HARRISONS HOLDINGS (MALAYSIA) BERHAD
REGISTRATION NO. 199001003108 (194675-H)

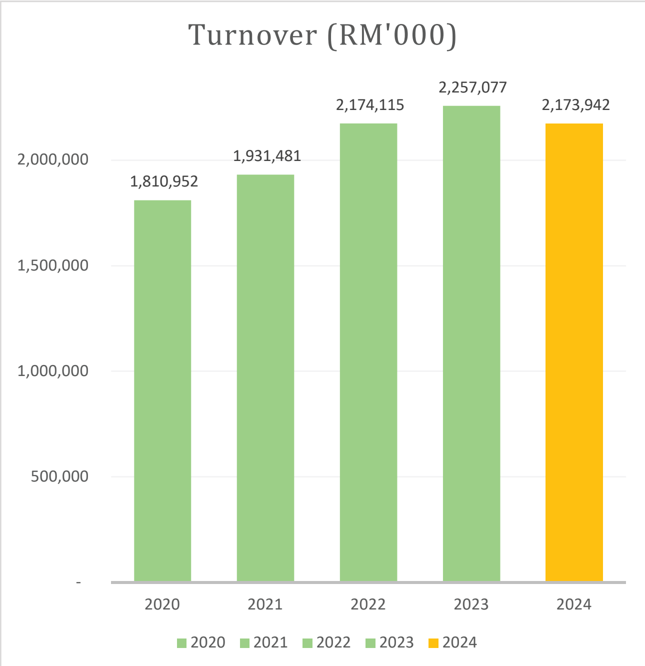
Established in Malaysia since 1918

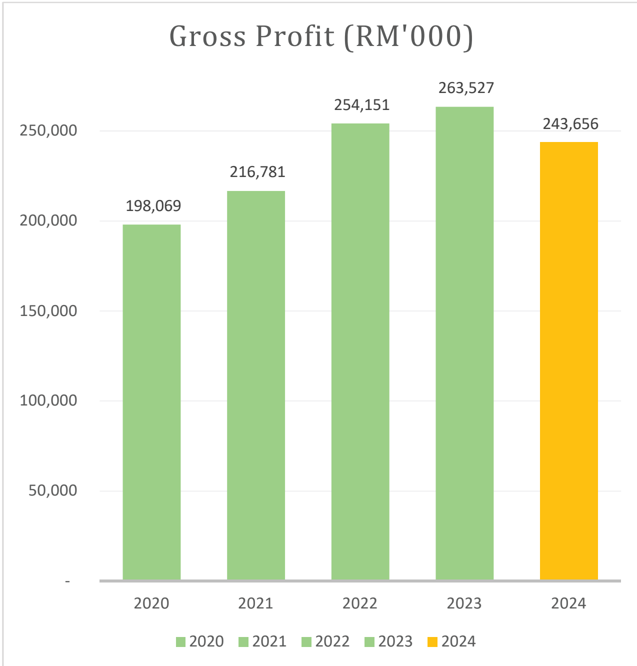
2024
ANNUAL REPORT

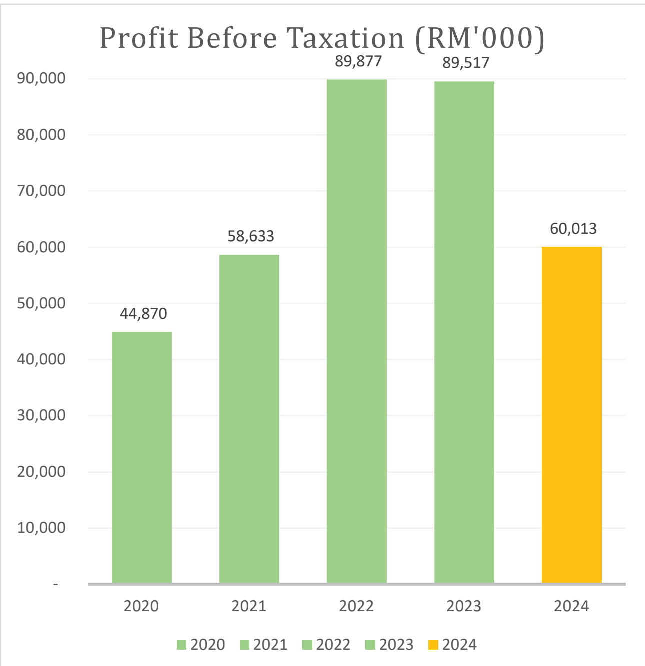
www.harrisons.com.my

HIGHLIGHTS OF THE GROUP'S FINANCIAL INFORMATION FOR THE PAST 5 FINANCIAL YEARS

	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000
Turnover	1,810,952	1,931,481	2,174,115	2,257,077	**2,173,942**
Gross Profit	198,069	216,781	254,151	263,527	**243,656**
Gross Profit margin (%)	10.94%	11.22%	11.69%	11.68%	**11.21%**
Profit Before Taxation	44,870	58,633	89,877	89,517	**60,013**
Taxation	12,433	14,157	21,896	20,719	**16,127**
Profit After Taxation	32,437	44,476	67,981	68,798	**43,886**







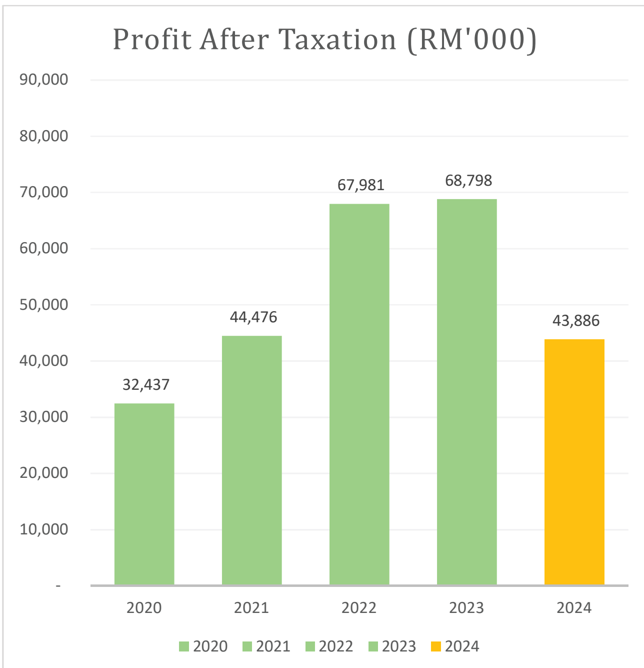


TABLE OF CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Pandjijono Adijanto
(Non-Independent Non-Executive Chairman)
Chang Kon Sang
(Executive Director cum Chief Executive Officer (CEO))
Tan Phwe Leng (Tan Phe Lin @ Mariana Adijanto)
(Non-Independent Non-Executive Director)
Wong Yoke Kong
(Non-Independent Non-Executive Director)
Felix Leong
(Senior Independent Non-Executive Director)
Datuk Lim Tong Lee
(Independent Non-Executive Director)

AUDIT COMMITTEE

Felix Leong - Chairman
Wong Yoke Kong
Datuk Lim Tong Lee

RISK MANAGEMENT & SUSTAINABILITY COMMITTEE

Datuk Lim Tong Lee - Chairman
Wong Yoke Kong
Felix Leong

NOMINATION COMMITTEE

Felix Leong - Chairman
Pandjijono Adijanto
Datuk Lim Tong Lee

REMUNERATION COMMITTEE

Pandjijono Adijanto - Chairman
Felix Leong
Datuk Lim Tong Lee

STOCK EXCHANGE

Main Market of Bursa Malaysia Securities Berhad
Stock Code : 5008
Sector : Consumer Products & Services

REGISTERED OFFICE

Level 13, Menara 1 Sentrum
No. 201 Jalan Tun Sambanthan
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Tel: +603-2382 4288
Fax: +603-2382 4170
Email: tmfkl-cosec@tmf-group.com

SECRETARIES

Low Kong Choon *(MAICSA 0818548)*
(SSM PC No. 202308000611)
Tan Bee Hwa *(MAICSA 7058049)*
(SSM PC No. 202008001174)
Qwik Tsae Yng *(MAICSA 7053568)*
(SSM PC No. 202308000539)

SHARE REGISTRARS

Sectrars Management Sdn. Bhd.
Lot 9-7, Menara Sentral Vista
No. 150, Jalan Sultan Abdul Samad
Brickfields
50470 Kuala Lumpur
Tel: +603-2276 6138/ 6139/ 6130
Fax: +603-2276 6131

AUDITORS

PricewaterhouseCoopers PLT
(LLP0014401-LCA & AF1146)
Level 10, Menara TH 1 Sentral
Jalan Rakyat, Kuala Lumpur Sentral
P O Box 10192
50706 Kuala Lumpur
Tel: +603-2173 1188
Fax: +603-2173 1288

SOLICITORS

Messrs Nazri Aziz & Wong
Messrs Cheah Teh & Su
Messrs Mah-Kamariah & Philip Koh

PRINCIPAL BANKERS

RHB Bank Berhad
Hong Leong Bank Berhad
Affin Bank Berhad
United Overseas Bank Berhad

CORPORATE OFFICE

Unit 9A, 9th Floor, Wisma Bumi Raya
10, Jalan Raja Laut
50350 Kuala Lumpur
Tel: +603-2698 3733
Fax: +603-2698 8733
Email : general@harrisons.com.my
Website: www.harrisons.com.my

DIRECTORS' PROFILE

MR PANDJIJONO ADIJANTO
(Non-Independent Non-Executive Chairman)

Mr Pandjijono Adijanto, Male, 71 years of age, an Indonesian, was appointed as a Non-Independent Non-Executive Director of the Company on 21 March 1990 and subsequently appointed as the Non-Independent Non-Executive Chairman on 16 July 1999. He obtained an honours in Bachelor of Science Degree in Metallurgy from the University of Newcastle, United Kingdom in year 1977. After graduation, he started his career for Bumi Raya Group in Singapore in year 1978. Currently, he is the President of Bumi Raya Group, which has diversified interests in trading, mining, manufacturing, plantations and property investments. He is also the Chairman of the Remuneration Committee and a member of the Nomination Committee.

MR CHANG KON SANG
(Executive Director cum Chief Executive Officer ["CEO"])

Mr Chang Kon Sang, Male, 73 years of age, a Malaysian, was appointed as Executive Director cum Acting CEO of the Company on 5 August 2019 and later confirmed as Executive Director cum CEO on 5 February 2020. He was the Managing Director of Harrisons Sabah Sdn. Bhd. from 1997 to 2019. Before that, he was appointed as Associate Director (Finance) on 1 October 1987 and later as the Finance Director on 1 October 1989. Mr Chang is a Fellow of the Institute of Chartered Accountant of England and Wales and a Registered Chartered Accountant of the Malaysian Institute of Accountants. He has served Harrisons Sabah Sdn. Bhd. since May 1980. Before his appointment as the Associate Director, he had held the positions of Senior Accountant and Chief Accountant/Company Secretary.

MS TAN PHWE LENG (TAN PHE LIN @ MARIANA ADIJANTO)
(Non-Independent Non-Executive Director)

Ms Tan Phwe Leng (Tan Phe Lin @ Mariana Adijanto), Female, 66 years of age, a Singaporean, was appointed as a Non-Independent Non-Executive Director of the Company on 2 September 1993. She holds a Bachelor of Science (Honours) Degree from the University of Aston in Birmingham, United Kingdom, majoring in Pharmacy. Upon graduation in year 1981, she worked in various British hospitals and later worked in Cold Storage Pte. Ltd. from years 1982 to 1984. She joined Bumi Raya Group in Singapore in year 1984 and later in Hong Kong in year 1986. She has substantial management experience in the distribution and retail sector, which was accumulated throughout her years with Cold Storage Pte. Ltd. and Bumi Raya Group.

MR WONG YOKE KONG
(Non-Independent Non-Executive Director)

Mr Wong Yoke Kong, Male, 70 years of age, a Malaysian, was appointed as a Non-Independent Non-Executive Director of the Company on 15 February 1994. He was re-designated as an Independent Non-Executive Director on 12 May 2008 and as a Non-Independent Non-Executive Director of the Company on 31 May 2023. He graduated with Bachelor of Arts (Law) Degree from Manchester Polytechnic, United Kingdom in year 1977 and was admitted as a barrister by Honourable Society of Gray's Inn, London in year 1978. He began his career in year 1979 as a legal assistant with Messrs. Sidek Sulaiman Sya. Since year 1982, he has been practicing as a founder partner of Messrs. Nazri Aziz & Wong, a Kuala Lumpur-based law firm. He is a member of the Audit Committee and the Risk Management & Sustainability Committee.

DIRECTORS' PROFILE (CONT'D)

DATUK LIM TONG LEE
(Independent Non-Executive Director)

Datuk Lim Tong Lee, Male, 57 years of age, a Malaysian, was appointed as an Independent Non-Executive Director of the Company on 11 April 2023. He is a Fellow Member of the Association of Chartered Certified Accountants, the United Kingdom, a member of the Malaysian Institute of Accountants and Malaysian Institute of Certified Public Accountants. He began his career in 1990 as an Auditor with Ernst & Young. He left Ernst & Young in 1995 and joined AmInvestment Bank Bhd as an Executive in its Corporate Finance division. In 1997, he joined a property development company as General Manager of Corporate Finance. He rejoined AmInvestment Bank Bhd in 1999 as Manager of Corporate Finance. In 2007, he was posted by AmInvestment Bank Bhd to AmFraser Securities Pte Ltd in Singapore as the Director/Head of Corporate Finance. In 2013, he left AmFraser Securities Pte Ltd and joined AmWater Investments Management Pte. Ltd. Singapore, as the Chief Investment Officer and was responsible for private equity investments in water projects in North Asia. He left Amwater Investments Management Pte Ltd in 2014 and joined Venstar Capital Management Pte Ltd in Singapore as a Senior Vice President being involved in private equity investments. He left the company and joined KGI Securities Pte Ltd in 2015 as Head of Corporate Finance until 2017.

He is an Independent Non-Executive Director of Nam Cheong Limited and JB Foods Limited, both listed on the Mainboard of Singapore Stock Exchange ("SGX"). He is the Chairman of the Risk Management & Sustainability Committee, and also a member of the Audit Committee, the Nomination Committee and the Remuneration Committee.

MR FELIX LEONG
(Senior Independent Non-Executive Director)

Mr Felix Leong, Male, 63 years of age, a Malaysian, was appointed as an Independent Non-Executive Director of the Company on 22 June 2022 and was identified as Senior Independent Non-Executive Director on 26 August 2022. He graduated with a Bachelor of Arts degree in Economics and Administrative Studies from The University of Winnipeg, Manitoba, Canada in year 1985. He began his career as an accounts officer in an industrial insulation company in year 1986, and later worked in several companies before joining the AmBank Group in year 1995 where he worked for more than 25 years in the Labuan banking industry. He had held the position of Head/Principal Officer of AmBank (M) Bhd, Labuan Offshore Branch, since year 2014 until his retirement in early 2022. He currently manages several offshore trading companies in Labuan. He is the Chairman of the Audit Committee and the Nomination Committee, and a member of the Remuneration Committee and the Risk Management & Sustainability Committee.

Notes to the Directors' Profile:

Family Relationship with any Director and/or Major Shareholder

Save for Mr Pandjijono Adijanto and Ms Tan Phwe Leng (Tan Phe Lin @ Mariana Adijanto) who are siblings, none of the Directors have any family relationship with any other Director and/or Major Shareholder of the Company.

List of Conviction for offences within the past 5 years

None of the Directors have been convicted for any offences (other than traffic offences) within the past 5 years. There were no public sanction or penalty imposed by the regulatory bodies during the financial year.

Conflict of Interest with the Company

None of the Directors have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company and/or its subsidiaries (other than as disclosed in the item 29(c) of Notes to the Financial Statements)

DIRECTORS' PROFILE (CONT'D)

Attendance at Board Meetings

The details of attendance of the Directors at the Board Meetings during the financial year are set out on page 51 of this Annual Report.

Directors' Shareholdings

The details of Directors' shareholdings are set out in the Analysis of Shareholdings on page 152 of this Annual Report.

Directorship in other public companies

None of the Directors hold any other directorships in any public companies and listed issuers in Malaysia.

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KEY SENIOR MANAGEMENT'S PROFILE

MR CHANG KON SANG
(CEO)

The profile of Mr Chang Kon Sang is disclosed in page 3 of the Annual Report.

MR LIM HONG CHIN
(Chief Operating Officer and Managing Director of Harrisons Sarawak Sdn. Bhd.)

Mr Lim Hong Chin, Male, 70 years of age, a Malaysian was appointed as the Managing Director of Harrisons Sarawak Sdn. Bhd. since 1 Oct 1990. Mr Lim graduated from University of Warwick, UK with a BA (Honours) in Economics in 1979. Before his appointment as the Managing Director, Mr Lim held various positions in companies within the Harrisons Group, including Branch Manager of Sibu and Miri, Area Sales Manager Sarawak (based in Kuching), and Marketing Manager of Sabah, Sarawak and Brunei Darussalam (based in Kota Kinabalu).

MR LOW KONG CHOON
(Chief Financial Officer/Group Company Secretary)

Mr Low Kong Choon, Male, 66 years of age, a Malaysian was appointed as the Chief Financial Officer/ Group Company Secretary on 5 February 1991. Mr Low is a Fellow of the Australia Society of Certified Practising Accountant, a Chartered Accountant registered under the Malaysian Institute of Accountants and a Fellow of the Institute of Chartered Secretaries and Administrators. Mr Low worked as a financial controller for Bain Securities Ltd, Hong Kong and Bain & Co, Sydney from year 1987 to 1989. Mr Low has been overseeing Harrison's Group's financial, tax and secretarial matters for over 30 years.

MR ANG LIAN WAL
(Managing Director of Harrisons Sabah Sdn. Bhd.)

Mr Ang Lian Wal, Male, 61 years of age, a Malaysian was appointed as the Managing Director of Harrisons Sabah Sdn. Bhd. since 1 October 2019. Before that, he was appointed as the Associate Director on 1 July 2016 and later as the Director on 1 January 2011. Mr Ang graduated from Universiti Utara Malaysia, Kedah, Malaysia with Bachelor Degree in Public Administration (Hons) in 1989. He has served in Harrisons Sabah Sdn. Bhd. since January 1993. Before his appointment as the Managing Director, Mr Ang held various positions in the Company, including Branch Shipping Executive and Shipping Manager of Tawau, East Coast Shipping Manager (based in Tawau), Branch Manager of Tawau, General Sales Manager for Nestle business (based in Head Office, Kota Kinabalu) and General Manager who took charge of overall business for Nestle, shipping, chemical & fertilisers, technical products and travel.

MR TEE CHEE CHIANG
(Managing Director of Harrisons Peninsular Sdn. Bhd.)

Mr Tee Chee Chiang, Male, 59 years of age, a Malaysian was appointed as the Managing Director of Harrisons Peninsular Sdn. Bhd. ("HP") on 1 July 2013. Mr Tee graduated from University Sains Malaysia, majoring in Economics and has been in the building materials supply industry for over 23 years. He joined HP as a Marketing Manager in 1995 and was promoted to the General Manager before his latest appointment. Mr Tee currently oversees the overall business operation of HP's diversified business in the distribution of building materials, agro/industrial chemicals, importers of fine wines and whiskies and also agent of air/sea freight forwarding.

KEY SENIOR MANAGEMENT'S PROFILE (CONT'D)

Notes to Key Senior Management's Profile

- None of the Key Senior Management holds any other directorship in other public companies and listed issuers nor have any family relationship with any Directors and/or major shareholder of the Company.

- None of the Key Senior Management has any conflict of interest or potential conflict of interest, including interest in any competing business with the Company and/ or its subsidiaries (other than as disclosed in the item 29(c) of Notes to the Financial Statements).

- None of the Key Senior Management has conviction for any offences within the past five (5) years. There was no public sanction or penalty imposed by the relevant regulatory bodies against the Key Senior Management during the financial year.

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CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report of Harrisons Holdings (Malaysia) Berhad ("Harrisons") for the financial year ended 31 December 2024.

FINANCIAL PERFORMANCE

It has been a challenging year for the Group. Revenue for financial year ended 2024 dropped by RM83.1 million (3.68%) and Profit After Tax dropped by RM24.9 million (36.21%) compared to financial year 2023. Full details of the Group Performance are explained in the Management Discussion and Analysis.

DIVIDENDS

The Board has not adopted any dividend policy but has been able to consistently deliver reasonably good dividends over the years. Dividend payments are subject to Group's profitability, long-term plans and cash flow position. Basic earnings per share was 12.56 cents for the financial year 2024 (based on total number of subdivided ordinary shares of 342,381,000 pursuant to the Share Split of every one ordinary share in the Company into five ordinary shares ("Share Split")) as compared to 19.68 sen in the previous financial year (after adjusted to reflect the Share Split). The Company proposes to declare a final single-tier dividend of 6.5 sen per ordinary share in respect of the financial year ended 31 December 2024 (2023: 10 sen per ordinary share, the adjusted rate after the Share Split).

MOVING FORWARD

Global market outlook is expected to slow down due to uncertainties caused by trade tariffs and the ongoing Ukraine – Russia and the Israel – Gaza wars. Malaysia's GDP is expected to grow modestly at 4.1% for 2025. Our nature of business moves in tandem with the growth of Malaysia's GDP.

The Group expects to see slowdown in our Fast-Moving Consumer Goods division as local affordability is affected by increasing prices of goods. We will continue to work closely with our principals to monitor and improve sales and to monitor credit and collections closely.

MANAGING SUSTAINABILITY

Harrisons acknowledges the need to balance economic performance while being mindful of our environment and society. The Group aims to practice good corporate governance as part of its corporate strategies and goals. We remain committed to strengthen and integrate sustainability agendas to manage risks and sustainability to ensure long term value creation for our stakeholders.

ACKNOWLEDGEMENTS

At this juncture, I would like to express my appreciation to the Management team and all our employees who have worked hard to drive the Group's growth forward. A word of thanks also to our valued customers, shareholders, merchants and business associates for their continuous support. Together, we look forward to a brighter year for Harrisons in 2025.

Thank you.

Pandjijono Adijanto
Non-Independent Non-Executive Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

Overview of Business Activities

Harrisons' income is mainly derived from the marketing, sales, warehousing and distribution of Fast-Moving Consumer Goods, Building Materials and Engineering Products, Fine Wines, Industrial and Agricultural Chemicals, and the operation of Shipping/Logistics, Travel Agencies and Retailing. These businesses are conducted as follows:

a. In East Malaysia, Harrisons Sabah Sdn. Bhd. and Harrisons Sarawak Sdn. Bhd. are involved in the marketing, sales, warehousing and distribution of Fast-Moving Consumer Goods, Building Materials, Engineering Products and Industrial and Agricultural Chemicals Products as well as the operation of Shipping and Travel Agencies; and

b. In Peninsular Malaysia, Harrisons Peninsular Sdn. Bhd. and Harrisons Marketing & Services Sdn. Bhd. are involved in the marketing, sales, warehousing and distribution of Building Materials, Industrial and Agricultural Chemicals, and import and distribution of Fine Wines as well as the Freight Forwarding and Shipping.
Presently, Harrisons has over 400 principals, and distributes approximately 13,000 product items to over 15,000 accounts spread all over Malaysia. The Group operates a total network of 27 (13 in Peninsular, 9 in Sabah and 5 in Sarawak) branches and 46 warehouses strategically located throughout Malaysia and is supported by over 1,900 employees.

c. In Singapore, our subsidiaries The Famous Amos Chocolate Chip Cookie Singapore Pte. Ltd. wholesale and retails the Famous Amos Cookies. Watts Harrisons Sdn. Bhd. has terminated the Komonoya brand agency during FY2024, and it's in the process of members' voluntary winding-up.

Objectives and Strategies

Harrisons' objective is to focus on its core strength of marketing and distribution, and to maintain its position as one of the leading distributors in Malaysia. The Group will continue to expand the sales of the Fast-Moving Consumer Goods and Building Materials by securing new agencies of good quality products and to grow its customer base in East and West Malaysia.

Financial Performance Review

<u>Revenue</u>

	2024 RM'000	2023 RM'000	Changes RM'000	Growth %
Fast-Moving Consumer Goods	1,640,432	1,744,827	(104,395)	-5.98
Building Materials and Engineering Products	421,865	407,411	14,454	3.55
Industrial and Agricultural Chemical Products	57,866	49,863	8,003	16.05
Retail	37,902	40,595	(2,693)	-6.63
Shipping and Others	15,877	14,381	1,496	10.40
	2,173,942	**2,257,077**	**(83,135)**	**-3.68**

Revenue decreased from RM2.26 billion in FY2023 to RM2.17 billion in FY2024. The decrease is mainly due to the decrease in sales of our main agency for the Fast-Moving Consumer Products Division.

Sales of our Fast-Moving Consumer Goods declined by RM104.4 million (5.98%) due to subdued consumer sentiment, parallel imports with aggressive selling prices and competitors entering the Fast-Moving Consumer Products market in East Malaysia. Sales on our Building Materials and Engineering Products division however increased by RM14.5 million (3.55%) mainly due to increased demand for cement in Peninsular during the first half of FY2024. The sales of Industrial and Agriculture Chemicals Products increased by RM8.0 million (16.05%) as demand pick up in Sabah during FY2024.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Sales in the Retail Segment decreased by RM2.7 million (6.63%). The decrease is due the company's termination of the Komonoya agency during FY2024.

Revenue for the Shipping and Others Segment increased by RM1.5 million (10.40%) due to higher commissions earned as shipping business activities pick up in Sabah for FY2024.

Gross Profit

Gross Profit decreased from RM263.53 million in FY2023 to RM243.66 million in FY2024. Gross Profit Margin decreased from 11.68% in FY2023 to 11.21% in FY2024. Sales of Building Materials which has a lower gross margin increased while sale of our Fast-Moving Consumer Products which have a higher gross margin decreased for FY2024.

Profit Before Taxation

The Group Profit Before Taxation for FY2024 was RM60.01 million as compared to FY2023 of RM89.52 million. Besides the drop in Gross Profit, administrative expenses increased by RM4.10 million for FY2024 as compared to FY2023 as provision for doubtful debts increased by RM2.7 million for FY2024 caused by overall slow collections. Interest expense increased by RM2.53 million as bank borrowings and interest rates increased in FY2024.

Profit After Taxation

Profit After Taxation decreased from RM68.80 million in FY2023 to RM43.89 million in FY2024, reflecting a decrease of 36.21%.

Segmental information
FY2024

There are 3 main Segments within Harrisons Group:
1. The Trade and Distribution Segment
2. Retail Segment
3. Shipping and Others Segment

	Trade and Distribution RM'000	Retail RM'000	Shipping and Others RM'000	Group RM'000	%
Geographical market					
Sabah	1,088,651	-	14,050	1,102,701	50.73
Sarawak	579,284	-	560	579,844	26.67
Peninsular Malaysia	452,228	1	1,267	453,496	20.86
Singapore	-	37,901	-	37,901	1.74
Total Revenue	2,120,163	37,902	15,877	2,173,942	100.00
Profit Before Interest and Tax	59,762	3,465	3,907	67,134	
Interest income	2,354	330	112	2,796	
Finance costs	(9,551)	(354)	(12)	(9,917)	
Profit before taxation	52,565	3,441	4,007	60,013	

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

The Trade and Distribution Segment ("T&D Segment") comprise mainly of the Fast-Moving Consumer Products businesses in Sabah and Sarawak. Sales of Building Materials and Engineering Products are mainly in Peninsular. This segment is the major segment of the Group which contributed 97.53% of the Group's revenue. Revenue for the T&D Segment in FY2024 decreased by RM81.9 million (3.72%) as compared to FY2023. The decrease is due to decrease in sales for our main agency for our Fast-Moving Consumer Products of RM104.4 million (5.98%). The sales of Building Materials and Engineering Products which contributed 19.41% of total revenue recorded a growth of 3.55% in FY2024. The increase in sales is mainly due to strong demand for cement in anticipation of cement price increase in FY2024.

The Profit Before Tax for the small Retail Segment decreased from last year of RM6.16 million to RM3.44 million this year by RM2.72 million. The decrease in Profit Before Tax is due to increase in cost of raw materials, lowering Gross Profits. Operational costs increase due to increase in minimum wages in Singapore.

The Shipping and Others Segment Profit Before Tax is RM4.01 million for FY2024 as compared to RM3.55 million in FY2023. Shipping Division results increased by RM0.46 million in FY2024 due to higher commissions earned as shipping business activities pick up in Sabah for FY2024.

Group Cash Flow

The Group Cash Flow showed cash generated from operating activities of RM49.07 million for FY2024. Lesser cash was tied up in trade and other receivables over FY2024 as compared to FY2023 as revenue decreased in FY2024.

Group Financial Position

Trade and other receivables decreased by RM13.27 million as at 31 December 2024 due to lower sales generated during FY2024. Inventories increased by RM22.48 million at the end of the year. Bank borrowings were higher by RM23.50 million in FY2024 due to higher utilisation of bankers' acceptances facilities during FY2024. Net current assets continue to improve by RM5.3 million indicating that the Group is a strong liquidity position to pay off our short-term obligations.

Strategies and Future Profit Growth

The distribution business of our Fast-Moving Consumer Goods becomes more challenging as consumer spending soften, parallel imports and more distribution players emerge to compete in the East Malaysia. We will continue to focus on serving our customers better by improving staff competencies and high service standards to our customers and principals. We will also focus and strategise to secure new agencies and brands to complement our diversified agencies portfolio.

We have completed our Enterprise Resource Planning (ERP) System in Sarawak in FY2024. This technology upgrades will enhance efficiencies in our operations and improve service levels to our customers and principals.

Prospects

In short term, we expect slow global growth, cost of goods to increase and lower local affordability to impact local consumer spending in 2025. We expect consumer spending to improve after the second half of 2025 for our Fast-Moving Consumer Products Division. The long term growth of the Group is expected to remain intact.

SUSTAINABILITY STATEMENT

CORPORATE PROFILE

Harrisons was incorporated in Malaysia under the Companies Act 1965 and deemed registered under the Companies Act 2016 on 9 March 1990 as a private limited company under the name of Jantoco Trading Sdn. Bhd. and assumed its present name on 3 September 1991. It was converted to a public company on 28 April 1992.

Companies within the Group were purchased from Harrisons and Crosfield PLC (a public company listed on the London Stock Exchange), and well known previously in Malaysia particularly for the plantations it operates under Harrisons Malaysia Plantations Berhad. The oldest company in the Group, Harrisons Sabah Sdn. Bhd. (formerly known as Harrisons Trading (Sabah) Sdn. Bhd.) (renamed from Harrisons and Crosfield (Sabah) Sdn. Bhd. subsequent to its purchase from Harrisons and Crosfield PLC), came into being on 1 May 1918, bearing the name Harrisons and Crosfield (Borneo) Ltd.

Harrisons was listed on the Main Market of Bursa Malaysia in October 1999. Harrisons' income is mainly derived from the marketing, sales, warehousing and distribution of Fast-Moving Consumer Goods, Building Materials and Engineering Products, Fine Wines, Industrial and Agricultural Chemicals Products, retail and wholesale of the Famous Amos Cookies. and the operation of Shipping/Logistics and Travel Agencies. These businesses are conducted as follows:

(a) In East Malaysia, Harrisons Sabah Sdn. Bhd. and Harrisons Sarawak Sdn. Bhd. are involved in the marketing, sales, warehousing and distribution of Fast-Moving Consumer Goods, Building Materials, Engineering Products and Agricultural Chemicals as well as the operation of Shipping and Travel Agencies; and

(b) In Peninsular Malaysia, Harrisons Peninsular Sdn. Bhd. and Harrisons Marketing & Services Sdn. Bhd. are involved in the marketing, sales, warehousing and distribution of Building Materials, Fast-Moving Consumer Goods (in Muar and Batu Pahat only), Industrial and Agricultural Chemicals, and import and distribution of Fine Wines as well as the Freight Forwarding and Shipping; and

(c) In Singapore, our two (2) subsidiaries The Famous Amos Chocolate Chip Cookie Singapore Pte. Ltd. wholesale and retails the Famous Amos Cookies. Watts Harrisons Sdn. Bhd. has terminated the Komonoya brand agency during FY2024, and it's in the process of members' voluntary winding-up.

About This Statement

The Board of Directors of Harrisons Holdings (Malaysia) Berhad ("Harrisons") and its Group of Companies ("Group") is pleased to present our Sustainability Statement for the financial year ended 31 December 2024. This Sustainability Statement aims to disclose our environmental, social and governance ("ESG") performance on the issues that are considered material to our business model and our stakeholders. The objective of this Sustainability Statement is to provide stakeholders with an understanding of the Group's progress and performance in our sustainability practices and efforts.

As businesses globally face higher expectations from regulators and stakeholders, the Group acknowledges the importance of prioritising sustainability. Harrisons remains committed to drive sustainable growth and meaningfully address ESG impacts across its group of companies to ensure continued business resilience.

The Group takes cognisance on the importance of constantly evolving to stay ahead of the competition in a dynamic market environment. Embracing a progressive mindset will differentiate us from competitors as we seek to grow our revenue and market presence. We stay updated with the changes in customer preferences and trends to adapt to market demands and seize new opportunities. As a responsible business that also places our customers at the heart of what we do, the Group recognises the necessity to meet the sustainability reporting requirements and to fulfil our role in shaping a sustainable sales and distribution sector. The Group will continue to ride the waves of change, guided by visionary leadership and long-term strategies.

Reporting Period and Scope

The scope of this Statement covers the sustainability performance and practices across our Group from 1 January 2024 to 31 December 2024, unless otherwise stated. We have relied on internal data and mechanism to ensure the accuracy of information disclosed in this Statement. Data from the previous financial years has been included where relevant for meaningful comparisons.

We acknowledge the importance of accurate and reliable data in our reporting. While we endeavor to provide complete and meaningful information, there may be areas where data quality limitations restrict direct comparisons with previous periods. We are committed to improving the quality of our sustainability reporting over time, ensuring transparency and accountability in all aspects.

