



**ANNUAL REPORT**  
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LADIES' LEATHERWARE



GENTS' APPAREL & LEATHERWARE



GENTS' APPAREL



LADIES' LEATHERWARE



GENTS' LEATHERWARE



LADIES' LEATHERWARE



GENTS' APPAREL



GENTS' APPAREL, LEATHERWARE, BABIES & KIDS' WEAR



BOUTIQUE



GENTS' & LADIES LEATHERWARE



LADIES' LEATHERWARE



BOUTIQUE

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## OUR VISION



- Our commitment is to protect the environment, conserve resources, and empower our community to embrace the principles of reducing, reusing, and recycling (3R).
- We aspire to be a leading fashion group in Malaysia, recognized for our diverse portfolio of brands and our commitment to delivering high-quality products to our valued customers.

## OUR MISSION



- We are committed to continually improving product quality and design by fostering an innovative and dynamic team driven by a strong work ethic.
- Our mission is to inspire and challenge our communities to achieve the highest standards in waste reduction, recycling, and reuse. We aim to do this through innovative, creative, and efficient programs that boost economic vitality and promote environmental sustainability. We envision a future where we are present in every municipality, elevating Malaysia's recycling awareness to match that of other developed nations.

## CORPORATE INFORMATION

### DIRECTORS

**CHUA JIN KAU**

(Executive Chairman)

**LOKE LEE PING**

 (Executive Director /  
Chief Executive Officer)

**LEE KOK HENG**

(Independent Non-Executive Director)

**DATUK WONG SAK KUAN**

 (Non-Independent  
Non-Executive Director)

**DATO' LEE BAN SENG**

(Independent Non-Executive Director)

**CHEN, JIANHUA**

(Independent Non-Executive Director)

**WONG YU PERNG**

 (Non-Independent  
Non-Executive Director)

**LOW KOON MIN**

(Independent Non-Executive Director)

**DR. NORHANIM BINTI MAT SARI**

 (Independent Non-Executive Director)  
(Appointed on 1 March 2024)

#### AUDIT AND RISK MANAGEMENT COMMITTEE

**Low Koon Min** (Chairperson)  
**Datuk Wong Sak Kuan**  
**Lee Kok Heng**

#### NOMINATION AND REMUNERATION COMMITTEE

**Lee Kok Heng** (Chairman)  
**Datuk Wong Sak Kuan**  
**Low Koon Min**

#### REGISTERED OFFICE

 Unit 521, 5th Floor, Lobby 6,  
Block A, Damansara Intan,  
No.1, Jalan SS20/27,  
47400 Petaling Jaya,  
Selangor Darul Ehsan.  
Tel. No. : 03 - 7732 0792  
Email : cosec@aquilla.com.my

#### CORPORATE OFFICE

 Lot 1903A, 1st Floor,  
Jalan KPB 7,  
Kawasan Perindustrian Kg. Baru  
Balakong,  
43300 Seri Kembangan,  
Selangor Darul Ehsan.  
Tel. No. : 03 - 8961 8818  
Fax. No. : 03 - 8961 8810  
Email : mesb@mesbbhd.com  
Website : www.mesbbhd.com

#### SHARE REGISTRAR

 Securities Services (Holdings)  
Sdn. Bhd.  
Level 7, Menara Milenium,  
Jalan Damanlela,  
Pusat Bandar Damansara,  
Damansara Heights,  
50490 Kuala Lumpur.  
Tel. No. : 03 - 2084 9000  
Fax. No. : 03 - 2094 9940  
Email : info@sshsb.com.my

#### COMPANY SECRETARY

**Khoo Ming Siang**  
 (MAICSA 7034037)  
 (SSM PC No. : 202208000150)

#### AUDITORS

 Crowe Malaysia PLT  
Level 16, Tower C,  
Megan Avenue II,  
12, Jalan Yap Kwan Seng,  
50450 Kuala Lumpur.

