depreciation of:					
- Property, plant and equipment	9	**1,953**	1,912	**153**	128
- Right-of-use assets	9	**884**	885	**95**	96
- Investment properties	9	**423**	420	**27**	25
Inventories written off	9	**159**	-	**-**	-
Inventories written down	9	**640**	96	**-**	-
Amortisation of intangible assets	9	**2,357**	1,468	**-**	**-**
Gain on disposal of property, plant and equipment	9	**(52)**	(358)	**-**	**-**
Property, plant and equipment written off	9	**15**	733	9	-
Bad debts written off	9	**29**	51	**-**	-
Gain on disposal of assets-held-for-sale	7	**-**	(11)	**-**	**-**
Share of results of an associate		**(195)**	(458)	**-**	-
Share-based payment under the LTIP:					
- Grant of ESOS	10, 11	**184**	(68)	**(14)**	20
Provision for defined benefit obligations	10	**781**	693	**57**	38
Total adjustments		**7,470**	5,436	**(11,442)**	(6,970)
Operating cash flows before changes in working capital		**34,907**	20,457	**(2,216)**	(2,024)

STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Cash flows from operating activities (continued)					
Changes in working capital:					
(Increase)/decrease in inventories		**(5,206)**	1,736	**-**	-
(Increase)/decrease in trade and other receivables		**(2,389)**	386	**(471)**	(3,346)
Decrease/(increase) in prepayments		**1,115**	479	**(8)**	(1)
Increase/(decrease) in trade and other payables		**6,284**	(2,434)	**425**	244
Total changes in working capital		**(196)**	167	**(54)**	(3,103)
Cash flows from/(used in) operations		**34,711**	20,624	**(2,270)**	(5,127)
Profit received from Al-Mudharabah		**-**	1	**-**	-
Finance costs paid		**(92)**	(103)	**-**	-
Income taxes refunded		**11**	229	**-**	-
Income taxes paid		**(2,746)**	(3,281)	**-**	-
Defined benefit paid	29	**(971)**	(528)	**(8)**	-
Net cash flows from/(used in) operating activities		**30,913**	16,942	**(2,278)**	(5,127)
Cash flows from investing activities					
Purchases of property, plant and equipment	14	**(2,656)**	(3,499)	**(28)**	(128)
Purchases of investment properties	16	**(36)**	-	**(36)**	-
Proceeds from disposal of property, plant and equipment		**68**	370	**-**	-
Proceeds from disposal of assets-held-for-sale		**-**	21	**-**	-
Cost incurred on biological assets		**(1,008)**	(862)	**-**	-
Addition of intangible assets	18	**(2,045)**	(1,804)	**-**	-
Addition of investment securities		**(8)**	(592)	**-**	-
(Placement)/withdrawal of deposits with licensed banks		**(12,057)**	274	**-**	300
Dividend received from:					
- Subsidiaries		**-**	-	**12,750**	6,800
- Investment securities		**5**	20	**-**	-
Profit and interest received		**243**	54	**(187)**	5
Net cash flows (used in)/from investing activities		**(17,494)**	(6,018)	**12,499**	6,977

STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash flows from financing activities					
Dividend paid		**(3,888)**	(1,372)	**(3,888)**	(1,372)
Redemption of reedemable preference shares		**(2,000)**	-	**(2,000)**	-
Proceeds from issuance of ESOS exercised		**54**	-	**54**	-
Contractual lease payments	15	**(29)**	(29)	**(107)**	(109)
Repayments of borrowings, net		**(1,856)**	(1,644)	**-**	-
Repayments of obligations under finance leases		**(312)**	(283)	**(90)**	(63)
Net cash flows used in financing activities		**(8,031)**	(3,328)	**(6,031)**	(1,544)
Net increase in cash and cash equivalents		**5,388**	7,596	**4,190**	306
Cash and cash equivalents at 1 January		**22,146**	14,550	**1,214**	908
Cash and cash equivalents at 31 December	27	**27,534**	22,146	**5,404**	1,214

STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Reconciliation of movement of liabilities to cash flows arising from financing activities

	Bankers' acceptances RM'000	Term loans RM'000	Obligations under finance leases RM'000	Lease liabilities RM'000	Total* RM'000
Group					
Balance at 1 January 2022	308	9,894	738	55	10,995
Cash movement:					
Drawdown of:					
- Bankers' acceptances	1,996	-	-	-	1,996
- Term loans	-	104	-	-	104
	1,996	104	-	-	2,100
Repayments of:					
- Bankers' acceptances	(1,899)	-	-	-	(1,899)
- Term loans	-	(1,845)	-	-	(1,845)
- Obligations under finance leases	-	-	(283)	-	(283)
- Lease liabilities	-	-	-	(29)	(29)
	(1,899)	(1,845)	(283)	(29)	(4,056)
Non-cash movement:					
Finance costs					
- Bankers' acceptances	8	-	-	-	8
- Term loans	-	511	-	-	511
- Obligations under finance leases	-	-	45	-	45
- Lease liabilities	-	-	-	3	3
	8	511	45	3	567
Termination of:					
- Lease liabilities	-	-	-	(13)	(13)
Balance at 31 December 2022 and 1 January 2023	413	8,664	871	52	10,000

STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Reconciliation of movement of liabilities to cash flows arising from financing activities (continued)

Group (continued)	Bankers' acceptances RM'000	Term loans RM'000	Obligations under finance leases RM'000	Lease liabilities RM'000	Total* RM'000
Cash movement:					
Drawdown of:					
- Bankers' acceptances	1,719	-	-	-	1,719
Repayments of:					
- Bankers' acceptances	(1,764)	-	-	-	(1,764)
- Term loans	-	(1,811)	-	-	(1,811)
- Obligations under finance leases	-	-	(312)	-	(312)
- Lease liabilities	-	-	-	(29)	(29)
	(1,764)	(1,811)	(312)	(29)	(3,916)
Non-cash movement:					
Finance costs					
- Bankers' acceptances	15	-	-	-	15
- Term loans	-	496	-	-	496
- Obligations under finance leases	-	-	43	-	43
- Lease liabilities	-	-	-	3	3
	15	496	43	3	557
Addition of:					
- Obligations under finance leases	-	-	709	-	709
- Lease liabilities	-	-	-	57	57
	-	-	709	57	766
Termination of:					
- Lease liabilities	-	-	-	(15)	(15)
Balance at 31 December 2023	**383**	**7,349**	**1,311**	**68**	**9,111**

STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Reconciliation of movement of liabilities to cash flows arising from financing activities (continued)

Company	Obligations under finance leases RM'000	Lease liabilities RM'000	Total* RM'000
Balance at 1 January 2022	165	177	342
Cash movement:			
Repayments of:			
- Obligations under finance leases	(63)	-	(63)
- Lease liabilities	-	(109)	(109)
	(63)	(109)	(172)
Non-cash movement:			
Finance costs			
- Obligations under finance leases	12	-	12
- Lease liabilities	-	17	17
	12	17	29
Addition of:			
- Obligations under finance leases	168	-	168
- Lease liabilities	-	314	314
Termination of:			
- Lease liabilities	-	(144)	(144)
Balance at 31 December 2022 and 1 January 2023	282	255	537
Cash movement:			
Repayments of:			
- Obligations under finance leases	(90)	-	(90)
- Lease liabilities	-	(107)	(107)
	(90)	(107)	(197)

STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Reconciliation of movement of liabilities to cash flows arising from financing activities (continued)

	Obligations under finance leases RM'000	Lease liabilities RM'000	Total* RM'000
Company (continued)			
Non-cash movement:			
Finance costs			
- Obligations under finance leases	14	-	14
- Lease liabilities	-	14	14
	14	14	28
Addition of:			
- Obligations under finance leases	131	-	131
- Lease liabilities	-	57	57
Termination of:			
- Lease liabilities	-	(15)	(15)
Balance at 31 December 2023	**337**	**204**	**541**

* Bank overdraft is excluded from the total balance as it form parts of cash and cash equivalents.

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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 and principal place of business of the Company is located at 66-2, Taman Sri Intan, Jalan Sultan Omar, 20300 Kuala Terengganu, Terengganu Darul Iman.

The immediate holding company is Terengganu Incorporated Sdn. Bhd., a company incorporated in Malaysia. The ultimate holding corporation is Mentri Besar, Trengganu, a corporation incorporated in Malaysia under the Mentri Besar (Incorporation), Enactment, 1951.

The principal activities of the Company are investment holding and provision of management services to the subsidiaries. The principal activities of the subsidiaries are manufacturing and trading of glass, investment holding, sawmilling, moulding, forest plantation and harvesting and sustainable forest management, and rental of buildings, plant and machinery, sales of logs and right to log, and manufacture and sale of veneer.

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

Other information relating to the subsidiaries are disclosed in Note 20.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 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 are prepared under the historical cost convention except as disclosed in the summary of significant accounting policies.

The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2023, the Group and the Company adopted the following new and amended MFRSs and interpretation mandatory for annual financial periods beginning on or after 1 January 2023.

Description	***Effective for annual periods beginning on or after***
Amendments to MFRS 101 Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108 Definition of Accounting Estimates	1 January 2023
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17 Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
Amendments to MFRS 112 Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

The adoption of standards and interpretation above did not have any material impact on the financial statements of the Group and of the Company except for the following:

The adoption of the amendments to MFRS 101 Presentation of Financial Statements and MFRS Practice Statement 2 - Disclosures of Accounting Policies has impacted the extent of the accounting policy disclosures of the Group and the Company. The Group and the Company have revisited the accounting policy information disclosures to only include material accounting policy disclosures. In making these assessments, the Group and the Company have considered whether standardised information, or information that only duplicates or summarises the requirements of the standards is material information and, if not, whether it should be removed from the accounting policy disclosures to enhance the usefulness of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Standards and interpretations issued but not yet effective

The new and amendments on standards and interpretations that are issued, but not yet effective up to the date of issuance of the Group's and of the Company's financial statements are disclosed below. The Group and the Company intend to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Description	*Effective for annual periods beginning on or after*
Amendments to MFRS 16 Lease: Lease liability in a sale and leaseback	1 January 2024
Amendments to MFRS 101 Classification of Liabilities as Current or Non Current	1 January 2024
Amendments to MFRS 107 and MFRS 7 Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 101 Non-current Liabiities with Covenants	1 January 2024
Amendments to MFRS 121 Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The initial application of the standards and interpretations is not expected to have any material financial impact to the current period or prior period financial statements of the Group and of the Company.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

The Company controls an investee if and only if the Company has all the following:

(a) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);

(b) Exposure, or rights, to variable returns from its investment with the investee; and

(c) The ability to use its power over the investee to affect its returns.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Basis of consolidation (continued)

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

(a) The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
(b) Potential voting rights held by the Company, other vote holders or other parties;
(c) Rights arising from other contractual arrangements; and
(d) Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Basis of consolidation (continued)

Business combinations

Acquisitions of subsidiaries are accounted for using the acquisition method. 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. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

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 in the statement of profit or loss in accordance with MFRS 9. Other contingent consideration that is not within the scope of MFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

2.5 Subsidiaries

A subsidiary is an entity over which the Group has all the following:

(a) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
(b) Exposure, or rights, to variable returns from its investment with the investee; and
(c) The ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.6 Investments in associates

An associate is an entity in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

On acquisition of an investment in associate, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss for the period in which the investment is acquired.

An associate is equity accounted for from the date on which the investee becomes an associate.

Under the equity method, on initial recognition the investment in an associate is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate after the date of acquisition. When the Group's share of losses in an associate equal or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investors' interests in the associate. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

In the Company's separate financial statements, investments in associates are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.7 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 and to the Company and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group and the Company recognise 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 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.

Leasehold land is depreciated over the period of lease ranging from 30 years to 99 years. Freehold land has an unlimited useful life and therefore is not depreciated. Work-in-progress included in property, plant and equipment are not depreciated as these are assets not yet available for use. Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful lives of the assets, at the following annual rates and useful life:

Buildings	2% - 5%
Plant and machinery	5% - 20%
Furniture, fittings and equipment	5% - 20%
Motor vehicles	10% - 20%
Road and bridge	5% - 20%

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

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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.8 Investment properties

Investment properties are initially measured at cost, including transaction costs. Investment properties are measured using cost model. Thus, subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment losses.

Investment properties are derecognised when either they have been disposed of 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 retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

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 2.7 up to the date of change in use.

2.9 Biological assets

Planted trees

Planted trees are classified as non-current assets as they are expected to be harvested and sold or used for production on a date more than 12 months after the reporting date.

Planted trees are stated at cost on initial recognition and at the end of each reporting period, at fair value less cost to sell. Any gains or losses arising from changes in fair value are recognised in profit or loss.

2.10 Intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.10 Intangible assets (continued)

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

2.11 Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

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 assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. 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-rata basis.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.11 Impairment of non-financial assets (continued)

Impairment losses are recognised in profit or loss.

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. That 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.

2.12 Financial assets

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

(a) Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through other comprehensive income ("FVTOCI").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus.

Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under MFRS 15.

In order for a financial asset to be classified and measured at amortised cost or FVTOCI, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place ("regular way trades") are recognised on the trade date, that is the date that the Group commits to purchase or sell the asset.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.12 Financial assets (continued)

(b) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into two (2) categories:

(i) Financial assets at amortised cost (debt instruments)
(ii) Financial assets designated at FVTOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

Financial assets at amortised cost (debt instruments)

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost comprises trade and other receivables, and cash and bank balances.

Financial assets designated at FVTOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

Upon initial recognition, the Group and the Company can elect to classify irrevocably its equity investments as equity instruments designated at FVTOCI when they meet the definition of equity under MFRS 132: *Financial Instruments: Presentation* and are not held for trading. The classification is determined in an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at FVTOCI are not subject to impairment assessment.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.12 Financial assets (continued)

(c) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's and the Company's statements of financial position) when:

(i) The rights to receive cash flows from the asset have expired; or

(ii) The Group and the Company have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either: (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

When the Group and the Company have transferred their rights to receive cash flows from an asset or have entered into a pass-through arrangement, they evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company would be required to repay.

2.13 Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.13 Impairment of financial assets (continued)

The Group and the Company consider a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.14 Cash and cash equivalents

Cash and short-term deposits in the statements of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of the statements of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdraft.

2.15 Inventories

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

- Raw materials and consumable 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.

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.

2.16 Provisions

Provisions are recognised when the Group and the Company have 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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.17 Financial liabilities

(a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL or amortised cost.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

(b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortised cost

The Group's and the Company's financial liabilities at amortised cost include trade and other payables, and loans and borrowings.

After initial recognition, trade and other payables, and loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

(c) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

2.18 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.19 Employee benefits

(a) Short-term 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 of the Group and the Company. 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, and short-term non-cumulating compensated absences such as sick leave are recognised when the absences occur.

(b) Defined contribution plans

The Group and the Company participate in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(c) Defined benefit plans

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation (derived using a discount rate based on high quality corporate bonds) at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognised as expense in profit or loss. Past service costs are recognised when plan amendment or curtailment occurs.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.19 Employee benefits (continued)

(c) Defined benefit plans (continued)

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on high quality corporate bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognised as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognised immediately in other comprehensive income in the period in which they arise. Remeasurements are recognised in retained earnings within equity and are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

The Group's and the Company's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognised as a separate asset at fair value when and only when reimbursement is virtually certain.

(d) Share-based payment transactions

The Group and Company operate an equity-settled share-based long term incentive plan ("LTIP" or "Scheme") which comprise the Employee Share Option Scheme ("ESOS") for its employees.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.19 Employee benefits (continued)

(d) Share-based payment transactions (continued)

ESOS

The ESOS allows the Group's and the Company's employees to acquire shares of the Company. The total fair value of share options granted is recognised as an employee cost with the corresponding increase in share options reserve within equity over the vesting period and taking into account the probability that the options will vest.

The fair value of share options is measured at grant date using the binominal model, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions. Non-market conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date.

At each reporting date, the Group and the Company revise its estimates of the number of options that are expected to become exercisable on vesting conditions. It recognises the impact of the revision of original estimates. If any, in profit or loss and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the share-based payment reserve.

The fair value of the share options recognised in the share-based payment reserve is transferred to share capital when the share options are exercised, or transferred to retained earnings upon expiry of the share-based payment options.

The proceeds received net of any direct attributable transactions costs are credited to equity when the option are exercised.

2.20 Leases

(i) As lessee

The Group and the Company apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group and the Company recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.20 Leases (continued)

(i) As lessee (continued)

Right-of-use assets

The Group and the Company recognise a right-of-use assets at the lease commencement date. The right-of-use assets are initially measured at cost, which comprises the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property, plant and equipment, as follows:

Leasehold land	30 - 99 years
Buildings	2 years

Where an indication of impairment exists, the carrying amount of the right-of-use assets is assessed and written down immediately to its recoverable amount. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.11.