Reporting Framework

This Sustainability Statement has been prepared in accordance with the guidelines set out in the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") in relation to the Sustainability Statement in Annual Report of Listed Issuers ("Guidelines") issued by Bursa Securities.

Assurance

We have not obtained external assurance for this sustainability statement but may consider doing so in the future. Data contained within this Statement has been sourced internally and has been verified by the respective business units or information owners. Selected data within this Statement has been internally assured by the Group's internal audit function. The data that are internally assured are:

(a) Total energy consumption; and
(b) Total volume of water used

Where applicable, the selected indicators validated are indicated across the sections in this Statement.

Governance Structure

Harrisons is committed to upholding the highest standard of governance with sound business ethics in our business operations. Our commitment serves to protect our integrity, reputation, and foster trust among our stakeholders. Compliance to regulatory requirements is the foundation of good corporate governance. We ensure adherence to all relevant local laws and regulations. Harrisons is governed by the Board of Directors which oversees the overall sustainability initiatives and sets policies to drive sustainability practices in the Group. This includes ensuring that the business strategy undertaken considers sustainability in determining the Group's strategic direction.

The Board, via the Risk Management & Sustainability Committee is supported by the Management in overseeing the implementation of sustainability strategy and considers input of all business divisions/department/functions in sustainability processes.

Board of Directors	Oversight of the Group's business sustainability strategy, performance and to ensure adequate resources, systems and process are in place for managing sustainability matters.
Risk Management & Sustainability Committee	Assist the Board in discharging its duties which includes considering sustainability matters when developing and implementing company strategies, business plans, major plan of actions, risk management and adequate resources, systems and process are in place for managing sustainability matters.
Group Chief Risk Management & Sustainability Officer	Oversee the implementation of the Company's key strategic sustainability initiatives with support from respective subsidiary's Chief Risk & Sustainability Officer and assistance by the Group Company Secretary.

SUSTAINABILITY STATEMENT (CONT'D)

Stakeholder Engagement

The Group's success is intrinsically linked to continuous support from its stakeholders. To foster a sustainable and mutually beneficial relationship, the Group actively engages with its stakeholders, seeking to understand their expectations and address any concerns. We recognise that having open and transparent communication with our stakeholders would allow the Group to improve our services and drive the progress towards our sustainability goals.

For FY2024, the Group conducted an informal stakeholder assessment covering both internal and external stakeholders, including employees, key customers and suppliers. We concluded that our primary stakeholders remain the same individuals or groups that have interests that are affected or could be affected by the Group's activities. Details of our key stakeholders and their engagement activities are presented in the stakeholder engagement table below.

Types of Stakeholders	Engagement Methods	Key Areas of Interest	Our Response
Principals	• Meetings • Emails • Company Website • Marketing Activities • Survey	• Efficiencies in our operations to serve our principals effectively. • Delivery of products within timeline and budget	• Provide unrivalled logistics infrastructure and distribution centers • Work closely with principals by offering long-term business solutions based on our local expertise and market intelligence
Customers	• Satisfaction Survey • Conventions • Roadshows • Marketing Materials • Store Openings	• Efficient delivery of goods • Quick response to customer and ensuring customer satisfaction	• Provide competitive pricing, sustainable products and services • Offer knowledge and market insights
Employees	• Annual performance review • Staff annual dinner • Employee events • Knowledge-sharing sessions • Management meetings	• Compensation & Benefits • Training and development • Employee satisfaction and wellbeing	• Upskill employees through learning and development programs • Development of leadership roles
Financiers	• Update of business development • Update of group financial performance • Visiting key personnel of banks	• Results and performance of the Group	• Prompt repayment of facility granted • Deliver strong profits through solid financial performance.
Government/ Regulators	• Events and seminars • Meetings • Briefings and trainings • Attend Dialogues/ Seminars Organised by Bursa Securities	• Compliance with regulations	• Implement robust policies and procedures • Comply with applicable laws and regulations across our entire operations
Investors	• Annual General Meeting • Company Website • Annual Report • Quarterly Reports • Company Announcements	• Timely and transparent disclosure of results and information	• Publish informative Annual Report and announcements • Engage investors through annual general meeting • Deliver strong profits through solid financial performance.

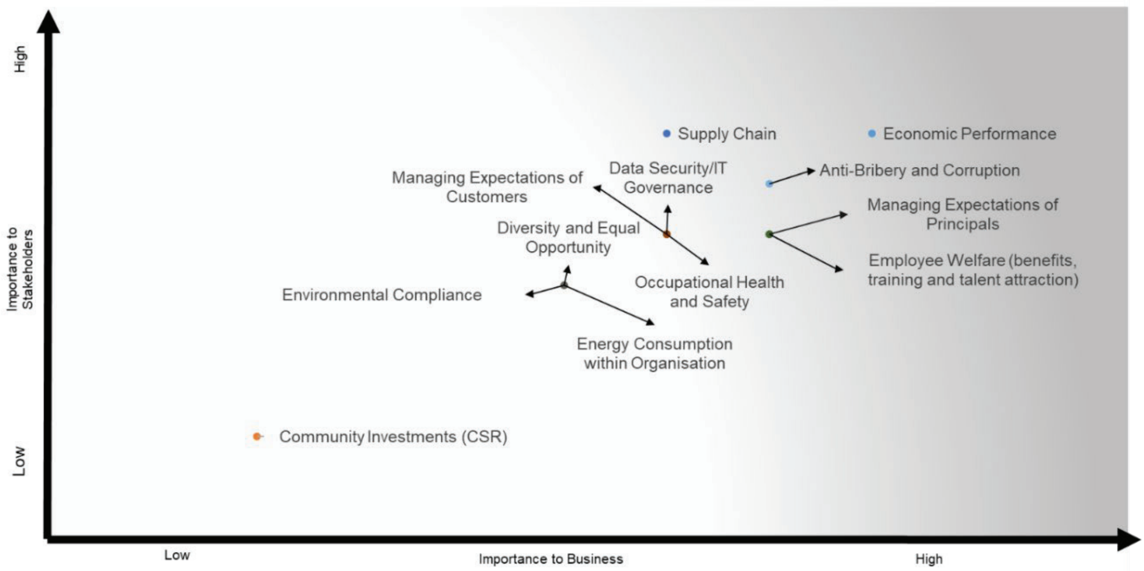
SUSTAINABILITY STATEMENT (CONT'D)

Materiality Assessment

Materiality assessment is a process that allows the Group to analyse, where our operations have the greatest impact on the economy, environment, and the society. This ensures that our sustainability efforts are focused on the topics that are most significant to our business.

Step 1	**Identification**	Selection of potential material topics based on the risks and opportunities to the sector.
Step 2	**Selection**	Material topics are evaluated based on their alignment with the concerns of internal and external stakeholders, including whether they are aligned with key organisational values, goals and targets.
Step 3	**Analysis and Review**	Analysis and review of the selected issues to understand their implications and relevance to the Group's operations and strategy. This also includes review on the relevance of previously identified material factors.
Step 4	**Prioritisation**	The issues were prioritised based on their impact and importance, determining which ones should be the focus of the Group's sustainability efforts.
Step 5	**Confirmation**	Prioritised issues were validated through internal review to ensure their accuracy and relevance before finalising them.

The Group's first materiality assessment was conducted in FY2018. To ensure the relevance and significance of the material topics to our business, we review them annually. In FY2024, we conducted a limited scale review on the material topics and concluded that all our existing material matters are aligned with the Group's strategic priorities and stakeholders' expectations, with minor revisions to ensure greater alignment to our commitments.



Environmental	Social	Governance
• Environmental Compliance • Energy Consumption	• Occupational Health and Safety • Diversity and Equal Opportunity • Employee Welfare • Community Investments	• Economic Performance • Managing Expectations of Principals • Managing Expectations of Customers • Anti-Bribery and Corruption • Data Security and IT Governance • Supply Chain

SUSTAINABILITY STATEMENT (CONT'D)

Through our materiality assessment process, we have identified potential sustainability risks and opportunities that are relevant and material to both our business and stakeholders. By integrating these diverse risk categories, we ensure a risk management approach that supports our sustainability objectives and long-term corporate goals.

Material Topics	Why It Matters	Material Issue Risks and Opportunities	Our Response and Reference Section in this Statement
Environmental Compliance	Environmental compliance ensures adherence to laws, regulations, and standards aimed at protecting ecosystems, human health, and natural resources.	Risk Non-compliance may lead to increase fines and affects image of the Group. Opportunity Compliance enhances image and trust with customers, investors, and communities.	Environmental Compliance (page 20)
Energy Consumption within Organisation	Effective energy management is a vital aspect of the Group's operations.	Risk Inefficient energy consumption generates GHG emissions, which contribute to climate change. Opportunity Potential to lower operational expenses.	• Monitoring of energy consumption • Emissions Management (page 21)
Occupational Health and Safety	Our employees' wellbeing is a key driver to the success of our business and operations.	Risk Poor health and an unsafe environment can lead to legal non-compliance costs, loss of staff morale, operational inefficiency, and reputational damage. Opportunity Ensuring a safe workplace prevents injuries and illnesses, leading to increase efficiency and compliance with industry safety standards.	• We aim to achieve zero work-related fatalities • Training of employees on health and safety standards. (page 23)

SUSTAINABILITY STATEMENT (CONT'D)

Material Topics	Why It Matters	Material Issue Risks and Opportunities	Our Response and Reference Section in this Statement
Diversity and Equal Opportunity	An inclusive working environment promotes employee wellbeing and performance, which allows them to contribute to the success of the business. It also enhances corporate image.	Risk Business decisions and strategies may be limited by a lack of diversity. Human rights violations may result in discrimination issues, and reputational damage. Opportunity Diversity improves employee morale, productivity and employee retention. This also fosters an inclusive culture to improve corporate image.	Diversity data (page 24 to 26)
Employee Welfare (Benefits, Training and Talent Attraction)	Employee welfare, including benefits, training, and talent attraction, is a critical aspect the Group's operation, as a stable and productive workforce will contribute to the Group's long-term success and sustainability.	Risk High staff attrition can lead to increase recruitment and training costs, decreased productivity and potential negative impact on employee morale. Opportunity Prioritising employee welfare helps to create a positive and supportive work environment that not only attracts top talent but also retains and motivates existing employees.	We provide employee training and monitor our staff turnover. (page 26)
Community Investments	Fostering positive relationships between businesses and communities is key to achieve social inclusion and long-term benefits.	Risk Negative public perception as "profit-driven" rather than a responsible corporate citizen. Lack of trust with local stakeholders also limits partnerships with NGOs, governments, or community groups that could drive innovation or shared-value projects. Opportunity Working closely with communities creates positive impact on these communities and areas of operations.	Our community investment initiatives (page 29 to 34)

SUSTAINABILITY STATEMENT (CONT'D)

<table>
<tr><th>Material Topics</th><th>Why It Matters</th><th>Material Issue Risks and Opportunities</th><th>Our Response and Reference Section in this Statement</th></tr>
<tr><td>Economic Performance</td><td>Economic performance contributes to financial stability which in turn, has an impact on our ability to meet our financial obligations to the stakeholders.</td><td><u>Risk</u>
Economic underperformance can erode stakeholder confidence, resulting in diminished trust from investors, clients, and employees alike.

<u>Opportunity</u>
Sustainable financial performance creates long-term value for all stakeholders.</td><td>Details on the Group's business and financial performance can be found in our Management Discussion and Analysis of this Annual Report.</td></tr>
<tr><td>Managing Expectations of Principals</td><td>Principals regards our Group as an integral part of their sales and marketing operations and rely the Group to provide the local market intelligence and research which are vital to their continuing success in the markets where the Group are entrusted with special distribution rights.</td><td><u>Risk</u>
Not meeting expectations of principals may lead to loss of distributorship which may lead to decreased revenue, and ultimately impact our long-term sustainability.

<u>Opportunity</u>
Meeting expectations of principals ensure sustainable financial stability.</td><td rowspan="2">As the business involves both principals and customers and are intertwined, we manage our business risk via monitoring of key risks such as trade credit extended to customers, non-competitive sales and distribution expense risk, market return and trade spend, loss of distribution agencies, and overstocking. Steps to anticipate and mitigate these key risks are an integral part of the Group Risk Management.

Our risk management process are further detailed under Statement on Risk Management and Internal Control.</td></tr>
<tr><td>Managing Expectations of Customers</td><td>Our customers are the primary source of revenue, providing essential capital that underpins the sustainability of our business.</td><td><u>Risk</u>
Not meeting expectations of customers may lead to loss of business, decreased revenue, and ultimately impact our long-term sustainability.

<u>Opportunity</u>
Meeting expectations of customers ensure sustainable financial stability.</td></tr>
</table>

Material Topics	Why It Matters	Material Issue Risks and Opportunities	Our Response and Reference Section in this Statement
Anti-Bribery and Corruption	Bribery and corruption harm businesses by undermining good governance, damaging reputations, and resulting in financial loss.	Risk The occurrence of corruption, bribery, money laundering and fraud can lead to fines and reputational damage. Opportunity Fostering a culture of ethical business conduct and integrity build trust and gain support from stakeholders	The Group maintains an ABC Policy in place. Details of our ABC practice can be referred to under Anti-Bribery and Corruption section (page 36 to 37)
Data Security/IT Governance	With the increasing reliance on technology and the collection of vast amounts of data, ensuring the security and integrity of it has become a top priority.	Risk Data breaches and cyber-attacks are not only detrimental to the Group's reputation but also pose significant financial and legal risks. Opportunity Managing data security and IT governance mitigates the risk of data breaches and cyber-attacks. It also demonstrate commitment to safeguarding sensitive information and upholding regulatory compliance.	The Group treats all data collected as private and confidential. The Group monitors this risk via our Enterprise Risk Management system. The risks covered include: • System Downtime • Company IT Infrastructure Vulnerable to Breakdowns Our performance in managing data privacy is covered under Data Security and IT Governance section (page 38)
Supply Chain	Good relationships with key stakeholders across the supply chain will ensure lower cost, more competitive pricing and better margin.	Risk Disruption in supply chain can lead to operational loss. Opportunity Well-managed supply chains ensure uninterrupted operations, leading to consistent economic growth and business sustainability.	The Group actively supports local businesses and vendors to meet the Group's operation needs. Our performance in managing this material matter is covered under Supply Chain section (page 38 to 39)

ENVIRONMENTAL COMPLIANCE

Why it Matters

Environmental compliance is a corporate responsibility and is essential to protect the environment and prevent harm to human health.

Environmental compliance is foundational to our commitment to sustainable operations and corporate responsibility. Adhering to environmental laws, regulations, and standards ensures we minimise negative impacts on ecosystems, protect public health, and contribute to global efforts to combat climate change.

Non-compliance not only risks legal penalties and reputational damage but also undermines stakeholder trust, including investors, customers, and communities. By prioritising compliance, we foster long-term resilience in a world increasingly focused on environmental accountability. It also reflects our ethical duty to operate transparently and safeguard natural resources for future generations.

Our Approach

We strive to adhere to all environmental laws and regulations, as well as minimising the environmental impact of our operations. We believe that protecting the environment starts with doing the right thing, even when no one is watching. Our approach to environmental compliance is built on responsibility, awareness, and continuous improvement. We stay informed about environmental laws and guidelines that apply to our work, ensuring we comply to all laws and regulations.

Our Performance

In 2024, there was no incidence of material non-compliance with laws and regulations resulting in significant fines or sanctions, and we endeavor to maintain this track record for the next financial year and beyond.

Environmental Compliance	FY2022	FY2023	FY2024
Incidents of non-compliance with environmental laws and regulations	Nil	Nil	Nil

ENERGY CONSUMPTION WITHIN ORGANISATION

Why it Matters

The Group acknowledges the profound impact of our energy consumption and GHG emissions on climate change. As responsible organisation, we recognise our duty to minimise our carbon footprint while actively seizing the opportunities presented in the transition to a low-carbon economy.

Our Approach

We are committed to preserving the environment by implementing environmental-friendly practices in our operations. At our workplace, we encourage energy saving measures such as controlling the air conditioning temperature at reasonable level and turning off electrical appliances when no one is using. We practice recycling at our offices and reuse recycled papers whenever possible, to reduce paper usage.

Harrisons is fully aware of its responsibility for nurturing the environment and lessening negative environmental consequences at our workplace and the environment where we operate. We aim to optimize our energy sources to minimise operating expenses, enhance energy efficiency, and support the global effort in managing climate change. Through fostering a mindset of conservation and sustainability, we aim to minimise our ecological footprint while also enhancing our operational effectiveness.

SUSTAINABILITY STATEMENT (CONT'D)

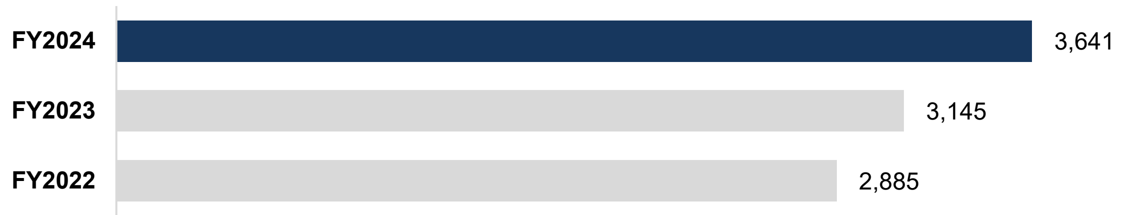
Our Performance

The following data represent our energy consumption within the Group for past three financial years:

Indicator	Measurement Unit	FY2022	FY2023	FY2024[1]
Bursa C4(a) Total energy consumption				
- Electricity	Megawatt	2,885	3,145	3,641

[1]*Data for FY2024 is assured by the Group's internal auditors. The scope of assurance covers 3 most active entities in Malaysia.*

Total Energy Consumption-Purchased Electricity (MWh)



Emissions Management

The Group is aware of the global concern regarding climate change, which arises from the increase in energy consumption and its greenhouse gas ("GHG") emissions. Consumption of fossil fuels results in the release of carbon emissions, which is a major contributor to climate change and global warming. The Group acknowledges that the management of the emission of greenhouse gases is a core component of addressing climate change. In 2023, we started tracking and monitoring carbon emissions generated by our business operations. We currently track Scope 2 emissions which is purchased electricity, and it represents the main source of energy for the Group.

Recognizing the importance of comprehensive environmental stewardship, we are committed to initiating and undertaking the monitoring of Scope 1 and 3 emissions in the near future.

Moving forward, we will consider conducting assessments in our operations to identify opportunities to enhance energy efficiency and reduce energy consumption. Where possible, we will also consider methods to lessen the reliance on fossil-based energy sources, subject to evaluation of its potential costs and benefits.

Emissions-Scope 2 Emissions (tonnes of CO2e)	FY2022	FY2023	FY2024
Indirect GHG Emission (Scope 2) (tCO2e)	1,363.58	1,492.37	1,763.18

Note: Scope 2 emissions are indirect GHG emissions arising from purchased electricity of the Group. Emission conversion factor for Scope 2 is derived from the CDM Electricity Baseline for 2017 by Malaysian Green Technology Corporation.

SUSTAINABILITY STATEMENT (CONT'D)

Water Management

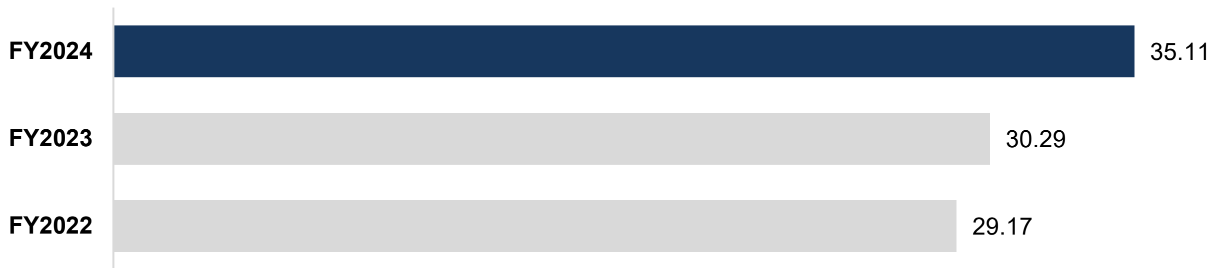
We are aware that water is a precious resource, and our consumption habits directly impact the environment. While water consumption was not identified as a material matter for Harrisons through our materiality assessment, we treat the use of water judiciously as part of our operations with the recognition that water is a precious natural resource.

The water consumed by the Group are mainly for domestic purposes in office areas and warehouses. The Group has adopted water conservation measures to reduce water consumption. The Group encourages all employees to develop the habit of conserving water consciously. Any water leakage are promptly investigated and rectified timely.

Indicator	Measurement Unit	FY2022	FY2023	FY2024[1]
Bursa C9(a) Total volume of water used	Megalitres	29.17	30.29	35.11

[1]Data for FY2024 is assured by the Group's internal auditors. Data verified is limited to actual water bills presented. The scope of assurance covers 3 most active entities in Malaysia.

Total Water Consumption (Megalitres)



Waste Management

It is essential for us to contribute to climate action by reducing waste generation and optimising the use of resources. We strive to minimise our environmental footprint while simultaneously creating value from waste generated. Our packaging materials and waste are properly segregated to be recycled or turn into handcraft, flower pots and pavement. Our staff participate in projects with our partners to clean and sustain the environment.

Historically, the Group monitored waste generation as part of its sustainability disclosures. In alignment with Bursa Malaysia's latest amendments to the Listing Requirements on Sustainability Reporting (Practice Note 9A), reporting of this metric is no longer mandated under the revised listing requirements.

The Company intends to recalibrate its focus to prioritise sustainability components most relevant to its operations as a sales and distribution entity. Given that waste generation is neither a material issue for stakeholders nor a significant operational byproduct of the Company's business activities, the Group is of the opinion that tracking of this metric is no longer required.

The Company remains committed to adhering to regulatory requirements and will continue to channel resources toward areas of greater impact, such as energy efficiency and carbon footprint reduction. Should waste management reemerge as a material factor due to operational shifts or regulatory changes, the Group will reassess its disclosure practices accordingly.

SUSTAINABILITY STATEMENT (CONT'D)

OCCUPATIONAL HEALTH AND SAFETY

Why it Matters

Our employees' wellbeing is a key driver to the success of our business and operations. A safe workplace is not just a legal obligation, it's a moral responsibility. Protecting our team from harm ensures their well-being, builds trust, and fosters a positive, productive work environment. Injuries or illnesses disrupt lives, impact morale, and hinder operational efficiency. By prioritising safety, we demonstrate respect for our employees, reduce risks, and create a culture where everyone feels valued and empowered to speak up about hazards. Ultimately, a commitment to health and safety strengthens our reputation and supports long-term business success.

Our Approach

Harrisons places strong emphasis on a workplace that is free from theft, violence, harassment, intimidation and other unsafe and disruptive influences due to internal and external conditions as the staffs are the backbone to the Group. The key health and safety activities held by the Group includes fire drills, evacuation exercises and training in proper use of equipment and proper work instructions to prevent workplace hazards from happening. Our approach to health and safety is grounded in prevention, education, and collaboration.

- Putting People First: We design workspaces and processes with safety in mind, ensuring physical and mental well-being are prioritised.
- Training & Awareness: Regular, easy-to-understand training helps employees recognize risks (e.g., equipment hazards) and take action to stay safe.
- Open Communication: We encourage employees to report concerns without fear of blame, and we act quickly to address issues.
- Continuous Improvement: We learn from near-misses and employee feedback to refine our practices.
- Team Effort: Managers and staff work together to identify solutions, fostering shared responsibility for a safer workplace.

Our Performance

We are proud to report that there have been no work place fatalities for 2024 and we endeavor to maintain this track record for the next financial year and beyond.

Indicator	Measurement Unit	FY2022	FY2023	FY2024
Bursa C5(a) Number of work-related fatalities	Number	Nil	Nil	Nil
Bursa C5(b) Lost time incident rate ("LTIR")[1]	Rate	Nil	0.32	0.19
Bursa C5(c) Number of employees trained on health and safety standards	Number	503	479	467

[1]The Group tracks its Lost Time Incident Rate commencing from FY2023 as there is no prior data for FY2022.

DIVERSITY AND EQUAL OPPORTUNITY

Why It Matters

Diversity and equal opportunity are essential to fostering innovation, fairness, and a thriving workplace. A diverse workforce encompassing differences in race, gender, age, ability, religion, and background brings varied perspectives that drive creativity and better decision-making. Ensuring equal opportunity means everyone has the chance to succeed, regardless of identity, which strengthens employee engagement, reduces turnover, and builds trust with our customers and communities. Beyond ethical responsibility, diverse organisations are better positioned to understand markets and reflect the societies they serve. By championing inclusion, we create a culture where individuals feel valued, respected, and empowered to contribute their best.

Our Approach

Our commitment to diversity and equal opportunity is rooted in action, not just intent. We focus on:

- Fair Recruitment: Ensuring job postings, hiring panels, and selection processes are free from bias.
- Inclusive Culture: Promoting open dialogue, addressing unconscious bias through training, and acknowledging diverse perspectives in everyday operations.
- Equal Growth Opportunities: Providing mentorship, leadership development, and advancement pathways for all employees, with pay reviews.
- Listening and Learning: Conducting anonymous surveys to understand employee experiences and using feedback to improve policies.

We believe diversity is a strength. We evaluate candidates based on the Group's needs and match their tasks to their qualifications and experience. New recruits may also gain exposure to various areas of our operations to develop a holistic understanding of our business. Our operational workforce adheres to industry guidelines and our own Code of Conduct and Ethics. We practice fair employment and regularly engage employees through activities aimed at promoting effective dialogue and communication.

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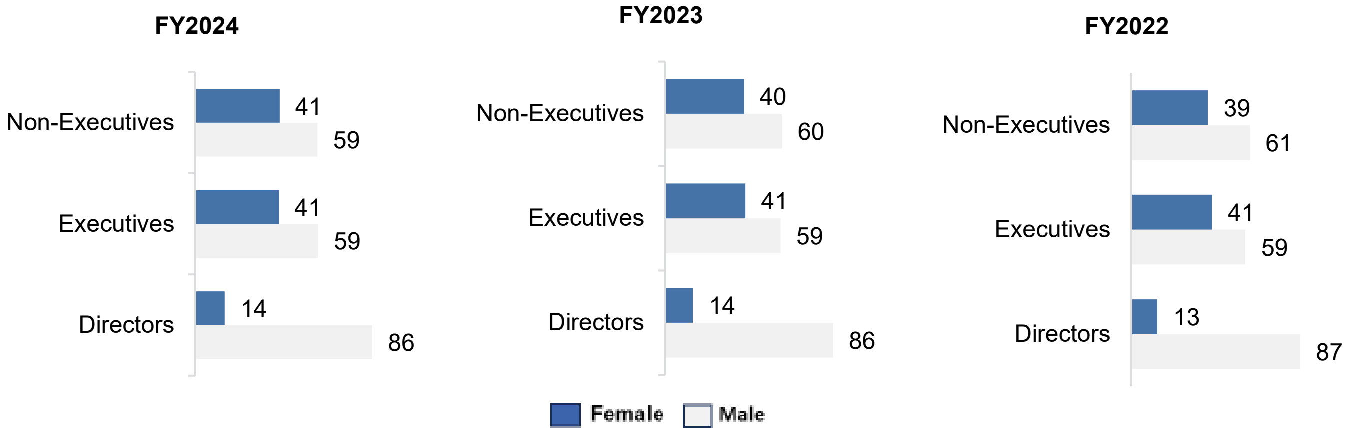
SUSTAINABILITY STATEMENT (CONT'D)

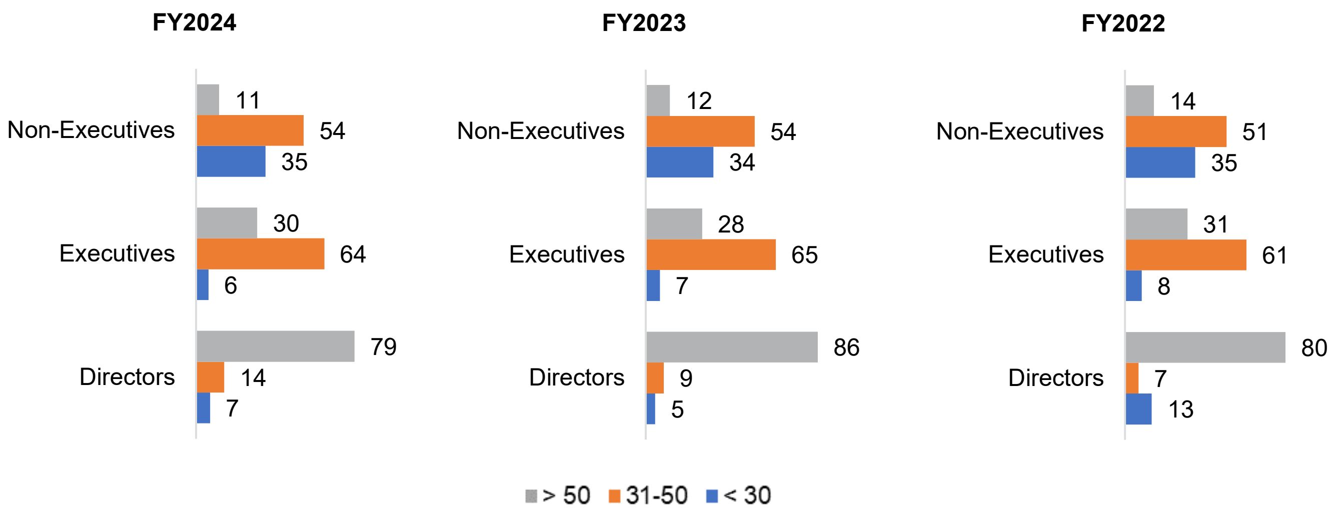
Building and retaining talent are both critical in growing the Group as the continuous growth of the Group needs talented employees. We pledge to the principle of equal opportunity in hiring, promoting and rewarding our employees. Having a diverse workforce with equal opportunity regardless of age, race and gender is one of the ways to build and retain talent. As at 31 December 2024, Harrisons employed 1,993 people. The diversity of Harrisons workforce in terms of gender, age and ethnicity as at 31 December 2024 is as follows:

Employee Gender Diversity by Employee Category (%)



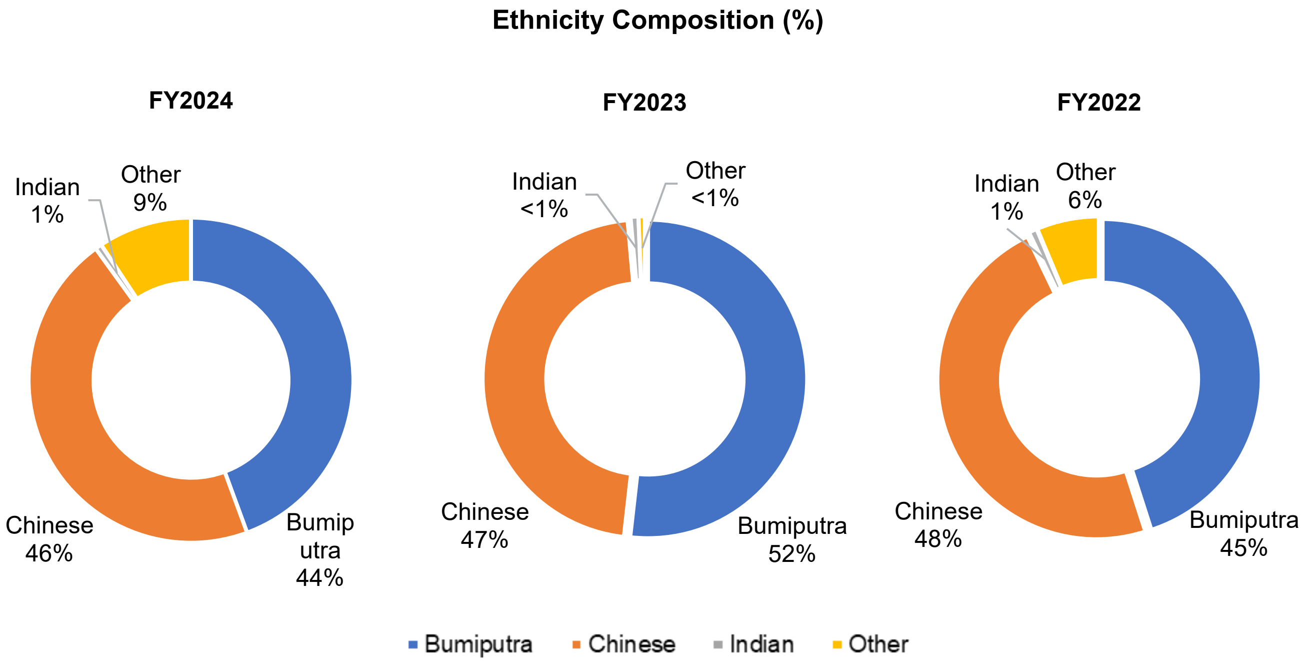
Note: Directors referred to herein are defined as Management

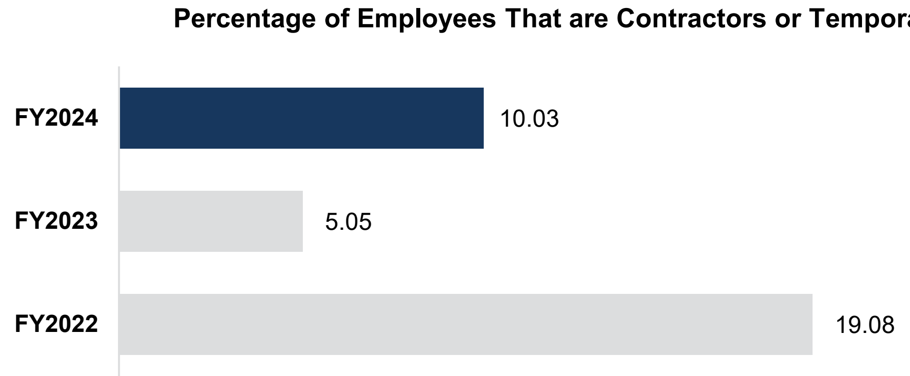
Employee Age Diversity by Employee Category (%)



Note: Directors referred to herein are defined as Management

SUSTAINABILITY STATEMENT (CONT'D)





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Employee Turnover

Human capital is one of the most important assets in our business. The Group believes in attracting, motivating and reducing employee turnover at work through providing a rewarding working environment and also looking after their well-being. The table below illustrates our employee turnover at the end of each reporting period:

Indicator	Measurement Unit	2022	2023	2024
Bursa C6(c) Total number of employee turnover by employee category				
Management	Number	Nil	Nil	Nil
Executive	Number	23	28	16
Non-Executive/Technical Staff	Number	249	277	308

SUSTAINABILITY STATEMENT (CONT'D)

Board Diversity

The Group recognises the benefits of having an effective and diverse Board in supporting the attainment of its strategic objectives. The Board, composed of experienced professionals from diverse industries, plays a pivotal role in aligning our business objectives with sustainability and climate goals. We believe that creating a diverse and equitable Board is essential to our core values of our Group.