#### PRINCIPAL BANKERS

 Ambank (M) Berhad  
Standard Chartered Bank  
Malaysia Berhad  
Bangkok Bank Berhad  
Alliance Bank Malaysia Berhad  
Maybank Islamic Berhad

#### STOCK EXCHANGE LISTING

 Main Market  
Bursa Malaysia Securities Berhad  
Sector : Consumer Products &  
Services  
Stock short name : MESB  
Stock Code: 7234

#### SUBSIDIARIES

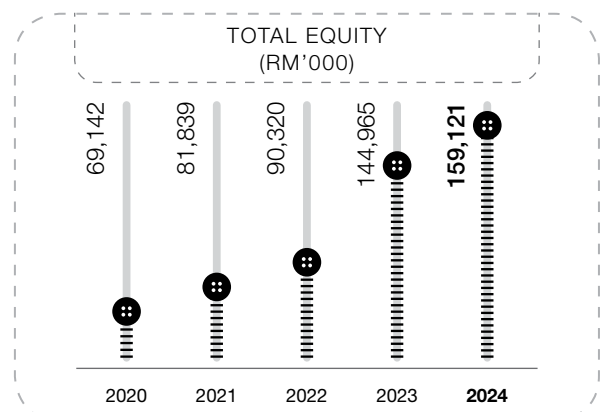
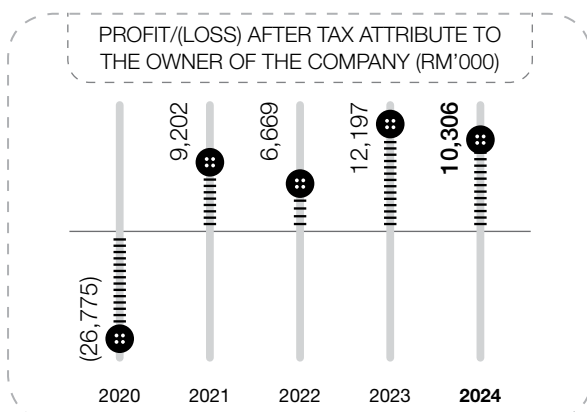
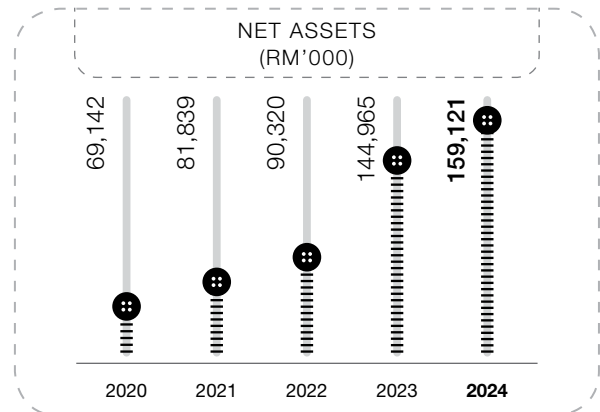
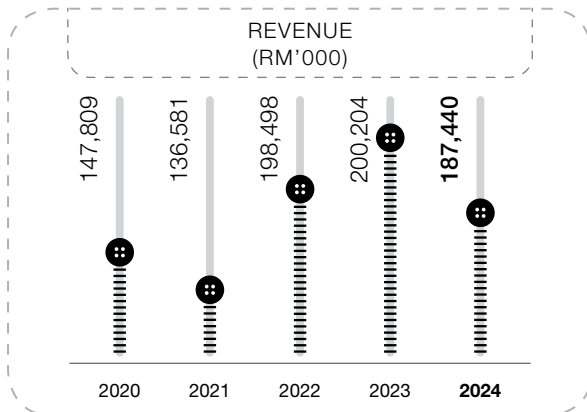
 MESB Resources Sdn. Bhd.  
N.U. Recycle Sdn. Bhd.  
Waier Trading Sdn. Bhd.  
Formidex Sdn. Bhd.  
Miroza Leather (M) Sdn. Bhd.

## GROUP FINANCIAL HIGHLIGHTS

RM'000 (unless otherwise stated)

	2020	2021	2022	2023 <sup>#</sup>	2024
<b>STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME</b>					
Revenue	147,809	136,581	198,498	200,204	<b>187,440</b>
Profit/(Loss) after taxation for the year	(26,775)	9,202	6,669	12,193	<b>14,156</b>
Profit/(Loss) attributable to owners of the Company	(26,775)	9,202	6,669	12,197	<b>10,306</b>
Basic earnings/(loss) per share (sen)	(30.71)	8.92	6.13	9.18	<b>7.14</b>
<b>STATEMENT OF FINANCIAL POSITION</b>					
Total assets	132,960	147,178	150,761	174,254	<b>179,964</b>
Total liabilities	63,818	65,339	60,441	29,289	<b>20,843</b>
Net assets	69,142	81,839	90,320	144,965	<b>159,121</b>
Total equity	69,142	81,839	90,320	144,965	<b>159,121</b>
<b>CASH POSITION</b>					
Cash and cash equivalents	32,323	44,187	49,753	37,828	<b>47,422</b>