Lease liabilities

At the commencement date of the lease, the Group and the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Company and payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.20 Leases (continued)

(i) As lessee (continued)

Lease liabilities (continued)

In calculating the present value of lease payments, the Group and the Company use the incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group and the Company apply the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of twelve (12) months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

(ii) As lessor

Leases in which the Group and the Company do not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging 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. Contingent rents are recognised as revenue in the period in which they are earned.

2.21 Revenue

Revenue is measured at the fair value of consideration received or receivable.

(a) Sale of goods

Revenue from sale of goods is recognised at the point in time upon control of the goods are transferred to the customers, generally on delivery of goods.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.21 Revenue (continued)

b) Sale of logging compartments

Sale of logging compartments is recognised upon performance obligation stated in the contracts is met and at the point in time upon control of the goods are transferred to the customers.

(c) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(d) Dividend income

Dividend income is recognised when the Group's and the Company's right to receive payment is established.

(e) Management fees

Management fees are recognised when services are rendered.

(f) Interest income

Interest income is recognised using the effective interest method.

2.22 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.22 Income taxes (continued)

(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 investments 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 investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.22 Income taxes (continued)

(b) Deferred tax (continued)

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.

2.23 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 40, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.24 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 equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.25 Redeemable preference shares ("RPS")

Redeemable preference shares are classified as equity as there is no contractual obligation to deliver cash or other financial assets to another person or entity or to exchange financial assets or liabilities with another person or entity that are potentially unfavourable to the issuer. RPS are recorded at nominal value. Dividends on RPS are recognised in equity in the period in which they are declared.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.26 Fair value measurements

The Group and the Company measure its financial instruments, such as, derivatives, at fair value at each reporting date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 36(b).

Fair value is 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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for the asset or liability; or
(ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset 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.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.27 Foreign currency

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.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss.

2.28 Deferred income

Deferred income relates to sale of logging compartments recognised upon performance obligation stated in the contracts is met and at the point in time upon control of the goods are transferred to the customers.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's and the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Judgements made in applying accounting policies

There were no significant judgements made in applying the accounting policies of the Group and the Company which may have significant effects of the amounts recognised in the financial statements.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Deferred tax assets

Deferred tax assets are recognised for all unabsorbed tax losses and unutilised capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Assumptions about generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future production and sales volume, operating costs, capital expenditure, dividends and other capital management transactions. Judgement is also required about application of income tax legislation. These judgements and assumptions are subject to risks and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statement of financial position and the amount of unrecognised tax losses and capital allowances.

The carrying amount of the Group's deferred tax assets at the reporting date is disclosed in Note 22.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

3.2 Key sources of estimation uncertainty (continued)

(b) Provision for expected credit losses ("ECLs") of trade receivables

The Group and the Company use a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (e.g. by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's and the Company's historical observed defaults rates. The Group and the Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic condition (e.g., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about ECLs in the Group's trade receivables is disclosed in Note 37(a).

(c) Defined benefit plan

The cost of defined benefit pension plan is determined using the actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases and mortality rates. All assumptions are reviewed at each reporting date.

The carrying amounts of the Group's and of the Company's defined benefit plan at the reporting date and related assumptions are disclosed in Note 29.

(d) Fair value estimates for biological assets

The biological assets of the Group are trees prior to harvest. The Group adopts the income approach to estimate the fair value of biological assets. For the income approach, significant judgement is required to estimate the present value of the net cash flows expected to be generated from the sale of trees. Such estimation involves uncertainties and is affected by assumptions used and judgements made regarding future cash flows and discount rates.

The biological assets are carried at cost as they were newly planted in the current year and still in the early stage as stand timber only mature after five years for hardwood and eight years for softwood.

The carrying amount of biological assets as at reporting date is disclosed in Note 17.

4. REVENUE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Sale of goods	40,466	37,768	-	-
Sale of logging compartments	48,244	31,917	-	-
Rental income (Note 16)	520	514	108	108
Dividend income from subsidiaries	-	-	12,750	6,800
Management fees from subsidiaries	-	-	2,628	2,628
	89,230	70,199	15,486	9,536

All revenue from the products and service transferred are recognised at point in time.

The following liability related to revenue from contracts with customer:

	Group	
	2023 RM'000	2022 RM'000
Contract liability:		
Deferred income (Note 30)	1,626	-

Deferred income relates to sale of logging compartments recognised upon performance obligation stated in the contracts is met and at the point in time upon control of the goods are transferred to the customers.

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	Group For the financial year ended 31 December 2023		
	Harvesting RM'000	Manufacturing RM'000	Total RM'000
Primary geographical markets:			
Malaysia	68,463	18,856	87,319
Other regions	467	924	1,391
Total revenue from contracts with customers	68,930	19,780	88,710

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

4. REVENUE (CONTINUED)

Set out below is the disaggregation of the Group's revenue from contracts with customers (continued):

	Group For the financial year ended 31 December 2023		
	Harvesting RM'000	Manufacturing RM'000	Total RM'000
Major product or service line:			
Logs	**5,743**	**-**	**5,743**
Logging compartments	**48,244**	**-**	**48,244**
Sawn timbers	**14,644**	**-**	**14,644**
Mouldings	**299**	**-**	**299**
Woodchips	**-**	**541**	**541**
Veneer	**-**	**1,083**	**1,083**
Manufactured glasses	**-**	**18,156**	**18,156**
Total revenue from contracts with customers	**68,930**	**19,780**	**88,710**

	Group For the financial year ended 31 December 2022		
	Harvesting RM'000	Manufacturing RM'000	Total RM'000
Primary geographical markets:			
Malaysia	40,137	22,398	62,535
Other regions	5,565	1,585	7,150
Total revenue from contracts with customers	45,702	23,983	69,685
Major product or service line:			
Logs	-	498	498
Logging compartments	32,088	-	32,088
Sawn timbers	13,614	-	13,614
Woodchips	-	693	693
Veneer	-	1,704	1,704
Manufactured glasses	-	21,088	21,088
Total revenue from contracts with customers	45,702	23,983	69,685

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

5. FINANCE INCOME

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Profit and interest income from deposits with licensed banks	**243**	54	**4**	5
Interest income from advance to subsidiaries	**-**	-	**191**	-
	243	54	**195**	5

6. DIVIDEND INCOME

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Dividend income from:				
FVTOCI financial assets				
- Equity instruments (quoted in Malaysia)	**5**	20	**-**	-

7. OTHER INCOME

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Bad debts recovered	**101**	241	**-**	-
Sale of scrap and other products	**442**	233	**-**	-
Gain on disposal of property, plant and equipment	**52**	358	**-**	-
Gain on disposal of assets-held-for-sale	**-**	11	**-**	-
Profit income from Al-Mudharabah	**-**	1	**-**	-
Insurance compensation	**33**	63	**32**	-
Wages subsidy programme	**31**	75	**-**	-
Miscellaneous	**51**	192	**1**	5
	710	1,174	**33**	5

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

8. FINANCE COSTS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Interest expense on:				
- Obligations under finance leases	**43**	45	**14**	12
- Bankers' acceptances	**15**	8	**-**	-
- Term loan	**496**	511	**-**	-
- Bank overdraft	**92**	103	**-**	-
- Lease liabilities (Note 15)	**3**	3	**14**	17
	649	670	**28**	29

9. PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Auditors' remuneration:				
- Current year	**235**	215	**85**	80
- Other services	**26**	26	**26**	26
Employee benefits expense (Note 10)	**24,791**	22,810	**3,717**	3,108
Non-executive directors' remuneration excluding benefits-in-kind (Note 11)	**1,721**	1,519	**642**	508
Depreciation of:				
- Property, plant and equipment (Note 14)	**1,953**	1,912	**153**	128
- Right-of-use assets (Note 15)	**884**	885	**95**	96
- Investment properties (Note 16)	**423**	420	**27**	25
Amortisation of intangible assets (Note 18)	**2,357**	1,468	**-**	-
Gain on disposal of property, plant and equipment	**(52)**	(358)	**-**	-
Property, plant and equipment written off	**15**	733	**9**	-
Inventories written down (Note 25)	**640**	96	**-**	-
Inventories written off	**159**	-	**-**	-
Allowance for impairment on:	**275**	48	**1,054**	187
- Trade receivables (Note 26(a))	**212**	32	**-**	-
- Other receivables (Note 26(c))	**63**	16	**1,054**	187

9. PROFIT BEFORE TAX (CONTINUED)

The following items have been included in arriving at profit before tax (continued):

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Reversal of impairment losses on:	(283)	(329)	(288)	(688)
- Trade receivables (Note 26(a))	(234)	(88)	-	-
- Other receivables (Note 26(c))	(49)	(241)	(288)	(688)
Bad debts written off	12	-	-	-
Other receivables written off	17	51	-	-
Rental of equipment	24	82	9	9
Rental of land and buildings	6	39	-	-

10. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Wages and salaries	20,240	18,607	3,070	2,565
Social security contributions	265	234	22	18
Contributions to defined contribution plan	2,329	2,234	399	363
Provision for defined benefit obligations (Note 29)	781	693	57	38
Share-based payment under the LTIP:				
- Grant of ESOS	167	(101)	14	(9)
Other benefits	1,009	1,143	155	133
	24,791	22,810	3,717	3,108

Included in employee benefit expense of the Group is executive director's remuneration amounting to RM22,000 (2022: RM22,000) as further disclosed in Note 11.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

11. DIRECTORS' REMUNERATION

The details of remuneration received and receivable by the directors of the Company during the year are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Executive director:				
Fees	**9**	9	**-**	-
Other emoluments	**13**	13	**-**	-
Total executive directors' remuneration (Note 10)	**22**	22	**-**	-
Non-executive directors:				
Fees	**709**	687	**282**	258
Share option granted under ESOS	**17**	33	**(28)**	29
Other emoluments	**995**	799	**388**	221
Total non-executive directors' remuneration (excluding benefits-in-kind) (Note 9)	**1,721**	1,519	**642**	508
Benefits-in-kind	**9**	9	**9**	9
Total non-executive directors' remuneration (including benefits-in-kind)	**1,730**	1,528	**651**	517
Total directors' remuneration	**1,752**	1,550	**651**	517

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of directors	
	2023	2022
Non-executive directors:		
Below RM50,000	**1**	1
RM50,001 to RM100,000	**5**	4
Above RM100,000	**1**	1

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

12. INCOME TAX EXPENSE

Major components of income tax expense

The major components of income tax expense for the years ended 31 December 2023 and 2022 are:

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Profit or loss				
Current income tax:				
- Malaysian income tax	**4,633**	2,716	**-**	-
- Over provision in respect of previous years	**(518)**	(936)	**-**	-
	4,115	1,780	**-**	-
Deferred tax (Note 22):				
- Relating to origination or reversal of temporary differences	**(322)**	344	**-**	-
- Under provision in respect of previous years	**373**	1,042	**-**	-
	51	1,386	**-**	-
Total income tax expense recognised in profit or loss	**4,166**	3,166	**-**	-

Reconciliation between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial years ended 31 December 2023 and 2022 is as follows:

Group	**2023 RM'000**	**2022 RM'000**
Profit before tax	**27,437**	15,021
Tax at Malaysian statutory tax rate of 24% (2022: 24%)	**6,585**	3,605
Adjustments:		
Income not subject to tax	**(13)**	(210)
Non-deductible expenses	**1,085**	1,083
Deferred tax assets not recognised	**1,250**	-
Deferred tax assets recognised	**-**	(1,308)
Utilisation of previously unrecognised tax losses	**(4,549)**	-
Share of tax of an associate	**(47)**	(110)
Under provision of deferred tax in respect of previous years	**373**	1,042
Over provision of income tax in respect of previous years	**(518)**	(936)
Total income tax expense recognised in profit or loss	**4,166**	3,166

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

12. INCOME TAX EXPENSE (CONTINUED)

Reconciliation between tax expense and accounting profit (continued)

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial years ended 31 December 2023 and 2022 is as follows (continued):

	2023 RM'000	2022 RM'000
Company		
Profit before tax	**9,226**	4,946
Tax at Malaysian statutory tax rate of 24% (2022: 24%)	**2,214**	1,187
Adjustments:		
Income not subject to tax	**(3,060)**	(1,633)
Non-deductible expenses	**410**	318
Deferred tax assets not recognised	**436**	128
Total income tax expense recognised in profit or loss	**-**	-

Current income tax is calculated at the statutory tax rate of 24% (2022: 24%) of the estimated assessable profit for the year.

13. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the Group's profit net of tax, attributable to owners of the parent of RM23,271,000 (2022: RM11,855,000) by the weighted average number of ordinary shares in issue during the financial year, of approximately 138,238,000 (2022: 138,079,000).

(b) Diluted

Diluted earnings per share is calculated by dividing the Group's profit net of tax, attributable to owners of the parent of RM23,271,000 (2022: RM11,855,000) by the weighted average number of ordinary shares in issue during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

13. EARNINGS PER SHARE (CONTINUED)

The following reflects the profit and share data used in the computation of basic and diluted profit per share for the financial years ended 31 December:

	Group	
	2023	**2023**
Profit net of tax, attributable to owners of the parent (RM'000)	**23,271**	11,855
Weighted average number of ordinary shares ('000)	**138,238**	138,079
Effect of dilution ('000) - Employee Share Option Scheme ("ESOS")	**-**	5,357
Weighted average number of ordinary shares for diluted loss per share ('000)	**138,238**	143,436
Earnings per share (sen): Basic	**16.83**	8.59
Diluted	**16.83**	8.27

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

14. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings* RM'000	Plant and machinery RM'000	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Road and bridge RM'000	Work-in-progress RM'000	Total RM'000
Group							
Cost:							
At 1 January 2022	11,081	77,449	11,272	10,680	728	733	111,943
Additions	-	1,563	446	425	-	1,436	3,870
Disposals	-	(8,931)	(61)	(84)	-	-	(9,076)
Write offs	-	(239)	(47)	-	-	(733)	(1,019)
At 31 December 2022 and 1 January 2023	11,081	69,842	11,610	11,021	728	1,436	105,718
Additions	-	1,367	162	1,048	-	788	3,365
Disposals	-	(535)	(23)	(592)	-	-	(1,150)
Write offs	-	(2,554)	(516)	(198)	-	-	(3,268)
Reclassification	-	1,473	-	-	-	(1,473)	-
At 31 December 2023	**11,081**	**69,593**	**11,233**	**11,279**	**728**	**751**	**104,665**
Accumulated depreciation and impairment:							
At 1 January 2022	6,613	71,381	10,717	9,921	215	-	98,847
Depreciation charge for the year (Note 9)	399	880	170	446	17	-	1,912
Disposals	-	(8,920)	(60)	(84)	-	-	(9,064)
Write offs	-	(239)	(47)	-	-	-	(286)
At 31 December 2022 and 1 January 2023	7,012	63,102	10,780	10,283	232	-	91,409
Depreciation charge for the year (Note 9)	323	966	210	436	18	-	1,953
Disposals	-	(527)	(15)	(592)	-	-	(1,134)
Write offs	-	(2,554)	(501)	(198)	-	-	(3,253)
Reclassification	-	-	-	24	(24)	-	-
At 31 December 2023	**7,335**	**60,987**	**10,474**	**9,953**	**226**	**-**	**88,975**
Net carrying amount:							
At 31 December 2022	4,069	6,740	830	738	496	1,436	14,309
At 31 December 2023	**3,746**	**8,606**	**759**	**1,326**	**502**	**751**	**15,690**

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

***Land and buildings of the Group:**

Group (continued)	Freehold land RM'000	Buildings RM'000	Total RM'000
Cost:			
At 1 January 2022/31 December 2022/ 1 January 2023/31 December 2023	390	10,691	11,081
Accumulated depreciation:			
At 1 January 2022	-	6,613	6,613
Depreciation charge for the year	-	399	399
At 31 December 2022/1 January 2023	-	7,012	7,012
Depreciation charge for the year	-	323	323
31 December 2023	-	7,335	7,335
Net carrying amount:			
At 31 December 2022	390	3,679	4,069
At 31 December 2023	**390**	**3,356**	**3,746**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Total RM'000
Company			
Cost:			
At 1 January 2022	448	679	1,127
Additions	107	189	296
Disposals	(22)	-	(22)
At 31 December 2022/1 January 2023	533	868	1,401
Additions	18	141	159
Disposals	(7)	-	(7)
Write offs	(16)	-	(16)
At 31 December 2023	**528**	**1,009**	**1,537**
Accumulated depreciation:			
At 1 January 2022	390	590	980
Depreciation charge for the year (Note 9)	46	82	128
Disposals	(22)	-	(22)
At 31 December 2022/1 January 2023	414	672	1,086
Depreciation charge for the year (Note 9)	65	88	153
Disposals	(6)	-	(6)
Write offs	(7)	-	(7)
At 31 December 2023	**466**	**760**	**1,226**
Net carrying amount:			
At 31 December 2022	119	196	315
At 31 December 2023	**62**	**249**	**311**

Assets held under finance lease

During the financial year, the Group and the Company acquired equipment and motor vehicles with an aggregate cost of RM709,000 (2022: RM371,000) and RM131,100 (2022: RM168,000) respectively, by means of finance lease. The cash outflow on acquisition of property, plant and equipment of the Group and of the Company amounted to RM2,656,000 (2022: RM3,499,000) and RM28,000 (2022: RM128,000) respectively.