All appointments to the Board are made on merit, ensuring that individuals are selected for their qualification, experience, and expertise. The Board's policy is designed to create a diverse and skilled composition that is able to effectively address the needs and challenges of the business.

EMPLOYEE WELFARE

Why it Matters

Employee welfare is the cornerstone of a motivated, loyal, and high-performing workforce. Competitive benefits, ongoing training, and intentional talent attraction strategies ensure we attract and retain skilled individuals while fostering their growth. When employees feel supported physically, mentally, and professionally they are more engaged, productive, and aligned with organisational goals. Investing in their welfare builds trust, reduces turnover, and enhances our reputation as an employer of choice. In a competitive labor market, prioritizing welfare isn't just good ethics, it's smart business that drives innovation and long-term success.

Our work environment is aimed at providing a fair performance-based work culture that is diverse, inclusive and collaborative. We also encourage our people to reach their fullest potential and provide them with a fulfilling and meaningful career. We have structured attractive remuneration packages to ensure employees are justly rewarded and to ensure that we remain competitive to attract strong talent.

An employee handbook is in place covering the policies, benefits, procedures and code of conducts that have to be abided by the employees under the Group. As for employees' benefits, apart from complying with the statutory requirements in Malaysia, benefits such as staff uniform, company transport, meal allowance and Group hospitalisation insurance are also provided to all employees.

Employee wellbeing has important implications for productivity and work relationships. To promote a healthier and active lifestyle among employees, the Group supports in-house Sport Clubs which organises various sports and recreational activities on a regular basis.

Our Approach

We take a holistic approach to employee welfare, ensuring our team thrives at every career stage:

- Comprehensive Benefits: We offer competitive packages, including healthcare support, parental leave, and wellness programs, tailored to diverse needs.
- Continuous Learning: Regular training, mentorship, and access to courses empower employees to upskill, adapt to industry changes, and advance their careers.
- Talent Attraction: We promote our values and culture through inclusive hiring practices and highlighting opportunities for growth and impact.
- Flexibility & Balance: Paid time-off help employees manage personal and professional commitments.
- Listening & Adapting: Employee feedback ensure our offerings evolve with their needs.

Our goal is to create an environment where people don't just work-they grow, innovate, and feel valued.

Engaging with Our Employees

Two-way communication in the workplace is vital for alignment between employees and our Group's overall business strategy. Continuous open dialogue is the main platform used to engage our employees. Open dialogues are conducted informally to encourage employees to raise any issues to management. We believe that this provides a more interactive and direct channel for any form of feedback.

SUSTAINABILITY STATEMENT (CONT'D)

Employee Training and Development

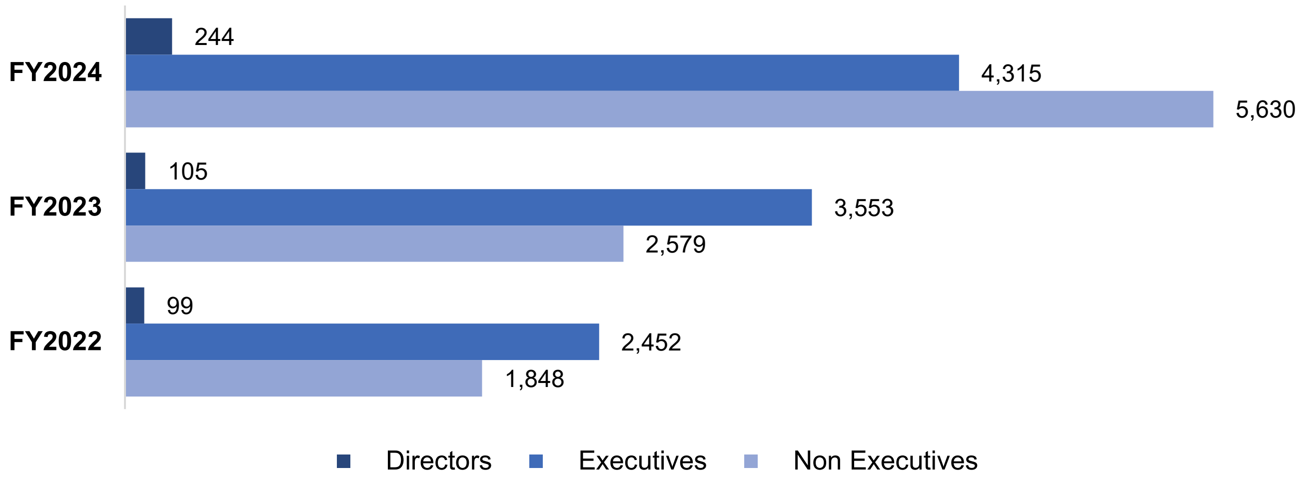
Every employee plays an essential role in the Group. We focus on attracting and retaining talent and then helping them to develop their skills to drive our Group's success. Harrisons is highly regarded as an employer and has successfully nurtured and retained a pool of loyal, committed, professional and capable staff.

We believe that learning and training is an important, continuous and life-long process so that employees are equipped with the competencies needed to meet current and future business needs. This includes workshops, seminars, conferences, in-house company training and on-the-job training. During the year, Harrisons has conducted in-house trainings, sales field coaching and management trainee programs to upgrade their skills and knowledge.

Harrisons places emphasis on its staff development programmes. As with its Board of Directors, staffs are also encouraged to undertake continuing professional education to equip themselves with the latest technical and statutory updates to stay relevant and be prepared for their jobs.

We offer education assistance programmes to support our employee's development and career growth. Over the years, Harrisons has been sponsoring employees to pursue qualifications relevant to their field of work. This includes reimbursement of fees for professional courses such as MBA and marketing courses. Harrisons is also an Association of Chartered Certified Accountants (ACCA) Approved Employer.

Total Hours of Training by Employee Category



SUSTAINABILITY STATEMENT (CONT'D)

COMMUNITY INVESTMENTS

Why It Matters

Investing in communities is central to our role as a responsible corporate citizen. Through targeted Corporate Social Responsibilities ("CSR") initiatives, we address critical social challenges, empower underserved groups, and contribute to sustainable development. Beyond fulfilling ethical obligations, community investments strengthen trust, enhance brand reputation, and foster long-term relationships with stakeholders.

Our Approach

Our community investment initiatives are guided by collaboration, relevance, and accountability:

- Local Focus: We prioritise initiatives that address the unique needs of the communities where we operate, partnering with local NGOs and schools.
- Employee Engagement: Employees volunteer time and expertise, with programs like paid volunteer days.
- Strategic Giving: We direct resources toward key pillars such as education, environmental conservation, healthcare, or economic empowerment, ensuring alignment with our core values.
- Long-Term Impact: Our initiatives are aimed to provide assistance with sustainability in mind, aiming to create long term and meaningful partnerships with our community.
- Transparency: We aim to report the outcomes and inviting feedback to improve our future efforts.

Our Performance

Indicator	Measurement Unit	FY2022	FY2023	FY2024
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM	10,000	8,694	35,297
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	8	17	9

Harrisons Sabah Sdn. Bhd. - KK Recreational Team CSR Activities Year 2024

Corporate Social Responsibility Calendar		
Date	**Location**	**Activity**
20 July 2024	Sabah Society for the Deaf	Donated RM17,147.86
23 July 2024	Monfort Youth Training Centre	Donated RM5,683.65
24 June 2024	Tanjung Lipat	Beach Clean Up

Sabah Society for the Deaf

The Harrisons Recreational Team has arranged a 2nd CSR activity to the Society for the Deaf in conjunction of their annual Charity Bazaar that will be held on 11th August 2024. The Society for the Deaf are an NGO and has held the charity bazaar yearly to raise money, promote education employment and general welfare to the deaf community. Once the recreational team arrived, they were greeted by Mr Liau, the President for the Society for the Deaf as well as the committees and teachers. The recreational team were brought to visit the school. All representative of Harrisons Recreational Team and Sabah Society for the Deaf took a photo as commemorative.

SUSTAINABILITY STATEMENT (CONT'D)

Monfort Youth Training Centre

The Harrisons Recreational Team has arranged a 3rd CSR activity to Monfort Youth Training Centre in Kinarut. Monfort Youth Training Centre are an NGO dedicated to the welfare and development of youth in providing industrial skills training to the needy and the less fortunate. The representative of Harrisons Recreational Team arrived and were greeted by Ms Florence, a representative of the Monfort Youth Training Centre. She gave the team a tour around the Youth Training Centre, their dormitory, canteen, automotive workshop and halls where the students develop industrial skills. All representative of Harrisons Recreational Team and representative from Monfort Youth Training Centre took a photo as commemorative.

Tanjung Lipat Beach Clean Up

The beaches of Tanjung Lipat with stunning scenery are a valued part of Kota Kinabalu community, offering jogging track and picnic points for recreation. But plastic pollution and other waste threaten this delicate ecosystem. To make a positive impact, Harrisons Sabah Kota Kinabalu Recreational Team, lead by Business Manager Denise, organized a beach cleanup event on 24 June 2024, bringing together 36 employees for a Saturday morning of environmental action. Armed with gloves, bags, and a shared commitment to sustainability, KK Recreational Team descended upon Tanjung Lipat beach.

The energy was contagious as volunteers of all ages enthusiastically scoured the shoreline, collecting plastic bottles, bags, empty food packages, and other debris. The results were impressive. In less than 2 hours, the team collected 314kgs of waste, preventing it from entering the ocean and harming marine life. The energy was contagious as volunteers of all ages enthusiastically scoured the shoreline, collecting plastic bottles, bags, empty food packages, and other debris. The results were impressive. In less than 2 hours, the team collected 314kgs of waste, preventing it from entering the ocean and harming marine life. Amongst the participants, the most waste picked up was 66kg by winning team comprised of Mr Ang LW (Sabah MD), Denise Cheong (KK Business Manager), Ms Liew (F&A Manager) and Chong YK (KK Sales Manager). But beyond the waste removed, the event fostered a sense of community and environmental responsibility.

SUSTAINABILITY STATEMENT (CONT'D)

Amongst the participants, the most waste picked up was 66kg by winning team comprised of Mr Ang LW (Sabah MD), Denise Cheong (KK Business Manager), Ms Liew (F&A Manager) and Chong YK (KK Sales Manager). But beyond the waste removed, the event fostered a sense of community and environmental responsibility.

"We are thrilled with the turnout for our beach cleanup. This event is a great example of how our company values extend beyond the workplace. We are committed to protecting the environment and giving back to the communities where we live and work."The beach cleanup was just one piece of Harrisons Sabah's ongoing commitment to sustainability. The company is actively working to reduce its environmental footprint through initiatives such as monthly plastic & paper recycle event.The positive impact of the beach cleanup extended beyond the immediate results. The event served as a powerful reminder of the importance of responsible waste disposal and the collective action needed to combat plastic pollution. By working together, companies and communities can make a significant difference in protecting our precious coastlines.

Corporate Social Responsibility Calendar		
Date	**Location**	**Activity**
15 September 2024	Hospital Tawau	Blood Donation Campaign

SUSTAINABILITY STATEMENT (CONT'D)

Harrisons Sarawak Sdn Bhd-CSR Activity

Corporate Social Responsibility Calendar		
Date	**Location**	**Activity**
29 April 2024	Red Crescent, Kuching Branch	Donated 50 packs of Vinda Softpack and GVC Shower Cream, and 200 set of Badlab Shower Cream

Corporate Social Responsibility Calendar		
Date	**Location**	**Activity**
28 June 2024	UPM Faculty of Humanities, Management & Science	Donation amounting to RM808.60
20 October 2024	Sekolah Menengah Kai Dee annual charity fair	Donation amounting to RM2,255.76

28 June 2024-Wishesland, Miri

On 28th June 2024 Harrisons Miri CSR team had visited the center and it was a meaningful experience. We had donated Milo Activ-Go UHT, Nestum 3 in1, Maggi Hot cup, Koko Krunch and Hwa Tai biscuits worth RM2,150 to the center and we are fortunate with the opportunity to engage with the community by interacting and playing games with Mr. Tay Boon Seng, a Sarawak Boccia Para SUKMA athlete.

This kind of engagement highlights the importance of community involvement and support, especially for athletes who represent the spirit of perseverance and dedication.

SUSTAINABILITY STATEMENT (CONT'D)

Corporate Social Responsibility Calendar		
Date	**Location**	**Activity**
31 August 2024	The Salvation Army, Kota Samarahan	Donated food products worth RM1,032.48

SUSTAINABILITY STATEMENT (CONT'D)

Corporate Social Responsibility Calendar		
Date	**Location**	**Activity**
16 September 2024	Persatuan Orang Kurang Upaya Kuching (House of Joy)	Donated food products worth RM2,260.80

Corporate Social Responsibility Calendar		
Date	**Location**	**Activity**
29 February 2024	Bintulu	Donated food products worth RM909.72

ECONOMIC PERFORMANCE

We are committed to achieving economic sustainability growth for our shareholders. We conduct our business in compliance with applicable laws and regulations and in accordance with high ethical business practices and good corporate governance.

As part of Harrisons' journey to incorporate a sustainable business practices in the long term, the Group is committed to a holistic approach to business management. Harrisons believes that focusing on financial sustainability is critical.

Why it Matters

Economic performance contributes to financial stability which in turn, has an impact on our ability to meet our financial obligations. Strong economic performance is vital to sustaining our operations, driving innovation, and delivering value to our stakeholders, from employees and shareholders to the communities we serve. Financial stability enables us to support economic growth in the regions where we operate and invest in sustainable practices. Achieving financial performance also contributes to providing decent employment opportunities and promoting local economic development through the partners, resource providers and suppliers we engage with in our operations.

SUSTAINABILITY STATEMENT (CONT'D)

Transparent reporting on profitability, cost efficiency, and responsible resource allocation builds investor confidence and ensures long-term viability. Beyond shareholder returns, our economic success allows us to contribute to societal progress. A thriving business is the engine for achieving both commercial and ethical objectives.

Our Approach

The Group's efforts towards good economic performance includes upskilling our workforce and mitigating identified risks that are relevant to our business.

Our Performance

The Group's financial review and outlook are elaborated in the Management Discussion and Analysis section of this Annual Report.

MANAGING EXPECTATIONS OF PRINCIPALS AND CUSTOMERS

Why it Matters

Managing expectations of principals was identified as one of the most important material issues across the Group. Highly regarded by its business partners-principals as well as in the trade, the Group has represented major multi-national companies for considerable lengths of time. Presently, Harrisons has over 400 principals. Harrisons' objective is to focus on its distribution business and aims to maintain its position as a leading distributor.

The Group distributes its products to over 15,000 accounts spread all over Malaysia. We aim to provide products/services which meet customers satisfaction and exceed their expectations. We encourage our customers to provide their feedback. The feedback obtained is reviewed and relevant follow-up actions are performed to improve customer satisfaction.

Our Approach

As such, knowing exactly what principals expect from us improves our bottom line and strengthens our reputation in the long term. Engaging with our principals regularly enable us to understand their needs and expectations, identify gaps and enable us to make informed assessments and formulate strategies for execution to bridge such gaps. We have implemented Enterprise Resource Planning ("ERP") system for in our business. The ERP system increases our efficiency of our business processes and assist us in managing our businesses more efficiently. It will also allow us to meet the speedy information demands by our principals and customers.

As for our suppliers, active engagement is done on a regular basis to align our requirements and expectations with them, thereby ensuring sufficient resources being obtained and seamless execution of our operations.

While meeting our customers' satisfaction and requirements, the Group is also mindful that an equilibrium needs to be achieved with the appropriate strategies in sustaining our business. In managing our customers, the Group has implemented policies to ensure that credit sales of products and services are made to customers with an appropriate credit standing or with an appropriate credit history.

The Group has an ongoing process for identifying, evaluating and managing key risks in the context of its business objectives. Key risks such as trade credit extended to customers, non-competitive sales and distribution expense risk, market return and trade spend, loss of distribution agencies, and overstocking are covered. Steps to anticipate and mitigate these key risks are an integral part of the Group's Risk Management process.

Our Performance

The main operating subsidiaries have their own respective Risk Working Committee, which comprises the senior managers for the critical functions of the Group. The respective Risk Working Committee meets quarterly where possible to review and update the risk register; and assess the risk status and employ mitigation action plans when needed.

Ongoing monitoring of risk is conducted by each Risk Management & Sustainability Committee of the main subsidiaries quarterly to ascertain whether any conditions with a particular risk have changed and to ensure that actions and risk mitigation plans have been implemented. This is reported to the Risk Management & Sustainability Committee and Board quarterly.

The main operating subsidiaries' reports are submitted quarterly and reviewed by the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") and the significant risk, any changes and mitigation plans are highlighted and discussed at the Risk Management & Sustainability Committee, Audit Committee and Board meetings.

These processes are embedded within the Group's overall business operations and are guided by operational manuals, policies and procedures.

With a robust risk management framework in place, this has enabled Harrisons to grow from 115 principals in 1998 to over 400 principals to date, and distributes approximately 13,000 product items. The Group operates a total network of 27 branches and 46 warehouses strategically located throughout Malaysia.

ANTI-BRIBERY AND CORRUPTION

Why it Matters

Harrisons upholds high standards of business ethics, trust, integrity and compliance across the Group to safeguard our relationship with our stakeholders. Our principles of corporate governance and corruption prevention are crucial to protect the interests of our business and reinforce confidence among our stakeholders. We uphold our core value of integrity by actively promoting a culture of compliance and zero tolerance for corruption and bribery.

Our Approach

Harrisons has put in place an Anti-Bribery and Anti-Corruption ("ABC") Policy to comply with the Malaysian Anti-Corruption Act 2009. The ABC Policy prohibits any forms of bribery or corruption applicable to Directors, employees and third parties dealing with the Company. Our Gift, Hospitality and Entertainment Policy provides details on guidance and limits to employees on what is permissible and non-permissible when offering or accepting gifts, hospitality or entertainment.

In addition, we have implemented the Board Charter and Conflict of Interest Policy to enhance our governance framework. We expect all relevant parties to adhere strictly to these policies, underscoring our commitment to upholding the highest ethical standards. We have notified our suppliers, customers and third-party intermediaries (like transporters and consultants) and employees to sign and declare that they agree to the ABC Policy if they transact with us.

In 2024, we are pleased to report that there were no confirmed incidents of corruption. Our employees received anti-bribery trainings in FY2024. The Group will continue to target zero incidents of corruption in the Group for the next financial year and beyond.

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ADHERENCE TO GOVERNANCE AND COMPLIANCE IN OUR OPERATIONS

Directors' and Employees Code of Ethics

The Group has a Directors' and Employees Code of Conduct and Ethics that sets out the standards and ethical conduct expected of all Directors and Employees of the Group. The Directors' and Employees Code of Conduct and Ethics provides commitment to ethical values through key requirements relating to conflict of interest, confidential information, insider information, protection of the Group's assets and compliance with law and regulations.

Corporate Governance

Harrisons is guided by the Malaysian Code on Corporate Governance 2021. We are proactive in promoting good corporate governance and ensures that the principles and best practices of good governance are applied throughout the Group. The details of our corporate governance practices of the Group are elaborated in the Corporate Governance Overview Statement of this Annual Report.

We have established standard operating policies and procedures, defined levels of authority and guidelines in our business operations to ensure compliance with internal controls, laws and regulations. These policies, procedures and guidelines are subjected to regular reviews and improvements.

Whistleblowing Policy

We practice an open and honest policy enabling our employees to report on any suspected misconduct, corporate misbehavior and fraudulent activities. Harrisons has established a Whistleblowing Policy that outlines the Group's commitment to ensure that employees and other stakeholders are able to raise concerns regarding any illegal conduct or malpractice at the earliest opportunity without being subject to victimization, harassment or discriminatory treatment, and to have such concerns properly investigated.

This policy sets out the mechanism and framework by which employees, contractors, consultants and any other individuals or organization who have dealings with the Company can confidently voice concerns or complaints in a responsible manner without fear of discriminatory treatment.

Risk Management

The Group has an ongoing risk management process for identifying, evaluating and managing key risks in the context of its business objectives. When identifying material ESG matters for our Group, we also consider its potential sustainability risks and opportunities aspect. Wherever applicable, material ESG matters identified will be mapped to our existing risk registers via our ongoing quarterly review of the Group's risk profile. To a certain extent, the management of these material ESG matters has been addressed via our existing risk management process, while other material matters may not fall under as key risks in our corporate risk profile but are addressed accordingly throughout this Statement. These processes are embedded within the Group's overall business operations and are guided by operational manuals, policies and procedures and are regularly reviewed by the Board.

DATA SECURITY AND IT GOVERNANCE

Why it Matters

In recent years, Malaysia has seen more frequent and severe cyber-attacks, which reflects a growing trend of digital threats within the country. Thus, processing of personal information and data has become critical, both within the Group as well as externally with regard to data flows.

Our Approach

The Group treats all data collected as private and confidential and are not made available to third parties unless mandated by the law. This is done with the consent of employees, customers and business partners, with their full understanding and awareness that such data is collected by the Group and may be used for internal purposes. The Group has a system in place to ensure that such data remains confidential. Our data management is governed through policies and procedures such as password, email, and internet policy, with other safeguarding measures in place to protect the confidential information stored in our Information Technology ("IT") system.

Our Performance

Indicator	Measurement Unit	FY2022	FY2023	FY2024
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	Nil	Nil	Nil

We are pleased to announce that no substantiated complaints were received from any regulatory or official bodies in relation to breaches of customer privacy and losses of customer data during the year.

SUPPLY CHAIN

Why it Matters

A responsible and resilient supply chain is critical to our business success and sustainability goals. Acknowledging that responsible procurement is vital for long term value creation and the progression of our sustainability agenda, we prioritise domestic companies in our value chain. We aim to build long-term partnerships that drive shared value for communities and stakeholders.

Our Approach

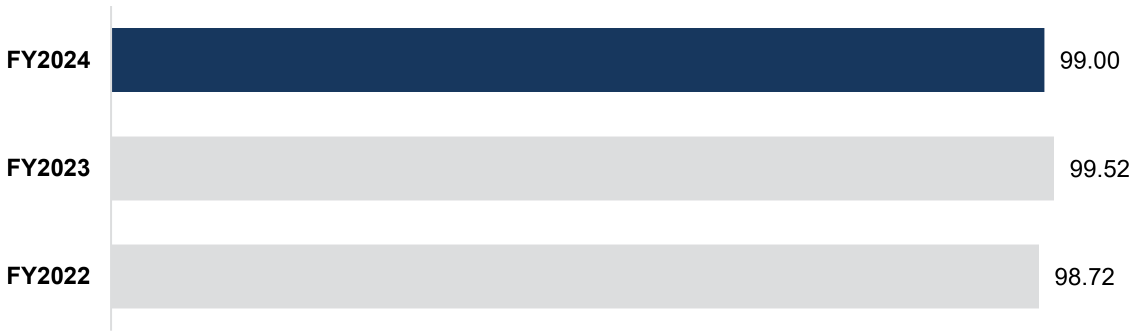
The Group actively supports local businesses and vendors to meet the Group's operation needs. Local businesses are defined as vendors within the region. This approach ensures cost effectiveness and reduces lead times and our carbon footprint. Supporting local businesses also contributes to their growth and creates more job opportunities for local communities.

We aim to optimise our procurement practices and ultimately contribute to the overall success of our organisation. We place emphasis in assessing our principals and suppliers' quality and performance, ensuring that we engage those who consistently deliver high-quality products and services.

We support our local principals and vendors where possible, as we believe this will translate into better revenue and supply chain efficiency for the local businesses while simultaneously stimulating the economic growth in Malaysia.

SUSTAINABILITY STATEMENT (CONT'D)

Proportion of Spending on Local Suppliers (%)



National Sustainability Reporting Framework

On 24 September 2024, the Advisory Committee on Sustainability Reporting ("ACSR") with the support of the Ministry of Finance Malaysia, chaired by the Securities Commission and comprising of members from the Audit Oversight Board, Bank Negara Malaysia, Bursa Malaysia, Companies Commission of Malaysia and the Financial Reporting Foundation, has launched the National Sustainability Reporting Framework ("NSRF").

Implementation of the NSRF

Applicable entities		Timeline[2]					
		2025	2026	2027	2028	2029	2030
Group 1	Main Market listed issuers with market capitalisation of RM2 billion and above	IFRS S1 and S2		Full adoption IFRS S1 and S2; Scope 3 GHG emissions disclosures			
Group 2	Main Market listed issuers (other than listed issuers in Group 1)		IFRS S1 and S2		Full adoption IFRS S1 and S2; Scope 3 GHG emissions disclosures		
Group 3	• ACE Market listed issuers • Non-listed companies (NLCos) with annual revenue of RM2 billion and above[3]			IFRS S1 and S2			Full adoption IFRS S1 and S2; Scope 3 GHG emissions disclosures
Assurance *Assurance framework will be subject to further consultation		• Aim for reasonable assurance for Scope 1 and Scope 2 GHG emissions starting 2027 • Accounting and non-accounting practitioners					
Location of disclosures and timing of reporting		Applicable entities shall adhere to their respective regulator's requirements on location and timing of reporting.					

This framework addresses the use of the IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board ("ISSB"), specifically the *IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information*, and *IFRS S2 Climate-related Disclosures* (collectively referred to as the ISSB Standards), as the baseline sustainability disclosure standards for companies in Malaysia, as well as the assurance requirements for sustainability reporting.

Pursuant to the above, Harrisons will develop a roadmap to disclose climate-related disclosures in accordance with the IFRS S1 and IFRS S2 standards in the upcoming reporting years.

Moving Forward

At Harrisons, we remain committed to staying informed about industry advancements, fostering consistent and proactive dialogue with stakeholders, and deepening the integration of sustainable practices across our operations. These efforts will drive continuous improvement in our sustainability performance. We are dedicated to leveraging opportunities that drive positive environmental impact, strengthen local communities, and foster meaningful progress within our industry.

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SUSTAINABILITY STATEMENT (CONT'D)

Indicator	Measurement Unit	2023	2024
Bursa (Anti-corruption)			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Management	Percentage	1.11	100.00
Executive	Percentage	13.47	80.00
Non-executive/Technical Staff	Percentage	85.42	30.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0
Bursa (Community/Society)			
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	8,694.00	35,297.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	17	9
Bursa (Diversity)			
Bursa C3(a) Percentage of employees by gender and age group, for each employee category			
Age Group by Employee Category			
Management Under 30	Percentage	4.76	7.00
Management Between 30-50	Percentage	9.52	14.00
Management Above 50	Percentage	85.71	79.00
Executive Under 30	Percentage	7.03	6.20
Executive Between 30-50	Percentage	64.84	63.94
Executive Above 50	Percentage	28.13	30.49
Non-executive/Technical Staff Under 30	Percentage	33.76	34.57
Non-executive/Technical Staff Between 30-50	Percentage	54.22	53.65
Non-executive/Technical Staff Above 50	Percentage	12.01	11.48
Gender Group by Employee Category			
Management Male	Percentage	85.71	85.71
Management Female	Percentage	14.29	14.29
Executive Male	Percentage	58.98	59.47
Executive Female	Percentage	41.02	40.52
Non-executive/Technical Staff Male	Percentage	59.70	59.17
Non-executive/Technical Staff Female	Percentage	40.30	40.83
Bursa C3(b) Percentage of directors by gender and age group			
Male	Percentage	83.33	83.33
Female	Percentage	16.67	16.67
Under 30	Percentage	0.00	0.00
Between 30-50	Percentage	0.00	0.00
Above 50	Percentage	100.00	100.00
Bursa (Energy management)			
Bursa C4(a) Total energy consumption	Megawatt	3,145.94	3,641.00
Bursa (Health and safety)			
Bursa C5(a) Number of work-related fatalities	Number	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.32	0.19
Bursa C5(c) Number of employees trained on health and safety standards	Number	479	467
Bursa (Labour practices and standards)			
Bursa C6(a) Total hours of training by employee category			
Management	Hours	105	244
Executive	Hours	3,553	4,315
Non-executive/Technical Staff	Hours	2,579	5,630
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	5.05	10.03
Bursa C6(c) Total number of employee turnover by employee category			
Management	Number	0	0
Executive	Number	28	16
Non-executive/Technical Staff	Number	277	308
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0
Bursa (Supply chain management)			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	99.52	99.00
Bursa (Data privacy and security)			
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0
Bursa (Water)			
Bursa C9(a) Total volume of water used	Megalitres	30.296000	35.110000

Internal assurance	External assurance	No assurance	(*)Restated

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board remains committed to subscribe to the principles of good corporate governance that is central to the effective operation of the Group and to ensure to reach the highest standards of accountability and transparency. The Board will continue promoting existing corporate governance principles and incorporate the practices and corresponding guidance as set out in the Malaysian Code on Corporate Governance 2021 ("MCCG 2021") into the existing Corporate Governance framework with reference to the Corporate Governance Guide (4th Edition) ("the Guide") issued by Bursa Securities.

The Board is pleased to provide an overview of the Group's corporate governance practices, which summarises the Group's application of the following Principles under the MCCG 2021 during the financial year ended 31 December 2024:

A. Board Leadership and Effectiveness
B. Effective Audit and Risk Management
C. Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

This Statement is also prepared in compliance with the MMLR and it is to be read together with the Corporate Governance Report 2024 of the Company which is available on Bursa Securities' website at www.bursamalaysia.com/market.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Part I – Board Responsibilities

1. Board's Leadership on Objectives and Goals

1.1 Strategic Aims, Values and Standards

The Board is responsible for the overall performance of the Group and focuses mainly on the strategic management, enhancing corporate value of the Group, performance monitoring and measurement, risk management and internal controls, standards of conduct, shareholders' communication and critical business decisions.

In carrying out its duties, the Board has amongst others, a formal schedule of matters specifically reserved for its decision, including overall strategic direction, major capital commitments and capital expenditure, material acquisitions and disposals, authority limits/levels, significant material litigation, risk management practices, and monitoring of the Group's operating and financial performance.

The roles and responsibilities of the Board are set out in the Board Charter which is available on Harrisons' corporate website at www.harrisons.com.my.

The Board delegates and confers some of its authorities and discretion on the Chairman, CEO and the Management as well as on properly constituted Board Committees comprising exclusively Non-Executive Directors.

The Board Committees, comprising the Audit Committee ("AC"), Nomination Committee ("NC"), Remuneration Committee ("RC") and Risk Management & Sustainability Committee ("RMSC") are entrusted with specific responsibilities to oversee the Group's affairs, with authority to act on behalf of the Board in accordance with their respective Terms of Reference. The Chairman of the relevant Board Committees also report to the Board on key issues deliberated by the Board Committees at their respective meetings.

In general, the Non-Executive Directors are independent of the Management. Their roles are to constructively challenge the Management and monitor the success of the Management in delivering the approved targets and business plans within the risk appetite set by the Board. They have free and open contact with the Management at all levels, and they engage with the External Auditors and Internal Auditors to address matters concerning the Management and oversight of the Group's business and operations.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

The Board is constantly mindful of the need to safeguard the interest of the Group's stakeholders and acknowledges the importance of ensuring that the Company's strategies promote sustainability. The Board regularly reviews the strategic direction of the Company and the progress of the Company's operations. The Board promotes good corporate governance in the application of sustainability practices throughout the Company, the benefits of which are believed to translate into better corporate performance. The sustainability activities demonstrating the Company's commitment to the global environmental, social, governance and sustainability agenda, can be found in the Sustainability Statement on page 12 of this Annual Report.

During the financial year under review, the Board together with the respective Board Committees reviewed and adopted the revised Terms of References of the Audit Committee and the revised Board Charter to be in line with the Companies Act 2016 ("Act"), MCCG and revisions to the MMLR as part of its continuous commitment to enhance corporate governance.

Looking ahead to 2025, the priorities of the Board will be in the following areas:

(1) Improving and implementing sustainability practices, policies and procedures to embrace the enhanced sustainability requirements and to be geared for the enhanced sustainability disclosures under the Enhanced Sustainability Reporting Framework issued by Bursa Securities and the amendments to the MMLR arising therefrom, which will be implemented in phases;
(2) Continue working towards achieving high standards of corporate governance and leverage technology to broaden its channel of dissemination of information and enhance the quality of engagement with the shareholders; and

1.2 Chairman and CEO

The Board is headed by Mr Pandjijono Adijanto, a Non-Independent Non-Executive Chairman, who has broad exposure and extensive experience in the international trade and investment arena.

As a Chairman, he plays a vital role in leading and guiding the Board, and also serves as the communication point between the Board and the CEO.

The role of CEO is presently assumed by Mr Chang Kon Sang who is responsible for the day-to-day management of the Group, organisational effectiveness and implementation of Board policies, strategies and decisions. The CEO together with the Management manages the business of the Group in accordance with the Board's strategic plans, instructions and directions. The role of the Management team is to support the CEO and implement the running of the general operations and business of the Group, in accordance with the delegated authority of the Board.

1.3 Separation of the Positions of the Chairman and CEO

The positions of the Chairman and CEO are held by two (2) different individuals. Mr Pandjijono Adijanto, a Non-Independent Non-Executive Director, is the Chairman while Mr Chang Kon Sang, an Executive Director is the CEO.