# The result consist of continuing and discontinued operations, please refer to financial statements.



## CHAIRMAN'S STATEMENT

On behalf of the Board of Directors of MESB Berhad, also known as "MESB" or the "Group," I am honored to present the Annual Report and Audited Financial Statements for the fiscal year ended June 30, 2024, referred to as "FY2024."

Founded on March 28, 1995, MESB is now listed on the Main Market of Bursa Malaysia Securities Berhad. The Group operates through its subsidiaries, focusing on waste recycling, apparel and leather products. Since the completion of the acquisitions of three waste recycling companies, namely N.U. Recycle Sdn Bhd, Formidex Sdn Bhd, and Waier Trading Sdn Bhd (collectively the "Recycling Subsidiaries") in June 2023, MESB has expanded from its original apparel and leather products retail operations into the waste recycling business ("Recycling Business"), which has since emerged as the core business of the Group.

The acquisition of the Recycling Subsidiaries marks a significant milestone in MESB's strategy to solidify its position in the recycling industry. Specializing in the recycling of waste materials such as paper, plastic scrap, and metals, these subsidiaries have significantly boosted the Group's earnings. The integration of the Recycling Business has been highly profitable, contributing RM7.45 million—over 70% of the Group's total PAT attributable to the owners of the Company, amounting to RM10.31 million for FY2024.

The strategic importance of the Recycling Subsidiaries cannot be understated. With the global focus shifting towards sustainable practices, recycling is no longer just an optional business segment but a necessity. As the Recycling Business has emerged as MESB's core business, the Group is well-positioned to capitalise on the growth opportunities within Malaysia's recycling industry. The Government's increasing emphasis on sustainability, the circular economy, and environmental conservation aligns perfectly with the business objectives of MESB. By expanding its operations in this sector, the Group is not only contributing to the national goal of increasing recycling rates but also building a business that is poised for long-term growth and profitability.

This transformation is part of MESB's long-term strategy to generate sustainable growth and improve its resilience to market fluctuations.

MESB's commitment to growth and operational excellence has allowed the Group to consistently deliver value to its shareholders. MESB has continuously refined its core capabilities and is guided by strategic investment management, which ensures its competitiveness in an increasingly challenging business environment.

Additionally, as of May 31, 2024, MESB successfully completed the sale of its remaining 20% interest in Active Fit Sdn Bhd, in accordance with the conditional share sales agreement signed on September 22, 2022.

While the Recycling Business segment has shown impressive growth, the retail segment has faced some challenges over the past year. In FY2024, the retail division reported a turnover of RM140.75 million, down from RM150.74 million in FY2023, while PAT attributable to owners of the Company contribution has decreased significantly to RM4.71 million vis-à-vis RM13.17 million recorded for the previous corresponding year following the completion of the disposals of 45% equity interest in Miroza Leather (M) Sdn Bhd, 80% equity interest in Active Fit Sdn Bhd and 100% equity interest in MESB Capital & Development Sdn Bhd on 16 June 2023. The retail offering includes apparel and leather goods such as wallets, purses, handbags, backpacks, and sling bags. The Group's distribution strategy is centered around consignment agreements with department stores. As of June 30, 2024, the Group has over 500 consignment counters in major retail outlets. The Group also engages in direct sales to a range of additional retailers as well as on third-party platforms such as Lazada and Shopee.

Looking forward, the Group is well-positioned to benefit from the favorable Government policies supporting the recycling industry, which is undergoing rapid transformation, driven by initiatives such as the Twelfth Malaysia Plan, which aims to increase the recycling rate of household waste to 40% by 2025. MESB is well-positioned to benefit from these initiatives, particularly with the Government's push for waste management reforms and the promotion of the circular economy.

The recycling sector also presents numerous opportunities for innovation. As the Group expands its operations, it will explore new technologies and methods for improving recycling efficiency, reducing waste, and developing more sustainable practices. Additionally, the Group's Recycling Business also contributes to environmental conservation, which is a growing concern both globally and locally.