The net carrying amount of plant and machinery, equipment and motor vehicles of the Group and of the Company held under finance leases at the reporting date were RM1,300,000 (2022: RM1,816,000) and RM249,000 (2022: RM202,000) respectively.

15. RIGHT-OF USE ASSETS AND LEASE LIABILITIES

The Group and the Company have lease contracts for various items of leasehold land and buildings used in its operations. The lease has lease terms from 2 to 99 years.

Set out below are the net carrying amounts of right-of-use assets of the Group and of the Company recognised and the movements during the year:

	Leasehold land RM'000	Buildings RM'000	Total RM'000
Group			
At 1 January 2022	24,987	24	25,011
Additions	-	36	36
Terminations	-	(13)	(13)
Depreciation expense (Note 9)	(859)	(26)	(885)
At 31 December 2022/1 January 2023	24,128	21	24,149
Additions	-	57	57
Terminations	-	(15)	(15)
Depreciation expense (Note 9)	(858)	(26)	(884)
At 31 December 2023	**23,270**	**37**	**23,307**

	Buildings RM'000
Company	
At 1 January 2022	173
Additions	314
Terminations	(144)
Depreciation expense (Note 9)	(96)
At 31 December 2022/1 January 2023	247
Additions	57
Terminations	(15)
Depreciation expense (Note 9)	(95)
At 31 December 2023	**194**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

15. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

Set out below are the net carrying amounts of lease liabilities of the Group and of the Company recognised and the movements during the year:

	Interest rate	Maturity	Group RM'000	Company RM'000
At 1 January 2022			55	177
Accretion of interest (Note 8)			3	17
Additions			36	314
Terminations			(13)	(144)
Payments			(29)	(109)
At 31 December 2022/1 January 2023			52	255
Accretion of interest (Note 8)			3	14
Additions			57	57
Terminations			(15)	(15)
Payments			(29)	(107)
As at 31 December 2023			**68**	**204**
31 December 2022				
Current	5.00%	2023	39	95
Non-current	5.00%	2024 - 2025	13	160
31 December 2023				
Current	**5.00%**	**2024**	**27**	**98**
Non-current	**5.00%**	**2025**	**41**	**106**

15. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

The following are the amounts recognised in profit or loss:

	2023 RM'000	2022 RM'000
Group		
Depreciation expense of right-of-use assets (Note 9)	**884**	885
Interest expense on lease liabilities (Note 8)	**3**	3
Total amount recognised in profit or loss	**887**	888
Company		
Depreciation expense of right-of-use assets (Note 9)	**95**	96
Interest expense on lease liabilities (Note 8)	**14**	17
Total amount recognised in profit or loss	**109**	113

Assets pledged as securities

In addition to assets held under finance leases, the Group's land with net carrying amount of RM14,137,000 (2022: RM14,440,000) are mortgaged to secure the Group's bank borrowings (Note 28).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

16. INVESTMENT PROPERTIES

Group	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Total RM'000
Cost:				
At 1 January 2022/ 31 December 2022/ 1 January 2023	536	22,109	1,522	24,167
Additions	-	-	36	36
At 31 December 2023	536	22,109	1,558	24,203
Accumulated depreciation:				
At 1 January 2022	-	4,639	55	4,694
Depreciation charge for the year (Note 9)	-	396	24	420
At 31 December 2022/1 January 2023	-	5,035	79	5,114
Depreciation charge for the year (Note 9)	-	396	27	423
At 31 December 2023	**-**	**5,431**	**106**	**5,537**
Net carrying amount:				
At 31 December 2022	536	17,074	1,443	19,053
At 31 December 2023	**536**	**16,678**	**1,452**	**18,666**

16. INVESTMENT PROPERTIES (CONTINUED)

	Freehold land RM'000	Buildings RM'000	Total RM'000
Company			
Cost:			
At 1 January 2022/31 December 2022/1 January 2023	536	1,233	1,769
Additions	-	36	36
At 31 December 2023	**536**	**1,269**	**1,805**
Accumulated depreciation:			
At 1 January 2022	-	23	23
Depreciation charge for the year (Note 9)	-	25	25
At 31 December 2022/1 January 2023	-	48	48
Depreciation charge for the year (Note 9)	-	27	27
At 31 December 2023	**-**	**75**	**75**
Net carrying amount:			
At 31 December 2022	536	1,185	1,721
At 31 December 2023	**536**	**1,194**	**1,730**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

16. INVESTMENT PROPERTIES (CONTINUED)

Fair value information

The Group has engaged an independent professional valuer, who holds a recognised relevant professional qualification and has experience in the locations and categories of the investment properties valued to determine the fair value of its investment property. A valuation is conducted at each financial year end.

Based on the valuation report dated 21 February 2024, fair values of land and buildings of the Group and the Company as at 31 December 2023 were RM103,492,000 (2022: RM100,241,000) and RM1,800,000 (2022: RM1,800,000) respectively.

Level 3 fair values

Fair value of the leasehold and buildings have been generally derived using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size, location and physical characteristics to arrive at market value. The most significant input into this valuation approach is price per square foot of comparable properties.

Change by 5% decrease in the sensitivity rate will result in additional impairment of RM24,000.

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Rental income (Note 4)	520	514	108	108

17. BIOLOGICAL ASSETS

	Group	
	2023 RM'000	2022 RM'000
Non-current		
At 1 January	**1,099**	237
Additions during the year	**1,008**	862
At 31 December	**2,107**	1,099

Biological assets of the Group comprise trees prior to harvest. Trees will be harvested according to rotation plan once trees reach maturity at 7 years and above. The directors are of the opinion that the planted trees are at infancy stage from year 0 to year 4 and is recognised at cost, which approximates the fair value of the biological assets. Subsequently, it will be measured based on fair value less expected cost to sell.The valuation model to be adopted by the Group considers the income approach to measure the fair value of the unharvested trees.

To arrive at the fair value of the unharvested trees, the management considered the net cash flows to be generated from the tree planting. Cost to sell, which include harvesting and transportation cost are deducted from the fair value.

The change in fair value of the biological assets in each accounting period is recognised in profit or loss. The Group's and the Company's biological assets were fair valued within Level 3 of the fair value hierarchy. Fair value assessments have been completed consistently using the same valuation techniques.

The key assumptions used in the determination of the fair value less cost to sell of the unharvested trees are as follows:

(i) number of trees planted as of the reporting date, adjusted for mortality rates estimated based on past experience.

(ii) grow-out periods of trees planted and yields at harvest based on past experience of those in natural and planted forests.

(iii) estimated prices of unharvested trees based on the market prices of trees as of the reporting date, adjusted for harvesting and transportation costs estimated based on past experience.

As at 31 December 2023, the Group has 287 hectares (2022: 144 hectares) of planted forests.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

18. INTANGIBLE ASSETS

	Group RM'000
Premium	
At 1 January 2022	637
Additions	1,804
Amortisation expenses (Note 9)	(1,468)
At 31 December 2022 and 1 January 2023	973
Additions	2,045
Amortisation expenses (Note 9)	(2,357)
At 31 December 2023	**661**

Being premium paid by the Group to Jabatan Perhutanan Negeri Terengganu ("JPNT") in respect of logging compartments in which the license for logging activities has been granted by JPNT. The amortisation of the premium to profit or loss is based on unit of logs production.

Impairment testing for premium

The recoverable amount of the CGU has been measured based on fair value calculation which is based on calculations using sales consideration entered into with the respective parties, covering the expected period of the project.

The calculation of fair value makes reference to the consideration as per the agreements entered into.

19. GOODWILL

Represents goodwill amounting to RM613,000 which has been fully impaired.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

20. INVESTMENTS IN SUBSIDIARIES

	Company	
	2023 RM'000	**2022 RM'000**
Unquoted shares, at cost	**118,824**	118,824
Less: Accumulated impairment losses	**(41,739)**	(41,739)
	77,085	77,085
Share options granted to employees of subsidiaries	**120**	120
	77,205	77,205

(a) Details of subsidiaries are as follows:

Names	Country of incorporation	Proportion (%) of ownership interest		Principal activities
		2023	**2022**	
Held by the Company:				
GP Forest Plantation Sdn. Bhd.	Malaysia	**100**	100	Forest plantation
Golden Pharos Glass Sdn. Bhd.	Malaysia	**100**	100	Manufacturing and trading of glass
GP Biomass Sdn. Bhd.	Malaysia	**100**	100	Inactive
Golden Pharos Overseas Sdn. Bhd.	Malaysia	**100**	100	Dormant
Golden Pharos Fiber Sdn. Bhd.	Malaysia	**100**	100	Dormant
Permint Timber Corporation Sdn. Bhd.	Malaysia	**100**	100	Investment holding
Held through Permint Timber Corporation Sdn. Bhd.:				
Pesama Timber Corporation Sdn. Bhd.	Malaysia	**100**	100	Sawmilling, harvesting, moulding, producing finger joint and furniture, and kiln drying
Pesaka Trengganu Berhad	Malaysia	**100**	100	Sawmilling
Kumpulan Pengurusan Kayu Kayan Trengganu Sdn. Bhd.	Malaysia	**100**	100	Harvesting and sustainable forest management

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

20. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(a) Details of subsidiaries are as follows (continued):

Names	Country of incorporation	Proportion (%) of ownership interest		Principal activities
		2023	**2022**	
Held through Permint Timber Corporation Sdn. Bhd. (continued):				
Permint Plywood Sdn. Bhd.	Malaysia	**100**	100	Rental of buildings, plant and machinery, selling of logs, sale of right to log, trading of woodchips and manufacture and sale of veneer
GP Tropical Furniture Sdn. Bhd.	Malaysia	**50.39***	50.39*	Dormant
Held through Permint Plywood Sdn. Bhd.:				
GP Dynamic Venture Sdn. Bhd.	Malaysia	**100**	100	Dormant

* Percentage of ownership interest was held by non-controlling interest equal to the proportion of voting rights held.

21. INVESTMENTS IN ASSOCIATES

	Group	
	2023 RM'000	**2022 RM'000**
Unquoted ordinary shares, at cost	**3,981**	3,981
Unquoted preference shares, at cost	**7,764**	7,764
	11,745	11,745
Share of post-acquisition reserves	**3,020**	3,062
	14,765	14,807
Less: Accumulated impairment losses	**(10,882)**	(10,882)
	3,883	3,925
Represented by:		
Share of net tangible assets	**3,883**	3,925

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

21. INVESTMENTS IN ASSOCIATES (CONTINUED)

Details of the associates are as follows:

Names	Country of incorporation	Proportion (%) of ownership interest		Principal activities
		2023	**2022**	
Konsortium Perumahan Rakyat Terengganu Sdn. Bhd.	Malaysia	**35**	35	Housing development
Kemaman Furniture Industries Sdn. Bhd. +	Malaysia	**43.59**	43.59	Dormant
Pesama Renors (M) Sdn. Bhd. +	Malaysia	**25**	25	Dormant
GPB Seabridge International, Inc. +	United States of America	**20**	20	Dormant

\+ Audited by a firm of auditors other than Ernst & Young PLT.

Konsortium Perumahan Rakyat Terengganu Sdn. Bhd.

The summarised financial information of the associate, not adjusted for the proportion of ownership interest held by the Group, is as follows:

(i) Summarised statement of financial position

	2023 RM'000	2022 RM'000
Assets and liabilities:		
Total assets	**25,500**	27,203
Total liabilities	**(15,898)**	(17,480)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

21. INVESTMENTS IN ASSOCIATES (CONTINUED)

(ii) Summarised statement of comprehensive income

	2023 RM'000	2022 RM'000
Results:		
Revenue	**4,666**	17,755
(Loss)/profit for the year	**(24)**	1,036
Other comprehensive income that will not be reclassified to profit or loss in the subsequent periods, net of tax	**(97)**	(422)

(iii) Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in associate:

	2023 RM'000	2022 RM'000
Net assets at 1 January	**9,723**	9,109
(Loss)/profit for the year	**(24)**	1,036
Other comprehensive income that will not be reclassified to profit or loss in the subsequent periods, net of tax	**(97)**	(422)
Net assets at 31 December	**9,602**	9,723
Interest in associate	**35%**	35%
	3,361	3,403
Goodwill	**522**	522
	3,883	3,925

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

22. DEFERRED TAX

Deferred income tax as at 31 December relates to the following:

	As at 1 January 2022 RM'000	Recognised in profit or loss RM'000 (Note 12)	Recognised in equity RM'000	As at 31 December 2022 RM'000	Recognised in profit or loss RM'000 (Note 12)	Recognised in equity RM'000	As at 31 December 2023 RM'000
Group							
Deferred tax liabilities:							
Property, plant and equipment	3,854	343	-	4,197	467	-	**4,664**
Deferred tax assets:							
Provisions and defined benefit obligations	(1,280)	(14)	(66)	(1,360)	(443)	1	**(1,802)**
Other payables	(2,223)	474	-	(1,749)	(254)	-	**(2,003)**
Unutilised tax losses, unabsorbed reinvestment allowances and capital allowances	(1,820)	583	-	(1,237)	281	-	**(956)**
	(5,323)	1,043	(66)	(4,346)	(416)	1	**(4,761)**
	(1,469)	1,386	(66)	(149)	51	1	**(97)**

	Group 2023 RM'000	Group 2022 RM'000
Presented after appropriate offsetting as follows:		
Deferred tax assets	**(4,761)**	(4,346)
Deferred tax liabilities	**4,664**	4,197
	(97)	(149)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

22. DEFERRED TAX (CONTINUED)

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Unutilised tax losses	**173,340**	188,521	**5,554**	4,429
Unabsorbed capital allowances	**9,299**	8,738	**1,712**	1,667
Unutilised reinvestment allowances	**2,775**	2,775	**-**	-
Other deductible temporary differences	**3,159**	2,284	**1,594**	**947**
	188,573	202,318	**8,860**	7,043

The above deferred tax assets have not been recognised due to uncertainty of its recoverability.

Year of expiry of unutilised tax losses is analysed as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Expired by 2028	**158,270**	174,569	**3,147**	3,146
Expired by 2029	**3,656**	4,631	**657**	657
Expired by 2030	**3,767**	4,926	**-**	-
Expired by 2031	**2,423**	2,946	**513**	513
Expired by 2032	**1,449**	1,449	**113**	113
Expired by 2033	**3,775**	-	**1,124**	-
Total	**173,340**	**188,521**	**5,554**	**4,429**

The availability of unutilised tax losses for offsetting against future taxable profits of a subsidiary in Malaysia is subject to no substantial changes in the shareholding of the subsidiary under the Income Tax Act 1967 and guidelines issued by the tax authority. With effect from year of assessment ("YA") 2019, unutilised business losses arising from a YA is allowed to only be carried forward from YA 2018 for utilisation up to 10 consecutive YAs from that YA. In addition, any accumulated unabsorbed business losses brought forward from YA 2018 shall be allowed to be utilised for 10 consecutive YAs.

23. INVESTMENT SECURITIES

	Group	
	2023 RM'000	2022 RM'000
Non-current		
Fair value through other comprehensive income ("FVTOCI") financial assets		
Quoted in Malaysia:		
- Equity instruments	**1,192**	1,200

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

24. NON-CURRENT ASSETS HELD FOR SALE

In prior year, the Group has completed the Sale and Purchase Agreement and Memorandum of Transfer.

Set out below were the net carrying amount of non-current assets held for sale of the Group recognised.

	Group Freehold land and building RM'000
At 1 January 2022	**10**
Disposal	**(10)**
At 31 December 2022	**-**

25. INVENTORIES

	Group	
	2023 RM'000	2022 RM'000
At cost:		
Raw materials	**3,690**	3,586
Consumables	**323**	395
Work-in-progress	**172**	238
Finished goods	**3,390**	498
	7,575	4,717
At net realisable value:		
Work-in-progress	**460**	-
Finished goods	**1,089**	-
	1,549	-
	9,124	4,717

During the financial year, the amount of the Group's inventories recognised as an expenses in cost of sales of the Group was RM15,655,000 (2022: RM21,004,000).