The Board recognises the importance of having a clear separation of responsibilities of the Chairman and the CEO to promote accountability, ensure appropriate balance of roles and facilitates division of responsibilities between them to ensure no one individual can influence the Board's discussions and decision making. The distinct and separate roles of the Chairman and the CEO ensures appropriate balance of roles, responsibilities and accountability at Board level. The Board is satisfied and assured that no individual or group of Directors has unfettered powers of decision that could create a potential conflict of interest.

The distinct roles of the Chairman and the CEO are mentioned in the Board Charter of the Company, which is available at the Company's website.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

1.4 Separation of Chairman of the Board and member of the AC, NC, RC and RMSC

The Board Chairman, Mr Pandjijono Adijanto, the Non-Independent Non-Executive Director, is a Chairman of the Remuneration Committee and a member of the Nomination Committee.

The Board Chairman is not involved in management and operational matters of the Company, and he always provides constructive ideas and opinions to the Board and Board Committee respectively based on different perspectives as a Board Chairman and member of Board Committees. His involvement in discussions at the Remuneration Committee and the Nomination Committee is constructive and he does not dominate any of the discussion. Decisions made by the Board committees are tabled as recommendations to the Board and such matters are further discussed at Board level before decisions are made. Moreover, the Board comprises majority of Non-Executive Directors support the deliberation, review and decision-making process.

Given his wealth of experience, the Remuneration Committee and the Nomination Committee is often able to leverage on the implicit knowledge, accumulated experience and insights of the Chairman in making key decisions, that are made in the best interests of the Company.

1.5 Qualified and Competent Secretaries

In performing their duties, all Directors have access to the services of the Company Secretaries. The Company Secretaries act as the corporate governance counsel and ensure good information flow within the Board, Board Committees and the Management. The Company Secretaries attended all meetings of the Board and Board Committees and advises the Directors on the requirements encapsulated in the Company's Constitution and legislative promulgations such as the Companies Act 2016 ("the Act"), MMLR, MCCG 2021 and other relevant rules and regulations.

1.6 Access to Information and Advice

All Directors have unrestricted access to the Group's business and affairs including inter alia, financial results, annual budgets, business reviews against business plans and progress reports, operation reports on the Group's development and business strategies to ensure effective functioning of the Board.

In addition, the Audit Committee regularly communicates with the CEO and Senior Management when carrying out their duties and responsibilities and requests for additional information and clarification as and when necessary.

In order to discharge their duties, the Directors are provided with full and timely access to written reports and supporting information prior to Board meetings and are free to seek any further information they consider necessary. The Board's reports and papers include information on major financial, operational and corporate matters as well as activities and performance of the Group.

In furtherance of their duties, whenever independent professional advice is required by the Directors, external experts may be engaged at the Company's expense to provide additional insights and professional views, advice and explanations. Besides, all Directors also have direct access to the advice and services of the Company Secretaries who are capable of carrying out their duties.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

2. Demarcation of Responsibilities

2.1 Board Charter

The Board Charter serves as a reference and primary induction literature, providing all Board members and the Management insights into the fiduciary and leadership functions of the Board. It also clearly sets out the respective roles and responsibilities of the Board, Board Committees, individual Directors and the Management.

The Board Charter is subject to periodic review and will be updated as and when necessary to ensure it remains consistent with the Group's policies and procedures, the Board's overall responsibilities as well as changes to legislation and regulations. The Board Charter was reviewed and approved on 28 February 2024.

The Board Charter is available on the Company's website at www.harrisons.com.my

3. Promoting Good Business Conduct and Corporate Structure

3.1 Code of Ethics and Conduct

The Group is committed to achieving and monitoring high standards pertaining to behaviour at work.

The Board is strictly adhered to the Company Code of Conduct and Ethics for Directors and employees in discharging its oversight role effectively. The Code of Conduct and Ethics requires all Directors to observe high ethical business standards, apply these values to all aspects of the Group's business and professional practice, and act in good faith in the best interests of the Group and its shareholders.

The Code of Conduct and Ethics for the Company Directors is incorporated in the Board Charter and is available at the Company's website at www.harrisons.com.my

3.2 Whistleblowing Policy

The Company has adopted a whistleblowing policy for the Group as a measure to promote the highest standard of corporate governance. The whistleblowing policy serves as a platform whereby all employees are encouraged to report genuine concerns about unethical behaviour or malpractices. Any such concerns should be raised with the Chairman of Audit Committee, Mr Felix Leong.

The whistleblowing policy is available at the Company's website at www.harrisons.com.my..

3.3 Anti-Bribery and Corruption ("ABC") Policy

The Board has adopted the ABC Policy to incorporate the policies and procedures on anti-corruption as guided by the "Guidelines on Adequate Procedures" issued by the Prime Minister's Department to promote better governance culture and ethical behaviour within the Group and to prevent the occurrence of corrupt practices in accordance with the new Section 17A of the Malaysian Anti-Corruption Commission Act 2018 on corporate liability for corruption which came into force on 1 June 2020.

The Group strictly prohibits all forms of bribery and corruption and will take all necessary steps to ensure that it complies with and conducts its business with transparency.

The ABC Policy is available on the Company's website at www.harrisons.com.my.

3.4 Directors' Fit and Proper Policy

In line with the amendment to the MMLR, the Board had adopted the Directors' Fit and Proper Policy which outline the fit and proper criteria for the appointment and re-appointment of Directors on the Board of the Company.

The said policy also ensures that each of the Directors has the character, skills, knowledge, experience, honesty and integrity, competence and capability, financial soundness, and time to effectively discharge his/her role as a Director of the Company and its subsidiaries, and in tandem with good corporate governance practices.

In addition, the policy also serves as a guide to the NC and the Board in their review and assessment of candidates that are to be appointed onto the Board as well as Directors who are seeking for election or re-election at the forthcoming annual general meeting of the Company.

The Directors' Fit and Proper Policy is included in the Board Charter and available on the Company's website at www.harrisons.com.my.

3.5 Conflict of Interest Policy

As part of the governance process, the Board has formalised and adopted the Conflict of Interest Policy ("COI Policy"). The COI Policy aims to effectively identify and manage actual, potential and perceived conflicts of interest and provide guidance on how to deal with conflict of interest situations as they arise.

The COI Policy is available on the Company's website at www.harrisons.com.my.

3.6 Sustainability Leadership

The Board takes cognisance of the importance of improving the values affecting stakeholders, employees, society, and the environment towards sustainability of the Group's business. The Board with consultation from management, oversees and evaluates the economic, environmental, social and governance issues and any other external matters that may affect the development of the Group's business or the interest of the shareholders, ensuring that the Company's strategies promote sustainability. The sustainability practices of the Group are disclosed in the Sustainability Statement, which is reviewed and approved by the Board.

The CEO leads the Group's sustainability practices across management and operational fronts, with respective division heads driving the division's sustainability practices.

The Group is fully committed to discharge its duty in curbing environmental concerns, ensuring safety and health of employees and consumers are safeguarded.

The Company recognises the importance of stakeholder engagement and engages with stakeholders through communication avenues such as dialogues, media engagement, general meetings, survey and feedback, annual and quarterly reports and announcements, and designated email, allowing stakeholders to communicate their views and concerns to the Board and Management.

Aside from environmental and social sustainability practices, the Group has adopted the Code of Conduct for Company Directors, the Whistleblowing Policy, and the Anti-Bribery and Corruption Policy to uphold high standards of governance practice across the Group and exercise zero tolerance against all forms of bribery and corruption. The codes and policies, which included in the Board Charter, are accessible to the public on the Company's website at www.harrisons.com.my.

Part II – Board Composition

4. Strengthen Board's Objectivity

4.1 Board Composition

As at the date of this statement, the Board has six (6) members, comprising one (1) Executive Director, three (3) Non-Independent Non-Executive Directors and two (2) Independent Non- Executive Directors.

The present composition of the Board is in compliance with Paragraph 15.02 of the MMLR that requires at least two (2) or one-third (1/3) of the Board, whichever is the higher, are Independent Directors.

The Board deems that its composition is appropriate in terms of its membership and size as there is a good mix of skills and experience in the Board membership and no imbalance in power and authority. The Directors, with their differing backgrounds and specialisations, collectively bring with them a wide range of business, commercial and financial and legal knowledge, expertise and skills essential in the management and direction of the Group with regional presence.

The profile of the Directors is set out in this Annual Report.

4.2 Independent Non-Executive Director

The presence of Independent Non-Executive Directors provides a pivotal role in corporate accountability. The role of the Independent Non-Executive Directors is particularly important as they provide independent and objective views, advice and judgement and ensure strategies proposed by the CEO and Management are thoroughly discussed and evaluated, and that the long-term interests of the Group and stakeholders are considered. The Independent Non-Executive Directors do not participate in the operation of the Group in order to uphold their objectivity and fulfil their responsibility to provide check and balance to the Board. Two (2) out of the five (5) Non-Executive Directors are Independent Directors and are able to express their views without any constraint. This strengthens the Board, whereby independent views are expressed and taken into consideration before any decisions are made.

4.3 Tenure of Independent Director

The Board takes note that the MCCG 2021 recommends that the tenure of an Independent Non-Executive Director shall not exceed accumulative term of nine (9) years unless shareholders' approval is obtained to retain such Director as an Independent Non-Executive Director through a two-tier voting.

The Board on the review and recommendation made by the Nomination Committee is unanimous in its opinion that all the Independent Directors have fulfilled the criteria under the definition of an Independent Director as set out under Paragraph 1.01 of the MMLR of Bursa Securities. The Independent Directors have also declared their independence to the Board under the annual Board evaluation process during the financial year 2024.

The Board believed that the independence of Independent Non-Executive Directors remained unimpaired and their judgment over business dealings of the Company was not influenced by the interest of the other Directors or Substantial Shareholders.

As of to-date, none of the Independent Non-Executive Director has exceeded a cumulative term of nine (9) years as at the date of this Statement.

4.4 Policy of Independent Director's Tenure

The Board has adopted a nine-year policy for Independent Non-Executive Directors. An Independent Non-Executive Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director. Otherwise, the Board will justify its decision and seek shareholders' approval through a two-tier voting process at the AGM, in the event the Director is to be retained as an Independent Non-Executive Director.

4.5 Diverse Board and Senior Management Team

The Company has adopted a Board Diversity Policy and strictly adhered to the practice of non-discrimination of any form, whether based on race, age, religion and gender throughout the organisation, which includes the selection of Board members. The Board encourages a dynamic and diverse composition by nurturing suitable and potential candidates equipped with competency, skills, experience, character, time commitment, integrity and other qualities in meeting the future needs of the Company.

The Group shall endeavour to meet the diversity at the senior management level and the composition of the Key Senior Management of the Group comprises a mixture of both genders.

4.6 Gender Diversity

The Board acknowledges the importance of boardroom diversity and the practice of the MCCG 2021 pertaining to the establishment of a gender diversity policy.

The Board had established the Boardroom Diversity Policy as set out in Appendix VI of the Board Charter of the Company, which is available on the Company's website.

The Company has one (1) female director for the time being and will endeavour to achieve 30% female director. Nonetheless, the Company will endeavour to achieve a higher target through progressive refreshing of the Board.

4.7 Identification of New Candidates for Appointment of Directors

The Nomination Committee is responsible for identifying and recommending suitable candidates for Board membership proposed by the Management or any Director or Shareholder, taking into consideration the candidates' skills, knowledge, expertise, experience, age, time commitment, character, cultural background and gender based on the Fit & Proper Policy of the Company.

The Board will have the ultimate responsibility and final decision on the appointment. This process shall ensure that the Board membership accurately reflects the long-term strategic direction and needs of the Company and determines skills matrix to support strategic direction and needs of the Company.

In identifying candidates for appointment of directors, the Board does not solely rely on recommendations from existing directors, management or major shareholders. The Board utilises independent sources to identify suitably qualified candidates. If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nomination Committee would assess and provide an explanation on why these source(s) are sufficient and other sources were not considered.

4.8 Nomination Committee

The Nomination Committee is established to identify, assess and recommend new nominees to the Board and evaluate annually the performance of all Board members. It assists the Board in reviewing the required mix of expertise, skills, experience, qualifications and assesses the effectiveness of the Board as a whole, tenure and the contribution of each individual Director. There were one (1) meeting held in the financial year under review.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

The Board, through the Nomination Committee, assesses the independence of Independent Directors annually. The criteria for assessing the independence of an Independent Director include the relationship between the Independent Director and the Company and his involvement in any significant transaction with the Company.

The Nomination Committee has reviewed the independence and performance of the Independent Directors and is satisfied that they have been able to discharge their responsibilities in an independent manner.

Based on the above assessment in 2024, the Board is generally satisfied with the level of independence demonstrated by all the Independent Directors, and their ability to bring independent and objective judgment to Board deliberations.

The terms of reference of the Nomination Committee outlining the composition, proceeding of meetings, authority and duties and responsibilities is available on the Company's website.

The Nomination Committee comprises wholly Non-Executive Directors of which majority are Independent Directors and the members are as follows:-

No.	Name of Directors	Designation
1.	Mr Felix Leong (Chairman)	Senior Independent Non-Executive Director
2.	Mr Pandjijono Adijanto (Member)	Non-Independent Non-Executive Director
3.	Datuk Lim Tong Lee (Member)	Independent Non-Executive Director

The Nomination Committee has assessed and is satisfied with the current size of the Board, and with the mix of qualifications, skills and experience among the Board members.

For the financial year ended 31 December 2024, the Nomination Committee had conducted one (1) meeting and has discharged its duties as below:-

- Reviewed and assessed annual assessment of the performance and effectiveness of the Board as a whole, the committee of the Board, contribution of each individual director;
- Reviewed the Board structure, size, composition and the balance between Executive Directors, Non-Executive Directors and Independent Directors to ensure that the Board has the appropriate mix of skills and experience including core competencies which Directors should bring to the Board and other qualities to function effectively and efficiently;
- Reviewed and assessed the level of financial literacy of the Audit Committee members;
- Reviewed and assessed the independence of Independent Non-Executive Directors;
- Discussed the annual retirement by rotation and re-election of Directors at the forthcoming AGM and recommended the same for re-election by shareholders;
- Reviewed the performance of the Chief Financial Officer;
- Evaluated training needs of Directors and noted the training programmes attended by Directors;
- Reviewed the terms of office of the Audit Committee and each member of the Audit Committee;

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

5. Overall Board Effectiveness

5.1 Annual Evaluation

The Board reviews and evaluates its own performance and the performance of its Committees on an annual basis. The Board evaluation comprises a Board Assessment, an Individual Assessment and an Assessment of Independence of Independent Directors.

The assessment of the Board is based on specific criteria, covering areas such as the Board operations, stakeholder relationship, and roles and responsibilities of the Board and the Board Committees and the Chairman's role and responsibilities. For Individual Director Assessment, the assessment criteria include areas of contribution and interaction with peers, quality of inputs, and understanding of role and independence of Independent Directors.

The results of the assessment would form the basis of the Nomination Committee's recommendation to the Board for the re-election of Directors at the next AGM.

Based on the annual assessment conducted for financial year 2024, the Nomination Committee was satisfied with the existing Board composition and was of the view that all Directors and Board Committees of the Company had discharged their responsibilities in a commendable manner and has performed competently and effectively.

To further discharge its duties, the Nomination Committee had assessed the performance of the CFO through a performance evaluation form completed by the CFO.

5.2 Re-election of Retiring Directors

In accordance with the Company's Constitution, one third (1/3) of the Directors are subject to retirement by rotation annually and all Directors shall retire from office once at least every three years.

The Directors to retire each year are the Directors who have been longest in office since their last appointment on re-election. The Directors appointed during the financial year are subject to retirement at the next AGM held following their appointments in accordance with the Company's Constitution. All retiring Directors are eligible for re-election.

The Board makes recommendations concerning the re-election, re-appointment and the continuation in office of any Director for shareholders' approval at the next AGM.

The Nomination Committee has taken into account the assessment of Mr Felix Leong and Mr. Pandjijono Adijanto, the Directors standing for re-election and collectively agreed that they have met the criteria of character, experience, integrity, competence and time to effectively discharge his role as Director.

Nevertheless, Mr. Pandjijono Adijanto had expressed his intention not to seek for re-election. Hence, he will retain office until the conclusion of the 35th AGM.

The Board is recommending shareholders to re-elect Mr Felix Leong as a Director at the forthcoming AGM.

5.3 Board Commitment

The Directors are aware of the time commitment expected from them to attend to matters of the Group in general, including attendance at meetings of the Board and Board Committees and other types of meeting. The Board and Board Committee meetings for each financial year are scheduled in advance for Directors to plan their schedule ahead.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

The attendance record of the Directors at Board and Board Committee meetings during the financial year under review is set out as follows:-

Meeting Attendance	Board	Audit Committee	Nomination Committee	Remuneration Committee	Risk Management & Sustainability Committee
Mr Pandjijono Adijanto	5/5	-	1/1	2/2	-
Mr Chang Kon Sang	5/5	-	-	-	-
Ms Tan Phwe Leng (Tan Phe Lin @ Mariana Adijanto)	5/5	-	-	-	-
Mr Wong Yoke Kong	4/5	4/5	-	-	4/5
Mr Felix Leong	5/5	5/5	1/1	2/2	5/5
Datuk Lim Tong Lee	5/5	5/5	1/1	2/2	5/5

5.4 Overall Board Effectiveness

All the Directors have complied with the minimum attendance requirements as stipulated in the MMLR of Bursa Securities during the financial year.

To ensure that the Directors have the time to focus and fulfil their roles and responsibilities effectively, the Directors must not hold directorships at more than five (5) public listed companies and shall notify the Chairman before accepting any new directorship.

5.5 Directors' Training

With the exception of Mr Pandjijono Adijanto, who has successfully completed Part 1 of the Mandatory Accreditation Programme ("MAP"), all other Directors have attended and completed both Part 1 and Part 2 of MAP as required by Bursa Securities.

During the financial year ended 31 December 2024, all the Directors have attended the following training, seminars, conferences and exhibitions which they considered vital in keeping abreast with changes in laws and regulation, business environment, and corporate governance development:

No.	Name of Director	Course Attended	Conducted by
1.	Mr Pandjijono Adijanto	• Experts In-House: Finding Growth	• Deutsche Bank Chief Investment Office
2.	Ms Tan Phwe Leng (Tan Phe Lin @ Mariana Adijanto)	• Mandatory Accreditation Programme Part II : Leading For Impact (LIP)	• Institute Of Corporate Directors Malaysia
3.	Mr Chang Kon Sang	• Tender Interview Process Briefing	• Arif & WK Partners Sdn Bhd
4.	Mr Wong Yoke Kong	• Mandatory Accreditation Programme Part II : Leading For Impact (LIP) • E-Invoicing	• Minority Shareholders Watch Group • Bar Council Malaysia
5.	Mr Felix Leong	• What can Seriously Go wrong With RPTS? – Understand The Legal Requirements And Gain Insights From Recent Case • AOB Conversation with Audit Committees	• Minority Shareholders Watch Group • Audit Oversight Board, Securities Commission Malaysia
6.	Datuk Lim Tong Lee	• E-Invoicing	• Inland Revenue Board Of Malaysia

The Company will continue to identify suitable training for the Directors to equip and update themselves with the necessary knowledge in discharging their duties and responsibilities as Directors.

The Directors are encouraged to attend briefing, conferences, forums, trade fairs (locally and internationally), seminars and training to keep abreast with the latest developments in the industry and to enhance their skills and knowledge.

Part III - Remuneration

6. Level and Composition of Remuneration

6.1 Remuneration Policy

The Remuneration Committee and the Board ensure that the Company's remuneration policy remains supportive of the Company's corporate objectives and is aligned with the interest of shareholders, and further that the remuneration packages of Directors and key senior management officers are sufficiently attractive to attract and retain persons of high calibre.

The Board has adopted policies and procedures to determine the remuneration of Directors and Senior Management in line with the business strategy and long-term objectives of the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

The remuneration policy which was incorporated into the Board Charter of the Company and the terms of reference of the Remuneration Committee are available on the Company's website.

The Remuneration Committee reviews annually the Directors' Fee (including Non-Executive Directors) for recommendation and approval by the Board. The Directors' remuneration payable to the Non-Executive Directors will be tabled at the AGM for approval by shareholders.

The Remuneration Committee comprises wholly Non-Executive Directors as below, of which majority are Independent Directors:-

No.	Name of Directors	Designation
1.	Mr Pandjijono Adijanto (Chairman)	Non-Independent Non-Executive Director
2	Mr Felix Leong (Member)	Senior Independent Non-Executive Director
3.	Datuk Lim Tong Lee (Member)	Independent Non-Executive Director

The Remuneration Committee reviews the remuneration policy each year with a view to ensuring it is fair and able to attract and retain talent who can add value to the Group. The Non-Executive Directors' fees are tabled at the Company's AGM for approval.

7. Remuneration of Directors and Senior Management

7.1 Detailed Disclosure of Directors' Remuneration

The details of the Directors' remuneration comprising remuneration received and/or receivable from the Company and its subsidiaries in the financial year ended 31 December 2024 are as follows:

COMPANY

	RM'000		
	Fees/ Emoluments/ Salary	**Allowances (inclusive of defined contribution plan)**	**Total**
Non-Executive Directors			
• Pandjijono Adijanto	157	3	160
• Tan Phwe Leng (Tan Phe Lin @ Mariana Adijanto)	79	3	82
• Wong Yoke Kong	91	2	93
• Felix Leong	91	2	93
• Datuk Lim Tong Lee	91	2	93
Total	**509**	**12**	**521**

GROUP

	RM'000					
	Salary (inclusive of defined contribution plan)	**Fees**	**Bonus (inclusive of defined contribution plan)**	**Allowances**	**Benefits-In-Kind**	**Total**
Executive Director						
• Chang Kon Sang	682	-	966	53	24	1,725
Non-Executive Directors						
• Pandjijono Adijanto	-	157	-	3	-	160
• Tan Phwe Leng (Tan Phe Lin @ Mariana Adijanto)	-	79	-	3	-	82
• Wong Yoke Kong	-	91	-	2	-	93
• Felix Leong	-	91	-	2	-	93
• Datuk Lim Tong Lee	-	91	-	2	-	93
Total	**682**	**509**	**966**	**65**	**24**	**2,246**

7.2 Remuneration of Top Senior Management and Non-Executive Directors

The details of the aggregate remuneration of the top 5 Senior Management staff and 5 Non-Executive Directors of the Company (comprising remuneration received and/or receivable from the Company and its subsidiaries) during the financial year ended 31 December 2024 are categorised as follows :

Key Management Personnel	Group (RM'000)	Company (RM'000)
Fees and allowances	806	521
Salaries and bonuses [1]	5,028	-
Benefits-in-kind [2]	101	-
Total	5,935	521

Notes :

[1] Salaries and bonuses comprised basic salary, bonus, allowance, EPF and SOCSO.
[2] Benefits-in-kind comprised provision of company motor vehicles and petrol.

The number of Senior Management staff whose total remuneration falls within the following bands are as follows:

Remuneration Range (RM)	Number of Senior Management staff
Between 550,001 to 600,000	1
Between 950,001 to 1,000,000	2
Between 1,150,001 to 1,200,000	1
Between 1,700,001 to 1,750,000	1

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

The Board acknowledges the need for transparency in the disclosure of its key Senior Management remuneration. However, the Board is of the opinion that the disclosure of remuneration details may be detrimental to its business interests, given the competitive landscape for key personnel with the requisite knowledge, technical expertise and working experience in the Group's business activities, where intense headhunting is a common industry challenge. Accordingly, such disclosure of specific remuneration information may give rise to recruitment and talent retention issues.

In addition, the Board is of the view that the interest of the shareholders will not be prejudiced as a result of such non-disclosure of the top five Senior Management personnel who are not Directors.

Principle B: Effective Audit and Risk Management

Part I – Audit Committee

8. Audit Committee

The Audit Committee is relied upon by the Board to, amongst others, provide advice in the areas of financial reporting, external audit, internal control environment and internal audit process, review of related party transactions as well as conflict of interest situation. The Audit Committee also undertakes to provide oversight on the risk management framework of the Group.

The Audit Committee is chaired by an Independent Non-Executive Director who is distinct from the Chairman of the Board and all members of the AC are financially literate.

The composition of the Audit Committee, including its roles and responsibilities as well as a summary of its activities carried out in the financial year ended 31 December 2024, are set out on the pages 66 to 70 of this Annual Report.

8.1 Financial Reporting

The Board aims to provide true, fair and comprehensive financial reporting of the Group's performance in the audited financial statements and quarterly financial reports together with material disclosures in the notes to accounts, in accordance with the Malaysia Financial Reporting Standards ("MFRS") and MMLR of Bursa Securities.

The Audit Committee exercises professional oversight of the integrity of the financial reports before presenting the financial statements to the Board for approval. The Audit Committee also provides assurance to the Board, with support and clarifications from the External Auditors that all the statutory financial statements and reports presented are in compliance with applicable laws and accounting standards and give a true and fair view of the Group's performance and financial position. The Audit Committee has also reviewed the provision of non-audit services by the External Auditors during the year and concluded that the provision of these services did not compromise the External Auditors' independence.

8.2 Transparency and Professional relationship with the external auditors

The Audit Committee has incorporated a term in its Term of Reference of Audit Committee that requires a former key audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the Audit Committee.

The Audit Committee is empowered by the Board to review any matters concerning the appointment and re-appointment, resignations or dismissals of External Auditors and 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 Audit Committee prior to submission to the Board for approval. Feedback based on the assessment areas is obtained from the Audit Committee, the CFO, the Internal Auditor and Senior Management.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

The Audit Committee undertakes an annual assessment of the suitability and independence of the External Auditors in accordance with the independence criteria set out by the International Federation of Accountants and the Malaysian Institute of Accountants ("MIA"). Under this policy, only non-audit services that are able to provide clear efficiencies and value-added benefits to the Group and do not impede the External Auditors' audit work will be accepted by the AC.

On the other hand, the Audit Committee 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 a declaration in their annual audit plan, presented to the AC prior to the commencement of the audit for a particular financial year.

In this regard, the Audit Committee had, on 14 April 2025, assessed the independence of Messrs PricewaterhouseCoopers PLT ("PwC") as External Auditors of the Company and reviewed the level of non-audit services rendered by PwC to the Company for the financial year ended 31 December 2024. The AC was satisfied with PwC's technical competency and audit independence and took note of the quantum of non-audit fees charged thereto. Details of statutory audit, audit-related and non-audit fees paid/ payable in the financial year ended 31 December 2024 to the External Auditors are set out in the Additional Compliance Information of this Annual Report.

The Audit Committee, having satisfied with the performance and fulfilment of criteria as set out in the Non-Audit Services Policy as well as received the assurance from PwC as stated above, recommended the reappointment of PwC as the External Auditors to the Board, upon which the shareholders' approval will be sought at the forthcoming AGM.

Part II – Risk Management and Internal Control Framework

9. Risk Management and Internal Control Framework

The Board oversees reviews and monitors the operation, adequacy and effectiveness of the Group's system of internal controls through the Risk Management & Sustainability Committee. The Risk Management & Sustainability Committee defines the level of risk appetite, approving and overseeing the operation of the Group's Risk Management Framework, assessing its effectiveness and reviewing any major/significant risk faced by the Group.

The Risk Management & Sustainability Committee is governed by the terms of reference which outlines its scope, duties and responsibilities. The membership of the Risk Management & Sustainability Committee is stated in the Corporate Information of this Annual Report. The terms of reference of the Risk Management & Sustainability Committee is available for viewing at the corporate website at www.harrisons.com.my.

During the financial year ended 31 December 2024, five (5) Risk Management & Sustainability Committee meetings were held. The activities carried out by the Risk Management & Sustainability Committee were as follows:

1. Reviewed the identified key risks and the controls in place to mitigate the risks; and
2. Reviewed and discussed the Risk Assessment and Assurances Reports of the Company and its subsidiaries.

Details of the main features of the Company's risk management and internal controls framework are further elaborated in the Statement on Risk Management and Internal Control.

10. Governance, Risk Management and Internal Control Framework

Relevant Internal Control Systems are implemented for the day-to-day operations of the Group. The Internal Audit Department has an independent reporting channel to the Audit Committee and is authorised to conduct independent audits of all the departments and offices within the Group and reports the findings to the Audit Committee at the end of each quarter.

The Audit Committee reviews, deliberates and decides on the next course of action and evaluates the effectiveness and efficiency of the Internal Control Systems in the organisation.

The Internal Control Systems are designed to manage and mitigate rather than eliminate the risk of failure in achieving the Group's corporate objectives and safeguarding the Group's assets as well as investors' interests.

During the financial year under review, the Internal Auditors have conducted review on the Group in accordance to the Internal Audit Plans, which have been approved by the Audit Committee and Board. The Internal Auditors will perform quarterly testing of the internal control systems to ensure that the system is robust.

The Statement on Risk Management and Internal Control as included on the page 61 of the 2024 Annual Report provides an overview of the internal control framework adopted by the Company during the financial year ended 31 December 2024.

Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

Part I – Communication with Stakeholders

11. Continuous Communication Between Company and Stakeholders

The Board recognises the importance of being transparent and accountable to the Company's stakeholders and as such has various channels to maintain communication with them. The annual report, quarterly announcements on financial results, relevant announcements on the Group's business and activities, as well as the Company's website are the primary mode of communication to all its stakeholders.

The Company is committed to upholding high standards of transparency and promotion of investor confidence through the provision of comprehensive, accurate and quality information on a timely and even basis.

The Company's website, www.harrisons.com.my is established for the shareholders and stakeholders to access information regarding the Group. Information on the website includes amongst others the Group's corporate structure, main business activities and announcements to Bursa Securities.

Part II – Conduct of General Meetings

12. Shareholder Participation at General Meetings

The AGM is the principal forum for dialogue and interaction with the shareholders of the Company. The Company values feedback from its shareholders and therefore, encourages shareholders to attend and participate in the general meeting to raise questions pertaining to issues in the Annual Report, corporate developments in the Group, the resolutions being proposed and the business of the Group at the AGM.

In order to encourage shareholders' participation at the AGM, the Company sends out the notice of AGM at least 28 days to allow sufficient time for shareholders to make arrangements to attend either in person, by corporate representative, proxy or attorney.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

All the Directors shall endeavour to present in person to engage directly with and be accountable to the shareholders for their stewardship of the Company at the AGM. During the AGM, the Board encourages shareholders' participation in deliberating resolutions being proposed or on the Group's operation in general. The Directors, CFO and External Auditors will be in attendance to respond to the shareholders' queries.

The 34th AGM was held virtually on 20 June 2024 and afforded an opportunity to the shareholders to participate and vote at the AGM (including submitting questions directly to the Board both prior to and during the AGM). All the Directors, External Auditors and Senior Management attended the said AGM online and responded to questions raised by shareholders.

The Minutes of the 34rd AGM was made available on the Company's website.

At its fully 34th AGM, the Company had leveraged on technology to facilitate remote shareholders' participation and electronic voting for the conduct of poll on the resolutions.

Compliance Statement

Following the launch of the MCCG 2021 in April 2021, the Company has undertaken gap analysis to identify the new corporate governance practices under the MCCG 2021 against the existing practices in the Company.

During the year under review, the Board directed its focus on the core duties of the Board which is grounded on the creation of long-term value for stakeholders. In light of the improvements in the corporate governance regulations, the Board has reviewed and updated (if necessary) its existing board charter, policies and procedures, etc.

Moving forward, the Board will continue to operationalise and improve the Company's corporate governance practices and instil a risk and governance awareness culture and mindset throughout the organisation in the best interest of all stakeholders.

As at the date of this statement, the Board is satisfied with the current composition of the Board by comprising two (2) Independent Non-Executive Directors, three (3) Non-Independent Non-Executive Directors and one (1) Executive Director and believed that the existing composition enable efficient corporate/board decisions to be made amongst the Board members.

The current Non-Independent Non-Executive Chairman, Mr Pandjijono Adijanto being the President of Bumi Raya Group, a major shareholder of the Company, is appropriate for the role with his abundant experience, strength and understanding of the businesses and industries to provide constructive advice and guidance to the Board and Management without compromising the balance of power and authority amongst the Board.

The Board is satisfied and assured that no individual or group of Directors has unfettered powers of decision that could create a potential conflict of interest. The Board has also demonstrated their independence and is free from any businesses or other relationships which may interfere with the exercise of their independent judgement.

This Corporate Governance Overview Statement was approved by the Board on 14 April 2025.

OTHER DISCLOSURES

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS

There were no proceeds raised from any corporate exercise during the financial year.

2. AUDIT AND NON-AUDIT FEES

The auditors' remuneration including non-audit fees for the Company and the Group for the financial year ended 31 December 2024 are as follows:-

Details of Audit Fees	Group (RM'000)	Company (RM'000)
- Audit Fees	941	259
- Non-Audit Fee	183	30
Total	**1,124**	**289**

3. MATERIAL CONTRACTS INVOLVING DIRECTORS OR CHIEF EXECUTIVE WHO IS NOT A DIRECTOR AND MAJOR SHAREHOLDERS' INTEREST

There were no material contracts entered into by the Company and its subsidiaries which involved the interest of Directors or Chief Executive who is not a Director or Major Shareholders subsisting at the end of the financial year ended 31 December 2024.

4. RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE ("RRPT")

There was no Shareholders' Mandate obtained in respect of RRPT during the financial year. However, details of transactions with related parties undertaken by the Group during the financial year are disclosed in Note 29 of the Financial Statements.

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STATEMENT OF DIRECTORS' RESPONSIBILITY

IN RESPECT OF THE PREPARATION OF THE AUDITED FINANCIAL STATEMENTS

The Directors are responsible to prepare the Audited Financial Statements which will give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results of the Group and of the Company for the financial year ended 31 December 2024.

In preparing those Audited Financial Statements, the Directors of the Company have:

- adopted suitable accounting policies and applied them consistently;
- made judgments and estimates that are prudent and reasonable;
- ensured applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for ensuring that proper accounting and other records are kept which enable the preparation of the financial statements with reasonable accuracy on the disclosure of the financial position of the Group and of the Company, and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 2016 and the Malaysian Financial Reporting Standards.

