

30th Annual General Meeting



PRE-AGM QUESTIONS FROM THE MINORITY SHAREHOLDERS WATCH GROUP (“MSWG”) AND RESPONSES

MSWG Q&A – Operational & Financial Matters



Question	1. The consumer and food ware products segment saw revenue declining 5.3% to RM46.97 million in FY2024. (page 5 of AR 2024) a) What are the challenges faced by the Group in growing the sales of consumer and food ware products? What measures are you taking to overcome these challenges?
Response	<p>The Group faces challenges in growing sales of consumer and food ware products, primarily due to stagnant economic sentiment, which makes consumers more budget-conscious in their spending.</p> <p>To overcome these challenges, we are focusing on ensuring our products remain competitively priced while maintaining high quality. Additionally, we are strategizing our marketing efforts to expand outreach and effectively target specific consumer groups in order to drive demand and also in enhancing our brand visibility in a competitive market.</p>

MSWG Q&A – Operational & Financial Matters



Question	b) What are the Group's growth strategies over the next three to five years?
Response	<p>The Group's growth strategies over the next three to five years include:</p> <ul style="list-style-type: none">• Pursuing New Business Opportunities: Leveraging our strong financial position, we aim to explore and invest in new business opportunities that align with our long-term growth objectives in order to broaden our revenue base.• Expanding the Consumer and Foodware Division: We plan to grow this division by introducing new product ranges, capitalizing on our existing manufacturing infrastructure to enhance efficiency and meet market demand.

MSWG Q&A – Operational & Financial Matters



Response	<p>(Continued)</p> <ul style="list-style-type: none">• Enhancing Market Presence: We will focus on strengthening our brand presence and improving our marketing strategies to better engage with targeted group of consumers.• Investing in Innovation: Continuous investment in research and development will help us innovate and stay ahead of market trends.• Sustainability Initiatives: We will prioritize sustainable practices in our operations and product offerings, aligning with consumer preferences for environmentally friendly options. <p>Through these strategies, we aim to drive sustainable growth and enhance our competitive position in the market.</p>
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MSWG Q&A – Operational & Financial Matters



Question	c) What is the outlook for the consumer and food ware products segment?
Response	<p>Despite the challenges posed by a stagnant economic sentiment, we remain optimistic about the outlook for the Consumer and Foodware product segment. We believe that adaptability and innovation in response to evolving consumer preferences are crucial for success in this competitive industry.</p> <p>By focusing on understanding consumer needs, enhancing product quality, and exploring new market opportunities, we are confident that we can drive growth and resilience in this segment. Our commitment to sustainability and effective marketing strategies will also help us strengthen our market position and meet changing consumer demands.</p>

MSWG Q&A – Operational & Financial Matters



Question	<p>2. The Group's online store has consistently ranked within the top three on Shopee for several categories such as chairs, shoeboxes and storage boxes. With the increasing trend of online shopping among consumers, the Group is committed to further expanding its E-Commerce presence both locally and internationally. (page 5 and 8 of AR 2024)</p> <p>a) How much was the contribution from E-Commerce to the Group's total revenue in FY2024? Does the Group set any targets in terms of revenue contribution from the E-Commerce segment?</p>
Response	<p>E-Commerce contributed about 9.5% out of the total local sales generated in FY 2024. We hope to further grow the revenue contribution from this market segment to about 15% of our total local sales in due time.</p>

MSWG Q&A – Operational & Financial Matters



Question	b) What is the estimated market size of the consumer and food ware products in Malaysia?
Response	The local consumer market is estimated to be worth more than MYR200 billion. <i>(Source: Statista Market Insights – July 2024 Update)</i>

MSWG Q&A – Operational & Financial Matters



Question	3. The manufacturing facilities of the Group are based in Malaysia and Europe (page 86 of AR 2024). a) Please provide the sales breakdown between facilities in Malaysia and Europe for the last three years.
Response	We regret to inform you that we are unable to provide a detailed sales breakdown between our facilities in Malaysia and Europe for the last three years. This is due to the fact that different components of our products are manufactured in various facilities, depending on factors like cost structure and production efficiency. As such, tracking sales specifically by facilities would not accurately reflect our operational dynamics.