During the year, the Group has written down inventories amounting to RM640,000 (2022: RM96,000).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

26. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Trade receivables (Note a)				
Current				
Third parties	**18,987**	17,413	**-**	-
Less: Allowance for impairment - Third parties	**(7,749)**	(7,805)	**-**	-
Trade receivables, net	**11,238**	9,608	**-**	-
Other receivables				
Current				
Amounts due from subsidiaries (Note b)	**-**	-	**6,422**	3,102
Amounts due from associates (Note b)	**4,896**	4,896	**434**	431
Sundry receivables	**7,478**	7,438	**6,543**	6,586
Deposits	**4,916**	4,107	**33**	33
Goods and Services Tax ("GST") receivable	**258**	258	-	-
	17,548	16,699	**13,432**	10,152
Less: Allowance for impairment				
- Amounts due from subsidiaries	**-**	-	**(1,554)**	(757)
- Amounts due from associates	**(4,896)**	(4,896)	**(434)**	(431)
- Sundry receivables	**(7,218)**	(7,327)	**(6,539)**	(6,573)
- Deposits	**(242)**	(123)	**(18)**	(18)
	(12,356)	(12,346)	**(8,545)**	(7,779)
Other receivables, net	**5,192**	4,353	**4,887**	2,373
Current trade and other receivables	**16,430**	13,961	**4,887**	2,373
Non-current				
Loans to subsidiaries, representing other receivables, net	**-**	-	**1,121**	3,935
Total trade and other receivables	**16,430**	13,961	**6,008**	6,308
Add: Cash and bank balances (Note 27)	**40,836**	23,391	**5,517**	1,322
Less: GST receivable	**(258)**	(258)	**-**	-
Total financial assets carried at amortised cost	**57,008**	37,094	**11,525**	7,630

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

26. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2022: 30 to 90 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Included in trade receivables is an amount of RM4,995,000 (2022: RM4,995,000) due from affiliated companies, which were fully impaired. Affiliated companies refer to companies related to the Company's associates.

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2023 RM'000	**2022 RM'000**
Neither past due nor impaired	**8,319**	5,892
1 to 30 days past due not impaired	**1,246**	2,046
31 to 60 days past due not impaired	**905**	1,089
61 to 90 days past due not impaired	**520**	205
91 to 120 days past due not impaired	**114**	127
More than 121 days past due not impaired	**134**	249
	2,919	3,716
Impaired	**7,749**	7,805
	18,987	17,413

Receivables that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM2,919,000 (2022: RM3,716,000) that are past due at the reporting date but not impaired.

Based on past experience and no adverse information to date, the directors of the Group are of the opinion that no allowance for impairment is necessary in respect of these balances as there has not been a significant change in the credit quality and the balances are still considered fully recoverable.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

26. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade receivables (continued)

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance for expected credit losses of trade receivables are as below:

	Group Individually impaired	
	2023 RM'000	**2022 RM'000**
Trade receivables - nominal amount	**7,749**	7,805
Less: Allowance for impairment	**(7,749)**	(7,805)
	-	-

Movement in allowance accounts:

	Group	
	2023 RM'000	**2022 RM'000**
At 1 January	**7,805**	7,961
Charge for the year (Note 9)	**212**	32
Reversal for the year (Note 9)	**(234)**	(88)
Write off	**(34)**	(100)
At 31 December	**7,749**	7,805

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(b) Related party balances

Amounts due from subsidiaries are unsecured, non-interest bearing and are repayable on demand.

Loans to subsidiaries are unsecured, bear interest of 4.0% per annum (2022: 4.0% per annum) with fixed terms of repayment.

Amounts due from associates are unsecured, non-interest bearing and are repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

26. TRADE AND OTHER RECEIVABLES (CONTINUED)

(c) Other receivables

Other receivables that are impaired

Movement in allowance accounts:

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
At 1 January	**12,346**	12,583	**7,779**	8,280
Charge for the year (Note 9)	**63**	16	**1,054**	187
Reversal for the year (Note 9)	**(49)**	(241)	**(288)**	(688)
Write off	**(4)**	(12)	**-**	-
At 31 December	**12,356**	12,346	**8,545**	7,779

27. CASH AND BANK BALANCES

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Cash in hand and at banks	**27,534**	22,146	**5,404**	1,214
Deposits with licensed banks	**13,302**	1,245	**113**	108
Cash and bank balances	**40,836**	23,391	**5,517**	1,322
Less: Deposits with licensed banks with maturity period more than three months	**(13,302)**	(1,245)	**(113)**	(108)
Cash and cash equivalents	**27,534**	22,146	**5,404**	1,214

Cash at banks earn interest at floating rates based on daily bank deposit rates. Deposits are made for varying periods of between 1 day to 365 days depending on the immediate cash requirements of the Group, and earn interests at the respective deposit rates. The weighted average effective interest rate as at 31 December 2023 for the Group was 2.89% (2022: 1.95%) per annum.

Deposits with licensed banks of the Group amounting to RM1,134,000 (2022: RM1,134,000) are pledged as securities for borrowings (Note 28).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

28. BORROWINGS

		Group		Company	
	Maturity	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current					
Secured:					
Bankers' acceptances	On demand	**383**	413	**-**	-
Term loans	2024				
- Base financing rate ("BFR") + 1.75% per annum		**728**	620	**-**	-
- BFR - 2.20% per annum		**762**	727	**-**	-
Obligations under finance leases (Note 35(b))	2024	**365**	235	**92**	64
		2,238	1,995	**92**	64
Non-current					
Secured:					
Term loans	2025 - 2030				
- BFR + 1.75% per annum		**1,196**	1,868	**-**	-
- BFR - 2.20% per annum		**4,663**	5,449	**-**	-
Obligations under finance leases (Note 35(b))	2025 - 2029	**946**	636	**245**	218
		6,805	7,953	**245**	218
Total borrowings		**9,043**	9,948	**337**	282

The remaining maturities of the borrowings are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
On demand or within one year	**2,238**	1,995	**92**	64
More than 1 year and less than 2 years	**1,758**	1,677	**96**	68
More than 2 years and less than 5 years	**2,709**	2,865	**134**	138
More than 5 years	**2,338**	3,411	**15**	12
	9,043	9,948	**337**	282

Bankers' acceptances

The weighted average interest rate at the reporting date for bankers' acceptances was 3.66% (2022: 2.7%) per annum. The bankers' acceptances are secured by corporate guarantee provided by the Company to its subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

28. BORROWINGS (CONTINUED)

Term loans

- BFR + 1.75% per annum
- BFR - 2.20% per annum

These loans are secured by certain property, plant and equipment (Note 14), right-of-use assets (Note 15) and corporate guarantee by the Company to a subsidiary. These loans bore an interest rate range from 4.45% to 8.75% (2022: 3.45% to 8.60%) per annum.

Obligations under finance leases

These obligations are secured by a charge over the leased assets (Note 14). The discount rate implicit in the leases is range from 2.23% to 4.88% (2022: 2.23% to 4.88%) per annum.

29. DEFINED BENEFIT OBLIGATIONS

The Group operates an unfunded, defined benefit Retirement Benefit Scheme ("the Scheme") for eligible employees. The Group's obligations under this Scheme are determined based on triennial actuarial valuation using the projected unit credit method.

The amounts recognised in the statements of profit or loss and other comprehensive income are as follows:

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Charged to profit or loss:				
- Current service cost	**412**	393	**37**	26
- Interest cost	**369**	300	**20**	12
Total included in employee benefits expense (Note 10)	**781**	693	**57**	38
Charged to other comprehensive income:				
- Net loss on remeasurement of defined benefit obligations, net of tax	**515**	347	**35**	72

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

29. DEFINED BENEFIT OBLIGATIONS (CONTINUED)

The amounts recognised in the statements of financial position are determined as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Present value of unfunded defined benefit obligations	**8,244**	7,919	**481**	397

Changes in present value of defined benefit obligations are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At 1 January	**7,919**	7,343	**397**	287
Recognised in profit or loss (Note 10)	**781**	693	**57**	38
Recognised in other comprehensive income:				
- Net loss on remeasurement of defined benefit obligations	**515**	411	**35**	72
Benefits paid	**(971)**	(528)	**(8)**	-
At 31 December	**8,244**	7,919	**481**	397
Analysed as:				
Current	**549**	1,075	**-**	-
Non-current				
Later than 1 year but not later than 2 years	**479**	571	**-**	-
Later than 2 years but not later than 5 years	**2,162**	2,609	**-**	-
Later than 5 years	**5,054**	3,664	**481**	397
	7,695	6,844	**481**	397
	8,244	7,919	**481**	397

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

29. DEFINED BENEFIT OBLIGATIONS (CONTINUED)

In calculating the defined benefit obligations and the related current service cost and past service cost using the Projected Unit Credit Method for the Group and the Company, the following assumptions were used and calculated on a weighted average basis.

	2023	2022
	%	%
Discount rate	**4.30**	4.95
Expected rate of salary increase	**5.50**	5.50

The sensitivity of the defined benefit obligations to changes in the relevant actuarial assumptions is as follows:

	Group		Company	
	Increase	Decrease	Increase	Decrease
	RM'000	RM'000	RM'000	RM'000
Discount rate (50 basis point of movement)	**(276)**	292	**(26)**	28
Expected rate of salary increase (50 basis point of movement)	**287**	(274)	**27**	(26)

The sensitivity analysis presented above may not be representative of the potential actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

30. TRADE AND OTHER PAYABLES

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Trade payables				
Third parties	**2,864**	2,559	**-**	-
Other payables				
Amounts due to subsidiaries	-	-	**429**	591
Accruals	**3,199**	2,654	**39**	759
Sundry payables	**18,809**	10,284	**8,609**	2,409
Deferred income	**1,626**	**-**	**-**	-
	23,634	12,938	**9,077**	3,759

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

30. TRADE AND OTHER PAYABLES (CONTINUED)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Total trade and other payables	**26,498**	15,497	**9,077**	3,759
Add: Lease liabilities (Note 15)	**68**	52	**204**	255
Add: Borrowings (Note 28)	**9,043**	9,948	**337**	282
Less: Deferred income	**(1,626)**	-	**-**	-
Total financial liabilities carried at amortised cost	**33,983**	25,497	**9,618**	4,296

(a) Trade payables

These amounts are non-interest bearing. Trade payables are normally settled on 60 days (2022: 60 days) terms.

(b) Other payables

These amounts are non-interest bearing. Other payables are normally settled on average term of three months (2022: average term of three months).

(c) Amounts due to subsidiaries

These amounts are unsecured, non-interest bearing and are repayable on demand. These amounts relate to funds placed by certain subsidiaries in the Pool Fund Account ("the Fund") managed by the Company. The Fund is to be used for working capital requirements by the companies within the Group.

(d) Deferred income

Deferred income relates to sale of logging compartments recognised upon performance obligation stated in the contracts is met and at the point in time upon control of the goods are transferred to the customers.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

31. SHARE CAPITAL

	Group/Company			
	2023 Unit'000	**2022 Unit'000**	**2023 RM'000**	**2022 RM'000**
Issued and fully paid:				
Ordinary shares				
At 1 January	**140,476**	140,476	**69,664**	69,664
Issuance of shares arising from exercise of ESOS	**300**	-	**54**	-
Transfer to share capital upon ESOS exercised	**-**	-	**26**	-
At 31 December	**140,776**	140,476	**69,744**	69,664
Redeemable preference shares				
At 1 January	**12,000**	12,000	**12,000**	12,000
Redemption during the year	**(2,000)**	-	**(2,000)**	-
At 31 December	**10,000**	12,000	**10,000**	12,000
	150,776	152,476	**79,744**	81,664

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

Redeemable preference shares

The Company had issued 12,000,000 units of Redeemable Preference Shares ("RPS") to Terengganu Incorporated Sdn. Bhd. ("TISB") at RM1 per RPS.

During the financial year, the Company redeemed 2,000,000 units of RPS at RM1 per RPS.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

31. SHARE CAPITAL (CONTINUED)

Redeemable preference shares (continued)

The salient terms of the RPS are as follows:

Tenure:	Perpetual
Dividend:	Non-cumulative dividend at a rate that is equivalent to the rate of dividend that is declared for ordinary shareholders of the Company for any particular financial year, provided always that the RPS holder shall only be entitled to receive dividend of up to a maximum amount of RM0.04 per RPS on an aggregate basis per annum (the "Maximum RPS Dividend Amount"). For the avoidance of doubt, where the aggregate amount of dividend declared by the Company exceeds Maximum RPS Dividend Amount for any particular financial year, only ordinary shareholders of the Company shall be entitled to receive such additional amount of dividend in the excess of the Maximum RPS Dividend Amount. The distribution is at the sole and absolute discretion of the Company's Board of Directors and subject to: (i) the availability of distributable profits; and (i) fulfillment of a solvency test under the Companies Act 2016 In respect of any payment of dividend declared by the Company for any particular financial year, the entitlement of the RPS holder and the ordinary shareholders of the Company to receive payment of dividend shall, up to Maximum RPS Dividend Amount, rank pari passu, without discrimination, preference or priority amongst themselves (the "Ranking of Dividend Payment"). Any RPS that has already been redeemed shall not be entitled to any dividend payable for the RPS.
Listing:	The RPS will not be listed on any stock exchange.
Conversion:	The RPS cannot be converted into ordinary shares of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

31. SHARE CAPITAL (CONTINUED)

Redeemable preference shares (continued)

The salient terms of the RPS are as follows: (continued)

Redemption:	Subject to the Companies Act 2016, redeemable at the option of the Company at any time from the issue date at a redemption price of RM1 per RPS. All RPS which are redeemed by the Company shall be cancelled immediately and cannot be resold.
Ranking:	The RPS will be ranked pari passu, without discrimination, preference and priority amongst themselves. Save and except for the entitlement to receive payment of dividend, where the Ranking of Dividend Payment shall apply, the RPS will be ranked in priority to the Shares and any other preference shares issued from time to time, in respect of payment out of the assets of the Company upon liquidation, dissolution or winding-up of the Company, provided always that the Board approves such payment out of the assets of the Company on the basis and further affirms the priority of payment to the RPS holder.
Rights of the RPS holder:	The RPS holder is not entitled to any voting rights or participation in any rights, allotments and/or other distribution in the Company except in the following circumstances; (i) on a proposal to reduce the Company's share capital; (ii) on a proposal for the disposal of the whole of the Company's property, business and undertaking; (iii) on a proposal that affects their rights and privileges attached to the RPS; (iv) on a proposal to wind up the Company; and (v) during the winding up of the Company
Transferability:	Non-transferable

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

32. OTHER RESERVES

Group	Capital redemption reserve RM'000	Equity contribution from owners RM'000	Fair value adjustment reserve RM'000	Reserve arising from merger RM'000	Employee share options reserve RM'000	Total RM'000
At 1 January 2022	-	1,262	213	(22,718)	805	(20,438)
Other comprehensive loss:						
Investment securities: FVTOCI financial assets						
- Net loss on fair value changes	-	-	(111)	-	-	(111)
Transaction with owners:						
- Share-based payment under the LTIP: Grant of ESOS	-	-	-	-	(68)	(68)
- Transfer to retained earnings upon ESOS lapsed	-	-	-	-	(66)	(66)
At 31 December 2022 and 1 January 2023	**-**	**1,262**	**102**	**(22,718)**	**671**	**(20,683)**
Other comprehensive loss:						
Investment securities: FVTOCI financial assets						
- Net loss on fair value changes	-	-	(8)	-	-	(8)
Transaction with owners:						
- Redemption of redeemable preference shares	2,000	-	-	-	-	2,000
- Share-based payment under the LTIP: Grant of ESOS	-	-	-	-	184	184
- Transfer to share capital upon ESOS exercised	-	-	-	-	(26)	(26)
- Transfer to retained earnings upon ESOS lapsed	-	-	-	-	(829)	(829)
At 31 December 2023	**2,000**	**1,262**	**94**	**(22,718)**	**-**	**(19,362)**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

32. OTHER RESERVES (CONTINUED)

Company	Capital redemption reserve RM'000	Equity contribution from owners RM'000	Employee share options reserve RM'000	Total RM'000
At 1 January 2022	-	967	144	1,111
Transaction with owners:				
Share-based payment under the LTIP:				
Grant of ESOS	-	-	6	6
At 31 December 2022 and 1 January 2023	-	967	150	1,117
Transaction with owners:				
Redemption of redeemable preference shares	2,000	-	-	2,000
Transfer to share capital upon ESOS exercised	-	-	(26)	(26)
Share-based payment under the LTIP:				
Grant of ESOS	-	-	(14)	(14)
ESOS lapsed		-	(110)	(110)
At 31 December 2023	**2,000**	**967**	**-**	**2,967**

(a) Equity contribution from owners

The amount represents waiver of amount due to the Group's holding company.

(b) Fair value adjustment reserve

Fair value adjustment reserve represents the cumulative fair value changes, net of tax, of fair value through other comprehensive income ("FVTOCI") financial assets until they are disposed off or impaired.

(c) Reserve arising from merger

Reserve arising on merger represents the difference between the nominal value of the shares issued as consideration for the acquisition of Permint Timber Corporation Sdn. Bhd. and its subsidiaries and the nominal value of the shares transferred for these investments.

(d) Employee share options reserve

Employee share options reserve represents the grant of share options to the Group's and the Company's employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of the share options, and is reduced by the expiry of exercise of the share options.