The Directors are also responsible for taking reasonable steps to ensure that appropriate systems are in place to safeguard the assets of the Group and of the Company and hence, to prevent and detect fraud and other irregularities.

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STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board is pleased to present its Statement on Risk Management and Internal Control which outlines the nature and scope of the risk management and internal control of the Group for the financial year ended 31 December 2024. This Statement has been prepared in accordance with Paragraph 15.26(b) of MMLR, Malaysian Code on Corporate Governance and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("the Guidelines").

BOARD RESPONSIBILITY

The Board recognises the importance and is committed to maintain a sound system of internal control and effective risk management system within the Group and is responsible for reviewing its adequacy and effectiveness of the Group's Risk Management and Internal Control Systems.

The Group's systems of internal controls are designed to manage rather than to eliminate the risk of failure to achieve the business objectives. The Board continuously reviews the systems to ensure that the risk management and internal control systems provide a reasonable and not absolute assurance against material misstatement, loss or fraud.

The Board has via the Audit Committee obtained the necessary assurance on the adequacy and effectiveness of the Group's Risk Management and Internal Control Systems.

RISK MANAGEMENT PROCESS

The Group has an ongoing process for identifying, evaluating and managing key risks in the context of its business objectives. These processes are embedded within the Group's overall business operations and are guided by operational manuals, policies and procedures and are regularly reviewed by the Board.

The main operating subsidiaries have their own respective Risk Working Committee, which comprises the senior managers for the critical functions of the Group. The respective Risk Working Committee meets quarterly where possible to:

- review and update the risk register; and
- assess the risk status and employ mitigation action plans when needed.

The main operating subsidiaries' reports are submitted quarterly and reviewed by the CEO and CFO and the significant risk, any changes and mitigation plans are highlighted and discussed at the Risk Management & Sustainability Committee, Audit Committee and Board meetings.

The Enterprise Risk Management process comprises:

(1) Risk Identification

All potential events that could adversely impact the achievement of business objectives including failure to capitalise on opportunities identified.

(2) Risk Evaluation

The identified risks are then assessed and analysed to determine the impact on the relevant business strategies/objectives and whether the risks are likely to occur:

- Possibility of the risk occurring; and
- Impact of the consequences on the relevant business strategies/objectives, taking into consideration, the degree of internal control and risk management measures in place.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

The Risk Register documents all identified risks, evaluation of the risk and action plans to mitigate and monitor the risk.

Likelihood	Low	Medium	High	Very High
Impact	Low	Medium	High	Very High

(3) Risk Mitigation

Risk Owners, who comprise, the Senior Managers and Heads of Departments of the respective main subsidiaries, are responsible for identifying the risks and developing action plans to mitigate these risks.

(4) Risk Monitoring

Ongoing monitoring of risk is conducted by each Risk Management & Sustainability Committee of the main subsidiaries quarterly to ascertain whether any conditions with a particular risk have changed and to ensure that actions and risk mitigation plans have been implemented. This is reported to the Risk Management & Sustainability Committee and Board quarterly.

(5) Risk Review

The risks are periodically reviewed to ensure that the policies and objectives remain relevant and effective under changing market and regulatory environment.

KEY RISKS

The Group views the following four (4) risks as being prevalent in the trading and distribution business that may significantly impact the Group's results:

- loss of distribution agencies;
- margin squeeze;
- market return and trade spend; and
- trade credit extended to customers

Steps to anticipate and mitigate these four (4) key risks are an integral part of the Group Risk Management.

INTERNAL CONTROL MATTERS

During the financial year, some other weaknesses in internal control processes were identified. However, these weaknesses were not considered material, and had not materially impacted the business or the operations of the Group. Nevertheless, measures have been taken or are being taken by the Management to address these weaknesses.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

INTERNAL CONTROL PROCESS

The main features of the Group's Internal Control Systems established are summarised as follows:

- Organisation Structure

The Group maintains a defined organisation structure with clear lines of reporting and segregation of duties to ensure the Group achieves its strategies and objectives.

- Authorisation Procedures

The Group maintains a defined authority chart with clear authority limits and approval procedures. Delegation of authority including authorisation limits at various levels of management and those requiring Board's approval are documented and designed to ensure accountability and responsibility.

- Human Resource Structure

The Group adopts decentralised human resource functions that set out the procedures for recruitment, training and appraisal of the employees within the Group.

- Standard Operating Procedures

Documented standard operating policies and procedures are reviewed and updated, where applicable.

- Periodic Management Meeting

Regular meetings held at operational and management levels to identify and resolve operational and business matters. Deviation in targeted goals and corrective actions implemented where necessary are reported by the Heads of Department in the meetings.

- Insurance and Physical Safeguard

Adequate insurance and physical security of major assets are in place to ensure that the assets of the Group are sufficiently covered against any mishap that will result in material losses to the Group.

- Budget and Performance Review

A detailed budgeting process including a capital expenditure budget is completed for the year ahead and approved by the Board annually. Budgetary control for significant operations of the Group, where actual performance is closely monitored against budget to identify and address significant variances and enable corrective actions to be taken to improve the achievement towards the budgeted results and eventually the Group's business objectives as a whole.

- Financial Reporting Timeline

Financial and operational reports are generated timely for Management's review and action.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

INTERNAL AUDIT

The in-house Internal Audit function supports the Risk Management & Sustainability and Audit Committees and by extension, the Board, by providing reasonable independent appraisal of the adequacy and effectiveness of the internal control systems. The Internal Audit team concurrently plays a proactive role in facilitating operating companies in assessing their principal business risks and plans of actions to address these risks.

The Internal Auditor's role is to provide independent and objective reports on the Group Management's records, accounting policies and internal controls to Management, Risk Management & Sustainability Committee, Audit Committee and the Board. Upon completion of each audit, an internal audit report shall be generated and recommendations on weaknesses made are presented in the Risk Management & Sustainability Committee or Audit Committee Meeting to assist the Audit Committee in discharging its duties and responsibilities.

The Internal Audit Department undertakes Internal Audit functions based on the audit plan that is reviewed and approved by the Audit Committee. The audit plan covers review of adequacy of operational controls, risk management compliance with laws and regulations, quality of assets and management efficiency amongst others.

REVIEW OF THE STATEMENT BY THE EXTERNAL AUDITORS

As required by Paragraph 15.23 of the MMLR, the External Auditors have reviewed this Statement on Risk Management and Internal Control. 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.

BOARD ASSESSMENT

The Board is of the view that the Group's overall Risk Management and Internal Control Systems is operating adequately and effectively and has received the same assurances from the managing director of the main subsidiaries, the CEO and CFO. The assurance has been given based on the internal controls established and maintained by the Group, work performed and reports provided by the internal audit function, as well as reviews performed and confirmed by Risk Management and Sustainability Division.

The Board recognises the importance of maintaining a sound System of Risk Management and Internal Control and will continue to monitor all major risks affecting the Group and take the necessary measures to enhance adequacy and the effectiveness of the Risk Management and Internal Control System of the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

CONCLUSION

Based on the review of the risk management process and internal control system, the results of the internal audit activities, the monitoring and review mechanism stipulated and with the assurance provided by the CEO and the CFO, the Board believes that, in the absence of any evidence to the contrary, the risk management process and internal control system are satisfactory and have not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report throughout the financial year and up to and as of the date of this report.

The Board continues to take pertinent measures to sustain and, where required, improve the Group's risk management and internal control systems in meeting the Group's strategic objectives.

The Board is committed to maintaining effective risk management and internal control systems throughout the Group and, where necessary, putting in place appropriate plans to further enhance the Group's systems of internal control.

Notwithstanding this, the Board will continue to evaluate and manage the significant business risks faced by the Group in order to meet its business objectives in the current and challenging business environment.

This Statement was reviewed by the Audit Committee and approved by the Board on 14 April 2025.

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REPORT OF AUDIT COMMITTEE

The Board of Directors of Harrisons is pleased to present the Report of the Audit Committee for the financial year ended 31 December 2024.

A. COMPOSITION OF THE AUDIT COMMITTEE

As at the date of this Annual Report, the Audit Committee comprises the following Non-Executive Directors:-

No.	Name of Directors	Designation
1.	Mr Felix Leong (Chairman)	Senior Independent Non-Executive Director
2.	Mr Wong Yoke Kong (Member)	Non-Independent Non-Executive Director
3.	Datuk Lim Tong Lee (Member)	Independent Non-Executive Director

The composition of the Audit Committee complies with Paragraph 15.09 of the MMLR that all the Audit Committee members must be Non-Executive Directors, with a majority of them being Independent Directors. Datuk Lim Tong Lee, a member of the Audit Committee is a Chartered Accountant of the Malaysian Institute of Accountants, a Fellow Member of Association of Certified Accountants (ACCA) and a Certified Public Accountant of Malaysia Institute of Certified Public Accountants.

During the financial year, the Board, through the Nomination Committee has reviewed the term of office and assessed the performance of the Audit Committee. The Board is satisfied that the Audit Committee has discharged its duties in accordance with Terms of Reference.

B. MEETINGS

During the financial year, a total of five (5) meetings were held, and the details of attendance of the Audit Committee members are as follows:-

No.	Name of Directors	No. of Meetings attended
1.	Mr Wong Yoke Kong	4/5
2.	Mr Felix Leong	5/5
3.	Datuk Lim Tong Lee	5/5

The External Auditors attended three (3) Audit Committee meetings in 2024 to present their reports and findings in relation to the Audited Financial Statements for financial year ended 31 December 2024.

The Audit Committee also deliberated and voted on the written resolutions circulated to the Audit Committee together with detailed explanation, if any. Ample time was given to all Audit Committee members in order for them to make informed and constructive decisions.

The Audit Committee has full access to and co-operation from the Management. The Audit Committee also has full discretion to invite any Director or Management to attend its meetings and has been given adequate resources to discharge its functions.

The requirement for a former partner of the external audit firm of the Company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee is reflected into the Terms of Reference of Audit Committee. None of the Audit Committee members were former partners of the external audit firm of the Company within three (3) years preceding the financial year ended 31 December 2024.

REPORT ON AUDIT COMMITTEE (CONT'D)

C. SUMMARY OF WORKS OF THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR

The works carried out by the Audit Committee in discharging its duties and functions with respect to their responsibilities during the financial year were summarised as follows:

Financial Reporting

The Audit Committee reviewed the quarterly and annual financial statements required by Bursa Securities with the Management prior to making recommendation for the Board's approval. The review focused on changes in accounting policies and practices, major judgemental and risk areas, significant adjustments resulting from the audit, the going concern assumption, compliance with accounting standards, compliance with the MMLR and other legal requirements.

The Audit Committee keeps itself appraised of changes in accounting policies and guidelines through regular updates by the External Auditors.

External Audit

The Audit Committee discussed with the External Auditors the audit plan and scope of work for the Group, and the report on the audit of the year-end financial statements; reviewed audit findings and reservations arising from the audits, significant accounting issues and any matter the External Auditors may wish to discuss; reviewed the External Auditors' management letter and Management's responses thereto; and reviewed the External Auditors' objectivity and independence.

Significant matters requiring follow-up were highlighted for the reports by the External Auditors to the Audit Committee. In accordance with International Standards on Auditing, key audit matters which in the opinion of the external auditors were of most significance in their audit of the Annual Financial Statements were brought to the attention of the Audit Committee and highlighted and addressed by the External Auditors in their report.

In assessing independence, the Audit Committee has reviewed the audit fees, non-audit fees and expenses paid to the External Auditors during the year. The Audit Committee is of the opinion that the Auditors' independence has not been compromised based on the confirmation provided by the External Auditors.

During the financial year, two (2) private sessions were held between the Audit Committee and the External Auditors without the presence of any Executive Directors and the Management to discuss any issue arising from the audit. There were no areas of concern that warranted escalation to the Board.

Internal Audit

The Audit Committee reviewed with the Internal Auditors the internal audit reports and monitored/ followed-up on the remedial action; reviewed the corrective actions taken by the Management in addressing and resolving issues as well as ensuring that all key issues were adequately address on timely basis; and ensured the adequacy of the independence, competency and resource sufficiency of the Internal Audit function.

Related Party Transactions

The Audit Committee reviewed all significant related party transactions and recurrent related party transactions entered into by the Group and the Company to ensure that such transactions are undertaken at arm's length basis on normal commercial terms which are not detrimental to the interests of the minority shareholders of the Company and the internal control procedures employed are both sufficient and effective before recommending to the Board for approval.

REPORT ON AUDIT COMMITTEE (CONT'D)

Conflict of Interest

The Audit Committee reviewed all the conflict of interest or potential conflict of interest's declarations (excluding a related party transaction) made by the respective persons as at the financial year ended under review and concluded that sufficient disclosure of all conflict of interest or potential conflict of interest (excluding a related party transaction) had been made and documented and the Audit Committee is satisfied save for those recurrent or related party transactions that had been disclosed earlier, there were no other conflict of interest or potential conflict of interest noted during the financial year under review.

Whistleblowing and Fraud

The Audit Committee reviewed the Company's arrangements that allow employees to confidentially raise concerns about potential wrongdoing in financial reporting or other matters. They ensured that these arrangements facilitate proportionate and independent investigations of such issues, as well as appropriate follow-up actions. Additionally, the Committee assessed the Company's procedures for detecting fraud and worked to raise employee awareness about these matters.

Annual Reporting

The Audit Committee reviewed the Statement on Risk Management and Internal Control and Audit Committee Report in accordance with the MMLR and Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuer, for inclusion into the Annual Report.

Revised Term of Reference of the Audit Committee

The Audit Committee reviewed and recommended to the Board for the adoption of the updated Terms of Reference of the Audit Committee by incorporating the expanded role of the Audit Committee to review and report on related party transactions and conflict-of-interest that arose or persisted and measures taken to resolve, eliminate or mitigate such conflict-of-interest.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

The Terms of Reference of the Audit Committee, which outlines the composition, proceeding of meeting, authority and duties and responsibilities, is available on the Company's website. The Terms of Reference of the Audit Committee was last reviewed and revised on 28 February 2024.

INTERNAL AUDIT FUNCTION

Internal Audit Function

The group maintains an internal audit department ("IAD"), which is an independent appraisal function. Internal auditors are independent of the activities they audit.

The group IAD is a corporate member of the Institute of Internal Auditors Malaysia. The activities and processes of IAD are guided by Audit Charter and generally refer to the standards of the International Professional Practices Framework of the Institute of Internal Auditors.

The Head of Internal Audit is a member of the Institute of Internal Auditors Malaysia, Malaysian Institute of Accountants, and Association of Chartered Certified Accountants. The Head of IA is assisted by three internal auditors and has a functional reporting line to Audit Committee Chairman. All internal auditors have at least a relevant tertiary education and professional qualification.

The Audit Committee reviewed and approved the Internal Audit Plan for financial year ended 31 December 2024. IAD adopts a risk-based approach and by reference to risk management report submitted by subsidiaries in the development of its audit plan.

REPORT ON AUDIT COMMITTEE (CONT'D)

The group Internal Audit Department had covered operational audits and financial audits to branches in Sabah and Sarawak and one subsidiary in Peninsular Malaysia. There also involved providing advisory on compliance matters and assessed the adequacy and effectiveness of key internal controls to manage risks identified.

Summary of works performed by Internal Audit department

The following are main activities IAD had undertaken for financial year ended 31 December 2024:

1. Safeguard inventory existence by performing stock counts at two branches of beer distribution business, also observed the counts are performed by staff other than those in charge of warehouse, also conducted goods delivery are based on first expiry first out basis for Fast-Moving Consumer Goods at numerous branch warehouses in East Malaysia.

2. Market returns of ageing and aged stocks are duly approved before collected from outlets. All market return stocks are supported with documents and fully returned to warehouse before resold or written off, market return rate was monitored and benchmarked to ullage allowance rate.

3. Reviewed stocks expiring below 12 and 6 months and actions to reduce expired stocks written off.

4. Conducting subsequent follow up on outstanding findings remained open status and to ensure implementation of internal control recommendations, (3 branches 3 depots in Sabah; 2 branches in Sarawak; 1 branch in Peninsular Malaysia), including the new cash collection policy and procedures for beer distribution business have been implemented against fidelity risk that exposures.

5. A system for identification and timely monitoring of trade receivables on credit risk exposures are in place and credit facilities are reviewed for business opportunities and auditing reasonable collaterals coverage ratio; past due debts are timely resolved with customers to reduce risk of bad debts.

6. Reviewed fire prevention and warehouse maintenance activities in branches are monthly conducted or not less than once every quarter, also reviewed the relevancy of safety matters and adequacy and implementation of safety matters against checklists.

7. Reviewed trade expenses claims process against principals are timely filed and reimbursed aided by an effective tracking and monitoring system.

8. Revenue recognition has based on invoiced goods delivered within permitted days allowance.

9. Completeness test is performed for sales data processed and extracted from principal systems and uploaded to in-house accounting system for all branches and entity total basis.

10. Accrual for liabilities and provision for trade related balances are reviewed for its relevancy and timely reversal of accruals and provisions no longer required.

11. Payments to trade creditors are made after goods received are in order and not based on statement of account without the confirmation of goods received status.

12. Reviewed relevancy of substantial paid deposits as part of current assets are supported with documents.

13. Staff cost and lawful deduction made from employee monthly payroll are reviewed.

REPORT ON AUDIT COMMITTEE (CONT'D)

14. A system migration in Sarawak has been reviewed to test the accuracy of inventory valuation, debtor ageing reports, creditor ageing report to its control balances in general ledger.

15. Reviewed sustainability data (by branches basis) required by Bursa Malaysia for reporting in annual Sustainability Report.

The operation cost incurred for the internal audit function of the Group in respect of the financial year ended 31 December 2024 amounted to RM863,000.

Further details of the internal audit function are set out in the Statement on Risk Management and Internal Control on page 61 of this Annual Report.

This Report of the Audit Committee was approved by the Board on 14 April 2025.

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DIRECTORS' REPORT

The Directors are pleased to submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

DIRECTORS

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

Pandjijono Adijanto
Tan Phwe Leng (Tan Phe Lin @ Mariana Adijanto)
Felix Leong
Wong Yoke Kong
Chang Kon Sang
Datuk Lim Tong Lee

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Group consist of marketing, sales and distribution of building materials, industrial and agricultural chemical products, liquor products, consumer goods, engineering and the operation of retail, shipping, insurance and travel agencies. Details of the principal activities of the subsidiaries are shown in Note 19 to the financial statements.

There have been no significant changes in the nature of the principal activities of the Group and of the Company during the financial year.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	43,886	33,840
Attributable to:		
Owners of the Company	42,992	33,840
Non-controlling interests	894	-
	43,886	33,840

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year.

DIRECTORS' REPORT (CONT'D)

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increased its issued and paid-up ordinary share capital from 68,489,200 to 342,446,000 by way of issuance of 273,956,800 new ordinary shares arising from the subdivision of every 1 existing ordinary share into 5 subdivided shares. The subdivision completed on 12 December 2024 ("Share Split").

The subdivided ordinary shares issued pursuant to the Share Split during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than the benefits shown under Directors' remuneration disclosed in Note 9 to the financial statements) by reason of a contract made by the Company or by a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except that certain Directors may be deemed to have derived benefits by virtue of transactions conducted in the normal course of business between the companies in the Group and companies in which these Directors are deemed to have an interest (see Note 29 to the financial statements).

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

DIVIDEND

Dividend declared and paid by the Company since the end of the previous financial year was as follows:

	RM'000
In respect of the financial year ended 31 December 2023, final dividend of RM0.50 per ordinary share paid on 19 August 2024	34,238

The Directors recommend the payment of a final dividend of RM0.065 per share, amounting to net dividend payment of RM22.3 million in respect of the financial year ended 31 December 2024, subject to the approval of the members at the forthcoming Annual General meeting of the Company.

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, none of the Directors who held office at the end of the financial year held any shares or debentures in the Company or its subsidiaries during the financial year except as follows:

	Number of ordinary shares in the Company			
	At 1.1.2024	Share Split	Disposed	At 31.12.2024
Pandjijono Adijanto	89,000	356,000	-	445,000
Tan Phwe Leng (Tan Phe Lin @ Mariana Adijanto)	9,000	36,000	-	45,000
Wong Yoke Kong	169,000	676,000	-	845,000

DIRECTORS' REPORT (CONT'D)

DIRECTORS' REMUNERATION

The aggregate amount of emoluments received/receivable by Directors during the financial year is as follows:

	Group 2024 RM'000	Company 2024 RM'000
Fees and allowances	521	521
Salaries and other emoluments	1,472	-
Defined contribution plan	229	-
	2,222	521
Estimated monetary value of benefits-in-kind	24	-

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The Company maintains a liability insurance for the Directors and Officers of the Group throughout the financial year, which provides appropriate insurance cover for the Directors and Officers of the Group.The total amount of any indemnity cover given by the Company to Directors against damages in the discharge of their duties is RM10 million collectively for all Directors. The amount of premium paid by the Company for all the Directors is RM73,450 in 2024.

DIRECTORS OF THE SUBSIDIARIES

Pursuant to Section 253 of the Companies Act 2016, the list of Directors of the subsidiaries during the financial year and up to the date of this report and statement is as follows:

Ang Lian Wal
Chan Jun Hao, David
Chang Kon Sang
Chin Chee Heun @ Nelson
Danny Lo Tuong Ming
Ho Gee Leng
Lim Hong Chin
Lim Yong Keong
Low Kong Choon
Lo Chow Nyian
Spencer Ho Kwang Beng
Tee Chee Chiang

DIRECTORS' REPORT (CONT'D)

OTHER STATUTORY INFORMATION

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

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

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

(i) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; or

(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(iii) 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.

(c) At the date of this report:

(i) there are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year which secures the liabilities of any other person; and

(ii) there are no contingent liabilities in the Group and in the Company which have arisen since the end of the financial year.

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

(e) 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 respective financial statements misleading.

(f) In the opinion of the Directors:

(i) 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; and

(ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and the Company for the financial year in which this report is made.

DIRECTORS' REPORT (CONT'D)

SUBSIDIARIES

Details of the subsidiaries and the subsidiaries' holding of shares in other related corporations are set out in Note 19 to the financial statements.

AUDITORS' REMUNERATION

	Group 2024 RM'000	Company 2024 RM'000
Auditors' remuneration:		
- statutory audit fees	941	259

AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to accept re-appointment as auditors.

This report was approved by the Board of Directors on 17 April 2025. Signed on behalf of the Board of Directors:

FELIX LEONG
DIRECTOR

WONG YOKE KONG
DIRECTOR

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Felix Leong and Wong Yoke Kong, two of the Directors of Harrisons Holdings (Malaysia) Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 77 to 141 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and the financial performance of the Group and of the Company for the financial year ended 31 December 2024 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 17 April 2025.

FELIX LEONG DIRECTOR	WONG YOKE KONG DIRECTOR

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016

I, Low Kong Choon (MIA No. 6635), the Officer primarily responsible for the financial management of Harrisons Holdings (Malaysia) Berhad, do solemnly and sincerely declare that the financial statements set out on pages 77 to 141 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

LOW KONG CHOON

Subscribed and solemnly declared by the abovenamed Low Kong Choon at Kuala Lumpur on 17 April 2025, before me.

SARASWATHI A/P MANIKAM AMN
COMMISSIONER FOR OATHS
W1056

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Revenue	6	**2,173,942**	2,257,077	**36,856**	47,230
Cost of sales		**(1,930,286)**	(1,993,550)	**-**	-
Gross profit		**243,656**	263,527	**36,856**	47,230
Other operating income		**5,450**	4,769	**72**	280
Selling and distribution costs		**(22,882)**	(19,194)	**-**	-
Administrative expenses		**(156,294)**	(152,199)	**(2,797)**	(2,889)
Finance costs	7	**(9,917)**	(7,386)	**(3)**	(3)
Profit before taxation	8	**60,013**	89,517	**34,128**	44,618
Taxation	10	**(16,127)**	(20,719)	**(288)**	353
Profit for the financial year		**43,886**	68,798	**33,840**	44,971
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
Change in fair value of financial assets at FVOCI		**887**	375	**808**	346
		887	375	**808**	346
Item that may be reclassified to profit or loss					
Currency translation differences		**(1,336)**	1,421	**-**	-
Total comprehensive income for the financial year		**43,437**	70,594	**34,648**	45,317
Profit attributable to:					
- Owners of the Company		**42,992**	67,388	**33,840**	44,971
- Non-controlling interests		**894**	1,410	**-**	-
		43,886	68,798	**33,840**	44,971
Total comprehensive income attributable to:					
- Owners of the Company		**42,913**	68,791	**34,648**	45,317
- Non-controlling interests		**524**	1,803	**-**	-
		43,437	70,594	**34,648**	45,317

STATEMENTS OF COMPREHENSIVE INCOME (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Group	
	Note	**2024**	2023 Restated
		RM'000	RM'000
Earnings per share (sen)*			
- Basic and diluted	11	**12.56**	19.68

* For comparative purposes, the earnings per share for the financial year ended 31 December 2023 has been adjusted to reflect a Share Split of 1 existing share into 5 subdivided shares. The Share Split completed on 12 December 2024. Please refer to Note 11 for further details.

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Note	Group		Company	
		2024	2023	**2024**	2023
		RM'000	RM'000	**RM'000**	RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	13	**39,554**	36,796	**139**	306
Right-of-use assets	14	**106,418**	94,800	**70**	-
Investment properties	15	**2,461**	2,515	**-**	-
Deferred tax assets	16	**9,889**	11,689	**4**	93
Financial assets at FVOCI	17	**4,835**	3,447	**4,406**	3,097
Investment in subsidiaries and associate	19	**-**	-	**90,744**	85,944
Intangible asset	20	**7,882**	7,882	**-**	-
		171,039	157,129	**95,363**	89,440
CURRENT ASSETS					
Financial assets at FVTPL	18	**48,996**	21,109	**48,836**	20,954
Inventories	21	**275,889**	253,409	**-**	-
Trade and other receivables	22	**348,285**	361,557	**726**	5,505
Tax recoverable		**7,676**	2,208	**34**	95
Deposits, cash and bank balances	23	**122,842**	149,132	**4,079**	32,575
		803,688	787,415	**53,675**	59,129
CURRENT LIABILITIES					
Trade and other payables	24	**252,823**	262,570	**750**	757
Tax payable		**1,032**	3,379	**-**	-
Borrowings	25	**176,095**	152,595	**-**	-
Lease liabilities	26	**14,242**	14,681	**31**	9
		444,192	433,225	**781**	766
NET CURRENT ASSETS		**359,496**	354,190	**52,894**	58,363
NON-CURRENT LIABILITIES					
Deferred tax liabilities	16	**2,304**	2,414	**-**	-
Lease liabilities	26	**65,107**	54,046	**44**	-
		67,411	56,460	**44**	-
		463,124	454,859	**148,213**	147,803

STATEMENTS OF FINANCIAL POSITION (CONT'D)

AS AT 31 DECEMBER 2024

		Group		Company	
	Note	**2024**	2023	**2024**	2023
		RM'000	RM'000	**RM'000**	RM'000
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY					
Share capital	27	**68,523**	68,523	**68,523**	68,523
Treasury shares	27	**(18)**	(18)	**(18)**	(18)
Other reserves		**9,579**	9,658	**2,612**	1,804
Retained earnings		**380,172**	371,418	**77,096**	77,494
		458,256	449,581	**148,213**	147,803
Non-controlling interests		**4,868**	5,278	**-**	-
		463,124	454,859	**148,213**	147,803

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Attributable to equity holders of the Company								
Group	Note	Share capital RM'000	Treasury share RM'000	Currency translation difference RM'000	FVOCI reserve RM'000	Other reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interest RM'000	Total RM'000
At 1 January 2024		**68,523**	**(18)**	**2,336**	**1,917**	**5,405**	**371,418**	**449,581**	**5,278**	**454,859**
Profit for the financial year		**-**	**-**	**-**	**-**	**-**	**42,992**	**42,992**	**894**	**43,886**
Other comprehensive income:										
- Fair value changes of financial assets at FVOCI		**-**	**-**	**-**	**887**	**-**	**-**	**887**	**-**	**887**
- Currency translation differences		**-**	**-**	**(966)**	**-**	**-**	**-**	**(966)**	**(370)**	**(1,336)**
Total comprehensive income for the financial year		**-**	**-**	**(966)**	**887**	**-**	**42,992**	**42,913**	**524**	**43,437**
Transaction with owners:										
- Dividends	12	**-**	**-**	**-**	**-**	**-**	**(34,238)**	**(34,238)**	**(934)**	**(35,172)**
At 31 December 2024		**68,523**	**(18)**	**1,370**	**2,804**	**5,405**	**380,172**	**458,256**	**4,868**	**463,124**

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Group	Note	Attributable to equity holders of the Company								
		Share capital RM'000	Treasury share RM'000	Currency translation difference RM'000	FVOCI reserve RM'000	Other reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interest RM'000	Total RM'000
At 1 January 2023		68,523	(18)	1,308	1,542	5,405	338,268	415,028	4,899	419,927
Profit for the financial year		-	-	-	-	-	67,388	67,388	1,410	68,798
Other comprehensive income:										
- Fair value changes of financial assets at FVOCI		-	-	-	375	-	-	375	-	375
- Currency translation differences		-	-	1,028	-	-	-	1,028	393	1,421
Total comprehensive income for the financial year		-	-	1,028	375	-	67,388	68,791	1,803	70,594
Transaction with owners:										
- Dividends	12	-	-	-	-	-	(34,238)	(34,238)	(1,424)	(35,662)
At 31 December 2023		68,523	(18)	2,336	1,917	5,405	371,418	449,581	5,278	454,859

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

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Company	Note	Share capital RM'000	Treasury shares RM'000	FVOCI reserve RM'000	Retained earnings RM'000	Total RM'000
At 1 January 2024		**68,523**	**(18)**	**1,804**	**77,494**	**147,803**
Profit for the financial year		**-**	**-**	**-**	**33,840**	**33,840**
Other comprehensive income:						
- Fair value changes of financial assets at FVOCI		**-**	**-**	**808**	**-**	**808**
Total comprehensive income for the financial year		**-**	**-**	**808**	**33,840**	**34,648**
Transaction with owners:						
- Dividends	12	**-**	**-**	**-**	**(34,238)**	**(34,238)**
At 31 December 2024		**68,523**	**(18)**	**2,612**	**77,096**	**148,213**

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Company	Note	Share capital RM'000	Treasury shares RM'000	FVOCI reserve RM'000	Retained earnings RM'000	Total RM'000
At 1 January 2023		68,523	(18)	1,458	66,761	136,724
Profit for the financial year		-	-	-	44,971	44,971
Other comprehensive income:						
- Fair value changes of financial assets at FVOCI		-	-	346	-	346
Total comprehensive income for the financial year		-	-	346	44,971	45,317
Transaction with owners:						
- Dividends	12	-	-	-	(34,238)	(34,238)
At 31 December 2023		68,523	(18)	1,804	77,494	147,803

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group		Company	
		2024	2023	**2024**	2023
		RM'000	RM'000	**RM'000**	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit for the financial year		**43,886**	68,798	**33,840**	44,971
Adjustments for non-cash items:					
Loss allowance for:					
- trade and other receivables		**2,667**	84	**-**	-
- amount due from a subsidiary		**-**	-	**-**	247
- amount due from an associate		**86**	30	**-**	-
Provision for/(Reversal of) inventory obsolescence		**399**	(6,880)	**-**	-
Inventories written off		**3,783**	3,440	**-**	-
Property, plant and equipment:					
- depreciation		**6,013**	5,114	**5**	3
- (gain)/loss on disposal		**(33)**	98	**83**	-
- written off		**92**	1	**-**	-
Depreciation of investment properties		**54**	54	**-**	-
Depreciation of right-of-use assets		**16,152**	16,179	**37**	37
Gain on disposal of financial assets at FVTPL		**(61)**	(68)	**(61)**	(68)
Fair value loss on financial assets at FVTPL		**421**	789	**421**	789
Unrealised foreign exchange loss/(gain)		**140**	(35)	**-**	1
Dividend income		**(1,201)**	(1,012)	**(36,856)**	(47,230)
Interest income		**(2,796)**	(2,840)	**(515)**	(347)
Finance costs	7	**9,917**	7,386	**3**	3
Lease modification		**(1,089)**	282	**(11)**	-
Taxation		**16,127**	20,719	**288**	(353)
		94,557	112,139	**(2,766)**	(1,947)
Working capital changes:					
Inventories		**(26,662)**	(14,833)	**-**	-
Trade and other receivables		**10,379**	(39,876)	**314**	-
Trade and other payables		**(9,747)**	13,002	**(7)**	(46)
		68,527	70,432	**(2,459)**	(1,993)
Tax paid		**(22,252)**	(24,710)	**(138)**	(64)
Interest received		**2,796**	2,840	**515**	347
Net cash from operating activities		**49,071**	48,562	**(2,082)**	(1,710)

STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		**(9,056)**	(9,282)	**(5)**	(11)
Purchase of right-of-use assets		**(807)**	-	**-**	-
Proceeds from disposal of property, plant and equipment		**226**	257	**84**	-
Dividends received		**1,201**	1,012	**1,201**	1,012
Proceeds from sale of financial assets at FVTPL		**72,525**	61,942	**35,571**	30,866
Purchase of financial assets at FVOCI		**(501)**	-	**(500)**	-
Purchase of financial assets at FVTPL		**(100,772)**	(60,226)	**(63,814)**	(31,170)
Dividends received from subsidiaries		**-**	-	**35,655**	46,218
Investment in subsidiaries		**-**	-	**-**	(1,200)
Withdrawal/(Placement) of fixed deposits with a licensed bank		**1,853**	(6,818)	**-**	-
(Advances to)/Repayment from subsidiaries		**-**	-	**(335)**	52,441
Net cash from investing activities		**(35,331)**	(13,115)	**7,857**	98,156
CASH FLOWS FROM FINANCING ACTIVITIES					
Interest paid		**(9,917)**	(7,386)	**(3)**	(3)
Drawdown of bankers' acceptances		**1,000,434**	797,229	**-**	-
Repayment of bankers' acceptances		**(975,790)**	(816,621)	**-**	-
Drawdown of revolving credit		**16,500**	9,000	**-**	-
Repayment of revolving credit		**(16,500)**	(11,000)	**-**	-
Repayment of borrowings		**-**	-	**-**	(53,000)
Dividends paid		**(35,172)**	(35,662)	**(34,238)**	(34,238)
Lease payments – principal portion		**(15,252)**	(15,359)	**(30)**	(34)
Net cash from financing activities		**(35,697)**	(79,799)	**(34,271)**	(87,275)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR		**(21,957)**	(44,352)	**(28,496)**	9,171
TRANSLATION RESERVE		**(1,336)**	1,421	**-**	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		**140,472**	183,403	**32,575**	23,404
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	23	**117,179**	140,472	**4,079**	32,575

STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Note:

(i) The acquisition of right-of-use ("ROU") assets during the financial year for the Group of RM9,482,000 (2023: RM13,611,000) and Company of RM94,000 (2023: RM nil) is a non-cash transaction.