MSWG Q&A – Operational & Financial Matters



Question	b) The strengthening Ringgit against GBP and EUR is expected to negatively impact the Group's bottom line. What are your strategies to offset the overall impact?
Response	To offset the negative impact of the strengthening Ringgit against GBP and EUR, we will closely monitor exchange rate movements and evaluate their effects on our operations. This analysis will be taken into consideration when making adjustments to our pricing strategy, allowing us to remain competitive while mitigating potential losses. Additionally, we may explore cost optimization measures and enhance operational efficiencies to further cushion the impact on our bottom line.

MSWG Q&A – Corporate Governance Matters



Question	4. For FY2024, the Board comprises two female directors out of four directors, which meets the criteria of at least 30% women directors. What benefits has the Board experienced from gender diversity among its members? How have these benefits impacted the Board's performance?
Response	Gender diversity among the board members will offer diverse perspectives and inputs during discussion. A diverse team tends to exhibit a more well balanced opinions during deliberations, encouraging more robust interaction during board meeting and eventually leading to a more thoughtful and better decision making.

MSWG Q&A – Corporate Governance Matters



Question

5. Practice 5.3 of the MCG stipulates that an independent director's tenure should not exceed a cumulative term limit of nine years. If the board intends to retain an independent director beyond nine years, it should justify and seek annual shareholders' approval through a two-tier voting process.

Madam Lam Voon Kean, one of the Company's independent directors, has served the Board as an Independent Non-Executive Director for more than nine years.

Please explain why a two-tier voting process is not adopted when seeking shareholders' approval to retain the independent director at the upcoming AGM. As her tenure has now exceeded nine years, what is the Company's plan for identifying a replacement?

MSWG Q&A – Corporate Governance Matters



Response

The Group does not adopt a two-tier voting process when seeking shareholders' approval to retain the independent director at the upcoming AGM as the Group believes that every share owned by any shareholders should carry equal weight in voting power.

In terms of succession planning, the Group is actively identifying a new independent director to ensure a smooth transition and uphold our governance standards. This process includes evaluating potential candidates who will align with our values and is able to bring diverse perspectives to the Board.

MSWG Q&A – Sustainability Matters



- Question** 6. Fuel consumption, which comprises petrol and diesel, recorded significant increases over the last two financial years. It is the largest contributor to the Group’s Scope 1 GHG emissions. (page 41 of AR 2024).

Direct – Scope 1 GHG Emissions			
	FY2022	FY2023	FY2024
Fuel consumption (liter)	125,615	212,272	295,090
Heating oil consumption (liter)	38,620	29,304	31,568
LPG Gas consumption (liter)	54,622	51,979	53,675
Scope 1 GHG emission (tCO₂e)	426	627	839

MSWG Q&A – Sustainability Matters



- Question** **(Continued)**
 a) Does the Group have any plans to reduce fuel consumption in the future? If not, what initiatives do you plan to take to reduce Scope 1 GHG emissions?

Response As explained in the AR , the significant increase in fuel consumption was mainly due to purchase of additional lorries to support the growing business of Consumer and Food ware and thus lessen the reliance on external transporters to deliver our products to our customers.

We are committed to optimizing our delivery planning. By refining our logistics strategies and resource allocation, we aim to improve efficiency, reduce costs, and minimize our environmental impact while continuing to meet customer demand effectively.

MSWG Q&A – Sustainability Matters



Question	b) We commend the Group’s achievement in reducing GHG emissions by a total of 2,828 TCO ₂ e over the three-year period from FY2022 to FY2024 via the installation of solar PV system (page 40 of AR 2024). Does the Group have any plans to further reduce its Scope 2 GHG emissions? If yes, what is your target, and what is the timeline?
Response	<p>As highlighted in our Annual Report, we have successfully installed solar photovoltaic systems at all our major manufacturing sites in Malaysia, as well as at the paper mill in the United Kingdom. This initiative not only enhances our sustainability efforts but also helps reduce our carbon footprint and energy costs.</p> <p>Looking ahead, we will actively consider similar solar installations in any new facilities we establish, whenever feasible. By continuing to invest in renewable energy solutions, we aim to further our commitment to sustainability and contribute positively to the environment.</p>