(e) Capital redemption reserve

The amount represents redemption of redeemable preference shares in accordance with the Companies Act 2016 Section 72(5).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

33. EMPLOYEE SHARE OPTIONS SCHEME ("ESOS")

The Long Term Incentive Plan ("LTIP" or "Scheme") was implemented on 30 August 2018, 30 August 2019, 4 November 2019, 3 March 2021, 6 July 2021 and 30 August 2021. The LTIP which comprises the ESOS allows the Company to grant shares and/or share options under ESOS respectively to eligible employees of the Group and of the Company up to 15% of the issued and paid-up share capital of the Company. The LTIP is governed by the By-Laws of the LTIP which was approved by the shareholders on 26 June 2018 and is administered by the LTIP Committee and as such the LTIP shall be in force up to 29 August 2023, 29 August 2024 and 3 November 2024.

The main features of the Scheme are as follows:

(a) The maximum number of new ordinary shares which may be made available under the Scheme at the point in time when an LTIP award is offered shall not be more than fifteen percent (15%) of the issued and paid-up ordinary share capital of the Company.

(b) The LTIP awards shall be awarded after taking into consideration the employee's position, contribution and performance (where applicable) or such criteria as the LTIP Committee may deem fit subject to the following:

    (i) that the number of new ordinary shares made available under the Scheme shall not exceed the amount stipulated in (a) above,

    (ii) not more than 10% of the total number of ordinary shares to be issued under Scheme at the point in time when an LTIP award is offered be allocated to any employee who, either singly or collectively through persons connected with the employee, holds 20% or more of the total number of issued shares of the Company, and

    (iii) not more than 80% of the new ordinary shares available under the Scheme shall be allocated in aggregate to the managerial employees of the Group.

(c) The share and share options granted under ESOS will vest and exercise when approved by LTIP committee. The share options under the ESOS shall be capable of being exercised by the grantee up to 29 August 2023.

33. EMPLOYEE SHARE OPTIONS SCHEME ("ESOS")(CONTINUED)

The movement during the financial year in the number of shares and share options in which employees of the Group and of the Company are entitled to are as follows:

	ESOS	
	2023 Unit'000	2022 Unit'000
At 1 January	**3,300**	3,583
Vested/exercised	**(300)**	-
Lapsed	**(3,000)**	(283)
At 31 December	**-**	3,300

The fair values of the share options granted under the ESOS to which MFRS 2 applies were determined using binomial model. The significant inputs into the model were as follows:

	ESOS			
Exercise price	RM0.27	RM0.18	RM0.16	RM0.45
Date of grant	30.8.2018	30.8.2019	4.11.2019	30.8.2021
Fair value at grant date (per ordinary share)	RM0.27	RM0.21	RM0.18	RM0.24
Vesting period/option life	5 years	5 years	5 years	2 years
Weighted average share price on grant date	RM0.22	RM0.21	RM0.21	RM0.41

The expected life of the shares and share options are based in historical data and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of the shares and/or share options granted were incorporated into the measurement of fair value.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

34. RELATED PARTY TRANSACTIONS

(a) In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Company and related parties took place at terms agreed between the parties during the financial year:

	Company	
	2023 RM'000	**2022 RM'000**
With subsidiaries:		
Management fees charged (Note 4)	**(2,628)**	(2,628)
Dividend income (Note 4)	**(12,750)**	(6,800)
Building rental charged by a subsidiary	**78**	78

(b) Compensation of key management personnel

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Short-term employee benefits	**4,588**	5,426	**1,854**	1,548
Defined contribution plan	**630**	555	**254**	220
Defined benefit plan	**306**	293	**52**	97
Share-based payment under the LTIP	**18**	(10)	**4**	(2)
	5,542	6,264	**2,164**	1,863

Included in compensation of key management personnel is:

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Directors' remuneration (Note 11)	**1,752**	1,550	**651**	517

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

35. COMMITMENTS

(a) Capital commitments

Capital expenditure as at reporting date is as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Approved but not contracted for:				
Property, plant and equipment	**12,056**	9,725	**159**	730
Approved and contracted for:				
Property, plant and equipment	**41**	-	**-**	-

(b) Finance lease commitments

The Group and the Company have finance leases for certain items of plant and machinery and motor vehicles (Note 14). These leases do not have terms of renewal, but have purchase options at nominal values at the end of the lease term.

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Minimum lease payments:				
Not later than 1 year	**413**	271	**105**	76
More than 1 year and less than 2 years	**346**	263	**105**	76
More than 2 years and less than 5 years	**525**	338	**140**	144
More than 5 years	**166**	81	**15**	12
Total minimum lease payments	**1,450**	953	**365**	308
Less: Amounts representing finance charges	**(139)**	(82)	**(28)**	(26)
Present value of minimum lease payments	**1,311**	871	**337**	282
Present value of payments:				
Not later than 1 year	**365**	235	**92**	64
More than 1 year and less than 2 years	**309**	240	**96**	68
More than 2 years and less than 5 years	**484**	318	**134**	138
More than 5 years	**153**	78	**15**	12
Present value of minimum lease payments	**1,311**	871	**337**	282
Less: Amount due within 12 months (Note 28)	**(365)**	(235)	**(92)**	(64)
Amount due after 12 months (Note 28)	**946**	636	**245**	218

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

36. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value:

	Group		Company	
	Carrying amount RM'000	**Fair value RM'000**	**Carrying amount RM'000**	**Fair value RM'000**
2023				
Financial liabilities:				
Borrowings (non-current)				
- Obligations under finance leases (Note 35(b))	**946**	**955**	**245**	**248**
2022				
Financial liabilities:				
Borrowings (non-current)				
- Obligations under finance leases (Note 35(b))	636	686	218	221

(b) Determination of fair value

<u>Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value</u>

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Lease liabilities	15
Trade and other receivables (current)	26
Cash and bank balances	27
Borrowings (current)	28
Trade and other payables (current)	30

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature.

The carrying amounts of the current portion of borrowings and lease liabilities are reasonable approximations of fair values due to the insignificant impact of discounting.

36. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) Determination of fair value (continued)

The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:

(i) Amounts due from/to subsidiaries and associates, and loans from/to subsidiaries

The Group and the Company do not anticipate the carrying amounts recorded at the reporting date that would eventually be received or settled to be significantly different from the fair values as the amounts are repayable on demand.

(ii) Quoted equity instruments

Fair value is determined directly by reference to their published market bid price at the reporting date.

(iii) Borrowings (non-current)

The fair values of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of borrowing or leasing arrangements at the reporting date.

(iv) Financial guarantee

Fair value is determined based on probability weighted discounted cash flow method. The probability has been estimated and assigned for the following key assumptions:

- The likelihood of the guaranteed party defaulting within the guaranteed period;
- The exposure on the portion that is not expected to be recovered due to the guaranteed party's default; and
- The estimated loss exposure if the party guaranteed were to default.

(c) Valuation of financial instruments

The table below analyses financial instruments, measured at fair value at the end of the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised:

		Level 1	
	Note	**2023 RM'000**	**2022 RM'000**
Group			
Financial assets:			
Investment securities: FVTOCI	23	**1,192**	1,200

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk.

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) 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 the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities and cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents and non-current investments, arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets. Information regarding credit enhancements for trade and other receivables is disclosed in Note 26.

Exposure to credit risk

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial assets.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Any receivables having significant balances past due more than 365 days, which are deemed to have higher default risk, are monitored individually.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk (continued)

Exposure to credit risk (continued)

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:

(i) The carrying amount of each class of financial assets recognised in the statements of financial position.
(ii) Corporate guarantees provided by the Company to banks for credit facilities granted to subsidiaries.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date are as follows:

	Group			
	2023		2022	
	RM'000	% of total	RM'000	% of total
By industry sectors:				
Harvesting, sawmilling, kiln drying of timber, and sales of logs and logging compartments	**3,484**	**31%**	2,220	23%
Manufacturing	**7,754**	**69%**	7,388	77%
	11,238	**100%**	9,608	100%

At the reporting date, approximately 99% (2022: 93%) of the Company's other receivables were due from subsidiaries.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk (continued)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	RM'000			
31 December 2023	**On demand or within one year**	**One to five years**	**More than five years**	**Total**
Group				
Financial liabilities:				
Trade and other payables	**26,498**	**-**	**-**	**26,498**
Lease liabilities	**29**	**31**	**-**	**60**
Borrowings	**2,733**	**5,236**	**2,546**	**10,515**
Total undiscounted financial liabilities	**29,260**	**5,267**	**2,546**	**37,073**
Company				
Financial liabilities:				
Trade and other payables	**9,077**	**-**	**-**	**9,077**
Lease liabilities	**107**	**109**	**-**	**216**
Borrowings	**105**	**245**	**15**	**365**
Total undiscounted financial liabilities	**9,289**	**354**	**15**	**9,658**
31 December 2022				
Group				
Financial liabilities:				
Trade and other payables	15,497	-	-	15,497
Lease liabilities	29	25	-	54
Borrowings	2,548	6,855	3,347	12,750
Total undiscounted financial liabilities	18,074	6,880	3,347	28,301

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk (continued)

Analysis of financial instruments by remaining contractual maturities (continued)

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations. (continued)

	RM'000			
31 December 2022	**On demand or within one year**	**One to five years**	**More than five years**	**Total**
Company				
Financial liabilities:				
Trade and other payable	3,759	-	-	3,759
Lease liabilities	101	170	-	271
Borrowings	76	220	12	308
Total undiscounted financial liabilities	3,936	390	12	4,338

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market interest rates. As the Group and the Company have no significant interest-bearing financial assets, the Group's and the Company's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's and the Company's interest-bearing financial assets are mainly short-term in nature and have been mostly placed in fixed deposits.

The Group's interest rate risk arises primarily from interest-bearing borrowings. Borrowings at floating rates expose the Group to cash flow interest rate risk. The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate borrowings. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. The information on maturity dates and effective interest rates of financial assets and liabilities are disclosed in their respective notes.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Foreign currency risk

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 Group has transactional currency exposure arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily RM. The foreign currencies in which these transactions are denominated are mainly United States Dollars ("USD").

The net unhedged financial liabilities of the Group that are not denominated in their functional currencies are as follows:

	2023 RM'000	2022 RM'000
Financial liabilities:		
Trade and other payables	**276**	219

(e) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to equity price risk arising from its investment in quoted equity instruments. The quoted equity instruments in Malaysia are listed on the Bursa Malaysia Securities Berhad. These instruments are classified as available-for-sale financial assets. The Group does not have exposure to commodity price risk, other than timber price.

38. DIVIDEND

	2023 RM'000	2022 RM'000
Recognised during the financial year:		
In respect of financial year ended 31 December 2021:		
An interim and final tax exempt (single-tier) dividend of 0.90 sen per share on 140,475,470 ordinary share and 12,000,000 redeemable preference shares, declared on 16 June 2022 and paid on 15 July 2022.	-	1,372
In respect of financial year ended 31 December 2022:		
An interim tax exempt (single-tier) dividend of 1.30 sen on 140,475,470 ordinary shares and 12,000,000 redeemable preference shares, declared on 30 December 2022 and paid on 9 February 2023.	-	1,982
An interim and final tax exempt (single-tier) dividend of 1.25 sen per share on 140,475,470 ordinary share and 12,000,000 redeemable preference shares, declared on 15 June 2023 and paid on 11 July 2023 and 20 September 2023.	**1,906**	-
In respect of the financial year ended 31 December 2023:		
An interim tax exempt (single-tier) dividend of 2.85 sen on 140,775,470 ordinary shares and 10,000,000 redeemable preference shares, declared on 12 December 2023 and paid on 15 January 2024.	**4,297**	-
An interim tax exempt (single-tier) dividend of 1.75 sen on 140,775,470 ordinary shares and 1.15 sen on 10,000,000 redeemable preference shares, declared on 27 December 2023 and paid on 9 February 2024.	**2,579**	-
	8,782	3,354

39. CAPITAL MANAGEMENT

The primary objectives of the Group's and the Company's capital management are to ensure that they maintain a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2023 and 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

39. CAPITAL MANAGEMENT (CONTINUED)

The Group and the Company monitor capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group and the Company include within net debt, loans and borrowings, trade and other payables, lease liabilities, less cash and bank balances. Capital includes equity attributable to the owners of the parent less fair value adjustment reserve.

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Borrowings	28	**9,043**	9,948	**337**	282
Trade and other payables	30	**26,498**	15,497	**9,077**	3,759
Lease liabilities	15	**68**	52	**204**	255
Less: Cash and bank balances	27	**(40,836)**	(23,391)	**(5,517)**	(1,322)
Net (assets)/debt		**(5,227)**	2,106	**4,101**	2,974
Equity attributable to the owners of the parent		**90,097**	77,927	**80,877**	82,428
Less: Fair value adjustment reserve	32	**(94)**	(102)	**-**	-
Total capital		**90,003**	77,825	**80,877**	82,428
Capital and net debt		**84,776**	79,931	**84,978**	85,402
Gearing ratio		**Not applicable**	3%	**5%**	3%

40. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has three reportable operating segments as follows:

(i) Harvesting, forest plantation, sawmilling, sales of logs and logging compartments;
(ii) Manufacturing: manufacturing and trading of glass, veneer and woodchips;
(iii) Others: including investment holding, rental of properties, none of which are of a sufficient size to be reported separately.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

40. SEGMENT INFORMATION (CONTINUED)

	Harvesting, forest plantation, sawmilling, sales of logs and logging compartments		Manufacturing		Others		Adjustments and eliminations			As per consolidated financial statements	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	Note	2023 RM'000	2022 RM'000
Revenue											
External customers	**68,930**	45,702	**19,780**	23,983	**520**	514	**-**	-		**89,230**	70,199
Inter-segment	**17,680**	8,683	**-**	-	**27,228**	15,439	**(44,908)**	(24,122)	A	**-**	-
Total revenue	**86,610**	54,385	**19,780**	23,983	**27,748**	15,953	**(44,908)**	(24,122)		**89,230**	70,199
Results											
Finance income	**216**	41	**22**	8	**196**	5	**(191)**	-		**243**	54
Dividend income	**208**	116	**-**	-	**-**	12,810	**(203)**	(12,906)	A	**5**	20
Depreciation of:											
- Property, plant and equipment	**750**	725	**1,009**	1,019	**154**	128	**40**	40		**1,953**	1,912
- Right-of-use assets	**542**	542	**316**	317	**96**	96	**(70)**	(70)		**884**	885
- Investment properties	**270**	270	**166**	165	**27**	25	**(40)**	(40)		**423**	420
- Other non-cash expenses	**1,119**	782	**334**	(324)	**35**	(582)	**(15)**	891	B	**1,473**	767
Segment profit/ (loss) before tax	**38,642**	20,050	**(6,543)**	(2,775)	**39,404**	13,393	**(44,066)**	(15,647)	C	**27,437**	15,021
Assets											
Additions to non-current assets	**2,245**	2,095	**961**	1,524	**195**	296	**-**	(45)	D	**3,401**	3,870
Segment assets	**91,743**	81,551	**46,062**	42,296	**154,439**	133,876	**(157,582)**	(146,141)	E	**134,662**	111,582
Liabilities											
Segment liabilities	**38,203**	31,156	**16,455**	26,350	**50,865**	46,184	**(60,958)**	(70,035)	F	**44,565**	33,655

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

40. SEGMENT INFORMATION (CONTINUED)

Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

A Inter-segment revenues and expenses are eliminated on consolidation.

B Other non-cash expenses consist of the following items as presented in the respective notes to the financial statements:

	Note	2023 RM'000	2022 RM'000
Reversal of allowance for impairment on trade and other receivables	9	**(283)**	(329)
Property, plant and equipment written off	9	**15**	733
Gain on disposal of property, plant and equipment	9	**(52)**	(358)
Inventories written down	9	**640**	96
Inventories written off		**159**	-
Bad debts written off		**29**	-
Share-based payment under the LTIP:			
- Grant of ESOS	32	**184**	(68)
Provision for defined benefit obligations	10	**781**	693
		1,473	767

C The following items are (deducted from)/added to segment profit/(loss) to arrive at "profit before tax" presented in the consolidated statement of comprehensive income:

	2023 RM'000	2022 RM'000
Dividend	**(24,803)**	(12,906)
Reversal of impairment losses on investment in subsidiaries	**(18,399)**	(2,346)
Allowance for impairment on trade and other receivables	**6**	473
Reversal of allowance for impairment on trade and other receivables	**(1,041)**	(1,247)
Gain on disposal of property, plant and equipment	**-**	(45)
Share of results of associate	**195**	366
Loss from intercompanies' sales	**(24)**	58
	(44,066)	(15,647)

40. SEGMENT INFORMATION (CONTINUED)

Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements (continued)

D Additions to non-current assets consist of:

	2023 RM'000	2022 RM'000
Investment properties (Note 16)	**36**	-
Property, plant and equipment (Note 14)	**3,365**	3,870
	3,401	3,870

E The following items are deducted from segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2023 RM'000	2022 RM'000
Inter-segment assets	**(157,582)**	(146,141)

F The following items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2023 RM'000	2022 RM'000
Inter-segment liabilities	**(60,958)**	(70,035)

Geographical information

Revenue based on the geographical location of customers is as disclosed in Note 4 to the financial statements.

41. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors on 23 April 2024.

ANALYSIS OF SHAREHOLDINGS

AS AT 8 APRIL 2024

Total Issued Capital	:	RM79,529,385.85
Total Number of Ordinary Shares Issued	:	140,775,470
Total Number of Redeemable Preference Share	:	10,000,000

DISTRIBUTION OF SHAREHOLDINGS AS AT 8 APRIL 2024

Category	No. of Shares	% Over Total Shares	No. of Holders	% Over Total Shareholders
1 -99	1,319	0.000	57	1.723
100 - 1,000	966,774	0.686	1,078	32.587
1,001 - 10,000	7,175,756	5.097	1,563	47.249
10,001 - 100,000	17,576,040	12.485	547	16.535
100,001 - 7,038,772 (*)	17,998,100	12.784	60	1.813
7,038,773 and above (**)	97,057,481	68.944	3	0.090
GRAND TOTAL	**140,775,470**	**100.00**	**3,308**	**100.00**

Remark: * less than 5% of issued shares

** 5% and above of issued shares

SUBSTANTIAL SHAREHOLDERS AS AT 8 APRIL 2024

Name	No. of share	%
TERENGGANU INCORPORATED SDN BHD	85,584,881	60.795
LEMBAGA TABUNG AMANAH WARISAN NEGERI TERENGGANU	11,472,600	8.149
TOTAL	**97,057,481**	**68.944**

DIRECTORS SHAREHOLDING AS AT 8 APRIL 2024

Name of Directors	No. of Shares
DATO' YAHAYA BIN ALI	0
DATO' BENTARA DALAM DATO' A RAHMAN BIN YAHYA	100,000
BURHANUDDIN HILMI BIN MOHAMED @ HARUN	0
MUHAMMAD RAMIZU BIN MUSTAFFA	0
SAIFFUDDIN BIN OTHMAN	75,000
DR. MOHD ZAKI BIN HAMZAH	60,000
PROFESSOR DATUK DR. YAHAYA BIN IBRAHIM	0
ADIDA BINTI MUHAMMUD	0

ANALYSIS OF SHAREHOLDINGS (CONTINUED)
AS AT 8 APRIL 2024

ACTING CHIEF EXECUTIVE OFFICER SHAREHOLDING AS AT 8 APRIL 2024

Name	No. of share	%
MOHD ROSLAN BIN MAMAT	0	0

LIST OF TOP 30 SHAREHOLDERS/DEPOSITORS AS AT 8 APRIL 2024

Name		No. of share	%
1	TERENGGANU INCORPORATED SDN BHD	72,150,881	51.252
2	TERENGGANU INCORPORATED SDN BHD	13,434,000	9.542
3	LEMBAGA TABUNG AMANAH WARISAN NEGERI TERENGGANU	11,472,600	8.149
4	CHONG FU SEONG	2,000,000	1.420
5	KWAN CHEE TONG	1,301,700	0.924
6	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOOI BOON HAN	1,000,000	0.710
7	DATO' AHMAD NADZARUDIN BIN ABDUL RAZAK	900,000	0.639
8	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	850,800	0.604
9	KHOO KAY LEONG	625,900	0.444
10	LEONG CHEE TONG	600,000	0.426
11	GEOFFREY LIM FUNG KEONG	499,000	0.354
12	LIM SAY HAN	409,100	0.290
13	SYED OMAR SHAHABUDDIN BIN SYED ABDULLAH	400,000	0.284
14	TAN AIK CHOON	385,000	0.273
15	ABDUL MALEK BIN AB RAZAK	350,400	0.248
16	LIM MENG KUANG	350,000	0.248
17	HSBC NOMINEES (ASING) SDN BHD J.P. MORGAN SECURITIES PLC	307,600	0.218
18	CHUA KENG KIONG	300,000	0.213
19	CHEONG PANG KWAN	287,000	0.203
20	CGS INTERNATIONAL NOMINEES MALAYSIA (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WALTER WURTZ	264,600	0.187
21	NG ENG SHI	264,500	0.187
22	OOI SAY HUP	260,000	0.184
23	WONG YOKE YUNG	260,000	0.184
24	CHONG KIM POH	255,000	0.181

ANALYSIS OF SHAREHOLDINGS (CONTINUED)

AS AT 8 APRIL 2024

LIST OF TOP 30 SHAREHOLDERS/ DEPOSITORS AS AT 8 APRIL 2024 (CONTINUED)

Name		No. of share	%
25	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR)	250,000	0.177
26	TUNG YOW KEONG	250,000	0.177
27	GOH CHENG YEE	247,000	0.175
28	MOHD HANIF BIN ALI @ AWANG	225,000	0.159
29	SHEE KIM SENG	206,000	0.146
30	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SHAHARUDIN BIN ARIFFIN	205,000	0.145
Total Holdings		**110,311,081**	
Total No of Holders		**30**	
Total Percentage (%)		**78.359**	

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty-Seventh (37th) Annual General Meeting of Golden Pharos Berhad (GPB or the Company) will be held at **Camellia Ballroom, Paya Bunga Hotel Terengganu, Jalan Tengku Embong Fatimah, Off Jalan Sultan Ismail, 20200 Kuala Terengganu, Terengganu Darul Iman** on **Thursday, 13 June 2024** at **10.30 a.m.** for the following purposes:

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of the Directors and Auditors thereon.

   (Please refer to the Explanatory Notes to the Agenda)

2. Directors' Fees and any benefits payable

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

   (a) "THAT the payment of Directors' Fees of up to RM471,000 for the financial period from 14 June 2024 until the conclusion of the next Annual General Meeting of the Company be approved."

   (Ordinary Resolution 1)

   (b) "THAT the payment of Directors' Benefits (excluding Directors' Fees) payable of RM650,600 for the financial period from 14 June 2024 until the conclusion of the next Annual General Meeting of the Company be approved." (2023: RM991,600)

   (Ordinary Resolution 2)

3. To re-elect the following Directors retiring in accordance with Clause 76 of the Constitution of the Company:

   (a) Burhanuddin Hilmi bin Mohamed @ Harun **(Ordinary Resolution 3)**

   (b) Muhammad Ramizu bin Mustaffa **(Ordinary Resolution 4)**

4. To re-elect the following Directors retiring in accordance with Clause 78 of the Constitution of the Company:

   (a) Dato' Yahaya bin Ali **(Ordinary Resolution 5)**

   (b) Professor Datuk Dr Yahaya bin Ibrahim **(Ordinary Resolution 6)**

   (c) Dr Mohd Zaki bin Hamzah **(Ordinary Resolution 7)**

5. To re-appoint Ernst & Young PLT as the Auditors of the Company and to authorise the Board of Directors to fix their remuneration.

   (Ordinary Resolution 8)

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following Ordinary Resolution:

6. Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016.

   THAT pursuant to Sections 75 and 76 of the Companies Act 2016 (the Act), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities) and subject to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue shares in the Company, at any time to such persons 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 does not exceed ten percent (10%) of the issued share capital (excluding treasury shares) of the Company for the time being;

   THAT pursuant to Section 85 of the Act to be read together with Clause 12(3) of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Sections 75 and 76 of the Act;

   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 Securities;

   AND FURTHER THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company.

   (Ordinary Resolution 9)
   (Please refer to the Explanatory Notes to the Agenda)

7. To transact any other business of which due notice shall have been given.

By Order of the Board

Suraya binti Mohd Hairon (LS 0007314)
(SSM Practicing Certificate No.: 202008000100)
Company Secretary
Kuala Terengganu
30 April 2024

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

Notes:

1. For the purpose of determining a member who shall be entitled to attend and vote at this Annual General Meeting (AGM), the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company a Record of Depositors as at **7 June 2024** and only a depositor whose name appears on the Record of Depositors shall be entitled to attend the meeting or appoint proxy(ies) to attend and vote on his/her behalf.

2. A member of the Company who is entitled to attend and vote at this meeting is entitled to appoint not more than two (2) proxies to attend and vote on his/her behalf.

3. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 (SICDA), it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

4. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

5. Where a member, an authorised nominee or an exempt authorized nominee appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies, otherwise the appointment shall not be valid.

6. A proxy may but need not be a member of the Company. A proxy appointed to attend and vote shall have the same rights as the member to move any resolution or amendment thereto and to speak at the meeting.

7. The appointment of a proxy may be made in the following manner and must be received by the Company at least forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof:

   (i) In hard copy form

   In the case of an appointment made in hard copy form, the proxy form must be deposited at the registered office of the Company situated at 66-2, Taman Sri Intan, Jalan Sultan Omar, 20300 Kuala Terengganu, Terengganu Darul Iman or Share Registrar's office, Tricor Investor & Issuing House Services Sdn Bhd (Tricor), at Unit 32- 01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Services Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

   (ii) By electronic means via email

   In the case of an appointment made via email transmission, the proxy form must be received via email at suraya@gpb.com.my.

   The Company may request any member to deposit original executed proxy form to its registered office before or on the day of meeting for verification purpose.

   (iii) Online

   In the case of an appointment made via online lodgement facility, the proxy form can be electronically lodged with the Company's Share Registrar via TIIH Online at https://tiih.online. Please refer to the Administrative Guide for the AGM on the procedures for electronic lodgement of Proxy Form via TIIH Online.

8. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Company's Share Registrar's office at the above address not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the persons named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/ or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

9. Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

10. Please bring an ORIGINAL of the following identification papers (where applicable) and present it to the registration staff for verification:

    a. Identity card (NRIC) (Malaysian), or

    b. Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or

    c. Passport (Foreigner).

11. For a corporate member who has appointed an authorised representative, please deposit the ORIGINAL/CERTIFIED TRUE certificate of appointment of authorised representative with the Company's Share Registrar, Tricor, at the above address. The certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member. If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by at least two (2) authorised officers, of whom one shall be a director; or any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

Explanatory Notes on Ordinary Business:

(i) Item 1 of the Agenda

This item is meant for discussion only. The provisions of Section 340(1) of the Companies Act 2016 (the Act) require that the audited financial statements and the Reports of the Directors and Auditors thereon be laid before the Company at its AGM. As such this Agenda item is not a business which requires a motion to be put to vote by shareholders.

(ii) Item 2 of the Agenda – Ordinary Resolution 1 and 2

Directors' Fees and any benefits payable

Pursuant to Section 230(1) of the Act, the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries, shall be approved at a general meeting.

The Ordinary Resolutions 1 and 2 proposed under item 2 are in accordance with Section 230 (1)(b) of the Act, and if passed, will authorise the payment of directors' fees and any benefits payable to directors of the Company for their services as directors for the financial period from 14 June 2024 until the conclusion of the next AGM.

Directors' benefits includes allowances and other emoluments payable to directors and in determining the estimated total the Board had considered various factors including the number of scheduled meetings for the Board and Board Committees which covers the period from 14 June 2024 until the conclusion of the next AGM. At the 36th AGM of the Company held on 15 June 2023, the shareholders had approved RM991,600 as the total Directors' Benefits (excluding Directors' Fees) payable to the Directors of the Company for the financial period from 16 June 2023 until the conclusion of the 37th AGM of the Company.

(iii) Item 3 of the Agenda – Ordinary Resolution 3 and 4

Re-Election of Directors in accordance with Clause 76 of the Constitution of the Company

Burhanuddin Hilmi bin Mohamed @ Harun and Muhammad Ramizu bin Mustaffa are standing for re-election as Directors of the Company in accordance with Clause 76 of the Constitution of the Company and being eligible, have given their written consent for re-election. The details of the retiring Directors are set out on page 14 and 17 of the Annual Report 2023.

The Board had, through the Nomination and Remuneration Committee (NRC), assessed the performance and contribution of the retiring Directors through the annual Board Assessments and individual Directors' self and peer assessment and taken into consideration the criteria under the Directors' Fit and Proper Policy of the Company. Based on the assessment results, the NRC had recommended and the Board of Directors was supportive of the re-election of the retiring Directors.

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

(iv) Item 4 of the Agenda – Ordinary Resolution 5,6 and 7

Re-Election of Directors in accordance with Clause 78 of the Constitution of the Company

Clause 78 of the Constitution of the Company provides that the Directors shall have power at any time and from time to time to appoint any person to be a Director either to fill a casual vacancy or as an additional Director but so that the total number of Directors shall not at any time exceed the maximum number fixed by or in accordance with this Constitution. Any Director so appointed shall hold office only until the next AGM and shall then be eligible for re- election but shall not be taken into, account in determining the number of Directors who are to retire by rotation at such General Meeting.

Dato' Yahaya bin Ali, Dr Mohd Zaki bin Hamzah and Professor Datuk Dr Yahaya bin Ibrahim are standing for re-election as Directors of the Company in accordance with Clause 78 of the Constitution of the Company, and being eligible, have offered themselves for re-election. The details of the retiring Directors are set out on page 13, 16, and 19 of the Annual Report 2023.

The Board had, through the NRC, assessed the performance and contribution of the retiring Directors and taken into consideration the criteria under the Directors' Fit and Proper Policy of the Company. Based on their assessment, the NRC had recommended and the Board of Directors was supportive of the re-election of the retiring Directors.

(v) Item 5 of the Agenda – Ordinary Resolution 8

Re-Appointment of External Auditors

The Audit Committee (AC) had assessed the performance, suitability and independence of the External Auditors, Ernst & Young PLT (EY). The AC was satisfied with the suitability of EY based on the quality of audit, performance, competency and sufficiency of resources the external audit team provided to the GPB Group. The AC was also satisfied in its review that the provisions of non-audit services by EY to the GPB Group for the financial year ended 2022 did not in any way impair their objectivity and independence as External Auditors of GPB Group. EY has also met the criteria prescribed by Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Board of Directors concurred with the AC's recommendation to seek shareholders' approval for the re-appointment of EY as the External Auditors of the Company for the ensuing year.

Explanatory Notes on Special Business:

(vi) Item 6 of the Agenda – Ordinary Resolution 9

Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016 (the Act)

The proposed Ordinary Resolution 9, if passed, will grant a general mandate and empower the Directors to issue shares up to an aggregate amount not exceeding 10% of the total number of issued share capital of the Company for the time being, for such purposes as the Directors consider would be in the best interest of the Company without having to convene separate general meetings. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM.

This general mandate will provide flexibility to the Company for any possible fundraising activities, including but not limited to further placement of shares for purpose of funding future investment, working capital and/or acquisitions.

The provision of Section 85 of the Act requires all new shares or other convertible securities of the Company be first offered to shareholders in proportion to their existing holdings. The Ordinary Resolution is also to seek waiver from shareholders on their statutory pre-emptive rights pursuant to Section 85 of the Act. This resolution, if passed, will allow the Directors to issue and allot shares in the Company from time to time without making a pre-emptive offer to the existing shareholders.

The proposed Ordinary Resolution No. 9 is a renewal of the previous year's mandate. As at the date of this notice, the Company has not issued any new shares under the general mandate sought at the previous AGM.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)

1. There is no person seeking election at the Annual General Meeting.

2. General Mandate for Issue of Securities

   Kindly refer to the Explanatory Notes on Special Business for Ordinary Resolution 9 on the Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016 under the Notice of the Annual General Meeting.

UNLOCKING NATURE'S VALUE

GOLDEN PHAROS BERHAD
(198601003051) (152205-W)
(Incorporated in Malaysia)

PROXY FORM

I/We ____
(Full name as per NRIC in capital letters)

Company/Passport/NRIC No. (new)____________________(old)____________________

of ____
(Full address)

being a member of GOLDEN PHAROS BERHAD hereby appoint ____________________

Passport/NRIC No. (new) ____________________ (old) ____________________ or failing him/her

____________________ Passport/NRIC No. (new) ____________________ (old) ____________________

of ____
(Full address)

or failing him/her the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the **37th Annual General Meeting** of the Company to be held at **Camellia Ballroom, Paya Bunga Hotel Terengganu, Jalan Tengku Embong Fatimah, Off Jalan Sultan Ismail, 20200 Kuala Terengganu, Terengganu Darul Iman** on **Thursday, 13th June 2024** at **10.30 a.m**. and at any adjournment thereof.

Name of Proxy	NRIC No.	No. of shares to be represented by proxy	%
1.			
2.			