(ii) Additional of investment in subsidiaries of RM4,800,000 is satisfied by capitalising the amount owing by Harrisons Corporate Services to the Company.

(iii) The reconciliation of liabilities arising from financing activities is as follows:

	At 1.1.2024 RM'000	Cash inflow RM'000	Cash Outflow (including interest) RM'000	Non-cash changes: Interest accretion RM'000	Non-cash changes: New lease RM'000	Non-cash changes: Lease modification RM'000	At 31.12.2024 RM'000
Group							
Bankers' acceptances	**150,753**	**1,000,434**	**(982,252)**	**6,462**	**-**	**-**	**175,397**
Bank overdrafts	**1,842**	**698**	**(1,970)**	**128**	**-**	**-**	**698**
Revolving credit	**-**	**16,500**	**(16,604)**	**104**	**-**	**-**	**-**
Lease liabilities	**68,727**	**-**	**(18,475)**	**3,223**	**9,482**	**16,392**	**79,349**

	At 1.1.2023 RM'000	Cash inflow RM'000	Cash Outflow (including interest) RM'000	Non-cash changes: Interest accretion RM'000	Non-cash changes: New lease RM'000	Non-cash changes: Lease modification RM'000	At 31.12.2023 RM'000
Group							
Bankers' acceptances	170,145	797,229	(820,712)	4,091	-	-	150,753
Bank overdrafts	-	1,719	-	123	-	-	1,842
Revolving credit	2,000	9,000	(11,081)	81	-	-	-
Lease liabilities	69,822	-	(18,450)	3,091	13,611	653	68,727

STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Note (continued):

(iii) The reconciliation of liabilities arising from financing activities is as follows (continued):

Company	At 1.1.2024 RM'000	Cash inflow RM'000	Cash outflow (including interest) RM'000	Non-cash changes: Interest accretion RM'000	New lease RM'000	Lease modification RM'000	At 31.12.2024 RM'000
Lease liabilities	**9**	**-**	**(33)**	**3**	**94**	**2**	**75**

Company	At 1.1.2023 RM'000	Cash inflow RM'000	Cash outflow (including interest) RM'000	Non-cash changes: Interest accretion RM'000	New lease RM'000	Lease modification RM'000	At 31.12.2023 RM'000
Lease liabilities	43	-	(37)	3	-	-	9
Borrowings	53,000	-	(53,000)	-	-	-	-

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

1. PRINCIPAL ACTIVITIES AND GENERAL INFORMATION

The principal activity of the Company is investment holding. The principal activities of the Group consist of marketing, sales and distribution of building materials, industrial and agricultural chemical products, liquor products, consumer goods, engineering and the operation of retail, shipping, insurance and travel agencies. Details of the principal activities of the subsidiaries are shown in Note 19 to the financial statements.

There have been no significant changes in the nature of the principal activities of the Group and of the Company during the financial year.

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

The address of the registered office of the Company is:

Level 13, Menara 1 Sentrum
201 Jalan Tun Sambanthan
Brickfields, 50470 Kuala Lumpur

The principal place of business of the Company is:

Unit 9A, 9th Floor
Wisma Bumi Raya
10, Jalan Raja Laut
50350, Kuala Lumpur

2. BASIS OF PREPARATION

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

The Group's and the Company's financial statements have been prepared under the historical cost convention, except as disclosed in this summary of material accounting policies below.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires the Directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4 to the financial statements.

(a) Standards, amendments to published standards and interpretation that are effective

The Group has applied the following standards and amendments for the first time for the financial year beginning on 1 January 2024:

- Amendments to MFRS 101 'Classification of liabilities as current or non-current' and 'Non-current Liabilities with Covenants'

The adoption of standard and amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

2. BASIS OF PREPARATION (CONTINUED)

(b) Standards and amendments that have been issued but not yet effective

A number of new standards and amendments to standards and interpretations are effective for the financial year beginning after 1 January 2024. The Group has not early adopted these new standards and amendments. None of these is expected to have a significant effect on the financial statements of the Group, except for the following set out below:

Effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9 and MFRS 7 'Amendments to the Classification and Measurement of Financial Instruments'

Effective for annual periods beginning on or after 1 January 2027

- MFRS 18 'Presentation and Disclosure in Financial Statements' replaces MFRS 101 'Presentation of Financial Statements'

The effects of the above new standards and amendments to the existing standards are currently being assessed by the Directors.

The following amendments are not expected to have a significant impact on the consolidated financial statements of the Group:

- Amendments to MFRS 121 'Lack of Exchangeability'
- MFRS 19 'Subsidiaries without Public Accountability: Disclosures'
- Annual Improvements to MFRS Accounting Standards for enhanced consistency

3. MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these financial statements are set out below.

(a) Consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

(b) Investments in subsidiaries and associates in separate financial statements

In the Company's separate financial statements, investments in subsidiaries and associates are carried at cost less accumulated impairment losses. On disposal of investments in subsidiaries and associates, the difference between the disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(c) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Gains and losses on disposals are determined by comparing the net proceeds with the carrying amounts and are included in other operating income and expenses in profit or loss.

Freehold land is not depreciated as it has an infinite life. Depreciation on assets under construction commences when the assets are ready for their intended use. Other property, plant and equipment are depreciated on the straight-line basis to write off the cost of the assets to their residual values over their estimated useful lives as summarised below:

Buildings	50 years
Motor vehicles	5 years
Furniture, fittings and equipment	3 years to 10 years

Depreciation of assets under construction commences when the assets are ready for their intended use.

(d) Investment properties

Investment property is measured initially at its cost, including professional fees for legal services, property transfer taxes, other transaction costs and borrowing costs if the investment property meets the definition of a qualifying asset.

Investment property is de-recognised either when it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Gains or losses on disposals are determined by comparing the net disposal proceeds with the carrying amount and are included in profit or loss.

At the end of each reporting period, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 3(f)(i) on impairment for non-financial assets.

(e) Intangible asset

Franchise right

Franchise right acquired in a business combination is recognised at fair value at acquisition date. Franchise right is not amortised but is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and carried at cost less accumulated impairment losses. The carrying amount of the franchise right is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(f) Impairment of assets

(i) Impairment for non-financial assets

An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The impairment loss is charged to profit or loss, and any subsequent increase in recoverable amount is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Impairment of assets (continued)

(ii) Impairment for trade and other receivables

The Group and the Company assess the expected credit losses ("ECL") associated with trade and other receivables on a forward-looking basis. The simplified approach is applied to measure ECL, which requires expected lifetime losses to be recognised from initial recognition of trade and other receivables. To measure the expected credit losses, trade and other receivables that share similar credit risk characteristics are grouped together and then assessed for collectability as a whole. Note 31(iv)(b) sets out the measurement details of ECL.

At each reporting date, the Group and the Company measures ECL through loss allowance at an amount equal to 12 months ECL if the credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is not required.

The ECL represents a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group and the Company expects to receive, over the remaining life of the debts instruments.

(iii) Significant increase in credit risk

The Group and the Company considers the probability of default upon initial recognition of a financial asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the risk of a default occurring on the asset as at the reporting date is compared with the risk of default as at the date of initial recognition. Available reasonable and supportable forward-looking information are also considered.

(iv) Write-off

(i) Trade receivables

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

(ii) Deposits, other receivables and amounts due from subsidiaries

The Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Group may write off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(g) Financial assets

(i) Classification

The Group classifies its financial assets as those to be measured subsequently at fair value (either through other comprehensive income ("OCI") or through profit or loss), and those to be measured at amortised cost.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group reclassifies debt investments when and only when its business model for managing those assets changes. There are two measurement categories into which the Group classifies its debt instruments:

(a) Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Interest income from these financial assets is included in other operating income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other operating income/(expense) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statements of comprehensive income.

(b) Fair value through profit or loss ("FVTPL")

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. The Group may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different basis. Fair value changes is recognised in profit or loss and presented net within other operating income/(expense) in the period in which it arises.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(g) Financial assets (continued)

(iii) Measurement (continued)

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other operating income when the Group's right to receive payments is established.

(h) Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Financial guarantee contracts are subsequently measured at the higher of the amount determined in accordance with the expected credit loss model under MFRS 9 "Financial instruments" and the amount initially recognised less cumulative amount of income recognised in accordance with the principles of MFRS 15 "Revenue from Contracts with Customers", where appropriate.

(i) Leases – Accounting by lessee

Leases are recognised as right-of-use ("ROU") asset and a corresponding liability at the date on which the leased asset is available for use by the Group (i.e. the commencement date).

Lease term

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

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

ROU assets

ROU assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Restoration costs

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(i) Leases – Accounting by lessee (continued)

ROU assets (continued)

ROU assets that are not investment properties are subsequently measured at cost, less accumulated depreciation and impairment loss (if any). The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities.

Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Group under residual value guarantees;
- The exercise price of a purchase and extension options if the Group is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Group presents the lease liabilities as a separate line item in the statements of financial position. Interest expense on the lease liability is presented within the finance cost in profit or loss in the statements of comprehensive income.

Short term leases and leases of low value assets

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise office equipment, such as photocopy machine. Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(j) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of weighted average costs. The costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and the estimated costs necessary to make the sale.

(k) Trade and other receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, where they are recognised at fair value plus transaction costs. Other receivables are recognised initially at fair value plus transaction costs. Transaction costs include transfer taxes and duties.

After recognition, trade and other receivables are subsequently measured at amortised cost using the effective interest method, less provision for impairment. See accounting policy Note 3(f)(ii) on impairment for trade and other receivables.

(l) Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

In the statements of financial position, banks overdrafts are shown within borrowings in current liabilities.

(m) Share capital

(i) Classification

Ordinary shares are classified as equity. Other shares are classified as equity and/or liability according to the substance of the contractual agreement of the particular instrument.

(ii) Dividend distribution

Distributions to holders of an equity instrument is recognised directly in equity.

(iii) Purchase of own shares

Where any company within the Group purchases the Company's equity instruments, the consideration paid, including any directly attributable incremental costs, net of tax, is deducted from equity attributable to the owners of the Company as treasury shares until the shares are cancelled, reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related tax effects, is included in equity attributable to the owners of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(m) Share capital (continued)

(iv) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares;
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(n) Trade payables

Trade payables are recognised initially at fair value net of transaction costs incurred, which include transfer taxes and duties.

Trade payables are subsequently measured at amortised cost using the effective interest method.

(o) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between initial recognised amount and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification at the reporting date.

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(p) Current and deferred income tax

Tax expense for the period comprises current and deferred income tax. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred tax liability is recognised for all taxable temporary differences associated with investments in subsidiaries and associates unless the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries and associates only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the deductible temporary difference can be utilised.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(q) Employee benefits

(i) Short-term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Defined contribution plans

The Group's contributions to defined contribution plans are charged to profit or loss in the period to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(r) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Provisions are measured at the present value of management's best estimate of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost.

(s) Revenue from contracts with customers

(i) Sale of goods

The Group engages in the business of trading and distribution of consumer products, building materials and chemical products. The Group also engages in the business of supplying baked cookies and household products to customers on a wholesale and retail basis. Revenue from the sale of goods is recognised when the control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from these sales is recognised based on the price specified in the contract, net of discounts and returns at the time of sale. No element of financing is deemed present as the sales are made with a credit term ranging from 30 to 90 days, which is consistent with market practice.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(ii) Rendering of services

The Group provides shipping services. Revenue from the rendering of services is recognised when the Group has rendered the services to the customer. As the contract terms of the services provided have a generally short period of delivery (less than one year), revenue is recognised in the period the services are provided. The Group's obligation to render services to a customer for which the Group has received consideration in advance from customer is recognised as "trade and other payables" in the statements of financial position. The Group applied the practical expedient in MFRS 15 and did not disclose information about recognising performance obligations that have original expected duration of one year or less.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(t) Revenue from other sources

(i) Interest income

Interest income is recognised using the effective interest method.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

(ii) Dividend income

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

(u) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates concerning the future. These accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have a material impact to the Group's results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are explained below.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(a) Provision for inventory obsolescence

Inventories are carried at the lower of cost and net realisable value. This requires the estimation of the eventual selling price of the goods to the customers in the future. A high degree of judgement is applied when estimating the impact on the carrying value of inventories, taking into consideration of factors giving rise to slow moving items, damage stocks and obsolescence. The provision for inventory obsolescence computed by management is based on percentage applied on the inventories' ageing and expiring band according to the category of inventories. These rates require significant estimates to be made by management based on the prevailing market conditions at reporting date. The provision for inventory obsolescence as at the reporting date is as follows:

	Group	
	2024	2023
	RM'000	RM'000
Provision for inventory obsolescence	**13,800**	13,401

If the provisioning rates were to differ by 5% from management's estimates, the provision for inventory obsolescence would be RM467,000 (2023: RM507,000).

(b) Loss allowance for trade receivables

The loss allowance for trade receivables is assessed based on the expected loss rates. Significant judgement and estimates are required in determining the loss rates to be applied to each ageing band of the trade receivables. Details of the key assumptions and inputs used are disclosed in Note 31(iv)(b).

	Group	
	2024	2023
	RM'000	RM'000
Loss allowance for trade receivables	**28,138**	25,471

If the provisioning rates were to differ by 10% from management's estimates, the loss allowance for trade receivables would be RM1,186,503 (2023: RM492,204) higher or lower.

(c) Leases

Liabilities and the corresponding ROU assets arising from leases are initially measured at the present value of the lease payments at the commencement date, discounted using the interest rates implicit in the leases, or if that rate cannot be readily determinable, the Group may use the incremental borrowing rate. In this instance, the Group has determined the incremental borrowing rate as the discount rate with reference to the rate of interest that the Group would have to pay to borrow, over similar terms as that of the lease, the funds necessary to obtain an asset of a similar value to the ROU assets. These rates require significant estimates to be made by management.

Lease payments to be made during the lease term will be included in the measurement of a lease liability. The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any period covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(c) Leases (continued)

The Group has the option, under some of the leases to lease the assets for additional terms. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. In this regard, the Group considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew. The assessment of whether the Group is reasonably certain to exercise the options impacts the lease terms, which significantly affects the amount of lease liabilities and ROU assets recognised.

Extension options are included in all leases of office buildings and warehouses across the Group. The Directors are responsible for managing the leases and accordingly, lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Extension options are included when the Directors are reasonably certain to exercise an optional extended lease term and therefore, payments associated with the optional period are included within these lease liabilities.

5. SEGMENT REPORTING

The Group operates primarily within Malaysia for its trade and distribution business which is the major contributor to the Group's operations. It comprises trading and distribution of consumer products, building materials, industrial and agricultural chemical products and liquor products. These activities are covered by several companies in Sabah, Sarawak and Peninsular Malaysia which are operating segments, and have been aggregated into the Trading and Distribution segment as they exhibit similar nature of business and methods of distribution of products.

The retail business is shown as a separate reportable segment following the acquisition of The Famous Amos Chocolate Chip Cookie Singapore Pte. Ltd. in Singapore. The entity is principally involved in the retailing of consumer goods.

Other than the above, the Group provides insurance, shipping, travel agency services and rental of property, none of which is of a sufficient size to be reported separately.

The chief operating decision-maker evaluates performance of segments by reviewing revenue, profit before tax and monthly internal management reports in order to allocate resources to segments.

Intersegment revenue comprises trading of consumer products, dividend income, rental received from the letting out of properties and management services rendered to other business segments within the Group.

Segment results represent segment revenue less segment expenses. Unallocated costs represent interest income and finance cost.

Segment assets consist primarily of property, plant and equipment, inventories, operating receivables, other investments and cash and bank balances. Segment liabilities comprise mainly of payables and other operating liabilities. Unallocated assets consist of tax assets and deferred tax assets. Unallocated liabilities consist of tax liabilities and deferred tax liabilities.

Capital expenditure comprises additions to property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

5. SEGMENT REPORTING (CONTINUED)

2024	Trade and distribution RM'000	Retail RM'000	Shipping and others RM'000	Group RM'000
Revenue				
Total segment revenue	**2,120,338**	**37,902**	**57,483**	**2,215,723**
Inter segment revenue	**(175)**	**-**	**(41,606)**	**(41,781)**
External revenue	**2,120,163**	**37,902**	**15,877**	**2,173,942**
Results				
Segment results (external)	**59,762**	**3,465**	**3,907**	**67,134**
Interest income				**2,796**
Finance costs				**(9,917)**
Profit before taxation				**60,013**
Taxation				**(16,127)**
Profit for the financial year				**43,886**
Capital employed				
Segment assets	**843,691**	**36,051**	**77,420**	**957,162**
Unallocated assets				**17,565**
Total assets				**974,727**
Segment liabilities	**492,020**	**14,097**	**2,150**	**508,267**
Unallocated liabilities				**3,336**
Total liabilities				**511,603**
Other information				
Capital expenditure incurred during the financial year	**7,479**	**1,262**	**315**	**9,056**
Additions in right-of-use assets	**3,294**	**5,810**	**1,185**	**10,289**
Modification in right-of-use assets	**17,467**	**-**	**14**	**17,481**
Depreciation of property, plant and equipment	**4,865**	**924**	**224**	**6,013**
Depreciation of right-of-use assets	**9,879**	**5,878**	**395**	**16,152**
Depreciation of investment properties	**28**	**-**	**26**	**54**
Loss allowance for trade and other receivables	**2,667**	**-**	**-**	**2,667**
Provision for inventory obsolescence	**399**	**-**	**-**	**399**
Inventories written off	**3,783**	**-**	**-**	**3,783**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

5. SEGMENT REPORTING (CONTINUED)

2023	Trade and distribution RM'000	Retail RM'000	Shipping and others RM'000	Group RM'000
Revenue				
Total segment revenue	2,202,576	40,595	66,168	2,309,339
Inter segment revenue	(475)	-	(51,787)	(52,262)
External revenue	2,202,101	40,595	14,381	2,257,077
Results				
Segment results (external)	84,351	6,210	3,502	94,063
Interest income				2,840
Finance costs				(7,386)
Profit before taxation				89,517
Taxation				(20,719)
Profit for the financial year				68,798
Capital employed				
Segment assets	812,882	37,524	80,241	930,647
Unallocated assets				13,897
Total assets				944,544
Segment liabilities	465,537	15,137	3,218	483,892
Unallocated liabilities				5,793
Total liabilities				489,685
Other information				
Capital expenditure incurred during the financial year	8,358	883	41	9,282
Additions in right-of-use assets	7,047	6,564	-	13,611
Modification in right-of-use assets	371	-	-	371
Depreciation of property, plant and equipment	4,458	533	123	5,114
Depreciation of right-of-use assets	10,645	5,135	399	16,179
Depreciation of investment properties	28	-	26	54
Loss allowance for trade and other receivables	84	-	-	84
Reversal of provision for inventory obsolescence	(6,880)	-	-	(6,880)
Inventories written off	3,440	-	-	3,440

5. SEGMENT REPORTING (CONTINUED)

	Trade and distribution RM'000	Retail RM'000	Shipping and others RM'000	Group RM'000
2024				
Analysis of external revenue by category				
- Consumer products	**1,640,432**	**37,902**	**-**	**1,678,334**
- Building materials	**421,865**	**-**	**-**	**421,865**
- Chemical products	**57,866**	**-**	**-**	**57,866**
- Commission, handling fees and others	**-**	**-**	**15,877**	**15,877**
	2,120,163	**37,902**	**15,877**	**2,173,942**
Analysis of external revenue by geographical market				
- Sabah	**1,088,651**	**-**	**14,050**	**1,102,701**
- Sarawak	**579,284**	**-**	**560**	**579,844**
- Peninsular Malaysia	**452,228**	**1**	**1,267**	**453,496**
- Singapore	**-**	**37,901**	**-**	**37,901**
	2,120,163	**37,902**	**15,877**	**2,173,942**
2023				
Analysis of external revenue by category				
- Consumer products	1,744,827	40,595	-	1,785,422
- Building materials	407,411	-	-	407,411
- Chemical products	49,863	-	-	49,863
- Commission, handling fees and others	-	-	14,381	14,381
	2,202,101	40,595	14,381	2,257,077
Analysis of external revenue by geographical market				
- Sabah	1,169,323	-	12,590	1,181,913
- Sarawak	595,803	-	713	596,516
- Peninsular Malaysia	436,975	2,848	1,078	440,901
- Singapore	-	37,747	-	37,747
	2,202,101	40,595	14,381	2,257,077

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

6. REVENUE

See accounting policies in Note 3(s).

	2024 RM'000	2023 RM'000
Group		
Revenue from contract with customers	**2,173,942**	2,257,077
Disaggregation of the Group's revenue from contracts with customers:		
Sale of goods	**2,158,065**	2,242,696
Shipping services	**13,765**	12,581
Others	**2,112**	1,800
	2,173,942	2,257,077
Timing of revenue recognition		
- at a point in time	**2,160,177**	2,244,496
- at over time	**13,765**	12,581
	2,173,942	2,257,077
Company		
Revenue from other source	**36,856**	47,230
Dividends from subsidiaries	**35,655**	46,218
Dividends from third parties	**1,201**	1,012
	36,856	47,230

7. FINANCE COSTS

	Group		Company	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Interest expense:				
- bank overdrafts	**128**	123	**-**	-
- bankers' acceptances	**6,462**	4,091	**-**	-
- revolving credit	**104**	81	**-**	-
- lease liabilities	**3,223**	3,091	**3**	3
	9,917	7,386	**3**	3

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

8. MATERIAL PROFIT OR LOSS ITEMS

The following material profit or loss items are charged/(credited) in arriving at profit before taxation:

	Group		Company	
	2024	2023	**2024**	2023
	RM'000	RM'000	**RM'000**	RM'000
Auditors' remuneration:				
- statutory audit fees	**941**	934	**259**	249
- non-audit services fees	**183**	165	**30**	18
Cost of inventories recognised as expense	**2,003,163**	2,104,952	**-**	-
Loss allowance for:				
- trade and other receivables	**2,667**	84	**-**	-
- amount due from a subsidiary	**-**	-	**-**	247
- amount due from an associate	**86**	30	**-**	-
Provision for/(Reversal of) inventory obsolescence	**399**	(6,880)	**-**	-
Inventories written off	**3,783**	3,440	**-**	-
Property, plant and equipment:				
- depreciation	**6,013**	5,114	**5**	3
- (gain)/loss on disposal	**(33)**	98	**83**	-
- written off	**92**	1	**-**	-
Depreciation of investment properties	**54**	54	**-**	-
Depreciation of right-of-use assets	**16,152**	16,179	**37**	37
Gain on disposal of financial assets at FVTPL	**(61)**	(68)	**(61)**	(68)
Fair value loss on financial assets at FVTPL	**421**	789	**421**	789
Unrealised foreign exchange loss/(gain)	**140**	(35)	**-**	1
Dividends from third parties	**(1,201)**	(1,012)	**(1,201)**	(1,012)
Dividends from subsidiaries	**-**	-	**(35,655)**	(46,218)
Interest income:				
- amount due from subsidiaries	**-**	-	**(413)**	(298)
- licensed bank	**(2,544)**	(2,597)	**(102)**	(49)
- amounts due from an associate	**(252)**	(243)	**-**	-
Management fees receivable from an associate	**(12)**	(12)	**-**	-
Management fee payable to a subsidiary	**-**	-	**1,251**	1,336
Outward transportation charges	**14,723**	20,538	**-**	-
Rental income on land and buildings	**(1,441)**	(1,348)	**-**	-
Staff costs:				
- salaries, wages, bonus, commissions and allowances*	**94,729**	94,073	**521**	522
- defined contribution plan	**12,180**	12,697	**-**	-
- others	**1,932**	1,897	**-**	-
Wage subsidy	**(297)**	(433)	**-**	-
Short term and low value lease expenses	**52**	85	**-**	-
Travelling expenses	**4,635**	4,186	**66**	29

* includes Directors' remuneration. The Directors' remuneration is disclosed in Note 9.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

9. DIRECTORS' REMUNERATION

See accounting policies in Note 3(q).

The aggregate amount of emoluments received/receivable by Directors during the financial year is as follows:

	Group		Company	
	2024	2023	**2024**	2023
	RM'000	RM'000	**RM'000**	RM'000
Fees and allowances	**521**	522	**521**	522
Salaries and other emoluments	**1,472**	1,451	**-**	-
Defined contribution plan	**229**	213	**-**	-
	2,222	2,186	**521**	522
Estimated monetary value of benefits-in-kind	**24**	24	**-**	-

10. TAXATION

See accounting policies in Note 3(p).

	Group		Company	
	2024	2023	**2024**	2023
	RM'000	RM'000	**RM'000**	RM'000
The tax charge for the financial year comprise:				
- Malaysian tax	**14,437**	21,601	**199**	(353)
- Deferred tax (Note 16)	**1,690**	(882)	**89**	-
	16,127	20,719	**288**	(353)
Current tax:				
- Current financial year	**14,789**	21,460	**114**	-
- (Over)/Under accrual in prior years	**(352)**	141	**85**	(353)
	14,437	21,601	**199**	(353)
Deferred tax:				
- Origination and reversal of temporary differences	**1,690**	(882)	**89**	-
	16,127	20,719	**288**	(353)

10. TAXATION (CONTINUED)

The explanation of the relationship between taxation and profit before taxation is as follows:

	Group		Company	
	2024	2023	**2024**	2023
	RM'000	RM'000	**RM'000**	RM'000
Numerical reconciliation between tax expense and the product of accounting profit multiplied by the Malaysian tax rate				
Profit before taxation	**60,013**	89,517	**34,128**	44,618
Tax calculated at the Malaysian tax rate of 24% (2023: 24%)	**14,403**	21,484	**8,191**	10,708
Tax effects of				
- Expenses not deductible for tax purposes	**2,197**	2,297	**803**	643
- Income not subject to tax	**(510)**	(746)	**(8,880)**	(11,351)
- Different tax rate in other countries	**(245)**	(416)	**-**	-
- Utilisation of tax losses not recognised in prior years	**-**	(48)	**-**	-
- (Over)/Under accrual of income tax in prior years	**(352)**	141	**85**	(353)
- Origination and reversal of temporary differences not recognised in prior years	**634**	(1,993)	**89**	-
Taxation	**16,127**	20,719	**288**	(353)

The amount of unused tax losses for which no deferred tax asset is recognised in the statements of financial position is as follows:

	Group	
	2024	2023
	RM'000	RM'000
Unused tax losses (expiring in Year 2032)	**236**	6,400
	236	6,400
Deferred tax assets not recognised at 24%	**57**	1,536

No deferred tax asset has been recognised in respect of the tax losses of RM236,000 (2023 : RM6,400,000) due to unpredictability of future profit streams. The reduced unused tax losses in the current year of RM6,164,000 was due to members voluntary winding-up a subsidiary, Watts Harrisons Sdn Bhd.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

11. EARNINGS PER SHARE

See accounting policies in Note 3(m)(iv).

Earnings per share of the Group is calculated by dividing the profit for the financial year by the weighted average number of ordinary shares in issue during the financial year, excluding ordinary shares repurchased by the Company and held as treasury shares.

	Group	
	2024	2023 Restated [(a)]
Profit for the financial year attributable to owners of the Company (RM'000)	**42,992**	67,388
Number of ordinary shares at beginning of the year ('000)	**68,476**	68,476
Share split completed on 12 December 2024 ('000) (Note (a))	**273,905**	273,905
Number of ordinary shares in issue ('000)	**342,381**	342,381
Basic and diluted earnings per share (sen)	**12.56**	19.68

(a) For comparative purposes, the earnings per share for the financial year ended 31 December 2023 had been adjusted to reflect the share split of 1 existing share into 5 subdivided shares which was completed on 12 December 2024.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

12. DIVIDENDS

See accounting policies in Note 3(m)(ii).

Dividends recognised as distribution to the shareholders by the Company are as follows:

	2024	2023
	RM'000	RM'000
In respect of the financial year ended 31 December 2023 declared and paid in the financial year ended 31 December 2024:		
Final dividend of RM0.50 per ordinary shares paid on 19 August 2024	**34,238**	-
In respect of the financial year ended 31 December 2022 declared and paid in the financial year ended 31 December 2023:		
Final dividend of RM0.50 per ordinary shares paid on 18 August 2023	**-**	34,238
	34,238	34,238

For the financial year ended 31 December 2024, the Directors have recommended the payment of a final dividend of RM0.065 per ordinary share amounting to RM22.3 million, subject to the approval of the members at the forthcoming Annual General Meeting of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

13. PROPERTY, PLANT AND EQUIPMENT

See accounting policies in Note 3(c).

Group	Freehold land RM'000	Buildings RM'000	Motor vehicles RM'000	Furniture, fittings and equipment RM'000	Total RM'000
Cost					
As at 1 January 2024	328	25,155	20,394	63,885	109,762
Additions	-	-	1,650	7,406	9,056
Disposals	-	-	(823)	(32)	(855)
Write-off	-	-	-	(1,127)	(1,127)
As at 31 December 2024	328	25,155	21,221	70,132	116,836
Accumulated depreciation					
As at 1 January 2024	-	(9,309)	(15,396)	(45,468)	(70,173)
Charge for the financial year	-	(515)	(1,065)	(4,433)	(6,013)
Disposals	-	-	630	32	662
Write-off	-	-	-	1,035	1,035
As at 31 December 2024	-	(9,824)	(15,831)	(48,834)	(74,489)
Accumulated impairment					
As at 1 January 2024/31 December 2024	-	(2,793)	-	-	(2,793)
Net book value					
As at 31 December 2024	328	12,538	5,390	21,298	39,554

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Freehold land RM'000	Buildings RM'000	Motor vehicles RM'000	Furniture, fittings and equipment RM'000	Total RM'000
Cost					
As at 1 January 2023	328	44,712	20,624	57,156	122,820
Additions	-	1,105	1,132	7,045	9,282
Transfer to right-of-use assets	-	(19,363)	-	-	(19,363)
Disposals	-	-	(1,356)	(249)	(1,605)
Write-off	-	-	(6)	(67)	(73)
Reclassification	-	(1,299)	-	-	(1,299)
As at 31 December 2023	328	25,155	20,394	63,885	109,762
Accumulated depreciation					
As at 1 January 2023	-	(9,434)	(15,331)	(42,025)	(66,790)
Charge for the financial year	-	(284)	(1,073)	(3,757)	(5,114)
Disposals	-	-	1,002	248	1,250
Write-off	-	-	6	66	72
Reclassification	-	409	-	-	409
As at 31 December 2023	-	(9,309)	(15,396)	(45,468)	(70,173)
Accumulated impairment					
As at 1 January 2023/31 December 2023	-	(2,793)	-	-	(2,793)
Net book value					
As at 31 December 2023	328	13,053	4,998	18,417	36,796

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Motor vehicles RM'000	Furniture, fittings and equipment RM'000	Total RM'000
Company			
Cost			
As at 1 January 2024	**908**	**456**	**1,364**
Addition	**-**	**5**	**5**
Disposal	**(329)**	**-**	**(329)**
As at 31 December 2024	**579**	**461**	**1,040**
Accumulated depreciation			
As at 1 January 2024	**(620)**	**(438)**	**(1,058)**
Charge for the financial year	**-**	**(5)**	**(5)**
Disposal	**162**	**-**	**162**
As at 31 December 2024	**(458)**	**(443)**	**(901)**
Net book value			
As at 31 December 2024	**121**	**18**	**139**
Cost			
As at 1 January 2023	908	445	1,353
Addition	-	11	11
As at 31 December 2023	908	456	1,364
Accumulated depreciation			
As at 1 January 2023	(620)	(435)	(1,055)
Charge for the financial year	-	(3)	(3)
As at 31 December 2023	(620)	(438)	(1,058)
Net book value			
As at 31 December 2023	288	18	306

14. RIGHT-OF-USE ASSETS

See accounting policies in Note 3(i).

The Group leases various office buildings and warehouses. Lease contracts are typically made for fixed periods of 2 to 10 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants but the leased assets may not be used as security for borrowing purposes.

(i) Amount recognised in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

	Leasehold land* RM'000	Office buildings, and ware-houses RM'000	Total RM'000
Group			
Net book value			
As at 1 January 2024	**31,679**	**63,121**	**94,800**
Additions	**807**	**9,482**	**10,289**
Modification	**-**	**17,481**	**17,481**
Charge for the financial year	**(330)**	**(15,822)**	**(16,152)**
As at 31 December 2024	**32,156**	**74,262**	**106,418**
Net book value			
As at 1 January 2023	12,645	64,989	77,634
Additions	-	13,611	13,611
Transfer from property, plant and equipment	19,363	-	19,363
Modification	-	371	371
Charge for the financial year	(329)	(15,850)	(16,179)
As at 31 December 2023	31,679	63,121	94,800

* Leasehold land relates to the leases of land with unexpired lease period ranging from 15 to 900 years for the Group's and the Company's office buildings located in Selangor, Johor and Sabah. The leases have expiring dates ranging from 2035 to 2920 and the Group and the Company does not have an option to purchase the leased land at the expiry of the lease period. Leasehold land are amortised over the lease terms ranging from 79 to 999 years.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

14. RIGHT-OF-USE ASSETS (CONTINUED)

(i) Amount recognised in the statements of financial position (continued)

The statement of financial position shows the following amounts relating to leases: (continued)

	Office Buildings and ware-houses RM'000
Company	
Net book value	
As at 1 January 2024	**-**
Addition	**94**
Modification	**13**
Charge for the financial year	**(37)**
As at 31 December 2024	**70**
Net book value	
As at 1 January 2023	37
Charge for the financial year	(37)
As at 31 December 2023	-

(ii) Amounts recognised in the statements of comprehensive income

The statements of comprehensive income show the following amounts relating to leases:

	Group		Company	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Interest expenses on lease liabilities	**3,223**	3,091	**3**	3
Depreciation of right of use of assets	**16,152**	16,179	**37**	37
Expense relating to lease of short-term and low-value assets (included in administrative expenses)	**52**	85	**-**	-
	19,427	19,355	**40**	40
Total cash outflow for leases (including short term and low value assets)	**18,527**	18,535	**33**	37

15. INVESTMENT PROPERTIES

See accounting policies in Note 3(d).