(Where two (2) proxies are appointed, please indicate the proportion of your shareholdings to be represented by each proxy.)
My/Our proxy is to vote as indicated with an "X" below:
If no specific discretion as to voting is given, the proxy will vote or abstain from voting at his discretion:

ORDINARY RESOLUTIONS		FOR	AGAINST
1.	To approve payment of Directors' Fees of RM471,000 for the financial period from 14 June 2024 until the conclusion of the next Annual General Meeting of the Company.		
2.	To approve payment of Directors' benefits (excluding Directors' Fees) of RM650,600 for the financial period from 14 June 2024 until the conclusion of the next Annual General Meeting of the Company.		
3.	To re-elect Burhanuddin Hilmi bin Mohamed @ Harun as Director.		
4.	To re-elect Muhammad Ramizu bin Mustaffa as Director.		
5.	To re-elect Dato' Yahaya bin Ali as Director.		
6.	To re-elect Professor Datuk Dr Yahaya bin Ibrahim as Director.		
7.	To re-elect Dr Mohd Zaki bin Hamzah.		
8.	To re-appoint Ernst & Young PLT as the Auditors of the Company and to authorise the Board of Directors to fix their remuneration.		
9.	To authorise the Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.		

Dated __________ day of ____________________ 2024.

Number of shares held	*CDS Account No.

____
Signature of Member/Common Seal

*Applicable for shares under nominee account only.

Notes:

1. For the purpose of determining a member who shall be entitled to attend and vote at this Annual General Meeting (AGM), the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company a Record of Depositors as at **7 June 2024** and only a depositor whose name appears on the Record of Depositors shall be entitled to attend the meeting or appoint proxy(ies) to attend and vote on his/her behalf.
2. A member of the Company who is entitled to attend and vote at this meeting is entitled to appoint not more than two (2) proxies to attend and vote on his/her behalf.
3. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 (SICDA), it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
5. Where a member, an authorised nominee or an exempt authorized nominee appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies, otherwise the appointment shall not be valid.
6. A proxy may but need not be a member of the Company. A proxy appointed to attend and vote shall have the same rights as the member to move any resolution or amendment thereto and to speak at the meeting.
7. The appointment of a proxy may be made in the following manner and must be received by the Company at least forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof:

    (i) In hard copy form

    In the case of an appointment made in hard copy form, the proxy form must be deposited at the registered office of the Company situated at 66-2 Taman Sri Intan, Jalan Sultan Omar, 20300 Kuala Terengganu, Terengganu Darul Iman or Share Registrar's office, Tricor Investor & Issuing House Services Sdn Bhd (Tricor), at Unit 32- 01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Services Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

    (ii) By electronic means via email

    In the case of an appointment made via email transmission, the proxy form must be received via email at suraya@gpb.com.my.

    The Company may request any member to deposit original executed proxy form to its registered office before or on the day of meeting for verification purpose.

    (iii) Online

    In the case of an appointment made via online lodgement facility, the proxy form can be electronically lodged with the Company's Share Registrar via TIIH Online at https://tiih.online. Please refer to the Administrative Guide for the AGM on the procedures for electronic lodgement of Proxy Form via TIIH Online.
8. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Company's Share Registrar's office at the above address not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the persons named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/ or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
9. Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.
10. Please bring an ORIGINAL of the following identification papers (where applicable) and present it to the registration staff for verification:

    a. Identity card (NRIC) (Malaysian), or

    b. Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or

    c. Passport (Foreigner).
11. For a corporate member who has appointed an authorised representative, please deposit the ORIGINAL/CERTIFIED TRUE certificate of appointment of authorised representative with the Company's Share Registrar, Tricor, at the above address. The certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member. If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by at least two (2) authorised officers, of whom one shall be a director; or any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

Fold here

AFFIX STAMP

The Share Registrar

GOLDEN PHAROS BERHAD

[Registration No:198601003051 (152205-W)]

Tricor Investor & Issuing House Services Sdn Bhd

Unit 32-01, Level 32 Tower A

Vertical Business Suite, Avenue 3

Bangsar South, No. 8, Jalan Kerinchi

59200 Kuala Lumpur

GRI CONTENT INDEX 2023

Page indications in this Index refer to Golden Pharos Berhad (GPB) Annual Report 2023 unless otherwise noted. The Sustainability Report is contained in the Annual Report (the Report) on pages 75 to 152.

GPB's Annual Report 2023 has been prepared with reference to the GRI Universal Standards; 2016, 2018 and 2021 which refer to the Standards issue date, not the date of the information presented in this report.

GRI STANDARD	DISCLOSURE		SDG	PAGE NUMBER	REMARKS
GENERAL DISCLOSURES					
GRI 2: General Disclosures 2021	**2-1**	Organisational details	-	5 6 - 7	Who We Are About GPB
	2-2	Entities included in the organisation's sustainability reporting	-	6 - 7 10	About GPB Group Structure
	2-3	Reporting period, frequency and contact point	-	77 77	Reporting Boundary, Period and Scope Feedback
	2-4	Restatements of information	-	-	None
	2-5	External assurance	-	-	No external assurance
	2-6	Activities, value chain and other business relationships	-	5 6 - 7 11 34 - 51 58 - 69 94 - 107	Who We Are About GPB Corporate Information Management Discussion & Analysis 2023 Corporate Highlights Focus Area 1: Creating Sustainable Value
	2-7	Employees	8; 10	133 - 144	Focus Area 3: Driving Performance Through People
	2-8	Workers who are not employees	5; 8; 16	133 - 144	Focus Area 3: Driving Performance Through People
	2-9	Governance structure and composition	5; 16	84 153 - 179	Sustainability Governance Structure Corporate Governance Overview Statement
	2-10	Nomination and selection of the highest governance body	5; 6; 16	11 153 - 179	Corporate Information Corporate Governance Overview Statement
	2-11	Chair of the highest governance body	16	153 - 179	Corporate Governance Overview Statement
	2-12	Role of the highest governance body in overseeing the management of impacts	16	84 153 - 179	Sustainability Governance Structure Corporate Governance Overview Statement
	2-13	Delegation of responsibility for managing impacts	-	84 85 180 - 182	Sustainability Governance Structure Our Material Matters Statement on Risk Management and Internal Control
	2-14	Role of the highest governance body in sustainability reporting	-	84 153 - 179	Sustainability Governance Structure Corporate Governance Overview Statement
	2-15	Conflicts of interest	16	153 - 179 180 - 182	Corporate Governance Overview Statement Statement on Risk Management and Internal Control
	2-16	Communication of critical concerns	-	54 - 56 85 153 - 179 180 - 182 183 - 189	Investor Relations Our Material Matters Corporate Governance Overview Statement Statement on Risk Management and Internal Control Audit Committee Report
	2-17	Collective knowledge of the highest governance body	-	12 - 20	Chairman's Profile / Board of Directors' Profile
	2-18	Evaluation of the performance of the highest governance body	-	153 - 179	Corporate Governance Overview Statement
	2-19	Remuneration policies	-	153 - 179 180 - 182 183 - 189	Corporate Governance Overview Statement Statement on Risk Management and Internal Control Audit Committee Report
	2-20	Process to determine remuneration	-	153 - 179 180 - 182 183 - 189	Corporate Governance Overview Statement Statement on Risk Management and Internal Control Audit Committee Report

GRI CONTENT INDEX 2023 (CONTINUED)

GRI STANDARD	DISCLOSURE		SDG	PAGE NUMBER	REMARKS
GENERAL DISCLOSURES (continued)					
GRI 2: General Disclosures 2021 (continued)	**2-21**	Annual total compensation ratio	-	94 - 107	Focus Area 1: Creating Sustainable Value
	2-22	Statement on sustainable development strategy	-	34 - 51	Management Discussion & Analysis
				78 - 79	Message from Our CEO
				83 - 86	Strategising Our ESG Priorities
	2-23	Policy commitments	16	71 - 74	Environmental Statement
				153 - 179	Corporate Governance Overview Statement
				183 - 189	Audit Committee Report
					View GPB's policies at https://goldenpharos.com.my/policies/
	2-24	Embedding policy commitments	-	71 - 74	Environmental Statement
				78 - 79	Message From Our CEO
				83 - 86	Strategising Our ESG Priorities
				94 - 107	Focus Area 1: Creating Sustainable Value
				133 - 144	Focus Area 3: Driving Performance Through People
				145 - 150	Focus Area 4: Building Meaningful Social Interactions
				153 - 179	Corporate Governance Overview Statement
				183 - 189	Audit Committee Report
	2-25	Processes to remediate negative impacts	-	34 - 51	Management Discussion & Analysis
				47 - 49	Managing Risks
				180 - 182	Statement on Risk Management and Internal Control
	2-26	Mechanisms for seeking advice and raising concerns	16	54 - 56	Investor Relations
				77	Feedback
				145 - 150	Focus Area 4: Building Meaningful Social Interactions
	2-27	Compliance with laws and regulations	-	85	Our Material Matters
				94 - 107	Focus Area 1: Creating Sustainable Value
				108 - 130	Focus Area 2: Our Environmental Stewardship
				153 - 179	Corporate Governance Overview Statement
				180 - 182	Statement on Risk Management and Internal Control
				192 - 301	Financial Statements
	2-28	Membership associations	-	• Certified Erosion, Sediment & Stormwater Inspector (CESSWI) by Envirocert International • Safety & Health Officer by Department of Occupational Safety And Health (DOSH) Malaysia • Certified CIDB Shassic Assessor (Safety And Health Assessment System In Construction) by CIDB Malaysia • Certified Technician (Electrical & Electronics Technology) Of Malaysia Board of Technology (MBOT) • Malaysian Institute of Accountants (MIA) • Licensed Secretary by SSM • Malaysian Institute of Human Resource Management (MIHRM) • The Association of Chartered Certified Accountants (ACCA) • Initial Era Ergonomic Trained Person (ETP) by DOSH Malaysia • Authorised Entrant And Standby Person For Confined Space (AESP) by National Institute of Occupational Safety and Health (NIOSH) Malaysia • Association of Malaysian Bumiputra Timber and Furniture Entrepreneurs (PEKA) • Committee member of the Terengganu Wood Industry Association (TWIA) • Committee member of Timber Industry Forum Malaysia (TIF) • Safety Glass Processors Association of Malaysia (SGPAM) • Committee member of SIRIM (working Group for Malaysia Standard on Safety Glass) • Pengapit Majikan Kawasan Timur Jemaah Rayuan Keselamatan Sosial (JKRS) • Kelab Wartawan Media Terengganu	
	2-29	Approach to stakeholder engagement	-	54 - 56	Investor Relations
				94 - 107	Focus Area 1: Creating Sustainable Value
				147 - 148	Stakeholder Engagement
	2-30	Collective bargaining agreements	8	-	Not Applicable

GRI CONTENT INDEX 2023 (CONTINUED)

GRI STANDARD	DISCLOSURE		SDG	PAGE NUMBER	REMARKS
MATERIAL TOPICS					
GRI 3: Material Topics 2021	**3-1**	Process to determine material topics	-	83 - 86	Strategising Our ESG Priorities
	3-2	List of material topics	-	83 - 86	Strategising Our ESG Priorities
ECONOMIC PERFORMANCE					
GRI 3: Material Topics 2021	**3-3**	Management of material topics	-	All material matters sections	Throughout the Annual Report and Sustainability Report
GRI 201: Economic Performance 2016	**201-1**	Direct economic value generated and distributed	8; 9	34 - 51 52 - 53 94 - 107 192 - 301	Management Discussion & Analysis Financial Highlights Focus Area 1: Creating Sustainable Value Financial Statements
	201-2	Financial implications and other risks and opportunities due to climate change	13	34 - 51 52 - 53 94 - 107 108 - 130 192 - 301	Management Discussion & Analysis Financial Highlights Focus Area 1: Creating Sustainable Value Focus Area 2: Our Environmental Stewardship Financial Statements
	201-3	Defined benefit plan obligations and other retirement plans	-	-	None
	201-4	Financial assistance received from government	-	138 - 140	Training, Development & Career Development
MARKET PRESENCE					
GRI 202: Market Presence 2016	**202-1**	Ratios of standard entry level wage by gender compared to local minimum wage	1; 5; 8	133 - 144	Focus Area 3: Driving Performance Through People
	202-2	Proportion of senior management hired from the local community	1; 5; 8	133 - 144	Focus Area 3: Driving Performance Through People
INDIRECT ECONOMIC IMPACTS					
GRI 203: Indirect Economic Impacts 2016	**203-1**	Infrastructure investments and services supported	5; 6; 8; 9; 11	5 6 - 7 30 - 33 34 - 51	Who We Are About GPB Chairman's Statement Management Discussion & Analysis
	203-2	Significant indirect economic impacts	1; 3; 6; 8	6 - 7 30 - 33 34 - 51 71 - 74 94 - 107 145 - 150	About GPB Chairman's Statement Management Discussion Environmental Statement Focus Area 1: Creating Sustainable Value Focus Area 4: Building Meaningful Social Interactions
PROCUREMENT PRACTICES					
GRI 3: Material Topics 2021	**3-3**	Management of material topics	-	All material matters sections 94 - 107 153 - 179 180 - 182	Throughout the Annual Report and Sustainability Report Focus Area 1: Creating Sustainable Value Corporate Governance Overview Statement Statement on Risk Management and Internal Control
GRI 204: Procurement Practices 2016	**204-1**	Proportion of spending on local suppliers	8	99	Contractor Engagement and Performance-Based Compensation
ANTI-CORRUPTION					
GRI 3: Material Topics 2021	**3-3**	Management of material topics	-	All material matters sections	Throughout the Annual Report and Sustainability Report
GRI 205: Anti-corruption 2016	**205-1**	Operations assessed for risks related to corruption	16	180 - 182	Statement on Risk Management and Internal Control
	205-2	Communication and training about anti-corruption policies and procedures	16	107 153 - 179 180 - 182	Eliminating Bribery and Corruption Corporate Governance Overview Statement Statement on Risk Management and Internal Control
	205-3	Confirmed incidents of corruption and actions taken	16	-	There were no incidences reported during FY2023

GRI CONTENT INDEX 2023 (CONTINUED)

GRI STANDARD	DISCLOSURE		SDG	PAGE NUMBER	REMARKS
ANTI-COMPETITIVE BEHAVIOUR					
GRI 3: Material Topics 2021	**3-3**	Management of material topics	-	All material matters sections	Throughout the Annual Report and Sustainability Report
GRI 206: Anti-competitive Behaviour 2016	**206-1**	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	16	-	None
TAX					
GRI 207: Tax 2019	**207-1**	Approach to tax	1; 10; 17	192 - 301	Financial Statements
	207-2	Tax governance, control, and risk management	1; 10; 17	153 - 179 180 - 182 183 - 189	Corporate Governance Overview Statement Statement on Risk Management and Internal Control Audit Committee Report
	207-3	Stakeholder engagement and management of concerns related to tax	1; 10; 17	34 - 51 54 - 56 147 - 148 153 - 179 180 - 182 192 - 301	Management Discussion & Analysis Investor Relations Stakeholder Engagement Corporate Governance Overview Statement Statement on Risk Management and Internal Control Financial Statements
	207-4	Country-by-country reporting	-	-	Not Applicable
MATERIALS					
GRI 301: Materials 2016	**301-1**	Materials used by weight or volume	8; 12	108 - 130	Focus Area 2: Our Environmental Stewardship
	301-2	Recycled input materials used	8; 12	-	Not Applicable
	301-3	Reclaimed products and their packaging materials	8; 12	-	Not Applicable
ENERGY					
GRI 3: Material Topics 2021	**3-3**	Management of material topics	-	All material matters sections	Throughout the Annual Report and Sustainability Report
GRI 302: Energy 2016	**302-1**	Energy consumption within the organisation	6; 7; 8 ; 9; 11; 12; 13; 14; 15; 17	122	Energy Consumption
	302-2	Energy consumption outside of the organisation	7; 8; 12; 13	-	Establishing Groundwork in FY2024
	302-3	Energy intensity	6; 7; 8 ; 9; 11; 12; 13; 14; 15; 17	124	Energy Intensity
	302-4	Reduction of energy consumption	6; 7; 8; 12; 13	121	Energy Management
	302-5	Reductions in energy requirements of products and services	7; 8 ;12; 13	121	Energy Management
WATER AND EFFLUENTS					
GRI 3: Material Topics 2021	**3-3**	Management of material topics	-	All material matters sections	Throughout the Annual Report and Sustainability Report
GRI 303: Water and Effluents 2018	**303-1**	Interactions with water as a shared resource	3; 6; 12	108 - 130	Focus Area 2: Our Environmental Stewardship
	303-2	Management of water discharge-related impacts	3; 6; 12	108 - 130	Focus Area 2: Our Environmental Stewardship
	303-3	Water withdrawal	6; 12	108 - 130	Focus Area 2: Our Environmental Stewardship
	303-4	Water discharge	3; 6; 12	108 - 130	Focus Area 2: Our Environmental Stewardship
	303-5	Water consumption	6	124	Water Consumption

GRI CONTENT INDEX 2023 (CONTINUED)

GRI STANDARD	DISCLOSURE		SDG	PAGE NUMBER	REMARKS
BIODIVERSITY					
GRI 3: Material Topics 2021	**3-3**	Management of material topics	-	All material matters sections	Strategising Our ESG Priorities
GRI 304: Biodiversity 2016	**304-1**	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	3; 6; 13; 14; 15	5 6 - 7 71 - 74 108 - 130	Who We Are About GPB Environmental Statement Focus Area 2: Our Environmental Stewardship
	304-2	Significant impacts of activities, products and services on biodiversity	3; 6; 13; 14; 15	71 - 74 78 - 79 80 - 82 108 - 130	Environmental Statement Message From Our CEO Our Environmental Stewardship and ESG Integration Focus Area 2: Our Environmental Stewardship
	304-3	Habitats protected or restored	6; 13; 14; 15	80 - 82 108 - 130	Our Environmental Stewardship and ESG Integration Focus Area 2: Our Environmental Stewardship
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	6; 13; 14; 15	80 - 82 108 - 130	Our Environmental Stewardship and ESG Integration Focus Area 2: Our Environmental Stewardship
EMISSIONS					
GRI 3: Material Topics 2021	**3-3**	Management of material topics	-	All material matters sections	Throughout the Annual Report and Sustainability Report
GRI 305: Emissions 2016	**305-1**	Direct (Scope 1) GHG emissions	3; 12; 13; 14; 15	122 - 124	GHG Emissions
	305-2	Energy indirect (Scope 2) GHG emissions	3; 12; 13; 14; 15	122 - 124	GHG Emissions
	305-3	Other indirect (Scope 3) GHG emissions	3; 12; 13; 14; 15	122 - 124	GHG Emissions
	305-4	GHG emissions intensity	3; 13; 14; 15	124	Emission Intensity
	305-5	Reduction of GHG emissions	3; 12; 13; 14; 15	125 - 129	Emissions and Initiatives to Tackle Climate Change
	305-6	Emissions of ozone-depleting substances (ODS)	3; 12; 13; 14; 15	-	Establishing Groundwork in FY2024
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	3; 12; 13; 14; 15	-	Establishing Groundwork in FY2024
WASTE					
GRI 3: Material Topics 2021	**3-3**	Management of material topics	-	All material matters sections	Throughout the Annual Report and Sustainability Report
GRI 306: Waste 2020	**306-1**	Waste generation and significant waste-related impacts	3; 6; 11; 12	129	Scheduled Waste Disposal
	306-2	Management of significant waste-related impacts	3; 8; 11; 12	83 - 86 108 - 130	Strategising Our ESG Priorities Focus Area 2: Our Environmental Stewardship
	306-3	Waste generated	3; 6; 11; 12; 15	129	Scheduled Waste Disposal
	306-4	Waste diverted from disposal	3; 11; 12	- 80 - 82 108 - 130	Timber Manufacturing division practices a zero waste culture. Establishing Groundwork for Glass Manufacturing division in FY2024 Our Environmental Stewardship and ESG Integration Focus Area 2: Our Environmental Stewardship
	306-5	Waste directed to disposal	3; 6; 11; 12; 15	129	Scheduled Waste Disposal

GRI CONTENT INDEX 2023 (CONTINUED)

GRI STANDARD	DISCLOSURE		SDG	PAGE NUMBER	REMARKS
SUPPLIER ENVIRONMENTAL ASSESSMENT					
GRI 3: Material Topics 2021	**3-3**	Management of material topics	-	All material matters sections	Throughout the Annual Report and Sustainability Report
GRI 308: Supplier Environmental Assessment 2016	**308-1**	New suppliers that were screened using environmental criteria	-	-	None
	308-2	Negative environmental impacts in the supply chain and actions taken	-	-	None
EMPLOYMENT					
GRI 3: Material Topics 2021	**3-3**	Management of material topics	-	All material matters sections	Throughout the Annual Report and Sustainability Report
GRI 401: Employment 2016	**401-1**	New employee hires and employee turnover	5; 8; 10	322	Performance Data Table
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	3; 5; 8	133 - 144	Focus Area 3: Driving Performance Through People
	401-3	Parental leave	3; 5; 8	133 - 144	Focus Area 3: Driving Performance Through People
LABOUR/MANAGEMENT RELATIONS					
GRI 402: Labour/Management Relations 2016	**402-1**	Minimum notice periods regarding operational changes	8	-	Minimum 24 Hours Notice Period
OCCUPATIONAL HEALTH AND SAFETY					
GRI 403: Occupational Health and Safety 2018	**403-1**	Occupational health and safety management system	3; 8	133 - 144	Focus Area 3: Driving Performance Through People
	403-2	Hazard identification, risk assessment, and incident investigation	3; 8	133 - 144	Focus Area 3: Driving Performance Through People
	403-3	Occupational health services	3; 8	133 - 144	Focus Area 3: Driving Performance Through People
	403-4	Worker participation, consultation, and communication on occupational health and safety	3; 8; 16	133 - 144	Focus Area 3: Driving Performance Through People
	403-5	Worker training on occupational health and safety	3; 8	133 - 144	Focus Area 3: Driving Performance Through People
	403-6	Promotion of worker health	3; 8	133 - 144	Focus Area 3: Driving Performance Through People
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	3; 8	133 - 144	Focus Area 3: Driving Performance Through People
	403-8	Workers covered by an occupational health and safety management system	3; 8	133 - 144	Focus Area 3: Driving Performance Through People
	403-9	Work-related injuries	3; 5; 8	133 - 144	Focus Area 3: Driving Performance Through People
	403-10	Work-related ill health	3; 8; 16	133 - 144	Focus Area 3: Driving Performance Through People

GRI CONTENT INDEX 2023 (CONTINUED)

GRI STANDARD	DISCLOSURE		SDG	PAGE NUMBER	REMARKS
TRAINING AND EDUCATION					
GRI 3: Material Topics 2021	**3-3**	Management of material topics	-	All material matters sections	Throughout the Annual Report and Sustainability Report
GRI 404: Training and Education 2016	**404-1**	Average hours of training per year per employee	4; 5; 8	133 - 144	Focus Area 3: Driving Performance Through People
	404-2	Programmes for upgrading employee skills and transition assistance programmes	4; 5; 8	133 - 144	Focus Area 3: Driving Performance Through People
	404-3	Percentage of employees receiving regular performance and career development reviews	5; 8; 10	133 - 144	Focus Area 3: Driving Performance Through People
DIVERSITY AND EQUAL OPPORTUNITY					
GRI 3: Material Topics 2021	**3-3**	Management of material topics	-	All material matters sections	Throughout the Annual Report and Sustainability Report
GRI 405: Diversity and Equal Opportunity 2016	**405-1**	Diversity of governance bodies and employees	5; 8	83 - 86 133 - 144	Strategising Our ESG Priorities Focus Area 3: Driving Performance Through People
	405-2	Ratio of basic salary and remuneration of women to men	5; 8; 10	-	The basic salary and remuneration we offer is based on the market rate and internal equity of the respective positions as well as the employee's skill set and experience. As far as possible, we strive to offer all our employees comparable compensation structures and monitor compliance with minimum standards.
NON-DISCRIMINATION					
GRI 406: Non-discrimination 2016	**406-1**	Incidents of discrimination and corrective actions taken	5; 8	-	No incidents reported during FY2023
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING					
GRI 407: Freedom of Association and Collective Bargaining 2016	**407-1**	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	8	-	Not Applicable
CHILD LABOUR					
GRI 408: Child Labour 2016	**408-1**	Operations and suppliers at significant risk for incidents of child labour	5; 8; 16	-	None
FORCED OR COMPULSORY LABOUR					
GRI 409: Forced or Compulsory Labour 2016	**409-1**	Operations and suppliers at significant risk for incidents of forced or compulsory labour	5; 8; 16	-	Not Applicable
SECURITY PRACTICES					
GRI 410: Security Practices 2016	**410-1**	Security personnel trained in human rights policies or procedures	16	-	GPB does not hire any security personnel.
RIGHTS OF INDIGENOUS PEOPLES					
GRI 411: Rights of Indigenous Peoples 2016	**411-1**	Incidents of violations involving rights of indigenous peoples	2; 16	-	No Incidents reported during FY2023

GRI CONTENT INDEX 2023 (CONTINUED)

GRI STANDARD	DISCLOSURE		SDG	PAGE NUMBER	REMARKS
LOCAL COMMUNITIES					
GRI 3: Material Topics 2021	**3-3**	Management of material topics	-	All material matters sections	Throughout the Annual Report and Sustainability Report
GRI 413: Local Communities 2016	**413-1**	Operations with local community engagement, impact assessments, and development programmes	1; 2; 3, 4, 8, 9, 11, 16, 17	71 - 74	Environmental Statement
				78 - 79	Message From Our CEO
				80 - 82	Our Environmental Stewardship and ESG Integration
				108 - 130	Focus Area 2: Our Environmental Stewardship
				145 - 150	Focus Area 4: Building Meaningful Social Interactions
	413-2	Operations with significant actual and potential negative impacts on local communities	1; 2; 3, 4, 8, 9, 11, 16, 17	71 - 74	Environmental Statement
				78 - 79	Message From Our CEO
				80 - 82	Our Environmental Stewardship and ESG Integration
				108 - 130	Focus Area 2: Our Environmental Stewardship
				145 - 150	Focus Area 4: Building Meaningful Social Interactions
SUPPLIER SOCIAL ASSESSMENT					
GRI 414: Supplier Social Assessment 2016	**414-1**	New suppliers that were screened using social criteria	5; 8; 16	-	None
	414-2	Negative social impacts in the supply chain and actions taken	5; 8; 16	-	None
PUBLIC POLICY					
GRI 415: Public Policy 2016	**415-1**	Political contributions	16	-	None
CUSTOMER HEALTH AND SAFETY					
GRI 416: Customer Health and Safety 2016	**416-1**	Assessment of the health and safety impacts of product and service categories	3; 16	71 - 74	Environmental Statement
				80 - 82	Our Environmental Stewardship and ESG Integration
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	3; 16	-	No incidents reported during FY2023
MARKETING AND LABELLING					
GRI 417: Marketing and Labelling 2016	**417-1**	Requirements for product and service information and labeling	12	-	We primarily sell our sawn timber, wood-based products and glass products to distributors, dealers, construction companies, contractors, other manufacturers, government agencies and other buyers. Purchase of products are based on approved credit terms. Customers can opt to purchase our products either ex-site or with delivery to their sites.
	417-2	Incidents of non-compliance concerning product and service information and labeling	16	-	During 2023, GPB has not been notified through the available channels of any significant sanction for non-compliance concerning product and service information and labeling.
	417-3	Incidents of non-compliance concerning marketing communications	16	-	During 2023, GPB has not been notified through the available channels of any significant sanction for non-compliance concerning marketing communications.
CUSTOMER PRIVACY					
GRI 3: Material Topics 2021	**3-3**	Management of material topics	-	All material matters sections	Throughout the Annual Report and Sustainability Report
GRI 418: Customer Privacy 2016	**418-1**	Substantiated complaints concerning breaches of customer privacy and losses of customer data	16	-	During 2023, GPB has not been notified through the available channels of any significant sanction for the breach of the customer's privacy and personal data protection rules.

PERFORMANCE DATA TABLE

INDICATOR	UNIT	2021	2022	2023	TARGET
(1) Anti-corruption					
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category					
Management	Percentage	0	0	43	N/A
Executive	Percentage	0	0	51	N/A
Non-executive/Technical Staff	Percentage	0	0	6	N/A
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0	0	0	N/A
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0	N/A
(2) Community/Society					
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	237,000	120,500	576,925	1,000,000
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	N/A	N/A	N/A	N/A
(3) Diversity					
Bursa C3(a) Percentage of employees by gender and age group by employee category					
Gender group by employee category					
Management - Male	Percentage	N/A	5.1	5.4	N/A
Management - Female	Percentage	N/A	1.6	2.0	N/A
Executive - Male	Percentage	N/A	4.6	5.1	N/A
Executive - Female	Percentage	N/A	7.4	5.6	N/A
Non-executive/Technical Staff - Male	Percentage	N/A	44.7	50.2	N/A
Non-executive/Technical Staff - Female	Percentage	N/A	18.5	16.1	N/A
General Workers - Male	Percentage	N/A	7.2	13.6	N/A
General Workers - Female	Percentage	N/A	10.9	2.0	N/A
Age group by employee category					
Management - Under 30	Percentage	N/A	0	0	N/A
Management - Between 30-50	Percentage	N/A	4.6	4.5	N/A
Management - Above 50	Percentage	N/A	2.1	2.9	N/A
Executive - Under 30	Percentage	N/A	2.8	2.0	N/A
Executive Between 30-50	Percentage	N/A	8.6	8.3	N/A
Executive Above 50	Percentage	N/A	0.7	0.4	N/A
Non-executive/Technical Staff - Under 30	Percentage	N/A	10.7	16.7	N/A
Non-executive/Technical Staff - Between 30-50	Percentage	N/A	32.6	30.4	N/A
Non-executive/Technical Staff - Above 50	Percentage	N/A	19.9	19.2	N/A
General Workers - Under 30	Percentage	N/A	7.6	6.5	N/A
General Workers - Between 30-50	Percentage	N/A	9.0	8.0	N/A
General Workers - Above 50	Percentage	N/A	1.4	1.1	N/A
Bursa C3(b) Percentage of directors by gender and age group					
Male	Percentage	N/A	100.0	86.0	N/A
Female	Percentage	N/A	0	14.0	N/A
Under 30	Percentage	N/A	0	0	N/A
Between 30-50	Percentage	N/A	17.0	14.0	N/A
Above 50	Percentage	N/A	83.0	86.0	N/A
(4) Energy Management					
Bursa C4(a) Total energy consumption	MWh	3,918	4,173	3,973	N/A

PERFORMANCE DATA TABLE (CONTINUED)

INDICATOR	UNIT	2021	2022	2023	TARGET
(5) Health & Safety					
Bursa C5(a) Number of work-related fatalities	Number	0	0	0	N/A
Bursa C5(b) Lost Time Incident Rate ("LTIR")	Rate	8.4	13.6	6.3	N/A
Bursa C5(c) Number of employees trained on health and safety standards	Number	463	568	559	N/A
Total hours worked	Hours	1,187,232	735,396	798,758	N/A
Number of lost time injuries	Number	327	138	190	N/A
(6) Labour practices and standards					
Bursa C6(a) Total hours of training by employee category					
Management	Hours	N/A	484	1,793	N/A
Executive	Hours	N/A	1,312	1,553	N/A
Non-executive/Technical Staff	Hours	N/A	2,805	3,631	N/A
General Workers	Hours	N/A	452	483	N/A
Bursa C6(b) Percentage of employees that are contractors or temporary staff					
Gender diversity – Male	Percentage	N/A	96.9	94.2	N/A
Gender diversity – Female	Percentage	N/A	3.1	5.8	N/A
Age diversity - Under 30	Percentage	N/A	9.3	12.2	N/A
Age diversity - Between 30-50	Percentage	N/A	32.6	33.1	N/A
Age diversity - Above 50	Percentage	N/A	58.1	54.7	N/A
Ethnic diversity – Bumiputera	Percentage	N/A	98.4	91.4	N/A
Ethnic diversity – Chinese	Percentage	N/A	0	8.6	N/A
Ethnic diversity – Indian	Percentage	N/A	1.6	0	N/A
Ethnic diversity – Others	Percentage	N/A	0	0	N/A
Bursa C6(c) Total number of employee turnover by employee category					
Management	Number	N/A	1	2	N/A
Executive	Number	N/A	3	10	N/A
Non-executive/Technical Staff	Number	N/A	50	27	N/A
General Workers	Number	N/A	1	20	N/A
Employee Management					
Average training hours per employee	Hours	N/A	11.7	16.7	N/A
Total new hires	Number	31	93	78	N/A
New hire rate	Percentage	7.6	21.5	17.4	N/A
Turnover rate	Percentage	N/A	12.7	13.2	N/A
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0	
(7) Supply Chain Management					
Bursa C7(a) Proportion of spending on local suppliers	Percentage	100	100	100	N/A
(8) Data Privacy and Security					
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy or losses of customer data	Number	0	0	0	N/A
(9) Water					
Bursa C9(a) Total volume of water used	M^3	123,791	101,876	102,703	N/A
(10) Waste Management					
Bursa C10(a) Total waste generated					
Bursa C10(a)(i) Total waste diverted from disposal	kg	N/A	N/A	523,000	N/A
Bursa C10(a)(ii) Total waste directed to disposal	kg	2,478	2,876	4,403	N/A
(11) Emission Management					
Bursa C11(a) Scope 1 emissions in tonnes of CO_2e	CO_2e	1,206.6	432.3	1,070.5	N/A
Bursa C11(b) Scope 2 emissions in tonnes of CO_2e	CO_2e	2,429.2	2,625.2	2,463.1	N/A
Bursa C11 (c) Scope 3 emissions in tonnes of CO_2e (i.e., business travel and employee commuting)	CO_2e	N/A	407.9	428.8	N/A

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This Annual Report is printed on environmentally-friendly paper