	Group	
	2024	2023
	RM'000	RM'000
Cost		
As at 1 January	**4,070**	2,771
Reclassification from Property Plant and Equipment	**-**	1,299
As at 31 December	**4,070**	4,070
Accumulated depreciation		
As at 1 January	**(1,555)**	(1,092)
Charge for the financial year	**(54)**	(54)
Reclassification from Property Plant and Equipment	**-**	(409)
As at 31 December	**(1,609)**	(1,555)
Net book value	**2,461**	2,515

The fair values of investment properties for the Group as at 31 December 2024 were estimated at RM19,200,000 (2023: RM14,870,000) based on the Directors' valuations which are derived using the market approach by way of comparison method of valuation. This method of valuation entails comparing recent ask price of other similar properties in the vicinity whilst making due allowances to factors such as location and size. The fair values are categorised as Level 3 in the fair value hierarchy as the valuations were based on observable valuation inputs, which were then adjusted to take into consideration the age and condition of the buildings.

The aggregate lease income arising from investment properties of the Group that generated lease income which was recognised during the financial year amounted to RM1,122,000 (2023: RM1,030,000).

The Group leases out its investment properties. The Group classified these leases as operating lease, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. The following table sets out the maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date:

	Group	
	2024	2023
	RM'000	RM'000
Within 1st year	**604**	659
In the 2nd year	**381**	-
In the 3rd year	**254**	-
Total undiscounted lease payments	**1,239**	659

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

16. DEFERRED TAXATION

See accounting policies in Note 3(p).

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statements of financial position:

	Group		Company	
	2024	2023	**2024**	2023
	RM'000	RM'000	**RM'000**	RM'000
Deferred tax after offsetting to be recovered after more than 12 months:				
- Deferred tax assets	**9,889**	11,689	**4**	93
- Deferred tax liabilities	**(2,304)**	(2,414)	**-**	-
At 31 December	**7,585**	9,275	**4**	93
At 1 January	**9,275**	8,393	**93**	93
(Charged)/Credited to profit or loss (Note 10):				
- property, plant and equipment	**(100)**	(227)	**22**	2
- loss allowance for trade receivables	**(170)**	3,014	**-**	-
- inventories	**56**	(1,437)	**-**	-
- accruals	**(1,373)**	(673)	**(118)**	(2)
- right-of-use assets	**(2,940)**	706	**(17)**	9
- lease liabilities	**2,837**	(501)	**24**	(9)
	(1,690)	882	**(89)**	-
At 31 December	**7,585**	9,275	**4**	93

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

16. DEFERRED TAXATION (CONTINUED)

	Group		Company	
	2024	2023	**2024**	2023
	RM'000	RM'000	**RM'000**	RM'000
Deferred tax assets (before offsetting)				
- loss allowance for trade receivables	**5,114**	5,284	**-**	-
- inventories	**3,520**	3,464	**-**	-
- accruals	**6,204**	7,577	**-**	118
- lease liabilities	**16,468**	13,631	**25**	1
	31,306	29,956	**25**	119
Offsetting	**(21,417)**	(18,267)	**(21)**	(26)
Deferred tax assets (after offsetting)	**9,889**	11,689	**4**	93
Deferred tax liabilities (before offsetting)				
- property, plant and equipment	**(7,758)**	(7,658)	**(4)**	(26)
- right-of-use assets	**(15,963)**	(13,023)	**(17)**	-
	(23,721)	(20,681)	**(21)**	(26)
Offsetting	**21,417**	18,267	**21**	26
Deferred tax liabilities (after offsetting)	**(2,304)**	(2,414)	**-**	-

17. FINANCIAL ASSETS AT FVOCI

See accounting policies in Note 3(g).

Financial assets at FVOCI include the following:

	Group		Company	
	2024	2023	**2024**	2023
	RM'000	RM'000	**RM'000**	RM'000
Quoted:				
- Equity securities – Malaysia	**1,063**	350	**634**	-
- Equity securities – Singapore	**3,772**	3,097	**3,772**	3,097
	4,835	3,447	**4,406**	3,097

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

18. FINANCIAL ASSETS AT FVTPL

See accounting policies in Note 3(g).

Financial assets at FVTPL include the following:

	Group		Company	
	2024	2023	**2024**	2023
	RM'000	RM'000	**RM'000**	RM'000
Quoted:				
- Unit trust funds – Malaysia	**48,996**	21,109	**48,836**	20,954

19. INVESTMENT IN SUBSIDIARIES AND ASSOCIATE

See accounting policies in Note 3(a) and (b).

Investment in subsidiaries

	Company	
	2024	2023
	RM'000	RM'000
Unquoted shares at cost	**98,728**	93,928
Less: Allowance for impairment loss	**(7,984)**	(7,984)
	90,744	85,944

The Group's effective equity interest in the subsidiaries are as follows:

Name of companies	Place of business/country of incorporation	Effective equity interest 2024 %	Effective equity interest 2023 %	Principal activities
Held directly by Harrisons Holdings (Malaysia) Berhad				
Harrisons Peninsular Sdn. Bhd.	Malaysia	**100**	100	Marketing, sales and distribution of building materials, industrial and agricultural chemical products liquor products and the operation of shipping and insurance agencies
Harrisons Sabah Sdn. Bhd.	Malaysia	**100**	100	Marketing, sales and distribution of consumer, engineering, building and agricultural chemical products, operation of shipping and investment holding

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

19. INVESTMENT IN SUBSIDIARIES AND ASSOCIATE (CONTINUED)

Investment in subsidiaries (continued)

The Group's effective equity interest in the subsidiaries are as follows: (continued)

Name of companies	Place of business/country of incorporation	Effective equity interest 2024 %	2023 %	Principal activities
Held directly by Harrisons Holdings (Malaysia) Berhad (continued)				
Harrisons Sarawak Sdn. Bhd.	Malaysia	**100**	100	Marketing, sales and distribution of consumer, engineering, building and agricultural chemical products, operation of shipping and investment holding
Harrisons Marketing & Services Sdn. Bhd. [α]	Malaysia	**100**	100	Trading of consumer products
Jantoco Realty Sdn. Bhd.[#]	Malaysia	**100**	100	Letting out property and collection of rental from the property, to act as property manager and adviser, and to carry on the business of an investment holding company
Harrisons Corporate Services Sdn. Bhd. [#, ^]	Malaysia	**100**[(a)]	100	Provision of management services
Subsidiaries of Harrisons Peninsular Sdn. Bhd.				
J. Whyte (Malaysia) Sdn. Bhd.	Malaysia	**100**	100	Letting of property and related services
Harrisons Chemicals Sdn. Bhd. [#,&]	Malaysia	**-**	100	Dissolved
Weedone Products (Malaya) Sdn. Bhd. [#,&]	Malaysia	**-**	100	Dissolved
Marca Privada Sdn. Bhd. [#,&]	Malaysia	**-**	100	Dissolved
Watts Harrisons Sdn. Bhd. [#]	Malaysia	**100**	100	In the process of members' voluntary winding-up

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

19. INVESTMENT IN SUBSIDIARIES AND ASSOCIATE (CONTINUED)

Investment in subsidiaries (continued)

The Group's effective equity interest in the subsidiaries are as follows: (continued)

Name of companies	Place of business/country of incorporation	Effective equity interest 2024 %	2023 %	Principal activities
Famous Foods Company Pte. Ltd. #	Singapore	**72**	72	Investment holding
The Famous Amos Chocolate Chip Cookie Singapore Pte. Ltd. #	Singapore	**72**	72	Manufacturing and retailing of consumer goods
Subsidiaries of Harrisons Sabah Sdn. Bhd.				
Harrisons Travel Sdn. Bhd. +	Malaysia	**100**	100	Travel agent
Harcros (Sabah) Sdn. Bhd.	Malaysia	**100**	100	Dormant

\# Not audited by PricewaterhouseCoopers PLT, Malaysia.

\+ Harrisons Sabah Sdn. Bhd. holds an effective equity interest of 73% in Harrisons Travel Sdn. Bhd. The remaining 27% is held by Harrisons Peninsular Sdn. Bhd. Therefore, the Group holds an effective equity interest of 100%.

α The Company holds an effective equity interest of 74% in Harrisons Marketing & Services Sdn. Bhd. The remaining 26% is held by Harrisons Peninsular Sdn. Bhd. Therefore, the Group holds an effective equity interest of 100%.

^ The Company holds an effective equity interest of 90% in Harrisons Corporate Services Sdn. Bhd. The remaining 10% is held by Harrisons Peninsular Sdn. Bhd. Therefore, the Group holds an effective equity interest of 100%.

& Companies dissolved during the financial year.

(a) During the financial year, the Company made the following acquisition:

The issued and paid up capital of Harrisons Corporate Services Sdn. Bhd. ("HCSSB") was increased from RM500,000, consisting of 500,000 ordinary shares, to RM5,300,000 consisting of 5,300,000 ordinary shares, through the allotment of 4,800,000 ordinary shares fully paid up, to be satisfied by capitalising the RM4,800,000 owed by the HCSSB to the Company. The acquisition did not contribute significantly to the results of the Group.

19. INVESTMENT IN SUBSIDIARIES AND ASSOCIATE (CONTINUED)

Investment in associate

The Group has not recognised its share of profit after tax of an associate for the financial year of RM29,000 (2023: Profit after tax of RM22,000) as the share of accumulated losses of the associate of RM850,000 (2023: accumulated loss of RM 879,000) had exceeded the carrying amount of the investment. Hence, the current year's share of profit after tax of the associate was used to offset against the Group's share of accumulated losses in the associate that were previously not recognised. The cost of the investment was RM24,500 and has been fully written down.

The Group's unrecognised cumulative share of losses of the associate based on unaudited results of the associate is RM850,000 (2023: RM879,000).

The Group's effective equity interest in the associate is as follows:

Name of companies	Place of business/country of incorporation	Effective equity interest **2024** %	2023 %	Principal activities
Associate of Harrisons Peninsular Sdn Bhd				
Harrisons Logistics Sdn. Bhd. #	Malaysia	**30**	30	Marketing, sales, warehousing and distribution of agrochemical products and building materials and forwarding agent

\# Not audited by PricewaterhouseCoopers PLT, Malaysia. The above associate is incorporated in Malaysia.

20. INTANGIBLE ASSETS

See accounting policies in Note 3(e).

The intangible asset represents franchise rights of Famous Amos with indefinite useful life. In assessing for impairment, Famous Amos is regarded as a separate cash-generating-unit ("CGU"). Accordingly, the franchise rights have been allocated to this CGU.

The Directors have assessed the recoverable amount based on the value-in-use ("VIU") calculation, which uses cash flow projections based on financial budgets approved by Board of Directors covering a five-year period. Cash flows beyond the five-year period are extrapolated using an estimated growth rate.

The following are the key assumptions used in determining the recoverable amount of these non-financial assets under three scenarios: best, medium and worst case scenarios:

(a) Weightage of 33.3%, 33.3% and 33.3% applied to the best, medium and worst case scenarios;

20. INTANGIBLE ASSETS (CONTINUED)

(b) For best case scenario, revenue is expected to increase by 5% annually from FY2025 to FY2029, benchmarked against historical growth rate. For medium case scenario, revenue is expected to increase by 3% from FY2025 to FY2029. For worst case scenarios, revenue is expected to increase by 0% from FY2025 to FY2029;

(c) Annual capital expenditure based on historical experience of management and the planned refurbishment expenditure. No incremental revenue or cost savings are assumed in the value-in-use model as a result of this expenditure;

(d) The growth rate used to extrapolate the cash flows beyond the budget period of 5 year is 0% (2023: 0%); and

(e) Pre-tax discount rate of 5.67% (2023: 5.63%) is applied across all scenarios, benchmarked against local peers at the date of assessment.

Based on the impairment assessment, no impairment loss has been identified for the intangible asset. Based on sensitivity analysis performed, reasonable change in the key assumptions by an adjustment of 1% to the pre-tax discount rate and a 3% decrease in the projected revenue will not result in any impairment loss.

21. INVENTORIES

See accounting policies in Note 3(j).

	Group	
	2024	2023
	RM'000	RM'000
Finished goods	**272,353**	248,424
Raw materials	**3,536**	4,985
	275,889	253,409

The carrying amount of inventories is RM275.9 million (2023: RM253.4 million) after deducting provision for obsolescence of inventories amounting to RM13.8 million (2023: RM13.4 million).

The cost of inventories recognised as an expense during the financial year amounted to RM2.0 billion (2023: RM2.1 billion).

22. TRADE AND OTHER RECEIVABLES

See accounting policies in Note 3(k) and (f)(ii), (iii), (iv).

	Group		Company	
	2024	2023	**2024**	2023
	RM'000	RM'000	**RM'000**	RM'000
Trade receivables	**363,387**	375,779	**-**	-
Less: Loss allowance	**(28,138)**	(25,471)	**-**	-
Trade receivables - net	**335,249**	350,308	**-**	-
Amounts due from subsidiaries	**-**	-	**445**	6,445
Less: Loss allowance	**-**	-	**-**	(1,536)
Amounts due from subsidiaries - net	**-**	-	**445**	4,909
Deposits	**8,666**	8,644	**67**	80
Prepayments	**886**	817	**110**	111
Other receivables	**3,484**	1,788	**104**	405
	13,036	11,249	**281**	596
	348,285	361,557	**726**	5,505

Included in trade receivables is amount due from an associate of RM3,500,000 (2023: RM3,414,000) which has been fully impaired. This amount represents balances arising from trade transactions and advances which are unsecured and have no fixed term of repayment.

The amounts due from subsidiaries represent expenses paid on behalf of the subsidiaries. These balances are unsecured, repayable on demand and bear interest at a rate of 7.1% (2023: 5.5%) per annum. An impairment loss of Nil (2023: RM1,536,000) in respect of the impaired outstanding balances had been recognised during the financial year. The impairment loss of RM1,536,000 has been reversed during the year due to members voluntary winding-up of a subsidiary, Watts Harrisons Sdn. Bhd.

Reconciliation of loss allowance

The movement of loss allowance is as follows:

	Group	
	2024	2023
	RM'000	RM'000
At 1 January	**25,471**	25,387
Loss allowance recognised in profit or loss during the financial year	**2,667**	84
At 31 December	**28,138**	25,471

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

23. DEPOSITS, CASH AND BANK BALANCES/CASH AND CASH EQUIVALENTS

See accounting policies in Note 3(l).

	Group		Company	
	2024	2023	**2024**	2023
	RM'000	RM'000	**RM'000**	RM'000
Deposits with licensed banks	**29,576**	22,592	**-**	-
Cash and bank balances	**93,266**	126,540	**4,079**	32,575
Deposits, cash and bank balances	**122,842**	149,132	**4,079**	32,575
Bank overdraft (Note 25)	**(698)**	(1,842)	**-**	-
Fixed deposit of more than 3 months maturity with a licensed bank	**(4,965)**	(6,818)	**-**	-
Cash and cash equivalents	**117,179**	140,472	**4,079**	32,575

The effective interest rate of fixed deposits with licensed banks during the financial year is 2.51% (2023: 2.66%) per annum. The maturity period of these deposits are between 3 months to 12 months (2023: 3 months to 12 months). Bank balances are deposits held at call with bank.

The currency exposure profile of deposits, cash and bank balances are disclosed in Note 31(i) to the financial statements.

24. TRADE AND OTHER PAYABLES

See accounting policies in Note 3(n) and (r).

	Group		Company	
	2024	2023	**2024**	2023
	RM'000	RM'000	**RM'000**	RM'000
Current liabilities:				
Trade payables	**160,872**	167,751	**-**	-
Other payables	**3,225**	1,888	**-**	-
Accruals	**48,626**	54,074	**750**	757
Payroll liabilities	**19,996**	20,001	**-**	-
Provision for reinstatement costs	**560**	561	**-**	-
Refundable deposits	**19,544**	18,295	**-**	-
	252,823	262,570	**750**	757

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

25. BORROWINGS

See accounting policies in Note 3(o).

	Group	
	2024	2023
	RM'000	RM'000
Bankers' acceptance	**175,397**	150,753
Bank overdrafts	**698**	1,842
	176,095	152,595

The unsecured short-term bankers' acceptances have an average maturity period of on call to one month (2023: on call to one month). The average interest rates per annum of borrowings that were effective as at the reporting date are as follows:

	Group	
	2024	2023
	%	%
Bankers' acceptances	**3.79**	3.71
Bank overdrafts	**7.06**	8.07

26. LEASE LIABILITIES

See accounting policies in Note 3(i).

Lease liabilities are presented in the statements of financial position as follows:

	Group		Company	
	2024	2023	**2024**	2023
	RM'000	RM'000	**RM'000**	RM'000
Current liabilities	**14,242**	14,681	**31**	9
Non-current liabilities				
- due within 2 to 5 years	**33,807**	28,971	**44**	-
- due more than 5 years	**31,300**	25,075	**-**	-
	65,107	54,046	**44**	-
Total lease liabilities	**79,349**	68,727	**75**	9

26. LEASE LIABILITIES (CONTINUED)

The movement of lease liabilities is as follows:

	Group		Company	
	2024	2023	**2024**	2023
	RM'000	RM'000	**RM'000**	RM'000
At 1 January	**68,727**	69,822	**9**	43
Addition during the financial year	**9,482**	13,611	**94**	-
Interest charged during the financial year (Note 7)	**3,223**	3,091	**3**	3
Repayment of lease liabilities	**(18,475)**	(18,450)	**(33)**	(37)
Modification	**16,392**	653	**2**	-
At 31 December	**79,349**	68,727	**75**	9

27. SHARE CAPITAL

See accounting policies in Note 3(m)(i) and (iii).

	Group and Company	
	2024	2023
	RM'000	RM'000
Issued and fully paid ordinary shares:		
At beginning/end of the financial year	**68,523**	68,523

During the financial year, the Company increased its issued and paid-up ordinary share capital from 68,489,200 to 342,446,000 by way of issuance of 273,956,800 new ordinary shares arising from the subdivision of every 1 existing ordinary share into 5 subdivided shares which was completed on 12 December 2024 ("Share Split").

The subdivided ordinary shares issued pursuant to the share split during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

As at 31 December 2024, the number of outstanding shares in issue after setting off treasury shares of 65,000 (2023: 13,000) against equity is 342,381,000 (2023: 68,476,200). As treasury shares, the rights attached as to voting, dividends and participation in other distributions are suspended. None of the treasury shares repurchased have been sold as at 31 December 2024.

28 COMMITMENTS

(a) Capital commitments

The Group has approved but not contracted for capital expenditure in respect of property, plant and equipment for a sum of RM19,626,969 (2023: RM17,406,000).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

28. COMMITMENTS (CONTINUED)

(b) Non-cancellable operating leases

The Group leases various office buildings and warehouses under non-cancellable operating lease agreements. The lease terms range between 2 and 10 years, and majority of lease agreements are renewable at the end of the lease period at market rate.

The Group has recognised right-of-use assets for these assets, except for short-term and low-value leases, Note 14 and Note 26 for further information.

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	Group	
	2024	2023
	RM'000	RM'000
Within one year	**31**	54
Later than one year and not later than five years	**48**	38
	79	92

29. SIGNIFICANT RELATED PARTY DISCLOSURES

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions.

(a) Management services rendered by a subsidiary

	Company	
	2024	2023
	RM'000	RM'000
Harrisons Corporate Services Sdn. Bhd.	**1,251**	1,336

(b) (Advances to)/Repayment from subsidiary

Harrisons Sabah Sdn. Bhd.	**59**	52,441
Harrisons Peninsular Sdn. Bhd.	**20**	-
Harrisons Corporate Services	**(417)**	-
Marca Privada Sdn. Bhd.	**3**	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

29. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

(c) Companies in which certain Directors of the Company and/or close members of the family have substantial financial interest:

	Group		Company	
	2024	2023	**2024**	2023
	RM'000	RM'000	**RM'000**	RM'000
(i) Rental of office space from Sinar Nusantara Sdn. Bhd. #	**163**	166	**36**	36
(ii) Rental of warehouses from two companies in which close members of the family of a Director of the Company have 50% equity interest	**816**	816	**-**	-

\# Directors, Pandjijono Adijanto and Tan Phwe Leng (Tan Phe Lin @ Mariana Adijanto), and/or close members of the family have substantial financial interests in Sinar Nusantara Sdn. Bhd.

The Directors of the Company, Pandjijono Adijanto and Tan Phwe Leng (Tan Phe Lin @ Mariana Adijanto), and/or close members of the family have substantial financial interests in Bumi Raya International Holding Company Limited which holds 40.88% (2023: 40.88%) direct interest in the Company.

(d) Key management personnel

	Group		Company	
	2024	2023	**2024**	2023
	RM'000	RM'000	**RM'000**	RM'000
Key management:				
- fees and allowances	**806**	779	**521**	522
- basic salaries and bonus	**4,307**	4,250	**-**	-
- defined contribution retirement plan	**721**	688	**-**	-
	5,834	5,717	**521**	522
Estimated monetary value of benefits-in-kind	**101**	101	**-**	-

Key management personnel of the Group refer to the Directors of the Company and certain senior management. Included in the key management compensation are Directors' remuneration as disclosed in Note 9 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

30. FINANCIAL INSTRUMENTS BY CATEGORY

	2024 RM'000	2023 RM'000
Group		
Financial assets measured at amortised cost		
Trade and other receivables (excluding prepayments)	**347,399**	360,740
Deposits, cash and cash equivalents	**122,842**	149,132
	470,241	509,872
Financial asset measured at FVOCI		
Financial assets at FVOCI	**4,835**	3,447
Financial asset measured at FVTPL		
Financial assets at FVTPL	**48,996**	21,109
Financial liabilities measured at amortised cost		
Trade and other payables (excluding provisions and payroll liabilities)	**232,267**	242,008
Short-term bank borrowings	**176,095**	152,595
Lease liabilities	**79,349**	68,727
	487,711	463,330

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

30. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

	2024 RM'000	2023 RM'000
Company		
Financial assets measured at amortised cost		
Trade and other receivables (excluding prepayments)	**616**	5,394
Deposits, cash and cash equivalents	**4,079**	32,575
	4,695	37,969
Financial asset measured at FVOCI		
Financial assets at FVOCI	**4,406**	3,097
Financial asset measured at FVTPL		
Financial assets at FVTPL	**48,836**	20,954
Financial liabilities measured at amortised cost		
Trade and other payables (excluding provisions and payroll liabilities)	**750**	757
Lease liabilities	**75**	9
	825	766

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's and the Company's activities are exposed to a variety of financial risks, including foreign currency exchange risk, interest rate risk, price risk, credit risk and liquidity risk. The Group's and the Company's overall financial risk management objectives are to ensure that the Group and the Company create value for the shareholders. Financial risk management is carried out through internal control systems and adherence to the Group's and the Company's financial risk management policies.

(i) Foreign currency exchange risk

Foreign currency exchange 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 and the Company are exposed to foreign currency exchange risk as a result of the foreign currency transactions denominated in currencies other than Ringgit Malaysia.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(i) Foreign currency exchange risk (continued)

At the end of the reporting period, the carrying amounts of financial assets and liabilities denominated in currencies other than the functional currency are as follows:

	USD RM'000	SGD RM'000	Others RM'000	Total RM'000
Group				
As at 31 December 2024				
Deposits, cash and bank Balances	**381**	**21,227**	**-**	**21,608**
Financial assets at FVOCI	**-**	**3,772**	**-**	**3,772**
Trade and other receivables	**-**	**3,033**	**-**	**3,033**
Trade and other payables	**-**	**(5,140)**	**-**	**(5,140)**
	381	**22,892**	**-**	**23,273**
As at 31 December 2023				
Deposits, cash and bank Balances	861	19,832	186	20,879
Financial assets at FVOCI	-	3,097	-	3,097
Trade and other receivables	-	3,235	-	3,235
Trade and other payables	-	(5,878)	-	(5,878)
	861	20,286	186	21,333
Company				
As at 31 December 2024				
Financial assets at FVOCI	**-**	**3,772**	**-**	**3,772**
As at 31 December 2023				
Financial assets at FVOCI	-	3,097	-	3,097

The currencies giving rise to this risk are primarily United States Dollar ("USD") and Singapore Dollar ("SGD").

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(i) Foreign currency exchange risk (continued)

The following table demonstrates the sensitivity of the Group's and the Company's profit after tax and other comprehensive income and equity, to a reasonably possible change in the USD and SGD exchange rates against the functional currency of the Group and the Company, with all other variables held constant.

	Group		Company	
	2024	2023	**2024**	2023
	RM'000	RM'000	**RM'000**	RM'000
	Gain	Gain	**Gain**	Gain
Impact on profit or loss net of tax due to increases in				
- USD by 5%:	**14**	32	**-**	-
- SGD by 5%:	**721**	647	**-**	-
Impact on other comprehensive income and equity due to increases in				
- SGD by 5%	**143**	118	**143**	118

Decreases in the exchange rates with the same magnitude will have the equal but opposite effects to the amount shown above.

(ii) Interest rate risk

Interest rate risk is the risk that future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arises primarily from borrowings issued at floating rates and short term deposits. The Group and the Company do not enter into any financial instruments to hedge movements in interest rates as the risk is deemed to be insignificant.

A reasonable change in the interest rates would not result in a material impact to the Group's results for the financial year.

(iii) Price risk

Price risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group and the Company are exposed to equity price risk arising from its investment in quoted shares. These quoted shares listed on Stock Exchanges of Malaysia and Singapore are classified as FVOCI.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(iii) Price risk (continued)

At the end of the reporting period, if the share price of the marketable securities had been 2% higher/lower, with all other variables held constant, the Group's and Company's other reserves would have been RM1,077,000 and RM1,065,000 (2023: RM491,000 and RM481,000) (higher/lower respectively, arising as a result of an increase/decrease in the fair value of these marketable securities.

(iv) Credit risk

Financial assets that potentially subject the Group's exposure to credit risk arise mainly from cash and cash equivalents, deposits with financial institutions and contractual cash flows of debt instruments carried at amortised cost and FVTPL.

(a) Risk management

Credit risk with respect to receivables are limited as the Group and the Company do not have any significant exposure to any individual customer or counterparty. The Group and the Company's credit risks are minimised through effective monitoring of receivables and suspension of sales to customers whose accounts exceed the stipulated credit terms. Credit limits are set and credit history is reviewed to minimise potential losses.

The Group's cash and cash equivalents, deposits with financial institutions and debt instruments carried at FVTPL are placed with creditworthy financial institutions and the risks arising thereof are minimised in view of the financial strength of these financial institutions.

The Company also provides unsecured advances to subsidiaries. The Company monitors the results of the subsidiaries regularly. As at end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position. There was no indication that the advances to the subsidiaries are not recoverable.

(b) Impairment of financial assets

The Group and the Company have the following financial instrument that are subject to the expected credit loss model:

- Trade receivables from goods sold or services performed
- Deposits and other receivables
- Amounts due from subsidiaries
- Financial guarantee contracts

While cash and cash equivalents are also subject to the impairment of MFRS 9, the identified impairment loss was immaterial.

<u>Trade receivables using simplified approach</u>

The Group applies the simplified approach under MFRS 9 to measure expected credit losses, which uses a lifetime expected loss allowance for all trade receivables. To measure the expected losses, trade receivables have been grouped based on shared credit risk characteristics.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(iv) Credit risk (continued)

(b) Impairment of financial assets (continued)

Trade receivables using simplified approach (continued)

The expected loss rates are based on historical payment profiles of sales and the corresponding historical credit losses experienced within these periods. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the Kuala Lumpur Composite Index ("KLCI") and Producer Price Index to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. No significant changes to estimation techniques or assumptions were made during the reporting period.

Deposits, other receivables, amounts due from subsidiaries and financial guarantee contracts

The Group and the Company use four categories to reflect their credit risk and how the loss allowance is determined for other receivables and amounts due from subsidiaries which are subject to expected credit losses under the 3-stage general approach. A summary of the assumptions which underpin the expected credit losses model is as follows:

Category	**Company's definition of category**	**Basis for recognising ECL**
Performing	Debtors have a low risk of default and a strong capacity to meet contractual cash flows.	12 months ECL
Under-performing	Debtors for which there is a significant increase in credit risk or significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due.	Lifetime ECL
Non-performing	Interest and/or principal repayments are 90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL (credit impaired)
Write-off	There is evidence indicating that there is no reasonable expectation of recovery based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.	Asset is written off

Information in respect of the loss allowance for trade and other receivables is disclosed in Note 22.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(iv) Credit risk (continued)

(b) Impairment of financial assets (continued)

Maximum exposure to credit risk

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Group's maximum exposure to credit risk on these assets:

31 December 2024	**Current**	**More than 30 days past due**	**More than 60 days past due**	**More than 90 days past due**	**Total**
Expected loss rate	**0.0% - 3.9%**	**0.1% - 7.8%**	**0.4% - 19.0%**	**1.2% - 100%**	
Gross carrying amount – trade receivables (RM'000)	**131,068**	**136,874**	**55,756**	**39,689**	**363,387**
Loss allowance (RM'000)	**(558)**	**(826)**	**(887)**	**(25,867)**	**(28,138)**
Carrying amount (net of loss allowance) (RM'000)	**130,510**	**136,048**	**54,869**	**13,822**	**335,249**

31 December 2023	**Current**	**More than 30 days past due**	**More than 60 days past due**	**More than 90 days past due**	**Total**
Expected loss rate	0.1% - 2.7%	0.3% - 5.9%	1.03% - 18.03%	2.8% - 100%	
Gross carrying amount – trade receivables (RM'000)	156,055	140,257	50,675	28,792	375,779
Loss allowance (RM'000)	(724)	(820)	(5,464)	(18,463)	(25,471)
Carrying amount (net of loss allowance) (RM'000)	155,331	139,437	45,211	10,329	350,308

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(iv) Credit risk (continued)

(b) Impairment of financial assets (continued)

Maximum exposure to credit risk (continued)

The ECL exposure to deposits and other receivables is immaterial to the financial statements as a whole. The amounts due from subsidiaries are repayable on demand. Hence, ECL are based on the assumption that repayment of loans is demanded at the reporting date, with short contractual period for payment. In the case of the Company, allowance for impairment loss is made where the subsidiaries have insufficient assessable high liquid assets to repay the balances if demanded at the reporting date. Information in respect of the allowance for impairment loss for amounts due from subsidiaries is disclosed in Note 22.

Financial guarantee contracts

The Company provides unsecured financial guarantees to banks and trade payables in respect of banking facilities and credit limits granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

The maximum exposure to credit risk amounts to RM 192 million (2023: RM206 million) representing the financial guarantee contracts issued by the Company in respect of the outstanding banking facilities and trade payables of the subsidiaries as at the end of the reporting period.

As at the end of the reporting period, there was low risk that any subsidiary would default on repayment. Accordingly, the financial guarantee contracts are categorised under the performing category.

(c) Fixed deposits and cash and bank balances

	Group		Company	
	2024	2023	**2024**	2023
	RM'000	RM'000	**RM'000**	RM'000
Deposits, cash and bank balances				
Counterparties with external credit rating:				
- AAA	**54,119**	67,751	**4,078**	32,574
- AA	**63,906**	76,462	**1**	1
- A+	**4,001**	2,959	**-**	-
	122,026*	147,172*	**4,079**	32,575

*excludes cash in hand of the Group amounting to RM118,000 (2023: RM118,000).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(v) Liquidity risk

The Group and the Company actively manage their operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. As part of their overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash to meet their working capital requirements. The Group and the Company aim at maintaining flexibility in funding by keeping committed credit lines available.

The table below analyses the Group's and the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year RM'000	Between 2 and 5 years RM'000	More than 5 years RM'000	Total RM'000
As at 31 December 2024				
Group				
Trade and other payables	**232,267**	**-**	**-**	**232,267**
Borrowings	**174,632**	**-**	**-**	**174,632**
Lease liabilities	**16,327**	**42,913**	**38,423**	**97,663**
	423,226	**42,913**	**38,423**	**504,562**
Company				
Trade and other payables	**750**	**-**	**-**	**750**
Financial guarantee contracts:				
- given to subsidiaries' bank borrowings	**167,145**	**-**	**-**	**167,145**
- given to trade payables of the subsidiaries	**24,496**	**-**	**-**	**24,496**
Lease liabilities	**75**	**-**	**-**	**75**
	192,466	**-**	**-**	**192,466**

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(v) Liquidity risk (continued)

	Less than 1 year RM'000	Between 2 and 5 years RM'000	More than 5 years RM'000	Total RM'000
As at 31 December 2023				
Group				
Trade and other payables	242,008	-	-	242,008
Borrowings	152,117	-	-	152,117
Lease liabilities	16,872	35,373	28,703	80,948
	410,997	35,373	28,703	475,073
Company				
Trade and other payables	757	-	-	757
Financial guarantee contracts:				
- given to subsidiaries' bank borrowings	165,705	-	-	165,705
- given to trade payables of the subsidiaries	40,270	-	-	40,270
Lease liabilities	9	-	-	9
	206,741	-	-	206,741

The Company has issued certain corporate guarantees amounting to RM190 million (2023: RM206 million) for the benefit of its subsidiaries. The management has exercised judgement in establishing the view that the chances of these being called upon are remote, and that there is no material fair value accreting to the guarantor or the beneficiaries.

(vi) Fair value estimation

The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

Other than financial assets at FVOCI and FVTPL, the carrying values of trade and other receivables, trade and other payables, borrowings and deposits, cash and bank balances, approximate their fair values as at the reporting date. The Group and the Company measure the financial assets at FVOCI and FVTPL as Level 1 in the fair value hierarchy of MFRS 13.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

32. CAPITAL RISK MANAGEMENT

The Group's and the Company's objectives when managing capital are to ensure that the Group and the Company continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Capital structure represents the Group's and the Company's ordinary shares and retained earnings.

The Group and the Company were in compliance with the financial debt covenants imposed by the financial institutions for the financial year ended 31 December 2024 and 31 December 2023.

33. SUBSEQUENT EVENT

On 27 January 2025, Jantoco Realty Sdn. Bhd., a wholly-owned subsidiary of the Company had granted a Letter of Award to Budiwan Sdn. Bhd. to undertake the construction of single-storey warehouse with Mezzanine Floor Logistics Room and Utility Building on Lot 6, Industrial Zone 7 Kota Kinabalu Industrial Park (KKIP), Jalan Tengah KKIP Tuaran, Kota Kinabalu, Sabah under Master Title CL015582153 and CL015691095 for a contract sum of RM27,950,000.

34. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 17 April 2025.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HARRISONS HOLDINGS (MALAYSIA) BERHAD
(Incorporated in Malaysia)
Registration No. 199001003108 (194675-H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Harrisons Holdings (Malaysia) Berhad ("the Company") and its subsidiaries ("the Group") give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policies, as set out on pages 77 to 141.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Group and of the Company. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Company, the accounting processes and controls, and the industry in which the Group and the Company operate.

INDEPENDENT AUDITORS' REPORT (CONT'D)

TO THE MEMBERS OF HARRISONS HOLDINGS (MALAYSIA) BERHAD
(Incorporated in Malaysia)
Registration No. 199001003108 (194675-H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters
Provision for inventory obsolescence	
As at 31 December 2024, the Group's inventory balance totalled RM275.9 million, net of provision for inventory obsolescence of RM13.8 million. The provision for inventory obsolescence is estimated by management based on historical experience of the saleability of inventories based on ageing and expiry profiles. The rate of provision for inventory obsolescence derived are applied on the inventory's current ageing and expiry bands as at 31 December 2024 according to the respective inventory categories and provisioning rates. Critical assumptions are made by management in assessing the net realisable amounts of these inventories. We focused on this area as assessing the valuation of inventories is an area where management is required to make key assumptions and due to this, there is inherent risk in estimating the net realisable values for these inventories. As described in Note 4(a) - Critical accounting estimates and judgements on provision for inventory obsolescence, inventories are carried at the lower of costs and net realisable values. Thus, management is required to make critical assumptions in assessing the estimated net realisable amounts for inventories, taking into the consideration the associated factors giving rise to slow moving items, changing market conditions, availability of substitutes, responses by competitors among others in determining the level of stock obsolescence.	Our audit procedures on the testing of provision for inventory obsolescence were as follows: • We obtained the stock ageing/expiry reports and tested the underlying data used by management in estimating applicable rates used for provision for inventory obsolescence by checking the completeness and accuracy of the underlying data by: i) agreed the stock ageing and stock expiry reports generated from the system to management accounts and the General Ledger as at 31 December 2024 to ensure completeness and accuracy of these reports. ii) sighted suppliers' invoices and goods received notes to respective goods receipt dates, to ensure the ageing and expiry bands of each category of inventories are classified accurately. This is performed to ascertain the completeness and accuracy of stock ageing reports generated from the system. iii) sighted expiry dates of goods for entities who aged goods based on the respective expiry dates, to ensure expiry band of each category of inventories are accurate. • We obtained an understanding of management's policy and the method used by them in assessing the provision for inventory obsolescence. • Based on the Group's policy, we used historical data for slow moving and obsolete inventories to independently estimate the rate of provision for inventory obsolescence; *Continued on next page*

INDEPENDENT AUDITORS' REPORT (CONT'D)

TO THE MEMBERS OF HARRISONS HOLDINGS (MALAYSIA) BERHAD
(Incorporated in Malaysia)
Registration No. 199001003108 (194675-H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matters	**How our audit addressed the key audit matters**
Provision for inventory obsolescence (continued)	
Continued from previous page Refer to group financial statement Note 3(J) - Material accounting policies for inventories, Note 4(a) - Critical accounting estimates and judgements on provision for inventory obsolescence and Note 21 - Inventories to the financial statement.	• We compared our independently computed estimated rate of provision for inventory obsolescence for each category of inventory with the rate of allowance applied by management to determine reasonableness of allowance; and • We checked reasonableness of management's past estimates by comparing prior year's projected provision rates for inventory obsolescence to current year's actual inventory write-offs and used the results of our assessment to challenge management's current year's projections used for estimating rates for provisioning inventory obsolescence; and • We have assessed the appropriateness of the past trend analysis performed by management for the provision for obsolescence of inventories on inventory balances as at 31 December 2024. Based on audit procedures performed, no exceptions were noted.
Impairment of trade receivables	
As at 31 December 2024, the Group has a trade receivable balance of RM335.2 million, net of impairment of RM28.1 million. The impairment of trade receivables computed by management is based on expected loss rates of each ageing band of trade receivables. Specific provisions are made for individual debtors in default or credit-impaired. Significant judgement and estimates are required in determining loss rates to be applied to each ageing band of trade receivables. We focused on this area as the impairment assessment involves significant judgement by management to ascertain the timing of bad debts. There is inherent risk in determining the impact of critical assumptions applied by the management in estimating the level of impairment required for trade receivables.	Our audit procedures on impairment of trade receivables were as follows: • We obtained debtor ageing reports and tested the underlying data used by management in estimating the impairment rate by using procedures outlined below to ascertain whether debtor ageing reports generated from the system are complete and accurate: i) agreed total of the debtor ageing reports to management accounts i.e General Ledger as at 31 December 2024 to ensure completeness of data used in these reports; and ii) sighted to invoices to ensure receivable balances are classified accurately into each aged bracket. *Continued on next page*

INDEPENDENT AUDITORS' REPORT (CONT'D)

TO THE MEMBERS OF HARRISONS HOLDINGS (MALAYSIA) BERHAD
(Incorporated in Malaysia)
Registration No. 199001003108 (194675-H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
Impairment of trade receivables (continued)	
Continued from previous page Refer to the group financial statement Note 3(f)(ii) - Material accounting policies for impairment of trade and other receivables, Note 4(b) - Critical accounting estimates and judgements on loss allowance for trade receivables and Note 22 - Trade and other receivables.	• We obtained an understanding of and evaluated management's grouping of trade receivables based on shared credit risk characteristics and days past due; • We used historical payment profile of sales and corresponding historical credit losses experienced in historical periods to independently estimate the loss rate of trade receivables; • We subsequently compared our estimated loss rate of trade receivables in each age bracket for each category of trade receivables with the loss rate applied by management to determine the reasonableness of the impairment made; and • We obtained supporting documents such as letter of demand for individual debtors in default or credit-impaired grouped under individual assessment for specific provisions. Based on the audit procedures performed, no exceptions were noted.

There are no key audit matters to report for the Company.

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 Chairman's Statement, Management Discussion and Analysis, Sustainability Statement, Corporate Governance Overview Statement, Other Disclosures, Statement of Directors' Responsibility, Statement on Risk Management and Internal Control, Report of the Audit Committee and Directors' Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITORS' REPORT (CONT'D)

TO THE MEMBERS OF HARRISONS HOLDINGS (MALAYSIA) BERHAD
(Incorporated in Malaysia)
Registration No. 199001003108 (194675-H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

INDEPENDENT AUDITORS' REPORT (CONT'D)

TO THE MEMBERS OF HARRISONS HOLDINGS (MALAYSIA) BERHAD
(Incorporated in Malaysia)
Registration No. 199001003108 (194675-H)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT (CONT'D)

TO THE MEMBERS OF HARRISONS HOLDINGS (MALAYSIA) BERHAD
(Incorporated in Malaysia)
Registration No. 199001003108 (194675-H)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 19 to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

TIANG WOON MENG
02927/05/2026 J
Chartered Accountant

Kuala Lumpur
17 April 2025

LIST OF PROPERTIES

AS AT 31 DECEMBER 2024

Registered Owner	Location	Existing use	Tenure of land	Land area (square meters)	Built-up area/approx. age of building (square meters)	Date of acquisition/ last revaluation	Net book value as at 31.12.2024 RM'000
JWSB	Lot 9, Section 20A, Jalan P. P. Narayanan (Jalan 222) Town of Petaling Jaya, District of Petaling, PJ	Single office Building and single-storey godown	99 years lease expiring on 09.06.2065	6,324.00	2,688.90/ 59 years since 1966	13.03.1986	1,912
JWSB	Unit No. A-7-1, Dua Residency, Jalan Tun Razak, Kuala Lumpur	Condominium	Freehold	2,315.00	18 years Since 2007	27.08.2004	838
HPSB	Lot PTD 19965, Mukim of Pulai, District of Johor Bahru	Three storey corner shophouses	99 years – lease expiring on 29.03.2082	244.24	637.00/ 36 years since 1989	31.12.1990	116
HPSB	Lot No. PT. 4163, Mukim of Kapar, District of Klang, Selangor	2 storey office block with a single storey warehouse	99 years – lease expiring on 09.06.2086	6,066.80	3,042.00/ 43 years since 1982	31.12.1990	1,052
HPSB	Mukim of Kundor, District of Rembau, Negeri Sembilan HS(D)3529-PT655 HS(D)3530-PT656 HS(D)3549-PT675 HS(D)3588-PT714	Vacant Land	Freehold	 4,378.69 4,823.84 4,075.18 4,050.90	-	26.08.2003	328
HSarawak	Lot 16, Section 22 Kuching Town Land District	2 storey office block with 2, adjoining warehouse	853 years – lease expiring on 31.12.2790	5,666.00	2,084.31/ 39 years	31.12.1990	1,014
HSabah	H.S (D) No 9914 P.R No. 13789, Mk Bentong, Daerah Bentong, Ng Pahang Lot A322 Tanarimba Janda Baik, Pahang	Two storey Bungalow	99 years lease expiring on 08.09.2095	5,018.83	-	26.03.2008	448
HSabah	Kota Kinabalu Town Lease No. 017503856	3 storey office building	999 years – lease expiring on 23.04.2910	929.00	2,092.45/ 64 years	07.05.1990	3,201
HSabah	Kota Kinabalu Town Lease No. 017511661	2 storey office building	99 years – lease expiring on 26.02.2089	445.92	463.77/ 54 years	07.05.1990	613
HSabah	Likas Industrial Estate Kota Kinabalu, Country Lease No. 015358871	2 storey godown	60 years - lease expiring on 31.12.2028	3,685.46	2,498.99/ 39 years	07.05.1990	39
HSabah	Jalan Istana Town Lease No. 017564260 and 017503141	2 storey bungalow	999 years lease expiring on 12.07.2909 for TL 017564260 99 years lease expiring on 22.07.2053 for TL017503141	8,297.91	376.44/ 68 years	07.05.1990	683

LIST OF PROPERTIES (CONT'D)

AS AT 31 DECEMBER 2024

Registered Owner	Location	Existing use	Tenure of land	Land area (square meters)	Built-up area/approx. age of building (square meters)	Date of acquisition/ last revaluation	Net book value as at 31.12.2024 RM'000
HSabah	Sandakan Town Lease No. 077504182	3 storey office building	999 years lease expiring on 18.02.2915	925.40	1,309.37/ 66 years	07.05.1990	2,276
HSabah	Sandakan Town Lease No. 077544220	Single storey godown	999 years lease expiring on 30.06.2911	5,989.35	2,090.32/ 39 years	07.05.1990	1,825
HSabah	Tawau Town Lease No. 107504521	2 storey office building cum car showroom	99 years lease expiring on 06.04.2054	929.00	1,039.00/ 39 years	07.05.1990	881
HSabah	Tawau CL105498224	Warehouse	99 years lease expiring on 31.10.2050	6,947.06	2,322.50/ 39 years	30.09.2004	3,571
HSabah	Jalan Merdeka, Labuan Grant No. 207503857	2 storey office building with a godown	999 years lease expiring on 30.06.2901	2,136.77	738.20/ 66 years	07.05.1990	1,826
HSabah	Jalan Merdeka, Labuan Grant No. 207503866	Temporary open space storage	99 years expiring on 27.02.2051	3,530.32	-	07.05.1990	1,157
HSabah	Lahad Datu TL 117508559	Warehouse	99 years lease expiring on 26.01.2066	6,377.86	2,136.70/ 39 years	31.12.1999	993
HSabah	Labuan Suburban Grant No. 346 / 27903446	Vacant Land	999 years lease expiring on 03.11.2880	1.65 acres	-	14.11.2003	1
HSabah	Labuan Suburban Grant No. 347 / 20790507	Vacant Land	999 years lease expiring on 01.02.2854	2.5 acres	-	14.11.2003	1
Famous Amos	Ubi Techpark, Singapore	Office and factory area	60 years lease expiring on 04.07.2057	372.00	372.00/ 45 years	9.4.2018	4,022
Jantoco Realty	Kota Kinabalu Industrial Park (KKIP), Sabah	Vacant Land	99 years lease expiring on 31.12.2096	9,782.00 acres	-	12.9.2022	19,647

Abbreviation:

JWSB	:	J. Whyte (Malaysia) Sdn. Bhd.
HPSB	:	Harrisons Peninsular Sdn. Bhd.
HSabah	:	Harrisons Sabah Sdn. Bhd.
HSarawak	:	Harrisons Sarawak Sdn. Bhd.
Famous Amos	:	The Famous Amos Chocolate Chip Cookie Singapore Pte. Ltd.
Jantoco Realty	:	Jantoco Realty Sdn. Bhd.

ANALYSIS OF SHAREHOLDINGS

AS AT 28 MARCH 2025

Issued share capital	-	342,446,000 ordinary shares (inclusive of 65,000 treasury shares)
Class of shares	-	Ordinary shares
No. of shareholders	-	2,356
Voting right	-	One (1) vote per ordinary share

LIST OF SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

		Direct Interest		Indirect Interest	
	Names	**No. of Shares**	**% ^**	**No. of Shares**	**% ^**
1.	Bumi Raya International Holding Company Limited	140,026,155[1]	40.89	4,935,000[+]	1.44
2.	Dunway Holdings Limited	22,904,085[2]	6.69	12,611,500*	3.68
3.	Goodwin Investment Private Limited	23,569,000[3]	6.88	-	-
4.	Barkeley International Limited	-	-	23,569,000**	6.88

1. Bumi Raya International Holding Company Limited held through:

	No. of shares
• DB (Malaysia) Nominee (Asing) Sdn. Bhd. *Exempt An for Deutsche Bank AG Singapore (Asing WM CLT)*	**140,026,155**

2. Dunway Holdings Limited held through:

	No. of shares
• HSBC Nominees (Asing) Sdn. Bhd. *Exempt An for Morgan Stanley & Co. International PLC (Client)*	**22,904,085**

3. Goodwin Investment Private Limited held through:

	No. of shares
• Goodwin Investment Private Limited	6,500,000
• UOB Kay Hian Nominees (Asing) Sdn. Bhd. *Exempt An for UOB Kay Hian Pte Ltd (A/C Clients)*	17,069,000
	23,569,000

Notes:

^ Excluding 65,000 Harrisons Shares bought back by Harrisons and retained as treasury shares.
+ Deemed interested through Jantoco Holdings Sdn. Bhd. by virtue of Section 8 of the Companies Act 2016.
* Deemed interested through Jantoco Properties Sdn. Bhd. by virtue of Section 8 of the Companies Act 2016.
** Deemed interested through Goodwin Investment Private Limited by virtue of Section 8 of the Companies Act 2016

ANALYSIS OF SHAREHOLDINGS (CONT'D)

AS AT 28 MARCH 2025

DIRECTORS' SHAREHOLDINGS AS PER THE REGISTER OF DIRECTORS'S SHAREHOLDINGS

		Direct Interest		Indirect Interest	
	Names	**No. of Shares**	**%**	**No. of Shares**	**%**
1.	Pandjijono Adijanto	445,000	0.13	-	-
2.	Chang Kon Sang	-	-	-	-
3.	Tan Phwe Leng (Tan Phe Lin @ Mariana Adijanto)	45,000	0.01	-	-
4.	Wong Yoke Kong	845,000	0.25	-	-
5.	Felix Leong	-	-	-	-
6.	Datuk Lim Tong Lee	-	-	-	-

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Total Issued Share Capital
Less than 100	42	1.7827	911	0.0003
100 – 1,000	240	10.1868	155,879	0.0455
1,001 – 10,000	1,220	51.7827	6,889,750	2.0119
10,001 – 100,000	713	30.2632	23,850,910	6.9649
100,001 - Less than 5% of issued shares	137	5.8149	92,135,310	26.9051
5% and Above of Issued shares	4	0.1698	219,413,240	64.0724
TOTAL	2,356	100.0000	342,446,000	100.0000

ANALYSIS OF SHAREHOLDINGS (CONT'D)

AS AT 28 MARCH 2025

THIRTY (30) LARGEST SECURITIES HOLDERS
(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME REGISTERED HOLDER)

	Name	No. of Shares Held	%
1.	DB (Malaysia) Nominee (Asing) Sdn. Bhd. *Exempt An for Deutsche Bank AG Singapore (Asing WM CLT)*	150,026,155	43.81
2.	HSBC Nominees (Asing) Sdn. Bhd. *Exempt An for Morgan Stanley & Co. International PLC (Client)*	29,404,085	8.59
3.	Citigroup Nominees (Asing) Sdn. Bhd. *Exempt An for OCBC Securities Private Limited (Client A/C-NR)*	21,822,000	6.37
4.	UOB Kay Hian Nominees (Asing) Sdn. Bhd. *Exempt An for UOB Kay Hian Pte Ltd (A/C Clients)*	18,161,000	5.30
5.	Jantoco Properties Sdn. Bhd.	12,611,500	3.68
6.	Citigroup Nominees (Asing) Sdn. Bhd. *Exempt An for UBS AG Singapore (Foreign)*	8,036,600	2.35
7.	Goodwin Investment Private Limited	6,500,000	1.90
8.	CIMB Group Nominees (Asing) Sdn. Bhd. *Exempt An for DBS Bank Ltd (SFS-PB)*	5,673,000	1.66
9.	Jantoco Holdings Sdn. Bhd.	4,935,000	1.44
10.	Public Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Lim Kong Hwee (E-KPG/SGK)*	2,335,000	0.68
11.	DB (Malaysia) Nominee (Asing) Sdn. Bhd. *Deutsche Bank AG Singapore for Yeoman 3-Rights Value Asia Fund (PTSL)*	2,050,000	0.60
12.	Lim Ah Hua	1,699,000	0.50
13.	Teuh Chin Yap	1,665,000	0.49
14.	Teo Kock Sei	1,502,500	0.44
15.	HSBC Nominees (Asing) Sdn. Bhd. *Exempt An for Bank Julius Baer & Co. Ltd. (Singapore Bch)*	1,500,000	0.44
16.	CIMB Group Nominees (Asing) Sdn. Bhd. *Exempt An for DBS Bank Ltd (SFS)*	1,471,500	0.43
17.	UOB Kay Hian Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Teo Kwee Hock*	1,388,000	0.41
18.	Liau Keen Yee	1,281,500	0.37

ANALYSIS OF SHAREHOLDINGS (CONT'D)

AS AT 28 MARCH 2025

THIRTY (30) LARGEST SECURITIES HOLDERS
(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME REGISTERED HOLDER)

	Name	No. of Shares Held	%
19.	Public Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Lim Kong Hwee (E-KPG/SGK)*	1,166,500	0.34
20.	Chu Ah Kim @ Chow Sin Thiam	1,166,000	0.34
21.	HLB Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Tan Soo Sie*	1,065,500	0.31
22.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. *Pledged Securities Account for Tan Tuan Phin (Jalan Dedap-Cl)*	1,065,000	0.31
23.	Lim Wee Chin	1,019,500	0.30
24.	Public Invest Nominees (Asing) Sdn. Bhd. *Exempt An for Phillip Securities Pte Ltd (Clients)*	966,000	0.28
25.	Ng Su Peng	875,000	0.26
26.	Wong Yoke Kong	845,000	0.25
27.	Public Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Ling Hew Teng (E-BTL)*	842,220	0.25
28.	Tan Kok Tong	800,000	0.23
29.	General Technology Sdn. Bhd.	772,500	0.23
30.	Lim Ching Wah	735,000	0.22
	Total	283,380,060	82.78

HARRISONS HOLDINGS (MALAYSIA) BERHAD
[REGISTRATION NO. 199001003108 (194675-H)]
(INCORPORATED IN MALAYSIA)

NOTICE OF THIRTY-FIFTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty-Fifth Annual General Meeting ("35th AGM") of Harrisons Holdings (Malaysia) Berhad ("the Company") will be held at Ideas Kuala Lumpur Hotel, 12 Jalan Raja Laut, 50350 Kuala Lumpur, W.P. Kuala Lumpur on Friday, 20 June 2025 at 10.30 a.m. or at any adjournment thereof, for the purpose of considering the following businesses:-

A G E N D A

As Ordinary Business:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2024 and the Reports of the Directors and Auditors thereon. — **Please refer to Explanatory Note (i)**

2. To re-elect Mr Felix Leong who is retiring by rotation in accordance with Clause 97 of the Constitution of the Company and being eligible, have offered himself for re-election. — **Ordinary Resolution 1**

   Mr Pandjijono Adijanto who also retires by rotation in accordance with Clause 97 of the Company's Constitution, has expressed his intention not to seek for re-election at this 35th AGM. Hence, he will retain office until the conclusion of the 35th AGM.

3. To approve the payment of Directors' fees of RM508,953/- for the financial year ended 31 December 2024. — **Ordinary Resolution 2**

4. To approve the payment of Directors' benefit payable to the Non-Executive Directors of the Company amounting to RM12,500/- for the period from 21 June 2025 until the next Annual General Meeting. — **Ordinary Resolution 3**

5. To re-appoint Messrs. PricewaterhouseCoopers PLT as the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. — **Ordinary Resolution 4**

As Special Business:

To consider and if thought fit, pass the following Ordinary Resolutions with or without modifications:

6. **FINAL SINGLE-TIER DIVIDEND** — **Ordinary Resolution 5**

   "THAT a final single-tier dividend of 6.5 sen per ordinary share in respect of the financial year ended 31 December 2024 be hereby approved for payment on 18 August 2025."

7. **AUTHORITY TO ISSUE AND ALLOT SHARES** **Ordinary Resolution 6**

"THAT subject always to the Companies Act 2016, Constitution of the Company and approvals from Bursa Malaysia Securities Berhad and any other governmental/regulatory bodies, where such approval is necessary, authority be and is hereby given to the Directors pursuant to Section 75 of the Companies Act 2016 to issue and allot not more than ten percent (10%) of the total number of issued shares (excluding treasury shares) of the Company at any time upon any such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit or in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force until the conclusion of the next Annual General Meeting of the Company pursuant to Section 76 of the Companies Act 2016.

THAT the Directors be and are hereby further authorised to make or grant offers, agreements or options which would or might require shares to be issued after the expiration of the approval hereof.

THAT in connection with the above, pursuant to Section 85 of the Companies Act 2016, to be read together with Clause 54 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 with new shares ranking equally to the existing issued shares of the Company arising from any issuance of new shares in the Company pursuant to this mandate.

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

8. To transact any other ordinary business of which due notice shall have been given.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN that subject to the approval of the shareholders at the 35th AGM, a final single-tier dividend of 6.5 sen per ordinary share in respect of the financial year ended 31 December 2024, if approved, will be payable on 18 August 2025 to shareholders whose names appear in the Record of Depositors on 18 July 2025.

A depositor shall qualify for entitlement to the dividend only in respect of:-

a) Securities transferred into the Depositor's Securities Account before 4:30 p.m. on 18 July 2025 in respect of transfers; and

b) Securities bought on the Bursa Malaysia Securities Berhad ("Bursa Securities") on a cum entitlement basis according to the Rules of the Bursa Securities.

BY ORDER OF THE BOARD

LOW KONG CHOON (MAICSA 0818548 & SSM PC No. 202308000611)
TAN BEE HWA (MAICSA 7058049 & SSM PC No. 202008001174)
QWIK TSAE YNG (MAICSA 7053568 & SSM PC No. 202308000539)

Company Secretaries
Kuala Lumpur
30th day of April 2025

NOTES:-

1. A member of the Company who is entitled to attend, participate, speak and vote at a general meeting of the Company is entitled to appoint a proxy/proxies to attend, participate, speak and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy and the proxy shall have the same rights as the member.

2. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.

3. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

4. Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. Where the exempt authorised nominee appoints two (2) or more proxies to attend and vote at the same meeting, such appointment shall be invalid unless the member specifies the proportion of his holdings to be represented by each proxy.

5. A member who has appointed a proxy or attorney or authorised representative to attend, participate, speak and vote at the 35th AGM must submit instrument appointing a proxy. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if such appointer is a corporation, either under its common seal or under the hand of its officer or attorney duly authorised.

6. The instrument appointing a proxy must be made in a hard copy form or by electronic means, not less than 48 hours before the time appointed for holding the 35th AGM, as follows:-

   (a) In hardcopy form

   The original instrument appointing a proxy ("Proxy Form") must be deposited at the office of the Company's Share Registrar, Sectrars Management Sdn. Bhd. at Lot 9-7, Menara Sentral Vista, No.150, Jalan Sultan Abdul Samad, Brickfields, 50470 Kuala Lumpur.

   (b) By electronic means

   The proxy form can be electronically lodged with the Poll Administrator of the Company via Dvote Online website at https://www.dvote.my.

7. Please ensure ALL the particulars as required in the Proxy Form are completed, signed and dated accordingly. If no name is inserted in the space provided for the name of your proxy, the Chairman of the meeting will act as your proxy.

8. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn. Bhd. to make available to the Company pursuant to Clause 62 of the Constitution of the Company, a Record of Depositors as at 10 June 2025 and only a Depositor whose name appear on such Record of Depositors shall be entitled to attend this meeting.

Explanatory notes on Ordinary and Special Business

(i) Item 1 of the Agenda
- Audited Financial Statements for the financial year ended 31 December 2024

The Audited Financial Statements under this agenda item is meant for discussion only as the provision of Section 248 and Section 340 (1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders and hence this item is not put forward for voting.

(ii) Item 2 of the Agenda (Ordinary Resolutions 1)
- Re-election of Directors

Mr Felix Leong and Mr Pandjijono Adijanto are retiring by rotation in accordance with Clause 97 of the Constitution of the Company. The profile of the retiring Directors is set out in the Annual Report 2024.

The Nomination Committee ("NC") has taken into account the Board Evaluation Assessment including the results of assessment for Mr Felix Leong and Mr Pandjijono Adijanto and concurred that they have met the Board's expectation in terms of experience, expertise, integrity, competency, commitment and individual contribution by continuously performing their duties diligently as Director of the Company.

Nevertheless, Mr Pandjijono Adijanto had expressed his intention not to seek for re-election. Hence, he will retain office until the conclusion of the 35th AGM.

The Board recommended Mr Felix Leong to be re-elected as Directors of the Company.

(iii) Items 3 and 4 of the Agenda (Ordinary Resolutions 2 and 3)
- Directors' Fees and Directors' Benefit payable to the Board of the Company and its subsidiaries

Section 230(1) of the Companies Act 2016 provides amongst others, that "the fees" of the directors and "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agree that the shareholders' approval shall be sought at the 35th AGM on the Directors' remuneration in two (2) separate resolutions as below:-

Ordinary Resolution 2: Directors' Fees

The payment of the Directors' fees for the financial year ended 31 December 2024 will only be made if the proposed Ordinary Resolution 2 has been passed at the 35th AGM pursuant to Clause 105 of the Company's Constitution and Section 230(1) of the Companies Act 2016.

Ordinary Resolution 3: Directors' Benefit

The Directors' benefit comprises only the meeting allowances payable to the Non-Executive Directors of the Company.

The total amount of of meeting allowances of RM12,500/- is derived from the number of scheduled and unscheduled meetings (when necessary) and the number of Directors involved in these meetings.

The Board is of the view that it is just and equitable for the Directors to be paid the Directors' meeting allowances as and when incurred, particularly after having discharged their responsibilities and rendered their services to the Company and its subsidiaries throughout the period from 21 June 2025 until the next Annual General Meeting in year 2026.

(iv) Item 5 of the Agenda (Ordinary Resolution 4)
- Re-Appointment of Auditors

The Audit Committee ("AC") has carried out an assessment of the suitability, objectivity and independence of the external auditors, Messrs. PricewaterhouseCoopers PLT ("PwC") and was satisfied with the suitability of PwC based on the quality of audit, performance, competency and sufficiency of resources the external audit team provided to the Group.

The Board therefore approved the AC's recommendation on the re-appointment of PwC as the external auditors of the Company be put forward for the shareholders' approval at the forthcoming 35th AGM.

(v) Item 7 of the Agenda (Ordinary Resolution 6)
- Authority to Issue and Allot Shares

The proposed Ordinary Resolution 6, if passed, will give flexibility to the Directors to issue shares to such persons at any time in their absolute discretion without convening a general meeting. This authorisation will expire at the conclusion of next Annual General Meeting ("AGM") of the Company.

The purpose of this new general mandate is for possible fund-raising exercises, including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of borrowings and/or acquisitions.

The previous mandate obtained from the members at the last AGM was not utilised and, accordingly no proceeds were raised.

By voting in favour of this proposed resolution, the shareholders of the Company are deemed to have waived their pre-emptive rights pursuant to Section 85(1) of the Companies Act 2016 and Clause 54 the Company's Constitution to be first offered any new shares ranking equally to the existing issued shares of the Company under this general mandate which will result in a dilution of their shareholding percentage in the Company.

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HARRISONS HOLDINGS (MALAYSIA) BERHAD
Registration No. 199001003003108 (194675-H)
(Incorporated in Malaysia)

PROXY FORM

No. of Shares held	
CDS Account No.	

*I/We (full name in block letters)____

(NRIC No./Passport No./Registration No.) ________________________________

of (Address) ____

____ and

(Email address/Tel No.) ____

being a Member/Member(s) of HARRISONS HOLDINGS (MALAYSIA) BERHAD (the "Company"), hereby appoint the following person(s):-

Name of Proxy	***NRIC No./ Passport No.**	**Email/Contact No.**	**Proportion of Shareholdings (%)**
1.			
2.			

or failing *him/her, #THE CHAIRMAN OF THE MEETING as *my/our proxy to vote for *me/us on *my/our behalf at the Thirty-Fifth Annual General Meeting ("35th AGM") of the Company, to be held at Ideas Kuala Lumpur Hotel, 12 Jalan Raja Laut, 50350 Kuala Lumpur, W.P. Kuala Lumpur on Friday, 20 June 2025 at 10.30 a.m. or at any adjournment thereof and to vote as indicated below:-

Ordinary Business		**Ordinary Resolution**	**For**	**Against**
1	To re-elect Mr Felix Leong as Director	Resolution 1		
2	To approve the payment of Directors' Fees for the financial year ended 31 December 2024	Resolution 2		
3	To approve the payment of Directors' benefits payable to the Non-Executive Directors of the Company for the period from 21 June 2025 until the next Annual General Meeting	Resolution 3		
4	To re-appoint Messrs PricewaterhouseCoopers PLT as Auditors of the Company	Resolution 4		
Special Business				
5	To approve Final Single-Tier Dividend	Resolution 5		
6	To approve authority to Issue and Allot Shares	Resolution 6		

Mark either box if you wish to direct the proxy how to vote. If no mark is made the proxy may vote on the resolution or abstain from voting as the proxy thinks fit. If you appoint two proxies and wish them to vote differently this should be specified.

If you wish to appoint other person(s) to be your proxy/proxies, kindly delete the words "The Chairman of the Meeting" and insert the name(s) of the person(s) desired.

* *Delete if not applicable.*

Signed this __________ day of ________________, 2025

____
Signature of shareholder

____
Common seal is to be affixed here if shareholder is a corporation

Notes:

1. A member of the Company who is entitled to attend, participate, speak and vote at a general meeting of the Company is entitled to appoint a proxy/proxies to attend, participate, speak and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy and the proxy shall have the same rights as the member.
2. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.
3. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. Where the exempt authorised nominee appoints two (2) or more proxies to attend and vote at the same meeting, such appointment shall be invalid unless the member specifies the proportion of his holdings to be represented by each proxy.
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   (a) <u>In hardcopy form</u>
   The original instrument appointing a proxy ("Proxy Form") must be deposited at the office of the Company's Share Registrar, Sectrars Management Sdn. Bhd. at Lot 9-7, Menara Sentral Vista, No.150, Jalan Sultan Abdul Samad, Brickfields, 50470 Kuala Lumpur.
   (b) <u>By electronic means</u>
   The proxy form can be electronically lodged with the Poll Administrator of the company via Dvote Online website at https://www.dvote.my.
   The procedure to submit your Proxy Form electronically is outlined below in Administrative Guide under "**Procedures to Participate Physically**". The electronically Proxy Form submission applicable for the individual shareholders only and corporation required to send hard copy Proxy Form.
7. Please ensure ALL the particulars as required in the Proxy Form are completed, signed and dated accordingly. If no name is inserted in the space provided for the name of your proxy, the Chairman of the meeting will act as your proxy.
8. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn. Bhd. to make available to the Company pursuant to Clause 62 of the Constitution of the Company, a Record of Depositors as at 10 June 2025 and only a Depositor whose name appear on such Record of Depositors shall be entitled to attend this meeting.

AFFIX
STAMP

The Share Registrar of
HARRISONS HOLDINGS (MALAYSIA) BERHAD
[Registration No. 199001003108 (194675-H)]

Lot 9-7, Menara Sentral Vista
No. 15D, Jalan Sultan Abdul Samad
Brickfields
50470 Kuala Lumpur

HARRISONS HOLDINGS (MALAYSIA) BERHAD
REGISTRATION NO. 199001003108 (194675-H)
(Incorporated in Malaysia)

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